

The Maryland-National Capital Park and Planning Commission



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ANNUAL REPORT**

OF

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For the Fiscal Year Ended June 30, 2018

Commissioners

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Elizabeth M. Hewlett, Vice-Chair of the Commission
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Gerald R. Cichy
William M. Doerner
Norman Dreyfuss
Manuel R. Geraldo
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Joseph C. Zimmerman, Secretary-Treasurer
Adrian R. Gardner, General Counsel

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Darin Conforti, Prince George's County Acting Director of Parks and Recreation

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Prepared by the Department of Finance

Joseph C. Zimmerman, Secretary-Treasurer

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Barbara Walsh, Accounting
Chip S. Bennett, Administration
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◆ PART I ◆
INTRODUCTORY SECTION



Celebrating the 40th Anniversary of Publick Playhouse.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

December 13, 2018

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2018 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, 2018 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, 2018 are fairly presented in conformance with GAAP. The independent public accountants report is presented as the first component of the Financial Section of this Report.

This year the Commission is not required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles and Audit Requirements for the Federal Awards. The Commission is required to file a Uniform Financial Report with the Maryland State Department of Legislative Services by January 1 of each year.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. 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 7 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 2018, 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, 2018, the Commission's General Fund budget basis ending fund balance was \$245.6 million.

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

Montgomery and Prince George's Counties are adjacent to Washington, D.C. and both of these counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the wealthiest state in the nation, according to the latest U. S. Census data. The state's median household income for 2016 was \$76,067, an increase of about \$220 from the previous year.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 30, 2018, the nation's unemployment rate was 4.4 percent, whereas Montgomery and Prince George's rates were 3.4 percent and 4.7 percent, respectively. These counties have a combined population base of 2.0 million people and have over 1.1 million employed as of fiscal year 2018.

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 FY2018 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 (\$215.0 million) which are planned to be used over the six-year period to maintain a stable tax rate for the Commission in that county.

Major Initiatives

The Commission enjoyed an excellent program year in fiscal year 2018. 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, 2017. 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 2018. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

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

Respectfully submitted,



Joseph C. Zimmerman, CPA
Secretary-Treasurer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

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.

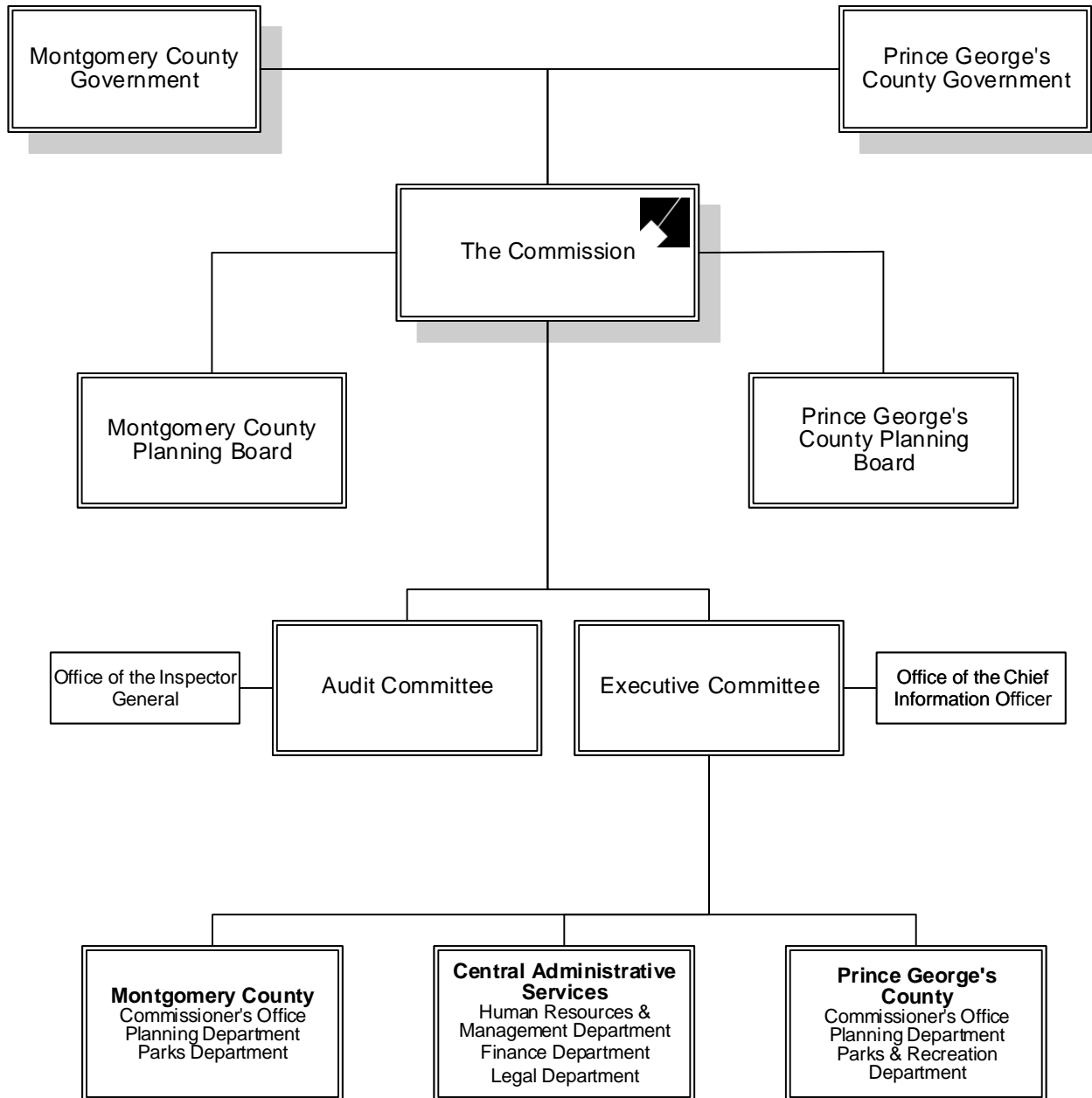
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

ORGANIZATION CHART





FY2018 PROGRAM HIGHLIGHTS

SUMMARY

The Maryland-National Capital Park and Planning Commission continued to advance its overriding mission to provide award-winning, quality programs, services and facilities to benefit the residents of our increasingly diverse bi-county area. In FY18, Montgomery Parks has continued to expand to meet the needs of the growing and diversifying population of Montgomery County. The Montgomery County Planning Department focused on advancing new suburbanism, an approach to changing car-dependent, isolated enclaves into walkable, connected places near jobs, transit, parks and retail. The Department of Parks and Recreation kicked off its 4th Annual STEAMFest, a month-long event which celebrates science, technology, engineering, arts, and math by hosting STEAM-related hands-on activities and experiments all across the county. Nearly 1,000 people were on sight at the College Park Aviation Museum Campus to view the total solar eclipse. Approximately 600 pairs of solar glasses were distributed to see this once in a lifetime event and more than 750 people visited the museum. The Prince George's Department of Planning continued its' work in zoning moderation and subdivision ordinances; planning for quality communities; preserving and protecting the environment and historic properties and supporting economic growth.

Montgomery County Parks

The Energized Public Spaces Plan provides a comprehensive approach to how and where parks and public spaces are created in the parts of the county where more people live and work. In spring 2018, the Park Refresher program was launched to renovate more parks in a shorter amount of time and at less cost. This was possible as the program combines design steps, uses on-call contractors and in-house trade staff, and establishes an annual funding pool for multiple projects. By improving existing facilities, trails, playgrounds, fields, courts and buildings, we enhance the park users' experiences and extend the life-span of these facilities. The groundbreaking Pepco Trail is a partnership between Montgomery Parks, Mid-Atlantic Off-Road Enthusiasts and PEPCO/Exelon Corp. The initial 6-mile trail segment will use the electric utility right-of-way to connect South Germantown Recreational Park with the Muddy Branch Stream Valley Park in North Potomac.

Athletic Field Showcase Events: highlight the multiple ways to improve the quality of our athletic fields. Demonstrations highlight the state-of-the-art equipment and how athletic fields are managed and maintained. Moving forward, the athletic field team is finalizing a plan to improve playing surfaces using collector data, community input and field locations. The focus is on new construction projects, renovations of infields and rectangles, as well as training for staff and the community. Montgomery Parks maintains 512 athletic fields covering more than 750 acres of playing surfaces that attract residents and visitors from around the region. The ongoing partnership with Montgomery County Public Schools (MCPS) has allowed the athletic field inventory to grow and, to date, 206 MCPS fields are maintained. In FY18, Parks renovated 26 fields to improve field playability and safety. The Parks' Athletic Field Showcase highlights the multiple services used to ensure the high quality of our athletic fields. Demonstrations highlight the state-of-the-art equipment methods used to improve the quality of the athletic fields. Moving forward, the athletic field team is finalizing a plan to improve playing surfaces using collector data, community input and field locations. Current focus is on new construction projects, renovations of infields and rectangles, as well as training for staff and community.

Festivals and Special Events in the Community: Throughout the year, Parks hosts dozens of festivals and special events that aim to bring the vast county residents together. Not only do these events build community, but they focus on community-centered issues like sustainability, recreation, historic preservation and more. The annual autumn Harvest Festival recreates 19th-century farm life and Maple Sugaring Days celebrate the sweet life with freshly-tapped maple syrup. Every year, talented cyclists take big air (off road biking) at MoCo Epic and, for those who like to keep their two feet on the ground, the Parks Half Marathon is held annually. In May 2018, the collaborative Montgomery County Greenfest, the largest environmental festival in the county, makes the path to a greener life easier to find. These events are often free and promote park usage all year round.

New Scholarship Initiative: Honoring former Montgomery Planning Board Commissioner Marye Wells-Harley, a new scholarship initiative was created to provide children ages six to 14 with an opportunity to attend a Montgomery Parks' summer camp. The scholarship pays tribute to the great work accomplished by Commissioner Wells-Harley on the Montgomery County Planning Board as well as her work as the director of Prince George's County Department of Parks and Recreation. Scholarships are awarded based on financial need and provide children the opportunity to experience the summer camp of their choice. Due to generous community donations, 13 scholarships have been awarded and applications are still be accepted for summer 2018.

Americans with Disabilities Act: The Parks Department is committed to upholding the integrity of the Americans with Disabilities Act by delivering appropriate and reasonable inclusive services, modifications and physical accessibility to ensure social equality and inclusion of all citizens. Our Program Access Office continues to promote and enhance access for all by coordinating direct and indirect services to the public and conducting ongoing inclusion trainings to staff. Creating access to the park system is an ongoing program and, to date, more than 1,500 barriers have been removed to allow accessibility within our parks and facilities, in addition to hosting disability management training for 1,500 personnel and provide more than 80 direct and indirect services to park patrons.

Montgomery County Planning Department

Planning for Great Communities: The County Council approved the Grosvenor-Strathmore Metro Area Minor Master Plan in December 2017 and the Technical Update to the Master Plan of Highways and Transitways in July 2018. Planning Board work sessions continue for the Veirs Mill Corridor Master Plan, with recommendations for an area stretching from Wheaton to Rockville, and the MARC Rail Communities Plan for station areas in Boyds and Germantown. The goal of these planning efforts is to improve the quality of life in Montgomery County's diverse communities through recommendations for public spaces, transportation, environment, new development and more.

Vision Zero: Implementing Montgomery County's Vision Zero policy to eliminate traffic-related fatalities and severe injuries by 2030 is the focus of several current planning efforts. The goal is to redesign our busiest suburban corridors as complete streets that encourage safe travel speeds and provide more frequent safe crossings. Recommended in the Veirs Mill Corridor Master Plan are continuous walkways and bikeways, improved access to transit and increased connectivity to community facilities and neighborhood uses. A road diet is recommended in the MARC Rail Communities Plan to slow traffic and promote pedestrian safety. The ongoing Forest Glen/Montgomery Hills Sector Plan examines ways of making Georgia Avenue more pedestrian-friendly. The Bicycle Master Plan, now under review by the County Council, and newly launched Aspen Hill Vision Zero Study also consider safety measures for all modes of transportation.

Studies of Housing and Retail Trends: Various housing types to meet the needs of residents across the income spectrum are at the top of Montgomery Planning's agenda. The recent Rental Housing Study, completed in 2017 by the Research and Special Projects Division, has resulted in changes to the moderately priced dwelling unit (MPDU) program. In July 2018, the Montgomery County Council passed two new laws that make the MPDU program more adaptable, while increasing the required percentage of affordable units in high income areas of the county. The 2018 Study of Housing for Older Adults examines the types of residential developments needed for the county's increasing number of residents aged 65 and older. The Missing Middle Housing Study looks at ways of reinvigorating the types of dwellings – bungalows, duplexes and others – that were popular decades ago but have since disappeared from our communities. The report stresses the importance of creating such small, clustered homes for empty nesters, first-time homebuyers and others seeking affordable alternatives, and discusses the financial and regulatory challenges of building them. As large chain stores close and more people shop online, retail is undergoing fundamental changes.

Colocation of Public Facilities Study: Completed in June 2018, the Colocation of Public Facilities Study recommends new tools to enhance resource-sharing and adjacencies of the county's public facilities, including schools and government buildings. The study includes a survey of national colocation policies and practices. In addition, research staff is currently studying demographic, housing and employment trends in Montgomery County to inform our planning efforts and prepare for the upcoming General Plan Update.

Award-Winning Public Outreach: Engaging hard to reach audiences continues to be a priority for Montgomery Planning. All plans and initiatives start with the residents of Montgomery County and, through traditional and new types of public outreach, planners have met people where they are and made it easy and fun to be a part of the planning process. Our communications efforts have been recognized on the national stage with five Hermes Creative Awards for the fall 2017 semiannual report, Veirs Mill Corridor Master Plan, Bicycle Master Plan coloring book, Agricultural Reserve promotional video and the 2017/18 Winter Speakers Series.

Local Planning Award: In October 2017, the Planning Department won the Best of the Best Award in Excellence in Quality Land Use and Collaboration in Urban Design from the DC-Maryland chapter of NAIOP (National Association for Industrial and Office Parks). The Department was one of six winners of the 2017 Best of the Best Award and the first governmental entity to be awarded this honor.

Improving Regulatory Reviews: In FY18, the Department's Development Application and Regulatory Coordination Division processed 602 total regulatory plans and 1,449 non-regulatory plans. These plans included 89 forest conservation plans approved by the Planning Board and staff, 171 forest conservation exemptions, 67 natural resource inventories/forest

stand delineations reviewed by the Planning staff, 6 zoning applications, 99 record plats, 53 preliminary plans, 11 administrative subdivision plans, 109 project plans, site plans and sketch plans, 1,421 building permits and 33 mandatory referrals.

Significant Development Proposals: Among the most significant development proposals are the new Marriott headquarters and the 7272 Wisconsin Avenue complex in Bethesda, the 309-home development on the former site of Bethesda's WMAL radio tower, the Hanson Farm property in Darnestown with 187 single-family homes and a 297-unit residential complex in White Flint. Staff are continually looking at ways to improve the development review process. Efficiencies to date have been achieved through ePlans and efforts to better coordinate the review tasks of the Planning Department, Department of Permitting Services and Department of Transportation.

Investing in Historic Preservation: As part of its work to support the county's Historic Preservation Commission, the Historic Preservation Office processed 206 historic area work permits in FY18, about the same number as in FY17. Staff also received 121 historic preservation tax credit applications, representing almost \$2 million in investments in historic properties across Montgomery County.

Prince George's County Department of Parks and Recreation

Bringing Art to the Community: The Department increased its efforts to expand art offerings in the community with new partnerships and events including expanded musical theater programs and summer arts intensives for youth and teens. Summer community theater and music performances increased as well. In addition to offering digital media arts opportunities for teens via a new partnership with B-Roll Media & Arts, Inc., the Department engaged several local artists in the development and installation of public art projects at newly renovated/constructed community centers throughout the County. These collaborations provided new and high quality visual and performing arts experiences for the community, as well as provided opportunities for the Department to reach a broader arts audience. The Junior Academy for the Performing Arts relaunched its year-round programming to include free musical theater workshops for youth and teen participants, utilized a newly developed theater curriculum, offered new JAPA-branded summer camps at The Clarice Smith Center for the Performing Arts, and performed Broadway-like productions for family and friends.

Promoting Health and Wellness in the Community: In FY 2018, the Department launched the national Park Prescription Initiative (Park Rx) with a community partnership luncheon. Park Rx is a national initiative dedicated to using and strengthening the connection between health care, parks, and public lands to improve physical and mental health among individuals and communities. This partnership allows health professionals to connect their patients with our parks to encourage overall behavioral change, improve health outcomes, and foster new stewards and advocates for public lands.

Festivals and Special Events in the Community: An array of special events drew thousands of residents and visitors to the Winter Festival of Lights, summer concerts in the parks and outdoor movie nights, the Lake Arbor Jazz Festival, the 36th Annual Hispanic Festival, the American Indian Festival, the Beltway BBQ, the Jug Bay Run for Wildlife, and summer wine and jazz festivals. The Department also experienced record attendance at our annual Juneteenth Festival, held 12 Shakespeare in the Parks performances, and sponsored the Fairwood Music Festival, offering arts activities, several music performances, art vendors, and food trucks for all to enjoy. We also supported causes with our Domestic Violence Walk, Light it Up Blue (for Autism) and Trot for a Turkey walks. In addition, the Park Police Community Day allows residents to meet and engage with our officers. New events received record attendance and are expected to become community staples in the years to come.

Summer Camp and Volunteers in the Community: The summer of FY18 was the first extended summer offering for the Department, with more than 18,200 registrations for children and youth for summer day camps and playgrounds into late August. We continue to enhance and refine camp offerings to address the changing needs of the community. During FY18, the Department provided support to community organizations valued at \$630,630.89 (including the waiver of rental fees for space and the cost of usage of equipment and services). In FY18, volunteers donated hours valued at \$521,249, enhancing the Departments efforts in the community.

Conserving the Environment for the Community: The Department launched its One Million More campaign, which aims to divert an additional one million pounds of trash to recycling in FY2018. Increasing awareness and education, as well as providing hundreds of new recycling bins, is part of the overall strategy. In an effort to build a culture of conservation, the Department created a first-of-its-kind carbon farm, a beekeeper collective, and installed three cisterns to repurpose rainwater. The Department also began work on several Storm water Management Retrofit projects, Stream Restoration projects, and Living Shoreline projects in partnership with the Prince George's County Department of the Environment. In FY18, the Department received a \$150,000 grant from the Chesapeake Bay Trust to continue reforestation projects, pollinator gardens, invasive plant removal, and expanded the Conservation Job Corps.

Investing in Infrastructure in the Community: In FY 2018, the Department launched a multi-year, multi-million dollar restoration program for its historic sites that will focus on nine of the Department's most popular historic museums. An Inventory and Inspection Program of bridges and storm water management facilities also began in FY18.

Expanding Services to the Community: The Department continued to be a major provider of nutrition for youth at eligible summer playgrounds, teen centers, and afterschool programs in partnership with Prince George's County Public Schools and Capital Area Foodbank. Senior Services continued to provide Active Aging Week, the Centenarian Celebration and Club 300 for our 60 and better demographic and expanded their program by hosting the first "Senior Veterans Appreciation Luncheon" with more than 400 veterans in attendance.

Connecting with the Community: Social media enabled the Department to provide 24/7 customer service in FY18. Television and digital ad campaigns connected programs, services and the Department brand with potential patrons, including a campaign to promote the launch of the new PARKS DIRECT registration system. The Department also created the *History Lives!* campaign to promote our historic sites to a wider audience. A new multi-purpose brochure serves as a guide to our entire portfolio of accessible historic properties. The Department also created new brochures to market all of the performing arts programming and a *Hispanic Heritage* brochure celebrating Latin culture, published in English and Spanish.

Prince George's County Planning Department

Modernizing Zoning and Subdivision Ordinances: Staff worked with the County Council and Council staff to review numerous comments received on a draft of the County's new Zoning Ordinance and Subdivision Regulations. Legislation containing the proposed Zoning Ordinance and Subdivision Regulations was presented by the County Council in April 2018 and referred to committee to receive public comments and hold work sessions on the proposals. Dozens of stakeholder meetings were held throughout the year, building on the project's successful, multi-faceted outreach strategy to engage 900,000 residents and interested parties.

Planning for Quality Communities: The Community Planning Division was reorganized into two operational sections: The Neighborhood Revitalization Section, which provides planning assistance to municipalities and communities, and the Long-Range Planning Section, which develops the County's comprehensive master plans and zoning map amendments. Community Planning's accomplishments during the year included approval of sector plans for East Riverdale-Beacon Heights and the Greater Cheverly area and a minor amendment to the 2006 Approved Sector Plan for the East Glenn Dale Area. The Division completed a study and action plan for the area around the Morgan Boulevard Metrorail Station and 30 percent design of the Central Avenue Connector Trail. Community Planning staff continues to support the County Executive's Transforming Neighborhoods Initiative (TNI) and assisting communities participating in the Maryland Department of Housing and Community Development's Sustainable Communities Program. The Division relaunched the Planning Assistance to Municipalities and Communities Program (PAMC), which provides technical and, in select cases, financial assistance for planning-related projects to municipalities and community organizations.

Providing Planning Support for Public Facilities and Services and Developing Efficient Transportation Systems: Staff members provided public facility technical support for all active master plans and completed 26 mandatory referral reviews of government and public utility construction projects. Staff also assisted in the development and review of the Board of Education's Annual Educational Facilities Master Plan and the Department of the Permitting, Inspection and Environment's Water and Sewer Plan, and coordinated the Planning Department's analysis of water and sewer category changes. Staff members continued work toward replacing the current traffic forecasting model with a new model that meets national best practice standards, along with assisting the Maryland Department of Transportation on several projects and initiatives.

Preserving and Protecting the Environment and Historic Properties: The Woodland and Wildlife Habitat Conservation Ordinance was implemented by reviewing the forest conservation and reforestation requirements for all new development. Staff also implemented the Chesapeake Bay Critical Area (CBCA) program as required by Subtitle 5B for all proposed development in the CBCA. Staff supported the work of the Historic Preservation Commission, including the issuance of grants to rehabilitate historic structures and recommendations for development review referrals and Historic Area Work Permits. The County Council approved a Resource Conservation Plan that establishes new policies for environmental, historic and rural character preservation. The Planning Board approved an update to the Environmental Technical Manual, specifically Part B, which provided guidelines on the preparation of a Natural Resource Inventory.

Supporting Economic Growth: In response to the Tax Cuts and Jobs Act of 2017, the Opportunity Zones Economic Development Program was established to encourage long-term private investments in low-income communities. In cooperation with the Prince George's County Executive Office and the Economic Development Corporation to support

economic growth and development, staff identified strategically selected census tracts for state nomination for Federal Opportunity Zone designation. Census tract recommendations were based on Plan 2035, the proposed Purple Line Metro stations, commercial revitalization areas, designated Enterprise Zone Focus Areas, and Gateway Communities interfacing Washington D.C. Governor Hogan submitted a slightly modified list to the federal government for approval. The US Treasury Office officially approved Governor Hogan's census tract nominations for designation as Qualified Opportunity Zones (QOZs) on May 18, 2018. The official list of QOZs is published in IRS Notice 2018-48. A map of QOZs by state is available on the US Treasury's website —<https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>. Other activities in support of policy development related to economic growth included the provision of expert guidance, presentations, data analysis, maps, and localized information.

Advancing Information Technology: In addition to maintaining and enhancing its IT hardware, software and network infrastructure the Network and Technology Services Section completed several major projects. Projects included migration to a new Active Directory environment, upgrading our network, and supporting an IT Security/network assessment. The GIS Section continued to maintain and enhance over 250 GIS layers and supported over 19,189 data downloads. PGAtlas continued to expand with new imagery links and enhanced topographic data. There were over 159,782-page views associated with users accessing PGAtlas, and another 10,030-page views associated with users accessing other web mapping applications. A new mailing list application was introduced, and a first ever countywide 3D building model was developed. The GIS section also initiated a new base mapping update project (planimetric features and topography) and began storing archives of data in the cloud. The Data Systems Section in cooperation with the Development Review Division completed a major scanning project involving over 3000 development activity cases. Several other scanning projects were identified and are programmed for completion in 2019. A major rewrite of our internal permit tracking applications was also completed with enhancements to the Historic Preservation application, supply ordering system, and multifamily application. The Division also provided support for the upcoming 2020 census by correcting and enhancing over 40,000 local update of census addresses (LUCA) and began preparations for the 2020 Complete Count Committee.

Promoting Responsible Development: The Department received 289 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. In addition, the department processed 13,725 applications for permit review and the Planning Information Counter processed a total of 6,677 telephone inquiries and 731 written inquiries. Some major development applications heard by the Planning Board included: The Melford Town Center, consisting of 388 units in a multi-family building; The Boulevard at Capital Centre Phase I for a proposed expedited transit-oriented development (ETOD) detailed site plan with 350 multifamily dwelling units and a total of 353,000 square feet of commercial (of which 130,000 square feet of commercial uses remain), retail, theater, and outdoor exhibit uses; The Children's Regional Outpatient Center detailed site plan approval for a 60,450 square foot medical office building; The New Carrollton Town Center was approved for a 285 unit multifamily building with approximately 3,500 square feet of commercial/ retail use; Woodmore Overlook detailed site plan approval of 215 single family attached townhouses; and The Landy Property preliminary plan of subdivision to develop 343 townhouses. Additionally, the Department continues to provide support for the development of Downtown Largo and the New Regional Medical Center.

Department of Human Resources and Management

Under the leadership of the Executive Director, the Department of Human Resources and Management (DHRM) provides executive and operational leadership to the agency through a set of best management practices, recommends and implements policy, and establishes administrative standards for efficient and effective operations. DHRM is responsible for the systems and programs that meet regulatory requirements and support the agency, programs and policies that ensure fair and equitable treatment of all employees, and the administration of systems to create, maintain, and retain a diverse, qualified, healthy, and motivated workforce. The Department also includes the Corporate Budget Office, which promotes the responsible use of public funds through complex analysis and long-term fiscal planning, and the Risk Management and Safety Office, which provides risk management, workplace safety, and insurance programs to protect the Commission's assets, employees and patrons.

Program and Service Improvements: There were several new initiatives and notable updates to agency-wide programs and policies to strengthen internal controls, contain costs, address organizational development concerns, promote a workplace of excellence, and enhance public accountability. These highlights are detailed below.

National Recognition for Workplace of Excellence: Once again, the M-NCPPC achieved national recognition for our innovative policies and programs from the Alliance for Workplace Excellence. Following a rigorous review by a panel of industry leaders, we became one of only a handful of organizations to earn all four awards for outstanding and innovative policies and programs including the Workplace Excellence Award for exceptional commitment to the overall success of

workforce initiatives such as management practices, workplace standards, and comprehensive work/life policies; the Health and Wellness Trailblazer Award; the Diversity Champion Award; the EcoLeadership Award for visionary leadership and commitment to environmentally sustainable workplace practices; and a Certificate of Recognition as an Age-Friendly Employer.

Workforce Planning/Development: DHRM continued implementing the multi-year recommendations from the comprehensive agency-wide compensation and classification study to support the ability to recruit and retain a highly skilled career workforce. We also updated the seasonal aquatics pay schedule and implemented our vendor transition goals and objectives to continue the support of fair and equitable compensation for our seasonal workforce. DHRM offered the Agency-wide language and literacy program for a third straight year and doubled the number of new students and continued the strategic development and implementation of the Diversity Council's agency-wide programs. Finally, we supported the Agency's continuing Accreditation with the National Parks and Recreation Association.

Collective Bargaining/Labor Relations: DHRM led the management bargaining team in collective bargaining with the Municipal and County Government Employees Organization/UFCWU Local 1994 (MCGEO) Union to obtain a three (3) year agreement effective for the period of July 1, 2018 through June 30, 2021. Other activities included advising departments on complex labor issues, conducting special investigations, responding to grievances, and continuing the full review of medical standards & Multilingual Pay standards for the employment of Park Police Officers.

Benefits Restructuring/Health Care Reform: The Department revised medical health benefits to comply with the Affordable HealthCare Act (ACA) by providing 100% coverage for all preventive care for all employees covered under our medical plans. We also obtained Medicare Part D (Prescription) subsidy payments of \$1.5 million from the federal government and offered a new Long-Term Care Plan to employees and retirees. We implemented formulary and utilization programs such as Transform Diabetes Care to prescription plan to help control costs and expanded the use of the ERP's Employee Self Service for open enrollment to over 1,000 employees. Finally, as part of our growing Health and Wellness Program, DHRM paid out over \$30,000 in wellness incentives to employees who participated in programs to improve employee and family health.

Fiscal Responsibility and Budget Management: We received the Distinguished Budget Presentation Award from the Government Finance Officers' Association (GFOA) for the 32nd consecutive year. The Corporate Budget Office is responsible for providing salary projections, long range fiscal planning, labor cost modeling, and cost allocations, and serves as the main point of contact for administration of the agency budgets. Departmental budget activities are streamlined to strengthen tracking, cost containment, and oversight, and to increase transparency. The Corporate Budget Office also updated the FY19–FY24 long-term fiscal plan for both Montgomery and Prince George's operations.

Risk Management/Workplace Safety: This Office is responsible for the administration of self-insurance and commercial insurance programs that protect the assets and liabilities of the agency and its employees. The Office is also charged with developing and implementing the agency's safety and health programs to reduce accidents and injuries through extensive training, inspections, testing, and regulatory compliance with state and federal workplace safety laws. Completed initiatives include: comprehensive review of workplace safety policies; supervisory training on emerging threats in the workplace (Opioid Addiction/Active Shooters); comprehensive assessment of compliance with Automated External Defibrillator (AED) program in 120 facilities; 68 facility inspections with enhanced reporting and 100% follow up on corrective actions; quarterly claim audits of worker's compensation and liability claims; environmental investigations to assess indoor air quality in 15 facilities; comprehensive risk assessments of flood and cyber exposures; Occupational Safety and Health Administration (OSHA)-based certification training for maintenance/construction supervisors; and safety compliance and awareness training for more than 1,100 employees.

Enterprise Resource Planning System (ERP): The agency selected RPI as the vendor to assist with the ERP system upgrade to Infor Lawson V10. The vendor and our M-NCPPC team assessed the HCM module focusing on Human Resources, Personnel Administration, Classification and Compensation, Benefits and Payroll functionality. Additionally, the team planned and gathered requirements to streamline and automate personnel action processing, a critical component in implementing the Employee Self Service and Manager Self Service modules. A system access solution for Human Resources Managers and Coordinators was designed to allow appropriate access to employee and organizational data, which will better equip them to support their business units. This work maximizes the organization's investment in Infor Lawson V10 and is designed to optimize departmental processes, policies, and procedures.

Corporate Policy/Operational Standards: The policy team conducts management studies, performs complex agency-wide and industry analyses, and develops recommendations for organizational policies/programs to address operational concerns, enhance efficiencies, strengthen internal controls, and address regulatory changes. Examples of policy/program analyses completed during this fiscal period include: continued comprehensive review and update of all agency policies with emphasis in the current cycle on employment, new mandates, and internal controls such as financial disclosure, tuition assistance, fraud, waste, & abuse, and OIG responsibilities.

Department of Finance

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

Corporate Financial Management: The Department provided financial guidance to operating departments on proposed and existing public, private partnerships, funding approaches for various projects, and long-term fiscal strategy. During FY18, the Department coordinated the sale of a \$33,000,000 million bond issue for Prince George's County Park Acquisition and Development Bonds. The proceeds will be used to finance certain capital park acquisition and development projects in the county.

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

Outreach to Minority, Female and Disabled Vendors: The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. These events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 17.7% which equated to \$24.7 million of procurement with MFD firms.

Financial Reporting: For the 44th 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 2017 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 2018, the OGC registered 27 new litigation cases and closed 28 cases – ending the year with 24 cases pending in state and federal courts. The cases closed during the year covered a variety of conventional disputes, including 10 ordinary tort claims, 3 workers compensation appeals and 2 contract disputes. The Commission litigation team consistently delivered successful results, prevailing in a number of notable cases – for example, a lawsuit that threatened to disrupt its revenue collection in one county, one case it launched to stop a municipality from annexing an historic Commission facility without seeking consent, and another case that contested the agency's deer management program. In an effort to preserve its stewardship over the historic Bladensburg Peace Cross monument – the renowned Prince George's County World War I memorial – the Commission also successfully petitioned the U.S. Supreme Court to review a federal appeals court's unfavorable interpretation of the Establishment Clause.

Proactive Legal Support for 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 2018, our work included: drafting amendments for a new "Signature Business Headquarters" zoning use category to encourage major employers to locate headquarters in Montgomery County; drafting effective local short-term rental land use and licensing laws to regulate short-term rentals – Airbnb, VRBO, etc. – in Prince George's County; developing an effective strategy to assure a service contractor's compliance with local wage and hour laws; 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 redevelopment of the Montgomery Village Golf Course in Montgomery County and the WB&A trail amenity required for the Vista Gardens 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 2018 include: the acquisition of a property on Bethesda Row as needed to connect the Capital Crescent Trail with a portion of the Purple Line light rail project; complex agreements for the Tucker Road Ice Rink redevelopment and Southern Regional Technology Center aquatic facility using the construction manager at risk procurement/project delivery method; the first-ever easement in Montgomery County authorizing and encouraging public trail access to privately-owned utility power transmission properties; and multiple technology agreements for the agency's technology systems.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 100 bills during the 2018 Session of the Maryland General Assembly, including about one dozen 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 \$9.7 and \$8.2 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 authorized by the Information Technology Council. The Information Technology Council and the Chief Information Officer provide the Commission governance for enterprise-wide project efforts. The CIO is responsible for strategic planning for the enterprise-wide IT systems in collaboration with the departments to meet business needs. The CIO also functions as the Commission's Chief Technology 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., while the Departments retain responsibility for functions that are appropriately decentralized. The Bi-County Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

During FY18, several major projects commenced. The ERP upgrade to Infor V10 project was employed in February 2018. The project has three main components and is being carried out in two phases. Phase One components are 1) Upgrade from Lawson V9 to Infor V10 2) Business Process Improvements and Phase Two has two new modules 1) Strategic Sourcing and 2) Contract Management). Kronos, the Time and Labor Management System is going through an upgrade to the newest version, to address some pressing business needs in several aspects of payroll automation and ERP Integration. Microsoft Active Directory upgrade is a project that will have several significant benefits: 1) Establish Highly Available Active Directory infrastructure utilizing Microsoft Azure Cloud to provide security and continuity 2) The System will be deployed in a distributed manner 3) Secured and Policy-based management 4) Provide a highly available and reliable identify infrastructure 5) Modular design will be provided as needed, as well as scalability. The Security Assessment Project is underway. The project is expected to be completed by December 2018. The report will provide significant findings that will lay the groundwork for strengthening the Commission's IT security posture.

Fiscal year 2018 has seen continued success in identifying required policy enhancements in the face of increased information technology security threats and breaches. The OCIO launched Security Awareness Training for all Commission staff. This initiative will help reduce IT security risks. The OCIO and the IT Council worked diligently to develop a comprehensive IT Governance and Vision policy statements.

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

Office of the Inspector General

The primary focus of the Commission's Office of 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 2018 more than 52 audits and reviews were performed, and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

Merit System Board

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY18, the Board continued to maintain its caseload on a current and timely basis.

Employees' Retirement System

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

ERS Trust Fund assets closed the year with a fair market value in excess of \$920 million. For the one year ending June 30, 2018 the ERS posted 7.9 % net of fee return, and for the three and five years ended June 30, 2018, the ERS posted net of fee return of 7.2% and 7.4%, respectively. The Board of Trustees actions for the year included approval of a reduction in the investment return assumption from 6.95% to 6.90% effective July 1, 2018; approval of an amended Pension Funding Policy to formalize current policies and to require a full-scope actuarial audit every 5-years; and adoption of plan amendments to allow participants in Plan C the opportunity to purchase credited service for time served in the U.S. military and to recognize the new position of Inspector General. Additional initiatives and accomplishments included approval of a \$20 million allocation each to Golub Capital Partners 11, LP. and to White Oak Yield Spectrum Fund, LP.; approval of new actuarial equivalence tables effective July 1, 2018; approval of a revised Statement of Investment Policy amending the long-term assumptions; launch of a search for a Pension Administration System for the key business line processes with document imaging capabilities and a member web-portal; and continued monitoring of existing investment managers and guidelines. The ERS has continued comprehensive communications to all members via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and educational on-site workshops and counseling for participants.

◆ PART II A ◆

FINANCIAL SECTION

Basic Financial Statements



Brookside Gardens O'Rourke Greenhouse named in honor of Joan and John O'Rourke.



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2018, 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, and the aggregate remaining fund information of the Commission, as of June 30, 2018, 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.

Emphasis of Matter

As discussed in Note 6 to the financial statements, during the year ended June 30, 2018, the Commission adopted new accounting guidance from Government Accounting Standards Board (GASB) Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*”. Our opinion is not modified with respect to this matter.

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 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.



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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.

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.

Hunt Valley, Maryland
December 13, 2018

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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, 2018.

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 7 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

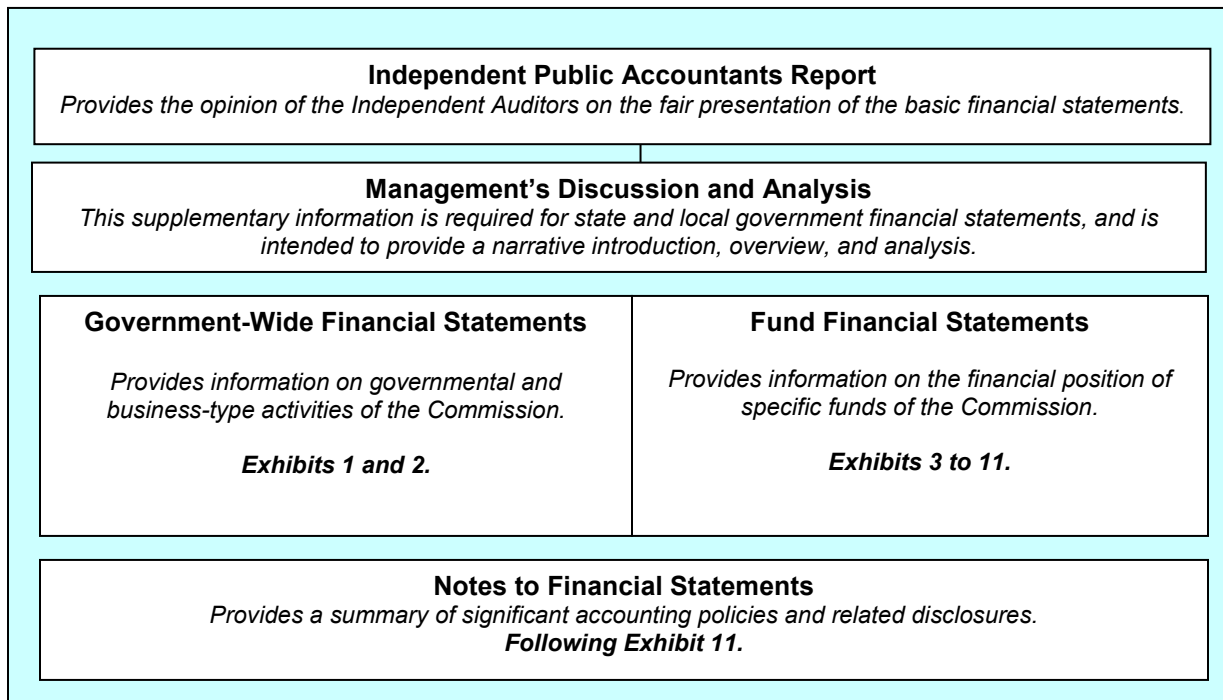
- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$907.8 million (net position). Of this amount, \$10.5 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$46.1 million during fiscal year 2018. This is largely a result of an increase in capital assets of \$51.4 million, the issuance of bonds in the amount of \$33.0 million and a decrease in the net pension liability of \$11.1 million. These are offset by debt principal payments of \$11.7 million and an increase in the OPEB liability of \$13.2 million.
- As of June 30, 2018, the Commission's governmental funds reported combined ending fund balances of \$363.5 million, an increase of \$37.5 million. Of this amount, \$217.3 million is unassigned, \$44.4 million is assigned, \$84.6 million is committed, \$16.5 million of fund balance is restricted and \$0.7 million is non-spendable.
- The Commission's General Fund balance at June 30, 2018, is \$288 million, an increase of \$28.7 million during the year. The unassigned fund balance of \$221.6 million is approximately 57.1% of fiscal year 2018 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance as of June 30, 2018 is \$3.9 million, a decrease of \$4.7 million. The unassigned fund deficit of \$4.3 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements from Montgomery County Government or by reimbursable grants.
- The Prince George's County Capital Projects Fund balance as of June 30, 2018, is \$53.1 million, an increase of \$10.8 million.

- The assets plus deferred outflows of the enterprise funds exceeded liabilities and deferred inflows by \$56.8 million, a decrease of \$1.6 million. The Prince George’s Enterprise Fund had a decrease in net position of \$2.8 million and the Montgomery Enterprise Fund had an increase in net position of \$1.2 million.
- The Commission’s bonds and notes payable decreased by \$11.7 million due to scheduled principal payments. These payments were offset by the issued general obligation bonds for Prince George’s County in the amount of \$33.0 million plus the net bond premium of \$2.2 million for a net increase of \$23.5 million.

Overview of the Financial Statements

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

Organization and Flow of Financial Section Information



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

The statement of net position presents information on all of the Commission’s assets and liabilities and deferred inflows and outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include General Government, County Planning and Zoning, Park Operations and Maintenance, Recreation Programs and Interest on Long-term Debt. The business-type activity of the Commission is Recreational and Cultural Facilities.

The government-wide financial statements 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 7 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 \$907.8 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, 2018 and 2017							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2017-2018
	2018	2017	2018	2017	2018	2017	
<u>Assets</u>							
Current and Other Assets	\$ 475.4	\$ 436.7	\$ 13.7	\$ 14.3	\$ 489.1	\$ 451.0	8.4%
Capital Assets	965.0	913.4	60.4	60.6	1,025.4	974.0	5.3%
Total Assets	<u>1,440.4</u>	<u>1,350.1</u>	<u>74.1</u>	<u>74.9</u>	<u>1,514.5</u>	<u>1,425.0</u>	<u>6.3%</u>
Deferred Outflows	<u>76.5</u>	<u>92.6</u>	<u>2.9</u>	<u>3.3</u>	<u>79.4</u>	<u>95.9</u>	<u>-17.2%</u>
<u>Liabilities/Deferred Inflows</u>							
Current Portion of Long-term							
Liabilities	26.9	26.0	0.4	0.4	27.3	26.4	3.4%
Long-term Liabilities	519.8	332.1	15.9	8.4	535.7	340.5	57.3%
Other Liabilities	<u>46.9</u>	<u>42.2</u>	<u>1.3</u>	<u>1.1</u>	<u>48.2</u>	<u>43.3</u>	<u>11.3%</u>
Total Liabilities	<u>593.6</u>	<u>400.3</u>	<u>17.6</u>	<u>9.9</u>	<u>611.2</u>	<u>410.2</u>	<u>49.0%</u>
Deferred Inflows	<u>72.3</u>	<u>75.7</u>	<u>2.6</u>	<u>2.8</u>	<u>74.9</u>	<u>78.5</u>	<u>-4.6%</u>
<u>Net Position</u>							
Net Investment in Capital							
Assets	836.9	796.6	60.4	60.6	897.3	857.2	4.7%
Unrestricted	<u>14.1</u>	<u>170.1</u>	<u>(3.6)</u>	<u>4.9</u>	<u>10.5</u>	<u>175.0</u>	<u>-94.0%</u>
Total Net Position	<u>\$ 851.0</u>	<u>\$ 966.7</u>	<u>\$ 56.8</u>	<u>\$ 65.5</u>	<u>\$ 907.8</u>	<u>\$ 1,032.2</u>	<u>-12.1%</u>

Current and other assets increased by 6.3% mainly due to the issuance of general obligation bonds and an increase in capital assets. Also, long-term liabilities increased by 57.3% due to the implementation of GASB 75 which requires reporting the entire liability for the Other Post-Employment Benefits (OPEB). The increase was 7.3% after accounting for the re-statement. Changes in net position are discussed later.

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

The remaining balance of \$175.0 million of net position is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors. Changes in this balance are discussed later.

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

A summary of changes in net position follows:

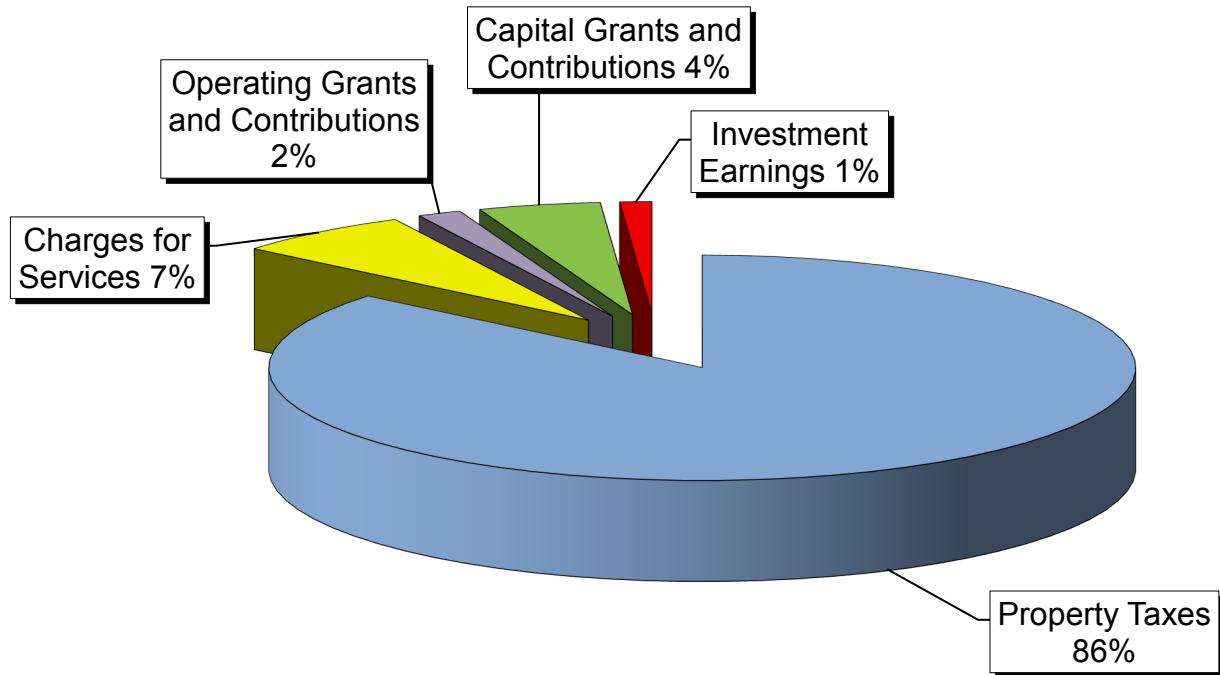
Summary of Changes in Net Position (in millions) For the Fiscal Years Ended June 30, 2018 and 2017							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2017-2018
	2018	2017*	2018	2017*	2018	2017*	
Program Revenues:							
Charges for Services	\$ 30.3	\$ 28.4	\$ 20.2	\$ 19.9	\$ 50.5	\$ 48.3	4.6%
Operating Grants and Contributions	7.4	6.9	-	-	7.4	6.9	7.2%
Capital Grants and Contributions	20.7	20.0	-	-	20.7	20.0	3.5%
General Revenues:							
Property Taxes	391.1	371.5	-	-	391.1	371.5	5.3%
Investment Earnings	5.4	2.4	0.4	0.2	5.8	2.6	123.1%
Total Revenues	454.9	429.2	20.6	20.1	475.5	449.3	5.8%
Expenses:							
General Government	21.2	18.2	-	-	21.2	18.2	16.5%
County Planning and Zoning	55.8	57.3	-	-	55.8	57.3	-2.6%
Park Operations and Maintenance	244.8	231.4	-	-	244.8	231.4	5.8%
Recreation Programs	71.9	71.2	-	-	71.9	71.2	1.0%
Recreational and Cultural Facilities	-	-	30.9	30.9	30.9	30.9	0.0%
Interest on Long-term Debt	4.8	3.7	-	-	4.8	3.7	29.7%
Total Expenses	398.5	381.8	30.9	30.9	429.4	412.7	4.0%
Increase (Decrease) in Net Position Before Transfers	56.4	47.4	(10.3)	(10.8)	46.1	36.6	<u>26.0%</u>
Transfers	(8.7)	(9.1)	8.7	9.1	-	-	
Increase (Decrease) in Net Position	47.7	38.3	(1.6)	(1.7)	46.1	36.6	
Net Position - beginning, as restated	803.3	928.4	58.4	67.2	861.7	995.6	
Net Position - ending	<u>\$ 851.0</u>	<u>\$ 966.7</u>	<u>\$ 56.8</u>	<u>\$ 65.5</u>	<u>\$ 907.8</u>	<u>\$ 1,032.2</u>	

**The Commission implemented GASB Statement No. 75 effective July 1, 2017. The 2017 amounts have not been restated to reflect the implementation of this statement, but the change is reflected in the beginning net position numbers for 2018.*

During the current fiscal year, the Commission's net position increased by \$46.1 million. This is largely a result of an increase in capital assets of \$51.4 million, the issuance of bonds in the amount of \$33.0 million and a decrease in the net pension liability of \$11.1 million. These are offset by debt principal payments of \$11.7 million and an increase in the OPEB liability of \$13.2 million.

Governmental activities. Governmental activities increased the Commission's net position by \$47.7 million, thereby accounting for 103.0% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of \$28.1 million, offset by a surplus of ongoing revenues over ongoing expenses of \$28.3 million and by the transfers to business-type activities of \$8.7 million.

Revenues by Source - Governmental Activities



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

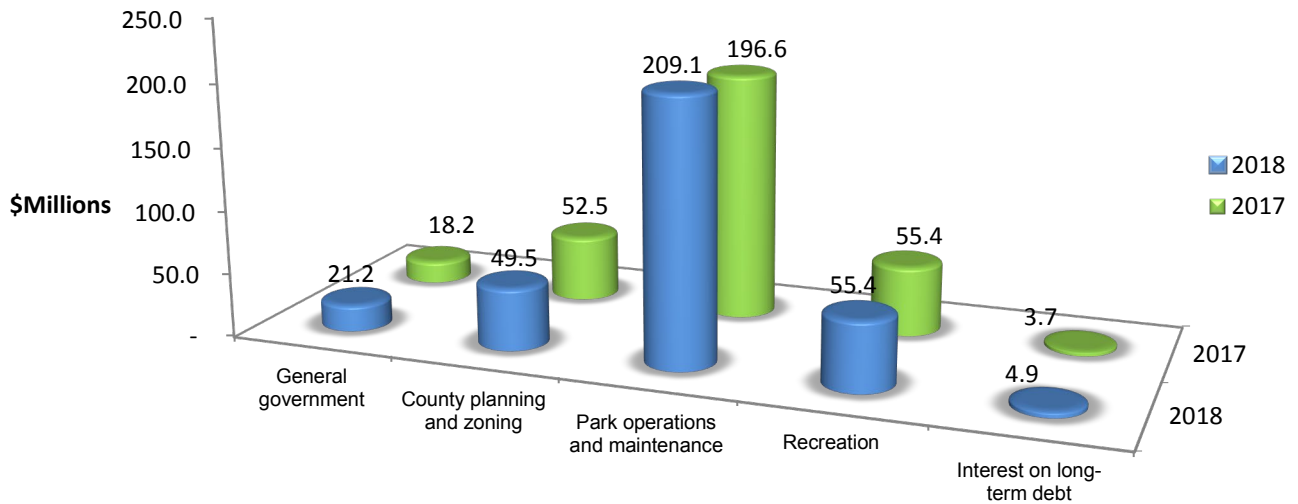
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 9.5% of governmental activities expenses.

The overall total cost of services and net cost of services increased by 4.4% and 4.2% for FY 2018 compared to FY 2017, respectively.

Net Cost of Governmental Activities (000's)
For the Fiscal Years Ended June 30, 2018 and 2017

	2018		2017		Percentage Change 2017 - 2018	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 21,197	\$ 21,197	\$ 18,211	\$ 18,211	16.4%	16.4%
County Planning and Zoning	55,800	49,530	57,302	52,547	-2.6%	-5.7%
Park Operations and Maintenance	244,824	209,139	231,399	196,635	5.8%	6.4%
Recreation Programs	71,853	55,361	71,198	55,360	0.9%	0.0%
Interest on Long-term Debt	4,855	4,855	3,688	3,688	31.6%	31.6%
Total	\$ 398,529	\$ 340,082	\$ 381,798	\$ 326,441	4.4%	4.2%

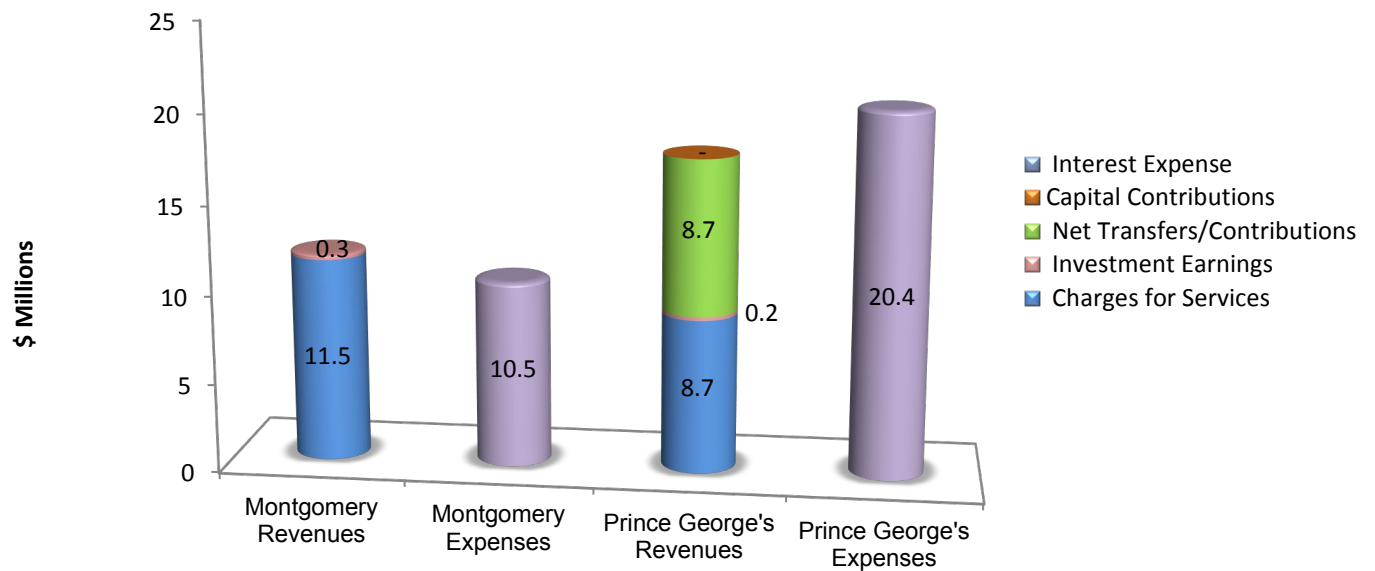
Net Cost by Function - General Government



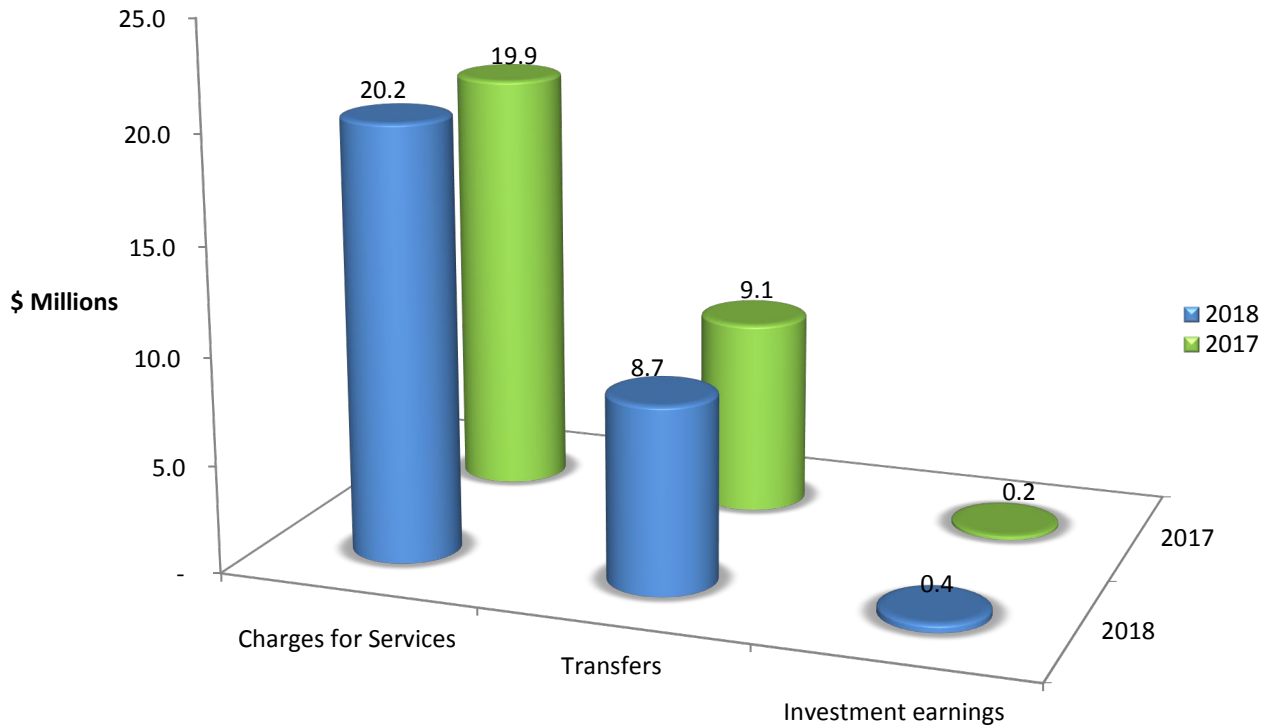
Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission's net position of \$1.6 million.

- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$10.3 million.
- Governmental activities contributed \$8.7 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 \$363.5 million, an increase of \$37.5 million in comparison with the prior year. Approximately 59.8% of this total amount, or \$217.3 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. The remaining fund balances are non-spendable, restricted, committed or assigned to indicate that they are not available for new spending as \$0.7 million is non-spendable, \$84.6 million has been committed for contracts and purchase orders, \$16.5 million is restricted and \$44.4 million is assigned to fund fiscal year 2019 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 \$221.6 million, while total fund balance was \$288.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 57.1% of the total general fund expenditures and transfers out, while total fund balance represents 74.2% of the same amount.

The fund balance of the Commission's General Fund has increased by \$28.7 million during the current fiscal year. Key factors that generated this increase are as follows:

- Savings of \$0.7 million due to delaying of the bond issues until later in the fiscal year.
- Property tax revenues were \$4.3 million higher than budgeted.
- Control of expenditures generated \$26.9 million in savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$4.0 million and Prince George's County has a fund balance of \$53.1 million, both of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were a decrease of \$4.7 million in Montgomery County, and an increase of \$10.8 million in Prince George's County, primarily due to the transfer of \$0.8 million to the Prince George's County Park Account, offset by the \$11.6 million transfer from the general fund to the capital projects fund for Prince George's County, construction grants realized of \$12.8 million in Montgomery County and \$3.6 million in Prince George's County and the issuance of General Obligation Bonds in the amount of \$33 million in Prince George's County. This is all offset by expenditures for the fiscal year which were \$18.4 million in Montgomery County and \$41.8 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, a sports and learning complex and a marina. Four golf courses in Montgomery County have been leased to the Montgomery County Revenue Authority since April 2006.

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

Unrestricted net position of the Montgomery County fund at the end of the year amounted to \$4.1 million and the unrestricted net position for the Prince George's County fund amounted to \$(7.7) million. The total changes in net position for the funds were an increase in the Montgomery County fund of \$1.2 million and a decrease of \$2.8 million in the Prince George's County fund.

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

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2018 and 2017				
	Montgomery County		Prince George's County	
	FY2018	FY2017	FY2018	FY2017
Operating Revenues	\$ 11,473	\$ 10,671	\$ 8,727	\$ 9,228
Operating Expenses, Excluding Depreciation	9,439	8,796	18,416	18,974
Operating Income (Loss), Excluding Depreciation	2,034	1,875	(9,689)	(9,746)
Depreciation	1,105	1,110	1,992	1,970
Operating Income (Loss)	929	765	(11,681)	(11,716)
Nonoperating Revenue (Expense)	252	117	173	48
Transfers/Contributions	-	-	8,748	9,071
Change in Net Position	\$ 1,181	\$ 882	\$ (2,760)	\$ (2,597)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2018 and 2017						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2018	FY2017	Change	FY2018	FY2017	Change
Event Centers	\$ 515	\$ 524	\$ (9)	\$ (30)	\$ (194)	\$ 164
Golf Courses	62	54	8	62	49	13
Ice Rinks	5,197	4,831	366	945	908	37
Indoor Tennis	1,877	1,778	99	314	431	(117)
Park Facilities	3,822	3,484	338	743	681	62
Total	\$ 11,473	\$ 10,671	\$ 802	\$ 2,034	\$ 1,875	\$ 159

The Montgomery County Enterprise Fund revenues increased by \$802,000 and operating income increased by \$159,000. Operating revenues were down slightly at the Event Centers mainly due to decreased rental revenue as a result of the phase out of Woodlawn Manor, offsetting the rental revenue from Rockwood and Seneca. Operating income improved at the Event Centers due to the decrease in personnel costs from the Woodlawn phase out and the vacancies in career positions at the other two centers. Revenues were up at the Ice Rinks and Indoor Tennis facilities due to increases in group lessons and camps, and the Golf Courses received a higher lease payment than in previous years. Park Facility revenues were higher due to added special events at the Cabin John and Wheaton Trains, as well as additional days added to Brookside Garden's Wings of Fancy event. Indoor Tennis operating income was down mostly due to the filling of a vacant position. Park Facilities operating income was also up as a result of increased rentals at Black Hill Boats and Little Bennett Campground, and an increase in merchandise sales at Brookside Garden.

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, 2018 and 2017						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2018	FY2017	Change	FY2018	FY2017	Change
Airport	\$ 250	\$ 236	\$ 14	\$ (203)	\$ (194)	\$ (9)
Equestrian Center/ShowplaceArena	1,381	1,273	108	(1,517)	(1,576)	59
Golf Courses	1,911	2,083	(172)	(2,063)	(1,854)	(209)
Ice Rinks	256	424	(168)	(390)	(684)	294
Tennis Bubbles/Administration	354	397	(43)	(592)	(530)	(62)
Trap and Skeet Center	1,334	1,583	(249)	(72)	(19)	(53)
Sports and Learning Complex	3,073	3,069	4	(4,779)	(4,773)	(6)
Bladensburg Marina	168	163	5	(73)	(116)	43
Total	<u>\$ 8,727</u>	<u>\$ 9,228</u>	<u>\$ (501)</u>	<u>\$ (9,689)</u>	<u>\$ (9,746)</u>	<u>\$ 57</u>

The Prince George's County Enterprise Fund revenues decreased by \$501,000 and the operating loss, excluding depreciation, decreased by \$57,000. There was an increase in sales at the College Park Airport; however, expenditures also increased. The Equestrian Center increase in revenue is due to increased new events, while personnel services increased due to an increased use of intermittent staff versus outside contractors. The decrease in operating income at the Golf Courses is due to slower sales and user fees in addition to the purchase of new driving range netting. The decrease in operating income for the Ice Rinks is due to the fire and closure of Tucker Road Ice Rink. Decreased revenue at the Tennis Bubbles is due to reduced user fees because of the bubble replacement and customer refunds for prepaid events. The decrease in operating income for the Trap and Skeet Center is due to a decline in sales. The Sports and Learning Complex operating loss is due to a decline in programs.

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, 2018		
	Administration Account	Park Account
(Unfavorable) property tax collections	\$ (349.7)	\$ (1,113.3)
Favorable charges for services	120.4	47.6
(Unfavorable) intergovernmental revenue	(165.6)	(371.1)
Favorable investment revenue	148.0	167.4
Favorable other revenue	6.9	12.4
Total (unfavorable) revenue variance	<u>(240.0)</u>	<u>(1,257.0)</u>
Expenditure savings	1,999.5	2,137.0
Favorable other financing sources (uses)	-	96.6
Total favorable budgetary variance	<u>\$ 1,759.5</u>	<u>\$ 976.6</u>

Property tax collections were lower than budgeted due to a shortfall in actual property taxes received. Charges for Services exceeded the budget for both the Administration and Park Accounts. The Administration Account had higher than anticipated forest conservation plan submissions and the Park Account had higher than expected ball field rentals. Intergovernmental Revenue was down in both the Administration and Park Accounts due to fewer grants than anticipated. Investment Revenue fluctuates as the interest revenue is allocated based upon account balances. Other Revenues for both funds was up due to higher than anticipated collections of donations, fines and other miscellaneous revenue.

Expenditure savings for both funds was primarily a result of delays in filling vacant positions and a savings plan implemented by Montgomery County. Debt service payments were 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, 2018		
	Administration Account	Park Account
<u>Fund balance, budget basis</u>		
Assigned	\$ 3,502.3	\$ 3,662.4
Unassigned	2,185.8	4,387.1
Total Budgetary Fund Balance	<u>\$ 5,688.1</u>	<u>\$ 8,049.5</u>

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

Prince George's County Budget to Actual Variances (000's)			
For the Year Ended June 30, 2018			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 1,002.6	\$ 3,302.2	\$ 1,442.7
Favorable (unfavorable) charges for services	100.8	139.3	(990.4)
Favorable (unfavorable) investment revenue	814.4	1,358.3	496.7
Favorable other revenue	-	(63.1)	419.4
Total (unfavorable) revenue variance	<u>1,917.8</u>	<u>4,736.7</u>	<u>1,368.4</u>
Expenditure savings	8,648.1	6,220.5	7,863.3
Favorable other financing sources	-	627.9	-
Total favorable budgetary variance	<u>\$ 10,565.9</u>	<u>\$ 11,585.1</u>	<u>\$ 9,231.7</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. 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 increased in the Park Account primarily due to increased fees collected at The Festival of Lights and increased tent rentals at Historic Mansions. Charges for services in the Recreation Account is lower mainly due to the delayed opening of CIP projects impacting collections from aquatics and Sports, Health & Wellness programs. 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 Park Account was lower than budgeted due to insurance claim recoveries and decreased collections from fees and citations. The Recreation Account had higher than anticipated Other Revenue from increased ticket sales from special events and performances. The expenditure savings were mostly the result of vacant positions in all Accounts. All Accounts generated savings in Non-Departmental expenditures resulting from prior year purchase order cancellations and other post-employment benefits. Additional savings in the Administration Account were the result of savings in the Director's Office, Development Review, Community Planning, Information Management and Countywide Planning Divisions for Other Services & Charges and Supplies and Materials. Additional Park Account savings were the result of lower costs in Other Services & Charges in addition to savings in Supplies and Materials. The Recreation Account also generated expenditure savings from lower than budgeted expenditures for Supplies and Materials due to delayed openings of CIP projects and new program initiation. Additional savings in Southern Area Operations for the Recreation Account was the result of decreased program offerings in Trips & Excursions in the Southern Area from the delayed openings. In the Park Account, savings from other financing sources was mainly the result of higher than anticipated budgeted interest income from the CIP Fund to the Park Account. Additional savings in other financing sources are the result of lower than budgeted debt service costs.

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

Prince George's County Budgetary Fund Balances (000's)			
June 30, 2018			
	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ -	\$ 7,521.9	\$ 9,377.7
Unassigned	44,836.9	128,699.0	41,453.4
Total Budgetary Fund Balance	<u>\$ 44,836.9</u>	<u>\$ 136,220.9</u>	<u>\$ 50,831.1</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, 2018 amounts to \$1,025.3 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 5.3% (a 5.6% increase for governmental activities and a 0.7% decrease for business-type activities). The most significant increase is \$39.2 million for construction in progress for the governmental activities. The only significant capital asset change in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Position. During fiscal year 2018, projects totaling \$12.5 million were completed.

Expenditures on Montgomery County projects totaled \$18.4 million in fiscal year 2018, all of which was for development. Major Park Development expenditures included \$1.9 million various Enterprise facility upgrades, \$1.8 million various pollution prevention projects, \$1.2 million for Laytonia Regional Park upgrades, and \$1.0 million for Brookside Master Plan Improvements. In addition, \$2.4 million was expended for play equipment and minor park renovations.

Prince George's County projects totaled \$41.8 million in fiscal year 2018, of which \$1.7 million was for land acquisition and \$40.1 million was for development. Land acquisition included \$1.2 million in Historical Agricultural Resource Preservation acquisitions. Major park development expenditures included improvements for infrastructure with construction costs to date of \$30.0 million of which \$8.5 million was in fiscal year 2018, Little Paint Branch Stream Valley Park with construction costs to date of \$2.0 million of which \$1.0 million was in fiscal year 2018, Peppermill Village with construction costs to date of \$3.9 million, of which \$3.1 million was in fiscal year 2018, South Clinton Community & Aquatic Centers with construction costs to date of \$24.3 million, of which \$20.0 million was in fiscal year 2018 for design and construction services for a multigenerational recreational facility with aquatic spaces, gymnasium in addition to multi-use spaces. Tucker Road Ice Skating with construction costs to date of \$13.6 million of which \$410 thousand was in fiscal year 2018 for replacement of the ice rink, Watkins Regional Park with construction costs to date of \$6.8 million of which \$600 thousand was in fiscal year 2018 for tennis bubble replacement. Westphalia Neighborhood Park with construction costs to date of \$6.5 million of which \$600 thousand was in fiscal year 2018 for new community center construction. In addition, Synthetic Turf Fields with total construction costs of \$900 thousand and \$1.2 million related to play equipment replacement were expended in fiscal year 2018.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2018 and 2017

	June 30, 2018			June 30, 2017			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 384,487	\$ 19,364	\$ 403,851	\$ 380,150	\$ 19,364	\$ 399,514	1.1%
Buildings and improvements	94,840	33,736	128,576	90,925	36,400	127,325	1.0%
Infrastructure	110,808	162	110,970	111,847	161	112,008	-0.9%
Machinery, equip. & intangibles	38,103	2,593	40,696	32,979	2,061	35,040	16.1%
Construction in progress	336,690	4,518	341,208	297,538	2,604	300,142	13.7%
Total	<u>\$ 964,928</u>	<u>\$ 60,373</u>	<u>\$ 1,025,301</u>	<u>\$ 913,439</u>	<u>\$ 60,590</u>	<u>\$ 974,029</u>	<u>5.3%</u>

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

Long-term debt. Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$137.5 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 \$16.4 million (Montgomery - \$5.6 million; Prince George's - \$10.8 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$136.6 million (Montgomery County - \$50.4 million and Prince George's County - \$86.2 million) at June 30, 2018. Park Bonds debt service expenditures totaled \$16.2 million (Montgomery - \$5.4 million, Prince George's - \$10.8 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.32 cents per \$100 of assessed valuation for real property and 0.80 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.21 cents per \$100 of assessed valuation for real property and 3.03 cents per \$100 of assessed valuation for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for park operation and maintenance expenditures in the respective counties.

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

Commission General Obligation Bond Ratings June 30, 2018			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aaa	AAA	AAA

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) as of June 30, 2018, are as follows (\$000's):

Commission's Outstanding Debt June 30, 2018 and 2017			
	Governmental Activities		Change
	2018	2017	
General obligation bonds	\$ 145,971	\$ 122,506	19.2%
Total	\$ 145,971	\$ 122,506	19.2%

Montgomery County Outstanding Debt June 30, 2018 and 2017			
	Governmental Activities		Change
	2018	2017	
General obligation bonds	\$ 53,809	\$ 57,973	-7.2%
Sub-Total	\$ 53,809	\$ 57,973	-7.2%

Prince George's County Outstanding Debt June 30, 2018 and 2017			
	Governmental Activities		Change
	2018	2017	
General obligation bonds	\$ 92,162	\$ 64,533	42.8%
Sub-Total	\$ 92,162	\$ 64,533	42.8%

The Commission's bonds and notes payable increased by \$23.5 million for the fiscal year due to the issuance of general obligation bonds in the amount of \$33.0 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 \$1,753.6 million of debt service for Montgomery County and \$957.5 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$63.0 million and \$113.3 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 86.0% of the Governmental Funds revenues in FY 2018. 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 2019 tax rates and adopting the FY 2019 Budget.

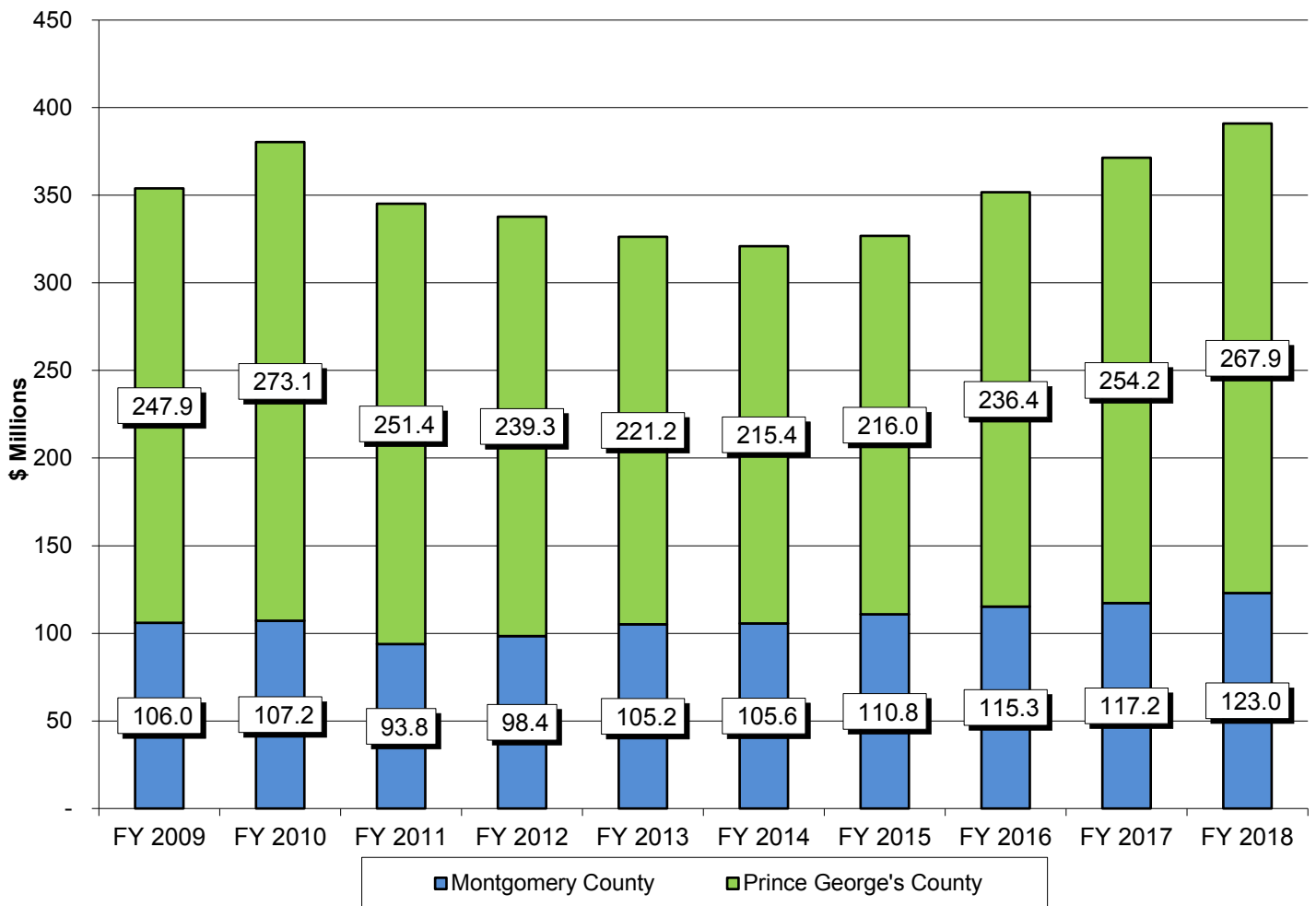
The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates. In FY 2019 the Commission's total Montgomery County real property tax rate was decreased by 0.40 cents and the personal property tax rate was decreased by 1.00 cents and the taxable real property assessable base is projected to increase by 3.65%. Commission property tax revenue in Montgomery County is budgeted to decrease by 1.60% and budgeted expenditures are budgeted to increase 1.89% 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 2019. In FY 2019, the real property assessable base is projected to increase by 5.1%. 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 \$14.1 million in FY 2017 to \$13.0 million in FY 2018, and for FY 2019, they are budgeted at \$10.5 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 \$245.6 million. Of this amount, \$24.1 million is assigned fund balance and \$221.5 million is unassigned as of June 30, 2018. Of the unassigned portion, \$215.0 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

Requests for Information

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

**Statement of Net Position
June 30, 2018**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Equity in Pooled Cash and Investments	\$ 441,350,276	\$ 12,757,386	\$ 454,107,662
Receivables - Taxes, net of allowance for uncollectibles	2,834,978	-	2,834,978
Receivables - Other	1,246,212	798	1,247,010
Due from Other Funds	168,225	-	168,225
Due from County Governments	4,824,820	88,299	4,913,119
Due from Other Governments	4,223,396	-	4,223,396
Inventories	664,069	868,718	1,532,787
Deposits and Other	3,731,723	-	3,731,723
Restricted Cash, Cash Equivalents and Investments:			
Investments	-	-	-
Unspent Debt Proceeds	16,508,941	-	16,508,941
Capital Assets:			
Land and Construction in Progress	721,176,738	23,881,123	745,057,861
Other Capital Assets, Net of Accumulated Depreciation	243,750,649	36,492,067	280,242,716
Total Assets	<u>1,440,480,027</u>	<u>74,088,391</u>	<u>1,514,568,418</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	836,699	-	836,699
Pension Deferrals	67,681,696	2,512,058	70,193,754
Difference between projected and actual earnings			
OPEB Deferrals	7,979,167	353,124	8,332,291
Total Deferred Outflows of Resources	<u>76,497,562</u>	<u>2,865,182</u>	<u>79,362,744</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	35,490,700	1,167,376	36,658,076
Accrued Interest Payable	1,705,714	-	1,705,714
Due to Other Governments	100,000	-	100,000
Deposits and Fees Collected in-Advance	9,590,800	101,172	9,691,972
Due to Other Funds	168,225	-	168,225
Claims Payable:			
Due within One Year	5,978,120	-	5,978,120
Due in more than One Year	12,229,933	-	12,229,933
Compensated Absences:			
Due within One Year	10,801,690	382,580	11,184,270
Due in more than One Year	10,294,886	630,878	10,925,764
Bonds and Notes Payable:			
Due within One Year	10,140,000	-	10,140,000
Due in more than One Year	135,831,035	-	135,831,035
Net Other Post Employment Benefit Liability			
Due in more than One Year	252,439,890	11,198,949	263,638,839
Net Pension Liability			
Due in more than One Year	108,870,560	4,069,083	112,939,643
Total Liabilities	<u>593,641,553</u>	<u>17,550,038</u>	<u>611,191,591</u>
DEFERRED INFLOW OF RESOURCES			
Pension Deferrals	70,497,967	2,566,074	73,064,041
OPEB Deferrals	1,794,193	79,401	1,873,594
Total Deferred Inflow of Resources	<u>72,292,160</u>	<u>2,645,475</u>	<u>74,937,635</u>
NET POSITION			
Net Investment in Capital Assets	836,941,457	60,373,190	897,314,647
Temporarily Restricted	-	-	-
Unrestricted	14,102,419	(3,615,130)	10,487,289
Total Net Position	<u>\$ 851,043,876</u>	<u>\$ 56,758,060</u>	<u>\$ 907,801,936</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, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 21,196,865	\$ -	\$ -	\$ -	\$ (21,196,865)	\$ -	\$ (21,196,865)
County Planning and Zoning	55,800,239	5,198,977	1,070,968	-	(49,530,294)	-	(49,530,294)
Park Operations and Maintenance	244,824,141	9,269,129	5,685,017	20,731,311	(209,138,684)	-	(209,138,684)
Recreation Programs	71,853,383	15,852,675	639,533	-	(55,361,175)	-	(55,361,175)
Interest on Long-term Debt	4,855,256	-	-	-	(4,855,256)	-	(4,855,256)
Total Governmental Activities	398,529,884	30,320,781	7,395,518	20,731,311	(340,082,274)	-	(340,082,274)
Business-type Activities:							
Recreational and Cultural Facilities	30,953,400	20,201,065	-	-	-	(10,752,335)	(10,752,335)
Total Business-type Activities	30,953,400	20,201,065	-	-	-	(10,752,335)	(10,752,335)
Total Primary Government	\$ 429,483,284	\$ 50,521,846	\$ 7,395,518	\$ 20,731,311	\$ (340,082,274)	\$ (10,752,335)	\$ (350,834,609)
General Revenues:							
Property Taxes					391,094,596	-	391,094,596
Unrestricted Investment Earnings					5,413,567	425,656	5,839,223
Transfers					(8,748,421)	8,748,421	-
Net General Revenues and Transfers					387,759,742	9,174,077	396,933,819
Change in Net Position					47,677,468	(1,578,258)	46,099,210
Net Position - Beginning, as restated					803,366,408	58,336,318	861,702,726
Net Position - Ending					\$ 851,043,876	\$ 56,758,060	\$ 907,801,936

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, 2018

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 310,361,303	\$ 1,089,075	\$ 48,768,775	\$ 18,443,381	\$ 378,662,534
Receivables - Taxes (net of allowance for uncollectibles)	2,818,500	-	-	16,478	2,834,978
Receivables - Other (net of allowance for uncollectibles)	103,743	-	-	13,312	117,055
Due from County Governments	272,249	3,951,972	-	100,599	4,324,820
Due from Other Governments	298,693	2,930,971	926,164	67,568	4,223,396
Inventories	-	-	-	664,069	664,069
Restricted Cash - Unspent Debt Proceeds	-	-	16,508,941	-	16,508,941
Other	1,668,732	-	-	-	1,668,732
Total Assets	\$ 315,523,220	\$ 7,972,018	\$ 66,203,880	\$ 19,305,407	\$ 409,004,525
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 9,279,273	\$ 2,298,915	\$ 8,086,622	\$ 168,405	\$ 19,833,215
Accrued Liabilities	9,483,654	-	-	390,214	9,873,868
Retainage Payable	-	1,589,914	1,923,959	-	3,513,873
Due to County Governments	-	100,000	-	-	100,000
Deposits and Fees Collected in-Advance	6,218,444	-	3,129,227	243,129	9,590,800
Total Liabilities	24,981,371	3,988,829	13,139,808	801,748	42,911,756
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Tax Revenue	2,556,038	-	-	-	2,556,038
Total Deferred Inflows of Resources	2,556,038	-	-	-	2,556,038
Fund Balance:					
Nonspendable to:					
Recreation	-	-	-	664,069	664,069
Restricted for:					
Parks	-	-	16,508,941	-	16,508,941
Committed to:					
Planning	21,338,636	-	-	147,342	21,485,978
Parks	16,170,717	8,261,384	32,289,134	1,064,842	57,786,077
Recreation	4,849,945	-	-	524,320	5,374,265
Assigned to:					
Planning	3,502,332	-	-	5,471,385	8,973,717
Parks	11,184,261	-	4,265,997	2,887,341	18,337,599
Recreation	9,377,731	-	-	7,744,360	17,122,091
Unassigned:					
	221,562,189	(4,278,195)	-	-	217,283,994
Total Fund Balances	287,985,811	3,983,189	53,064,072	18,503,659	363,536,731
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 315,523,220	\$ 7,972,018	\$ 66,203,880	\$ 19,305,407	

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.	948,735,060
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.	76,497,562
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,476,164
Internal service funds are used by management to charge the costs of capital equipment financing, risk management, group insurance and the Executive Office Building. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	57,300,947
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	2,556,038
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	(72,292,160)
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.	(526,766,466)
Net Position of Governmental Activities	\$ 851,043,876

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, 2018

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 389,054,457	\$ -	\$ -	\$ 1,929,350	\$ 390,983,807
Intergovernmental -					
Federal	56,103	-	-	-	56,103
State	1,094,075	1,911,020	3,617,948	-	6,623,043
County	3,806,964	10,872,865	-	1,614,746	16,294,575
Charges for Services	10,813,473	-	-	5,606,247	16,419,720
Rentals and Concessions	5,731,937	-	-	6,741,864	12,473,801
Interest	3,707,927	29,269	855,979	94,392	4,687,567
Contributions	184,304	478,295	1,195,283	391,782	2,249,664
Miscellaneous	1,050,980	57,846	221,727	96,707	1,427,260
Total Revenues	<u>415,500,220</u>	<u>13,349,295</u>	<u>5,890,937</u>	<u>16,475,088</u>	<u>451,215,540</u>
EXPENDITURES					
Current -					
General Government	20,685,289	-	-	-	20,685,289
Planning and Zoning	50,090,762	-	-	3,715,693	53,806,455
Park Operations and Maintenance	216,140,506	-	-	2,316,163	218,456,669
Recreation	63,244,341	-	-	6,189,826	69,434,167
Contributions	-	-	-	1,775,763	1,775,763
Debt Service -					
Principal	-	-	-	11,676,181	11,676,181
Interest	-	-	-	4,687,879	4,687,879
Other Debt Service Costs	-	-	-	250,702	250,702
Capital Outlay -					
Park Acquisition	-	-	1,681,034	-	1,681,034
Park Development	-	18,404,571	40,135,342	-	58,539,913
Total Expenditures	<u>350,160,898</u>	<u>18,404,571</u>	<u>41,816,376</u>	<u>30,612,207</u>	<u>440,994,052</u>
Excess (Deficiency) of Revenues over Expenditures	<u>65,339,322</u>	<u>(5,055,276)</u>	<u>(35,925,439)</u>	<u>(14,137,119)</u>	<u>10,221,488</u>
OTHER FINANCING SOURCES (USES)					
General Obligation Bonds Issued	-	-	33,000,000	-	33,000,000
Premiums on Bonds Issued	-	-	2,994,898	-	2,994,898
Transfers In	1,385,248	350,000	11,632,701	16,760,712	30,128,661
Transfers Out	(37,989,133)	(29,269)	(855,979)	(2,701)	(38,877,082)
Total Other Financing Sources (Uses)	<u>(36,603,885)</u>	<u>320,731</u>	<u>46,771,620</u>	<u>16,758,011</u>	<u>27,246,477</u>
Net Change in Fund Balances	28,735,437	(4,734,545)	10,846,181	2,620,892	37,467,965
Fund Balances - Beginning	<u>259,250,374</u>	<u>8,717,734</u>	<u>42,217,891</u>	<u>15,882,767</u>	<u>326,068,766</u>
Fund Balances - Ending	<u>\$ 287,985,811</u>	<u>\$ 3,983,189</u>	<u>\$ 53,064,072</u>	<u>\$ 18,503,659</u>	<u>\$ 363,536,731</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, 2018**

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) \$ 37,467,965

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	61,006,669	
Depreciation Expense	<u>(14,530,320)</u>	
Net adjustment		46,476,349

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

Donations	<u>2,655,900</u>	
Net adjustment		2,655,900

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.

110,789

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	(35,994,898)	
Repayments of Principal	<u>11,676,181</u>	
Net adjustment		(24,318,717)

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.

(14,219,347)

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.

(493,577)

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.

(1,894)

Change in net position of governmental activities (Exhibit 2)	\$ <u><u>47,677,468</u></u>	
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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, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 384,769,914	\$ 384,769,914	\$ 389,054,457	\$ 4,284,543
Intergovernmental	4,357,441	5,493,963	4,957,142	(536,821)
Charges for Services	11,355,043	11,355,043	10,812,102	(542,941)
Rentals and Concessions	5,771,175	5,771,175	5,731,937	(39,238)
Interest	724,500	724,500	3,709,298	2,984,798
Miscellaneous	859,700	859,700	1,235,284	375,584
Total Revenues	407,837,773	408,974,295	415,500,220	6,525,925
Expenditures/Encumbrances:				
Current -				
General Government	21,583,594	21,583,594	19,707,761	1,875,833
County Planning and Zoning	59,927,294	60,098,161	51,326,332	8,771,829
Park Operation and Maintenance	219,782,249	220,381,012	212,023,545	8,357,467
Recreation Programs	69,075,462	69,442,354	61,579,065	7,863,289
Total Expenditures/Encumbrances	370,368,599	371,505,121	344,636,703	26,868,418
Excess of Revenues over Expenditures/Encumbrances	37,469,174	37,469,174	70,863,517	33,394,343
Other Financing Sources (Uses):				
Transfers In	765,000	765,000	1,385,248	620,248
Transfers Out	(38,093,373)	(38,093,373)	(37,989,133)	104,240
Total Other Financing Sources (Uses)	(37,328,373)	(37,328,373)	(36,603,885)	724,488
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	\$ 140,801	\$ 140,801	34,259,632	\$ 34,118,831
Fund Balances - Budget Basis, Beginning			211,366,881	
Fund Balances - Budget Basis, Ending			\$ 245,626,513	

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, 2018**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery	Prince George's		Internal
	County	County	Totals	Service
				Funds
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 9,062,718	\$ 3,694,668	\$ 12,757,386	\$ 62,112,812
Accounts Receivable	248	550	798	1,129,157
Due from County Government	88,299	-	88,299	500,000
Due from Other Fund	-	-	-	168,225
Prepaid Expenses	-	-	-	114,467
Deposits and Other	-	-	-	472,360
Inventories	189,093	679,625	868,718	-
Total Current Assets	<u>9,340,358</u>	<u>4,374,843</u>	<u>13,715,201</u>	<u>64,497,021</u>
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,216,080	73,637,174	100,853,254	3,299,192
Infrastructure	35,510	146,461	181,971	15,657
Machinery, Equipment and Intangibles	2,441,041	5,070,696	7,511,737	45,489,469
Construction in Progress	4,517,524	-	4,517,524	-
	<u>45,794,623</u>	<u>86,633,462</u>	<u>132,428,085</u>	<u>49,552,815</u>
Less - Accumulated Depreciation	<u>(25,445,919)</u>	<u>(46,608,976)</u>	<u>(72,054,895)</u>	<u>(33,360,489)</u>
Total Capital Assets, Net of Depreciation	<u>20,348,704</u>	<u>40,024,486</u>	<u>60,373,190</u>	<u>16,192,326</u>
Total Noncurrent Assets	<u>20,348,704</u>	<u>40,024,486</u>	<u>60,373,190</u>	<u>16,192,326</u>
Total Assets	<u>29,689,062</u>	<u>44,399,329</u>	<u>74,088,391</u>	<u>80,689,347</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferrals	820,971	1,691,087	2,512,058	481,026
OPEB Deferrals	114,143	238,981	353,124	60,637
Total Deferred Outflows of Resources	<u>935,114</u>	<u>1,930,068</u>	<u>2,865,182</u>	<u>541,663</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	96,457	213,701	310,158	2,183,354
Accrued Salaries and Benefits	268,657	588,561	857,218	86,390
Compensated Absences	109,465	273,115	382,580	113,891
Revenue Collected in Advance	40,547	60,625	101,172	-
Due to Other Funds	-	-	-	168,225
Total Current Liabilities	<u>515,126</u>	<u>1,136,002</u>	<u>1,651,128</u>	<u>2,551,860</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	12,229,933
Compensated Absences	232,586	398,292	630,878	49,686
Net Other Post Employment Benefit Liability	3,260,547	7,938,402	11,198,949	1,907,892
Net Pension Liability	1,261,723	2,807,360	4,069,083	670,910
Total Noncurrent Liabilities	<u>4,754,856</u>	<u>11,144,054</u>	<u>15,898,910</u>	<u>14,858,421</u>
Total Liabilities	<u>5,269,982</u>	<u>12,280,056</u>	<u>17,550,038</u>	<u>17,410,281</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	879,879	1,686,195	2,566,074	583,241
OPEB Deferrals	25,665	53,736	79,401	13,633
Total Deferred Inflows of Resources	<u>905,544</u>	<u>1,739,931</u>	<u>2,645,475</u>	<u>596,874</u>
NET POSITION				
Net Investment in Capital Assets	20,348,704	40,024,486	60,373,190	16,192,326
Unrestricted	4,099,946	(7,715,076)	(3,615,130)	41,053,409
Total Net Position	<u>\$ 24,448,650</u>	<u>\$ 32,309,410</u>	<u>\$ 56,758,060</u>	<u>\$ 57,245,735</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, 2018**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Sales	\$ 812,503	\$ 1,793,348	\$ 2,605,851	\$ -
Charges for Services	7,403,608	4,142,822	11,546,430	46,830,865
Claim Recoveries	-	-	-	954,713
Rentals and Concessions	3,257,273	2,791,511	6,048,784	-
Total Operating Revenues	<u>11,473,384</u>	<u>8,727,681</u>	<u>20,201,065</u>	<u>47,785,578</u>
Operating Expenses:				
Cost of Goods Sold	445,745	938,534	1,384,279	-
Personal Services	5,926,017	12,034,952	17,960,969	2,654,897
Supplies and Materials	603,448	1,412,506	2,015,954	1,074,156
Claims Incurred	-	-	-	27,759,889
Insurance	-	-	-	7,055,864
Communications	56,731	261,165	317,896	-
Utilities	938,523	1,490,247	2,428,770	-
Maintenance	406,658	1,076,464	1,483,122	-
Contractual Services	585,320	570,395	1,155,715	1,506,747
Other Services and Charges	476,544	320,775	797,319	4,415,783
Administrative Services	-	311,228	311,228	-
Depreciation	1,104,670	1,992,353	3,097,023	4,052,087
Total Operating Expenses	<u>10,543,656</u>	<u>20,408,619</u>	<u>30,952,275</u>	<u>48,519,423</u>
Operating Income (Loss)	<u>929,728</u>	<u>(11,680,938)</u>	<u>(10,751,210)</u>	<u>(733,845)</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	251,568	174,088	425,656	726,000
Loss on Disposal of Asset	-	(1,125)	(1,125)	5,951
Total Nonoperating Revenue (Expense)	<u>251,568</u>	<u>172,963</u>	<u>424,531</u>	<u>731,951</u>
Income (Loss) before Contributions and Transfers	<u>1,181,296</u>	<u>(11,507,975)</u>	<u>(10,326,679)</u>	<u>(1,894)</u>
Transfers In	-	8,748,421	8,748,421	-
Total Contributions and Transfers	<u>-</u>	<u>8,748,421</u>	<u>8,748,421</u>	<u>-</u>
Change in Net Position	<u>1,181,296</u>	<u>(2,759,554)</u>	<u>(1,578,258)</u>	<u>(1,894)</u>
Total Net Position - Beginning	23,267,354	35,068,964	58,336,318	57,247,629
Total Net Position - Ending	\$ <u>24,448,650</u>	\$ <u>32,309,410</u>	\$ <u>56,758,060</u>	\$ <u>57,245,735</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, 2018**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 11,611,697	\$ 8,760,473	\$ 20,372,170	\$ 47,663,368
Payments to Suppliers	(1,674,013)	(5,954,425)	(7,628,438)	(40,515,084)
Payments to Employees	(5,475,573)	(11,669,457)	(17,145,030)	(2,445,553)
Payments for Interfund Services Used	(199,016)	-	(199,016)	(952,938)
Payments for Administrative Charges	(1,848,137)	(311,228)	(2,159,365)	-
Net Cash Provided (Used) by Operating Activities	<u>2,414,958</u>	<u>(9,174,637)</u>	<u>(6,759,679)</u>	<u>3,749,793</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	8,748,421	8,748,421	-
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>8,748,421</u>	<u>8,748,421</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	<u>(2,012,478)</u>	<u>(869,276)</u>	<u>(2,881,754)</u>	<u>(6,401,824)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,012,478)</u>	<u>(869,276)</u>	<u>(2,881,754)</u>	<u>(6,401,824)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>251,568</u>	<u>174,088</u>	<u>425,656</u>	<u>726,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	654,048	(1,121,404)	(467,356)	(1,926,031)
Cash and Cash Equivalents, July 1	<u>8,408,670</u>	<u>4,816,072</u>	<u>13,224,742</u>	<u>64,038,843</u>
Cash and Cash Equivalents, June 30	<u>\$ 9,062,718</u>	<u>\$ 3,694,668</u>	<u>\$ 12,757,386</u>	<u>\$ 62,112,812</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 929,728	\$ (11,680,938)	\$ (10,751,210)	\$ (733,845)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,104,670	1,992,353	3,097,023	4,052,087
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	1,113	(396)	717	44,886
Due from Other Government	139,690	-	139,690	-
Due from Other Funds	-	-	-	(168,225)
Inventories, at Cost	2,162	11,152	13,314	-
Deposits and Other	-	-	-	9,172
Prepaid Expenses	-	-	-	(114,467)
Accounts Payable	(11,343)	104,509	93,166	819,339
Claims Payable	-	-	-	(528,680)
Accrued Salaries and Benefits	13,336	(8,372)	4,964	21,907
Compensated Absences	37,843	(23,536)	14,307	65,068
Due to Other Funds	-	-	-	168,225
Net Pension Obligation	107,309	202,822	310,131	72,998
Net Other Post Employment Obligations	92,940	194,581	287,521	49,371
Revenue Collected in Advance	(2,490)	33,188	30,698	(8,043)
Total Adjustments	<u>1,485,230</u>	<u>2,506,301</u>	<u>3,991,531</u>	<u>4,483,638</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,414,958</u>	<u>\$ (9,174,637)</u>	<u>\$ (6,759,679)</u>	<u>\$ 3,749,793</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 10

**Statement of Net Position
Fiduciary Funds
June 30, 2018**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 722,806	\$ 5,365,199	\$ 2,207,022
Cash	49,731	-	-
Fixed Income Securities	242,380,573	-	-
International Fixed Income Securities	3,224,978	-	-
Venture Capital/Alternative Investments	137,484,220	-	-
Corporate Stock	370,228,825	-	-
International Corporate Stock	74,080,706	-	-
Real Estate Investments	86,366,807	-	-
Short Term Investments	28,650,722	-	-
Mutual Funds	52,883,202	-	-
Collateral for Securities Lending Transactions	29,803,345	-	-
Accounts Receivable	66,531	-	-
Accrued Income on Investments	793,376	-	-
Land Held for Other Governments	-	83,030,025	-
Other	38,399	-	-
Total Assets	<u>1,026,774,221</u>	<u>88,395,224</u>	<u>2,207,022</u>
LIABILITIES			
Investment Payable	789,506	-	-
Accounts Payable	1,275,901	-	-
Claims Payable	718,001	-	-
Obligation for Collateral Received			
under Securities Lending Transactions	30,550,782	-	-
Deposits	-	-	2,207,022
Total Liabilities	<u>33,334,190</u>	<u>-</u>	<u>2,207,022</u>
NET POSITION			
Assets Held in Trust for:			
Land Held for Other Governments	-	83,030,025	-
Pension Benefits	920,751,289	-	-
Other Postemployment Benefits	72,688,742	-	-
Other Purposes	-	5,365,199	-
Total Net Position	<u>\$ 993,440,031</u>	<u>\$ 88,395,224</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, 2018**

	Pension Trust Funds	Private Purpose Trust Funds
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 41,905,850	\$ -
Plan Members	7,201,130	-
Plan Members for Current Benefits	2,697,428	-
Private Donations	-	203
Total Contributions	<u>51,804,408</u>	<u>203</u>
Receipts from Commission Debt Service Funds	-	1,775,763
Federal Grants - Medicare	2,004,422	-
Investment Earnings:		
Interest	10,694,124	85,089
Dividends	2,506,698	-
Net decrease in the Fair Value of Investments	66,855,954	-
Total Investment Earnings	<u>80,056,776</u>	<u>85,089</u>
Less Investment Advisory and Management Fees	(3,496,644)	-
Net Income from Investing Activities	<u>76,560,132</u>	<u>85,089</u>
Securities Lending Activity		
Securities Lending Income	625,548	-
Securities Lending Fees	(510,467)	-
Net Income from Securities Lending Activity	<u>115,081</u>	<u>-</u>
Total Net Investment Income	<u>76,675,213</u>	<u>85,089</u>
Total Additions and Investment Income	<u>130,484,043</u>	<u>1,861,055</u>
DEDUCTIONS		
Benefits	63,662,735	-
Refunds of Contributions	460,450	-
Administrative Expenses	2,419,423	-
Other	-	34,754
Total Deductions	<u>66,542,608</u>	<u>34,754</u>
Change in Net Position	<u>63,941,435</u>	<u>1,826,301</u>
Net Position - Beginning	929,498,596	86,568,923
Net Position - Ending	\$ <u>993,440,031</u>	\$ <u>88,395,224</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, 2018

(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 7.

(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, 2018.

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 7. 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 \$1,671,662 as of June 30, 2018. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George's County for taxes that are delinquent.

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

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

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

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, trails, dams and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. The Commission defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed and actual costs are not known. Donated capital assets are recorded at estimated 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. 06-21, a financial standard to maintain a minimum unrestricted fund balance of the General Fund, so that at each fiscal year end, this balance shall not be less than 3% to 5% of the current year's expenditures.

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

- **Nonspendable** – Items that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventory and prepaid expenses.

- **Restricted** – Items that are restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Items that have been committed for specific purposes pursuant to constraints imposed by a formal action (i.e. resolution) by the entity's "highest level decision-making authority", which the Commission considers actions taken by the Chairman and Vice-Chairman to be the highest level. These committed amounts could be changed by reversing the same type of action the Commission employed to previously commit the funds. The formal action should occur prior to the end of the reporting period.
- **Assigned** – Amounts reflecting a government's intended use of resources for specific purposes require less formal actions. Also, the Commission can delegate assignment authority to the Planning Boards per the Land Use Article of the Annotated Code of Maryland.
- **Unassigned** – This category is for any balances that have no restrictions placed upon them. The 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	\$ 4,986,336	\$ 3,153,324	\$ 16,352,300	\$ 13,017,393	\$ 4,849,945	\$ 42,359,298
Assigned	3,502,332	3,662,380	-	7,521,881	9,377,731	24,064,324
Unassigned	2,185,756	4,387,164	44,836,878	128,699,000	41,453,391	221,562,189
Total Fund Balance	<u>\$ 10,674,424</u>	<u>\$ 11,202,868</u>	<u>\$ 61,189,178</u>	<u>\$ 149,238,274</u>	<u>\$ 55,681,067</u>	<u>\$ 287,985,811</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	\$	8,139,660
General Fund - Prince George's County		34,219,638
Capital Projects Fund - Montgomery County		8,261,384
Capital Projects Fund - Prince George's County		32,289,134
Non-Major Governmental Funds		1,736,504

(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	\$	383,738,300
Buildings and improvements		248,044,743
Infrastructure		267,703,806
Machinery, Equipment and Intangibles		67,243,528
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles		(354,685,258)
Construction in Progress		336,689,941
Total	\$	<u>948,735,060</u>

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

Bonds and Notes Payable:		
Due Within One Year	\$	10,140,000
Due in More than One Year		135,831,035
Net Other Post Employment Benefit Liability		250,531,997
Net Pension Liability		108,199,650
Compensated Absences		
Due Within One Year		10,687,800
Due in More than One Year		10,245,199
Accrued Interest Payable		1,705,714
Total	\$	<u>527,341,395</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 2018 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, 2018, as noted in Note 7 as follows:

	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	General Fund
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2017	\$ 5,050,982	\$ 4,502,898	\$ 16,029,612	\$ 15,784,780	\$ 6,515,221	\$ 47,883,493
To Decrease -						
Encumbrances -						
June 30, 2018	(4,986,336)	(3,153,324)	(16,352,300)	(13,017,393)	(4,849,945)	(42,359,298)
Total Adjustment	64,646	1,349,574	(322,688)	2,767,387	1,665,276	5,524,195
Net Change in Fund Balance:						
GAAP Basis	(185,392)	(1,180,540)	12,218,665	5,806,683	12,076,021	28,735,437
Budget Basis	\$ (120,746)	\$ 169,034	\$ 11,895,977	\$ 8,574,070	\$ 13,741,297	\$ 34,259,632

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2018, totaled \$1,504,064,739. The Commission's unrestricted pool of deposits and investments of \$462,402,689 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 \$4,318,721, and the bank balance is \$6,436,848. In addition, the Commission held cash at various locations totaling \$226,760. Of the bank balance, \$250,000 is covered by Federal depository insurance, and the remainder is collateralized by \$6,186,848 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, 2018. 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 \$50,193,494. None of the deposits relate to cash and investments restricted for construction.

Investments - The Annotated Code of Maryland authorizes the Commission to invest in obligations for which the United States has pledged its full faith and credit for the payment of principal and interest, obligations that are issued by a Federal agency, repurchase agreements, bankers' acceptances, commercial paper, money market mutual funds, the State Treasurer's investment pool, and certificates of deposit. Commission bond proceeds may also be invested in municipal bonds and notes. The 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 \$16,508,941 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, 2018 were as follows:

Includes accrued interest

Investment Type	Fair Value	Weighted Average Maturity (Days)
Federal Farm Credit Bank	\$ 20,074,467	5.00
Commercial Paper	29,547,600	237.00
U.S. Treasury Bills	53,585,190	72.82
Federal Agricultural Mortgage Corporation Notes	60,016,275	205.33
Maryland Local Government Investment Pool (MLGIP)	71,758,016	46.00
Federal Home Loan Bank Notes	94,492,671	393.68
Federal Home Loan Mortgage Association Notes	94,698,436	365.31
Total Fair Value	<u>\$ 424,172,655</u>	
Portfolio Weighted Average Maturity		232.37

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.

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.

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, 2018 is \$28,700,453. Cash deposits that were insured and collateralized in the bank account totaled \$49,731 at June 30, 2018. At June 30, 2018, the ERS held \$28,650,722 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:

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

The Board approved revisions to the Statement of Investment Policy (the Policy) on March 6, 2018. The Policy was amended 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 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, 2018, 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, 2018. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2018:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Brazilian real	\$ 1,099,127	\$ -	\$ (3,920)	\$ (13)
British pound sterling	-	-	(4,584,921)	(4,452)
Canadian dollar	-	-	(151,947)	(513)
Czech koruna	-	-	(105,937)	(267)
Euro	5,928,421	1,694	(4,302,963)	(16,146)
Hong Kong dollar	158,610	(24)	(2,119,179)	(321)
Indonesian rupiah	-	-	(93,154)	87
Japanese yen	737,460	(3,407)	(797,232)	(3,890)
Mexican peso	-	-	(244,680)	(362)
New Taiwan dollar	1	-	(686,456)	(114)
Norwegian krone	-	-	(517,786)	(1,318)
Singapore dollar	-	-	(240,677)	136
South Korean won	-	-	(332,857)	(79)
Swedish krona	62	-	(1,032,819)	(997)
Swiss franc	3	-	(277,132)	(415)
Turkish lira	-	-	(138,193)	(723)

There were no foreign exchange contracts pending as of June 30, 2018.

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 6/30/2018	Fair Value Measurements Using			Undetermined
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investments by fair value level					
Cash and invested cash	\$ 5,613	\$ 5,613	\$ -	\$ -	\$ -
Debt securities					
Asset backed securities	7,011	-	7,011	-	-
Commercial mortgage-backed	3,285	-	3,285	-	-
Corporate bonds	29,592	-	29,592	-	-
Government agencies	9,159	-	9,159	-	-
Government bonds	15,384	-	15,384	-	-
Government mortgage-backed securities	16,442	-	16,442	-	-
Other fixed income-funds	2,886	-	2,886	-	-
Index linked government bonds	1,955	-	1,955	-	-
Provincial Bonds	460	-	460	-	-
Total debt securities	86,174	-	86,174	-	-
Equity investments					
Common stock	90,741	90,738	3	-	-
Total equity investments	90,741	90,738	3	-	-
Securities lending short term collateral investment pool	29,803	29,803	-	-	-
Total investments by fair value level	\$ 212,331	\$ 126,154	\$ 86,177	\$ -	\$ -

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) uses 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, 2018 were as follows:

Investments Measured at the net asset value (NAV)

(\$ in thousands)

	2018	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Short-term investment funds	\$ 23,037	None	Monthly	1-6 days
Funds-corporate bonds	34,071	None	Monthly	7-15 days
Other fixed income-funds	110,903	None	Monthly	7-15 days
Funds-common stock	353,569	None	Monthly	7-15 days
Venture capital and partnerships	137,484	None	Monthly, Quarterly	Frequent Changes
Real estate	81,026	None	Monthly	1-15 days
Total investments measured at NAV	\$ 740,090			

Money-Weighted Rate of Return - For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.03%. 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' \$952.4 million in investments at June 30, 2018, \$29.8 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, 2018, the ERS did not hold any 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, 2018, the ERS had the following fixed income investments and short-term investments with the following maturities:

Investment Type	Fair Value	Weighted Average Maturity-Years
Asset-backed securities	\$ 7,011,361	5.697226
Commercial mortgage-backed	3,284,884	22.722268
Corporate bonds	63,662,284	8.200564
Government agencies	9,159,171	8.158448
Government bonds	15,383,994	15.04401
Government mortgage-backed securities	16,442,101	23.860071
Index linked government bonds	1,955,337	8.08681
Provincial bonds	459,968	17.540401
Fixed income mutual funds	113,788,769	N/A
Short-term investment funds	23,037,353	N/A
TOTAL	\$ 254,185,222	12.633609

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 \$7,011,361 in ABS at June 30, 2018.

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, 2018:

<u>Credit Quality Distribution for Services</u>		<u>% of Total Portfolio</u>
Agency	AGY	3.51%
Government Agencies	AA	0.90%
Government Agencies	BBB	0.02%
Government Bonds	NR	0.04%
Government Mortgage Backed Securities	NR	0.04%
Asset Backed Securities	AAA	0.35%
Asset Backed Securities	AA	0.09%
Asset Backed Securities	A	0.01%
Asset Backed Securities	BBB	0.06%
Asset Backed Securities	NR	0.22%
Commercial Mortgage-Backed	AAA	0.15%
Commercial Mortgage-Backed	BBB	0.02%
Commercial Mortgage-Backed	NR	0.18%
Corporate Bonds	AAA	0.08%
Corporate Bonds	AA	0.27%
Corporate Bonds	A	1.22%
Corporate Bonds	BBB	1.48%
Corporate Bonds	BB	0.06%
Provincial Bonds	AA	0.04%
Provincial Bonds	A	0.01%
Other Fixed Income	NR	0.30%
Funds - Corporate Bond	NR	3.58%
Funds - Other Fixed Income	NR	11.64%
Funds - Short Term Investment	NR	2.42%

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, 2018, was as follows:

<u>Investment Type</u>	<u>Currency</u>	<u>Fair Value</u>
Common stock	Brazilian real	\$ 934,013
Common stock	British pound sterling	6,101,964
Common stock	Canadian dollar	1,462,299
Common stock	Czech koruna	653,792
Common stock	Euro	20,712,331
Common stock	Hong Kong dollar	1,105,682
Common stock	Indonesian rupiah	485,547
Common stock	Japanese yen	5,643,758
Common stock	Mexican peso	1,214,432
Common stock	New Taiwan dollar	4,093,224
Common stock	Norwegian krone	3,297,591
Common stock	Singapore dollar	1,541,760
Common stock	South Korean won	2,303,683
Common stock	Swiss franc	1,442,421
Common stock	Turkish lira	559,768
Total		<u>\$ 51,552,265</u>

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

Cash Received as Securities Lending Collateral

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

The Board of Trustees authorized the lending of fixed income securities, which is managed by the custodian bank. The Board of Trustees authorized a securities lending loan cap of 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, 2018.

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 120 days in 2018.

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 29 days as of June 30, 2018. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2018:

Securities Lent	Fair Value	Cash Collateral Received*
Fixed income securities	\$ 13,046,677	\$ 13,358,054
Domestic equities	16,756,668	17,192,728
Total	\$ 29,803,345	\$ 30,550,782

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

Other Post-Employment Benefits (the Trust) Cash and Investments

The Trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$722,806. Investments in mutual funds totaled \$72,682,261.

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 2018 are as follows:

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

The Trust's investments at June 30, 2018 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Equity Index Fund	\$ 52,883,202
Fixed Income	14,457,640
Real Estate	5,341,419
Total Investments	<u>\$ 72,682,261</u>

The Trust's fixed income investments at June 30, 2018 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Duration)</u>
Fixed Allocation Funds	\$ 6,491,352	1.53
Fixed Bond Fund	7,966,288	0.62
Total Fair Value	<u>\$ 14,457,640</u>	
Portfolio Weighted Average Maturity		0.49

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

Statement of Net Position

Equity in Pooled Cash and Investments	\$ 454,107,662
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	16,508,941

Statement of Net Position - Fiduciary Funds

Equity in Pooled Cash and Investments - Pension Trust Funds	722,806
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	5,365,199
Equity in Pooled Cash and Investments - Agency Funds	2,207,022
Cash and Marketable Securities - Pension Trust Funds	995,349,764
Collateral for Securities Lending Transactions - Pension Trust Funds	29,803,345
Total	<u>\$ 1,504,064,739</u>

They are composed of:

Cash in Banks of Commission	\$ 4,318,721
Cash of Employees' Retirement System Pension Trust Fund	49,731
Cash in Other Locations - Commission	226,760
Money Market Deposits of Commission	50,181,197
Money Market Deposits in Other Post Employment Benefits Fund	12,297
Fixed Income Securities In Commission's Investment Pool *	424,172,655
Mutual funds in Other Post Employment Benefits Fund *	72,682,261
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	444,309,531
Fixed Income Securities	231,147,911
Real Estate	81,025,388
Venture Capital and Partnerships	137,484,220
Cash & Cash Equivalents	28,650,722
Collateral for Securities Lending Transactions	29,803,345
Total	<u>\$ 1,504,064,739</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, 2018 is as follows:

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Capital assets not being depreciated				
Land	\$ 380,149,863	\$ 4,336,934	\$ -	\$ 384,486,797
Construction in progress	<u>297,537,769</u>	<u>51,645,074</u>	<u>(12,492,902)</u>	<u>336,689,941</u>
Total capital assets not being depreciated	<u>677,687,632</u>	<u>55,982,008</u>	<u>(12,492,902)</u>	<u>721,176,738</u>
Other capital assets, being depreciated				
Buildings and improvements	243,304,811	8,607,197	(568,073)	251,343,935
Infrastructure	263,917,035	4,066,469	(264,040)	267,719,464
Machinery, equipment and intangibles	<u>102,096,641</u>	<u>13,918,120</u>	<u>(3,281,764)</u>	<u>112,732,997</u>
Total other capital assets	<u>609,318,487</u>	<u>26,591,786</u>	<u>(4,113,877)</u>	<u>631,796,396</u>
Less accumulated depreciation for:				
Buildings and improvements	(152,379,462)	(4,692,726)	568,073	(156,504,115)
Infrastructure	(152,069,677)	(5,106,175)	264,040	(156,911,812)
Machinery, equipment and intangibles	<u>(69,117,530)</u>	<u>(8,794,054)</u>	<u>3,281,764</u>	<u>(74,629,820)</u>
Total accumulated depreciation	<u>(373,566,669)</u>	<u>(18,592,955)</u>	<u>4,113,877</u>	<u>(388,045,747)</u>
Total other capital asset, net	<u>235,751,818</u>	<u>7,998,831</u>	<u>-</u>	<u>243,750,649</u>
Governmental activities capital assets, net	<u>\$ 913,439,450</u>	<u>\$ 63,980,839</u>	<u>\$ (12,492,902)</u>	<u>\$ 964,927,387</u>

Summaries of business-type activities capital assets at June 30, 2018, made up of two major enterprise funds, are as follows:

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Montgomery County Enterprise Fund				
Capital assets not being depreciated:				
Land	\$ 11,584,468	\$ -	\$ -	\$ 11,584,468
Construction in progress	2,604,561	1,912,963	-	4,517,524
Total capital assets not being depreciated	<u>14,189,029</u>	<u>1,912,963</u>	<u>-</u>	<u>16,101,992</u>
Capital assets being depreciated				
Buildings and improvements	27,216,080	-	-	27,216,080
Infrastructure	35,510	-	-	35,510
Machinery, equipment and intangibles	2,631,818	99,516	(290,293)	2,441,041
Total capital assets being depreciated	<u>29,883,408</u>	<u>99,516</u>	<u>(290,293)</u>	<u>29,692,631</u>
Less accumulated depreciation for:				
Buildings and improvements	(23,029,634)	(929,553)	-	(23,959,187)
Infrastructure	(3,640)	(1,776)	-	(5,416)
Machinery, equipment and intangibles	(1,598,268)	(173,341)	290,293	(1,481,316)
Total accumulated depreciation	<u>(24,631,542)</u>	<u>(1,104,670)</u>	<u>290,293</u>	<u>(25,445,919)</u>
Total capital assets being depreciated, net	<u>5,251,866</u>	<u>(1,005,154)</u>	<u>-</u>	<u>4,246,712</u>
Capital assets, net	<u>\$ 19,440,895</u>	<u>\$ 907,809</u>	<u>\$ -</u>	<u>\$ 20,348,704</u>
Prince George's County Enterprise Fund				
Capital assets not being depreciated:				
Land	\$ 7,779,131	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:				
Buildings and improvements	73,637,174	-	-	73,637,174
Infrastructure	134,686	11,775	-	146,461
Machinery, equipment and intangibles	4,516,918	857,501	(303,723)	5,070,696
Total capital assets being depreciated	<u>78,288,778</u>	<u>869,276</u>	<u>(303,723)</u>	<u>78,854,331</u>
Less accumulated depreciation for:				
Buildings and improvements	(41,423,698)	(1,734,316)	-	(43,158,014)
Infrastructure	(6,734)	(7,029)	-	(13,763)
Machinery, equipment and intangibles	(3,488,789)	(251,008)	302,598	(3,437,199)
Total accumulated depreciation	<u>(44,919,221)</u>	<u>(1,992,353)</u>	<u>302,598</u>	<u>(46,608,976)</u>
Total capital assets being depreciated, net	<u>33,369,557</u>	<u>(1,123,077)</u>	<u>(1,125)</u>	<u>32,245,355</u>
Capital assets, net	<u>\$ 41,148,688</u>	<u>\$ (1,123,077)</u>	<u>\$ (1,125)</u>	<u>\$ 40,024,486</u>
Total Business-type activities	<u>\$ 60,589,583</u>	<u>\$ (215,268)</u>	<u>\$ (1,125)</u>	<u>\$ 60,373,190</u>

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

Governmental Activities:	
General Government	\$ 427,710
County Planning and Zoning	660,699
Park Operations and Maintenance	15,291,238
Recreation Programs	2,213,308
Total depreciation expense - governmental activities	<u>\$ 18,592,955</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 3,097,023</u>

Construction Commitments - The Commission is committed to \$40,550,518 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 2018:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
Transfers In						
General Fund - Administration Account	\$ 500,000	\$ -	\$ 30,000	\$ 300,000	\$ -	\$ 830,000
General Fund - Park Account	-	350,000	11,600,000	16,460,712	-	28,410,712
General Fund - Recreation Account	-	-	-	-	8,748,421	8,748,421
Special Revenue Fund	-	-	2,701	-	-	2,701
Capital Projects	885,248	-	-	-	-	885,248
Total Transfers In	<u>\$ 1,385,248</u>	<u>\$ 350,000</u>	<u>\$ 11,632,701</u>	<u>\$ 16,760,712</u>	<u>\$ 8,748,421</u>	<u>\$ 38,877,082</u>
Transfers Out						
General Fund - Park Account	\$ 500,000	\$ 29,269	\$ 855,979	\$ -	\$ -	\$ 1,385,248
Debt Service Fund	16,460,712	-	-	-	-	16,460,712
Capital Projects	11,980,000	-	-	2,701	-	11,982,701
Special Revenue Fund	300,000	-	-	-	-	300,000
Enterprise Fund	8,748,421	-	-	-	-	8,748,421
Total Transfers Out	<u>\$ 37,989,133</u>	<u>\$ 29,269</u>	<u>\$ 855,979</u>	<u>\$ 2,701</u>	<u>\$ -</u>	<u>\$ 38,877,082</u>

The majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$16,460,712) and current funding for Capital Projects (\$11,980,000).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund
Transfers In	
General Fund - Recreation Account	<u>\$ 8,748,421</u>
Total Transfers In	<u>\$ 8,748,421</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 \$1,775,416 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 \$347 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 2023. Each agreement provides for termination in the event of non-appropriation of funds.

Future minimum commitments under operating leases at June 30, 2018 are as follows (\$000's):

Year Ending June 30,	Operating Leases		
	Total	Montgomery County	Prince George's County
2019	\$ 3,570	\$ 340	\$ 3,230
2020	1,287	340	947
2021	1,277	340	937
2022	1,215	340	875
2023	1,215	340	875
Total minimum lease payments	<u>\$ 8,564</u>	<u>\$ 1,700</u>	<u>\$ 6,864</u>

In fiscal year 2018, expenditures in the General Fund included \$2,262,812 relating to the rental of office space and \$1,697,893 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 2018, debt service payments approximated 0.32 cents per \$100 of real property and 0.80 cents per \$100 of personal property for Montgomery County and 1.21 cents for real property and 3.03 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

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

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

Montgomery County General Obligation Bonds

Fiscal Year	Governmental Activities					
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA
	Principal	Interest	Payments	Principal	Interest	Payments
2019	\$ 3,855	\$ 1,631	\$ 5,486	\$ 135	\$ 16	\$ 151
2020	3,535	1,488	5,023	130	14	144
2021	3,600	1,354	4,954	130	11	141
2022	3,260	1,226	4,486	125	9	134
2023	3,320	1,101	4,421	125	6	131
2024-2028	14,685	3,838	18,523	240	5	245
2029-2033	13,380	1,747	15,127	-	-	-
2034-2038	4,810	213	5,023	-	-	-
Totals	\$ 50,445	\$ 12,598	\$ 63,043	\$ 885	\$ 61	\$ 946

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities			Total Commission General Obligation Bonds Principal & Interest
	Total Park	Total Park	Total Park	
	Principal	Interest	Payments	
2019	\$ 6,150	\$ 3,326	\$ 9,476	\$ 15,113
2020	6,180	3,059	9,239	14,406
2021	6,225	2,786	9,011	14,106
2022	4,970	2,510	7,480	12,100
2023	5,065	2,270	7,335	11,887
2024-2028	22,840	8,096	30,936	49,704
2029-2033	22,370	4,190	26,560	41,687
2034-2038	12,380	856	13,236	18,259
Totals	\$ 86,180	\$ 27,093	\$ 113,273	\$ 177,262

Outstanding General Obligation Bonds - General obligation bonds outstanding as of June 30, 2018, consist of the following individual issues (000's):

<u>Series</u>	<u>Effective Interest Rate at Date of Sale</u>	<u>Dated</u>	<u>Final Maturity Date</u>	<u>FY 2019 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding as of June 30, 2018</u>
Montgomery County						
Park Acquisition and Development Bonds						
Series LL-2 Advance and Current Refund	2.4059	05/21/09	11/01/20	\$ 900	\$ 8,405	\$ 1,710
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	525
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	920	12,505	9,185
Series MC-2012B	3.5622	04/05/12	12/01/32	130	3,000	2,375
Series MC-2014A	2.8633	06/17/14	12/01/33	545	14,000	11,970
Series MC-2016A	2.3634	04/14/16	11/01/35	460	12,000	11,140
Series MC-2016B Advance Refunding	1.6866	04/14/16	11/01/28	290	6,120	5,940
Series MC-2017A	2.6860	04/20/17	11/20/36	400	8,000	7,600
				<u>3,855</u>	<u>69,280</u>	<u>50,445</u>
Advance Land Acquisition Bonds						
MC 2016C- Advanced Land Acquisition	1.2475	04/14/16	11/01/24	135	1,075	885
				<u>135</u>	<u>1,075</u>	<u>885</u>
Total Montgomery County General Obligation Bonds				<u>\$ 3,990</u>	<u>\$ 70,355</u>	<u>\$ 51,330</u>
Prince George's County						
Park Acquisition and Development Bonds						
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,380	14,080	4,070
Series PGC-2012A Advance and Current	1.8735	06/21/12	01/15/24	885	11,420	5,225
Series PGC-2014A	3.0409	05/01/14	01/15/34	1,015	26,565	22,400
Series PGC-2015A (Note 1)	2.7254	10/15/15	01/15/36	1,220	24,820	23,135
Series PGC-2017A (Note 1)	2.7053	07/27/17	01/15/37	1,650	33,000	31,350
Total Prince George's County General Obligation Bonds				<u>\$ 6,150</u>	<u>\$ 109,885</u>	<u>\$ 86,180</u>

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

New Bond Issues – On July 13, 2017, the Commission issued \$33,000,000 of Prince George's County Park Acquisition and Development General Obligation Project Bonds Series PGC-2017A. The proceeds are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until January 15, 2037 at a net interest cost of 2.705306%.

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

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

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2018, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
General Obligation Park Bonds Payable	\$ 54,105,000	\$ -	\$ 3,660,000	\$ 50,445,000	\$ 3,855,000
General Obligation ALA Bonds Payable	1,020,000	-	135,000	885,000	135,000
Premiums on Bonds Issued	2,847,753	-	368,759	2,478,994	-
Accrued Compensated Absences	8,718,058	5,140,068	4,968,992	8,889,134	4,968,990
Net Other Post Employment Benefit Liability	101,612,076	5,147,860	-	106,759,936	-
Net Pension Liability	51,152,331	-	4,685,118	46,467,213	-
Long-term Liabilities	219,455,218	10,287,928	13,817,869	215,925,277	8,958,990
Prince George's County					
General Obligation Park Bonds Payable	61,061,181	33,000,000	7,881,181	86,180,000	6,150,000
Premiums on Bonds Issued	3,472,443	2,994,898	485,300	5,982,041	-
Accrued Compensated Absences	12,159,715	5,880,427	5,832,700	12,207,442	5,832,700
Net Other Post Employment Benefit Liability	138,146,232	7,533,722	-	145,679,954	-
Net Pension Liability	68,423,983	-	6,020,636	62,403,347	-
Long-term Liabilities	283,263,554	49,409,047	20,219,817	312,452,784	11,982,700
Total Long-term Liabilities	\$ 502,718,772	\$ 59,696,975	\$ 34,037,686	\$ 528,378,061	\$ 20,941,690
Business-type activities:					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
Accrued Compensated Absences	\$ 304,208	\$ 147,309	\$ 109,465	\$ 342,052	\$ 109,466
Net Other Post Employment Benefit Liability	3,079,129	181,418	-	3,260,547	-
Net Pension Liability	1,391,215	-	129,492	1,261,723	-
Long-term Liabilities	4,774,552	328,727	238,957	4,864,322	109,466
Prince George's County					
Accrued Compensated Absences	694,943	249,579	273,115	671,407	273,115
Net Other Post Employment Benefit Liability	7,558,576	379,826	-	7,938,402	-
Net Pension Liability	3,052,107	-	244,747	2,807,360	-
Long-term Liabilities	11,305,626	629,405	517,862	11,417,169	273,115
Total Long-term Liabilities	\$ 16,080,178	\$ 958,132	\$ 756,819	\$ 16,281,491	\$ 382,581

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

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 10,801,690	\$ 382,580	\$ 11,184,270
Due in more than One Year	10,294,886	630,878	10,925,764
Bonds and Notes Payable:			
Due within One Year	10,140,000	-	10,140,000
Due in more than One Year	135,831,035	-	135,831,035
Net Other Post employment Benefit Obligations			
Due in more than One Year	252,439,890	11,198,949	263,638,839
Net Pension Liability	108,870,560	4,069,083	112,939,643
Total Long-term Liabilities	<u>\$ 528,378,061</u>	<u>\$ 16,281,490</u>	<u>\$ 544,659,551</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 obligations and net other post-employment benefits obligations are generally liquidated by the General Fund.

(5) – OTHER INFORMATION

(A) Risk Management

The Commission is subject to various risk exposures related to property damage and destruction of assets; errors and omissions, injuries to employees and tort liability. The Commission protects against unforeseen losses through a combination of self-insurance and commercial insurance products. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), professional liability, and property and fire damage (up to \$250,000). Commercial insurance policies are obtained for: property and fire damage above \$250,000, excess liability and commercial crime coverages. The Commission is responsible for reimbursing the Program up to the self-insured amount of \$250,000. Outside the "Program", the Commission also carries Public Official bonds, airport liability and airport museum policies, national flood protection and cyber insurance protections. The Commission did not pay any claim settlements in excess of \$250,000 in fiscal years 2016, 2017 or 2018. No insurance coverages were reduced in fiscal year 2018.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission partially-insures the following medical plans: one traditional HMO, one exclusive provider organization (EPO) which is a Health Maintenance Organization (HMO) without a PCP as a gatekeeper, a point of service (POS), and a Medicare complement plan (retirees and employees on long-term disability with Medicare only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2018. 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 2018 totaled \$4,489,051. 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, 2016	\$ 2,065,829	\$ 16,538,227
Incurred Claims, Fiscal Year 2017	21,781,030	5,486,769
Claims Paid, Fiscal Year 2017	<u>(22,446,196)</u>	<u>(4,688,925)</u>
Unpaid Claims, June 30, 2017	1,400,663	17,336,071
Incurred Claims, Fiscal Year 2018	24,119,040	3,459,559
Claims Paid, Fiscal Year 2018	<u>(23,618,228)</u>	<u>(4,489,051)</u>
Unpaid Claims, June 30, 2018	<u><u>\$ 1,901,475</u></u>	<u><u>\$ 16,306,579</u></u>

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 1,901,475	\$ 4,076,645	\$ 5,978,120
Due in more than One Year	-	12,229,933	12,229,933
Total	<u><u>\$ 1,901,475</u></u>	<u><u>\$ 16,306,578</u></u>	<u><u>\$ 18,208,053</u></u>

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2018:

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

Prince George's County - Library Recreation Program	\$ 2,212,770
Permits & Inspection for M-NCPPC-DER	1,816,200
Dept. of Environ. Resources Zoning Enforcement and Inspection of New Construct.	1,761,900
Reimbursements to County Council for planning, zoning, and audio/visual (Comm. Ofc)	1,137,300
Permits & Inspection & Permitting - DPW&T	929,800
Office Space Rental at the County Administrative Building	890,463
Redevelopment Authority	844,500
Property Tax Collection Fees (Parks & Recreation)	344,900
Geographic Information Systems - GIS	340,500
EDC - General Plan Goals	316,800
Prince George's Community College -Park Police Security	300,000
Prince George's Community College -Outreach Facilities	300,000
Peoples Zoning Counsel (Stan Derwin Brown)	250,000
Clean Up, Green Up Program {Green to Greatness}- Tree Planting	225,000
Department of Environmental Resources - Water and Sewer Planning	155,300
Prince George's Community College -Team Building Program	100,000
Property Tax Collection Fees	78,500
Economic Development for Enterprise Zone	65,000
Prince George's County - Police Department	36,800
Total (1)	<u><u>\$ 12,105,733</u></u>

(1) Of this amount, \$2,792,686 is in Accounts Payable at June 30, 2018.

(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, 2017, membership in the System was as follows:

Active	2,102
Retired	1,461
Terminated Vested	260
Terminated Non-Vested	<u>379</u>
Total Participants	<u>4,202</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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions – The total pension liability of the Defined Benefit Pension Plan was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50%
- Salary Increases: 2.50% plus service based increases
- Investment Return: 6.95%, 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, 2018 is equal to the July 1, 2017 Entry Age actuarial accrued liability, adjusted for total normal cost, one year of interest, and reduced by benefits paid during the year, adjusted by one half year of interest.

The following changes in actuarial assumptions were made since the prior valuation:

- The investment return assumption was changed from 7.00% to 6.95%.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class, based on inputs from a survey of investment professionals. These allocations are combined to produce a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which returns are simulated over a 30 year period, and a risk adjustment is applied to the baseline expected return. This method accounts for 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 Expected Real Return - Portfolio	Target Allocation
Domestic Equity, including low volatility	5.70%	27.00%
International Equity	5.75%	19.00%
Fixed Income & Bank Loans - U.S.	2.00%	14.00%
Fixed Income - U.S. High Yield	3.75%	7.50%
Fixed Income - International	2.40%	7.50%
Public Real Assets	2.55%	5.00%
Private Equity	7.60%	5.00%
Private Real Assets	4.65%	15.00%
Cash	0.80%	0.00%
Total Weighted Average Real Return	4.58%	100.00%
Plus Inflation	2.50%	
Total Return without Adjustment	7.08%	
Risk Adjustment	-0.13%	
Total Expected Investment Return	6.95%	

Discount Rate – The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	\$ 990,641,064	\$ 868,155,816	\$ 122,485,248
Changes for the year:			
Service cost	20,413,028	-	20,413,028
Interest	68,693,630	-	68,693,630
Differences between expected and actual experience	(5,306,607)	-	(5,306,607)
Changes in assumptions	6,290,280	-	6,290,280
Benefit Payment, including refunds	(48,088,129)	(48,088,129)	-
Contributions - Employer	-	24,822,301	(24,822,301)
Contributions - Employee	-	7,201,130	(7,201,130)
Net Investment Income	-	70,470,948	(70,470,948)
Administrative expenses	-	(1,810,777)	1,810,777
Net changes	<u>42,002,202</u>	<u>52,595,473</u>	<u>(10,593,271)</u>
Balances at June 30, 2018	<u>\$ 1,032,643,266</u>	<u>\$ 920,751,289</u>	<u>\$ 111,891,977</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 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
Net Pension Liability	\$ 258,624,362	\$ 111,891,977	\$ (6,060,086)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2018, the Commission recognized pension expense of \$33,601,003. As of June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 36,220,493	\$ 42,335,138
Differences between expected and actual experience	261,775	22,832,547
Changes in assumptions	33,711,486	7,896,356
	<u>\$ 70,193,754</u>	<u>\$ 73,064,041</u>

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

Year Ended June 30	Net Amount of Outflow/(Inflow)
2019	\$ 10,427,771
2020	(666,552)
2021	(13,229,633)
2022	(3,159,429)
2023	3,757,556
After 2023	-

Maryland State Retirement and Pension System

Certain employees/retirees of the Commission elected to remain in the Maryland State Retirement and Pension System (MSRS) which is a cost-sharing employer public employee retirement system. The Commission entered into an agreement to reimburse the State for the unfunded present value of benefits as of June 30, 1985 over a period of 35 years. The Commission made its contractually required contribution of \$486,721 in FY 2018. The balance due to the State as of June 30, 2018 is \$1,047,667 of which \$574,931 of cash is reflected in Exhibit 1. The final payment is scheduled to be made in fiscal year 2020.

Deferred Compensation Plans

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

(E) Other 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, 2017, membership consisted of the following:

Retirees	1,061
Active plan members	<u>1,822</u>
Total	<u>2,883</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, 2018:

<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, 2018, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 9.5%. 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, 2018, are as follows:

Total OPEB Liability	\$ 336,333,395
Plan Fiduciary Net Position	72,694,556
Net OPEB Liability	<u>\$ 263,638,839</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	21.6%

Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 6.95%, net of investment expense and including inflation.

Healthcare Trend: 5.6% initially, grading down to 3.2% 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, 2018, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	20 Year Arithmetic Nominal	20 Year Arithmetic Real	Product
US Treasuries (Cash Equivalents)	10.00%	3.10%	0.60%	0.06%
US Equity - Large Cap	20.00%	8.73%	6.10%	1.22%
US Equity - Small/Mid Cap	20.00%	10.13%	7.46%	1.49%
Non-US Equity - Developed	20.00%	9.46%	6.81%	1.36%
Non-US Equity - Emerging	10.00%	11.94%	9.23%	0.92%
Real Estate	10.00%	7.67%	5.06%	0.51%
Fixed Income/Cash - U.S.	10.00%	3.10%	0.60%	0.06%
Total	100.00%			5.63%
Plus inflation				2.20%
Portfolio arithmetic return				7.95%
Portfolio variance				1.70%
Portfolio geometric return				7.10%
Margin for adverse experience				0.15%
Adjusted geometric return				6.95%

Discount Rate - The discount rate used to measure the total OPEB liability was 6.95%. 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 Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	\$ 311,738,794	\$ 61,342,780	\$ 250,396,014
Changes for the year:			
Service cost	7,032,667	-	7,032,667
Interest	21,376,943	-	21,376,943
Differences between expected and actual experience	7,297,620	-	7,297,620
Changes in assumptions	2,224,999	-	2,224,999
Benefit Payments, net of retiree contributions	(13,337,628)	(13,337,628)	-
Contributions - Employer	-	18,490,959	(18,490,959)
Net Investment Income	-	6,795,459	(6,795,459)
Administrative expenses	-	(597,014)	597,014
Net changes	24,594,601	11,351,776	13,242,825
Balances at June 30, 2018	\$ 336,333,395	\$ 72,694,556	\$ 263,638,839

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 6.95%, 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:

	<u>1% Decrease 5.95%</u>	<u>Current Discount Rate 6.95%</u>	<u>1% Increase 7.95%</u>
Net OPEB Liability	\$ 313,349,789	\$ 263,638,837	\$ 223,126,901

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.

	<u>1% Decrease 2.90%</u>	<u>Medical Trend 3.90%</u>	<u>1% Increase 4.90%</u>
Net OPEB Liability	\$ 217,151,272	\$ 263,638,837	\$ 321,944,709

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018, the Commission recognized pension expense of \$25,275,085. As of June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 1,873,594
Differences between expected and actual experience	6,385,417	-
Changes in assumptions	1,946,874	-
	<u>\$ 8,332,291</u>	<u>\$ 1,873,594</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 June 30</u>	<u>Net Amount of Outflow/(Inflow)</u>
2019	\$ 721,930
2020	721,930
2021	721,930
2022	721,928
2023	1,190,328
After 2023	2,380,651

(F) Pension Trust Funds

Combining schedules of the pension trust funds follow:

Combining Schedule of Net Position Pension Trust Funds June 30, 2018

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ -	\$ 722,806	\$ 722,806
Cash	49,731	-	49,731
Fixed Income Securities	227,922,933	14,457,640	242,380,573
International Fixed Income Securities	3,224,978	-	3,224,978
Venture Capital/Alternative Investments	137,484,220	-	137,484,220
Corporate Stock	370,228,825	-	370,228,825
International Corporate Stock	74,080,706	-	74,080,706
Real Estate Investments	81,025,388	5,341,419	86,366,807
Short Term Investments	28,650,722	-	28,650,722
Mutual Funds	-	52,883,202	52,883,202
Collateral for Securities Lending Transactions	29,803,345	-	29,803,345
Accrued Income on Investments	793,376	-	793,376
Accounts Receivable	66,531	-	66,531
Other	36,723	1,676	38,399
Total Assets	<u>953,367,478</u>	<u>73,406,743</u>	<u>1,026,774,221</u>
LIABILITIES			
Investments Payable	789,506	-	789,506
Accounts Payable	1,275,901	-	1,275,901
Claims Payable	-	718,001	718,001
Obligation for Collateral Received under Securities Lending Transactions	30,550,782	-	30,550,782
Total Liabilities	<u>32,616,189</u>	<u>718,001</u>	<u>33,334,190</u>
NET POSITION			
Assets Held in Trust for:			
Pension Benefits	920,751,289	-	920,751,289
Other Postemployment Benefits	-	72,688,742	72,688,742
Total Net Position	<u>\$ 920,751,289</u>	<u>\$ 72,688,742</u>	<u>\$ 993,440,031</u>

Combining Schedule of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2018

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 24,822,301	\$ 17,083,549	\$ 41,905,850
Plan Members	7,201,130	-	7,201,130
Plan Members for Current Benefits	-	2,697,428	2,697,428
Total Contributions	<u>32,023,431</u>	<u>19,780,977</u>	<u>51,804,408</u>
Federal Grants - Medicare	-	2,004,422	2,004,422
Investment Earnings:			
Interest	10,694,124	-	10,694,124
Dividends	641,950	1,864,748	2,506,698
Net increase in the Fair Value of Investments	62,516,437	4,339,517	66,855,954
Total Investment Earnings	<u>73,852,511</u>	<u>6,204,265</u>	<u>80,056,776</u>
Less Investment Advisory and Management Fees	(3,496,644)	-	(3,496,644)
Net Income from Investing Activities	<u>70,355,867</u>	<u>6,204,265</u>	<u>76,560,132</u>
Securities Lending Activity			
Securities Lending Income	625,548	-	625,548
Securities Lending Fees	(510,467)	-	(510,467)
Net Income from Securities Lending Activity	<u>115,081</u>	<u>-</u>	<u>115,081</u>
Total Net Investment Earnings	<u>70,470,948</u>	<u>6,204,265</u>	<u>76,675,213</u>
Total Additions and Investment Earnings	<u>102,494,379</u>	<u>27,989,664</u>	<u>130,484,043</u>
DEDUCTIONS:			
Benefits	47,627,679	16,035,056	63,662,735
Refunds of Contributions	460,450	-	460,450
Administrative expenses	1,810,777	608,646	2,419,423
Total Deductions	<u>49,898,906</u>	<u>16,643,702</u>	<u>66,542,608</u>
Change in Net Position	<u>52,595,473</u>	<u>11,345,962</u>	<u>63,941,435</u>
Net Position - Beginning	<u>868,155,816</u>	<u>61,342,780</u>	<u>929,498,596</u>
Net Position - Ending	<u>\$ 920,751,289</u>	<u>\$ 72,688,742</u>	<u>\$ 993,440,031</u>

(6) – NEW ACCOUNTING PRONOUNCEMENTS

The Commission adopted GASB No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions and the related GASB Statement No. 85, Omnibus 2017 which improves accounting and financial reporting by state and local government employers whose employees are provided other post-employment benefits. The Commission is now required to record a liability for future OPEB in excess of accumulated plan assets.

These pronouncements require the restatement of the June 30, 2017 net position of the Governmental and Business-Type Activities as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position July 1, 2017 as previously stated	\$ 966,661,081	\$ 65,563,120	\$ 1,032,224,201
Cumulative affect of application GASB 75, net OPEB liability	<u>(163,294,673)</u>	<u>(7,226,802)</u>	<u>(170,521,475)</u>
Net position July 1, 2017 as restated	<u><u>\$ 803,366,408</u></u>	<u><u>\$ 58,336,318</u></u>	<u><u>\$ 861,702,726</u></u>

7) – 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, 2018

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
ASSETS						
Equity in Pooled Cash and Investments	\$ 14,338,602	\$ 14,356,043	\$ 28,694,645	\$ 1,089,075	\$ 7,687,590	\$ 37,471,310
Receivables - Taxes (net of allowance for uncollectibles)	166,469	570,617	737,086	-	16,469	753,555
Receivables - Other	267	38,487	38,754	-	13,312	52,066
Due from County Government	945	155,286	156,231	3,951,972	100,599	4,208,802
Due from Other Governments	-	1,270	1,270	2,930,971	-	2,932,241
Other	2,198	-	2,198	-	-	2,198
Total Assets	\$ 14,508,481	\$ 15,121,703	\$ 29,630,184	\$ 7,972,018	\$ 7,817,970	\$ 45,420,172
LIABILITIES						
Liabilities:						
Accounts Payable	\$ 1,146,832	\$ 841,114	\$ 1,987,946	\$ 2,298,915	\$ 118,841	\$ 4,405,702
Accrued Liabilities	880,033	2,594,868	3,474,901	-	18,144	3,493,045
Retainage Payable	-	-	-	1,589,914	-	1,589,914
Due to County Government	-	-	-	100,000	-	100,000
Deposits and Fees Collected in-Advance	1,719,289	163,434	1,882,723	-	50,269	1,932,992
Total Liabilities	3,746,154	3,599,416	7,345,570	3,988,829	187,254	11,521,653
DEFERRED INFLOW OF RESOURCES						
Unavailable Property Tax Revenue	87,903	319,419	407,322	-	-	407,322
Total Deferred Inflow of Resources	87,903	319,419	407,322	-	-	407,322
Fund Balance:						
Committed to:						
Planning	4,986,336	-	4,986,336	-	147,342	5,133,678
Parks	-	3,153,324	3,153,324	8,261,384	1,049,001	12,463,709
Assigned to:						
Planning	3,502,332	-	3,502,332	-	5,471,385	8,973,717
Parks	-	3,662,380	3,662,380	-	962,988	4,625,368
Unassigned:						
	2,185,756	4,387,164	6,572,920	(4,278,195)	-	2,294,725
Total Fund Balances	10,674,424	11,202,868	21,877,292	3,983,189	7,630,716	33,491,197
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 14,508,481	\$ 15,121,703	\$ 29,630,184	\$ 7,972,018	\$ 7,817,970	\$ 45,420,172

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2018

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
REVENUES						
Property Taxes	\$ 28,695,052	\$ 92,415,781	\$ 121,110,833	\$ -	\$ 1,929,019	\$ 123,039,852
Intergovernmental:						
Federal	-	26,349	26,349	-	-	26,349
State	-	2,500	2,500	1,911,020	-	1,913,520
County	404,630	3,184,641	3,589,271	10,872,865	1,141,789	15,603,925
Charges for Services	283,777	2,194,819	2,478,596	-	4,301,996	6,780,592
Rentals and Concessions	-	1,960,070	1,960,070	-	504,738	2,464,808
Interest	218,044	176,944	394,988	29,269	62,813	487,070
Contributions	-	-	-	478,295	302,673	780,968
Miscellaneous	6,948	133,293	140,241	57,846	41,287	239,374
Total Revenues	<u>29,608,451</u>	<u>100,094,397</u>	<u>129,702,848</u>	<u>13,349,295</u>	<u>8,284,315</u>	<u>151,336,458</u>
EXPENDITURES						
Current:						
General Government	8,900,541	-	8,900,541	-	-	8,900,541
Planning and Zoning	20,093,302	-	20,093,302	-	3,715,693	23,808,995
Park Operations and Maintenance	-	96,025,293	96,025,293	-	1,494,883	97,520,176
Contributions	-	-	-	-	1,775,416	1,775,416
Debt Service:						
Principal	-	-	-	-	3,795,000	3,795,000
Interest	-	-	-	-	1,782,193	1,782,193
Other Debt Service Costs	-	-	-	-	5,770	5,770
Capital Outlay:						
Park Development	-	-	-	18,404,571	-	18,404,571
Total Expenditures	<u>28,993,843</u>	<u>96,025,293</u>	<u>125,019,136</u>	<u>18,404,571</u>	<u>12,568,955</u>	<u>155,992,662</u>
Excess (Deficiency) of Revenues over Expenditures	<u>614,608</u>	<u>4,069,104</u>	<u>4,683,712</u>	<u>(5,055,276)</u>	<u>(4,284,640)</u>	<u>(4,656,204)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	529,269	529,269	350,000	5,728,913	6,608,182
Transfer Out	(800,000)	(5,778,913)	(6,578,913)	(29,269)	-	(6,608,182)
Total Other Financing Sources (Uses)	<u>(800,000)</u>	<u>(5,249,644)</u>	<u>(6,049,644)</u>	<u>320,731</u>	<u>5,728,913</u>	<u>-</u>
Net Change in Fund Balances	(185,392)	(1,180,540)	(1,365,932)	(4,734,545)	1,444,273	(4,656,204)
Fund Balances - Beginning	<u>10,859,816</u>	<u>12,383,408</u>	<u>23,243,224</u>	<u>8,717,734</u>	<u>6,186,443</u>	<u>38,147,401</u>
Fund Balances - Ending	<u>\$ 10,674,424</u>	<u>\$ 11,202,868</u>	<u>\$ 21,877,292</u>	<u>\$ 3,983,189</u>	<u>\$ 7,630,716</u>	<u>\$ 33,491,197</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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 29,044,760	\$ 29,044,760	\$ 28,695,052	\$ (349,708)
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	420,300	420,300	404,630	(15,670)
Charges for Services	163,400	163,400	283,777	120,377
Interest	70,000	70,000	218,044	148,044
Miscellaneous	-	-	6,948	6,948
Total Revenues	<u>29,848,460</u>	<u>29,848,460</u>	<u>29,608,451</u>	<u>(240,009)</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,204,588	1,204,588	1,171,857	32,731
Central Administrative Services -				
Department of Human Resources and Management	2,252,021	2,252,021	1,835,900	416,121
Department of Finance	3,375,656	3,375,656	3,327,681	47,975
Internal Audit Division	261,337	261,337	239,121	22,216
Legal Department	1,400,844	1,400,844	1,220,502	180,342
Support Services	653,181	653,181	606,646	46,535
Merit System Board	85,307	85,307	69,182	16,125
Total Central Administrative Services	<u>8,028,346</u>	<u>8,028,346</u>	<u>7,299,032</u>	<u>729,314</u>
Planning Department -				
Office of the Planning Director	1,135,684	1,166,684	1,113,968	52,716
Management and Technology Services	2,344,513	2,344,513	2,365,274	(20,761)
Functional Planning and Policy	3,039,495	2,930,495	2,881,287	49,208
Area 1	1,257,458	1,357,458	1,353,759	3,699
Area 2	2,183,745	2,125,745	2,066,679	59,066
Area 3	1,795,526	1,790,526	1,590,664	199,862
Dev. Applications and Regulatory Coordination	972,157	957,157	939,860	17,297
Information Technology and Innovation	3,524,796	3,614,796	3,569,274	45,522
Support Services	2,217,290	2,323,290	2,251,498	71,792
Research and Special Projects	1,438,483	1,298,483	1,295,549	2,934
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>20,059,147</u>	<u>20,059,147</u>	<u>19,427,812</u>	<u>631,335</u>
Non-Departmental	1,636,660	1,636,660	1,030,496	606,164
Total Expenditures/Encumbrances	<u>30,928,741</u>	<u>30,928,741</u>	<u>28,929,197</u>	<u>1,999,544</u>
Excess of Revenues over Expenditures/Encumbrances	<u>(1,080,281)</u>	<u>(1,080,281)</u>	<u>679,254</u>	<u>1,759,535</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Park Fund	(500,000)	(500,000)	(500,000)	-
Special Revenue Fund - Dev. Review	(300,000)	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	<u>(800,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,880,281)</u>	<u>\$ (1,880,281)</u>	<u>(120,746)</u>	<u>\$ 1,759,535</u>
Fund Balance - Budget Basis, Beginning			<u>5,808,834</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 5,688,088</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, 2018**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 93,529,054	\$ 93,529,054	\$ 92,415,781	\$ (1,113,273)
Intergovernmental -				
Federal	-	-	26,349	26,349
State	400,000	400,000	2,500	(397,500)
County	3,184,641	3,184,641	3,184,641	-
Charges for Services	2,047,368	2,047,368	2,194,819	147,451
Rentals and Concessions	2,059,875	2,059,875	1,960,070	(99,805)
Interest	9,500	9,500	176,944	167,444
Miscellaneous	120,900	120,900	133,293	12,393
Total Revenues	<u>101,351,338</u>	<u>101,351,338</u>	<u>100,094,397</u>	<u>(1,256,941)</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	1,732,085	1,732,085	1,750,696	(18,611)
Management Services	2,031,693	2,031,693	1,895,277	136,416
Information Technology & Innovation	2,437,616	2,437,616	2,393,673	43,943
Facilities Management	12,466,323	12,466,323	11,933,034	533,289
Park Planning and Stewardship	5,172,451	5,172,451	4,920,634	251,817
Park Development	3,411,318	3,411,318	3,715,251	(303,933)
Park Police	14,928,991	14,928,991	14,759,090	169,901
Horticulture, Forestry & Environmental Education	10,020,215	10,020,215	9,962,634	57,581
Public Affairs and Community Service	2,876,425	2,876,425	2,661,461	214,964
Northern Parks	10,491,085	10,491,085	10,299,369	191,716
Southern Region	13,864,104	13,864,104	13,417,612	446,492
Support Services	10,503,128	10,503,128	11,552,258	(1,049,130)
Grants	400,000	400,000	28,849	371,151
Property Management	1,311,100	1,311,100	1,264,471	46,629
Non-Departmental	5,166,136	5,166,136	4,121,410	1,044,726
Total Expenditures/Encumbrances	<u>96,812,670</u>	<u>96,812,670</u>	<u>94,675,719</u>	<u>2,136,951</u>
Excess of Revenues over				
Expenditures/Encumbrances	<u>4,538,668</u>	<u>4,538,668</u>	<u>5,418,678</u>	<u>880,010</u>
Other Financing Sources (Uses):				
Transfers In/(Out)-				
Capital Projects Funds	15,000	15,000	29,269	14,269
Administration Fund	500,000	500,000	500,000	-
Debt Service Fund	(5,511,210)	(5,511,210)	(5,428,913)	82,297
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	<u>(5,346,210)</u>	<u>(5,346,210)</u>	<u>(5,249,644)</u>	<u>96,566</u>
Excess of Revenues and Other Financing Sources				
over (under) Expenditures and Other Financing Uses	<u>\$ (807,542)</u>	<u>\$ (807,542)</u>	169,034	<u>\$ 976,576</u>
Fund Balance - Budget Basis, Beginning			7,880,510	
Fund Balance - Budget Basis, Ending			<u>\$ 8,049,544</u>	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2018

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	\$ 62,901,717	\$ 156,007,088	\$ 62,757,853	\$ 281,666,658	\$ 48,768,775	\$ 10,755,791	\$ 341,191,224
Receivables - Taxes (net of allowance for uncollectibles)	398,937	704,554	977,923	2,081,414	-	9	2,081,423
Receivables - Other	10,593	31,482	22,914	64,989	-	-	64,989
Due from County Government	116,018	-	-	116,018	-	-	116,018
Due from Other Governments	144,188	150,332	2,903	297,423	926,164	67,568	1,291,155
Inventories	-	-	-	-	-	664,069	664,069
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	16,508,941	-	16,508,941
Other	-	-	1,666,534	1,666,534	-	-	1,666,534
Total Assets	<u>\$ 63,571,453</u>	<u>\$ 156,893,456</u>	<u>\$ 65,428,127</u>	<u>\$ 285,893,036</u>	<u>\$ 66,203,880</u>	<u>\$ 11,487,437</u>	<u>\$ 363,584,353</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 929,051	\$ 4,116,064	\$ 2,246,212	\$ 7,291,327	\$ 8,086,622	\$ 49,564	\$ 15,427,513
Accrued Liabilities	980,401	2,619,670	2,408,682	6,008,753	-	372,070	6,380,823
Retainage Payable	-	-	-	-	1,923,959	-	1,923,959
Deposits and Fees Collected in-Advance	65,020	167,435	4,103,266	4,335,721	3,129,227	192,860	7,657,808
Total Liabilities	<u>1,974,472</u>	<u>6,903,169</u>	<u>8,758,160</u>	<u>17,635,801</u>	<u>13,139,808</u>	<u>614,494</u>	<u>31,390,103</u>
DEFERRED INFLOW OF RESOURCES							
Unavailable Property Tax Revenue	407,803	752,013	988,900	2,148,716	-	-	2,148,716
Total Deferred Inflow of Resources	<u>407,803</u>	<u>752,013</u>	<u>988,900</u>	<u>2,148,716</u>	<u>-</u>	<u>-</u>	<u>2,148,716</u>
Fund Balance:							
Nonspendable to:							
Recreation	-	-	-	-	-	664,069	664,069
Restricted for:							
Parks	-	-	-	-	16,508,941	-	16,508,941
Committed to:							
Planning	16,352,300	-	-	16,352,300	-	-	16,352,300
Parks	-	13,017,393	-	13,017,393	32,289,134	15,841	45,322,368
Recreation	-	-	4,849,945	4,849,945	-	524,320	5,374,265
Assigned to:							
Parks	-	7,521,881	-	7,521,881	4,265,997	1,924,353	13,712,231
Recreation	-	-	9,377,731	9,377,731	-	7,744,360	17,122,091
Unassigned:	44,836,878	128,699,000	41,453,391	214,989,269	-	-	214,989,269
Total Fund Balances	<u>61,189,178</u>	<u>149,238,274</u>	<u>55,681,067</u>	<u>266,108,519</u>	<u>53,064,072</u>	<u>10,872,943</u>	<u>330,045,534</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 63,571,453</u>	<u>\$ 156,893,456</u>	<u>\$ 65,428,127</u>	<u>\$ 285,893,036</u>	<u>\$ 66,203,880</u>	<u>\$ 11,487,437</u>	<u>\$ 363,584,353</u>

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2018

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
REVENUES							
Property Taxes	\$ 51,959,281	\$ 141,907,359	\$ 74,076,984	\$ 267,943,624	\$ -	\$ 331	\$ 267,943,955
Intergovernmental:							
Federal	-	29,754	-	29,754	-	-	29,754
State	157,372	569,009	365,194	1,091,575	3,617,948	-	4,709,523
County	215,995	-	1,698	217,693	-	472,957	690,650
Charges for Services	725,225	247,193	7,362,459	8,334,877	-	1,304,251	9,639,128
Rentals and Concessions	-	2,668,255	1,103,612	3,771,867	-	6,237,126	10,008,993
Interest	973,000	1,683,268	656,671	3,312,939	855,979	31,579	4,200,497
Contributions	-	-	184,304	184,304	1,195,283	89,109	1,468,696
Miscellaneous	-	592,878	317,861	910,739	221,727	55,420	1,187,886
Total Revenues	<u>54,030,873</u>	<u>147,697,716</u>	<u>84,068,783</u>	<u>285,797,372</u>	<u>5,890,937</u>	<u>8,190,773</u>	<u>299,879,082</u>
EXPENDITURES							
Current:							
General Government	11,784,748	-	-	11,784,748	-	-	11,784,748
Planning and Zoning	29,997,460	-	-	29,997,460	-	-	29,997,460
Park Operations and Maintenance	-	120,115,213	-	120,115,213	-	821,280	120,936,493
Recreation	-	-	63,244,341	63,244,341	-	6,189,826	69,434,167
Contributions	-	-	-	-	-	347	347
Debt Service:							
Principal	-	-	-	-	-	7,881,181	7,881,181
Interest	-	-	-	-	-	2,905,686	2,905,686
Other Debt Service Costs	-	-	-	-	-	244,932	244,932
Capital Outlay:							
Park Acquisition	-	-	-	-	1,681,034	-	1,681,034
Park Development	-	-	-	-	40,135,342	-	40,135,342
Total Expenditures	<u>41,782,208</u>	<u>120,115,213</u>	<u>63,244,341</u>	<u>225,141,762</u>	<u>41,816,376</u>	<u>18,043,252</u>	<u>285,001,390</u>
Excess (deficiency) of Revenues over Expenditures	<u>12,248,665</u>	<u>27,582,503</u>	<u>20,824,442</u>	<u>60,655,610</u>	<u>(35,925,439)</u>	<u>(9,852,479)</u>	<u>14,877,692</u>
OTHER FINANCING SOURCES (USES)							
General Obligation Bonds Issued	-	-	-	-	33,000,000	-	33,000,000
Premiums on Bonds Issued	-	-	-	-	2,994,898	-	2,994,898
Transfers In	-	855,979	-	855,979	11,632,701	11,031,799	23,520,479
Transfer Out	(30,000)	(22,631,799)	(8,748,421)	(31,410,220)	(855,979)	(2,701)	(32,268,900)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(21,775,820)</u>	<u>(8,748,421)</u>	<u>(30,554,241)</u>	<u>46,771,620</u>	<u>11,029,098</u>	<u>27,246,477</u>
Net Change in Fund Balances	12,218,665	5,806,683	12,076,021	30,101,369	10,846,181	1,176,619	42,124,169
Fund Balances - Beginning	48,970,513	143,431,591	43,605,046	236,007,150	42,217,891	9,696,324	287,921,365
Fund Balances - Ending	<u>\$ 61,189,178</u>	<u>\$ 149,238,274</u>	<u>\$ 55,681,067</u>	<u>\$ 266,108,519</u>	<u>\$ 53,064,072</u>	<u>\$ 10,872,943</u>	<u>\$ 330,045,534</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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 50,956,700	\$ 50,956,700	\$ 51,959,281	\$ 1,002,581
Intergovernmental -				
State	-	157,372	157,372	-
County	202,500	215,995	215,995	-
Charges for Services	623,000	623,000	723,854	100,854
Interest	160,000	160,000	974,371	814,371
Total Revenues	<u>51,942,200</u>	<u>52,113,067</u>	<u>54,030,873</u>	<u>1,917,806</u>
Expenditures/Encumbrances:				
Commissioners' Office	3,191,479	3,191,479	3,007,725	183,754
Central Administrative Services -				
Department of Human Resources and Management	2,829,725	2,829,725	2,267,291	562,434
Department of Finance	3,859,482	3,859,482	3,798,342	61,140
Internal Audit Division	365,535	365,535	323,119	42,416
Legal Department	1,204,136	1,204,136	1,025,294	178,842
Support Services	814,996	814,996	745,919	69,077
Merit System Board	85,307	85,307	69,182	16,125
Total Central Administrative Services	<u>9,159,181</u>	<u>9,159,181</u>	<u>8,229,147</u>	<u>930,034</u>
Planning Department -				
Director's Office	4,551,741	4,551,741	3,281,299	1,270,442
Development Review	6,250,755	6,250,755	5,247,309	1,003,446
Community Planning	3,762,214	3,762,214	2,412,328	1,349,886
Information Management	5,314,795	5,314,795	4,722,349	592,446
Countywide Planning	6,780,448	6,780,448	5,225,087	1,555,361
Support Services	9,477,840	9,477,840	8,322,561	1,155,279
Grants	147,500	318,367	256,010	62,357
Total Planning Department	<u>36,285,293</u>	<u>36,456,160</u>	<u>29,466,943</u>	<u>6,989,217</u>
Non-Departmental	1,946,194	1,946,194	1,401,081	545,113
Total Expenditures/Encumbrances	<u>50,582,147</u>	<u>50,753,014</u>	<u>42,104,896</u>	<u>8,648,118</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>1,360,053</u>	<u>1,360,053</u>	<u>11,925,977</u>	<u>10,565,924</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Development	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,330,053</u>	<u>\$ 1,330,053</u>	<u>11,895,977</u>	<u>\$ 10,565,924</u>
Fund Balance - Budget Basis, Beginning			<u>32,940,901</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 44,836,878</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, 2018**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 138,605,200	\$ 138,605,200	\$ 141,907,359	\$ 3,302,159
Intergovernmental -				
Federal	-	29,754	29,754	-
State	-	569,009	569,009	-
Charges for Services	148,500	148,500	247,193	98,693
Rentals and Concessions	2,627,600	2,627,600	2,668,255	40,655
Interest	325,000	325,000	1,683,268	1,358,268
Miscellaneous	656,000	656,000	592,878	(63,122)
Total Revenues	<u>142,362,300</u>	<u>142,961,063</u>	<u>147,697,716</u>	<u>4,736,653</u>
Expenditures/Encumbrances:				
Office of The Director -				
Office of the Director	1,776,338	1,776,338	1,231,373	544,965
Park Police	20,750,983	20,750,983	21,141,910	(390,927)
Administration and Development -				
Management Services	6,364,629	6,364,629	6,350,039	14,590
Administration and Development	346,642	346,642	312,259	34,383
Support Services	15,455,700	15,455,700	11,602,195	3,853,505
Park Planning and Development	6,855,719	6,855,719	5,760,594	1,095,125
Info Tech and Communications	5,556,438	5,556,438	4,819,488	736,950
Facility Operations -				
Deputy Director	650,023	650,023	588,061	61,962
Public Affairs & Marketing	2,508,190	2,508,190	2,159,746	348,444
Maintenance and Development	28,248,685	28,248,685	29,658,506	(1,409,821)
Natural and Historical Resources	6,361,996	6,361,996	6,722,095	(360,099)
Arts and Cultural Heritage	1,853,403	1,853,403	1,707,150	146,253
Total Facility Operations	<u>39,622,297</u>	<u>39,622,297</u>	<u>40,835,558</u>	<u>(1,213,261)</u>
Area Operations -				
Deputy Director	338,761	338,761	341,308	(2,547)
Northern Area Operations	6,972,991	6,972,991	6,975,185	(2,194)
Central Area Operations	6,272,626	6,272,626	6,383,789	(111,163)
Southern Area Operations	6,494,722	6,494,722	6,050,575	444,147
Total Area Operations	<u>20,079,100</u>	<u>20,079,100</u>	<u>19,750,857</u>	<u>328,243</u>
Grants	-	598,763	816,520	(217,757)
Non-Departmental	6,161,733	6,161,733	4,727,033	1,434,700
Total Expenditures/Encumbrances	<u>122,969,579</u>	<u>123,568,342</u>	<u>117,347,826</u>	<u>6,220,516</u>
Excess of Revenues over Expenditures/Encumbrances	<u>19,392,721</u>	<u>19,392,721</u>	<u>30,349,890</u>	<u>10,957,169</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	250,000	250,000	855,979	605,979
Debt Service - Park Fund	(11,053,742)	(11,053,742)	(11,031,799)	21,943
Capital Projects Funds - Development	(11,600,000)	(11,600,000)	(11,600,000)	-
Total Other Financing Sources (Uses)	<u>(22,403,742)</u>	<u>(22,403,742)</u>	<u>(21,775,820)</u>	<u>627,922</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (3,011,021)</u>	<u>\$ (3,011,021)</u>	<u>8,574,070</u>	<u>\$ 11,585,091</u>
Fund Balance - Budget Basis, Beginning			<u>127,646,811</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 136,220,881</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, 2018**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 72,634,200	\$ 72,634,200	\$ 74,076,984	\$ 1,442,784
Intergovernmental -				
State	-	365,194	365,194	-
County	-	1,698	1,698	-
Charges for Services	8,372,775	8,372,775	7,362,459	(1,010,316)
Rentals and Concessions	1,083,700	1,083,700	1,103,612	19,912
Interest	160,000	160,000	656,671	496,671
Contributions	-	-	184,304	184,304
Miscellaneous	82,800	82,800	317,861	235,061
Total Revenues	<u>82,333,475</u>	<u>82,700,367</u>	<u>84,068,783</u>	<u>1,368,416</u>
Expenditures/Encumbrances:				
Administration and Development-				
Support Services	<u>9,700,307</u>	<u>9,700,307</u>	<u>6,550,764</u>	<u>3,149,543</u>
Total Director's Office	<u>9,700,307</u>	<u>9,700,307</u>	<u>6,550,764</u>	<u>3,149,543</u>
Facility Operations:				
Public Affairs & Marketing	902,861	902,861	844,759	58,102
Sports, Health and Wellness	12,485,735	12,485,735	12,009,989	475,746
Natural and Historical Resources	1,130,183	1,130,183	1,131,195	(1,012)
Arts and Cultural Heritage	4,206,812	4,206,812	4,229,205	(22,393)
Grants	-	366,892	456,926	(90,034)
Total Facility Operations	<u>18,725,591</u>	<u>19,092,483</u>	<u>18,672,074</u>	<u>420,409</u>
Area Operations:				
Deputy Director	80,274	80,274	79,756	518
Northern Area Operations	7,020,907	7,020,907	6,963,756	57,151
Central Area Operations	7,308,034	7,308,034	7,330,937	(22,903)
Southern Area Operations	10,274,052	10,274,052	8,494,492	1,779,560
Special Programs	9,310,918	9,310,918	8,184,054	1,126,864
Total Area Operations	<u>33,994,185</u>	<u>33,994,185</u>	<u>31,052,995</u>	<u>2,941,190</u>
Non-Departmental	<u>6,655,379</u>	<u>6,655,379</u>	<u>5,303,232</u>	<u>1,352,147</u>
Total Operating Expenditures/Encumbrances	<u>69,075,462</u>	<u>69,442,354</u>	<u>61,579,065</u>	<u>7,863,289</u>
Excess of Revenues over Expenditures/Encumbrances	<u>13,258,013</u>	<u>13,258,013</u>	<u>22,489,718</u>	<u>9,231,705</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Enterprise	<u>(8,748,421)</u>	<u>(8,748,421)</u>	<u>(8,748,421)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(8,748,421)</u>	<u>(8,748,421)</u>	<u>(8,748,421)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 4,509,592</u>	<u>\$ 4,509,592</u>	<u>13,741,297</u>	<u>\$ 9,231,705</u>
Fund Balance - Budget Basis, Beginning			<u>37,089,825</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 50,831,122</u>	

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total Pension Liability</u>					
Service Cost	\$ 20,413,028	\$ 20,196,060	\$ 18,125,110	\$ 19,015,744	\$ 16,635,683
Interest	68,693,630	66,311,451	61,280,153	64,188,829	60,003,715
Changes in benefit terms**	-	(6,233)	(4,863)	-	-
Difference between expected and actual experience	(5,306,607)	(9,213,536)	(20,701,234)	610,807	-
Changes in assumptions	6,290,280	34,368,804	(13,818,623)	9,147,692	-
Benefit payments including refunds	(48,088,129)	(45,189,395)	(42,718,801)	(40,382,818)	(38,407,073)
Net change in total pension liability	<u>42,002,202</u>	<u>66,467,151</u>	<u>2,161,742</u>	<u>52,580,254</u>	<u>38,232,325</u>
Total pension liability - beginning	<u>990,641,064</u>	<u>924,173,913</u>	<u>922,012,171</u>	<u>869,431,917</u>	<u>831,199,592</u>
Total pension liability - ending (a)	<u><u>\$ 1,032,643,266</u></u>	<u><u>\$ 990,641,064</u></u>	<u><u>\$ 924,173,913</u></u>	<u><u>\$ 922,012,171</u></u>	<u><u>\$ 869,431,917</u></u>
<u>Plan Fiduciary Net Position</u>					
Contributions - employer	\$ 24,822,301	\$ 20,268,189	\$ 27,191,305	\$ 28,149,976	\$ 28,750,323
Contributions - employee	7,201,130	6,751,196	6,418,154	6,339,732	5,413,595
Net investment income	70,470,948	111,662,056	(4,851,526)	3,340,520	107,897,795
Benefit payments, including refunds	(48,088,129)	(45,189,395)	(42,718,801)	(40,382,818)	(38,407,073)
Administrative expenses	(1,810,777)	(1,674,654)	(1,696,334)	(1,587,371)	(1,487,210)
Net change in plan fiduciary net position	<u>52,595,473</u>	<u>91,817,392</u>	<u>(15,657,202)</u>	<u>(4,139,961)</u>	<u>102,167,430</u>
Plan fiduciary net position - beginning	<u>868,155,816</u>	<u>776,338,424</u>	<u>791,995,626</u>	<u>796,135,587</u>	<u>693,968,157</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 920,751,289</u></u>	<u><u>\$ 868,155,816</u></u>	<u><u>\$ 776,338,424</u></u>	<u><u>\$ 791,995,626</u></u>	<u><u>\$ 796,135,587</u></u>
Net pension liability - ending (a-b)	<u><u>\$ 111,891,977</u></u>	<u><u>\$ 122,485,248</u></u>	<u><u>\$ 147,835,489</u></u>	<u><u>\$ 130,016,545</u></u>	<u><u>\$ 73,296,330</u></u>
Plan fiduciary net position as a percentage of total pension liability	89.2%	87.6%	84.0%	85.9%	91.6%
Covered payroll	143,534,600	141,670,765	135,041,803	129,134,125	129,911,593
Net pension liability as a percentage of covered payroll	78.0%	86.5%	109.5%	100.7%	56.4%

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

**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.

Schedule of Required Supplementary Information for Defined Benefit Pension Plans**(Unaudited)****(continued)****Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission
Employees' Retirement System**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2009	\$ 13,983,669	\$ 14,933,506	\$ (949,837)	\$ 122,825,271	12.2%
2010	17,614,908	17,614,908	-	132,240,949	13.3%
2011	35,206,700	25,633,000	9,573,700	142,590,713	18.0%
2012	32,182,287	32,182,287	-	140,407,414	22.9%
2013	23,806,058	23,806,058	-	132,490,722	18.0%
2014	28,750,323	28,750,323	-	129,911,593	22.1%
2015	28,149,976	28,149,976	-	129,134,125	21.8%
2016	27,191,305	27,191,305	-	135,041,803	20.1%
2017	20,268,189	20,268,189	-	141,670,765	14.3%
2018	19,422,872	24,822,301	(5,399,429)	143,534,600	17.3%

Notes to Required Supplementary Information**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 7.00% to 6.95%.

(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	2.50%
Salary Increases	2.50% plus service based increases
Investment Rate of Return	6.95%, net of investment expense and including inflation
Mortality	RP-2000 Mortality table with male rates set forward 1 year and female rates set forward 2 years, with generational adjustments for mortality improvements based on Scale BB factors. An alternate table was used for the valuation of disabled members.

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

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

	<u>2018</u>	<u>2017</u>
<u>Total OPEB Liability</u>		
Service Cost	\$ 7,032,667	\$ 4,937,962
Interest	21,376,943	20,940,838
Difference between expected and actual experience	7,297,620	-
Changes in assumptions	2,224,999	-
Benefit payments	<u>(13,337,628)</u>	<u>(16,435,761)</u>
Net change in total pension liability	24,594,601	9,443,039
Total OPEB liability - beginning	<u>311,738,794</u>	<u>302,295,755</u>
Total OPEB liability - ending (a)	<u><u>\$ 336,333,395</u></u>	<u><u>\$ 311,738,794</u></u>
<u>Plan Fiduciary Net Position</u>		
Contributions - employer, including implicit subsidies	\$ 18,490,959	\$ 18,754,591
Net investment income	6,795,459	8,774,168
Benefit payments, net of retiree contributions	(13,337,628)	(13,749,844)
Administrative expenses	<u>(597,012)</u>	<u>(410,564)</u>
Net change in plan fiduciary net position	11,351,778	13,368,351
Plan fiduciary net position - beginning	<u>61,342,780</u>	<u>47,974,429</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 72,694,558</u></u>	<u><u>\$ 61,342,780</u></u>
 Net OPEB liability - ending (a-b)	 <u><u>\$ 263,638,837</u></u>	 <u><u>\$ 250,396,014</u></u>

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

	<u>2018</u>	<u>2017</u>
Total OPEB liability	336,333,395	311,738,794
Plan fiduciary net position	<u>72,694,558</u>	<u>61,342,780</u>
Net OPEB liability	<u><u>263,638,837</u></u>	<u><u>250,396,014</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	21.6%	19.7%
 Covered-employee payroll	 143,534,600	 141,670,765
Net OPEB liability as a percentage of covered-employee payroll	183.7%	176.7%

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

Schedule of Required Supplementary Information for Other Postemployment Benefits**(Unaudited)****(continued)****Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission Other Postemployment Benefits Trust (000's)**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered-Employee Payroll	Actual Contribution as a % of Covered Payroll
2009	\$ 21,306	\$ 9,821	\$ 11,485	\$ 142,681	6.9%
2010	23,056	7,203	15,853	137,245	5.2%
2011	23,872	9,210	14,662	135,062	6.8%
2012	28,553	16,243	12,310	123,684	13.1%
2013	21,812	17,758	4,054	119,966	14.8%
2014	18,611	18,509	102	126,868	14.6%
2015	19,143	15,901	3,242	134,536	11.8%
2016	18,044	16,847	1,197	136,049	12.4%
2017	20,037	16,107	3,930	141,671	11.4%
2018	22,162	19,088	3,074	143,544	13.3%

Notes to Required Supplementary Information**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 7.00% to 6.95%.

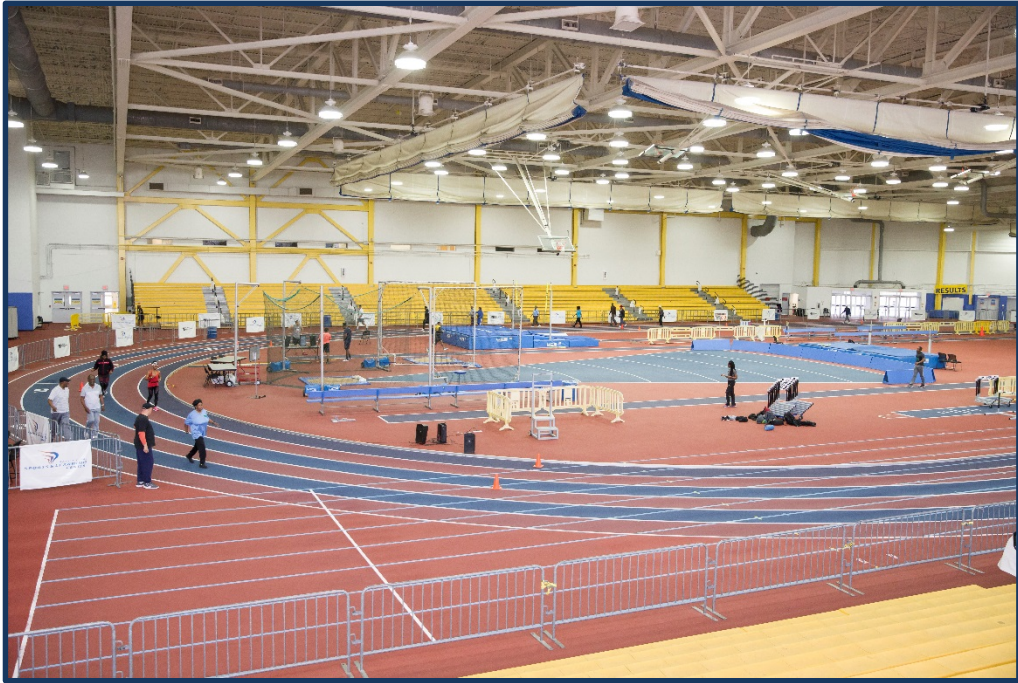
(2) Methods and Assumptions used in Calculations of Actuarially Determined Contributions

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 8 years remaining as of 7/1/2017
Non-ERI Amortization Period	30 year closed
Inflation	2.20%
Salary Increases	2.50%
Investment Rate of Return	6.95%, net of investment expense and including inflation
Healthcare Cost Trend Rates	5.6% initially, grading down to 3.2% for medical and pharmacy benefits 4% for dental 4% 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



Highlighting the Field House at the Prince George's Sports & Learning Complex is the 200-meter, Mondo SuperX Performance, 6-lane, indoor track. The facility sponsors a number of All-Comers meets throughout the year.

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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



THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

MONTGOMERY COUNTY

PRINCE GEORGE'S COUNTY

	MONTGOMERY COUNTY				PRINCE GEORGE'S COUNTY				Total Nonmajor Governmental Funds
	Special Revenue Funds		Advance Land Acquisition Debt Service		Special Revenue Funds		Advance Land Acquisition Debt Service		
	Planning	Parks	Total Special Revenue	Park Debt Service	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	
ASSETS									
Equity in Pooled Cash and Investments	\$ 5,753,422	\$ 1,934,168	\$ 7,687,590	\$ -	\$ -	\$ 10,754,511	\$ 1,280	\$ -	\$ 10,755,791
Taxes Receivable	-	-	16,469	-	-	-	-	9	9
Accounts Receivable	-	13,312	13,312	-	-	-	-	-	13,312
Due from County Government	-	100,599	100,599	-	-	-	-	-	100,599
Due from Other Government	-	-	-	-	-	67,568	-	-	67,568
Inventories	-	-	-	-	-	664,069	-	-	664,069
Total Assets	\$ 5,753,422	\$ 2,048,079	\$ 7,801,501	\$ -	\$ -	\$ 11,486,148	\$ 1,280	\$ 9	\$ 11,487,437
LIABILITIES									
Accounts Payable	\$ 105,530	\$ 13,311	\$ 118,841	\$ -	\$ -	\$ 48,284	\$ 1,280	\$ -	\$ 49,564
Accrued Liabilities	-	18,144	18,144	-	-	372,070	-	-	372,070
Deposits and Deferred Revenue	29,165	9,804	38,969	-	-	192,860	-	-	192,860
Total Liabilities	\$ 134,695	\$ 41,259	\$ 175,954	\$ -	\$ -	\$ 613,214	\$ 1,280	\$ -	\$ 614,494

FUND BALANCES									
Fund Balance:									
Nonspendable to:									
Recreation	-	-	-	-	-	664,069	-	-	664,069
Committed to:									
Planning	147,342	-	147,342	-	-	-	-	-	147,342
Parks	-	1,049,001	1,049,001	-	-	15,841	-	-	1,064,842
Recreation	-	-	-	-	-	524,320	-	-	524,320
Assigned to:									
Planning	5,471,385	-	5,471,385	-	-	-	-	-	5,471,385
Parks	-	957,819	957,819	-	-	1,924,344	-	9	1,924,353
Recreation	-	-	-	-	-	7,744,360	-	-	7,744,360
Total Fund Balances	\$ 5,618,727	\$ 2,006,820	\$ 7,625,547	\$ -	\$ -	\$ 10,872,934	\$ 1,280	\$ 9	\$ 10,872,943
Total Liabilities and Fund Balances	\$ 5,753,422	\$ 2,048,079	\$ 7,801,501	\$ -	\$ -	\$ 11,486,148	\$ 1,280	\$ 9	\$ 11,487,437

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Schedule 2

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018**

	MONTGOMERY COUNTY										PRINCE GEORGE'S COUNTY										
	Special Revenue Funds					Advance Land Acquisition Debt Service					Special Revenue Funds					Advance Land Acquisition Debt Service					
	Planning	Parks	Total Special Revenue	Park Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Total	
REVENUES:																					
Property Taxes	-	-	-	-	1,929,019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inter governmental - County	-	1,141,789	1,141,789	-	1,141,789	-	472,957	472,957	-	472,957	-	331	331	-	331	-	-	-	-	331	
Charges for Services	4,176,289	125,707	4,301,996	-	4,301,996	-	1,304,251	1,304,251	-	1,304,251	-	-	-	-	-	-	-	-	-	-	
Recreation Activities	-	504,738	504,738	-	504,738	-	6,237,126	6,237,126	-	6,237,126	-	-	-	-	-	-	-	-	-	-	
Interest	55,439	7,374	62,813	-	62,813	7	31,572	31,572	-	31,572	-	-	-	-	-	-	-	-	-	-	
Contributions	292,971	9,702	302,673	-	302,673	-	89,109	89,109	-	89,109	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	6,738	34,549	41,287	-	41,287	-	55,420	55,420	-	55,420	-	-	-	-	-	-	-	-	-	-	
Total Revenues	4,531,437	1,823,859	6,355,296	-	8,284,315	7	8,190,435	8,190,442	-	8,190,442	-	-	-	-	-	-	-	-	-	8,190,773	
EXPENDITURES:																					
Principal Retirements	-	-	-	3,660,000	3,795,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,881,181
Interest	-	-	-	1,763,143	1,782,193	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,905,686
Other Debt Service Costs	-	-	-	5,770	5,770	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	244,932
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	347
Planning and Zoning	3,715,693	-	3,715,693	-	3,715,693	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Operations and Maintenance	-	1,494,883	1,494,883	-	1,494,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	821,280
Recreation	-	-	-	5,428,913	12,568,955	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,189,826
Total Expenditures	3,715,693	1,494,883	5,210,576	5,428,913	12,568,955	-	-	7,011,106	7,011,106	11,031,799	-	-	347	18,043,252	-	-	-	-	-	-	30,612,207
Excess (deficiency) of revenues over expenditures	815,744	328,976	1,144,720	(5,428,913)	(4,284,640)	7	1,179,329	1,179,336	(11,031,799)	(9,852,479)	-	-	(16)	-	-	-	-	-	-	-	(14,137,119)
OTHER FINANCING SOURCES (USES):																					
Transfers In	300,000	-	300,000	5,428,913	5,728,913	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,031,799
Transfers Out	-	-	-	-	-	(2,701)	(2,701)	(2,701)	-	(2,701)	-	-	-	-	-	-	-	-	-	-	(2,701)
Total Other Financing Sources (Uses)	300,000	-	300,000	5,428,913	5,728,913	(2,701)	(2,701)	(2,701)	-	(2,701)	-	-	-	-	-	-	-	-	-	-	11,029,098
Net change in fund balances	1,115,744	328,976	1,444,720	-	1,444,273	(2,694)	1,179,329	1,176,635	(16)	1,176,619	-	-	(16)	-	-	-	-	-	-	-	2,620,892
Fund Balances - beginning	4,502,983	1,677,844	6,180,827	-	6,186,443	2,694	9,693,605	9,696,299	25	9,696,324	-	-	25	-	-	-	-	-	-	-	15,882,767
Fund Balances - ending	5,618,727	2,006,820	7,625,547	-	7,630,716	-	10,872,934	10,872,934	9	10,872,943	-	-	9	-	-	-	-	-	-	-	18,503,659

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, 2018

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 1,035,700	\$ 1,035,700	\$ 1,141,789	\$ 106,089	\$ 950,000	\$ 472,957	\$ (477,043)	
Charges for Services	2,129,300	2,129,300	4,301,996	2,172,696	1,374,922	1,304,251	(70,671)	
Recreation Activities	414,470	414,470	504,738	90,268	5,886,571	6,237,126	350,555	
Interest	16,500	16,500	62,813	46,313	30,000	31,579	1,579	
Contributions	125,800	125,800	302,673	176,873	102,600	89,109	(13,491)	
Miscellaneous	75,000	75,000	41,287	(33,713)	55,122	55,420	298	
Total Revenues	3,796,770	3,796,770	6,355,296	2,558,526	8,399,215	8,190,442	(208,773)	
Expenditures/Encumbrances:								
Current -								
County Planning and Zoning	3,788,200	3,788,200	3,596,549	191,651	-	-	-	
Park Operations and Maintenance	1,846,425	1,846,425	1,782,857	63,568	1,976,406	730,065	1,246,341	
Recreation	-	-	-	-	7,165,438	5,892,672	1,272,766	
Total Expenditures/Encumbrances	5,634,625	5,634,625	5,379,406	255,219	9,141,844	6,622,737	2,519,107	
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	(1,837,855)	(1,837,855)	975,890	2,813,745	(742,629)	1,567,705	2,310,334	
Other Financing Sources (Uses):								
Operating Transfers In	300,000	300,000	300,000	-	-	-	-	
Transfers Out	-	-	-	-	(2,701)	(2,701)	(2,701)	
Total Other Financing (Uses)	300,000	300,000	300,000	-	(2,701)	(2,701)	-	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	\$ (1,537,855)	\$ (1,537,855)	\$ 1,275,890	\$ 2,813,745	\$ (745,330)	\$ 1,565,004	\$ 2,310,334	
Fund Balances - Budget Basis, July 1			5,153,314			9,394,435		
Fund Balances - Budget Basis, June 30			\$ 6,429,204			\$ 10,959,439		



The Darby Store is significant as one of the few existing examples of a rural, vernacular general store dating from the early twentieth century in Montgomery County. It is an important contributing element of the Beallsville Historic District.

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, 2018 and 2017

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 9,062,718	\$ 8,408,670	\$ 3,694,668	\$ 4,816,072	\$ 12,757,386	\$ 13,224,742
Accounts Receivable	248	1,361	550	154	798	1,515
Due from County Government	88,299	227,989	-	-	88,299	227,989
Inventories	189,093	191,255	679,625	690,777	868,718	882,032
Total Current Assets	<u>9,340,358</u>	<u>8,829,275</u>	<u>4,374,843</u>	<u>5,507,003</u>	<u>13,715,201</u>	<u>14,336,278</u>
Noncurrent Assets:						
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	27,216,080	27,216,080	73,637,174	73,637,174	100,853,254	100,853,254
Infrastructure	35,510	35,510	146,461	134,686	181,971	170,196
Machinery, Equipment and Intangibles	2,441,041	2,631,818	5,070,696	4,516,918	7,511,737	7,148,736
Construction in Progress	4,517,524	2,604,561	-	-	4,517,524	2,604,561
	<u>45,794,623</u>	<u>44,072,437</u>	<u>86,633,462</u>	<u>86,067,909</u>	<u>132,428,085</u>	<u>130,140,346</u>
Less - Accumulated Depreciation	<u>(25,445,919)</u>	<u>(24,631,541)</u>	<u>(46,608,976)</u>	<u>(44,919,222)</u>	<u>(72,054,895)</u>	<u>(69,550,763)</u>
Total Capital Assets (net of depreciation)	<u>20,348,704</u>	<u>19,440,896</u>	<u>40,024,486</u>	<u>41,148,687</u>	<u>60,373,190</u>	<u>60,589,583</u>
Total Noncurrent Assets	<u>20,348,704</u>	<u>19,440,896</u>	<u>40,024,486</u>	<u>41,148,687</u>	<u>60,373,190</u>	<u>60,589,583</u>
Total Assets	<u>29,689,062</u>	<u>28,270,171</u>	<u>44,399,329</u>	<u>46,655,690</u>	<u>74,088,391</u>	<u>74,925,861</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension Deferrals	820,971	1,123,139	1,691,087	2,262,204	2,512,058	3,385,343
OPEB Deferrals	114,143	-	238,981	-	353,124	-
Total Deferred Outflows of Resources	<u>935,114</u>	<u>1,123,139</u>	<u>1,930,068</u>	<u>2,262,204</u>	<u>2,865,182</u>	<u>3,385,343</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	96,457	107,800	213,701	109,192	310,158	216,992
Accrued Salaries and Benefits	268,657	255,321	588,561	596,933	857,218	852,254
Compensated Absences	109,465	117,953	273,115	232,725	382,580	350,678
Revenue Collected in Advance	40,547	43,037	60,625	27,437	101,172	70,474
Total Current Liabilities	<u>515,126</u>	<u>524,111</u>	<u>1,136,002</u>	<u>966,287</u>	<u>1,651,128</u>	<u>1,490,398</u>
Noncurrent Liabilities:						
Compensated Absences	232,586	186,255	398,292	462,218	630,878	648,473
Net Other Post Employment Benefit Liability	3,260,547	743,133	7,938,402	2,667,770	11,198,949	3,410,903
Net Pension Liability	1,261,723	1,391,215	2,807,360	3,052,107	4,069,083	4,443,322
Total Noncurrent Liabilities	<u>4,754,856</u>	<u>2,320,603</u>	<u>11,144,054</u>	<u>6,182,095</u>	<u>15,898,910</u>	<u>8,502,698</u>
Total Liabilities	<u>5,269,982</u>	<u>2,844,714</u>	<u>12,280,056</u>	<u>7,148,382</u>	<u>17,550,038</u>	<u>9,993,096</u>
DEFERRED INFLOWS OF RESOURCES						
Pension Deferrals	879,879	945,246	1,686,195	1,809,742	2,566,074	2,754,988
OPEB Deferrals	25,665	-	53,736	-	79,401	-
Total Deferred Inflows of Resources	<u>905,544</u>	<u>945,246</u>	<u>1,739,931</u>	<u>1,809,742</u>	<u>2,645,475</u>	<u>2,754,988</u>
NET POSITION						
Net Investment in Capital Assets	20,348,704	19,440,896	40,024,486	41,148,687	60,373,190	60,589,583
Unrestricted	4,099,946	6,162,454	(7,715,076)	(1,188,917)	(3,615,130)	4,973,537
Total Net Position	<u>\$ 24,448,650</u>	<u>\$ 25,603,350</u>	<u>\$ 32,309,410</u>	<u>\$ 39,959,770</u>	<u>\$ 56,758,060</u>	<u>\$ 65,563,120</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, 2018 and 2017

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2018	2017	2018	2017	2018	2017
Operating Revenues:						
Sales	\$ 812,503	\$ 602,961	\$ 1,793,348	\$ 2,021,208	\$ 2,605,851	\$ 2,624,169
Charges for Services	7,403,608	6,890,177	4,142,822	4,339,989	11,546,430	11,230,166
Rentals and Concessions	3,257,273	3,177,740	2,791,511	2,867,218	6,048,784	6,044,958
Total Operating Revenues	<u>11,473,384</u>	<u>10,670,878</u>	<u>8,727,681</u>	<u>9,228,415</u>	<u>20,201,065</u>	<u>19,899,293</u>
Operating Expenses:						
Cost of Goods Sold	445,745	293,684	938,534	1,112,214	1,384,279	1,405,898
Personnel Services	5,926,017	5,424,138	12,034,952	11,914,177	17,960,969	17,338,315
Supplies and Materials	603,448	693,294	1,412,506	1,693,908	2,015,954	2,387,202
Communications	56,731	64,210	261,165	387,410	317,896	451,620
Utilities	938,523	1,009,407	1,490,247	1,651,941	2,428,770	2,661,348
Maintenance	406,658	304,547	1,076,464	955,591	1,483,122	1,260,138
Contractual Services	585,320	585,791	570,395	652,477	1,155,715	1,238,268
Other Services and Charges	476,544	420,642	320,775	280,829	797,319	701,471
Administrative Services	-	-	311,228	325,403	311,228	325,403
Depreciation	1,104,670	1,110,259	1,992,353	1,969,791	3,097,023	3,080,050
Total Operating Expenses	<u>10,543,656</u>	<u>9,905,972</u>	<u>20,408,619</u>	<u>20,943,741</u>	<u>30,952,275</u>	<u>30,849,713</u>
Operating Income (Loss)	<u>929,728</u>	<u>764,906</u>	<u>(11,680,938)</u>	<u>(11,715,326)</u>	<u>(10,751,210)</u>	<u>(10,950,420)</u>
Non-Operating Revenues (Expenses):						
Investment Earnings	251,568	108,741	174,088	80,885	425,656	189,626
Gain (Loss) on Disposal of Asset	-	7,947	(1,125)	(32,864)	(1,125)	(24,917)
Total Non-Operating Revenue (Expense)	<u>251,568</u>	<u>116,688</u>	<u>172,963</u>	<u>48,021</u>	<u>424,531</u>	<u>164,709</u>
Loss before Transfers	<u>1,181,296</u>	<u>881,594</u>	<u>(11,507,975)</u>	<u>(11,667,305)</u>	<u>(10,326,679)</u>	<u>(10,785,711)</u>
Transfers In	-	-	8,748,421	9,070,347	8,748,421	9,070,347
Total Contributions and Transfers	-	-	8,748,421	9,070,347	8,748,421	9,070,347
Change in Net Position	<u>1,181,296</u>	<u>881,594</u>	<u>(2,759,554)</u>	<u>(2,596,958)</u>	<u>(1,578,258)</u>	<u>(1,715,364)</u>
Total Net Position - Beginning	<u>23,267,354</u>	<u>24,721,756</u>	<u>35,068,964</u>	<u>42,556,728</u>	<u>58,336,318</u>	<u>67,278,484</u>
Total Net Position - Ending	\$ <u>24,448,650</u>	\$ <u>25,603,350</u>	\$ <u>32,309,410</u>	\$ <u>39,959,770</u>	\$ <u>56,758,060</u>	\$ <u>65,563,120</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2018 and 2017

	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,	Year Ended June 30,	Year Ended June 30,	Year Ended June 30,
	2018	2017	2018	2017	2018	2017
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 11,611,697	\$ 9,679,824	\$ 8,760,473	\$ 9,243,434	\$ 20,372,170	\$ 18,923,258
Payments to Suppliers	(1,674,013)	(1,823,769)	(5,954,425)	(7,009,201)	(7,628,438)	(8,832,970)
Payments to Employees	(5,475,573)	(5,018,416)	(11,669,457)	(11,445,619)	(17,145,030)	(16,464,035)
Payments for Interfund Services Used	(199,016)	(205,443)	-	-	(199,016)	(205,443)
Payments for Administrative Charges	(1,848,137)	(1,749,249)	(311,228)	(325,403)	(2,159,365)	(2,074,652)
Net Cash Provided (Used) by Operating Activities	<u>2,414,958</u>	<u>882,947</u>	<u>(9,174,637)</u>	<u>(9,536,789)</u>	<u>(6,759,679)</u>	<u>(8,653,842)</u>
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	-	8,748,421	9,070,347	8,748,421	9,070,347
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>8,748,421</u>	<u>9,070,347</u>	<u>8,748,421</u>	<u>9,070,347</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(2,012,478)	(664,010)	(869,276)	(198,030)	(2,881,754)	(862,040)
Net Cash Used by Capital and Related Financing Activities	<u>(2,012,478)</u>	<u>(664,010)</u>	<u>(869,276)</u>	<u>(198,030)</u>	<u>(2,881,754)</u>	<u>(862,040)</u>
Cash Flows from Investing Activities:						
Interest on Investments	<u>251,568</u>	<u>108,741</u>	<u>174,088</u>	<u>80,885</u>	<u>425,656</u>	<u>189,626</u>
Net Increase in Cash and Cash Equivalents	654,048	327,678	(1,121,404)	(583,587)	(467,356)	(255,909)
Cash, Cash Equivalents and Restricted Cash, July 1	<u>8,408,670</u>	<u>8,080,992</u>	<u>4,816,072</u>	<u>5,399,659</u>	<u>13,224,742</u>	<u>13,480,651</u>
Cash, Cash Equivalents and Restricted Cash, June 30	<u>\$ 9,062,718</u>	<u>\$ 8,408,670</u>	<u>\$ 3,694,668</u>	<u>\$ 4,816,072</u>	<u>\$ 12,757,386</u>	<u>\$ 13,224,742</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 929,728	\$ 764,906	\$ (11,680,938)	\$ (11,715,326)	(10,751,210)	(10,950,420)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,104,670	1,110,259	1,992,353	1,969,791	3,097,023	3,080,050
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	1,113	(1,047)	(396)	1,215	717	168
Due from County Government	139,690	(18,581)	-	9,440	139,690	(9,141)
Inventories, at Cost	2,162	(16,106)	11,152	46,174	13,314	30,068
Accounts Payable	(11,343)	(185,337)	104,509	(321,005)	93,166	(506,342)
Accrued Salaries and Benefits	13,336	(94,094)	(8,372)	(116,140)	4,964	(210,234)
Compensated Absences	37,843	14,550	(23,536)	13,943	14,307	28,493
Net Pension Obligation	107,309	223,647	202,822	434,164	310,131	657,811
Net Other Post Employment Obligations	92,940	56,176	194,581	136,591	287,521	192,767
Revenue Collected in Advance	(2,490)	(971,426)	33,188	4,364	30,698	(967,062)
Total Adjustments	<u>1,485,230</u>	<u>118,041</u>	<u>2,506,301</u>	<u>2,178,537</u>	<u>3,991,531</u>	<u>2,296,578</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,414,958</u>	<u>\$ 882,947</u>	<u>\$ (9,174,637)</u>	<u>\$ (9,536,789)</u>	<u>\$ (6,759,679)</u>	<u>\$ (8,653,842)</u>



The Commission's finest.

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, 2018**

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY					COMMISSION WIDE FUNDS							
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Total June 30, 2018	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Total June 30, 2018
ASSETS																		
Current Assets:																		
Equity in Pooled Cash and Investments	\$ 2,073,860	\$ 12,539,580	\$ 996,640	\$ 22,567,706	\$ -	\$ 3,351,349	\$ 17,236,034	\$ 3,347,643	\$ 62,112,812									
Accounts Receivable	-	78,309	-	12,986	-	-	1,037,862	-	1,129,157									
Due from County Government	-	250,000	-	250,000	-	-	-	-	500,000									
Due from Other Funds	-	-	-	-	-	188,225	-	-	168,225									
Prepaid Expenses	-	-	-	-	-	-	114,467	-	114,467									
Deposits and Other	-	-	-	-	-	-	472,360	-	472,360									
Total Current Assets	2,073,860	12,867,889	996,640	22,830,692	-	3,519,574	18,860,723	3,347,643	64,497,021									
Noncurrent Assets:																		
Capital Assets:																		
Land	-	-	-	-	-	748,497	-	-	748,497									
Buildings and Improvements	81,000	-	36,748	-	-	3,181,444	-	-	3,299,192									
Infrastructure	-	-	-	-	-	15,657	-	-	15,657									
Machinery, Equipment and Intangibles	32,294,275	166,064	7,713,305	781,186	1,940,588	482,555	-	2,111,496	45,489,469									
Less-Accumulated Depreciation	(22,723,198)	(166,064)	(4,102,856)	(781,186)	(1,161,723)	(2,908,357)	-	(1,517,105)	(33,360,489)									
Total Capital Assets (net of accumulated depreciation)	9,652,077	12,867,889	3,647,197	778,865	778,865	1,519,796	-	594,391	16,192,326									
Total Assets	11,725,937	25,735,778	4,643,837	23,609,557	1,557,730	5,039,370	18,860,723	3,942,034	80,689,347									
DEFERRED OUTFLOWS OF RESOURCES																		
Pension Deferrals	-	94,235	-	94,235	-	48,793	178,898	64,864	481,026									
OPEB Deferrals	-	10,699	-	10,701	-	7,134	17,835	14,268	60,637									
Total Deferred Outflows of Resources	-	104,934	-	104,937	-	55,927	196,733	79,132	541,663									
LIABILITIES																		
Current Liabilities:																		
Accounts Payable	469,575	373,646	25,712	372,608	-	83,511	374,026	474,276	2,183,354									
Current Portion of Claims Payable	-	1,589,155	-	2,487,490	-	-	1,901,475	-	5,978,120									
Accrued Salaries and Benefits	-	13,166	-	13,165	-	6,403	23,080	30,576	86,390									
Current Portion of Compensated Absences	-	19,799	-	19,799	-	7,667	37,985	28,641	113,891									
Due to Other Funds	-	-	-	-	-	-	-	-	168,225									
Total Current Liabilities	469,575	1,995,766	25,712	2,893,662	-	107,581	2,336,566	533,493	8,529,990									
Noncurrent Liabilities:																		
Claims Payable - Net of Current Portion	-	4,767,464	-	7,462,469	-	-	-	-	12,229,933									
Compensated Absences - Net of Current Portion	-	8,022	-	8,022	-	6,114	5,322	22,206	49,686									
Net Other Post Employment Benefit Liability	-	457,764	-	457,764	-	212,708	434,693	344,964	1,907,892									
Net Pension Liability	-	127,654	-	127,655	-	72,739	244,022	98,840	670,910									
Total Noncurrent Liabilities	-	5,360,903	-	8,055,910	-	291,561	684,037	466,010	14,858,421									
Total Liabilities	469,575	7,356,669	25,712	10,948,572	-	399,142	3,020,603	999,503	23,388,401									
DEFERRED INFLOWS OF RESOURCES																		
Pension Deferrals	-	112,297	-	112,301	-	49,087	179,939	129,617	563,241									
OPEB Deferrals	-	2,406	-	2,406	-	1,604	4,009	3,208	13,633									
Total Deferred Inflows of Resources	-	114,703	-	114,707	-	50,691	183,948	132,825	596,874									
NET POSITION																		
Net Investment in Capital Assets	9,652,077	-	3,647,197	-	778,865	1,519,796	-	594,391	16,192,326									
Unrestricted	1,604,285	5,501,451	970,928	11,871,950	(168,225)	3,125,668	15,852,905	2,294,447	41,053,409									
Total Net Position	\$ 11,256,362	\$ 5,501,451	\$ 4,618,125	\$ 11,871,950	\$ 610,640	\$ 4,645,464	\$ 15,852,905	\$ 2,888,838	\$ 57,245,735									

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 8

Internal Service Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2018

	MONTGOMERY COUNTY			PRINCE GEORGE'S COUNTY			COMMISSION WIDE FUNDS					Total June 30, 2018																																																																																																																																																																																																																																																																																														
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives																																																																																																																																																																																																																																																																																																		
Operating Revenues:													Charges for Services	\$ 3,308,168	\$ 2,641,500	\$ 532,627	\$ 3,752,200	\$ 226,000	\$ 1,352,000	\$ 32,186,982	\$ 2,831,388	\$	\$	\$	\$ 46,830,865	Claim Recoveries	-	460,992	-	493,721	-	-	-	-	-	-	-	954,713	Total Operating Revenues	3,308,168	3,102,492	532,627	4,245,921	226,000	1,352,000	32,186,982	2,831,388				47,785,578	Operating Expenses:													Personal Services	-	472,987	-	472,989	-	212,261	668,644	828,016				2,654,897	Supplies and Materials	21,988	17,745	479,595	17,745	219,700	46,177	-	271,206				1,074,156	Contractual Services -													Other Contractual Services	-	338,841	-	494,922	-	-	672,984	-				1,506,747	Claims Incurred	-	1,895,161	-	1,564,398	-	-	24,300,330	-				27,759,889	Insurance	-	130,062	-	189,972	-	-	6,735,830	-				7,055,864	Other Services and Charges	40,951	541,586	31,942	571,237	(1,268)	486,919	360,386	2,384,030				4,415,783	Depreciation	2,310,030	-	1,200,168	-	181,852	171,669	-	188,368				4,052,087	Total Operating Expenses	2,372,969	3,396,382	1,711,705	3,311,263	400,284	917,026	32,738,174	3,671,620				48,519,423	Operating Income (Loss)	935,199	(293,890)	(1,179,078)	934,658	(174,284)	434,974	(551,192)	(840,232)				(733,846)	Nonoperating Revenues (Expenses):													Interest Income	25,083	148,296	9,354	264,585	2,623	37,990	229,962	8,107				726,000	Gain (Loss) on Disposal of Asset	5,951	-	-	-	-	-	-	-				5,951	Total Nonoperating Revenues (Expenses)	31,034	148,296	9,354	264,585	2,623	37,990	229,962	8,107				731,951	Income (Loss) Before Contributions and Transfers	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Change in Net Position	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Total Net Position, July 1, as restated	10,290,129	5,647,045	5,787,849	10,672,707	782,301	4,172,500	16,174,135	3,720,963				57,247,629	Total Net Position, June 30	\$ 11,256,362	\$ 5,501,451	\$ 4,618,125	\$ 11,871,950	\$ 610,640	\$ 4,645,464	\$ 15,852,905	\$ 2,888,838	\$	\$	\$	\$ 57,245,735
Charges for Services	\$ 3,308,168	\$ 2,641,500	\$ 532,627	\$ 3,752,200	\$ 226,000	\$ 1,352,000	\$ 32,186,982	\$ 2,831,388	\$	\$	\$	\$ 46,830,865																																																																																																																																																																																																																																																																																														
Claim Recoveries	-	460,992	-	493,721	-	-	-	-	-	-	-	954,713																																																																																																																																																																																																																																																																																														
Total Operating Revenues	3,308,168	3,102,492	532,627	4,245,921	226,000	1,352,000	32,186,982	2,831,388				47,785,578																																																																																																																																																																																																																																																																																														
Operating Expenses:													Personal Services	-	472,987	-	472,989	-	212,261	668,644	828,016				2,654,897	Supplies and Materials	21,988	17,745	479,595	17,745	219,700	46,177	-	271,206				1,074,156	Contractual Services -													Other Contractual Services	-	338,841	-	494,922	-	-	672,984	-				1,506,747	Claims Incurred	-	1,895,161	-	1,564,398	-	-	24,300,330	-				27,759,889	Insurance	-	130,062	-	189,972	-	-	6,735,830	-				7,055,864	Other Services and Charges	40,951	541,586	31,942	571,237	(1,268)	486,919	360,386	2,384,030				4,415,783	Depreciation	2,310,030	-	1,200,168	-	181,852	171,669	-	188,368				4,052,087	Total Operating Expenses	2,372,969	3,396,382	1,711,705	3,311,263	400,284	917,026	32,738,174	3,671,620				48,519,423	Operating Income (Loss)	935,199	(293,890)	(1,179,078)	934,658	(174,284)	434,974	(551,192)	(840,232)				(733,846)	Nonoperating Revenues (Expenses):													Interest Income	25,083	148,296	9,354	264,585	2,623	37,990	229,962	8,107				726,000	Gain (Loss) on Disposal of Asset	5,951	-	-	-	-	-	-	-				5,951	Total Nonoperating Revenues (Expenses)	31,034	148,296	9,354	264,585	2,623	37,990	229,962	8,107				731,951	Income (Loss) Before Contributions and Transfers	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Change in Net Position	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Total Net Position, July 1, as restated	10,290,129	5,647,045	5,787,849	10,672,707	782,301	4,172,500	16,174,135	3,720,963				57,247,629	Total Net Position, June 30	\$ 11,256,362	\$ 5,501,451	\$ 4,618,125	\$ 11,871,950	\$ 610,640	\$ 4,645,464	\$ 15,852,905	\$ 2,888,838	\$	\$	\$	\$ 57,245,735																																																				
Personal Services	-	472,987	-	472,989	-	212,261	668,644	828,016				2,654,897																																																																																																																																																																																																																																																																																														
Supplies and Materials	21,988	17,745	479,595	17,745	219,700	46,177	-	271,206				1,074,156																																																																																																																																																																																																																																																																																														
Contractual Services -													Other Contractual Services	-	338,841	-	494,922	-	-	672,984	-				1,506,747	Claims Incurred	-	1,895,161	-	1,564,398	-	-	24,300,330	-				27,759,889	Insurance	-	130,062	-	189,972	-	-	6,735,830	-				7,055,864	Other Services and Charges	40,951	541,586	31,942	571,237	(1,268)	486,919	360,386	2,384,030				4,415,783	Depreciation	2,310,030	-	1,200,168	-	181,852	171,669	-	188,368				4,052,087	Total Operating Expenses	2,372,969	3,396,382	1,711,705	3,311,263	400,284	917,026	32,738,174	3,671,620				48,519,423	Operating Income (Loss)	935,199	(293,890)	(1,179,078)	934,658	(174,284)	434,974	(551,192)	(840,232)				(733,846)	Nonoperating Revenues (Expenses):													Interest Income	25,083	148,296	9,354	264,585	2,623	37,990	229,962	8,107				726,000	Gain (Loss) on Disposal of Asset	5,951	-	-	-	-	-	-	-				5,951	Total Nonoperating Revenues (Expenses)	31,034	148,296	9,354	264,585	2,623	37,990	229,962	8,107				731,951	Income (Loss) Before Contributions and Transfers	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Change in Net Position	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Total Net Position, July 1, as restated	10,290,129	5,647,045	5,787,849	10,672,707	782,301	4,172,500	16,174,135	3,720,963				57,247,629	Total Net Position, June 30	\$ 11,256,362	\$ 5,501,451	\$ 4,618,125	\$ 11,871,950	\$ 610,640	\$ 4,645,464	\$ 15,852,905	\$ 2,888,838	\$	\$	\$	\$ 57,245,735																																																																																											
Other Contractual Services	-	338,841	-	494,922	-	-	672,984	-				1,506,747																																																																																																																																																																																																																																																																																														
Claims Incurred	-	1,895,161	-	1,564,398	-	-	24,300,330	-				27,759,889																																																																																																																																																																																																																																																																																														
Insurance	-	130,062	-	189,972	-	-	6,735,830	-				7,055,864																																																																																																																																																																																																																																																																																														
Other Services and Charges	40,951	541,586	31,942	571,237	(1,268)	486,919	360,386	2,384,030				4,415,783																																																																																																																																																																																																																																																																																														
Depreciation	2,310,030	-	1,200,168	-	181,852	171,669	-	188,368				4,052,087																																																																																																																																																																																																																																																																																														
Total Operating Expenses	2,372,969	3,396,382	1,711,705	3,311,263	400,284	917,026	32,738,174	3,671,620				48,519,423																																																																																																																																																																																																																																																																																														
Operating Income (Loss)	935,199	(293,890)	(1,179,078)	934,658	(174,284)	434,974	(551,192)	(840,232)				(733,846)																																																																																																																																																																																																																																																																																														
Nonoperating Revenues (Expenses):													Interest Income	25,083	148,296	9,354	264,585	2,623	37,990	229,962	8,107				726,000	Gain (Loss) on Disposal of Asset	5,951	-	-	-	-	-	-	-				5,951	Total Nonoperating Revenues (Expenses)	31,034	148,296	9,354	264,585	2,623	37,990	229,962	8,107				731,951	Income (Loss) Before Contributions and Transfers	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Change in Net Position	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)	Total Net Position, July 1, as restated	10,290,129	5,647,045	5,787,849	10,672,707	782,301	4,172,500	16,174,135	3,720,963				57,247,629	Total Net Position, June 30	\$ 11,256,362	\$ 5,501,451	\$ 4,618,125	\$ 11,871,950	\$ 610,640	\$ 4,645,464	\$ 15,852,905	\$ 2,888,838	\$	\$	\$	\$ 57,245,735																																																																																																																																																																																																			
Interest Income	25,083	148,296	9,354	264,585	2,623	37,990	229,962	8,107				726,000																																																																																																																																																																																																																																																																																														
Gain (Loss) on Disposal of Asset	5,951	-	-	-	-	-	-	-				5,951																																																																																																																																																																																																																																																																																														
Total Nonoperating Revenues (Expenses)	31,034	148,296	9,354	264,585	2,623	37,990	229,962	8,107				731,951																																																																																																																																																																																																																																																																																														
Income (Loss) Before Contributions and Transfers	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)																																																																																																																																																																																																																																																																																														
Change in Net Position	966,233	(145,594)	(1,169,724)	1,199,243	(171,661)	472,964	(321,230)	(832,125)				(1,894)																																																																																																																																																																																																																																																																																														
Total Net Position, July 1, as restated	10,290,129	5,647,045	5,787,849	10,672,707	782,301	4,172,500	16,174,135	3,720,963				57,247,629																																																																																																																																																																																																																																																																																														
Total Net Position, June 30	\$ 11,256,362	\$ 5,501,451	\$ 4,618,125	\$ 11,871,950	\$ 610,640	\$ 4,645,464	\$ 15,852,905	\$ 2,888,838	\$	\$	\$	\$ 57,245,735																																																																																																																																																																																																																																																																																														

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 9

**Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2018**

	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		
Cash Flows from Operating Activities:										
Receipts from Customers and Users	\$ 3,308,168	\$ 3,056,137	\$ 532,627	\$ 4,271,876	\$ 226,000	\$ 1,183,775	\$ 32,251,026	\$ 2,833,759	\$ 47,663,368	
Payments to Suppliers	301,727	(2,290,969)	(453,883)	(3,592,912)	(55,961)	(490,375)	(31,744,551)	(2,188,160)	(40,515,084)	
Payments to Employees	-	(449,281)	-	(449,284)	-	(198,693)	(6,14,220)	(734,075)	(2,445,553)	
Payments for Interfund Services Used	(40,951)	(260,463)	(31,942)	(260,464)	1,268	-	(360,366)	-	(952,938)	
Net Cash Provided (Used) by Operating Activities	<u>3,568,944</u>	<u>55,424</u>	<u>46,802</u>	<u>(30,784)</u>	<u>171,307</u>	<u>494,707</u>	<u>(488,131)</u>	<u>(88,476)</u>	<u>3,749,793</u>	
Cash Flows from Capital and Related Financing Activities:										
Acquisition of Capital Assets	(4,909,108)	-	(910,722)	-	(460,843)	(42,355)	-	(78,796)	(6,401,824)	
Net Cash Used by Capital and Related Financing Activities	<u>(4,909,108)</u>	<u>-</u>	<u>(910,722)</u>	<u>-</u>	<u>(460,843)</u>	<u>(42,355)</u>	<u>-</u>	<u>(78,796)</u>	<u>(6,401,824)</u>	
Cash Flows from Investing Activities:										
Interest on Investments	25,083	148,296	9,354	264,585	2,623	37,990	229,962	8,107	726,000	
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,315,081)</u>	<u>203,720</u>	<u>(854,566)</u>	<u>233,801</u>	<u>(286,913)</u>	<u>490,342</u>	<u>(238,169)</u>	<u>(159,165)</u>	<u>(1,926,031)</u>	
Cash and Cash Equivalents, July 1	3,388,941	12,335,860	1,851,206	22,333,905	286,913	2,861,007	17,474,203	3,506,808	64,038,843	
Cash and Cash Equivalents, June 30	<u>\$ 2,073,860</u>	<u>\$ 12,539,580</u>	<u>\$ 996,640</u>	<u>\$ 22,567,706</u>	<u>\$ -</u>	<u>\$ 3,351,349</u>	<u>\$ 17,236,034</u>	<u>\$ 3,347,643</u>	<u>\$ 62,112,812</u>	
Operating Income (Loss)	\$ 935,199	\$ (293,890)	\$ (1,179,078)	\$ 934,658	\$ (174,284)	\$ 434,974	\$ (551,192)	\$ (840,232)	\$ (733,845)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:										
Depreciation	2,310,030	-	1,200,168	-	181,852	171,669	-	188,368	4,052,087	
Effect of Changes in Assets and Liabilities in:										
Accounts Receivable	-	(46,355)	-	33,998	-	-	54,872	2,371	44,886	
Due from Other Funds	-	-	-	-	-	(168,225)	-	-	(168,225)	
Deposits and Other	-	-	-	-	-	-	9,172	-	9,172	
Prepaid Expenses	-	-	-	-	-	-	(114,467)	-	(114,467)	
Accounts Payable	323,715	193,695	25,712	192,658	(4,486)	42,721	(421,752)	467,076	819,339	
Claims Payable	-	178,268	-	(1,207,760)	-	-	500,812	-	(528,680)	
Accrued Salaries and Benefits	-	361	-	364	-	1,956	9,526	9,700	21,907	
Compensated Absences	-	1,522	-	1,521	-	(304)	11,482	-	65,068	
Revenue Collected In Advance	-	-	-	(8,043)	-	-	-	-	(8,043)	
Due to Other Funds	-	-	-	-	168,225	-	-	-	168,225	
Net Pension Liability	-	13,110	-	13,108	-	6,107	18,895	21,778	72,998	
Net Other Post Employment Obligations	-	8,713	-	8,712	-	5,809	14,521	11,616	49,371	
Total Adjustments	<u>2,633,745</u>	<u>349,314</u>	<u>1,225,880</u>	<u>(965,442)</u>	<u>345,591</u>	<u>59,733</u>	<u>83,061</u>	<u>751,756</u>	<u>4,483,638</u>	
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,568,944</u>	<u>\$ 55,424</u>	<u>\$ 46,802</u>	<u>\$ (30,784)</u>	<u>\$ 171,307</u>	<u>\$ 494,707</u>	<u>\$ (488,131)</u>	<u>\$ (88,476)</u>	<u>\$ 3,749,793</u>	



Outside seating area in the new Pike & Rose shopping and entertaining district in North Bethesda. This pocket park exemplifies the type of urban amenity recommended in the Montgomery County Department of Parks' new Energized Public Spaces Functional Master Plan.

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, 2018

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Total	Montgomery County	Prince George's County	Total Private Purpose Trust Funds	Montgomery	Prince George's	Total Agency Funds
ASSETS										
Equity in Pooled Cash and Investments	\$ -	\$ 722,806	\$ 722,806	\$ 722,806	\$ 5,030,022	\$ 335,177	\$ 5,365,199	\$ 2,196,391	\$ 10,631	\$ 2,207,022
Cash	49,731	-	49,731	-	-	-	-	-	-	-
Fixed Income Securities	227,922,933	14,457,640	242,380,573	-	-	-	-	-	-	-
International Fixed Income Securities	3,224,978	-	3,224,978	-	-	-	-	-	-	-
Venture Capital/Alternative Investments	137,484,220	-	137,484,220	-	-	-	-	-	-	-
Corporate Stock	370,228,825	-	370,228,825	-	-	-	-	-	-	-
International Corporate Stock	74,080,706	-	74,080,706	-	-	-	-	-	-	-
Real Estate Investments	81,025,388	5,341,419	86,366,807	-	-	-	-	-	-	-
Short Term Investments	28,650,722	-	28,650,722	-	-	-	-	-	-	-
Mutual Funds	-	52,883,202	52,883,202	-	-	-	-	-	-	-
Collateral for Securities Lending										
Transactions	29,803,345	-	29,803,345	-	-	-	-	-	-	-
Accounts Receivable	66,531	-	66,531	-	-	-	-	-	-	-
Accrued Income on Investments	793,376	-	793,376	-	-	-	-	-	-	-
Land Held for Other Governments	-	-	-	56,034,612	26,995,413	83,030,025	-	-	-	-
Other	36,723	1,676	38,399	-	-	-	-	-	-	-
Total Assets	\$ 953,367,478	\$ 73,406,743	\$ 1,026,774,221	\$ 61,064,634	\$ 27,330,590	\$ 88,395,224	\$ 2,196,391	\$ 10,631	\$ 2,207,022	
LIABILITIES										
Investments Payable	789,506	-	789,506	-	-	-	-	-	-	-
Accounts Payable	1,275,901	-	1,275,901	-	-	-	-	-	-	-
Claims Payable	-	718,001	718,001	-	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	30,550,782	-	30,550,782	-	-	-	-	-	-	-
Investments payable	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	2,196,391	10,631	2,207,022
Total Liabilities	\$ 32,616,189	\$ 718,001	\$ 33,334,190	\$ -	\$ -	\$ -	\$ -	\$ 2,196,391	\$ 10,631	\$ 2,207,022
NET POSITION										
Assets Held in Trust for:										
Land Held for Transfer	-	-	-	56,034,612	26,995,413	83,030,025	-	-	-	-
Pension Benefits	920,751,289	-	920,751,289	-	-	-	-	-	-	-
Other Postemployment Benefits	-	72,688,742	72,688,742	-	-	-	-	-	-	-
Other Purposes	-	-	-	5,030,022	335,177	5,365,199	-	-	-	-
Total Net Position	\$ 920,751,289	\$ 72,688,742	\$ 993,440,031	\$ 61,064,634	\$ 27,330,590	\$ 88,395,224	\$ -	\$ -	\$ -	\$ -

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, 2018**

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals
ADDITIONS:						
Contributions:						
Employer	\$ 24,822,301	\$ 17,083,549	\$ 41,905,850	\$ -	\$ -	\$ -
Plan Members	7,201,130	-	7,201,130	-	-	-
Plan Members for Current Benefits	-	2,697,428	2,697,428	-	-	-
Private Donations	-	-	-	5,452	(5,249)	203
Total Contributions	32,023,431	19,780,977	51,804,408	5,452	(5,249)	203
Contributions from Commission Debt Service Funds	-	-	-	1,775,416	347	1,775,763
Federal Grants - Medicare	-	2,004,422	2,004,422	-	-	-
Investment Earnings:						
Interest	10,694,124	-	10,694,124	81,388	3,701	85,089
Dividends	641,950	1,864,748	2,506,698	-	-	-
Net increase/(decrease) in the Fair Value of Investments	62,516,437	4,339,517	66,855,954	-	-	-
Total Investment Earnings	73,852,511	6,204,265	80,056,776	81,388	3,701	85,089
Less Investment Advisory and Management Fees	(3,496,644)	-	(3,496,644)	-	-	-
Net Income from Investing Activities	70,355,867	6,204,265	76,560,132	81,388	3,701	85,089
Securities Lending Activity						
Securities Lending Income	625,548	-	625,548	-	-	-
Securities Lending Fees	(510,467)	-	(510,467)	-	-	-
Net Income from Securities Lending Activity	115,081	-	115,081	-	-	-
Total Net Investment Income	70,470,948	6,204,265	76,675,213	81,388	3,701	85,089
Total Additions and Investment Income	102,494,379	27,989,664	130,484,043	1,862,256	(1,201)	1,861,055
DEDUCTIONS:						
Benefits	47,627,679	16,035,056	63,662,735	-	-	-
Refunds of Contributions	460,450	-	460,450	-	-	-
Administrative expenses	1,810,777	608,646	2,419,423	-	-	-
Other	-	-	-	7,585	27,169	34,754
Total Deductions	49,898,906	16,643,702	66,542,608	7,585	27,169	34,754
Change in Net Position	52,595,473	11,345,962	63,941,435	1,854,671	(28,370)	1,826,301
Net Position - Beginning	868,155,816	61,342,780	929,498,596	59,209,963	27,358,960	86,568,923
Net Position - Ending	920,751,289	72,688,742	993,440,031	61,064,634	27,330,590	88,395,224

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, 2018

	July 1, 2017	Additions	Deductions	June 30, 2018
MONTGOMERY COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,183,479	\$ 127,922	\$ 115,010	\$ 2,196,391
Accounts Receivable	-	-	-	-
Total Current Assets	\$ 2,183,479	\$ 127,922	\$ 115,010	\$ 2,196,391
LIABILITIES				
Deposits	\$ 2,183,479	\$ 127,922	\$ 115,010	\$ 2,196,391
Total Current Liabilities	\$ 2,183,479	\$ 127,922	\$ 115,010	\$ 2,196,391
PRINCE GEORGE'S COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 8,499	\$ 6,114	\$ 3,982	\$ 10,631
Total Current Assets	\$ 8,499	\$ 6,114	\$ 3,982	\$ 10,631
LIABILITIES				
Deposits	\$ 8,499	\$ 6,114	\$ 3,982	\$ 10,631
Total Current Liabilities	\$ 8,499	\$ 6,114	\$ 3,982	\$ 10,631
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,191,978	\$ 134,036	\$ 118,992	\$ 2,207,022
Total Current Assets	\$ 2,191,978	\$ 134,036	\$ 118,992	\$ 2,207,022
LIABILITIES				
Deposits	\$ 2,191,978	\$ 134,036	\$ 118,992	\$ 2,207,022
Total Current Liabilities	\$ 2,191,978	\$ 134,036	\$ 118,992	\$ 2,207,022

◆ PART III ◆
STATISTICAL SECTION



Montpelier Mansion is a five-part, Georgian style plantation house constructed between 1781 and 1785. The house is now a National Historic Landmark operated as a 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.

<u>Contents</u>	<u>Page</u>
Financial Trends	124
<i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i>	
Revenue Capacity	129
<i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	
Debt Capacity	133
<i>These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	137
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i>	
Operating Information	140
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i>	

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Position by Category (1) Last Ten Fiscal Years Entity-wide Basis										
Governmental Activities:										
Net Investment in Capital Assets	\$ 492,930,779	\$ 536,147,424	\$ 569,890,944	\$ 611,517,276	\$ 653,877,083	\$ 693,097,777	\$ 736,481,893	\$ 768,265,017	\$ 796,599,317	\$ 836,941,457
Unrestricted	282,047,368	282,484,768	257,331,391	246,549,209	255,869,413	235,827,877	150,941,241	160,074,081	170,061,764	14,102,419
Subtotal Governmental Activities Net Position	774,978,147	818,632,192	827,222,335	858,066,485	909,746,496	928,925,654	887,423,134	928,339,098	966,661,081	851,043,876
Business-type Activities:										
Net Investment in Capital Assets	77,400,952	75,033,816	72,823,330	70,761,443	68,756,299	65,025,744	62,315,460	62,832,510	60,589,683	60,373,190
Unrestricted	1,855,610	1,754,184	1,781,166	2,835,118	4,105,493	5,596,649	4,303,685	4,445,974	4,973,537	(3,615,130)
Subtotal Business-type Activities Net Position	79,256,562	76,788,000	74,604,496	73,596,561	72,861,792	70,622,393	66,619,145	67,278,484	65,563,120	56,758,060
Primary Government:										
Net Investment in Capital Assets	570,331,731	611,181,240	642,714,274	682,278,719	722,633,382	758,123,521	798,797,353	831,097,527	857,188,900	897,314,647
Unrestricted	283,902,978	284,238,952	259,112,557	249,384,327	259,974,906	241,424,526	155,244,926	164,520,055	175,035,301	10,487,289
Total Government Net Position	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831	\$ 931,663,046	\$ 982,608,288	\$ 999,548,047	\$ 954,042,279	\$ 995,617,582	\$ 1,032,224,201	\$ 907,801,936

(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 T-2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Change in Net Position Last Ten Fiscal Years Entity-wide Basis										
Expenses										
Governmental Activities:										
General Government	\$ 18,875,258	\$ 19,765,804	\$ 18,965,709	\$ 18,141,138	\$ 16,859,031	\$ 17,923,030	\$ 21,133,282	\$ 18,843,664	\$ 18,210,634	\$ 21,196,865
County Planning and Zoning	60,370,641	58,695,074	55,915,753	56,148,279	45,516,295	58,569,504	49,147,835	57,308,980	57,302,000	55,800,239
Park Operations and Maintenance	181,359,243	224,848,872	232,698,656	200,435,112	199,288,578	204,795,846	227,849,560	243,036,037	231,398,938	244,824,141
Recreation Programs	68,011,470	68,427,714	68,827,893	65,883,047	55,799,569	66,430,209	65,247,292	50,263,579	71,198,062	71,853,383
Interest on Long-term Debt	5,211,728	4,295,266	3,830,828	3,403,501	3,097,948	3,413,225	3,899,873	4,048,509	3,688,429	4,855,256
Subtotal Governmental Activities	333,828,340	376,032,730	380,238,839	344,011,077	320,561,411	351,131,814	367,277,822	373,600,369	381,798,063	398,529,884
Business-type Activities:										
Recreational and Cultural Facilities	30,899,133	30,924,994	30,999,452	31,821,425	29,529,919	31,055,261	30,963,611	30,424,060	30,874,630	30,953,400
Total Government Expenses	364,727,473	406,957,724	411,238,291	375,832,502	350,091,330	382,187,075	398,241,433	404,024,429	412,672,693	429,483,284
Program Revenues										
Governmental Activities:										
County Planning and Zoning	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,665,238	4,755,212	6,269,945
Park Operations and Maintenance	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304	34,763,962	35,685,457
Recreation Programs	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306	15,837,672	16,492,208
Subtotal Governmental Activities	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848	55,356,846	58,447,610
Business-type Activities:										
Recreational and Cultural Facilities	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505	19,899,293	20,201,065
Total Government Program Revenues	63,297,588	65,943,963	70,100,693	67,329,865	72,981,295	77,420,064	90,269,919	92,017,353	75,256,139	78,648,675
Net Government Expenses	(301,429,885)	(341,013,761)	(341,137,598)	(308,502,637)	(277,110,035)	(304,767,011)	(307,971,514)	(312,007,076)	(337,416,554)	(350,834,609)
General Revenues and Other Changes in Net Position										
Governmental Activities	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407	364,763,200	387,759,742
Business-type Activities	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894	9,259,973	9,174,077
Total Primary Government	363,619,812	382,199,244	347,544,236	338,338,851	328,055,277	321,706,770	327,720,309	353,590,301	374,023,173	396,933,819
Change in Net Position	65,081,399	43,654,045	8,590,142	30,844,149	51,680,011	19,179,158	21,484,182	40,923,886	38,321,983	47,677,468
Governmental Activities	(2,891,472)	(2,468,562)	(2,183,504)	(1,007,935)	(734,769)	(2,239,999)	(1,735,387)	659,339	(1,715,364)	(1,578,258)
Business-type Activities	62,189,927	41,185,483	6,406,638	29,836,214	50,945,242	16,939,759	19,748,795	41,583,225	36,606,619	46,099,210
Total Primary Government	\$ 62,189,927	\$ 41,185,483	\$ 6,406,638	\$ 29,836,214	\$ 50,945,242	\$ 16,939,759	\$ 19,748,795	\$ 41,583,225	\$ 36,606,619	\$ 46,099,210

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-3

Government Wide Revenues
Last Ten Fiscal Years
Entity-wide Basis

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental Activities:										
County Planning and Zoning										
Charges for services	3,257,841	2,851,449	3,127,500	5,283,065	4,684,322	2,798,897	4,031,622	3,846,984	3,850,889	5,198,977
Operating grants and contributions	1,419,179	638,868	890,692	1,437,007	1,743,452	885,853	978,321	818,254	904,323	1,070,968
Total County Planning and Zoning	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,665,238	4,755,212	6,269,945
Park Operations and Maintenance										
Charges for services	5,381,156	5,048,728	5,830,735	6,475,293	6,627,653	7,467,087	7,670,790	8,075,175	9,269,653	9,269,129
Operating grants and contributions	891,923	1,894,538	1,288,151	2,469,032	3,891,896	4,091,322	4,078,663	4,837,912	5,480,518	5,685,017
Capital grants and contributions	20,544,003	23,652,201	26,190,310	16,696,522	21,825,501	26,872,184	39,512,128	37,217,217	20,013,891	20,731,311
Total Park Operations and Maintenance	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304	34,763,962	35,685,457
Recreation Programs										
Charges for services	12,725,930	12,819,658	13,388,956	14,035,495	13,807,912	14,624,585	14,259,526	14,986,083	15,277,062	15,852,675
Operating grants and contributions	808,008	305,610	389,580	357,912	445,489	822,918	334,753	322,223	560,610	639,533
Total Recreation Programs	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306	15,837,672	16,492,208
Total Governmental Activities	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848	55,356,846	58,447,610
Business-type Activities:										
Recreational and Cultural Facilities										
Charges for services	18,177,611	18,572,911	18,992,169	20,284,112	19,943,177	19,790,531	19,404,116	20,018,525	19,899,293	20,201,065
Operating grants and contributions	91,937	150,000	2,600	331,427	11,883	66,687	-	1,894,980	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Recreational and Cultural Facilities	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505	19,899,293	20,201,065
Total Business-type Activities	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505	19,899,293	20,201,065
Total Government Program Revenues	63,297,588	65,943,963	70,100,693	67,329,865	72,981,295	77,420,064	90,269,919	92,017,353	75,256,139	78,648,675
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	354,329,523	380,067,118	345,841,894	336,318,601	327,652,882	320,703,674	326,435,823	352,283,467	371,471,118	391,094,596
Unrestricted Investment Earnings	9,152,076	2,097,505	1,670,713	1,971,299	388,205	966,672	1,186,182	1,208,287	2,362,429	5,413,567
Transfers	(9,599,900)	(9,696,900)	(9,789,550)	(10,149,000)	(8,825,900)	(8,922,220)	(9,725,804)	(9,071,347)	(9,070,347)	(8,748,421)
Total Governmental Activities	353,881,699	372,467,723	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407	364,763,200	387,759,742
Business-type Activities										
Unrestricted Investment Earnings	138,213	34,621	31,629	48,951	14,190	36,424	98,304	98,547	189,626	425,656
Transfers	9,599,900	9,696,900	9,789,550	10,149,000	8,825,900	8,922,220	9,725,804	9,071,347	9,070,347	8,748,421
Total Business-type Activities	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894	9,259,973	9,174,077
Total Primary Government	363,619,812	382,199,244	347,544,236	338,338,851	328,055,277	321,706,770	327,720,309	353,590,301	374,023,173	396,933,819

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-4

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 (2)
General Fund										
Reserved	\$ 31,406,415									
Unreserved, reported in:										
Montgomery Administration Account	3,133,034									
Montgomery Park Account	7,548,971									
Prince George's Administration Account	14,420,070									
Prince George's Park Account	56,642,003									
Prince George's Recreation Account	30,404,917									
Total General Fund	<u>143,555,410</u>									
All Other Governmental Funds										
Reserved	29,845,493									
Unreserved (deficit), reported in:										
Special Revenue Funds	5,340,039									
Capital Projects Funds	110,264,080									
Total All Other Governmental Funds	<u>145,449,612</u>									
Total All Governmental Funds	<u>\$ 289,005,022</u>									
General Fund										
Committed	\$ 20,087,780	\$ 24,964,873	\$ 24,964,873	\$ 22,569,621	\$ 40,161,623	\$ 34,526,773	\$ 38,094,884	\$ 44,020,683	\$ 47,883,493	\$ 42,359,298
Assigned	16,343,650	19,271,830	19,271,830	4,539,255	45,483,383	43,892,210	10,096,236	7,617,518	5,698,844	24,064,324
Unassigned	99,092,516	92,831,681	92,831,681	135,512,477	157,066,229	131,532,584	141,069,582	173,398,306	205,668,037	221,562,189
Total General Fund	<u>135,523,946</u>	<u>137,068,384</u>	<u>137,068,384</u>	<u>162,621,353</u>	<u>242,711,235</u>	<u>209,951,567</u>	<u>189,260,702</u>	<u>225,036,507</u>	<u>259,250,374</u>	<u>287,985,811</u>
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	441,934	709,067	684,987	664,069
Restricted	23,712	6,372,978	6,372,978	4,721,415	3,012,510	35,891,912	10,801,732	11,520,094	4,142,855	16,508,941
Committed	46,032,175	47,780,344	47,780,344	41,712,327	44,051,299	58,578,055	73,077,026	90,931,936	76,280,863	42,287,022
Assigned	131,465,297	129,601,078	129,601,078	121,437,924	53,920,966	45,053,357	39,895,940	13,179,838	13,233,159	20,369,083
Unassigned	(11,055,627)	(17,525,176)	(17,525,176)	(20,735,656)	(21,738,490)	(21,538,004)	(28,741,034)	(35,701,052)	(27,523,472)	(4,278,195)
Total All Other Governmental Funds	<u>166,465,557</u>	<u>166,229,224</u>	<u>166,229,224</u>	<u>147,136,010</u>	<u>79,246,275</u>	<u>117,985,320</u>	<u>95,475,598</u>	<u>80,639,883</u>	<u>66,818,392</u>	<u>75,550,920</u>
Total All Governmental Funds	<u>\$ 301,989,503</u>	<u>\$ 303,297,608</u>	<u>\$ 303,297,608</u>	<u>\$ 309,757,363</u>	<u>\$ 321,957,510</u>	<u>\$ 327,936,887</u>	<u>\$ 284,736,300</u>	<u>\$ 305,676,390</u>	<u>\$ 326,068,766</u>	<u>\$ 363,536,731</u>

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

(2) The increase in 2018 total governmental fund balance in comparison with the prior year is explained in Management's Discussion and Analysis.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-5

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Taxes	\$ 353,966,263	\$ 380,292,455	\$ 345,254,763	\$ 337,691,448	\$ 326,432,203	\$ 320,991,095	\$ 326,780,905	\$ 351,693,057	\$ 371,473,276	\$ 390,983,807
Intergovernmental	17,411,704	20,281,231	27,617,494	18,129,050	23,361,183	24,926,111	29,264,973	36,293,326	22,210,719	22,973,721
Rentals and Concessions	11,572,219	11,024,346	11,614,064	14,395,378	13,876,989	12,690,918	13,785,655	14,240,682	14,915,205	16,419,720
Interest	9,017,218	8,929,134	9,759,475	10,102,872	10,381,093	11,274,401	11,118,577	11,873,440	12,143,332	12,473,801
Miscellaneous	7,565,096	1,816,538	1,421,095	1,723,915	312,015	845,032	985,395	1,000,594	1,985,186	4,687,567
Total Revenues	\$ 403,198,697	\$ 425,603,965	\$ 396,988,653	\$ 384,282,119	\$ 376,028,534	\$ 372,757,773	\$ 383,984,769	\$ 418,497,031	\$ 428,284,261	\$ 451,215,540
Expenditures										
General Government	18,355,098	18,760,282	16,900,334	17,286,400	16,888,747	17,915,857	20,711,512	18,289,180	16,965,608	20,685,289
Planning and Zoning	57,139,743	56,761,092	51,677,578	53,490,374	45,431,143	59,145,520	48,366,254	55,499,233	54,429,803	53,806,455
Park Operations and Maintenance	162,803,732	201,163,727	185,124,386	168,990,977	176,450,186	191,014,322	201,201,932	202,138,039	201,073,472	218,456,669
Recreation	66,011,514	66,071,567	64,079,717	63,824,544	55,118,442	68,442,367	66,269,563	64,044,034	66,873,763	69,434,167
Contributions	859,223	1,012,532	943,482	21,125	-	-	(1,284)	1,684,641	1,786,021	1,775,763
Debt Service	13,705,849	13,181,597	14,172,757	11,999,335	11,719,539	10,741,975	12,094,850	10,433,171	11,126,946	11,676,181
Interest	5,065,685	4,223,697	3,888,860	3,361,761	3,218,877	2,984,223	3,687,985	3,252,466	4,459,106	4,687,879
Other Debt Service Costs	178,835	113,412	(95,874)	427,602	10,860	539,209	30,197	435,015	159,718	250,702
Capital Projects	37,968,742	41,632,678	49,199,758	59,679,383	46,159,542	49,513,661	65,106,465	67,476,263	50,461,849	60,220,947
Total Expenditures	\$ 362,088,421	\$ 402,920,584	\$ 385,890,998	\$ 379,081,501	\$ 354,997,336	\$ 400,297,134	\$ 417,487,474	\$ 423,212,042	\$ 407,336,286	\$ 440,994,052
Other Financing Sources (Uses)										
Proceeds from General Obligation Bonds	5,250,000	-	-	10,500,000	-	40,565,000	-	31,500,000	8,000,000	33,000,000
Refunding Bonds Issued	8,405,000	14,080,000	-	16,425,000	-	-	-	12,515,000	-	-
Premiums on Bonds Issued	381,617	769,574	-	2,614,073	-	1,870,807	-	3,955,202	514,748	2,994,898
Payment to Refunding Bond Escrow Account	(8,650,856)	(14,849,574)	-	(18,130,936)	-	-	-	(14,041,382)	-	-
Transfers In	84,117,596	62,185,114	41,616,423	28,262,071	66,307,473	38,972,506	33,406,016	43,733,117	23,614,019	30,128,661
Transfers Out	(93,717,496)	(71,884,014)	(51,405,973)	(38,411,071)	(75,133,373)	(47,894,726)	(43,131,820)	(51,998,914)	(32,684,366)	(38,877,082)
Total Other Financing Sources (Uses)	(4,214,139)	(9,698,900)	(9,789,550)	1,259,137	(8,825,900)	33,513,587	(9,725,804)	25,663,023	(555,599)	27,246,477
Net Change in Fund Balances	\$ 36,896,137	\$ 12,984,481	\$ 1,308,105	\$ 6,459,755	\$ 12,205,298	\$ 5,974,226	\$ (43,208,509)	\$ 20,948,012	\$ 20,392,376	\$ 37,467,965
Beginning Fund Balance	252,108,885	289,005,022	301,989,503	303,297,608	309,757,363	321,962,661	327,936,887	284,728,378	305,676,390	326,088,766
Ending Fund Balance	\$ 289,005,022	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363	\$ 321,962,661	\$ 327,936,887	\$ 284,728,378	\$ 305,676,390	\$ 326,088,766	\$ 363,536,731
Debt Service as a Percentage of Noncapital Expenditures	5.18%	4.32%	4.68%	4.05%	4.21%	3.43%	3.78%	3.23%	3.83%	3.71%

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-6

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

(Dollars in Thousands)

MONTGOMERY COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Direct Tax Rate	Assessed Value	Estimated Actual Value	Total Direct Tax Rate		
2009	\$ 158,133,491	\$ 164,038,892	0.902	\$ 3,920,171	2.241	\$ 162,053,662	\$ 167,959,063	96.48	%	
2010	167,096,843	175,153,924	0.904	4,123,997	2.247	171,220,840	179,277,921	95.51		
2011	167,790,793	189,808,589	0.904	3,856,192	2.247	171,646,985	193,664,781	88.63		
2012	162,197,150	174,593,272	0.947	3,718,946	2.357	165,916,096	178,312,218	93.05		
2013	158,272,831	170,369,032	0.990	3,604,479	2.463	161,877,310	173,973,511	93.05		
2014	159,891,865	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	194,839,962	1.025	4,188,565	2.547	188,182,436	199,028,527	94.55		

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	Direct Tax Rate	Assessed Value	Estimated Actual Value	Total Direct Tax Rate		
2009	\$ 85,649,437	\$ 99,986,181	0.907	\$ 2,987,437	2.294	\$ 88,636,874	\$ 102,973,618	86.08	%	
2010	95,749,759	102,512,190	0.900	2,772,044	2.272	98,521,803	105,284,234	93.58		
2011	88,129,040	96,199,089	0.900	2,734,464	2.000	90,863,504	98,933,553	91.84		
2012	81,798,606	83,404,281	0.905	2,743,679	2.000	84,542,285	86,147,960	98.14		
2013	75,777,582	76,633,200	0.903	2,741,339	2.283	78,518,921	79,374,539	98.92		
2014	73,012,715	74,563,618	0.897	2,731,340	2.268	75,744,055	77,294,958	97.99		
2015	73,863,286	76,307,098	0.902	2,884,495	2.278	76,747,781	79,191,593	96.91		
2016	76,419,813	80,392,826	0.945	2,966,106	2.372	79,385,919	83,358,932	95.23		
2017	80,672,198	86,941,640	0.936	3,190,976	2.352	83,863,174	90,132,616	93.04		
2018	86,644,518	92,548,041	0.960	3,420,670	2.401	90,065,188	95,968,711	93.85		

Note: (1) For personal property, the assessed value and estimated value are the same.

(2) Total includes real property, business personal property, public utility operating property and domestic shares.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

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

M-NCPPC TAXES

MONTGOMERY COUNTY (1)

Fiscal Year	Administration		Park Operations	Advance Land Acquisition	Total	County-wide Property Taxes		Total		
						Within County				
2009	\$	0.0190/0.0470	\$	0.0010/0.0030	\$	0.0730/0.1820	\$	0.8290/2.0590	\$	0.9020/2.2410
2010		0.0180/0.0450		0.0010/0.0030		0.0690/0.1730		0.8350/2.0740		0.9040/2.2470
2011		0.0150/0.0380		0.0010/0.0030		0.0610/0.1530		0.8430/2.0940		0.9040/2.2470
2012		0.0170/0.0430		0.0010/0.0030		0.0660/0.1660		0.8810/2.1910		0.9470/2.3570
2013		0.0180/0.0450		0.0010/0.0030		0.0730/0.1830		0.9170/2.2800		0.9900/2.4630
2014		0.0180/0.0450		0.0010/0.0030		0.0720/0.1810		0.9360/2.3280		1.0080/2.5090
2015		0.0170/0.0430		0.0010/0.0030		0.0740/0.1860		0.9207/2.2873		0.9947/2.4733
2016		0.0180/0.0450		0.0010/0.0025		0.0742/0.1855		0.9116/2.2643		0.9858/2.4498
2017		0.0170/0.0425		0.0010/0.0025		0.0728/0.1820		0.9521/2.3649		1.0249/2.5469
2018		0.0172/0.0430		0.0010/0.0025		0.0736/0.1840		0.9260/2.3031		0.9996/2.4871

PRINCE GEORGE'S COUNTY (1)

Fiscal Year	Administration		Park Operations	Recreation	Advance Land Acquisition	Total	County-wide Property Taxes		Total	
							Within County			
2009	\$	0.0466/0.1165	\$	0.0592/0.1480	\$	0.2790/0.6975	\$	1.0986/2.7740	\$	1.3776/3.4715
2010		0.0466/0.1165		0.0592/0.1480		0.2790/0.6975		1.0915/2.7524		1.3705/3.4499
2011		0.0466/0.1165		0.0592/0.1480		0.2790/0.6975		1.0918/2.4800		1.3708/3.1775
2012		0.0466/0.1165		0.0605/0.1512		0.2790/0.6975		1.0974/2.4800		1.3764/3.1775
2013		0.0541/0.1353		0.0705/0.1762		0.2790/0.6975		1.0948/2.7630		1.3738/3.4605
2014		0.0541/0.1353		0.0705/0.1762		0.2790/0.6975		1.0891/2.7484		1.3681/3.4459
2015		0.0541/0.1353		0.0705/0.1762		0.2790/0.6975		1.0939/2.7580		1.3729/3.4555
2016		0.0566/0.1415		0.0780/0.1950		0.2940/0.7350		1.3711/2.8523		1.6651/3.5873
2017		0.0566/0.1415		0.0780/0.1950		0.2940/0.7350		1.1284/2.8321		1.4224/3.5671
2018		0.0566/0.1415		0.0780/0.1950		0.2940/0.7350		1.1516/2.8810		1.4456/3.6160

Note: Rates are per \$100 of assessed valuation.

(1) Rates shown are for Real/Personal.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

Taxpayer	2018			2009		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Potomac Electric Power Company	\$ 954,650,036	1	0.51 %	\$ 690,226,160	1	0.43 %
JBG Smith	660,400,167	2	0.35	-	-	-
Federal Realty Investment Trust	610,256,503	3	0.32	213,390,806	7	0.13
Verizon - Maryland	457,599,237	4	0.24	680,681,930	2	0.42
Montgomery Mall LLC	412,404,677	5	0.22	396,142,869	3	0.24
Washington Metropolitan Area Transit Authority	398,157,300	6	0.21	-	-	-
Fishers Lane LLC	372,966,070	7	0.20	-	-	-
Street Retail Inc.	347,576,968	8	0.18	-	-	-
Chevy Chase Land Co	321,457,439	9	0.17	201,846,132	9	0.12
Wheaton Plaza Reg Shopping Center	321,116,206	10	0.17	188,065,412	10	0.12
Washington Gas Light Co.	-	-	-	230,268,250	4	0.14
7501 Wisconsin Ave LLC	-	-	-	226,841,666	5	0.14
Camalier, Anne D et al, Trustee	-	-	-	220,531,312	6	0.14
Democracy Associates	-	-	-	207,114,900	8	0.13
Total	\$ 4,856,584,603		2.57 %	\$ 3,255,109,437		2.01 %
Total Assessable Base	\$ 188,182,435,927		100.00 %	\$ 162,053,662,492		100.00 %

PRINCE GEORGE'S COUNTY

Taxpayer	2018			2009		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
National Harbor, LLC	\$ 993,356,233	1	1.10 %	\$ -	-	- %
Gaylord National, LLC	588,495,334	2	0.65	670,855,100	1	0.76
Potomac Electric Power Company	525,839,360	3	0.58	431,790,993	3	0.49
Verizon Maryland	282,157,460	4	0.31	406,340,430	4	0.46
Washington Gas Light Company	275,743,810	5	0.31	218,766,847	5	0.25
Empirian Village of Maryland, LLC	275,442,200	6	0.31	187,362,588	8	0.21
JKC Stadium (FedEx Field)	208,927,300	7	0.23	187,999,100	7	0.21
Greenbelt Homes, Incorporated	207,599,726	8	0.23	195,151,290	6	0.22
Baltimore Gas and Electric Company	186,715,780	9	0.21	-	-	-
NRG(Mirant) Chalk Point, LLC	177,862,970	10	0.20	494,667,042	2	0.56
Silver Oaks Campus, LLC	-	-	-	129,448,066	9	0.15
Samuel Zeli TRS	-	-	-	125,229,198	10	0.14
Total	\$ 3,722,140,173		4.13 %	\$ 3,047,610,654		3.47 %
Total Assessable Base	\$ 90,065,188,304		100.00 %	\$ 87,809,596,452		100.00 %

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

Property Tax Levies and Collections
Last Ten Fiscal Years

MONTGOMERY COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2009	\$ 106,450,471	\$ 105,976,302	99.6 %	\$ 313,612	\$ 106,289,914	99.8 %
2010	106,745,211	106,602,322	99.9	(673,448)	105,928,874	99.2
2011	94,042,259	93,678,737	99.6	25,693	93,704,430	99.6
2012	98,068,320	98,064,266	100.0	(68,701)	97,995,565	99.9
2013	106,088,181	105,178,075	99.1	405,556	105,583,631	99.5
2014	105,671,395	105,042,397	99.4	87,783	105,130,180	99.5
2015	111,224,664	110,366,064	99.2	294,152	110,660,216	99.5
2016	115,877,295	114,942,121	99.2	(46,012)	114,896,109	99.2
2017	118,471,849	117,462,502	99.1	184,811	117,647,313	99.3
2018	122,844,694	122,601,258	99.8	-	122,601,258	99.8

PRINCE GEORGE'S COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2009	\$ 247,780,995	\$ 244,957,183	98.9 %	\$ 611	\$ 244,957,794	98.9 %
2010	275,536,417	271,182,300	98.4	2,443	271,184,743	98.4
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	-	267,943,624	99.7

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type		Advance Land Acquisition General Obligation Bonds(1)	Ratios		Ratios		
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Total Primary Government(1)	Percentage Of Personal Income	Outstanding Debt Per Capita	Total Debt (1)	Percentage Of Personal Income
2009	\$ 32,290	\$ 2,301	\$ 4,523		\$ 3,210	0.06	40.79	\$ 42,324	0.06	\$ 44.13
2010	29,680	1,041	3,393		2,680	0.05	34.94	36,794	0.05	37.69
2011	26,710	368	2,241		2,145	0.04	29.53	31,464	0.04	31.69
2012	34,590	-	1,064		1,905	0.05	35.43	37,559	0.05	37.33
2013	32,240	-	222		1,665	0.04	31.90	34,127	0.05	33.53
2014	44,616	-	-		1,430	0.06	43.41	46,046	0.06	44.80
2015	41,464	-	-		1,200	0.05	40.01	42,664	0.05	41.17
2016	51,857	-	-		1,075	0.06	49.68	52,932	0.06	50.71
2017	56,953	-	-		1,020	0.07	54.22	57,973	0.07	55.19
2018	52,924	-	-		885	0.06	50.07	53,809	0.06	50.91

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type		Advance Land Acquisition General Obligation Bonds(1)	Ratios		Ratios		
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Total Primary Government(1)	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)	Total Debt (1)	Percentage Of Personal Income (2)
2009	\$ 85,501	\$ 1,054	\$ -		\$ 585	0.26	103.71	\$ 87,140	0.26	\$ 104.41
2010	76,246	653	-		290	0.22	88.83	77,189	0.23	89.16
2011	65,925	369	-		-	0.19	75.85	66,294	0.19	75.85
2012	56,363	120	-		-	0.15	64.10	56,483	0.15	64.10
2013	47,086	-	-		-	0.12	52.90	47,086	0.12	52.90
2014	67,280	-	-		-	0.17	74.39	67,280	0.17	74.39
2015	58,860	-	-		-	0.14	64.71	58,860	0.14	64.71
2016	73,329	-	-		-	0.17	80.75	73,329	0.17	80.75
2017	64,534	-	-		-	na	70.70	64,534	na	70.70
2018	92,162	-	-		-	na	na	92,162	na	na

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

(2) See Table 14 for personal income and population data. Data are not available for Prince George's County for FY 2017 and FY 2018.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-11

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

MONTGOMERY COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	
2009	959,013	\$ 126,613,148	\$ 39,114	0.03 %	\$ 146,276,983	\$ 3,210	0.002 %	\$ 3.35
2010	976,321	149,161,911	34,114	0.02	171,220,841	2,680	0.002	2.74
2011	992,928	149,284,865	29,319	0.02	171,646,984	2,145	0.001	2.16
2012	1,006,218	143,754,415	35,654	0.02	165,916,424	1,905	0.001	1.89
2013	1,017,759	140,577,467	32,462	0.02	161,877,310	1,665	0.001	1.64
2014	1,027,780	141,899,535	44,616	0.03	163,601,193	1,430	0.001	1.39
2015	1,036,233	142,418,524	41,464	0.03	163,656,758	1,200	0.001	1.16
2016	1,043,863	151,113,059	51,857	0.03	174,057,795	1,075	0.001	1.03
2017	1,050,370	157,476,558	56,953	0.04	181,546,725	1,020	0.001	0.97
2018	1,056,920	163,053,038	52,924	0.03	188,182,436	885	0.000	0.84

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	
2009	834,560	\$ 82,671,572	\$ 85,501	0.10 %	\$ 88,636,874	\$ 585	0.001 %	\$ 0.70
2010	865,705	91,889,365	76,246	0.08	98,521,803	290	0.000	0.33
2011	874,045	84,718,780	65,925	0.08	90,863,504	-	-	n.a.
2012	881,138	79,043,657	56,363	0.07	84,542,585	-	-	n.a.
2013	890,081	73,123,809	47,086	0.06	78,518,921	-	-	n.a.
2014	904,430	70,551,044	67,280	0.10	75,744,055	-	-	n.a.
2015	909,535	71,578,363	58,860	0.08	76,747,781	-	-	n.a.
2016	908,049	74,240,911	73,329	0.10	79,385,919	-	-	n.a.
2017	912,756	78,488,744	64,534	0.08	83,863,174	-	-	n.a.
2018	n.a.	84,361,738	92,162	0.11	90,065,188	-	-	n.a.

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

(2) Metropolitan District only

Source: Assessed Value is from Montgomery County and Prince George's County Governments

Population estimates are from the U.S. Bureau of the Census; Population Estimates Branch

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-12

Direct and Overlapping Governmental Activities Debt

June 30, 2018

	Debt Outstanding	Estimated Percentage Applicable	Montgomery County Estimated Share of Overlapping Debt	Prince George's County Estimated Share of Overlapping Debt	Total Estimated Share of Overlapping Debt
Overlapping Debt:					
Montgomery County:					
Montgomery County Government Direct Debt	\$ 4,284,990,518	100.00%	\$ 4,284,990,518	\$ -	\$ 4,284,990,518
MCPS - capital leases	59,680,797	100.00%	59,680,797	-	59,680,797
MCC - capital leases	85,388,516	100.00%	85,388,516	-	85,388,516
Kingsview Village Center - bonds	728,233	100.00%	728,233	-	728,233
West Germantown - bonds	10,020,000	100.00%	10,020,000	-	10,020,000
Towns, Cities and Villages	46,703,434	100.00%	46,703,434	-	46,703,434
Prince George's County:					
Prince George's County Direct Debt	2,133,169,104	100.00%	-	2,133,169,104	2,133,169,104
IDA of Prince George's County - lease revenue bonds	-	100.00%	-	-	-
Towns, Cities and Villages (2)	44,059,846	100.00%	-	44,059,846	44,059,846
Total Overlapping Debt			<u>4,487,511,498</u>	<u>2,177,228,950</u>	<u>6,664,740,448</u>
M-NCPPC Direct Debt Outstanding (1)			<u>53,808,994</u>	<u>92,162,041</u>	<u>145,971,035</u>
Total Direct and Overlapping Debt			<u>\$ 4,541,320,492</u>	<u>\$ 2,269,390,991</u>	<u>\$ 6,810,711,483</u>

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2018 data from Prince George's County.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Valuation - Metropolitan District										
Real Property	\$ 137,037,338,727	\$ 145,753,018,621	\$ 146,152,672,587	\$ 140,655,277,104	\$ 137,631,693,585	\$ 138,886,759,800	\$ 142,418,523,986	\$ 147,958,539,731	\$ 154,201,308,882	\$ 159,617,272,071
Personal Property	3,216,925,927	3,406,892,008	3,132,192,188	3,014,605,290	2,945,872,990	3,002,675,420	2,963,935,430	3,154,519,064	3,273,246,906	3,435,766,393
Total Assessed Value	140,254,264,354	149,161,910,629	149,284,864,775	143,669,882,394	140,577,466,585	141,889,435,220	145,382,459,416	151,113,059,395	157,474,557,788	163,053,038,464
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation	49,333,442	52,471,087	52,614,962	50,695,900	49,547,374	50,002,834	51,270,669	53,265,074	55,512,471	57,462,218
Real Property at 3.6 cents (9 cents for FY 2001 and prior)	2,895,233	3,088,003	2,818,973	2,713,145	2,651,286	2,702,408	2,867,542	2,939,068	2,947,724	3,092,190
Personal Property at 9 cents	52,228,675	55,539,090	55,433,935	53,349,045	52,198,660	52,705,242	53,938,211	56,104,142	58,460,195	60,554,408
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	1,566,860,250	1,666,172,700	1,663,018,050	1,600,471,350	1,565,959,900	1,581,157,260	1,618,146,330	1,683,124,260	1,753,805,850	1,816,632,240
Debt Service Applicable to Limit	40,869,590	37,198,245	33,237,288	44,791,154	37,422,603	56,282,000	51,568,000	62,543,000	68,466,000	63,043,000
Legal Debt Margin	\$ 1,525,990,660	\$ 1,628,974,455	\$ 1,629,780,762	\$ 1,555,680,196	\$ 1,528,537,197	\$ 1,524,875,260	\$ 1,566,578,330	\$ 1,620,581,260	\$ 1,685,339,850	\$ 1,753,589,240
Debt Service Applicable to Limit as a Percentage of the Limit	2.61%	2.23%	2.00%	2.80%	2.39%	3.56%	3.19%	3.72%	3.90%	3.47%

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed Valuation - Metropolitan District										
Real Property	\$ 79,863,728,005	\$ 89,287,524,163	\$ 82,153,036,056	\$ 76,465,608,181	\$ 70,552,234,135	\$ 67,989,276,067	\$ 68,888,615,633	\$ 71,447,943,979	\$ 75,478,470,361	\$ 81,117,524,396
Personal Property	2,807,843,667	2,601,841,179	2,965,743,870	2,578,049,126	2,571,574,360	2,581,766,520	2,719,747,118	2,792,967,386	3,010,273,510	3,244,213,192
Total Assessed Value	82,671,571,672	91,889,365,342	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
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation	31,945,491	35,715,010	32,861,214	30,586,243	28,220,894	27,195,711	27,543,446	28,579,178	30,191,388	32,447,010
Real Property at 4 cents (10 cents for FY 2001 and prior)	2,807,844	2,601,841	2,565,744	2,578,049	2,571,575	2,581,767	2,719,747	2,792,967	3,010,274	3,244,213
Personal Property at 10 cents	34,753,335	38,316,851	35,426,958	33,164,292	30,792,469	29,757,478	30,263,193	31,372,145	33,201,662	35,691,223
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	1,042,600,050	1,149,505,530	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
Debt Service Applicable to Limit	105,933,668	92,328,755	79,212,624	66,636,492	54,054,273	83,126,000	72,384,000	90,091,000	79,263,000	113,273,000
Legal Debt Margin	\$ 936,666,382	\$ 1,057,176,775	\$ 983,596,116	\$ 928,292,268	\$ 869,719,797	\$ 809,598,340	\$ 835,511,790	\$ 851,073,350	\$ 916,786,860	\$ 957,463,690
Debt Service Applicable to Limit as a Percentage of the Limit	10.16%	8.03%	7.45%	6.70%	5.85%	9.31%	7.97%	9.57%	7.96%	10.58%

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-14

Demographic Statistics
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Population (1)	Total Personal Income 000's omitted (2,3)	Per Capita Income (4)	Labor Force (5)	Unemployment Rate (6)	Registered Pupils (7)
2009	959,013	\$ 66,147,761	\$ 68,975	522,421	5.3 %	137,763
2010	976,321	69,149,438	70,827	532,549	5.6	140,500
2011	992,928	73,818,085	74,344	536,832	5.3	143,309
2012	1,006,218	76,994,315	76,519	540,427	5.2	146,497
2013	1,017,759	74,017,970	72,726	543,124	4.9	149,018
2014	1,027,780	75,745,140	73,698	545,005	4.4	151,289
2015	1,036,233	80,786,226	77,961	549,111	3.9	153,852
2016	1,043,863	84,518,332	80,967	548,401	3.4	159,242
2017	1,050,370	87,230,000	83,047	557,412	3.3	161,909
2018	1,056,920	90,840,000	85,948	562,343	3.4	161,936

PRINCE GEORGE'S COUNTY

Year	Population (8)	Total Personal Income 000's omitted (2)	Per Capita Income (2) (4)	Labor Force (9)	Unemployment Rate (6)	Registered Pupils (10)
2009	834,560	\$ 33,227,622	\$ 38,810	452,754	7.1 %	127,977
2010	865,705	34,302,938	39,647	462,138	7.7	127,039
2011	874,045	35,036,640	40,215	466,787	7.2	126,671
2012	881,138	38,481,250	43,672	469,150	6.8	123,833
2013	890,081	38,595,921	43,362	467,318	6.9	123,737
2014	904,430	40,215,913	44,465	469,359	6.2	125,136
2015	909,535	40,806,805	44,866	495,449	4.7	127,576
2016	908,049	41,922,938	46,168	498,002	4.4	128,936
2017	912,756	n. a.	n. a.	513,393	4.7	130,814
2018	n. a.	n. a.	n. a.	512,961	4.7	130,814

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

- (1) Source: Data for 2008-2009 from the U.S. Bureau of the Census, data for 2010-2017 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2017-2018 is not currently available for Prince George's County)
- (3) Source: Data for 2010 - 2017 are estimates derived by the Montgomery County Department of Finance
- (4) Source: Per Capita Income is derived by dividing personal income by population
- (5) Source: Bureau of Labor Statistics, U.S. Department of Labor
- (6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.
- (7) Source: Office of Management and Budget, Montgomery County
- (8) Source: Data for 2010-2017 are estimates derived by the Prince George's County Department of Finance from the U.S. Bureau of the Census. Estimates for 2018 are not available
Data for 2009 estimates are provided by the U.S. Bureau of the Census, Population Estimates Branch.
- (9) Source: Maryland Department of Labor, Career and Workforce Information, updated June 2018. Prince George's County data for 2018 is an estimate
- (10) Source: www.mdreportcard.org, 2018 estimates for Prince George's County
- (9) Source: Maryland Department of Labor, Career and Workforce Information, updated June 2018. Prince George's County data for 2018 is an estimate
- (10) Source: www.mdreportcard.org, 2018 estimates for Prince George's County

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Total Government Employees by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Commissioners Office	9.90	9.50	9.50	9.50	9.00	9.00	9.50	9.50	9.50	9.50
Department of Human Resources and Management	26.75	21.75	18.75	15.25	13.50	14.00	14.75	15.00	15.00	16.26
Department of Finance	29.10	32.60	32.30	28.80	27.50	24.30	24.30	25.19	25.19	25.19
Internal Audit				1.50	1.50	1.50	2.00	2.00	2.00	2.20
Legal Department	12.75	12.25	13.25	12.25	12.25	13.50	13.50	13.50	13.50	13.70
Merit System Board	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
General Government:	78.75	76.35	74.05	67.55	64.00	62.55	64.30	65.44	65.44	67.10
County Planning and Zoning:										
Office of the Planning Director	3.82	3.00	3.00	6.00	6.00	6.00	4.00	4.00	5.00	6.00
Management Services	25.57	28.35	29.02	22.39	21.60	21.65	15.45	16.75	16.75	16.88
Functional Planning and Policy	-	-	-	14.50	14.40	15.18	18.40	18.50	19.50	18.47
Area 1	-	-	-	11.49	12.75	11.95	12.00	11.00	9.45	9.35
Area 2	-	-	-	15.49	16.25	16.15	15.50	15.15	15.10	15.79
Area 3	-	-	-	16.19	15.50	15.95	16.20	16.20	15.15	13.82
Community-Based Planning	22.22	24.17	21.20	-	-	-	-	-	-	-
Environmental Planning	23.67	23.67	22.43	-	-	-	-	-	-	-
Transportation Planning	17.89	18.15	13.29	-	-	-	-	-	-	-
Urban Design	17.01	16.99	15.20	-	-	-	-	-	-	-
Development Review	32.32	31.48	15.60	-	-	-	-	-	-	-
Development Applications and Regulatory Coordination	-	-	12.60	12.60	10.85	10.10	9.85	10.70	12.35	11.34
Center for Research and Information Systems	28.55	24.84	23.18	12.64	13.95	15.00	15.90	16.00	16.00	17.04
Information Technology and Innovation	-	-	-	-	-	-	8.00	8.00	8.00	8.00
Research and Special Projects	-	-	-	-	-	-	-	-	-	-
Total County Planning and Zoning	171.05	170.65	142.92	111.30	111.30	111.98	115.30	116.30	117.30	116.69
Park Operations and Maintenance:										
Director of Parks	21.57	5.55	5.55	5.00	6.00	7.80	7.80	10.20	12.70	12.80
Special Programs	-	6.00	6.00	-	-	-	-	-	-	-
Park Information and Customer Service	-	10.30	10.30	18.00	18.20	19.10	-	-	-	-
Public Affairs and Community Partnerships	-	-	-	-	-	-	19.60	20.40	22.90	22.70
Management Services	7.13	7.67	7.50	20.60	20.10	20.20	12.00	11.10	12.90	13.90
Facilities Management	6.83	6.00	6.00	-	-	-	-	-	-	-
Technology Center	10.74	10.90	11.15	-	-	-	-	-	-	-
Information Technology and Innovation	-	-	-	-	-	-	8.10	8.10	8.70	8.60
Park Planning and Stewardship	33.43	31.96	31.62	25.70	24.80	26.60	29.50	38.30	42.70	47.30
Park Development	28.43	28.50	28.55	24.80	23.80	23.80	25.80	25.40	25.10	25.80
Park Police	114.72	115.56	115.61	104.90	109.40	109.40	111.30	111.90	111.60	112.20
Horticultural, Forestry, and Environmental Ed	63.84	63.40	63.50	73.20	79.40	79.40	84.00	88.70	92.40	97.20
Facilities Management (formerly Central Maintenance)	104.76	102.90	102.65	91.10	89.80	89.80	95.20	95.90	98.30	98.60
Northern Region	116.25	116.52	116.52	101.00	100.00	103.20	107.90	115.00	119.00	120.80
Southern Region	180.51	182.14	181.84	153.90	151.20	153.50	154.20	156.40	158.70	162.30
Support Services	-	1.10	1.10	1.10	2.90	1.10	2.60	2.60	2.60	3.10
Property Management	3.50	3.50	3.50	2.50	5.00	6.00	7.00	7.00	7.00	7.00
Total Park Operations and Maintenance	691.71	692.00	691.39	621.80	630.60	641.10	665.00	691.00	714.60	732.30
Business-Type Activities										
Recreational and Cultural Facilities	104.60	113.10	110.90	117.20	118.90	116.00	110.30	110.00	119.30	126.70
Total Workyears	1,046.11	1,052.10	1,019.26	917.85	924.80	931.63	954.90	982.74	1,016.64	1,042.79

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Total Government Employees by Function
Last Ten Fiscal Years

(continued)

PRINCE GEORGE'S COUNTY

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Commissioners Office	14.30	14.30	14.30	14.00	13.50	13.50	13.50	13.50	13.50	13.50
Department of Human Resources and Management	29.75	24.75	24.25	25.25	23.15	23.65	24.90	24.20	26.15	29.14
Department of Finance	31.60	34.60	33.30	29.80	28.50	31.70	31.70	32.81	32.81	32.81
Internal Audit	0.00	0.00	0.00	2.50	2.50	2.50	3.00	3.00	3.00	3.30
Legal Department	11.00	11.50	11.65	9.75	9.75	10.00	10.00	10.00	10.00	10.30
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:	<u>86.90</u>	<u>85.40</u>	<u>83.75</u>	<u>81.55</u>	<u>77.65</u>	<u>81.60</u>	<u>83.35</u>	<u>83.76</u>	<u>85.71</u>	<u>89.30</u>
County Planning and Zoning:										
Director's Office	16.00	27.00	28.00	28.00	28.50	32.50	35.50	27.50	27.50	30.50
Development Review	52.70	60.00	59.00	56.00	53.00	53.00	53.00	55.00	51.00	51.00
Community Planning	43.80	43.60	43.60	42.60	39.60	37.75	33.75	26.63	26.75	25.75
Information Management	25.60	27.60	27.80	28.00	28.00	28.00	27.00	25.00	24.00	24.00
County-Wide Planning	39.50	46.00	46.00	45.00	40.00	40.00	42.00	43.00	41.00	41.00
Information Center	27.00	-	-	-	-	-	-	-	-	-
Total County Planning and Zoning	<u>204.60</u>	<u>204.20</u>	<u>204.40</u>	<u>199.60</u>	<u>189.10</u>	<u>191.25</u>	<u>191.25</u>	<u>177.13</u>	<u>170.25</u>	<u>172.25</u>
Park Operations and Maintenance:										
Office of the Director	27.50	4.00	4.00	3.00	3.00	3.00	13.00	19.00	19.00	14.00
Administrative Services	-	16.10	15.10	15.50	38.50	38.50	39.50	52.00	52.00	62.50
Administration and Development	-	-	-	2.00	6.00	6.00	2.00	2.00	2.00	2.00
Public Affairs and Marketing	-	12.00	15.00	14.00	14.00	14.00	-	-	-	-
IT & Communications	16.20	16.20	27.20	29.20	28.20	30.20	32.20	31.20	31.20	33.90
Park Police	143.50	146.50	151.50	146.50	146.50	150.50	150.50	155.50	155.50	156.50
Park Planning and Development	61.00	61.00	61.00	56.50	55.00	55.00	55.00	55.00	55.00	60.60
Facility Operations	271.60	269.50	266.50	291.90	285.60	293.10	310.60	315.10	317.60	347.50
Area Operations	240.10	240.10	249.10	241.50	247.50	255.50	262.50	263.00	264.15	270.45
Total Park Operations and Maintenance	<u>759.90</u>	<u>765.40</u>	<u>789.40</u>	<u>800.10</u>	<u>824.30</u>	<u>845.80</u>	<u>865.30</u>	<u>892.80</u>	<u>896.45</u>	<u>947.45</u>
Recreation Programs:										
Director's Office	19.50	-	-	-	-	-	-	-	-	-
Administrative Services	-	20.50	18.50	18.00	-	-	-	-	-	-
Public Affairs and Marketing	-	3.00	2.00	2.00	2.00	3.00	-	-	-	-
Administration and Development	2.00	2.00	2.00	3.00	-	-	-	-	-	-
IT & Communications	9.00	9.00	-	-	-	-	-	-	-	-
Facility Operations	164.70	217.30	226.50	179.40	212.40	215.40	222.40	250.90	254.90	270.30
Area Operations	718.30	700.30	733.30	723.70	689.20	713.20	722.20	792.20	783.73	908.83
Total Recreation Programs	<u>913.50</u>	<u>952.10</u>	<u>982.30</u>	<u>926.10</u>	<u>903.60</u>	<u>931.60</u>	<u>944.60</u>	<u>1,043.10</u>	<u>1,038.63</u>	<u>1,179.13</u>
Business-Type Activities										
Recreational and Cultural Facilities	213.00	202.00	200.50	193.00	188.00	180.00	181.00	202.00	202.00	203.00
Total Workyears	<u>2,177.90</u>	<u>2,209.10</u>	<u>2,260.35</u>	<u>2,200.35</u>	<u>2,182.65</u>	<u>2,230.25</u>	<u>2,265.50</u>	<u>2,398.79</u>	<u>2,393.04</u>	<u>2,591.13</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Operating Indicators by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	376	109	60	147	109	109	285	442	472	461
Number of Vendors in Directory	20,593	14,048	14,974	15,926	10,226	4,509	5,470	6,284	7,036	7,691
Number of MFD Vendors in Directory	3,747	3,830	4,182	4,547	4,957	205	421	577	717	1,353
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed	4	4	2	3	2	8	4	4	3	3
Number of Regulatory Planning Reviews	124	220	254	352	284	294	234	256	215	281
Number of Transportation Studies	40	26	29	47	40	23	24	21	25	19
Number of Site Plan and Project Plans Reviews	na	na	76	81	99	85	90	72	60	109
Number of Daily Website Visits	3,624	3,439	4,190	3,225	5,521	4,181	5,242	5,455	5,104	5,588
Number of GIS Updates	14,576	23,602	18,537	69,237	22,017	93,116	28,899	126,197	n/a	n/a
Number of Regulatory Project Views on DAIC	n/a	n/a	n/a	n/a	n/a	n/a	n/a	272,999	317,858	611,177
Number of Users Accessing GIS licenses	n/a	n/a	n/a	n/a	n/a	n/a	n/a	179	179	177
Park Operations and Maintenance:										
Number of Playground Renovations Completed	12	10	6	8	7	5	5	5	6	5
Total Acres of Parkland Acquired	140	877	59	355	75	665	432	314	91	82
Trees Planted for Reforestation Projects	1,581	1,642	1,797	6,300	34,942	2,076	414	646	912	1,351
Major Maintenance Requests Completed	84	172	85	98	94	87	90	117	119	120
Service Requests Completed	7,798	8,556	6,432	6,453	6,801	6,583	9,117	8,491	10,208	10,233
Number of Customers Attending Nature Programs	37,877	45,248	34,533	27,274	32,183	39,157	40,985	41,226	41,045	42,634
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	390,336	424,638	427,854	402,438	432,154	375,912	520,388	532,732	604,889	638,599
Number of Indoor Tennis Customers	96,103	121,715	122,049	106,435	110,826	124,713	117,283	115,777	119,537	122,535
Number of Park Facilities Customers	422,565	500,679	588,464	626,243	519,704	333,689	404,885	662,538	652,642	727,542
Number of Conference Center Customers	27,729	31,834	28,455	40,943	50,509	47,347	58,373	54,376	49,350	43,599

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16
continued

Operating Indicators by Function
Last Ten Fiscal Years

PRINCE GEORGES COUNTY

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	50	90	98	120	120	169	157	134	350	375
Number of New Zoning Applications	42	54	34	61	60	34	48	51	50	50
Number of Help Desk Requests Completed	3,843	3,714	3,213	4,332	4,000	2,769	3,267	3,267	3,300	3,300
Number of GIS Requests Delivered	228	213	200	200	210	201	150	50	50	50
Number of Transportation Referrals Received	192	151	107	113	128	126	141	142	182	170
Number of Environmental Referrals Received	944	550	359	342	350	424	392	362	382	382
Number of Walk-in Customers Served	6,417	7,000	5,256	4,580	5,000	4,812	5,059	4,728	4,900	5,000
Number of Telephone Calls Responded to	4,440	5,000	4,162	4,562	5,000	4,919	4,489	5,041	5,500	5,750
Park Operations and Maintenance:										
Number of Nature Education Attendees	165,500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Museum Visitors (College Park Airport)	68,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Commission Facility Permits Issued	4,700	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of activities for fee assistance clients	1,750	2,000	2,150	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Acres of Grass Mowed	7,550	7,595	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Park acres	26,998	27,188	27,528	27,628	27,000	27,625	27,125	27,150	28,125	28,500
Number of completed Capital Improvement projects	32	49	34	30	45	28	12	21	21	18
Number of picnic shelters rentals	936	928	924	929	599	590	610	635	660	670
Number of ADA Accommodations	1,500	1,600	2,600	2,800	2,633	3,056	3,100	3,250	3,500	4,500
Number of Community Sponsored Events	131	262	313	322	452	447	463	480	483	483
Number of Community Outreach events	131	262	313	322	330	330	240	300	310	275
Number of Historic Property Rentals	n/a	n/a	n/a	n/a	n/a	n/a	229	280	280	280
Recreation Programs:										
Number of Museum Visitors (Historic Sites)	49,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of permits for Recreation building use	n/a	n/a	n/a	n/a	630	640	655	660	690	690
Number of Youth Sports Participants	12,800	14,933	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Aquatics Activities Attendance	291,000	65,403	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Community Center Classes Conducted	5,650	11,901	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total SMARTThink Accounts portal for programs	n/a	n/a	n/a	n/a	294,414	323,727	335,345	350,000	355,000	355,000
Total Youth registered for recreation programs	n/a	n/a	214,422	214,400	205,999	205,999	205,999	n/a	n/a	n/a
Total Seniors registered for recreation programs	n/a	n/a	90,662	90,000	125,382	125,382	125,382	n/a	n/a	n/a
Number of program youth volunteers	1,500	2,900	7,800	1,500	1,500	n/a	n/a	n/a	n/a	n/a
Number of youth volunteer hours served	n/a	n/a	n/a	425	461	425	435	50	65	75
Number of Art class registrants	2,700	2,900	6,900	7,000	2,576	2,967	2,950	2,800	2,600	2,600
Number of Therapeutic Recreation programs	375	425	408	405	453	460	465	464	465	465
Business-Type Activities										
Recreational and Cultural Facilities										
Number of Rounds of Golf	94,000	n/a	n/a	n/a	78,006	74,923	76,848	75,000	78,000	76,000
Number of Fitness Center Class Participants	27,500	10,867	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Ice Rink General Admissions	31,000	4,753	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Attendance (Show Place Arena)	226,652	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Attendance (Equestrian Center)	27,821	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Fitness center memberships	4,046	4,000	5,198	5,600	12,654	6,875	12,930	14,000	15,000	22,000
Number of swimming class participants	13,700	14,385	16,188	17,806	12,017	12,619	14,659	15,000	15,500	15,500
Number of instructional tennis class participants	n/a	n/a	n/a	n/a	2,625	2,950	2,758	2,850	n/a	n/a
Number of event days at Show Place Arena	175	184	222	208	332	291	299	300	n/a	n/a

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>COMMISSION-WIDE</u>										
Governmental Activities										
General Government:										
Office Building	1	1	1	1	1	1	1	1	1	1
<u>MONTGOMERY COUNTY</u>										
Governmental Activities										
County Planning and Zoning:										
Office Building	1	1	1	1	1	1	1	1	1	1
Park Operations and Maintenance:										
Athletic Fields	359	363	363	347	350	350	350	367	354	343
Basketball Courts	208	207	207	207	207	207	207	214	216	221
Campsites	102	102	102	108	107	107	107	102	102	102
Dog Parks	4	4	5	5	5	5	5	6	6	6
Historic Buildings	27	27	45	43	117	117	117	117	117	117
Office Building	13	13	13	13	13	13	13	13	13	13
Picnic Shelters	194	193	132	129	130	130	130	134	135	136
Playgrounds	291	291	291	290	291	291	291	285	284	290
Recreation Buildings	31	31	31	29	25	25	25	28	28	28
Rental Buildings	61	61	49	49	53	53	53	52	52	52
Skateboard Park	1	1	1	2	3	3	3	3	3	3
Tennis Courts	305	305	305	317	315	315	315	304	302	302
Business-Type Activities										
Recreational and Cultural Facilities:										
Antique Carousel	1	1	1	1	1	1	1	1	1	1
Conference Centers	3	3	5	5	5	5	5	5	5	5
Equestrian Centers	5	5	5	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	2	2	3
Miniature Trains	2	2	2	2	2	2	2	2	2	2
Miniature Golf Course	1	2	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>										
Governmental Activities										
Park Operations and Maintenance:										
Office Building	14	14	14	14	14	14	14	14	14	14
Recreation Buildings	25	25	26	28	34	34	34	34	35	38
Picnic Shelters	88	88	88	88	88	88	91	92	94	94
Playgrounds	227	227	228	229	240	240	252	254	254	254
Athletic Fields	390	390	390	390	392	392	392	392	392	392
Tennis Courts	163	163	163	163	163	163	164	165	165	165
Basketball Courts	214	214	214	214	215	215	218	219	219	219
Parking Lots	4	4	4	4	4	4	4	5	6	6
Trails and Pathways	4	4	4	4	4	4	4	4	4	4
Pedestrian Bridges	2	2	2	2	2	2	3	3	3	3
Recreation Programs:										
Historic Buildings	15	15	15	15	15	15	15	16	16	16
Community Centers	30	30	31	31	31	31	31	36	36	36
Swimming Pools	10	10	11	11	11	11	11	13	16	17
Business-Type Activities										
Recreational and Cultural Facilities:										
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Golf Courses	3	3	3	3	3	3	3	4	4	4
Tennis Bubbles	2	2	2	2	2	2	2	2	2	2
Equestrian Center	1	1	1	1	1	1	1	1	1	1
Sports and Learning Complex	1	1	1	1	1	1	1	1	1	1
Trap and Skeet Range	1	1	1	2	2	2	2	2	2	2
Marina	1	1	1	1	1	1	1	1	1	1
Airport	1	1	1	1	1	1	1	1	1	1

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-18

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	>30,000	1	6.12 %	>30,000	1	6.27 %
Montgomery County Public Schools	20,000 - 25,000	2	4.59	20,000 - 25,000	2	4.70
Montgomery County Government	10,000 - 15,000	3	2.55	5,000 - 10,000	5	1.57
U.S. Department of Commerce	5,000 - 10,000	4	1.53	5,000 - 10,000	4	1.57
U.S. Department of Defense	2,500 - 5,000	5	0.76	10,000 - 15,000	3	2.61
Holy Cross Hospital of Silver Spring	2,500 - 5,000	6	0.76	2,500 - 5,000	10	0.78
Adventist Healthcare	2,500 - 5,000	7	0.76	5,000 - 10,000	7	1.57
Government Employees Insurance Co.	2,500 - 5,000	8	0.76	**		-
Marriott International, Inc (Headquarters)	2,500 - 5,000	9	0.76	2,500 - 5,000	8	0.78
U. S. Nuclear Regulatory Commission	1,500 - 2,500	10	0.41	**		-
Lockheed Martin Corporation	**		-	5,000 - 10,000	6	1.57
Giant Food Corporation	**		-	2,500 - 5,000	9	0.78
Total			19.00 %			22.20 %

PRINCE GEORGE'S COUNTY

<u>Employer</u>	<u>2017 (1)</u>			<u>2008(1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University System of Maryland (2)	20,205	1	4.93 %	12,454	3	3.98 %
Joint Base Andrews Naval Air Facility Washington*	17,500	2	4.27	15,000	2	4.80
U.S. Internal Revenue Service *	4,735	3	1.16	5,539	5	1.77
United States Census Bureau *	4,605	4	1.12	4,158	8	1.33
United Parcel Service	3,000	5	0.73	4,220	7	1.35
NASA/Goddard Space Flight Center *	3,000	6	0.47	3,083	9	0.99
MGM National Harbor	2,830	7	0.57	-	-	-
Inovalon - MedAssurant	2,500	8	0.50	-	-	-
University Of Maryland Capital Regional Health***	2,400	9	0.48	-	-	-
Marriott International	2,200	10	0.44	-	-	-
Giant Food, Inc.	-	-	-	5,394	6	1.73
Verizon	-	-	-	2,738	10	0.88
Prince George's County Public Schools	-	-	-	18,888	1	6.04
Prince George's County Government	-	-	-	6,889	4	2.20
Total	62,975		14.68 %	78,363		25.07 %

Note:

- (1) In 2018, 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.
- (***) Formerly Dimensions Healthcare System

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses
For the Fiscal Year Ended June 30, 2018

Recreational Facilities

MONTGOMERY COUNTY

	Ice Rinks	Golf Courses	Park Facilities	Indoor Tennis	Conference Centers	MC Ent Admin	Totals
Operating Revenues	\$ 5,197,254	\$ 62,557	\$ 3,821,562	\$ 1,876,590	\$ 515,421	\$ -	\$ 11,473,384
Operating Expenses Before Depreciation	4,261,265	-	3,083,360	1,562,286	545,674	(13,599)	9,438,986
Operating Income (Loss) Before Depreciation	935,989	62,557	738,202	314,304	(30,253)	13,599	2,034,398
Depreciation	775,120	148,272	113,216	47,076	7,387	13,599	1,104,670
Operating Income (Loss)	160,869	(85,715)	624,986	267,228	(37,640)	-	929,728
Nonoperating Revenues (Expenses)	13,017	-	133,310	101,961	3,280	-	251,568
Net Income (Loss)	\$ 173,886	\$ (85,715)	\$ 758,296	\$ 369,189	\$ (34,360)	\$ -	\$ 1,181,296

PRINCE GEORGES COUNTY

Equestrian Center/ Multipurpose Arena

	Airport	Equestrian Center/ Multipurpose Arena	Golf Courses	Ice Rinks	Regional Parks	Trap and Skeet Center	Sports and Learning Complex	Bladensburg Marina	Totals
Operating Revenues	\$ 250,385	\$ 1,381,302	\$ 1,911,498	\$ 256,282	\$ 353,886	\$ 1,333,698	\$ 3,072,522	\$ 168,108	\$ 8,727,681
Operating Expenses Before Depreciation	453,344	2,898,341	3,974,498	646,395	945,474	1,405,945	7,851,643	240,626	18,416,266
Operating Income (Loss) Before Depreciation	(202,959)	(1,517,039)	(2,063,000)	(390,113)	(591,588)	(72,247)	(4,779,121)	(72,518)	(9,688,585)
Depreciation	22,767	508,779	180,044	93,067	40,376	25,564	1,121,756	-	1,992,353
Operating Income (Loss)	(225,726)	(2,025,818)	(2,243,044)	(483,180)	(631,964)	(97,811)	(5,900,877)	(72,518)	(11,680,938)
Nonoperating Revenues (Expenses)	9,333	43,024	57,726	20,103	17,536	5,501	(1,125)	20,865	172,963
Transfers In (Out)	255,595	2,025,902	1,074,886	742,224	141,944	35,014	4,196,497	276,359	8,748,421
Net Income (Loss)	\$ 39,202	\$ 43,108	\$ (1,110,432)	\$ 279,147	\$ (472,484)	\$ (57,296)	\$ (1,705,505)	\$ 224,706	\$ (2,759,554)

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

ACKNOWLEDGMENTS

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

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Photo Index

Cover:

Kingsley Schoolhouse - built in 1893 in response to the need for a school within walking distance of farms located in the Little Bennett Creek Valley, the Kingsley Schoolhouse served the local, rural farming community until it closed in 1935. Between 2007 and 2012, Montgomery Parks led an effort to rehabilitate the one-story, gable-end structure. The building has been furnished to represent the 1920s and early 1930s, the period that former students recalled in a series of oral history interviews recorded by the Department of Parks.

Page 9: Collage

Cabin John Ice Rink synchronized figure skating ; Seniors in Prince George's County participate in "Active Aging Week" by doing chair exercises; Families enjoying time at the Laytonia Recreational Park playground in Montgomery County; Parks & Recreation Youth Lacrosse League in action; Parents and children taking canoe rides on the water in Black Hill Regional Park in Montgomery County; Families enjoy the activities at the annual American Indian Festival at Patuxent River Park; Families celebrate "International Mud Day" at Woodstock Equestrian Park by participating in MUDFEST; At Langley Park summer camp in Prince George's County, children learn the art of gardening.

Photo Credits:

Montgomery County Department of Parks various staff members: Cover, pages 8, 18, 110, and 118.
Cassi Hayden (Prince George's County): pages 1, 8, 105, 114, and 122.