

# The Maryland-National Capital Park and Planning Commission



**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2009**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT  
of**

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

**For the Fiscal Year Ended June 30, 2009**

**Commissioners**

Samuel J. Parker, Jr., Chairman of the Commission  
Royce Hanson, Vice-Chairman of the Commission  
Joe Alfandre  
Sarah A. Cavitt  
Jesse Clark  
Jean B. Cryor  
Amy Presley  
John M. Robinson  
John H. Squire  
Sylvester J. Vaughns

**Officers**

Oscar Rodriguez, Executive Director  
Patricia Colihan Barney, Secretary-Treasurer  
Adrian R. Gardner, General Counsel

**Department Directors**

Rollin Stanley, Montgomery County Director of Planning  
Mary Bradford, Montgomery County Director of Parks  
  
Fern V. Piret, Prince George's County Director of Planning  
Ronnie Gathers, Prince George's County Director of Parks and Recreation  
  
Oscar Rodriguez, Department of Human Resources and Management  
Patricia Colihan Barney, Department of Finance  
Adrian R. Gardner, Legal Department

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

Patricia Colihan Barney, Secretary-Treasurer

***Finance Managers***

Barbara Walsh, Accounting  
Chip S. Bennett, Administration  
Nancy J. Keogh, Purchasing  
Abinet Belachew, Internal Audit  
Al Warfield, Investments and Treasury Operations  
Joe Bistany, Information Technology

## TABLE OF CONTENTS

	<u>Page</u>
List of Officials	i
 <b><u>PART I - INTRODUCTORY SECTION</u></b>	
Letter of Transmittal	2
Certificate of Achievement	5
Commission Background	7
Organization Chart	8
Program Highlights	10
 <b><u>PART IIA - FINANCIAL SECTION</u></b>	
Independent Auditor's Report	21
<b>A. MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>24</b>
<b>B. BASIC FINANCIAL STATEMENTS</b>	
<b><u>Exhibits</u></b>	
	<b><u>Government-Wide Financial Statements</u></b>
1	Statement of Net Assets 43
2	Statement of Activities 44
	 <b><u>Fund Financial Statements</u></b>
	Governmental Funds Financial Statements
3	Balance Sheet 45
4	Statement of Revenues, Expenditures and Changes in Fund Balances 46
5	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 47
6	Statement of Revenues, Expenditures/Encumbrances and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund 48
	Proprietary Funds Financial Statements
7	Statement of Net Assets 49
8	Statement of Revenues, Expenses and Changes in Fund Net Assets 50
9	Statement of Cash Flows 51
	Fiduciary Funds Financial Statements
10	Statement of Net Assets 53
11	Statement of Changes in Net Assets 54
 <b>Notes to Financial Statements</b>	 <b>55</b>
 <b>C. REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF FUNDING PROGRESS</b>	
Defined Benefit Pension Plan	101
Other Post Employment Benefits	102

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

	<u>Nonmajor Governmental Funds</u>	
1	Combining Balance Sheet	105
2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	106
3	Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance – Budget (Non – GAAP Budgetary Basis) and Actual – Special Revenue Funds	107
	<u>Enterprise Funds</u>	
4	Schedule of Net Assets	109
5	Schedule of Revenues, Expenses and Changes in Fund Net Assets	110
6	Schedule of Cash Flows	111
	<u>Internal Service Funds</u>	
7	Combining Statement of Net Assets	113
8	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	114
9	Combining Statement of Cash Flows	115
	<u>Fiduciary Fund Types</u>	
10	Combining Statements of Net Assets	117
11	Combining Statements of Changes in Net Assets	118
12	Combining Statement of Changes in Assets and Liabilities – Agency Fund	119

**PART III - STATISTICAL SECTION**Tables

T-1	Net Assets by Category Entity-wide Basis - Last Eight Fiscal Years	122
T-2	Change in Net Assets Entity-wide Basis – Last Eight Fiscal Years	123
T-3	Government Wide Revenues Entity-wide Basis – Last Eight Fiscal Years	124
T-4	Fund Balances of Governmental Funds – Last Ten Fiscal Years	125
T-5	Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	126
T-6	Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	127
T-7	Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	128
T-8	Principal Taxpayers – Current Fiscal Year and Nine Years Ago	129
T-9	Property Tax Levies and Collections – Last Ten Fiscal Years	130
T-10	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	131
T-11	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Fiscal Years	132
T-12	Direct and Overlapping Governmental Activities Debt	133
T-13	Computation of Legal Debt Margin – Park Acquisition and Development Bonds – Last Ten Fiscal Years	134
T-14	Pledged Revenue Coverage – Last Ten Fiscal Years	135
T-15	Demographic Statistics – Last Ten Fiscal Years	136
T-16	Total Government Employees by Function – Last Ten Fiscal Years	137
T-17	Operating Indicators by Function – Last Ten Fiscal Years	139
T-18	Capital Asset Statistics by Function – Last Five Fiscal Years	141
T-19	Principal Employers – Current Fiscal and Nine Years Ago	142
T-20	Supplemental Enterprise Information	143
	Acknowledgments	144
	Photo Index	145

---

◆ PART I ◆  
INTRODUCTORY SECTION

---



Re-enactors are dedicated to adding a sense of authenticity to celebrations such as Emancipation Day at Oakley Cabin.



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 4, 2009

## Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission ("the Commission") for the fiscal year ended June 30, 2009 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with the provisions of Article 28, Sections 2-113 and 7-107, of the Annotated Code of Maryland. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

To provide a reasonable basis for making these representations, management of the Commission has established an internal control structure designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires business judgment by management.

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of Clifton Gunderson LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Commission's financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this Report.

The Commission is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as revised and U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. This audit is issued separately. The Commission is also required to file a Uniform Financial Report with the Maryland State Department of Legislative Services by January 1 of each year.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement 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 internal auditing division that reports to the Secretary-Treasurer. This staff performs internal audits throughout the Commission's offices and facilities. All internal control evaluations occur within the above framework. We believe that the Commission's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Factors Affecting Financial Condition**

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both counties continue to experience growth, and collections, including interest and penalties as a percent of the levy, are consistently at or above 99%. The Commission prepares quarterly financial projections to help guide current year expenditures based upon anticipated revenue sources. In addition, the Commission maintains a comprehensive fund balance policy to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. At June 30, 2009, the Commission's General Fund budget basis ending fund balance was \$112.1 million.

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

Montgomery and Prince George's Counties are adjacent to Washington, D. C. and both of these counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the richest state in the nation, according to the latest U. S. Census data. The state's median household income for 2008 was \$70,545, an increase of about \$1,500 from the previous year and Montgomery County regularly ranks among the top 10 wealthiest counties in the nation.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2009, the nation's unemployment rate was 9.4 percent, whereas Montgomery and Prince George's rates were 5.4 percent and 6.9 percent, respectively. These counties have a combined population base of 1.8 million people and have almost 1.0 million employed as of fiscal year 2009.

According to the U. S. Census Bureau, Montgomery County received \$7.6 billion in procurement contracts from the federal government for fiscal year 2008, which represents an increase of 10.9 percent over the previous fiscal year and Prince George's County received \$4.9 billion, which was an increase of 3.9 percent over the previous year. The increase in federal spending boosted economic activity in the Washington area and contributed to the economy's resilience to negative forces that dragged the national economy downward in the second half of the fiscal year.

The Center for Regional Analysis, George Mason University, produces the Washington Area Leading Index, which suggests that the region's economy has begun to improve albeit the recovery may be a slow and lengthy process through 2010.

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 FY2010 expenditures was made, while in Prince George's County this percentage was 5%. In both Counties, there are undesignated fund balances, which could also be used to provide funding for unexpected needs.

There are significant undesignated fund balances in Prince George's County (\$72.2 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 2009. 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, 2008. 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 2009. 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**

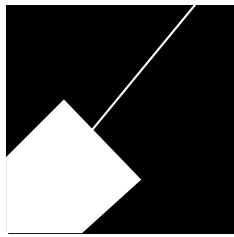
The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has my sincere appreciation for the contributions made in the preparation of this Report. Special thanks 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,



Patricia Colihan Barney  
Secretary-Treasurer





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## The Maryland-National Capital Park and Planning Commission

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

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



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

## Commission Background and Organization

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

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

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

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

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

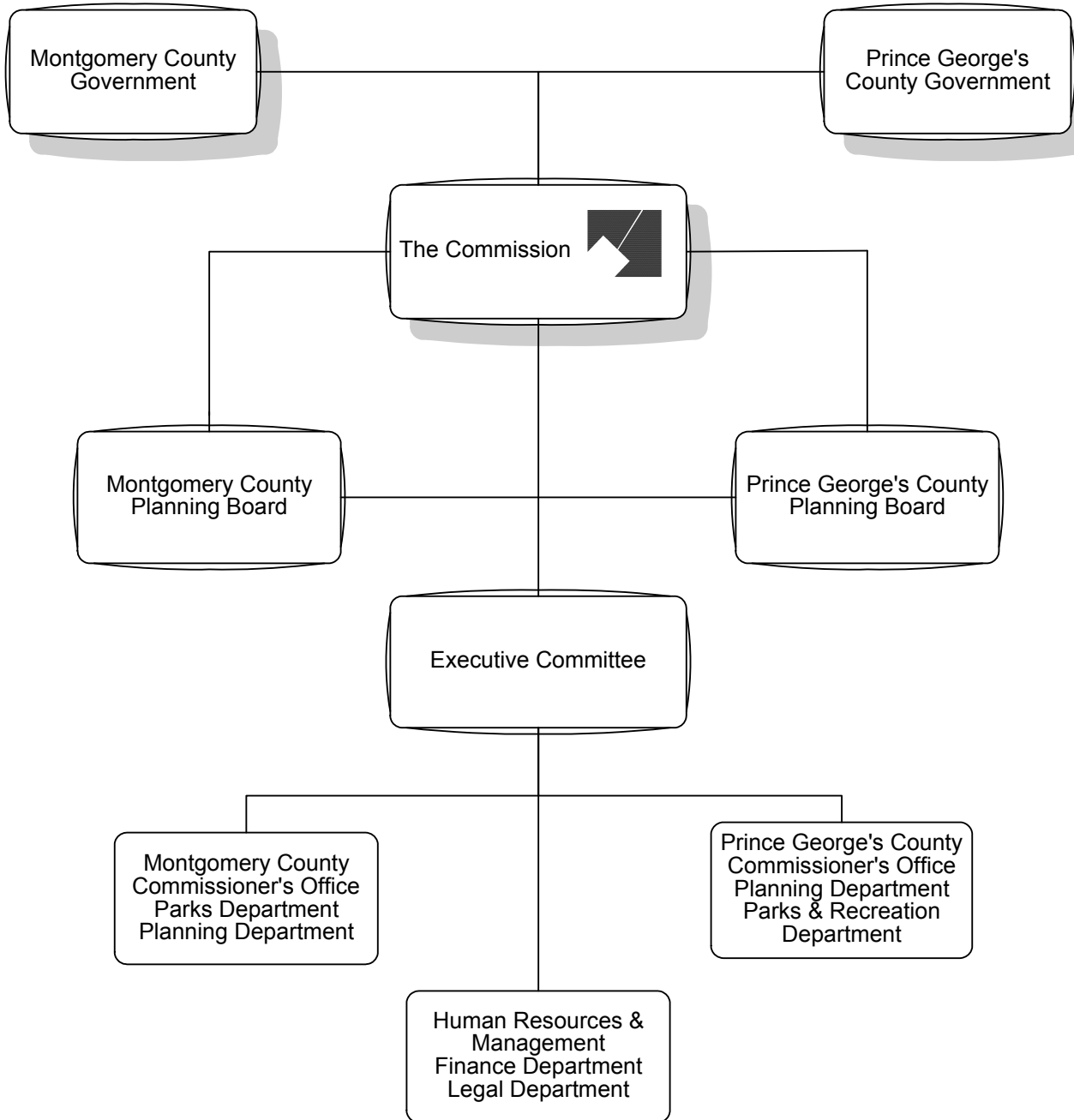
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 61,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 2,218 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 5,460 seasonal workers, primarily for its numerous park and recreation programs.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## ORGANIZATION CHART





## FY 2009 PROGRAM HIGHLIGHTS

In fiscal year 2009, The Maryland-National Capital Park and Planning Commission (M-NCPPC) fulfilled its mission to provide top-quality land use through planning and parks and recreation services to the citizens of Prince George's and Montgomery Counties, while also assisting both County governments in dealing with economically challenging times. As the only five-time gold medal winner for excellence in parks and recreation in the United States and one of only 78 agencies in the country accredited by the Commission for Accreditation of Park and Recreation Agencies (CAPRA), M-NCPPC continued to receive national recognition for its programs from a variety of professional organizations, including the American Planning Association and the Maryland Recreation and Parks Association. In 2009, this national recognition was enhanced through the CAPRA re-accreditation process and by re-accreditation of the Prince George's County division of the Maryland National Capital Park Police by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). During the fiscal year, M-NCPPC continued to build on its record of accomplishment and leadership, while positioning itself to move forward and meet future challenges by adopting new ideas and approaches to community collaboration. Increased emphasis was placed on community outreach, including re-vamped interactive web-based communications. Marketing efforts were directed toward specific groups including seniors, youth, families, ethnic and immigrant populations, and those with special interests and needs. Prince George's County Department of Parks and Recreation newest venture, "Parks and Recreation: 2010 and Beyond", is designed to help develop a strategic plan for where the Department, its programs and facilities should be headed in 2010 and into the future. An ambitious and wide-ranging community visioning exercise, "*Envision Prince George's*", spearheaded by the Prince George's County Planning Department, was begun and will help determine the directions in which the County will proceed. The Montgomery County Planning Department held several listening sessions with the public to develop recommendations for the far-reaching 2009-2011 Growth Policy.

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

**Meeting Customer Needs through Innovative Service:** The Department continued to provide comprehensive park and recreation programs as well as county-wide facilities and services. An aggressive bilingual marketing campaign focused on youth to get them involved and give them safe places to meet and enjoy leisure time. The customer base grew to 408,824 individual clients registered in the SMARTlink database, the Customer Service Help Desk expanded as the main portal for resident inquiries and requests for service, and issuance of permits for rental of park buildings, shelters and fields was added to the SMARTlink system. The Active Citizen Response system that tracks and resolves inquiries and requests expanded. Weekly e-mail newsletters, the web site, and community relations outreach meetings enabled up to date information sharing. Partners 'n Parks continued relationships with IKEA, REI, AARP and the University of Maryland, and grants were received from state and national organizations.

**Enhancing the Park System:** Staff used the geographic information system (GIS) and project management software to effectively manage 26,752 acres of parkland and oversee the planning, design, and construction of capital projects. New initiatives included a strategic land acquisition program, and staff training in team building and project management. New construction included: the Potomac River Waterfront Park, the "green" Vansville Community Center, and the Sportsplex concession and restroom. Major renovations were completed at South Bowie and Upper Marlboro Community Centers, and the Gwendolyn Britt Senior Activity Center. Construction is in progress on the Fort Washington Forest Community Center. Six park buildings and 10 park sites were renovated, and 10 playgrounds were replaced. Program Open Space provided \$2.73 million for park acquisition, and a Department of Aging grant of \$415,000 will be utilized at the to-be-built Beltsville/Laurel Senior Activity Center.

**Planning and Providing Recreational Opportunities for All:** Over 21,000 youth enrolled in summer camps, playgrounds and teen centers, with community partners providing funding for 150 children needing assistance. More than 200 sports teams played in tournaments, and sports leagues attracted more than 30,000 participants. The 27th-annual Washington Area Metropolitan Youth Super Bowl was held at the Prince George's Sports & Learning Complex, and the Maryland Maniacs Arena Football continued at The Show Place Arena. Youth enrolled in record numbers in the First Tee golf program. The new Health and Wellness Operation and programs like the family walking program were initiated. Free summer concerts at numerous parks and facilities delighted thousands, and thousands more enjoyed events such as Festival Hispano, the Festival of Nations, Kinderfest, Juneteenth, *A Save the Block Party!*, in conjunction with the National Community Reinvestment Coalition, the Jug Bay 10K run/walk, the Beltway BBQ Showdown, and the Festival of Lights at Watkins Regional Park.

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

**Supporting Arts and Cultural Heritage:** New programs and performances were successfully launched at the Department's three full-time arts centers, resulting in record class registrations and revenue. The popular annual Black History Month celebration continued, with the Expressions of a People festival attracting a record number. Montpelier Arts Center expanded programs in new classrooms, sold out its ever popular jazz series, and released its 6<sup>th</sup> CD, on the Jazzmont label. *Expressions: Talk Up Not Down* overnight camp attracted teens from throughout the County, and culminated in a compelling performance. Historic rental properties were heavily booked despite the economic downturn, and a research study on building rental clientele during non-peak hours supported a "one-stop" shopping concept to provide more expansive services to meet business and non-profit needs. Prince George's Equestrian Center activities increased by 10 percent, and the Show Place Arena won industry recognition with the prestigious Prime Site Award.

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

**Keeping Parks Secure:** The Park Police ensured the safety of patrons using sophisticated technologies including Mobile Data Terminals, in-car digital video cameras, T-3 all-terrain vehicles and remote digital video surveillance equipment. The Community Services Unit prepared activities and programs to better serve patrons, the canine program helped combat crime, a new unit patrolled the Potomac River Waterfront Community Park and Potomac Heritage Trails across the Woodrow Wilson Bridge, and officers participated in regional area task forces to combat drug abuse and trafficking and to address gang problems. Park Police Community Volunteer Academy (PPVA) members continued to assist with services like free fingerprinting and Park Watch, and several trained as Community Emergency Response Team (CERT) members. In 2008, the President's Council on Service and Civic Participation awarded the *Gold Unit Presidential Service Award* to the PPVA for their activities.

**Maintaining Parks and Facilities:** The Maintenance and Development Division undertook a major Infrastructure and Inventory Assessment of its park structures, inspecting 150 sites to identify current conditions and obtain life cycle replacement information for planning and budgeting purposes. Various repairs and renovations were completed. A new online work order system improved communication in the field and provided valuable feedback on the status of each of the more than 5,000 requests received annually. Fleet Management completed more than 6,600 work orders, continued upgrades to Commission fuel sites to comply with environmental regulations, and planned for replacement of the current fuel management system with a new more efficient system to more accurately account for fuel consumption. More than 60 vehicles were replaced with newer, more fuel efficient models and hybrids to help improve air quality throughout the metropolitan region. The Department continued to partner with the County by maintaining four primary routes in hazardous snow and ice conditions.

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

**Communicating with the Public:** The Planning Department was the lead agency in hosting the Second Economic Outlook Forum: Securing Prince George's County's Place in the Shifting Economic Landscape. This collaborative outreach engaged nearly 300 people in a communitywide dialogue on the economic vitality and future direction of the

county and was used to launch *Envision Prince George's*, a major community visioning project. *Envision Prince George's* released its first newsletter at the end of the fiscal year, with wide distribution to an estimated 5,000, and inserted information in the quarterly Guide publication of the Department of Parks and Recreation, reaching an estimated 200,000. In collaboration with the University of Maryland, Morgan State University and Maryland Department of Planning, a Planning 101 educational session for approximately 130 municipal and other officials was convened to enhance knowledge and participation in planning processes and decisions. Staff and urban planners from other organizations provided an orientation to social studies teachers in the County School System on land-use planning and information tools designed to facilitate understanding and use of urban planning as a curriculum in the classroom.

**Planning for Quality Communities:** In FY09, work continued on Master Plans, Sectional Map Amendments (SMAs), Zoning Map Amendments (ZMAs), specialized planning studies, and Planning Assistance to Municipalities and Communities (PAMC) projects. Community planning projects included: adopting the Sub region 5, Sub region 6, and Marlboro Pike Master Plans and SMAs, and completing the Upper Marlboro Revitalization Action Plan. Consultant work continued on the following studies: County Housing Affordability; Trends and Current Status of the County Workforce Housing Market; Industrial and Employment Land Needs; the Regional Economic Development Incentives Strategic Plan and Best Practices Survey; and the International Office and Warehouse Business Incubator Facility Feasibility Study. Staff completed the preliminary Landover Gateway Sector Plan and SMA and the Port Towns Sector Plan and SMA. In addition the following plans were completed and await Planning Board and District Council approval: Takoma/Langley Crossroads Sector Plan; Glenn Dale-Seabrook-Lanham Sector Plan and SMA; Bowie State University MARC Station Sector Plan and SMA; New Carrollton Metro Station Transit District Development Plan; and the Sub region 4 Master Plan/SMA. Work also continued on the functional plan for Historic Sites and Districts; Central US 1 Corridor Sector Plan and SMA; New Mixed-Use Zoning Tools Project; Central Kenilworth Avenue Revitalization Study; and Westphalia Public Facilities Implementation Study, and contracts were let for the Central Annapolis Road Sector Plan and SMA and the City of Mount Rainer MUTC.

**Providing for Public Facilities and Services:** Staff members provided public facility technical support for all active master plans. Staff also assisted the Fire/EMS Department with a study of population density by First Due stations, assisted the Board of Education with the annual Educational Facilities Master Plan, coordinated the Planning Department's analysis for the Water and Sewer Plan Amendment cycles, and provided the Memorial Library System with information on internet usage in the public libraries. Staff conducted and presented the final results of a Solid Waste Transfer Station Siting Criteria and Public Participation Project.

**Developing Efficient Transportation Systems:** Studies for the Purple Line and the US 301 Waldorf Area continued. Public workshops on the Countywide Master Plan of Transportation (MPOT) were concluded and the plan was drafted. The Preliminary MPOT was adopted by the Planning Board. Support was provided to the County's Bicycle and Trail Advisory Group, the Transit Services and Operations Plan, the Base Realignment and Closure (BRAC) impact study, the Transportation Planning Board Technical Committee, and Bicycle/Pedestrian Subcommittee. In addition, staff processed 24 traffic impact studies for development activities. A consultant study to develop Alternative Adequate Public Transportation Facilities Requirements and Review Procedures to address traffic congestion in targeted growth centers and corridors was initiated.

**Preserving and Protecting the Environment and Historic Properties:** The Countywide Green Infrastructure Plan was implemented through review of land development applications, and updating of various master and sector plans. Staff assisted with development and implementation of a GIS model for floodplain analysis, and revised proposed legislation and a technical manual for the Woodland Conservation Ordinance based on public comment. Development review activities focused on use of natural resource inventories, and archeological review of subdivision applications continued. The Water Resources Functional Master Plan was initiated and work continued on the: Postbellum Archeological Resources Guide; Historic Properties Database Update; African American Historic Inventory Development; and Environmental Standards for Historic Properties projects. The Historic Sites and Districts Plan Amendment were initiated, and the Ante-Bellum Plantation Research Guide and List of Free Blacks were finalized. Staff supported the Historic Properties Grant Committee by reviewing and field surveying applications; 16 applications were approved and awards successfully signed. Staff provided reports and recommendations to the County's Historic Preservation Commission on development cases, Historic Area Work Permits, and Preservation Tax Credit applications.

**Information Technology Advancements:** Several new projects were initiated in FY09. The GIS Section executed contracts to acquire 2009 color aerial photography and a new countywide topography layer, to add several years of historical aerial imagery to the GIS database and to acquire professional services to help the Department create the



capacity to perform 3D GIS analysis. A major upgrade in document management software was initiated that will convert our existing image storage and delivery system to a web-based environment. This will improve internal network efficiency and make access to the document database over the Internet feasible. Final delivery of these products and services are expected in FY10.

**Promoting Responsible Development:** Staff reviewed and analyzed several hundred applications for zoning map amendments, special exceptions, conceptual and detailed site plans, and preliminary and final plats of subdivision, along with over 10,500 permits, and provided expert professional advice to decision-makers. Several development proposals were approved in major transportation corridors, including: the Konterra Town Center, detailed site plan for mixed-use development comprising 2,161 multifamily dwellings, 2.2M square feet of retail and office space, and 300 hotel rooms located along the I-95 corridor; and the Westphalia Center conceptual site plan for 5,000 dwelling units, 1.4M square feet of retail space, 4.5M square feet of office space and 600 hotel rooms, located northeast of Pennsylvania Avenue (MD 4) and Westphalia Road. In addition, major improvements to the development review process were initiated with extensive public outreach efforts to comprehensively update the Zoning Ordinance, Subdivision Regulations, and Landscape Manual.

## Montgomery County Department of Parks

**Park Projects and Acquisitions:** Acquisitions reached near record-breaking levels as the Department acquired for nearly 247 acres of parkland in FY09. Acquisitions included land for Upper Paint Branch Stream Valley, Fenton Street Urban Park, Piedmont Crossing Local Park, and Black Hill Regional Park. Projects completed in FY09 include: Fit-out of Community Center at Wisconsin Place, Broad Acres Local Park, Matthew Henson Trail, Lake Needwood Dam Remediation, Pope Farm Utilities Upgrade, Ballfield Lighting at Olney Manor Recreational Park, Stream Restoration Projects at Hoyles Mill Road, Waverly-Schuylkill Local Park and Pennyfield Boat Ramp. The Wheaton tennis facility opened in January 2009. The \$1.7 million project replaced the outer fabric and installed a new heating and air conditioning system and better florescent lighting. Opening day festivities were attended by over 400 patrons.

**Reduced Expenditures:** Funding has not kept pace with the growing number of parks and acreage maintained by the Department. In an effort to do more with less, the Department has implemented a number of cost-saving measures, such as implementing a retirement incentive plan, freezing non-critical positions, and narrowing the focus to the most mission-critical tasks. Parks officials have used non-career staffing, where appropriate, increasing the use of seasonal staff, job corps, volunteers, interns, and multi-cultural youth summer job initiatives. In addition, officials began maintenance efficiency measures, including: Designated no-mow areas, removal of trash cans at local park ball fields during non-peak months, changes in landscaping and horticultural programs, third-party charges for special events, and fleet reductions and energy efficient replacements of vehicles and equipment, including bio-diesel vehicles. Park Police implemented Intelligence Led Policing, a new approach to deploy resources to problem areas before they become crime hotspots. The strategies analyze crime reports and call for service, citizen input, and Park Police and employee observations to identify and target areas with the most activity. This puts more officers in targeted areas during targeted times. A new Rolling Roll Call has also been instituted, allowing officers to begin their shifts directly on their assigned beats instead of reporting to a designated location, saving time, fuel and vehicle usage. Most importantly, officers are able to provide more direct patrol time within their assigned beats.

The Energy Management Program has reduced consumption since 2004 by focusing on implementing projects that reduce energy consumption. The projected reduction in energy consumption reduction for FY09 is 9 percent or about \$148,900 below budget. The cumulative consumption reduction savings (not including the avoided costs) over the five year period has been \$1,516,000.

The Recycling and Solid Waste Management Program has increased recycling rates from 32 percent in 2003 to 68 percent in 2009. The Water Conservation Program reduced consumption since 2004 by 18 percent and focused on implementing programs and projects with a long-term goal to reduce potable water usage for irrigation by 50 percent by 2015. The projected overall reduction in costs in FY09 is estimated to be \$28,900. Staff implemented water conservation programs such as the installation of waterless urinals in selected park facilities especially at remote locations.

The Green Parks and Facilities Management Program assesses major facilities to determine steps required to meet U.S. Green Building Council Leadership in Energy & Environmental Design (LEED®) Green Building Rating System for commercial existing and new buildings. Based on the energy management program consumption reductions over

the past five years and the initial improvements in the energy efficiency of the transportation fleet in FY09, green house gas emissions have been reduced by an estimated 7.1 percent, which is the equivalent of 1,014 tons in CO<sup>2</sup>, SO<sup>2</sup>, NOx, and Hg emissions.

**Protect and Interpret Cultural Resources:** Rehabilitation of historic structures has progressed steadily in FY09. The Seneca Stone Barn, a rare stone stable, was restored to its original appearance after years of being on the verge of collapse. The Zeigler Log House was restored to reveal two hidden log rooms from 1823. The Josiah Henson Site (formerly “Uncle Tom’s Cabin”) continues to attract hundreds of visitors at its special events. An adjacent property was acquired to expand what had been a one-acre park. Moreover, the Department secured a \$100,000 Save America’s Treasures grant to plan for the permanent exhibition and opening of this site to the public. The Underground Railroad Experience Trail and Oakley Cabin continue to attract regular visitors and provide special events during the year. The Department has just been awarded a \$50,000 Maryland Heritage Areas Authority Grant to professionalize the interpretation at the Underground Railroad Experience Trail and Oakley Cabin.

**New Program Initiatives:** The Community Garden Program promotes the growing of local produce, healthy living and fosters social interaction within the community. The program uses existing park land, resources and funding to create neighborhood gardening sites. In May 2009, a pilot garden site was established in Takoma Park. Thirty-three plots were offered to the neighborhood and County residents for vegetable gardening. The program provides each community garden site with physical amenities, garden oversight throughout the year and occasional weekend education programs. Three additional community garden sites will be open in early September for fall planting.

No Child Left Inside (NCLI) promotes outdoor experiences that connect children and teens to nature. Using existing resources, this program supports ongoing opportunities for children to enjoy, learn about and care for the natural world. Numerous classes, workshops and activities are provided daily at historical and archeology sites, nature centers, and public gardens. Partnerships have been developed with Montgomery County Public Schools encouraging science teachers to use nearby parks as outdoor classrooms. Natural playgrounds are being created to encourage children to use their imaginations. In the fall of 2009, a NCLI youth leadership program is being initiated for teens.

**Partnerships and Grants:** The Partnership and Grants program continues to grow. During FY09, we completed the Linda Weiner Memorial, a landscaped hiker/biker trail and rest area with benches, a water fountain, and dedication plaque on the Capital Crescent Trail in Bethesda. Linda Weiner was a Bethesda school teacher who died of cancer. The \$110,000 cost of the project came from private donations. The Wu Wei Tai Chi Club received approval from the Parks Commission on May 29 to construct a Tai Chi Court in Cabin John Regional Park. The estimated project construction cost of \$75,000 will come from private contributions. The Grants and Donations programs received \$878,121 in FY09 -- \$843,330 in grants and \$34,791 in donations from individuals, associations, corporations and partners for commemorative gifts and approved projects.

## Montgomery County Planning Department

The Department’s accomplishments in FY09 reflect a continued commitment to advancing key projects that reflect the priorities of the residents of Montgomery County.

**Rethinking zoning:** The Planning Department advanced a multi-year effort to reorganize, revise, and simplify the county Zoning Code to make it easier to use. In FY09, the Department concluded its discovery phase, which diagnosed problems with the zoning code and began to address solutions. A Zoning Discovery report, which staff delivered to a County Council committee in January, recommends ways to restructure to fewer, more meaningful districts, better accommodate sustainable change, and create consistency in land use regulations. The Planning Board convened an advisory panel to work with staff on the project and planners met several times with that group.

**Master planning:** In FY09, the Planning Board and its professional planning staff completed one of its most productive years in community planning. The Board finished its draft of the Germantown Sector Plan and sent it to the County Council. Moreover, the Board held work sessions on the White Flint Sector Plan and the Gaithersburg West Master Plan to finalize them early in the next fiscal year. Planners finished and delivered the Georgia Avenue Concept Study, finalized a draft of the Housing Functional Master Plan and secured approval of the Wheaton Limited Master Plan Amendment.

**Growth Policy:** Planners worked throughout FY09 to draft a 2009-2011 Growth Policy focused on sustainable growth for transmittal early in FY10. To better align the Growth Policy with critical issues like climate change, staff incorporated measures of sustainability for energy efficiency and production, environmental conservation, connectivity, diversity, and design. Above all, the growth policy will encourage ways to foster the kind of quality neighborhoods our residents want.

**Housing Montgomery:** Planners finalized a set of recommendations to revise the Housing Element of the General Plan. The plan will link housing to community more clearly than has been done in the past, guiding communities toward providing a continuum of residency and identifying design changes, legislative reform, and social supports. Starting with a GIS-based inventory of housing and related data, such as home size, year built, assessment, rents, etc., staff held a series of public work sessions hosted by the Board on various aspects of housing. The process will culminate with the Board reviewing proposed revisions to the housing-related goals in the General Plan for County Council review in FY10.

**Keeping Montgomery County Moving:** As the County's source of transportation forecasting and analysis, the Department continued to adopt the best approaches to knowledge-based decision making. Staff completed planning for the Purple Line, Corridor Cities Transitway, and a number of interchange and other transportation projects. The transportation staff's comprehensive report on the proposed Purple Line served as the basis for the county's recommendations on mode and alignment. The report draft advanced with input from a citizens' advisory committee that met with staff for more than a year. Staff completed a final draft of the ICC Limited Functional Master Plan: Bikeways and Interchanges.

**Regulatory Caseload:** Development review staff analyzed applications and coordinated comments from other divisions and agencies to prepare staff reports for the board on development proposals. Many of the projects continued to be complex and require innovative solutions to promote public goals like infill development.

**Speaker Series:** The Planning Board ran another year of its popular speaker series, attracting experts in the field to bring a variety of topical issues, from green building to storm water management, to the board, staff, and the general public. The series serves as way for professionals such as architects and planners to receive credits for continuing education, providing a venue to learn new, cutting-edge strategies while reducing the costs of certification maintenance.

**2008 Census Update:** Research staff conducted the agency's 2008 Census Update Survey last summer, mailing 24,000 surveys to randomly selected households. This is the third household survey conducted this decade providing current estimates of population trends updating the federal 2000 U.S. Census data. The project brought a 50 percent response rate to detailed questions on household demographic data. Information will help us plan appropriate levels of service for transportation, schools, housing, social services, libraries, and parks and inform Montgomery County policy-makers as they decide where to allocate valuable resources.

**Leaves for Neighborhoods:** To achieve a number of environmental goals in its ongoing efforts to "green" Montgomery County, the Department launched a program to encourage residents to plant trees in their yards. Called Leaves for Neighborhoods, the campaign features a coupon valid at participating county nurseries. The \$25 discount off native shade trees worth \$75 or more is intended to increase the county's tree canopy on residential property. The program advertises a \$25 coupon available at the Department's website or at area nurseries and Park and Planning facilities. The campaign is funded by the Montgomery County Forest Conservation Fund, which contains fees from developers in lieu of planting.

**Transparent Processes:** To continue its efforts to keep the public informed about planning issues the Department continued and perfected its live webcasting of Board meetings. Anyone with a computer can watch the Board in real time – or visit online archives later to view particular actions. Staff continued to refine the MontgomeryPlanning.org website to better highlight Board actions and Department initiatives. Among the new web features are blogs and other direct-feedback methods designed to encourage two-way communication. Communications staff improved the look and content of the weekly e-newsletter, InfoShare, which goes to the e-mail in-boxes of some 3,000 residents every Friday. Staff launched a new cable program, "Growing Right," to highlight three Planning Board projects per month and produced several new episodes of "Montgomery Plans," a cable show that highlights significant planning initiatives in a feature format.

## Department of Human Resources and Management

Under the leadership of the Executive Director, the Department of Human Resources and Management (DHRM), provides two basic corporate services: organizational management and human resources. DHRM serves specific statutory functions in budget, personnel and collective bargaining. The Department ensures equity and fairness in employment, takes the lead on best management practices, recommends to and advises both Planning Boards to set and implement Commission policy. The Department also mitigates risk for Commission activities to achieve a safe environment for the Commission employees and patrons.

**Human Resources:** DHRM administers the Merit System Rules and Regulations, Administrative Practices and Procedures, and collective bargaining agreements that represent employees in the Park Police, the Service/Maintenance Labor, Trades, and Clerical classifications. The Human Resources Information System (HRIS) and the Classification and Compensation Systems integrate with the Commission's financial and timekeeping systems (Performance and Kronos) functions to preserve and safeguard mandatory employment data and documents in a restricted environment. Employee compensation and benefits are implemented according to policy, classification systems and applicable regulations and contracts. A long and short term disability, return-to-work, worker's compensation, and COBRA programs are also managed.

**Performance Management and Accountability:** The Department seeks various ways to meet the economic and fiscal challenges facing the State and both Counties. In FY09 the Department developed a new model for monthly monitoring of revenue and expenditure trends to serve as an early warning system to manage financial anomalies. Internally for the Department, an activity-based-costing was initiated in FY09 with a new labor tracking system and program budget. The information will be used to present input and output metrics, request resources by true cost of operations and develop alternative methods for service delivery.

**Streamlining for Affordability and Efficiency:** In FY09, DHRM, Legal, and Finance eliminated 11 fleet vehicles by and outsourcing vehicle supply and implementing a reporting system to save the Commission over \$10,000 annually. The facility for Central Administrative Services, the Kenilworth Office Building, underwent evaluation for major maintenance needs and going green options to keep asset current and marketable. The occupancy cost per square foot was restructured through careful management to keep competitive with the commercial rental market. The Centralized Information Technology unit was merged with the Finance Information Technology Division in the Department of Finance. Centralized records management and archival was evaluated and began the moved toward eliminating outdated microfiche and file storage systems.

**Program Improvements:** The Recruitment function is a de/centralized cooperative service operated through a structured and closely monitored on-line tracking system. The expedited process has brought the average days to hire time from well over 100 days down to approximately 67 days. The goal of 60 days or less will be reached in FY10 and exceeds local and national standards.

**Recognition of Excellence in Business and Results:** The Budget and Management Office has continuously received the Distinguished Budget Presentation Award from the Government Finance Officer's Association (GFOA) for its annual submission for 22 consecutive years. Human Resources has also received the Workplace Excellence Seal of Approval award five times from the Alliance for Workplace Excellence. This prestigious award is given only to those employers with diverse and rich employee programs and policies supporting family and environmental issues.

## Department of Finance

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

**Corporate Financial Management:** In FY09, the Department coordinated the sale of \$13.6 million Montgomery County Park Acquisition and Development Bonds of which \$8.4 million were refunding bonds. As a result of the refunding, a net present value savings of \$724,869 will be realized. The remaining portion of the sale, \$5.2 million will be used to acquire land for parks, to develop new parks, and to improve existing parks in Montgomery County. 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.

**Safeguarding of Commission Assets:** Fiscal year 2009 was a busy year for the Department of Finance's Audit Division. In order to provide a road map for the audit activity and to comply with The Institute of Internal Auditors' standards, the Audit Division Charter was developed which defines the purpose, authority, and responsibility of the Audit Division. In accordance with the external auditor's recommendations and best industry practices, a revision was made to the Division's risk assessment plan. Based on this plan, top-down risk assessments were conducted on the Investment & Cash Management Division, Finance IT Division, Payroll Operations and the Montgomery County IT Operation. Several recommendations were made for improvements. In order to help the Internal Audit staff members ensure the high quality audits in diverse environments, the Audit Division developed and maintains a full range of audit guidance in compliance with Generally Accepted Government Auditing Standards (GAGAS) and provided training for staff internal auditors about best practices for preventing and detecting contract and procurement fraud, interview techniques, professional audit report writing in compliance with GAGAS and conducting internal investigations. The Division has successfully issued several recommendations and completed several special investigations as well as multiple operational and financial audits. The Investments and Treasury Operations Division preserved all operating capital although investment earnings decreased due to the continued turmoil in the nation's credit markets. Operating efficiencies (timeliness and reduced paper consumption) were achieved through greater reliance on electronic communication.

**Automating/Streamlining Efforts:** The Department has begun a project to replace its outdated financial system software product with a new enterprise resource planning (ERP) system. The Department has received several proposals, with the expectation of award and the start of implementation in early calendar year 2010. This new system will greatly enhance the toolset available to our operating departments and allow for enhanced financial analysis and program budgeting, along with better access to financial information. The Accounting Division set up an accounts payable e-mail for receiving statements and invoices electronically. A Performance Measures process was implemented in the area of procurement. A new purchase order database was developed and the current contract routing database was modified to generate reports that would identify procurement processing timelines and quality of service. A customer survey was issued to assess the quality of service. These efforts will assist in developing process improvements and better procurement planning.

**Outreach to Minority, Female and Disabled Vendors:** The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. The events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 32.6% which equated to \$39.3 million of procurement with MFD firms.

**Information Systems Support:** The Department's IT Division continues to provide management and support primarily for the financial, human resources, and payroll systems which include separate Internet and ATM Wide-Area Network connections to ensure business continuity for all critical applications and resources. During FY09, major efforts included: finalizing a Finance Disaster Recovery Plan, expanding KRONOS timekeeping system to all salaried employees; expansion and upgrade for the remote access and telework applications; upgrade of firewall to include content and deep packet inspection, upgrade of Faser to EnergyCAP; development and implementation of a comprehensive security awareness program; upgrade and re-hosting of MNCPPC.org including a new web content management system; piloted a records retention system for all past CAFR and ERS financial documents; expansion, and replication of the storage area network architecture to a new warmsite and as part of our disaster recovery plan

**Financial Reporting:** For the 36<sup>th</sup> consecutive year, the Commission received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the FY08 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

## Office of General Counsel

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

participates in cross-functional teams assembled periodically to develop creative solutions to new challenges facing the Commission.

**Protecting the Public Interest in Litigation:** The Commission is represented by the Office of the General Counsel in the varied forums of today's legal environment, including: state and federal courts, administrative agency hearings, and regulatory investigations. At the onset of FY09, the Office of the General Counsel was actively involved in 35 court cases carrying over from FY08. Over the course of FY09, the Legal Department managed 38 new courts cases, resolved 43 court cases, and closed the fiscal year with 30 active court cases.

**Enhancing the Stewardship of Public Funds Through More Effective Contracting:** The Legal Department's Transactions Practice Team (TPT) provides an efficient structure to coordinate and manage legal support in both counties by integrating the service delivery for both the Montgomery County Department of Parks and the Prince George's County Department of Parks and Recreation. To date, our coordination has helped create efficiencies by developing consistent policies and standard documents utilized now on a Commission-wide basis to transact the leasing of park houses, deeds of dedication for public use, and third-party concession agreements.

**Building our Quality of Life – One Transaction at a Time:** Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements and memoranda of understanding. Notable transactions handled recently include the Legal Department's role in serving as a key advisor on the negotiation of a sublease between the Commission and Dimensions Health Corporation for the construction of a Commission facility known as the Laurel Beltsville Senior Center (Senior Center) on the campus of Laurel Regional Hospital in Laurel, Maryland. The Senior Center will be a state of the art facility, devoted to serving the recreational needs of seniors in Prince George's County.

**Legislative Advocacy:** The Office of the General Counsel continued its role as the Commission's liaison to the Maryland General Assembly, successfully championing legislation which provided the Commission with a statutory seat on the State-wide *Bicycle and Pedestrian Advisory Committee*. The *Committee* advises state agencies in matters related to the funding of bicycle and pedestrian related activities and programs, public education and awareness of bicycling and pedestrian safety, in addition to, any other issue directly related to bicycling and pedestrians. Working with the Commission-wide *Legislative Management Team*, the OGC monitored a total of 144 local and statewide bills of interest to the Commission. These bills covered a variety of areas, from land use and environmental matters, to the creation of business improvement districts and comprehensive whistleblower protections.

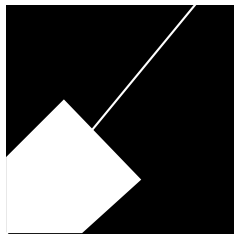
## Merit System Board

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 FY09, the Board continued to maintain its caseload on a current and timely basis.

## Employees' Retirement System

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

The ERS obtained its latest determination letter on July 31, 2003, in which the Internal Revenue Service stated that the ERS is in compliance with the applicable requirements of the Internal Revenue Code and the related trust is tax exempt. ERS Trust Fund net assets closed the year with a fair market value in excess of \$452 million. The FY09 annualized rate of return on investments was -19.16%. The Board of Trustees actions for the year included replacing the small-mid cap growth equity manager; engaging two long duration bond managers; adopting a revised asset allocation policy; establishing a separate audit committee; adopting an emerging manager policy; and continuous comprehensive communications to all members which included an Annual Report, a Comprehensive Annual Financial Report and conducting educational workshops for participants.



---

# ◆ PART IIA ◆

## FINANCIAL SECTION

---

### Basic Financial Statements



Cyclists and hikers can now cross the Potomac River from Maryland to Virginia using the new trail along the Woodrow Wilson Bridge.



## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of The Maryland-National Capital Park and Planning Commission (the Commission) as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of The Maryland-National Capital Park and Planning Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

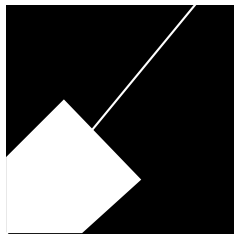
In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2009, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

*Clifton Gunderson LLP*

Baltimore, Maryland  
November 4, 2009



## 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, 2009.

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

The major source of funding for the Commission's primary services are five property taxes levied on an individual County basis:

- Montgomery County
  - Administration tax - general administration and planning
  - Park tax - park operations and debt service for park acquisition and development bonds
- Prince George's County
  - Administration tax - general administration and planning
  - Park tax - park operations and debt service for park acquisition and development bonds
  - Recreation tax - the recreation program

Five separate accounts are maintained within the General Fund to account for the Commission's primary services. Revenues and expenditures that can be specifically identified with a county are recorded in the appropriate account. Expenses that apply to both counties are allocated to the appropriate accounts. Debt is issued on a county basis, not for the Commission as a whole. General obligation debt is guaranteed by the Commission and by the county government for which the proceeds will be expended. Due to this unique arrangement, certain financial information provided in this discussion and analysis, as well as in the summaries presented in Note 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 of the Commission exceeded its liabilities at June 30, 2009 by \$854.2 million (net assets). Of this amount, \$283.9 million may be used to meet the Commission's ongoing obligations.
- The Commission's net assets grew by \$62.1 million during fiscal year 2009. This is largely a result of: pay-as-you-go funds of \$59.6 million in the Prince George's Capital Projects Fund which has not been spent, \$20.5 million of capital grants and contributions, receipt of property taxes (\$15.3 million) in excess of the budget, offset by debt principal payments of \$22.1 million, the increase in the OPEB liability of \$10.6 million and increase to compensated absences of \$1.7 million.
- In fiscal year 2008 the Commission implemented GASB statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Implementing this statement required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. Because the Commission is phasing into full funding of the actuarially calculated contribution for these benefits, which contribution must be recorded as an expense, a liability of \$20.4 million has been recognized on the Commission's Statement of Net Assets, including \$.9 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2009, the Commission's governmental funds reported combined ending fund balances of \$289.0 million, an increase of \$36.9 million. Of this amount, \$61.2 million is reserved for contracts already issued (encumbrances) and \$38.2 million is designated for use in the fiscal year 2010 budget, for future facilities costs and as contingency reserves.

- The Commission’s General Fund balance at June 30, 2009 was \$143.6 million, a decrease of \$7.1 million during the year. The unreserved fund balance of \$112.1 million is approximately 29.4% of fiscal year 2009 expenditures and transfers out. Of this amount, \$74.0 million (19.4% of fiscal year 2009 expenditures and transfers out) is unreserved and undesignated.
- The Prince George’s County Capital Projects Fund balance at June 30, 2009 was \$136.1 million, an increase of \$48.1 million. The unreserved fund balance of \$120.2 million has grown through a combination of unspent bond proceeds of \$10.1 million, and major pay-as-you-go funding, which was \$61.2 million in fiscal year 2009.
- The Montgomery County Capital Projects Fund balance at June 30, 2009 was \$3.2 million, a decrease of \$2.4 million. The unreserved fund deficit of \$9.9 million results from a combination of a delayed bond sale, and reserves for encumbrances for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.
- The assets of the enterprise funds exceeded liabilities by \$79.3 million, a decrease of \$2.9 million. The Prince George’s Enterprise Fund had a loss of \$2.7 million and the Montgomery Enterprise Fund had a loss of \$2.2 million.
- The Commission’s bonds and notes payable decreased by \$10.8 million due to scheduled principal payments, an advance and current refunding offset by the refunding debt issue and a new Park Bond issue.

**Overview of the Financial Statements**

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

**Organization and Flow of Financial Section Information**

<p><b>Independent Auditors’ Report</b>  <i>Provides the opinion of the Independent Auditors on the fair presentation of the basic financial statements.</i></p>	
<p><b>Management’s Discussion and Analysis</b>  <i>This supplementary information is required for state and local government financial statements, and is intended to provide a narrative introduction, overview, and analysis.</i></p>	
<p><b>Government-Wide Financial Statements</b>  <i>Provides information on governmental and business-type activities of the Commission.</i>  <b>Exhibits 1 and 2.</b></p>	<p><b>Fund Financial Statements</b>  <i>Provides information on the financial position of specific funds of the Commission.</i>  <b>Exhibits 3 to 11.</b></p>
<p><b>Notes to Financial Statements</b>  <i>Provides a summary of significant accounting policies and related disclosures.</i>  <b>Following Exhibit 11.</b></p>	

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

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

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

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

The government-wide financial statements can be found as Exhibits 1 and 2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. For both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

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

The Commission adopts an annual appropriated budget for its General Fund, which is actually adopted as five "accounts" corresponding to the five different property tax levies. A budgetary comparison statement for the total General Fund has been provided as Exhibit 6, and summaries for each account are included in Note 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 Montgomery County's and Prince George's County's Recreational and Cultural Facilities.

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

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

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

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

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

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

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

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$854.2 million at the close of the most recent fiscal year.

A summary of the Commission's net assets follows:

Summary of Net Assets (millions)  
June 30, 2009 and 2008

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2009	2008	2009	2008	2009	2008	2008-2009
<b>Assets</b>							
Current and Other Assets	\$ 391.7	\$ 343.6	\$ 5.9	\$ 6.5	\$ 397.6	\$ 350.1	13.6%
Capital Assets	603.2	570.1	81.8	84.9	685.0	655.0	4.6%
Total Assets	994.9	913.7	87.7	91.4	1,082.6	1,005.1	7.7%
<b>Liabilities</b>							
Current Portion of Long-term							
Liabilities	30.2	29.4	1.4	1.4	31.6	30.8	2.6%
Long-term Liabilities	143.4	141.9	5.0	5.6	148.4	147.5	0.6%
Other Liabilities	46.4	32.5	2.0	2.2	48.4	34.7	39.5%
Total Liabilities	220.0	203.8	8.4	9.2	228.4	213.0	7.2%
<b>Net Assets</b>							
Invested in Capital Assets, Net of Related Debt	492.9	456.8	77.4	79.4	570.3	536.2	6.4%
Unrestricted	282.0	253.1	1.9	2.8	283.9	255.9	10.9%
Total Net Assets	\$ 774.9	\$ 709.9	\$ 79.3	\$ 82.2	\$ 854.2	\$ 792.1	7.8%

Current and other assets increased by 13.6%, primarily due to an increase in cash and investments resulting from the positive operating results this year and the current revenues dedicated to construction and acquisition that are unspent. Changes in other liabilities were primarily a result of payments due to the Prince George's County Government for support of various programs. Changes in net assets are discussed later.

By far the largest portion of the Commission's net assets of \$570.3 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment and infrastructure), less any related debt used to acquire those assets that are 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 \$283.9 million of net assets is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors. Changes in this balance are discussed later.

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



A summary of changes in net assets follows:

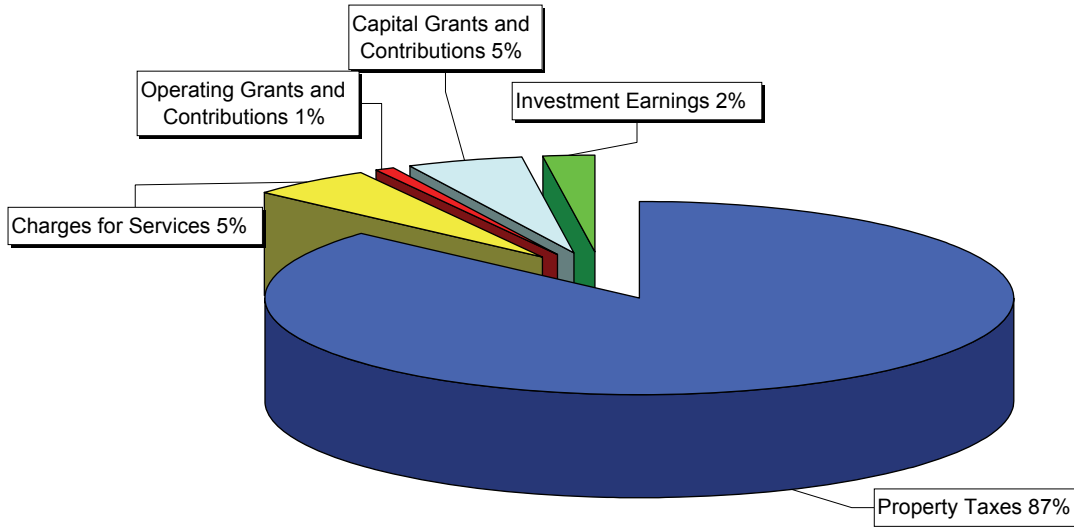
**Summary of Changes in Net Assets (in millions)**  
For the Fiscal Years Ended June 30, 2009 and 2008

	Governmental		Business-type		Total		Total Percentage Change 2008-2009
	Activities		Activities				
	2009	2008	2009	2008	2009	2008	
Program Revenues:							
Charges for Services	\$ 21.4	\$ 21.0	\$ 18.2	\$ 18.0	\$ 39.6	\$ 39.0	1.5%
Operating Grants and Contributions	3.1	3.0	0.1	0.1	3.2	3.1	3.2%
Capital Grants and Contributions	20.5	40.0	-	-	20.5	40.0	-48.8%
General Revenues:							
Property Taxes	354.3	313.8	-	-	354.3	313.8	12.9%
Investment Earnings	9.1	13.6	0.1	0.3	9.2	13.9	-33.8%
Total Revenues	<u>408.4</u>	<u>391.4</u>	<u>18.4</u>	<u>18.4</u>	<u>426.8</u>	<u>409.8</u>	<u>4.1%</u>
Expenses:							
General Government	18.9	17.4	-	-	18.9	17.4	8.6%
County Planning and Zoning	60.4	48.6	-	-	60.4	48.6	24.3%
Park Operations and Maintenance	181.3	165.8	-	-	181.3	165.8	9.3%
Recreation Programs	68.0	52.7	-	-	68.0	52.7	29.0%
Recreational and Cultural Facilities	-	-	30.7	30.3	30.7	30.3	1.3%
Interest on Long-term Debt	5.2	5.9	0.2	0.3	5.4	6.2	-12.9%
Total Expenses	<u>333.8</u>	<u>290.4</u>	<u>30.9</u>	<u>30.6</u>	<u>364.7</u>	<u>321.0</u>	<u>13.6%</u>
Increase (Decrease) in Net Assets Before Transfers	74.6	101.0	(12.5)	(12.2)	62.1	88.8	<u>-30.1%</u>
Transfers	(9.6)	(9.0)	9.6	9.0	-	-	
Increase (Decrease) in Net Assets	65.0	92.0	(2.9)	(3.2)	62.1	88.8	
Net Assets - beginning	<u>709.9</u>	<u>617.9</u>	<u>82.2</u>	<u>85.4</u>	<u>792.1</u>	<u>703.3</u>	
Net Assets - ending	<u>\$ 774.9</u>	<u>\$ 709.9</u>	<u>\$ 79.3</u>	<u>\$ 82.2</u>	<u>\$ 854.2</u>	<u>\$ 792.1</u>	

During the current fiscal year the Commission's net assets increased by \$62.1 million. This is largely a result of: pay-as-you-go funds of \$59.6 million in the Prince George's Capital Projects Fund which has not been spent, \$20.5 million of capital grants and contributions, growth in property taxes (\$15.3 million) in excess of anticipated, offset by debt principal payments of \$22.1 million, the increase in the OPEB liability of \$10.6 million and increase to compensated absences of \$1.7 million. Investment earnings were lower due to the falling interest rates during the fiscal year. Charges for services decreased in the County Planning and Zoning and in the Park Operations and Maintenance Activities due to the general economic conditions. This was offset by an increase in Charges for Services and Rentals and Concessions activities for Recreation programs.

**Governmental activities.** Governmental activities increased the Commission's net assets by \$65.0 million, thereby accounting for 105% of the total growth in the net assets of the Commission. This increase is primarily attributable to capital grants receipts of \$20.5 million, added to an excess of ongoing revenues over ongoing expenses of \$54.1 million, which were offset by the transfers to business-type activities of \$9.6 million.

### Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 87% of Commission governmental revenues. Investment earnings decreased due to lower interest rates.

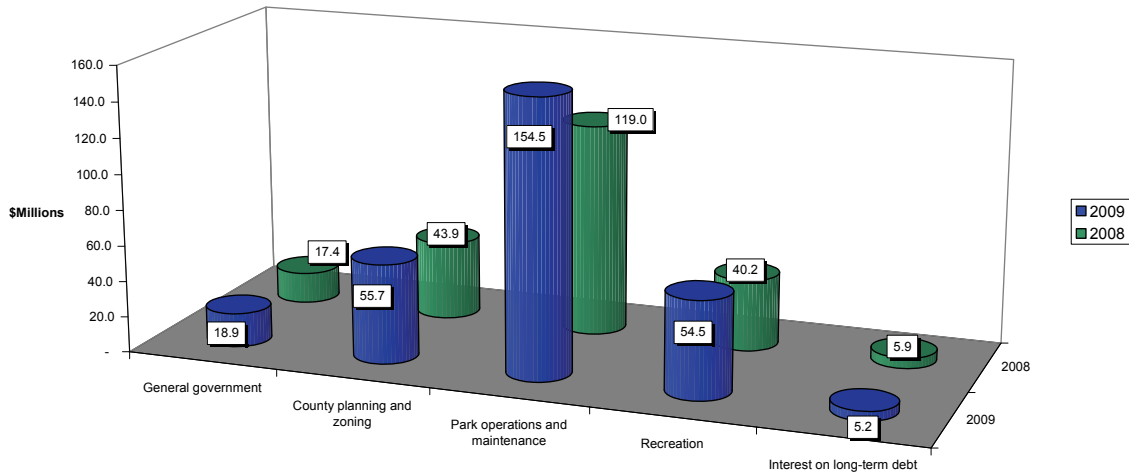
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 7.3% of governmental activities expenses.

County Planning and Zoning Programs net costs increased 26.8% largely due to an increase in amounts due to the Prince George's County Government for programs they provide which are eligible for funding by the Commission's property taxes. These programs are listed in Note 5B and as charges for services were lower than in the prior year due to the general economic conditions. Park Operations and Maintenance net costs rose significantly due to the personnel costs associated with filling vacant and new positions, additional costs for professional services and the decrease in receipts of capital grants and contributions. Recreation Programs net costs increased 35.4% due to the personnel costs associated with filling vacant positions, as well as additional costs for professional services.

Net Cost of Governmental Activities (000's)  
For the Fiscal Years Ended June 30, 2009 and 2008

	2009		2008		Percentage Change 2008 - 2009	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 18,875	\$ 18,875	\$ 17,398	\$ 17,398	8.5%	8.5%
County Planning and Zoning	60,371	55,694	48,650	43,912	24.1%	26.8%
Park Operations and Maintenance	181,359	154,542	165,753	118,969	9.4%	29.9%
Recreation Programs	68,011	54,477	52,689	40,236	29.1%	35.4%
Interest on Long-term Debt	5,212	5,212	5,902	5,902	-11.7%	-11.7%
<b>Total</b>	<b>\$ 333,828</b>	<b>\$ 288,800</b>	<b>\$ 290,392</b>	<b>\$ 226,417</b>	<b>15.0%</b>	<b>27.6%</b>

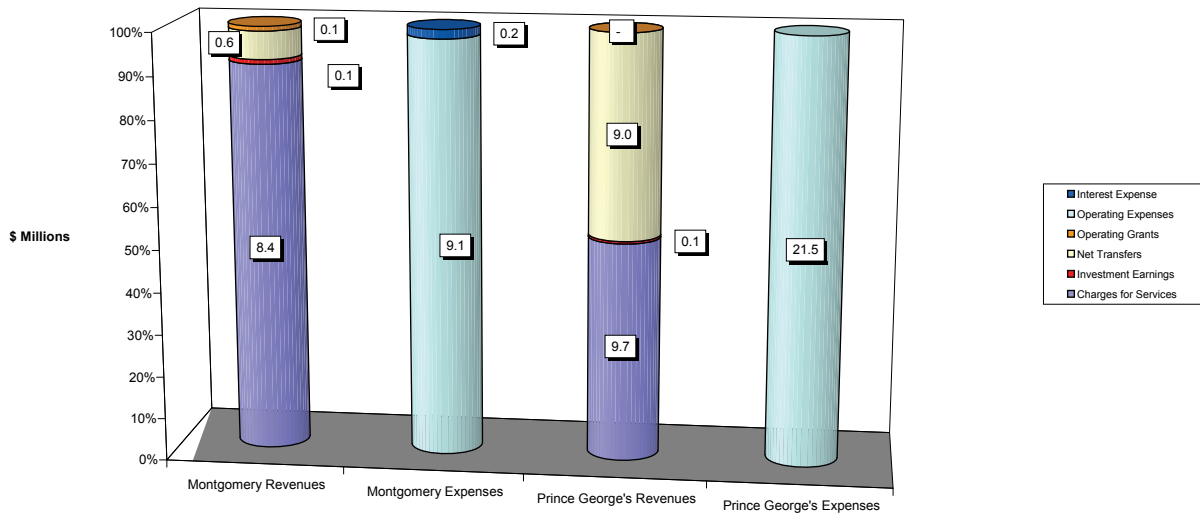
### Net Cost by Function - General Government



**Business-type Activities.** Business-type activities expenses in excess of revenues led to a decrease in the Commission’s net assets by \$2.9 million.

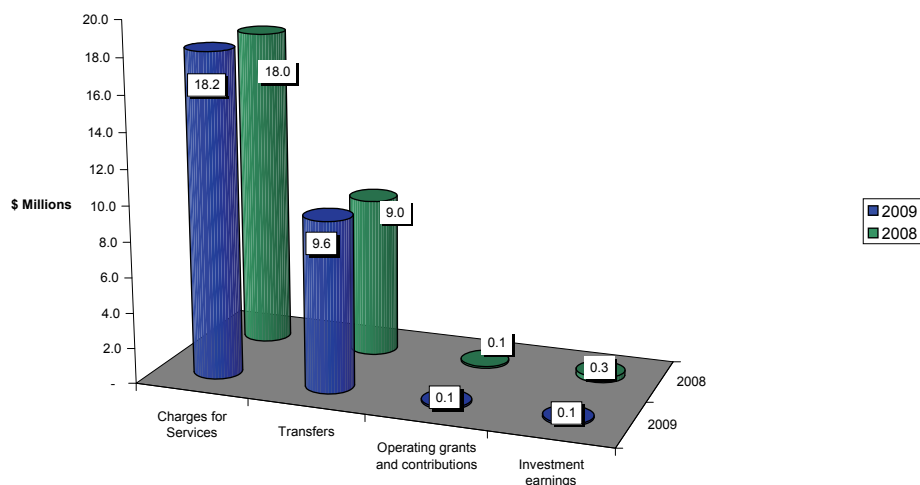
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$12.5 million.
- Governmental activities contributed \$9.6 million to support the enterprise activities. The support is primarily \$9.0 million of operating support for the Prince George’s County business-type activities.

### Changes in Net Assets - Business-type Activities



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

### Revenues by Source - Business-type Activities



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

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

### Financial Analysis of the Commission's Funds

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

As of the end of the current fiscal year, the Commission's governmental funds reported combined ending fund balances of \$289.0 million, an increase of \$36.9 million in comparison with the prior year. Approximately 66% of this total amount, or \$189.6 million, constitutes unreserved and undesignated fund balance, which is available for spending in future years, with \$110.3 million of this balance in the capital project funds. The remaining fund balances are reserved to indicate that they are not available for new spending as \$61.2 million has been committed for contracts and purchase orders, and \$38.2 million is designated to fund fiscal year 2010 expenditures and to provide reserves for unforeseen expenditure needs.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, unreserved and undesignated fund balance of the General Fund was \$74.0 million, while total fund balance was \$143.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and undesignated fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 19% of the total general fund expenditures and transfers out, while total fund balance represents 38% of the same amount.

The fund balance of the Commission's General Fund decreased by \$7.1 million during the current fiscal year. Key factors that generated this decrease are as follows:

- A reduction of \$46.3 million was planned in the final budget for fiscal year 2009.
- Property taxes were \$15.2 million greater than anticipated, primarily due to increases in the assessable base.
- Receipts from Charges for Services and Rentals and Concessions were \$1 million lower than anticipated due to the general economic conditions.

- Interest revenues were \$.4 million lower than anticipated in the general fund due to lower than budgeted interest rates.
- Interest revenues in the Capital Projects funds were \$2.0 million higher than budget due to higher than anticipated cash balances in those funds which offset the effect of the lower interest rates. These revenues are transferred into the Park Accounts for each county.
- A control of expenditures generated \$13.1 million savings to provide funding for future years' budgets.

Reserves for encumbrances were \$9.8 million higher than in the prior year, representing additional fund balance increases.

The capital project funds for Montgomery and Prince George's counties have total fund balances of \$3.2 million and \$136.1 million, respectively, all of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were decreases of \$2.4 million in Montgomery County, and an increase of \$48.1 million in Prince George's County primarily due to the \$59.6 million in pay-as-you-go funding in Prince George's County, \$5.2 million of bond proceeds in Montgomery County and construction grants realized of \$12 million in Montgomery County and \$2.7 million in Prince George's County, compared to expenditures of \$20.1 million in Montgomery County and \$17.9 million in Prince George's County.

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

One enterprise fund has been established in each county to account for the various facilities. Separate cost centers are maintained for each major type of facility including an historical airport, four ice rinks, three golf courses, four enclosed tennis facilities, three conference centers, an equestrian center, a multipurpose arena, a trap and skeet center, certain regional park facilities, a sports and learning complex and a marina. Four golf courses in Montgomery County have been leased to the Montgomery County Revenue Authority since April 2006.

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

Unrestricted net assets of the Montgomery County fund at the end of the year amounted to \$.7 million and those for the Prince George's County fund amounted to \$1.1 million. The total changes in net assets for the funds were decreases of \$.2 million and \$2.7 million, respectively.

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

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2009 and 2008				
	Montgomery County		Prince George's County	
	<u>FY2009</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2008</u>
Operating Revenues	\$ 8,518	\$ 7,847	\$ 9,751	\$ 10,231
Operating Expenses, Excluding Depreciation	7,773	7,746	19,246	18,932
Operating Income (Loss), Excluding Depreciation	745	101	(9,495)	(8,701)
Depreciation	1,364	1,363	2,269	2,266
Operating Loss	(619)	(1,262)	(11,764)	(10,967)
Nonoperating Revenue (Expense)	(197)	(218)	88	194
Transfers	619	619	8,981	8,445
Change in Net Assets	<u>\$ (197)</u>	<u>\$ (861)</u>	<u>\$ (2,695)</u>	<u>\$ (2,328)</u>

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2009 and 2008						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	<u>FY2009</u>	<u>FY2008</u>	<u>Change</u>	<u>FY2009</u>	<u>FY2008</u>	<u>Change</u>
Conference Centers	\$ 333	\$ 315	\$ 18	\$ (213)	\$ (257)	\$ 44
Golf Courses	360	358	2	281	133	148
Ice Rinks	3,768	3,612	156	(60)	35	(95)
Indoor Tennis	1,288	728	560	181	(180)	361
Park Facilities	2,769	2,834	(65)	556	370	186
Total	<u>\$ 8,518</u>	<u>\$ 7,847</u>	<u>\$ 671</u>	<u>\$ 745</u>	<u>\$ 101</u>	<u>\$ 644</u>

The Montgomery County Enterprise Fund revenues increased by \$671,000, and operating income, excluding depreciation, increased by \$644,000. Operating revenues and expenses at the two indoor tennis facilities increased due to the re-opening of both facilities after being closed for refurbishing. This resulted in an increase in operating income of \$361,000. The increase in operating income at the Park Facilities is due to repairs and minor renovations in FY 2008 that were not required in FY 2009 at the South Germantown Splash Park and at the Wheaton and Meadowbrook Stables.

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, 2009 and 2008						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2009	FY2008	Change	FY2009	FY2008	Change
Airport	\$ 261	\$ 323	\$ (62)	\$ (220)	\$ (90)	\$ (130)
Equestrian Center/Arena	1,464	1,729	(265)	(2,341)	(2,154)	(187)
Golf Courses	2,495	2,534	(39)	(1,138)	(924)	(214)
Ice Rinks	515	533	(18)	(877)	(741)	(136)
Tennis Bubbles	357	342	15	(198)	(157)	(41)
Trap and Skeet Center	1,267	1,331	(64)	(152)	(118)	(34)
Sports and Learning Complex	3,339	3,387	(48)	(4,173)	(3,878)	(295)
Bladensburg Marina	53	52	1	(396)	(639)	243
<b>Total</b>	<b>\$ 9,751</b>	<b>\$ 10,231</b>	<b>\$ (480)</b>	<b>\$ (9,495)</b>	<b>\$ (8,701)</b>	<b>\$ (794)</b>

The Prince George's County Enterprise Fund revenues decreased by \$480,000 and the operating loss, excluding depreciation, increased by \$794,000. The major changes occurred in the Equestrian Center, the golf courses and the Sports and Learning Complex. Revenues remained fairly stable at facilities with the exception of the Equestrian Center/Arena where revenues were lower in FY 2009 due to the general state of the economy. Some of these revenue losses were offset by a reduction in spending for supplies. However, expenses increased overall, primarily due to increased compensation costs resulting in greater losses than in 2008. The marina did not have the large dredging expense in 2009 which resulted in the lower operating loss. By policy the fee structures at all facilities are designed for maximum participation with General Fund support.

### General Fund Budgetary Highlights

The Commission's park, recreation, planning and general administrative functions are financed primarily by five legally designated property taxes that must be levied on a separate County basis. These functions are accounted for in accounts within the General Fund, each of which has its own budget, and is presented separately in the Notes to the Financial Statements.

A summary of the Montgomery County budget to actual variances follows:

Montgomery County Budget to Actual Variances (000's) For the Year Ended June 30, 2009		
	Administration Account	Park Account
Favorable property tax collections	\$ 43.3	\$ 187.2
Favorable (unfavorable) charges for services	1.3	(446.8)
Unfavorable intergovernmental revenue	(19.4)	(124.6)
Unfavorable investment revenue	(48.6)	(112.5)
Favorable other revenue	23.2	107.1
Total unfavorable revenue variance	(0.2)	(389.6)
Expenditure savings	1,223.1	1,666.4
Favorable other financing sources (uses)	-	360.2
Total favorable budgetary variance	<u>\$ 1,222.9</u>	<u>\$ 1,637.0</u>

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

Account increase was the result of fines collected, and the Park Account increase was primarily the result of fines and advertising revenues. The expenditure savings were primarily the result of managing operations to generate a 2.3% percent savings, as requested by Montgomery County Government. This savings, intended to assist in funding the fiscal year 2011 budget, was generated primarily by freezing positions. The favorable other financing uses in the Park Account primarily results from a lower transfer to the Debt Service Fund, due to the delay in issuing new bonds.

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

Montgomery County Budgetary Fund Balances June 30, 2009		
	Administration Account	Park Account
Prior year fund balance		
Designated for Contingencies	\$ 823.9	\$ 2,386.0
Undesignated	1,086.2	3,526.0
Favorable budget variance	1,222.9	1,637.0
Total ending fund balance, budget basis	<u>\$ 3,133.0</u>	<u>\$ 7,549.0</u>
Fund balance, budget basis		
Designated for Subsequent Years	\$ 1,068.2	\$ 4,574.3
Designated for Contingencies	833.3	2,383.3
Undesignated	<u>1,231.5</u>	<u>591.4</u>
Total Budgetary Fund Balance	<u>\$ 3,133.0</u>	<u>\$ 7,549.0</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, 2009			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 2,298.8	\$ 9,459.2	\$ 3,268.4
Favorable (unfavorable) charges for services	(615.8)	(9.8)	36.1
Favorable (unfavorable) intergovernmental revenue	(14.0)	28.1	-
Favorable (unfavorable) investment revenue	201.1	(147.2)	(295.0)
Favorable (unfavorable) other revenue	1.2	(48.2)	(19.1)
Total favorable revenue variance	<u>1,871.3</u>	<u>9,282.1</u>	<u>2,990.4</u>
Expenditure savings	8,726.8	470.3	982.8
Favorable other financing sources	-	2,190.7	-
Total favorable budgetary variance	<u>\$ 10,598.1</u>	<u>\$ 11,943.1</u>	<u>\$ 3,973.2</u>

Property tax collections were above budget primarily because the assessable base growth was higher than anticipated in the budget. Charges for services were down significantly in the Administration Account as a result of the economic slowdown which impacted fees collected for subdivisions, zoning and urban design applications. Intergovernmental revenue was lower than budget in the Administration Account due to processing fewer permits. Intergovernmental revenue was higher in the Park Account due to the receipt of grant funds for prior year disbursements. Investment revenue was favorable in the Administration Account primarily due to higher than anticipated cash balances which offset lower interest rates. The unfavorable variance in investment revenue in the Park and Recreation Accounts was due to lower than budgeted interest rates. Other revenues in the Park Account were less than anticipated primarily due to an accounting change with respect to insurance reimbursements. The expenditure savings were primarily the result of vacant positions in all of the Accounts, the delay of a planned facility relocation in the Administration Account and non-departmental savings from liquidation of prior year encumbrances of \$360,900 in the Administration Account, \$213,100 in the Park Account and \$243,500 in the Recreation Account. Other financing sources were favorable due to



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

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

Prince George's County Budgetary Fund Balances (000's)			
June 30, 2009			
	Administration Account	Park Account	Recreation Account
Prior year fund balance			
Designated for Contingencies	\$ 2,829.9	\$ 5,643.2	\$ 3,679.7
Designated for Future Facilities	-	2,550.0	7,315.0
Undesignated	1,492.1	36,955.7	16,437.0
Budget adjustment in mid-year	(500.0)	(450.0)	(1,000.0)
Favorable budget variance	10,598.1	11,943.1	3,973.2
Total ending fund balance, budget basis	<u>\$ 14,420.1</u>	<u>\$ 56,642.0</u>	<u>\$ 30,404.9</u>
<u>Fund balance, budget basis</u>			
Designated for Subsequent Years	\$ 2,160.9	\$ 10,845.2	\$ 2,227.1
Designated for Contingencies	2,475.5	8,133.2	3,473.3
Undesignated	9,783.7	37,663.6	24,704.5
Total Budgetary Fund Balance	<u>\$ 14,420.1</u>	<u>\$ 56,642.0</u>	<u>\$ 30,404.9</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, 2009 amounts to \$685.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 4.6% (a 5.8% increase for governmental activities and a 3.6% decrease for business-type activities). The most significant increases are from land acquisitions, construction of recreational facilities, community center renovation/expansion, construction of an irrigation system in a regional park, and trail construction. The only significant capital asset changes in business-type activities consist of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Assets. During fiscal year 2009, projects totaling \$4.5 million in governmental activities were completed. Among these projects, where most of the costs were incurred in prior years, are Ovid Hazen Wells Recreational Facilities, ball fields at Olney Manor Recreational Park, general renovations at the White Mansion, and new park development at Saddlebrook East Community Park.

Expenditures on Montgomery County projects totaled \$20.1 million in fiscal year 2009, of which \$2.2 million was for acquisition and \$17.9 million was for development. Land acquisition included \$1.4 million for land for the Fenton Street Urban Park and \$.7 million for stream valley parks. The largest projects were construction of the Brookside Gardens irrigation system, with construction cost to date of \$1.8 million, of which \$1.7 million was in fiscal year 2009, Matthew Henson Trail, with construction cost to date of \$4.0 million, of which \$1.6 million was in fiscal year 2009 and the Rock Creek Trail Pedestrian Bridge, with construction costs to date of \$2.0 million, of which \$1.3 million was in fiscal year 2009. In addition, expenditures totaling \$7.4 million were spent on 26 projects for routine maintenance of parks, roads, buildings and other structures.

Prince George's County projects totaled \$17.9 million in fiscal year 2009, of which \$6.8 million was for acquisition and \$11.1 million was for development. Land acquisition included \$5.3 million for Historic Agricultural Resources

Preservation, \$.7 million for the WB&A Trail, \$.3 million for Rollins Avenue Neighborhood Park and \$.3 million for Riverdale Community Recreation Center. Major park development expenditures include the Hillcrest Heights Community Center code improvement/renovation with construction cost to date of \$1.3 million all of which was in fiscal year 2009, the South Bowie Community Center expansion with construction costs to date of \$1.2 million all of which was in fiscal year 2009, the Brentwood Arts Center with construction costs to date of \$2.0 million, of which \$.3 million was in fiscal year 2009, construction of the Equestrian Center covered ring with construction costs to date of \$1.3 million, of which \$.9 million was in FY 2009 and construction of the Southern Regional Technology/Recreation Complex with construction costs to date of \$.8 million, of which \$.5 million was in FY 2009. In addition, expenditures totaling \$1.6 million were spent on 11 other community center projects.

### Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's)							
June 30, 2009 and 2008							
	June 30, 2009			June 30, 2008			Percent Change Total
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Land	\$ 305,083	\$ 19,364	\$ 324,447	\$ 292,725	\$ 19,364	\$ 312,089	4.0%
Buildings and improvements	84,623	60,146	144,769	88,776	63,482	152,258	-4.9%
Infrastructure	115,627	-	115,627	117,492	-	117,492	-1.6%
Machinery and equipment	24,229	1,920	26,149	20,185	1,868	22,053	18.6%
Construction in progress	73,644	398	74,042	50,914	172	51,086	44.9%
Total	\$ 603,206	\$ 81,828	\$ 685,034	\$ 570,092	\$ 84,886	\$ 654,978	4.6%

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

**Long-term debt.** Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$121.6 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$18.7 million (Montgomery - \$4.5 million; Prince George's - \$14.2 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$117.8 million (Montgomery County - \$32.3 million and Prince George's County - \$85.5 million) at June 30, 2009. Park Bonds debt service expenditures totaled \$17.7 million (Montgomery - \$3.8 million, Prince George's - \$13.9 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 0.26 cents per \$100 of assessed valuation for real property and .65 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.63 cents per \$100 of assessed valuation for real property and 4.05 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, 2009			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aa1	AAA	AA+

The Commission's Montgomery County revenue bonds and revenue notes payable totaled \$4.5 million at June 30, 2009. The bonds and notes have a reported value of \$4.4 million, after considering the \$0.1 million of unamortized discount and are accounted for in the Enterprise Funds. The revenue bonds and notes are not general obligations of

the Commission or Montgomery County and are payable solely from revenues generated from revenue producing facilities. Debt service expenditures for the revenue bonds and notes totaled \$1.3 million for the fiscal year. The outstanding proprietary fund debt as of June 30, 2009, and the related debt service requirements are set forth in the Notes to the Financial Statements.

On May 21, 2009, the Commission issued \$8,405,000 of Montgomery County Park Acquisition and Development Refunding Bonds, Series LL-2 and \$5,250,000 of Montgomery County Park Acquisition and Development General Obligation Project Bonds, Series MM-2. The refunding bonds provided the resources to retire on June 8, 2009 \$4,550,000 of Montgomery County Park Acquisition and Development Project Bonds, Series U-2 (current refunding) and to defease the \$3,700,000 callable portion of the Montgomery County Park Acquisition and Development Project Bonds, Series Y-2 (advance refunding). The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until November 1, 2020 at a net interest cost of 2.4059% and November 1, 2028, at a net interest cost of 3.4803% respectively.

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2009 follow (\$000's):

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

Commission's Outstanding Debt June 30, 2009 and 2008							
	Governmental Activities		Business-type Activities		Total		Change
	2009	2008	2009	2008	2009	2008	
General obligation bonds	\$ 119,930	\$ 128,029	\$ -	\$ -	\$ 119,930	\$ 128,029	-6.3%
Revenue bonds and notes	-	-	4,427	5,502	4,427	5,502	-19.5%
Notes payable	3,355	4,960	-	-	3,355	4,960	-32.4%
Total	<u>\$ 123,285</u>	<u>\$ 132,989</u>	<u>\$ 4,427</u>	<u>\$ 5,502</u>	<u>\$ 127,712</u>	<u>\$ 138,491</u>	<u>-7.8%</u>

Montgomery County Outstanding Debt June 30, 2009 and 2008							
	Governmental Activities		Business-type Activities		Total		Change
	2009	2008	2009	2008	2009	2008	
General obligation bonds	\$ 35,007	\$ 32,770	\$ -	\$ -	\$ 35,007	\$ 32,770	6.8%
Revenue bonds and notes	-	-	4,427	5,502	4,427	5,502	-19.5%
Notes payable	2,301	3,522	-	-	2,301	3,522	-34.7%
Total	<u>\$ 37,308</u>	<u>\$ 36,292</u>	<u>\$ 4,427</u>	<u>\$ 5,502</u>	<u>\$ 41,735</u>	<u>\$ 41,794</u>	<u>-0.1%</u>

Prince George's County Outstanding Debt June 30, 2009 and 2008							
	Governmental Activities		Business-type Activities		Total		Change
	2009	2008	2009	2008	2009	2008	
General obligation bonds	\$ 84,923	\$ 95,259	\$ -	\$ -	\$ 84,923	\$ 95,259	-10.9%
Revenue bonds and notes	-	-	-	-	-	-	0.0%
Notes payable	1,054	1,438	-	-	1,054	1,438	-26.7%
Total	<u>\$ 85,977</u>	<u>\$ 96,697</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,977</u>	<u>\$ 96,697</u>	<u>-11.1%</u>

The Commission's total debt decreased by \$10.8 million (7.8%) during the current fiscal year, due to a current and advance refunding and principal payments made as scheduled offset by a new debt issue.

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 \$1,526.0 million of debt service for Montgomery County and \$936.7 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$40.9 million and \$105.9 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**

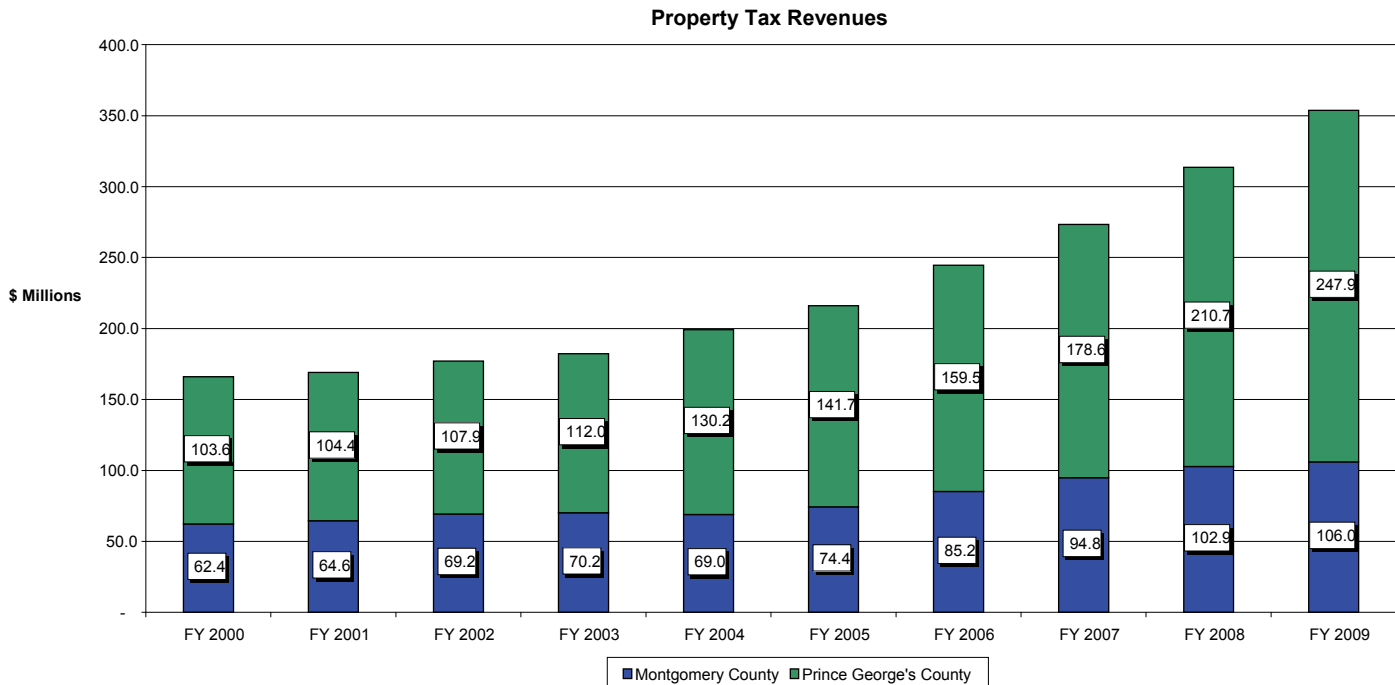
The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 87% of the Governmental Funds revenues in FY 2009. Strong fiscal policies including fund balance reserves, interim financial reporting to monitor revenues and expenditures, a FY 2009 savings plan for Montgomery County operations including a retirement incentive program, and long-term fiscal plans enabled the Commission to respond to the strategies incorporated by the two County Governments in setting the FY 2010 tax rates and adopting the FY 2010 Budget.

The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates, which have resulted in declining Commission tax rates over the past few years. In FY 2010, the Commission's total Montgomery County real property tax rate was reduced by .4 of a cent and the personal property tax rate was reduced by .9 of a cent. So although the taxable real property assessable base was projected to increase by 7%, the budgeted growth in Commission property tax revenues was less than 1%. An increased reliance on prior year fund balance and slower expenditure growth including a temporary halt to the phasing in of pre-funding of Other Post Employment Benefits was necessary to balance the operating budget.

In Prince George's County, the Commission's property tax rates were increased in FY 2004 to maintain a level tax rate for the foreseeable future and to fund an aggressive capital improvement program. With the strong assessable base growth, the property tax revenues increased at a greater rate than expenditures, enabling the Commission to budget a large amount of current revenue to fund the capital improvement program and increase assistance to Prince George's County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. The project charges increased from \$5.2 million in FY 2008 to \$15.2 million in FY 2009 and in FY 2010, they were budgeted at \$16.1 million. In addition, the Commission supported legislation effective in FY 2010 to transfer \$30.0 million from the Commission's Park Account property taxes in FY 2010 and FY 2011 to assist the Prince George's County Government. These transfers will be achieved primarily by reducing the current revenue funding of the capital improvement program in FY 2010 and FY 2011 and issuing bonds at a future date when resources are needed. The budgeted current revenue transfer from the Park Account to the Capital Project Fund was reduced from \$68.0 million in the FY 2010 Proposed Budget to \$43.0 million in the FY 2010 Adopted Budget.

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

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



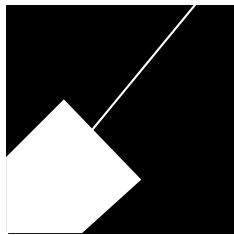
At year-end, the Commission had a budget basis fund balance in the General Fund of \$112.1 million. Of this amount, \$20.9 million is designated to fund fiscal year 2010, \$17.3 million is designated for unforeseen circumstances, and \$74.0 million is uncommitted as of June 30, 2009. Of the uncommitted portion, \$72.2 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

### Requests for Information

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



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

**Exhibit 1**

**Statement of Net Assets  
June 30, 2009**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 359,300,198	\$ 4,336,095	\$ 363,636,293
Receivables - Taxes, net of allowance for uncollectibles	6,925,700	-	6,925,700
Receivables - Other	1,999,087	6,928	2,006,015
Due from County Governments	4,324,138	540,000	4,864,138
Due from Other Governments	5,525,446	9,231	5,534,677
Inventories	-	980,265	980,265
Deposits and Other	634,938	-	634,938
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	13,009,979	-	13,009,979
Capital Assets:			
Land and Construction in Progress	378,726,697	19,761,487	398,488,184
Other Capital Assets, Net of Accumulated Depreciation	<u>224,479,222</u>	<u>62,066,098</u>	<u>286,545,320</u>
Total Assets	<u>994,925,405</u>	<u>87,700,104</u>	<u>1,082,625,509</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	39,351,731	859,746	40,211,477
Accrued Interest Payable	1,422,907	31,370	1,454,277
Due to Other Governments	323,000	-	323,000
Deposits and Unearned Revenue	5,271,011	1,146,080	6,417,091
Claims Payable:			
Due within One Year	4,553,532	-	4,553,532
Due in more than One Year	7,619,301	-	7,619,301
Compensated Absences:			
Due within One Year	10,249,643	321,658	10,571,301
Due in more than One Year	8,390,149	753,088	9,143,237
Bonds and Notes Payable:			
Due within One Year	15,375,160	1,129,561	16,504,721
Due in more than One Year	107,909,959	3,297,072	111,207,031
Net Other Post Employment Benefit Obligations			
Due in more than One Year	<u>19,480,865</u>	<u>904,967</u>	<u>20,385,832</u>
Total Liabilities	<u>219,947,258</u>	<u>8,443,542</u>	<u>228,390,800</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	492,930,779	77,400,952	570,331,731
Unrestricted	<u>282,047,368</u>	<u>1,855,610</u>	<u>283,902,978</u>
Total Net Assets	\$ <u>774,978,147</u>	\$ <u>79,256,562</u>	\$ <u>854,234,709</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, 2009**

Functions/Programs	Program Revenues					Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities:</b>						
General Government	\$ 18,875,258	\$ -	\$ -	\$ -	\$ (18,875,258)	\$ (18,875,258)
County Planning and Zoning	60,370,641	3,257,841	1,419,179	-	(55,693,621)	(55,693,621)
Park Operations and Maintenance	181,359,243	5,381,156	891,923	20,544,003	(154,542,161)	(154,542,161)
Recreation Programs	68,011,470	12,725,930	808,008	-	(54,477,532)	(54,477,532)
Interest on Long-term Debt	5,211,728	-	-	-	(5,211,728)	(5,211,728)
<b>Total Governmental Activities</b>	<b>333,828,340</b>	<b>21,364,927</b>	<b>3,119,110</b>	<b>20,544,003</b>	<b>(288,800,300)</b>	<b>(288,800,300)</b>
<b>Business-type Activities:</b>						
Recreational and Cultural Facilities	30,899,133	18,177,611	91,937	-	(12,629,585)	(12,629,585)
<b>Total Business-type Activities</b>	<b>30,899,133</b>	<b>18,177,611</b>	<b>91,937</b>	<b>-</b>	<b>(12,629,585)</b>	<b>(12,629,585)</b>
<b>Total Government</b>	<b>\$ 364,727,473</b>	<b>\$ 39,542,538</b>	<b>\$ 3,211,047</b>	<b>\$ 20,544,003</b>	<b>(288,800,300)</b>	<b>(301,429,885)</b>
<b>General Revenues:</b>						
Property Taxes					354,329,523	354,329,523
Unrestricted Investment Earnings					9,152,076	9,152,076
Transfers					(9,599,900)	9,599,900
Net General Revenues and Transfers					353,881,699	353,881,699
Change in Net Assets					65,081,399	(2,891,472)
Net Assets - Beginning					709,896,748	82,148,034
Net Assets - Ending					774,978,147	79,256,562
					\$	\$

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, 2009

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 174,569,671	\$ 212,442	\$ 122,876,564	\$ 6,399,507	\$ 304,058,184
Receivables - Taxes (net of allowance for uncollectibles)	6,820,121	-	-	105,579	6,925,700
Receivables - Other (net of allowance for uncollectibles)	170,048	-	1,775,016	13,728	1,958,792
Due from County Governments	245,272	3,192,695	-	474,915	3,912,882
Due from Other Governments	323,889	1,397,378	3,804,179	-	5,525,446
Restricted Cash - Unspent Debt Proceeds	-	2,933,418	10,076,561	-	13,009,979
Other	22,580	-	-	-	22,580
<b>Total Assets</b>	<b>\$ 182,151,581</b>	<b>\$ 7,735,933</b>	<b>\$ 138,532,320</b>	<b>\$ 6,993,729</b>	<b>\$ 335,413,563</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 21,723,710	\$ 2,815,682	\$ 1,729,680	\$ 459,738	\$ 26,728,810
Accrued Liabilities	10,361,983	-	-	137,568	10,499,551
Retainage Payable	-	879,292	749,908	-	1,629,200
Due to County Governments	60	-	-	35	95
Deposits and Deferred Revenue	6,510,418	875,000	-	165,467	7,550,885
<b>Total Liabilities</b>	<b>38,596,171</b>	<b>4,569,974</b>	<b>2,479,588</b>	<b>762,808</b>	<b>46,408,541</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	31,406,415	13,074,814	15,879,797	847,503	61,208,529
Reserved for Debt Service	-	-	-	43,379	43,379
Unreserved, Designated for Contingencies	17,298,600	-	-	-	17,298,600
Unreserved, Designated for Subsequent Years	20,875,700	-	-	-	20,875,700
Unreserved, Undesignated, Reported in:					
General Fund	73,974,695	-	-	-	73,974,695
Special Revenue Fund	-	-	-	5,340,039	5,340,039
Capital Projects Fund	-	(9,908,855)	120,172,935	-	110,264,080
<b>Total Fund Balances</b>	<b>143,555,410</b>	<b>3,165,959</b>	<b>136,052,732</b>	<b>6,230,921</b>	<b>289,005,022</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 182,151,581</b>	<b>\$ 7,735,933</b>	<b>\$ 138,532,320</b>	<b>\$ 6,993,729</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

591,620,998

Internal service funds are used by management to charge the costs of capital equipment financing, risk management, group insurance and the Executive Office Building. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

51,468,666

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.

2,279,874

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(159,396,413)

Net Assets of Governmental Activities

\$ 774,978,147

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, 2009

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 351,057,124	\$ -	\$ -	\$ 2,909,139	\$ 353,966,263
Intergovernmental -					
Federal	225,758	488,219	30,306	-	744,283
State	573,160	895,889	2,710,611	-	4,179,660
County	1,056,381	10,640,732	-	715,417	12,412,530
Local	41,254	-	-	33,977	75,231
Charges for Services	8,903,853	-	-	2,668,366	11,572,219
Rentals and Concessions	4,160,907	-	-	4,856,311	9,017,218
Interest	3,991,807	289,009	3,043,344	240,936	7,565,096
Sale of Land	-	355,028	-	-	355,028
Contributions	-	37,500	2,025,016	473,163	2,535,679
Miscellaneous	509,507	5,820	402	259,761	775,490
Total Revenues	<u>370,519,751</u>	<u>12,712,197</u>	<u>7,809,679</u>	<u>12,157,070</u>	<u>403,198,697</u>
<b>EXPENDITURES</b>					
Current -					
General Government	18,355,098	-	-	-	18,355,098
Planning and Zoning	53,446,736	-	-	3,693,007	57,139,743
Park Operations and Maintenance	162,175,782	-	-	627,950	162,803,732
Recreation	58,239,277	-	-	6,770,679	65,009,956
Contributions	-	-	-	1,860,781	1,860,781
Debt Service -					
Principal	56,800	-	-	13,649,049	13,705,849
Interest	-	-	-	5,065,685	5,065,685
Other Debt Service Costs	-	-	-	178,835	178,835
Capital Outlay -					
Park Acquisition	-	2,206,268	6,801,138	-	9,007,406
Park Development	-	17,863,760	11,097,576	-	28,961,336
Total Expenditures	<u>292,273,693</u>	<u>20,070,028</u>	<u>17,898,714</u>	<u>31,845,986</u>	<u>362,088,421</u>
Excess (Deficiency) of Revenues over Expenditures	<u>78,246,058</u>	<u>(7,357,831)</u>	<u>(10,089,035)</u>	<u>(19,688,916)</u>	<u>41,110,276</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General Obligation Bonds Issued	-	5,250,000	-	-	5,250,000
Refunding Bonds Issued	-	-	-	8,405,000	8,405,000
Premiums on Bonds Issued	-	38,212	-	343,405	381,617
Principal Retirement of Refunded Bonds	-	-	-	(8,650,856)	(8,650,856)
Transfers In	3,332,353	-	61,182,809	19,602,434	84,117,596
Transfers Out	(88,718,122)	(327,221)	(3,043,344)	(1,628,809)	(93,717,496)
Total Other Financing Sources (Uses)	<u>(85,385,769)</u>	<u>4,960,991</u>	<u>58,139,465</u>	<u>18,071,174</u>	<u>(4,214,139)</u>
Net Change in Fund Balances	(7,139,711)	(2,396,840)	48,050,430	(1,617,742)	36,896,137
Fund Balances - Beginning	150,695,121	5,562,799	88,002,302	7,848,663	252,108,885
Fund Balances - Ending	<u>\$ 143,555,410</u>	<u>\$ 3,165,959</u>	<u>\$ 136,052,732</u>	<u>\$ 6,230,921</u>	<u>\$ 289,005,022</u>

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, 2009**

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) \$ 36,896,137

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	\$ 41,731,726	
Depreciation Expense	<u>(14,456,137)</u>	
Net adjustment		27,275,589

In the Statement of Activities, only the gain (loss) on the sale of property is reported, whereas in the governmental funds, the proceeds from sales increase financial resources. Other land activity that has no impact on financial resources is also included in the Statement of Activities.

Sale of Land	(355,028)	
Donations	<u>3,715,730</u>	
Net adjustment		3,360,702

Tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount by which the deferred revenues changed from last fiscal year. 363,260

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	(13,967,009)	
Repayments of Principal	13,705,849	
Payment to Refunding Bond Escrow Account	<u>8,650,856</u>	
Net adjustment		8,389,696

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is the unfunded cost of other post employment benefits and compensated absences. (11,502,258)

Accrued interest expense reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The amount is the impact of the net change in the liabilities from the prior year. 5,501

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

Change in net assets of governmental activities (Exhibit 2)	\$ <u>292,772</u>	<u>65,081,399</u>
---	-------------------	-------------------

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

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

Exhibit 6

**Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - GENERAL FUND  
For the Year Ended June 30, 2009**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 335,800,200	\$ 335,800,200	\$ 351,057,124	\$ 15,256,924
Intergovernmental	1,522,500	2,026,386	1,896,551	(129,835)
Charges for Services	9,653,100	9,653,100	8,903,853	(749,247)
Rentals and Concessions	4,446,500	4,446,500	4,160,906	(285,594)
Interest	4,394,000	4,394,000	3,991,807	(402,193)
Miscellaneous	440,500	445,481	509,507	64,026
<b>Total Revenues</b>	<b>356,256,800</b>	<b>356,765,667</b>	<b>370,519,748</b>	<b>13,754,081</b>
<b>Expenditures/Encumbrances:</b>				
General Government	19,639,200	19,241,000	18,280,425	960,575
County Planning and Zoning	64,432,900	65,295,376	56,306,030	8,989,346
Park Operation and Maintenance	171,232,500	171,736,470	169,599,800	2,136,670
Recreation Programs	57,367,300	58,857,921	57,875,125	982,796
<b>Total Expenditures/Encumbrances</b>	<b>312,671,900</b>	<b>315,130,767</b>	<b>302,061,380</b>	<b>13,069,387</b>
<b>Excess of Revenues over Expenditures/Encumbrances</b>	<b>43,584,900</b>	<b>41,634,900</b>	<b>68,458,368</b>	<b>26,823,468</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,270,000	1,270,000	3,332,353	2,062,353
Transfers Out	(89,206,600)	(89,206,600)	(88,718,122)	488,478
<b>Total Other Financing Sources (Uses)</b>	<b>(87,936,600)</b>	<b>(87,936,600)</b>	<b>(85,385,769)</b>	<b>2,550,831</b>
<b>Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis</b>	<b>\$ (44,351,700)</b>	<b>\$ (46,301,700)</b>	<b>(16,927,401)</b>	<b>\$ 29,374,299</b>
<b>Fund Balances - Budget Basis, Beginning</b>			<b>129,076,396</b>	
<b>Fund Balances - Budget Basis, Ending</b>			<b>\$ 112,148,995</b>	

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

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

Exhibit 7

**Statement of Net Assets  
Proprietary Funds  
June 30, 2009**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery County	Prince George's County	Totals	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 1,497,629	\$ 2,838,466	\$ 4,336,095	\$ 55,242,014
Accounts Receivable	6,928	-	6,928	40,295
Due from County Government	180,000	-	180,000	411,256
Due from Other Government	-	9,231	9,231	-
Prepaid Expenses	-	-	-	495,654
Deposits and Other	-	-	-	116,704
Inventories	152,487	827,778	980,265	-
<b>Total Current Assets</b>	<b>1,837,044</b>	<b>3,675,475</b>	<b>5,512,519</b>	<b>56,305,923</b>
Noncurrent Assets:				
Due from County Government	360,000	-	360,000	-
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	26,999,848	72,270,589	99,270,437	2,649,865
Machinery and Equipment	1,680,427	5,047,976	6,728,403	27,752,284
Construction in Progress	397,888	-	397,888	2,037,509
	40,662,631	85,097,696	125,760,327	33,188,155
Less - Accumulated Depreciation	(15,056,458)	(28,876,284)	(43,932,742)	(21,603,234)
<b>Total Capital Assets, Net of Depreciation</b>	<b>25,606,173</b>	<b>56,221,412</b>	<b>81,827,585</b>	<b>11,584,921</b>
<b>Total Noncurrent Assets</b>	<b>25,966,173</b>	<b>56,221,412</b>	<b>82,187,585</b>	<b>11,584,921</b>
<b>Total Assets</b>	<b>27,803,217</b>	<b>59,896,887</b>	<b>87,700,104</b>	<b>67,890,844</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	102,018	478,203	580,221	477,977
Claims Payable	-	-	-	4,553,532
Accrued Salaries and Benefits	65,017	214,508	279,525	16,193
Compensated Absences	97,315	224,343	321,658	55,880
Interest Payable	31,370	-	31,370	40,097
Revenue Collected in Advance	812,787	333,293	1,146,080	-
Current Portion of Revenue Bonds Payable	685,117	-	685,117	-
Current Portion of Revenue Notes Payable	444,444	-	444,444	-
Current Portion of Notes Payable	-	-	-	1,613,563
Due to Other Government	-	-	-	322,905
<b>Total Current Liabilities</b>	<b>2,238,068</b>	<b>1,250,347</b>	<b>3,488,415</b>	<b>7,080,147</b>
Noncurrent Liabilities:				
Claims Payable	-	-	-	7,619,301
Revenue Bonds Payable	1,741,512	-	1,741,512	-
Revenue Notes Payable	1,555,560	-	1,555,560	-
Notes Payable	-	-	-	1,570,916
Compensated Absences	179,087	574,001	753,088	33,122
Net Other Post Employment Benefit Obligations	184,535	720,432	904,967	118,692
<b>Total Noncurrent Liabilities</b>	<b>3,660,694</b>	<b>1,294,433</b>	<b>4,955,127</b>	<b>9,342,031</b>
<b>Total Liabilities</b>	<b>5,898,762</b>	<b>2,544,780</b>	<b>8,443,542</b>	<b>16,422,178</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	21,179,540	56,221,412	77,400,952	8,400,442
Unrestricted	724,915	1,130,695	1,855,610	43,068,224
<b>Total Net Assets</b>	<b>\$ 21,904,455</b>	<b>\$ 57,352,107</b>	<b>\$ 79,256,562</b>	<b>\$ 51,468,666</b>

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

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

Exhibit 8

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
<b>Operating Revenues:</b>				
Intergovernmental	\$ 82,249	\$ 9,688	\$ 91,937	\$ -
Sales	651,471	2,409,559	3,061,030	-
Charges for Services	5,456,653	4,576,459	10,033,112	34,423,182
Claim Recoveries	-	-	-	930,930
Rentals and Concessions	2,327,935	2,755,534	5,083,469	-
<b>Total Operating Revenues</b>	<b>8,518,308</b>	<b>9,751,240</b>	<b>18,269,548</b>	<b>35,354,112</b>
<b>Operating Expenses:</b>				
Cost of Goods Sold	356,967	1,615,475	1,972,442	-
Personal Services	3,091,710	11,220,659	14,312,369	4,601,217
Supplies and Materials	503,561	1,615,713	2,119,274	360,071
Claims Incurred	-	-	-	19,782,069
Insurance	-	-	-	6,905,926
Communications	36,124	345,584	381,708	-
Utilities	1,204,525	1,981,766	3,186,291	-
Maintenance	498,606	860,290	1,358,896	-
Contractual Services	557,949	606,466	1,164,415	1,332,214
Other Services and Charges	232,402	658,519	890,921	1,628,182
Administrative Services	1,291,790	341,700	1,633,490	-
Depreciation	1,363,936	2,268,984	3,632,920	1,896,716
<b>Total Operating Expenses</b>	<b>9,137,570</b>	<b>21,515,156</b>	<b>30,652,726</b>	<b>36,506,395</b>
<b>Operating (Loss)</b>	<b>(619,262)</b>	<b>(11,763,916)</b>	<b>(12,383,178)</b>	<b>(1,152,283)</b>
<b>Nonoperating Revenues (Expenses):</b>				
Investment Earnings	49,735	88,478	138,213	1,586,980
Interest Expense, net of Amortization	(246,407)	-	(246,407)	(141,925)
<b>Total Nonoperating Revenue (Expense)</b>	<b>(196,672)</b>	<b>88,478</b>	<b>(108,194)</b>	<b>1,445,055</b>
<b>Income (Loss) before Transfers</b>	<b>(815,934)</b>	<b>(11,675,438)</b>	<b>(12,491,372)</b>	<b>292,772</b>
<b>Transfers</b>	619,000	8,980,900	9,599,900	-
<b>Change in Net Assets</b>	<b>(196,934)</b>	<b>(2,694,538)</b>	<b>(2,891,472)</b>	<b>292,772</b>
<b>Total Net Assets - Beginning - as restated (see Note 6)</b>	<b>22,101,389</b>	<b>60,046,645</b>	<b>82,148,034</b>	<b>51,175,894</b>
<b>Total Net Assets - Ending</b>	<b>\$ 21,904,455</b>	<b>\$ 57,352,107</b>	<b>\$ 79,256,562</b>	<b>\$ 51,468,666</b>

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, 2009**

	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	\$ 8,528,788	\$ 10,044,653	\$ 18,573,441	\$ 34,440,543
Payments to Suppliers	(3,165,480)	(7,809,767)	(10,975,247)	(29,183,447)
Payments to Employees	(2,963,906)	(10,768,898)	(13,732,804)	(4,636,234)
Payments for Interfund Services Used	(432,700)	-	(432,700)	(487,800)
Payments for Administrative Charges	(1,291,790)	(341,700)	(1,633,490)	-
Net Cash Provided (Used) by Operating Activities	<u>674,912</u>	<u>(8,875,712)</u>	<u>(8,200,800)</u>	<u>133,062</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	<u>619,000</u>	<u>8,980,900</u>	<u>9,599,900</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(286,069)	(288,316)	(574,385)	(4,374,229)
Principal Paid on Bonds and Notes Payable	(1,107,223)	-	(1,107,223)	(1,548,712)
Interest Paid	(214,344)	-	(214,344)	(141,925)
Payment Received on Long Term Note	<u>180,000</u>	<u>-</u>	<u>180,000</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,427,636)</u>	<u>(288,316)</u>	<u>(1,715,952)</u>	<u>(6,064,866)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>49,735</u>	<u>88,478</u>	<u>138,213</u>	<u>1,586,980</u>
Net Decrease in Cash and Cash Equivalents	<u>(83,989)</u>	<u>(94,650)</u>	<u>(178,639)</u>	<u>(4,344,824)</u>
Cash and Cash Equivalents, July 1	<u>1,581,618</u>	<u>2,933,116</u>	<u>4,514,734</u>	<u>59,586,838</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,497,629</u>	<u>\$ 2,838,466</u>	<u>\$ 4,336,095</u>	<u>\$ 55,242,014</u>

**Exhibit 9  
continued**

	<u>Business-type Activities- Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Recreational and Cultural Activities</u>			
	<u>Montgomery County</u>	<u>Prince George's County</u>	<u>Totals</u>	
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating (Loss)	\$ (619,262)	\$ (11,763,916)	\$ (12,383,178)	\$ (1,152,283)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,363,936	2,268,984	3,632,920	1,896,716
Effect of Changes in Assets and Liabilities in:				
Accounts Receivable	-	84,550	84,550	(24,625)
Due from Other Government	102,906	(9,231)	93,675	(293,290)
Inventories, at Cost	33,753	432	34,185	-
Prepaid Expenses	-	-	-	(495,654)
Accounts Payable	(234,253)	(126,386)	(360,639)	150,224
Claims Payable	-	-	-	271,780
Accrued Salaries and Benefits	17,051	38,728	55,779	(50,920)
Compensated Absences	18,535	44,190	62,725	15,903
Interest Payable	(7,545)	-	(7,545)	(16,009)
Other Accrued Liabilities	-	-	-	(100,000)
Due to Other Funds	-	-	-	(18,868)
Due to County Government	-	-	-	(120,105)
Net Other Post Employment Obligations	92,218	368,843	461,061	70,193
Revenue Collected in Advance	(92,427)	218,094	125,667	-
Total Adjustments	<u>1,294,174</u>	<u>2,888,204</u>	<u>4,182,378</u>	<u>1,285,345</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>674,912</u>	\$ <u>(8,875,712)</u>	\$ <u>(8,200,800)</u>	\$ <u>133,062</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 Assets  
Fiduciary Funds  
June 30, 2009**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 602,103	\$ 27,397,529	\$ 2,676,984
Cash	45,487	-	-
Fixed Income Securities	126,922,128	-	-
International Fixed Income Securities	26,625,065	-	-
Corporate Stock	210,216,353	-	-
International Corporate Stock	57,811,003	-	-
Real Estate Investments	22,147,479	-	-
Short Term Investments	16,282,919	-	-
Mutual Funds	7,457,761	-	-
Collateral for Securities Lending Transactions	21,963,391	-	-
Accounts Receivable	1,401,972	2,602	364,112
Land Held for Other Governments	-	50,342,673	-
Other	14,783	-	-
<b>Total Assets</b>	<u>491,490,444</u>	<u>77,742,804</u>	<u>3,041,096</u>
<b>LIABILITIES</b>			
Investment Payable	9,037,432	-	-
Accounts Payable	577,207	4,633	2,399,643
Claims Payable	597,231	-	-
Obligation for Collateral Received under Securities Lending Transactions	22,537,284	-	-
Deposits	-	-	641,453
<b>Total Liabilities</b>	<u>32,749,154</u>	<u>4,633</u>	<u>3,041,096</u>
<b>NET ASSETS</b>			
Assets Held in Trust for:			
Land Held for Other Governments	-	50,342,673	-
Pension Benefits	451,265,999	-	-
Other Postemployment Benefits	7,475,291	-	-
Other Purposes	-	27,395,498	-
<b>Total Net Assets</b>	<u>\$ 458,741,290</u>	<u>\$ 77,738,171</u>	<u>\$ -</u>

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

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

**Exhibit 11**

**Statement of Changes in Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2009**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 26,542,142	\$ -
Plan Members	4,892,570	-
Plan Members for Current Benefits	845,226	-
Private Donations	-	51,632
Total Contributions	<u>32,279,938</u>	<u>51,632</u>
Receipts from Commission Debt Service Funds	-	1,860,781
Federal Grants - Medicare	333,101	-
Investment Earnings:		
Interest	6,414,863	752,598
Dividends	286,946	-
Net decrease in the Fair Value of Investments	(125,394,138)	-
Total Investment Earnings	<u>(118,692,329)</u>	<u>752,598</u>
Less Investment Advisory and Management Fees	(1,597,109)	-
Net Income (Loss) from Investing Activities	<u>(120,289,438)</u>	<u>752,598</u>
Securities Lending Activity		
Securities Lending Income	355,078	-
Securities Lending Fees	(249,946)	-
Net Income from Securities Lending Activity	<u>105,132</u>	<u>-</u>
Total Net Investment Income (Loss)	<u>(120,184,306)</u>	<u>752,598</u>
Total Additions and Investment Income (Loss)	<u>(87,571,267)</u>	<u>2,665,011</u>
<b>DEDUCTIONS</b>		
Benefits	33,059,925	-
Refunds of Contributions	249,583	-
Administrative Expenses	1,358,695	-
Other	-	62,337
Total Deductions	<u>34,668,203</u>	<u>62,337</u>
Change in Net Assets	<u>(122,239,470)</u>	<u>2,602,674</u>
Net Assets - Beginning	580,980,760	75,135,497
Net Assets - Ending	\$ <u>458,741,290</u>	\$ <u>77,738,171</u>

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

## NOTES TO FINANCIAL STATEMENTS

### Index

	<u>Page</u>
<b>Note 1 - Summary of Significant Accounting Policies</b>	56
A. The Commission and Its Services	56
B. Government-wide and Fund Financial Statements	57
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	59
D. Assets, Liabilities, and Net Assets or Equity	61
<b>Note 2 - Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets</b>	62
<b>Note 3 - Stewardship, Compliance, and Accountability</b>	63
<b>Note 4 - Detailed Notes on All Funds</b>	64
A. Cash and Investments	64
B. Capital Assets	74
C. Interfund Receivables, Payables and Transfers	76
D. Operating Leases	77
E. Long-Term Obligations	77
<b>Note 5 - Other Information</b>	83
A. Risk Management	83
B. Related Party Transactions	84
C. Contingencies	84
D. Employees' Retirement System and Pension Plans	85
E. Other Postemployment Benefits	86
F. Pension Trust Funds	89
<b>Note 6 – Prior Period Adjustment</b>	91
<b>Note 7 – County Financial Data</b>	91

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2009

### (1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **(A) The Commission and Its Services**

##### **Background**

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

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

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

##### **Financial Reporting Entity**

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

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

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

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:

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

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

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

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

**Statement of Net Assets** – The Statement of Net Assets is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Assets and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net assets of the Commission are presented in three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction. The Commission has no restricted assets as of June 30, 2009.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment has matured and is due.

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

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

The Commission reports the following fiduciary fund types:

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

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission. The Commission is not required to make additional contributions unless obligated to do so by resolution. In fiscal year 2009, the Commission continued the phase in over an 8 year period actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services,



administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Cash and Cash Equivalents** – Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash.

**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 \$3,179,826 at June 30, 2009. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request to remain on an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George's County for taxes that are delinquent.

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 – 40
Infrastructure	15 – 60
Machinery and Equipment	5 – 10

**Compensated Absences** – Commission employees earn annual leave and sick leave in varying amounts, and are granted three days of personal leave annually. Some employees may also earn compensatory leave in lieu of overtime pay. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service.

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

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

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

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management plans that are subject to change.

**Reserves** – Fund balances in the governmental funds are reserved for encumbrances and debt service to indicate the amounts are not available for other expenditures.

**Designated Fund Balances for Individual Funds and Accounts** - The Commission has designated \$38,174,300 of fund balances in the General Fund at June 30, 2009, to fund fiscal year 2010 operations and allow for contingencies, as follows:

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Contingencies	\$ 833,300	\$ 2,383,300	\$ 2,475,500	\$ 8,133,200	\$ 3,473,300	\$ 17,298,600
Fiscal year 2010	1,068,200	4,574,300	2,160,900	10,845,200	2,227,100	20,875,700
	<u>\$ 1,901,500</u>	<u>\$ 6,957,600</u>	<u>\$ 4,636,400</u>	<u>\$ 18,978,400</u>	<u>\$ 5,700,400</u>	<u>\$ 38,174,300</u>

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

The governmental fund balance sheet (Exhibit 3) includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the Statement of Net Assets (Exhibit 1). Details related to the most significant items on the reconciliation are as follows.

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds. The capital assets related to governmental funds (not including internal service funds) include:

Land	\$	304,333,871
Buildings and improvements		195,795,325
Infrastructure		224,650,697
Machinery and Equipment		54,853,910
Accumulated Depreciation on Buildings, Improvements and Machinery and Equipment		(259,619,625)
Construction in Progress		71,606,820
Total		<u>\$ 591,620,998</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	\$	13,761,597
Due in More than One Year		106,339,043
Net Other Post Employment Benefit Obligations		19,362,173
Compensated Absences		
Due Within One Year		10,193,763
Due in More than One Year		8,357,027
Accrued Interest Payable		1,382,810
Totals		<u>\$ 159,396,413</u>

### **(3) – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **(A) Budgetary Information**

The following procedures are used in establishing the annual budget.

On or before January 15, the Commission submits to the County Executive of each County a proposed annual budget for the respective accounts of the General Fund (including park debt service) and the Special Revenue Funds, and a budget plan for the respective Enterprise Funds and Internal Service Funds. The Capital Projects Funds' budgets and six-year expenditure plans are submitted to the County Executive of Prince George's County prior to each November 1 and to the County Executive of Montgomery County prior to November 1 of each odd-numbered year. These budgets and plans include proposed expenditures and the means of financing them.

Each County Executive transmits the budgets and plans with recommendations to the respective County Council. The County Councils conduct public hearings on the budgets and plans, and the budgets and plans are legally adopted prior to July 1.

The legal level of budgetary control is the department or function for the Administration Accounts and the Montgomery County Park Account, and the Account level for Prince George's County Park Account, and Prince George's County Recreation Account. The Commission's expenditures may not exceed the total approved budget for each of the General Fund Accounts without prior approval by the respective County Council, except where grant funds received with the knowledge and approval of Prince George's County constitute an automatic budget amendment, thereby increasing the appropriations. Management is authorized to allow a department or function within a General Fund Account to be overspent by up to 10% of the approved budget without Council approval, provided the account in total is not overspent.

General Fund and Special Revenue Funds unencumbered appropriations lapse at year-end. Capital project appropriations do not lapse until the project is completed. The budget plans for the proprietary funds serve as a guide to the Commission and not as legally binding limitations.

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

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2009 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, 2009 is as follows. The following account information is reported in Note 7.

	Montgomery County		Prince George's County			Total General Fund
	Administration	Park	Administration	Park	Recreation	
	Account	Account	Account	Account	Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2008	\$ 2,658,141	\$ 1,781,261	\$ 8,594,768	\$ 4,577,771	\$ 4,006,784	\$ 21,618,725
To Decrease -						
Encumbrances -						
June 30, 2009	<u>(3,137,475)</u>	<u>(3,837,443)</u>	<u>(10,871,655)</u>	<u>(9,917,207)</u>	<u>(3,642,635)</u>	<u>(31,406,415)</u>
Total Adjustment	<u>(479,334)</u>	<u>(2,056,182)</u>	<u>(2,276,887)</u>	<u>(5,339,436)</u>	<u>364,149</u>	<u>(9,787,690)</u>
Net Change in Fund Balance:						
GAAP Basis	<u>1,462,825</u>	<u>(1,097,427)</u>	<u>(1,961,608)</u>	<u>(2,096,565)</u>	<u>(3,446,936)</u>	<u>(7,139,711)</u>
Budget Basis	<u>\$ 983,491</u>	<u>\$ (3,153,609)</u>	<u>\$ (4,238,495)</u>	<u>\$ (7,436,001)</u>	<u>\$ (3,082,787)</u>	<u>\$ (16,927,401)</u>

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

##### (A) Cash and Investments

The Commission's deposits and investments as of June 30, 2009, totaled \$896,794,474. The Commission's unrestricted pool of deposits and investments (\$394,312,909) is available to all funds, except for the Pension Trust Funds.

##### Commission Cash and Investments

**Custodial Credit Risk - Deposits** - At year-end, the carrying amount of cash deposits was \$6,368,931 and the bank balance was \$7,467,709. In addition, the Commission held cash at various locations totaling \$248,740. All the bank balances were covered by Federal depository insurance.

In addition, the Commission had Certificates of Deposit with a carrying value (including accrued interest) of \$97,859,872 at June 30, 2009. The certificates, with an average life of 145.18 days, were covered by collateral of \$148,908,337, which is greater than bank balances for all applicable banks.

The Commission requires collateral for the bank balances of deposits and investments to be held in the Commission's name by the trust department of a bank other than the pledging bank. The Commission's policy was complied with throughout the year ended June 30, 2009. Collateral shall be maintained in

excess of FDIC insurance coverage for all Commission bank cash accounts, certificates of deposits and time deposits.

**Money Market Deposits** - At year end the carrying value (fair value) of deposits in investment grade money market accounts is \$25,041,298. Of these deposits \$107,644 relate to cash and investments restricted for construction.

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

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

**Cash and Investments Restricted for Unspent Debt Proceeds** - At year-end, the Commission had \$13,009,979 of unspent bonds and note proceeds restricted to pay construction costs for various projects.

**Custodial Credit Risk - Investments** - For an investment, this is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Statutes require that securities underlying repurchase agreements have a fair value of at least 102% of the cost of the investment. If during the year, the fair value of securities underlying such investments falls below this required level, additional collateral is pledged or other collateral in the amount of the required level is substituted. All collateral met statutory requirements and is held in the Commission's name by a third-party custodian.

**Fixed Income Investments** - Fixed income investments included in the Commission's Pooled Investments at June 30, 2009 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Commercial Paper	\$ 38,346,478	57.67
Federal Agricultural Mortgage Corporation Notes	42,534,991	68.40
U.S. Treasury Bills	6,751,982	139.93
Federal Home Loan Bank Notes	63,137,850	51.03
Federal Home Loan Mortgage Association Notes	64,479,810	299.48
Federal National Mortgage Association Notes	58,052,078	103.74
Municipal Securities	4,500,858	4.89
Total fair value	<u>\$ 277,804,047</u>	
Portfolio Weighted Average Maturity		124.20

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

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$107,644 (0.8%) of bond funds invested in a money market fund that is considered investment grade.

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

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

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

\* At time of purchase

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

The Commission is in compliance with this policy.

**Employees’ Retirement System (ERS) Cash and Investments**

**Custodial Credit Risk - Deposits** - For cash deposits and cash equivalents, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it.

The amount of ERS’s total cash and cash equivalents at June 30, 2009, was \$16,310,876. Cash deposits in the bank account totaled \$27,957 that was insured and collateralized. At June 30, 2009, ERS held \$16,282,919 of cash equivalents in its custodial investment accounts.

As of June 30, 2009, ERS's cash equivalents were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 169,719
Uninsured and held by custodial bank not in ERS's name	85,569
	<u>\$ 255,288</u>

**Investments** - The Board of Trustees ("Board") of ERS is authorized by the Trust Agreement dated July 26, 1972 and most recently amended September 16, 2009 to invest and reinvest the Trust Fund, as may be determined by investment counsel selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors. The Commission approves new investment managers.

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

U. S. Equities	35 %
Non-U.S. Equities	20
U.S. Core Fixed Income	15
U.S. High Yield Fixed Income	10
U.S. Long Duration Fixed income	10
U.S.Real Estate (Private)	5
U.S. Real Assets (Private)	5
Total	<u>100 %</u>

Trust Fund assets should be invested to obtain an appropriate long-term total return consistent with the overriding goal of limiting the risk of a large loss.

Each investment manager has a set of Guidelines, which contain investment objectives, and risk control provisions, which are appropriate for each manager's mission. Investment managers have discretion within the constraints of these Guidelines and are subject to regular review by the Board.

The Trust Fund has guidelines, which apply broadly to each asset class as follows:

#### **U.S. Equity Guidelines**

- U.S. Equity investment managers are limited to no more than 5% of the value of the portfolio in cash equivalents at any time.
- The U.S. Equity Composite should match the Russell 3000 Index in terms of capitalization and growth characteristics.
- 75% to 85% should be invested in "large capitalization stocks".
- 15% to 25% should be invested in "small capitalization stocks".

#### **Non-U.S. Equity Guidelines**

- Cash equivalent exposure is limited to 5%.
- 85% to 100% should be invested in "developed markets".
- 0% to 15% should be invested in "emerging markets".

#### **Fixed Income Guidelines**

- The Fixed Income Composite is limited to 20% of its value in cash equivalents at any time.
- A single issuer cannot exceed 5% of the market value of the fixed income composite at any time.
- Duration of the fixed income composite should remain within +/- 1.5 years relative to the asset class benchmarks. The duration of the fixed income composite at June 30, 2009 was 4.21 years with the Merrill Lynch BB/B and the Barclays Aggregate at 4.32 and 4.19 years, respectively.
- Securities with a weighted-average life greater than 30 years are prohibited.
- The fixed income composite is expected to maintain an aggregate weighting of at least a single A.

#### **Real Estate Guidelines**

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

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

Guidelines for Real Assets will be developed prior to implementation of this strategy.

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

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

**Derivative Policy Statement** – A derivative policy statement identifies and allows common derivative investments and strategies, which are consistent with the Investment Policy Statement. The guidelines identify transaction-level and portfolio-level risk control procedures and documentation requirements. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" CMO's and structure notes are allowed. CMO's 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.

The following use of derivatives is 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.



ERS's investments at June 30, 2009 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Common Stock	\$ 267,164,652
Preferred Stock	93,126
Convertible Equity	248,096
Government Bonds	5,463,374
Government Agencies	4,468,827
Provincial Bonds	320,430
Corporate Bonds	46,563,219
Corporate Convertible Bonds	521,481
Government Mortgage Backed Securities	31,786,604
Commercial Mortgage-Backed	2,074,098
Asset Backed Securities	3,975,967
Non-Government Backed CMOs	5,853,606
Index Linked Government Bonds	3,267,926
Fixed Income Mutual Funds	49,773,143
Real Estate	22,147,479
Cash & Cash Equivalent Derivative-Options	(38,250)
Short Term Investment Funds	16,064,476
Securities Lending Short Term Collateral Investment Pool	21,963,391
Cash	256,693
Total Investments	<u>\$ 481,968,338</u>

**Custodial Credit Risk - Investments** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, 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 ERS.

Of ERS's \$482.0 million in investments at June 30, 2009, \$22.0 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with ERS's securities lending agreement in place with the custodian.

The fair value of cash collateral securities as of June 30, 2009, is presented by type below:

<u>Collateral</u>	<u>Fair Value</u>
U.S. Agencies	\$ 608,861
U.S. Corporate Fixed	10,409,209
U.S. Equities	5,256,180
U.S. Government Fixed	5,689,141
Total	<u>\$ 21,963,391</u>

**Interest Rate Risk** – Each investment manager has duration targets and bands that control interest rate risk.

As of June 30, 2009, ERS had the following fixed income investments and short term investments with the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity-Years</u>
Asset Backed Securities	\$ 3,975,967	20.055054
Commercial Mortgage-Backed	2,074,098	30.519345
Corporate Bonds	46,563,219	12.966754
Corporate Convertible Bonds	521,481	18.222596
Government Agencies	4,468,826	10.924959
Government Bonds	5,463,374	11.668643
Government Mortgage Backed Securities	31,786,604	27.574334
Guaranteed Fixed Income	232,276	2.948379
Index Linked Government Bonds	3,267,926	15.144349
Provincial Bonds	320,430	2.801364
Non - Government Backed CMOs	5,853,606	32.366886
Fixed Income Mutual Funds	49,540,867	N/A
Short Term Investment Funds	16,064,476	N/A
Totals	<u>\$ 170,133,150</u>	
Portfolio Weighted Average Maturity		18.288094

**Collateralized Mortgage Obligations** - Collateralized mortgage obligations (CMOs) are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore they are sensitive to prepayments by mortgages, which may result from a decline in interest rates. The repayments of principal and interest from the pass-through securities are used to retire the bonds in an established order of maturity. ERS held \$5,853,606 in CMO's at June 30, 2009.

**Asset-backed Securities** – Asset-backed securities (ABS) are bond or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Brokerage firms underwrite the securities and reoffer them to the public. ERS held \$3,975,967 in ABS at June 30, 2009.

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

Individual investment manager guidelines include limitations on the percentage of securities including derivatives. A Derivative policy statement identifies and allows common derivative investments and strategies which are consistent with the Investment Policy statement.

ERS Credit Quality Ratings Summary as of June 30, 2009 is as follows:

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

Agency	Government	7.635 %
Agency	AAA	1.420
Agency	A	0.067
Agency	BBB	0.123
Agency	BB	0.043
Agency	Not Rated	0.036
Asset Backed Securities	AAA	0.479
Asset Backed Securities	AA	0.021
Asset Backed Securities	A	0.027
Asset Backed Securities	BBB	0.157
Asset Backed Securities	BB	0.037
Asset Backed Securities	CCC	0.062
Asset Backed Securities	Not Rated	0.042
Commercial Mortgage Backed Securities	AAA	0.309
Commercial Mortgage Backed Securities	Not Rated	0.121
Non-Government Backed C.M.O.'s	AAA	0.867
Non-Government Backed C.M.O.'s	AA	0.004
Non-Government Backed C.M.O.'s	A	0.050
Non-Government Backed C.M.O.'s	BBB	0.055
Non-Government Backed C.M.O.'s	BB	0.033
Non-Government Backed C.M.O.'s	B	0.089
Non-Government Backed C.M.O.'s	CCC	0.061
Non-Government Backed C.M.O.'s	D	0.006
Non-Government Backed C.M.O.'s	Not Rated	0.048
Corporate Bonds	AAA	0.105
Corporate Bonds	AA	0.534
Corporate Bonds	A	2.375
Corporate Bonds	BBB	2.537
Corporate Bonds	BB	1.969
Corporate Bonds	B	1.536
Corporate Bonds	CCC	0.435
Corporate Bonds	CC	0.063
Corporate Bonds	D	0.012
Corporate Bonds	Not Rated	0.084
Corporate Convertible Bonds	A	0.001
Corporate Convertible Bonds	BB	0.050
Corporate Convertible Bonds	B	0.045
Corporate Convertible Bonds	Not Rated	0.012
Provincial Bonds	AAA	0.066
Government Mortgage Backed	AAA	0.047
Other Fixed Income	Not Rated	10.249
Short Term Investment Fund	Not Rated	3.329

**Foreign Currency Risk** – The ERS does not have a policy for foreign currency risk. Foreign currency is intentionally unhedged. ERS's exposure to foreign currency risk at June 30, 2009, is as follows:

<u>Investment Type</u>	<u>Currency</u>		<u>Fair Value</u>
Government Bonds	Brazilian Real	\$	593,205
Government Bonds	Canadian Dollars		543,227
Government Bonds	Columbian Peso		155,775
Government Bonds	New Zealand Dollars		48,800
Government Agencies	Canadian Dollars		120,022
Government Agencies	Indonesian Rupiah		137,748
Provincial Bonds	Australian Dollar		143,607
Corporate Bonds	Canadian Dollars		7,943
Corporate Bonds	Mexican Peso		110,628
Corporate Bonds	New Zealand Dollars		69,865
Cash	Iceland Krona		3,424
Total		\$	<u>1,934,244</u>

Note: These schedules do not agree with the total international obligations and international equities as listed in the schedule of ERS investments due to international obligations valued in U.S. dollars, but classified as international.

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

The following table details the net income from securities lending for the period ending June 30, 2009:

Security lending income	\$	355,078
Less security lending fees		<u>249,946</u>
Net securities lending income	\$	<u>105,132</u>

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2009 except on September 15, 2008, Lehman Brothers International Europe (LBIE) and on September 18, 2008, Lehman Brothers Inc. (LBI) were called into default on obligations under the terms of one or more of the Securities Borrowing Agreements. All clients were compensated for any security that was not returned from loan in accordance with the contractual obligation. Due to the nature of the program's collateralization of loans at a minimum of 102% of market value plus accrued interest, management of the ERS believes that there is no credit risk exposure since the ERS owes the borrower more than the borrower owes the ERS.

Securities are loaned against collateral that may include cash, U.S. government securities, and irrevocable letters of credit. U.S. government securities are loaned against collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Consequently, the non-cash collateral has not been reported as an asset or liability on the statement of plan net assets. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 64 days in 2009.

Cash open collateral is invested in a short-term investment pool, which had an average weighted maturity of 15 days in 2009. Cash collateral may also be invested separately in "term loans", in which case the

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

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2009:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>	<u>Noncash Collateral Value*</u>
Fixed income securities	\$ 16,707,211	\$ 17,124,625	\$ -
Domestic equities	5,256,180	5,412,659	-
Total	<u>\$ 21,963,391</u>	<u>\$ 22,537,284</u>	<u>\$ -</u>

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

#### **Other Post Employment Benefits (the "Trust") Cash and Investments**

The Trust had \$17,530 of cash on hand at June 30, 2009. The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$602,103. Investments in mutual funds totaled \$7,457,761.

**Investments** - The Board of Trustees of the Trust ("Board") is authorized by the Trust Agreement dated July 1, 1999 and amended May 16, 2007 to invest and reinvest the Trust Fund. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers. The target allocations as established by the Board for the authorized investment classes during fiscal year 2009 are as follows:

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

The Trust's investments in mutual funds at June 30, 2009 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Equity Index Fund	<u>\$ 7,457,761</u>

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

<u>Statement of Net Assets</u>	
Equity in Pooled Cash and Investments	\$ 363,636,293
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	13,009,979
<u>Statement of Net Assets - Fiduciary Funds</u>	
Equity in Pooled Cash and Investments - Pension Trust Funds	602,103
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	27,397,529
Equity in Pooled Cash and Investments - Agency Funds	2,676,984
Cash and Marketable Securities - Pension Trust Funds	467,508,195
Collateral for Securities Lending Transactions - Pension Trust Funds	21,963,391
Total	<u>\$ 896,794,474</u>

They are composed of:

Cash in Banks of Commission	\$ 6,368,931
Cash of Employees' Retirement System Pension Trust Fund	27,957
Cash in Other Post Employment Benefits Fund	17,530
Cash in Other Locations - Commission	248,740
Money Market Deposits of Commission	25,041,298
Certificates of Deposit of Commission	97,859,872
Fixed Income Securities In Commission's Investment Pool	277,804,047
Mutual funds in Other Post Employment Benefits Fund	7,457,761
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	267,505,874
Fixed Income Securities	170,133,151
Real Estate	22,147,479
Cash	256,693
Cash & Cash Equivalent Derivative-Options	(38,250)
Collateral for Securities Lending Transactions	21,963,391
Total	<u>\$ 896,794,474</u>

## **(B) Capital Assets**

A summary of governmental activities capital assets at June 30, 2009 is as follows:

	<u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers/ Contributions</u>	<u>June 30, 2009</u>
Capital assets not being depreciated					
Land	\$ 292,724,538	\$ 12,712,858	\$ (355,028)	\$ -	\$ 305,082,368
Construction in progress	50,914,003	27,188,217	-	(4,457,891)	73,644,329
Total capital assets not being depreciated	<u>343,638,541</u>	<u>39,901,075</u>	<u>(355,028)</u>	<u>(4,457,891)</u>	<u>378,726,697</u>
Other capital assets, being depreciated					
Buildings and improvements	197,453,647	316,179	-	675,364	198,445,190
Infrastructure	220,689,170	179,000	-	3,782,527	224,650,697
Machinery and equipment	75,287,961	9,425,428	(2,107,195)	-	82,606,194
Total other capital assets	<u>493,430,778</u>	<u>9,920,607</u>	<u>(2,107,195)</u>	<u>4,457,891</u>	<u>505,702,081</u>
Less accumulated depreciation for:					
Buildings and improvements	(108,677,052)	(5,144,839)	-	-	(113,821,891)
Infrastructure	(103,196,981)	(5,826,789)	-	-	(109,023,770)
Machinery and equipment	(55,103,168)	(5,381,225)	2,107,195	-	(58,377,198)
Total accumulated depreciation	<u>(266,977,201)</u>	<u>(16,352,853)</u>	<u>2,107,195</u>	<u>-</u>	<u>(281,222,859)</u>
Total other capital asset, net	<u>226,453,577</u>	<u>(6,432,246)</u>	<u>-</u>	<u>4,457,891</u>	<u>224,479,222</u>
Governmental activities capital assets, net	<u>\$ 570,092,118</u>	<u>\$ 33,468,829</u>	<u>\$ (355,028)</u>	<u>\$ -</u>	<u>\$ 603,205,919</u>

Summaries of business-type activities capital assets at June 30, 2009, made up of two major enterprise funds, are as follows:

	July 1, 2008	Increases	Decreases	June 30, 2009
<b>Montgomery County Enterprise Fund</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 11,584,468	\$ -	\$ -	\$ 11,584,468
Construction in progress	172,164	225,724	-	397,888
Total capital assets not being depreciated	<u>11,756,632</u>	<u>225,724</u>	<u>-</u>	<u>11,982,356</u>
<b>Capital assets being depreciated</b>				
Buildings and improvements	26,994,492	5,356	-	26,999,848
Machinery and equipment	1,625,438	54,989	-	1,680,427
Total capital assets being depreciated	<u>28,619,930</u>	<u>60,345</u>	<u>-</u>	<u>28,680,275</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(12,459,892)	(1,297,528)	-	(13,757,420)
Machinery and equipment	(1,232,630)	(66,408)	-	(1,299,038)
Total accumulated depreciation	<u>(13,692,522)</u>	<u>(1,363,936)</u>	<u>-</u>	<u>(15,056,458)</u>
Total capital assets being depreciated, net	<u>14,927,408</u>	<u>(1,303,591)</u>	<u>-</u>	<u>13,623,817</u>
Capital assets, net	<u>\$ 26,684,040</u>	<u>\$ (1,077,867)</u>	<u>\$ -</u>	<u>\$ 25,606,173</u>
<b>Prince George's County Enterprise Fund</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 7,779,131	\$ -	\$ -	\$ 7,779,131
<b>Capital assets being depreciated:</b>				
Buildings and improvements	72,270,589	-	-	72,270,589
Machinery and equipment	4,783,290	288,316	(23,630)	5,047,976
Total capital assets being depreciated	<u>77,053,879</u>	<u>288,316</u>	<u>(23,630)</u>	<u>77,318,565</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(23,322,936)	(2,044,588)	-	(25,367,524)
Machinery and equipment	(3,307,994)	(224,396)	23,630	(3,508,760)
Total accumulated depreciation	<u>(26,630,930)</u>	<u>(2,268,984)</u>	<u>23,630</u>	<u>(28,876,284)</u>
Total capital assets being depreciated, net	<u>50,422,949</u>	<u>(1,980,668)</u>	<u>-</u>	<u>48,442,281</u>
Capital assets, net	<u>\$ 58,202,080</u>	<u>\$ (1,980,668)</u>	<u>\$ -</u>	<u>\$ 56,221,412</u>
Total Business-type activities	<u>\$ 84,886,120</u>	<u>\$ (3,058,535)</u>	<u>\$ -</u>	<u>\$ 81,827,585</u>

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

<b>Governmental activities:</b>	
General Government	\$ 297,904
County Planning and Zoning	614,086
Park Operations and Maintenance	13,340,807
Recreation Programs	2,100,056
Total depreciation expense - governmental activities	<u>\$ 16,352,853</u>
<b>Total depreciation expense - business-type activities:</b>	
Recreational and Cultural Facilities	<u>\$ 3,632,920</u>

**Construction Commitments** - The Commission is committed to \$28,954,611 for construction contracts for work to be performed in subsequent years.

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

The Commission had no interfund receivable and payable balances at June 30, 2009.

The Commission had the following interfund transfers during fiscal year 2009:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
<b>Transfers In</b>						
General Fund - Administration Account	\$ -	\$ -	\$ -	\$ 1,823,000	\$ -	\$ 1,823,000
General Fund - Park Account	-	-	59,554,000	17,741,222	619,000	77,914,222
General Fund - Recreation Account	-	-	-	-	8,980,900	8,980,900
Special Revenue Fund	-	-	1,628,809	-	-	1,628,809
Debt Service Fund	-	-	-	-	-	-
Capital Projects	3,332,353	-	-	38,212	-	3,370,565
<b>Total Transfers In</b>	<b>\$ 3,332,353</b>	<b>\$ -</b>	<b>\$ 61,182,809</b>	<b>\$ 19,602,434</b>	<b>\$ 9,599,900</b>	<b>\$ 93,717,496</b>
<b>Transfers Out</b>						
General Fund - Park Account	\$ -	\$ 289,009	\$ 3,043,344	\$ -	\$ -	\$ 3,332,353
Debt Service Fund	17,741,222	38,212	-	-	-	17,779,434
Capital Projects	59,554,000	-	-	1,628,809	-	61,182,809
Special Revenue Fund	1,823,000	-	-	-	-	1,823,000
Enterprise Fund	9,599,900	-	-	-	-	9,599,900
Internal Service Fund	-	-	-	-	-	-
<b>Total Transfers Out</b>	<b>\$ 88,718,122</b>	<b>\$ 327,221</b>	<b>\$ 3,043,344</b>	<b>\$ 1,628,809</b>	<b>\$ -</b>	<b>\$ 93,717,496</b>

A majority of the transfers was to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$17,741,222) and current funding for Capital Projects (\$61,182,809).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Montgomery County Enterprise Fund	Prince George's County Enterprise Fund	Total Proprietary Funds
<b>Transfers In</b>			
General Fund - Park Account	\$ 619,000	\$ -	\$ 619,000
General Fund - Recreation Account	-	8,980,900	8,980,900
<b>Total Transfers In</b>	<b>\$ 619,000</b>	<b>\$ 8,980,900</b>	<b>\$ 9,599,900</b>

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

In addition to the above transfers, tax revenues of \$1,860,781 not needed to pay current debt service were contributed by the Advanced Land Acquisition Debt Service Funds to the Advanced Land Acquisition Accounts in the Private Purpose Trust Funds.



### **(D) Operating Leases**

The Commission is committed under several operating leases for office space and office equipment expiring at various dates through 2013. Each agreement provides for termination in the event of nonappropriation of funds.

Future minimum commitments under operating leases at June 30, 2009 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2010	\$ 3,053	\$ 985	\$ 2,068
2011	3,014	923	2,091
2012	2,457	628	1,829
2013	671	-	671
Total minimum lease payments	<u>\$ 9,195</u>	<u>\$ 2,536</u>	<u>\$ 6,659</u>

In fiscal year 2009, expenditures in the General Fund included \$1,584,890 relating to the rental of office space and \$1,512,412 relating to rental and other charges for rented equipment.

### **(E) Long-Term Obligations**

**Notes and Loans Payable** - Notes payable and loans are only reported at the Government-wide level. Payments required to maturity on notes payable at June 30, 2009 are as follows (\$000's):

Year Ending June 30	Total	Montgomery County		Prince George's County	
		Principal	Interest	Principal	Interest
2010	\$ 1,772	\$ 1,269	\$ 58	\$ 401	\$ 44
2011	1,003	663	26	285	29
2012	646	368	5	258	15
2013	113	-	-	110	3
Total payments	<u>\$ 3,534</u>	<u>\$ 2,300</u>	<u>\$ 89</u>	<u>\$ 1,054</u>	<u>\$ 91</u>

**General Obligation Bonds** - The Commission is authorized to issue general obligation bonds for the acquisition of park land and the development of parks and recreational facilities, designated as Park Acquisition and Development Bonds ("Park Bonds"); to provide resources for advance land acquisition for highways, schools and other public purposes, designated as Advance Land Acquisition Bonds ("Advance Land Bonds"); and to refund both Park and Advance Land Bonds. The general obligation bonds are issued on the full faith and credit of the Commission and the county for which the bonds are issued.

Mandatory taxes of 3.6 cents per \$100 of real property assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of real property assessed valuation (10 cents for personal property) in Prince George's County are required by Article 28 of the Annotated Code of Maryland to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2009, debt service payments approximated 0.26 cents per \$100 of real property and 0.65 cents per \$100 of personal property for Montgomery County and 1.63 cents for real property and 4.05 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	Total Park		Governmental Activities				General Obligation Bonds
	Principal	Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments	
2010	\$ 2,610	\$ 1,061	\$ 3,671	\$ 530	\$ 118	\$ 648	
2011	2,970	991	3,961	535	95	630	
2012	2,515	904	3,419	240	79	319	
2013	2,620	824	3,444	240	71	311	
2014	2,345	747	3,092	235	61	296	
2015-2019	10,065	2,698	12,763	710	205	915	
2020 - 2024	6,495	1,125	7,620	600	86	686	
2025 - 2029	2,670	229	2,899	120	3	123	
Totals	\$ 32,290	\$ 8,579	\$ 40,869	\$ 3,210	\$ 718	\$ 3,928	

Fiscal Year	Total Park Principal	Total Park Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments	General Obligation Bonds
2010	\$ 10,270	\$ 3,305	\$ 13,575	\$ 295	\$ 22	\$ 317	\$ 13,892
2011	10,166	2,955	13,121	290	8	298	13,419
2012	9,042	2,631	11,673	-	-	-	11,673
2013	9,290	2,313	11,603	-	-	-	11,603
2014	7,812	2,010	9,822	-	-	-	9,822
2015 - 2019	27,621	5,658	33,279	-	-	-	33,279
2020 - 2024	9,695	1,424	11,119	-	-	-	11,119
2025 - 2029	1,605	137	1,742	-	-	-	1,742
Totals	\$ 85,501	\$ 20,433	\$ 105,934	\$ 585	\$ 30	\$ 615	\$ 106,549

**Outstanding General Obligation Bonds** - General obligation bonds outstanding at June 30, 2009, consist of the following individual issues (000's):

Series	at Date of Sale	Dated	Date	Payment	Issue	June 30, 2009
<u>Montgomery County</u>						
<b>Park Acquisition and Development Bonds</b>						
Series Y-2	5.0232 %	11/01/00	11/01/10	\$ 230	\$ 5,700	\$ 460
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	875	12,155	7,430
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	3,360
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	810	5,445	3,055
Series I I-2	3.9651	03/15/07	04/01/27	185	4,700	4,330
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	140	8,405	8,405
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	5,250
				<u>2,610</u>	<u>45,655</u>	<u>32,290</u>
<b>Advance Land Acquisition Bonds</b>						
Bonds of 1995 Advance Refunding	4.7707	12/01/95	07/01/10	300	3,345	590
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	150	1,550	940
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,680
				<u>530</u>	<u>6,895</u>	<u>3,210</u>
Total Montgomery County General						
Obligation Bonds				<u>\$ 3,140</u>	<u>\$ 52,550</u>	<u>\$ 35,500</u>
<u>Prince George's County</u>						
<b>Park Acquisition and Development Bonds</b>						
Series W-2	6.4000	06/25/98	07/01/12	\$ 615	\$ 7,325	\$ 1,995
Series Z-2	4.5481	07/15/01	05/01/21	750	18,700	13,650
Series BB-2 Advance Refunding	3.3944	12/01/02	07/01/14	1,765	21,110	9,310
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	2,810	37,525	29,930
Series GG-2 Current Refunding	3.1053	07/15/05	07/01/12	2,340	13,685	6,735
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	8,190
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,635	17,300	15,691
				<u>10,270</u>	<u>124,545</u>	<u>85,501</u>
<b>Advance Land Acquisition Bonds</b>						
Bonds of 1995 Advance Refunding	4.8991	12/01/95	07/01/10	295	3,300	585
Total Prince George's County						
General Obligation Bonds				<u>\$ 10,565</u>	<u>\$ 127,845</u>	<u>\$ 86,086</u>

Notes: (1) The CC-2 and EE-2 Bonds include Advance Refunding and Park Acquisition and Development Project Bonds;

**Revenue Bonds and Revenue Notes Payable** - The Commission is authorized to issue revenue bonds and notes to finance the cost of revenue producing facilities and to refund outstanding bonds. The revenue bonds and notes are not general obligations of the Commission or county for which they are issued and are payable solely from revenues generated from revenue producing facilities. The Commission's revenue bonds and revenue notes payable, which totaled \$4,426,633 (net of a deferred amount of \$96,188) at June 30, 2009, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$1,329,112 for the fiscal year. There were no revenue bonds or revenue notes payable for Prince George's County.

The outstanding proprietary fund debt as of June 30, 2009, and the related debt service requirements for Montgomery County are as follows (000's):

Fiscal Year	Business-type Activities Revenue Bonds and Notes		
	Total Principal	Total Interest	Total Payments
2010	1,130	177	1,307
2011	1,153	130	1,283
2012	1,176	83	1,259
2013	842	35	877
2014	222	6	228
Total	<u>\$ 4,523</u>	<u>\$ 431</u>	<u>\$ 4,954</u>

The Commission is in compliance with all significant restrictive covenants related to revenue bonds and notes.

**Outstanding Revenue Bonds and Revenue Notes Payable** - Revenue bonds, net of a \$96,188 deferred amount on the Little Bennett Golf Facilities Refunding Bond, and revenue notes payable at June 30, 2009, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale		Dated	Final Maturity Date	FY2010 Serial Payment	Original Issue	Outstanding at June 30, 2009
<u>Montgomery County</u>							
Revenue Bonds and Notes							
Little Bennett Golf Course (net of deferred amount)	3.3705	%	12/09/03	11/01/12	\$ 360	\$ 3,154	\$ 1,418
Wheaton Ice Rink	3.3706		12/09/03	05/01/12	326	2,799	1,009
Cabin John Ice Rink	5.1600		04/24/99	11/01/13	444	6,000	2,000
					<u>\$ 1,130</u>	<u>\$ 11,953</u>	<u>\$ 4,427</u>

**New Debt Issue** - On May 21, 2009, the Commission issued \$8,405,000 of Montgomery County Park Acquisition and Development Refunding Bonds, Series LL-2 and \$5,250,000 of Montgomery County Park Acquisition and Development General Obligation Project Bonds, Series MM-2. The refunding bonds provided the resources to retire on June 8, 2009 \$4,550,000 of Montgomery County Park Acquisition and Development Project Bonds, Series U-2 (current refunding) and to defease the \$3,700,000 callable portion of the Montgomery County Park Acquisition and Development Project Bonds, Series Y-2 (advance refunding). The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until November 1, 2020 at a net interest cost of 2.4059% and November 1, 2028, at a net interest cost of 3.4803% respectively.

Information related to the refunding bond issue follows.

Bond issue title	Montgomery County	
	U-2	Y-2
Amount of refunding bonds issued	\$ 4,545,000	\$ 3,860,000
Amount of bonds defeased	-	3,700,000
Acquisition price in excess of carrying value of old debt	129,350	289,397
Remaining life of old bonds	9 years	11 years
Total reduction in debt service payments	385,639	330,583
Economic gain	415,165	309,704

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

Series	Redemption Date	Montgomery County
Series Y-2	November 1, 2010	\$ 3,700,000

**Changes in Long-term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2009, were as follows:

<b>Governmental activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
<b>Montgomery County</b>					
General Obligation Park Bonds Payable	\$ 29,465,000	\$ 13,655,000	\$ 10,830,000	\$ 32,290,000	\$ 2,610,000
General Obligation ALA Bonds Payable	3,745,000	-	535,000	3,210,000	530,000
Deferred charges, net of premiums, on General Obligation Bonds	(439,941)	(88,849)	(36,022)	(492,768)	-
Notes Payable - Governmental	3,294,822	-	1,164,455	2,130,367	1,212,631
Loan Payable to Montgomery County	227,200	-	56,800	170,400	56,800
Accrued Compensated Absences	7,690,081	5,402,971	5,041,775	8,051,277	5,041,775
Net Other Post Employment Benefit Obligations	4,216,687	4,441,033	-	8,657,720	-
Long-term Liabilities	48,198,849	23,410,155	17,592,008	54,016,996	9,451,206
<b>Prince George's County</b>					
General Obligation Park Bonds Payable	95,735,000	-	10,234,049	85,500,951	10,269,797
General Obligation ALA Bonds Payable	885,000	-	300,000	585,000	295,000
Deferred charges, net of premiums, on General Obligation Bonds	(1,361,218)	-	(198,275)	(1,162,943)	-
Notes Payable - Governmental	1,438,370	-	384,258	1,054,112	400,932
Accrued Compensated Absences	9,354,419	6,441,964	5,207,868	10,588,515	5,207,868
Net Other Post Employment Benefit Obligations	5,160,271	5,662,874	-	10,823,145	-
Long-term Liabilities	111,211,842	12,104,838	15,927,900	107,388,780	16,173,597
Total Long-term Liabilities	\$ 159,410,691	\$ 35,514,993	\$ 33,519,908	\$ 161,405,776	\$ 25,624,803
<b>Business type activities:</b>					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
<b>Montgomery County</b>					
Revenue Bonds and Notes Payable	\$ 5,630,044	\$ -	\$ 1,107,223	\$ 4,522,821	\$ 1,129,561
Unamortized Discount on Revenue Bonds and Notes	(128,251)	-	(32,063)	(96,188)	(32,063)
Accrued Compensated Absences	257,867	115,850	97,315	276,402	97,315
Net Other Post Employment Benefit Obligations	92,317	92,218	-	184,535	-
Long-term Liabilities	5,851,977	208,068	1,172,475	4,887,570	1,194,813
<b>Prince George's County</b>					
Accrued Compensated Absences	754,154	268,533	224,343	798,344	224,343
Net Other Post Employment Benefit Obligations	351,589	368,843	-	720,432	-
Long-term Liabilities	1,105,743	637,376	224,343	1,518,776	224,343
Total Long-term Liabilities	\$ 6,957,720	\$ 845,444	\$ 1,396,818	\$ 6,406,346	\$ 1,419,156

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

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 10,249,643	\$ 321,658	\$ 10,571,301
Due in more than One Year	8,390,149	753,088	9,143,237
Bonds and Notes Payable:			
Due within One Year	15,375,160	1,129,561	16,504,721
Due in more than One Year	107,909,959	3,297,072	111,207,031
Net Other Post employment Benefit Obligations			
Due in more than One Year	19,480,865	904,967	20,385,832
Total Long-term Liabilities	<u>\$ 161,405,776</u>	<u>\$ 6,406,346</u>	<u>\$ 167,812,122</u>

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

## **(5) – OTHER INFORMATION**

### **(A) Risk Management**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000 excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claims settlements in excess of \$250,000 for fiscal years 2007, 2008 and 2009. No insurance coverages were reduced in fiscal year 2009.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: a health maintenance organization (HMO), an exclusive provider organization (EPO), a point of service (POS), out-of-area POS (retirees only) and Medicare compliment plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were \$23,906,767 for all group health benefits in fiscal year 2009. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the plans' administrators.

Premiums are paid into the Risk Management Internal Service Fund by the General Fund and Enterprise Funds and are available to pay claims, claim reserves and administrative costs of the Program. Claims paid during fiscal year 2009 totaled \$3,934,453. 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, 2007	\$ 1,588,271	\$ 9,420,777
Incurred Claims, Fiscal Year 2008	15,416,063	3,441,882
Claims Paid, Fiscal Year 2008	<u>(14,862,750)</u>	<u>(3,103,190)</u>
Unpaid Claims, June 30, 2008	2,141,584	9,759,469
Incurred Claims, Fiscal Year 2009	14,705,490	4,349,122
Claims Paid, Fiscal Year 2009	<u>(14,848,379)</u>	<u>(3,934,453)</u>
Unpaid Claims, June 30, 2009	<u>\$ 1,998,695</u>	<u>\$ 10,174,138</u>

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 1,998,695	\$ 2,554,837	\$ 4,553,532
Due in more than One Year	-	7,619,301	7,619,301
Total	<u>\$ 1,998,695</u>	<u>\$ 10,174,138</u>	<u>\$ 12,172,833</u>

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

The Commission was involved in the following related party transactions during fiscal year 2009:

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

Department of Environmental Resources Zoning Enforcement/Inspection	1,872,300
Property Tax Collection Fees	436,700
Office Space Rental at the County Administration Building	588,624
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel	102,100
Department of Environmental Resources Water and Sewer Planning	136,800
Permits & Inspection - Department of Environmental Resource (DER)	2,300,000
Permits & Inspection - DPW&T	1,620,000
Redevelopment Authority	1,000,000
Gorgeous Prince George's	250,000
Prince George's Community College	2,500,000
Green Programs - Prince George's County Office of Central Services	50,000
Economic Development for Enterprise Zone	65,000
Total	<u>\$ 12,180,512</u>

Of this amount, \$10,278,312 is in Accounts Payable at June 30, 2009.

### **(C) Contingencies**

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



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

## **(D) Employees’ Retirement System and Pension Plans**

### **Defined Benefit Pension Plan**

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

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

**Actuarial Methods for Defined Benefit Pension Plan** - The actuarial value of assets calculates gains or losses on the basis of the actuarially assumed interest rate and recognizes one-fifth of the cumulative gains or losses not yet recognized. This year’s asset value is based on the July 1, 2008 actuarial valuation.

The Entry Age Normal Cost method is used, with level dollar amortization of the unfunded actuarial accrued liabilities as of July 1, 2005 over a closed amortization period ending July 1, 2016. Subsequent changes in unfunded actuarial accrued liabilities are amortized in equal payments over 15 years.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2008. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 4% a year plus variable merit increases, (c) cost of living increases in benefits after retirement based on the Plan’s provision for annual increases of 100% of the first 3% of change in the CPI-Urban Index for major U.S. cities plus half of the change in excess of 3%, but no more than 5% in total. The assumed post-retirement cost of living adjustment is 3%.

The funded status of the plan as of the most recent actuarial date, July 1, 2008, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	633,700
Actuarial Accrued Liability		662,225
Funded Ratio		95.7%
Unfunded Actuarial Accrued Liability		28,525
Annual Covered Payroll		132,241
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		21.6%

The net assets available for benefits at June 30, 2009 totaled \$451,265,999.

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

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years, 2007, 2008 and 2009 are presented below (\$000):

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Annual Pension Cost (APC)	\$ 9,825	\$ 10,561	\$ 14,933
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation (NPO)	-	-	-

The Commission contributes 100% of the adjusted annual required contribution and has no NPO at year-end.

### **Deferred Compensation Plans**

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

### **(E) Other Postemployment Benefits**

**Plan Description** - In addition to the pension benefits provided by the System, the Commission provides postretirement health care benefits, in accordance with Commission approval, to all full-time and part-time career employees, directors appointed by Montgomery County and Prince George's County Planning Boards, Merit System Board Members, Commissioners, appointed officials and Employees' Retirement System employees who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan at the end of their Commission or System service, and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. Currently 720 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 85 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees and retiree Benefits levels are established annually by resolution of the Commission.

**Funding Policy** - On July 1, 1999, the Commission established a 115 Trust account (the "Trust") for the purpose of pre-funding a portion of retiree insurance costs in the future. The Commission executed a Discretionary Investment Management Agreement with a Financial Advisor (Custodial Trustee) of the account. Per the Post-Retirement Insurance Benefits Program Trust Agreement I - Contributions, the Commission may elect to contribute additional amounts as deemed necessary to meet its benefit costs.

Prior to fiscal year 2008, the Trust account had not been funded based on actuarial information. The fund was used in certain prior fiscal years to pay the net cost of postretirement health care benefits, net of the retiree contributions. A minimal balance was retained in the fund to maintain the legal status of the trust.

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

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

Annual required contribution (expense)	\$ 21,306
Contribution made	<u>10,741</u>
Increase in Net OPEB contribution	10,565
Net OPEB obligation, beginning of year	<u>9,821</u>
Net OPEB obligation, end of year	<u><u>\$ 20,386</u></u>

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

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

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

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

**Actuarial Methods for Retiree Health Care Benefits Plan** - The actuarial value of assets is the fair value of the investments. This year’s asset value is based on the July 1, 2008 actuarial valuation.

The Projected Unit Credit Cost method is used, with level percentage of pay amortization of the unfunded actuarial liabilities over an open 30 year amortization period.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2008. Significant actuarial assumptions used in the valuation are as follows:

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

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

**Healthcare Cost Trend Rates** – The expected rate of increase for healthcare costs in 2009 was estimated at 9.5% for prescription drugs and medical costs, and 5.5% for dental and vision. Declining rates of increase were used, with 2019 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2008, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	2,817
Actuarial Accrued Liability		257,492
Funded Ratio		1.09%
Unfunded Actuarial Accrued Liability		254,675
Annual Covered Payroll		131,074
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		194.3%

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

The Trust's financial records are not maintained on a separate county basis.

## **(F) Pension Trust Funds**

Combining schedules of the pension trust funds follow:

Combining Schedules of Net Assets  
Pension Trust Funds  
June 30, 2009

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 602,103	\$ 602,103
Cash	27,957	17,530	45,487
Fixed Income Securities	126,922,128	-	126,922,128
International Fixed Income Securities	26,625,065	-	26,625,065
Corporate Stock	210,216,353	-	210,216,353
International Corporate Stock	57,811,003	-	57,811,003
Real Estate	22,147,479	-	22,147,479
Short Term Investments	16,282,919	-	16,282,919
Mutual Funds	-	7,457,761	7,457,761
Collateral for Securities Lending Transactions	21,963,391	-	21,963,391
Accounts Receivable	1,401,972	-	1,401,972
Other	14,783	-	14,783
Total Assets	<u>483,413,050</u>	<u>8,077,394</u>	<u>491,490,444</u>
<b>LIABILITIES</b>			
Investment Payable	9,037,432	-	9,037,432
Accounts Payable	572,335	4,872	577,207
Claims Payable	-	597,231	597,231
Obligation for Collateral Received under Securities Lending Transactions	22,537,284	-	22,537,284
Total Liabilities	<u>32,147,051</u>	<u>602,103</u>	<u>32,749,154</u>
<b>NET ASSETS</b>			
Assets Held in Trust for:			
Pension Benefits	451,265,999	-	451,265,999
Other Postemployment Benefits	-	7,475,291	7,475,291
Total Net Assets	<u>\$ 451,265,999</u>	<u>\$ 7,475,291</u>	<u>\$ 458,741,290</u>

Combining Schedules of Changes in Net Assets  
Pension Trust Funds  
For the Year Ended June 30, 2009

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
<b>ADDITIONS:</b>			
<b>Contributions:</b>			
Employer	\$ 14,933,506	\$ 11,608,636	\$ 26,542,142
Plan Members	4,892,570	-	4,892,570
Plan Members for Current Benefits	-	845,226	845,226
Total Contributions	<u>19,826,076</u>	<u>12,453,862</u>	<u>32,279,938</u>
Federal Grants - Medicare	-	333,101	333,101
<b>Investment Earnings:</b>			
Interest	6,407,173	7,690	6,414,863
Dividends	51,299	235,647	286,946
Net increase (decrease) in the Fair Value of Investments	<u>(124,430,522)</u>	<u>(963,616)</u>	<u>(125,394,138)</u>
Total Investment Earnings (loss)	(117,972,050)	(720,279)	(118,692,329)
Less Investment Advisory and Management Fees	<u>(1,577,950)</u>	<u>(19,159)</u>	<u>(1,597,109)</u>
Net Income (loss) from Investing Activities	<u>(119,550,000)</u>	<u>(739,438)</u>	<u>(120,289,438)</u>
<b>Securities Lending Activity</b>			
Securities Lending Income	355,078	-	355,078
Securities Lending Fees	<u>(249,946)</u>	-	<u>(249,946)</u>
Net Income from Securities Lending Activity	<u>105,132</u>	-	<u>105,132</u>
Total Net Investment Loss	<u>(119,444,868)</u>	<u>(739,438)</u>	<u>(120,184,306)</u>
Total Additions and Investment Losses	<u>(99,618,792)</u>	<u>12,047,525</u>	<u>(87,571,267)</u>
<b>DEDUCTIONS:</b>			
Benefits	25,670,702	7,389,223	33,059,925
Refunds of Contributions	249,583	-	249,583
Administrative expenses	<u>1,358,695</u>	-	<u>1,358,695</u>
Total Deductions	<u>27,278,980</u>	<u>7,389,223</u>	<u>34,668,203</u>
Change in Net Assets	<u>(126,897,772)</u>	<u>4,658,302</u>	<u>(122,239,470)</u>
Net Assets - Beginning	<u>578,163,771</u>	<u>2,816,989</u>	<u>580,980,760</u>
Net Assets - Ending	<u>\$ 451,265,999</u>	<u>\$ 7,475,291</u>	<u>\$ 458,741,290</u>

## **(6) – PRIOR PERIOD ADJUSTMENT**

The Commission had adopted a fiscally prudent policy in 1985 to fund the compensated absences liability in an Internal Service Fund. However, current accounting standards do not permit the pre-funding of compensated absences accrued by employees paid with resources of the Governmental Funds. Therefore, the Commission had a prior period adjustment to the Internal Service Funds in FY 2009. The adjustment is presented below.

### **Internal Service Funds:**

Beginning Net Assets Internal Service Funds	\$	34,093,648
Elimination of Liability		17,082,246
Adjusted Beginning Net Assets Internal Service Funds, restated	\$	<u>51,175,894</u>

## **(7) – COUNTY FINANCIAL DATA**

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

**MONTGOMERY COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2009**

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 7,355,707	\$ 15,191,532	\$ 22,547,239	\$ 212,442	\$ 2,052,414	\$ 24,812,095
Receivables - Taxes (net of allowance for uncollectibles)	602,957	1,639,316	2,242,273	-	76,318	2,318,591
Receivables - Other	114,458	18,986	133,444	-	13,728	147,172
Due from County Government	211,581	33,691	245,272	3,192,695	303,060	3,741,027
Due from Other Governments	-	44,343	44,343	1,397,378	-	1,441,721
Restricted Cash - Unspent Debt Proceeds	-	-	-	2,933,418	-	2,933,418
Other	12,389	-	12,389	-	-	12,389
Total Assets	<u>\$ 8,297,092</u>	<u>\$ 16,927,868</u>	<u>\$ 25,224,960</u>	<u>\$ 7,735,933</u>	<u>\$ 2,445,520</u>	<u>\$ 35,406,413</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 554,219	\$ 1,656,261	\$ 2,210,480	\$ 2,815,682	\$ 64,987	\$ 5,091,149
Accrued Liabilities	1,087,203	2,695,582	3,782,785	-	41,886	3,824,671
Retainage Payable	-	-	-	879,292	-	879,292
Due to County Government	60	-	60	-	35	95
Deposits and Deferred Revenue	385,101	1,189,611	1,574,712	875,000	126,467	2,576,179
Total Liabilities	<u>2,026,583</u>	<u>5,541,454</u>	<u>7,568,037</u>	<u>4,569,974</u>	<u>233,375</u>	<u>12,371,386</u>
<b>Fund Balances:</b>						
Reserved for Encumbrances	3,137,475	3,837,443	6,974,918	13,074,814	426,036	20,475,768
Reserved for Debt Service	-	-	-	-	29,118	29,118
Unreserved, Designated for Contingencies	833,300	2,383,300	3,216,600	-	-	3,216,600
Unreserved, Designated for Subsequent Years	1,068,200	4,574,300	5,642,500	-	-	5,642,500
Unreserved, Undesignated, Reported in:						
General Fund	1,231,534	591,371	1,822,905	-	-	1,822,905
Special Revenue Fund	-	-	-	-	1,756,991	1,756,991
Capital Projects	-	-	-	(9,908,855)	-	(9,908,855)
Total Fund Balances	<u>6,270,509</u>	<u>11,386,414</u>	<u>17,656,923</u>	<u>3,165,959</u>	<u>2,212,145</u>	<u>23,035,027</u>
Total Liabilities and Fund Balances	<u>\$ 8,297,092</u>	<u>\$ 16,927,868</u>	<u>\$ 25,224,960</u>	<u>\$ 7,735,933</u>	<u>\$ 2,445,520</u>	<u>\$ 35,406,413</u>



**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2009**

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>REVENUES</b>						
Property Taxes	\$ 27,503,864	\$ 76,815,841	\$ 104,319,705	\$ -	\$ 1,700,802	\$ 106,020,507
Intergovernmental:						
Federal	-	33,062	33,062	488,219	-	521,281
State	-	207,499	207,499	895,889	-	1,103,388
County	868,103	25,000	893,103	10,640,732	541,715	12,075,550
Local	-	29,905	29,905	-	33,977	63,882
Charges for Services	401,328	895,479	1,296,807	-	1,690,463	2,987,270
Rentals and Concessions	-	1,426,893	1,426,893	-	34,618	1,461,511
Interest	201,425	407,513	608,938	289,009	65,103	963,050
Sale of Land	-	-	-	355,028	-	355,028
Contributions	-	-	-	37,500	100,395	137,895
Miscellaneous	23,156	145,549	168,705	5,820	206,409	380,934
Total Revenues	<u>28,997,876</u>	<u>79,986,741</u>	<u>108,984,617</u>	<u>12,712,197</u>	<u>4,373,482</u>	<u>126,070,296</u>
<b>EXPENDITURES</b>						
Current:						
General Government	8,338,955	-	8,338,955	-	-	8,338,955
Planning and Zoning	17,394,696	-	17,394,696	-	3,693,007	21,087,703
Park Operations and Maintenance	-	76,921,127	76,921,127	-	293,465	77,214,592
Contributions	-	-	-	-	1,001,558	1,001,558
Debt Service:						
Principal	28,400	28,400	56,800	-	3,115,000	3,171,800
Interest	-	-	-	-	1,349,890	1,349,890
Other Debt Service Costs	-	-	-	-	152,877	152,877
Capital Outlay:						
Park Acquisition	-	-	-	2,206,268	-	2,206,268
Park Development	-	-	-	17,863,760	-	17,863,760
Total Expenditures	<u>25,762,051</u>	<u>76,949,527</u>	<u>102,711,578</u>	<u>20,070,028</u>	<u>9,605,797</u>	<u>132,387,403</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,235,825</u>	<u>3,037,214</u>	<u>6,273,039</u>	<u>(7,357,831)</u>	<u>(5,232,315)</u>	<u>(6,317,107)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
General Obligation Bonds Issued	-	-	-	5,250,000	-	5,250,000
Refunding Bonds Issued	-	-	-	-	8,405,000	8,405,000
Premiums on Bonds Issued	-	-	-	38,212	343,405	381,617
Payment to Refunding Bond Escrow Account	-	-	-	-	(8,650,856)	(8,650,856)
Transfers In	-	289,009	289,009	-	5,615,862	5,904,871
Transfer Out	(1,773,000)	(4,423,650)	(6,196,650)	(327,221)	-	(6,523,871)
Total Other Financing Sources (Uses)	<u>(1,773,000)</u>	<u>(4,134,641)</u>	<u>(5,907,641)</u>	<u>4,960,991</u>	<u>5,713,411</u>	<u>4,766,761</u>
Net Change in Fund Balances	1,462,825	(1,097,427)	365,398	(2,396,840)	481,096	(1,550,346)
Fund Balances - Beginning	4,807,684	12,483,841	17,291,525	5,562,799	1,731,049	24,585,373
Fund Balances - Ending	<u>\$ 6,270,509</u>	<u>\$ 11,386,414</u>	<u>\$ 17,656,923</u>	<u>\$ 3,165,959</u>	<u>\$ 2,212,145</u>	<u>\$ 23,035,027</u>

**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, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 27,460,600	\$ 27,460,600	\$ 27,503,864	\$ 43,264
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	737,500	737,500	868,103	130,603
Charges for Services	400,000	400,000	401,328	1,328
Interest	250,000	250,000	201,425	(48,575)
Miscellaneous	-	-	23,156	23,156
Total Revenues	28,998,100	28,998,100	28,997,876	(224)
Expenditures/Encumbrances:				
Commissioners' Office	1,605,200	1,207,000	988,287	218,713
Central Administrative Services -				
Department of Human Resources and Management	2,680,500	2,680,500	2,586,042	94,458
Department of Finance	3,236,400	3,236,400	3,127,365	109,035
Legal Department	1,072,400	1,072,400	1,066,048	6,352
Support Services	512,300	512,300	513,188	(888)
Merit System Board	55,200	55,200	51,527	3,673
Total Central Administrative Services	7,556,800	7,556,800	7,344,170	212,630
Planning Department -				
Park and Planning Director's Office	518,700	616,600	578,087	38,513
Management Services	841,400	2,459,800	2,306,175	153,625
Strategic Planning	240,800	-	-	-
Urban Design	-	1,458,200	1,358,594	99,606
Transportation Planning	-	1,894,200	1,866,452	27,748
Community-Based Planning	3,551,800	2,351,600	2,263,300	88,300
County-wide Planning	4,432,100	2,393,600	2,310,847	82,753
Development Review	1,628,000	943,000	945,022	(2,022)
Research and Technology	4,829,600	4,481,400	4,309,150	172,250
Support Services	2,110,100	1,952,300	2,095,639	(143,339)
Grants	150,000	150,000	-	150,000
Total Planning Department	18,302,500	18,700,700	18,033,266	667,434
Non-Departmental	-	-	(124,338)	124,338
Total Expenditures/Encumbrances	27,464,500	27,464,500	26,241,385	1,223,115
Excess of Revenues over (under) Expenditures/Encumbrances	1,533,600	1,533,600	2,756,491	1,222,891
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund - Dev. Review	(1,773,000)	(1,773,000)	(1,773,000)	-
Total Other Financing Sources (Uses)	(1,773,000)	(1,773,000)	(1,773,000)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (239,400)	\$ (239,400)	983,491	\$ 1,222,891
Fund Balance - Budget Basis, Beginning			2,149,543	
Fund Balance - Budget Basis, Ending			\$ 3,133,034	

**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, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 76,628,600	\$ 76,628,600	\$ 76,815,841	\$ 187,241
Intergovernmental -				
Federal	-	33,062	33,062	-
State	425,000	357,052	207,499	(149,553)
Other	-	29,905	29,905	-
County	-	-	25,000	25,000
Charges for Services	1,019,600	1,019,600	895,479	(124,121)
Rentals and Concessions	1,749,600	1,749,600	1,426,893	(322,707)
Interest	520,000	520,000	407,513	(112,487)
Miscellaneous	33,500	38,481	145,549	107,068
<b>Total Revenues</b>	<u>80,376,300</u>	<u>80,376,300</u>	<u>79,986,741</u>	<u>(389,559)</u>
<b>Expenditures/Encumbrances:</b>				
Director of Montgomery Parks	2,706,100	2,706,100	2,749,983	(43,883)
Management Services	886,700	886,700	902,343	(15,643)
Facilities Management	1,750,200	1,750,200	1,547,319	202,881
Park Planning and Stewardship	3,734,200	3,734,200	3,340,937	393,263
Research and Technology	1,945,000	1,945,000	1,667,153	277,847
Park Development	3,771,600	3,771,600	3,265,843	505,757
Park Police	12,084,200	12,084,200	11,833,281	250,919
Natural Resources	6,179,300	6,179,300	5,866,903	312,397
Central Maintenance	11,244,900	11,244,900	10,989,955	254,945
Northern Region	8,974,600	8,974,600	8,725,496	249,104
Southern Region	13,157,200	13,157,200	13,016,940	140,260
Support Services	12,675,700	12,675,700	13,943,270	(1,267,570)
Grants	425,000	425,000	275,448	149,552
Property Management	1,137,400	1,137,400	906,037	231,363
Non-Departmental	-	-	(25,199)	25,199
<b>Total Expenditures/Encumbrances</b>	<u>80,672,100</u>	<u>80,672,100</u>	<u>79,005,709</u>	<u>1,666,391</u>
Excess of Revenues over (under)				
Expenditures/Encumbrances	<u>(295,800)</u>	<u>(295,800)</u>	<u>981,032</u>	<u>1,276,832</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In/Out-				
Capital Projects Funds	130,000	130,000	289,009	159,009
Debt Service Fund	(4,005,800)	(4,005,800)	(3,804,650)	201,150
Enterprise Fund	(619,000)	(619,000)	(619,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(4,494,800)</u>	<u>(4,494,800)</u>	<u>(4,134,641)</u>	<u>360,159</u>
Excess of Revenues and Other Financing Sources				
over (under) Expenditures and Other Financing Uses	<u>\$ (4,790,600)</u>	<u>\$ (4,790,600)</u>	<u>(3,153,609)</u>	<u>\$ 1,636,991</u>
Fund Balance - Budget Basis, Beginning			10,702,580	
Fund Balance - Budget Basis, Ending			<u>\$ 7,548,971</u>	

**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2009**

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 35,376,387	\$ 72,120,673	\$ 44,525,372	\$ 152,022,432	\$ 122,876,564	\$ 4,347,093	\$ 279,246,089
Receivables - Taxes (net of allowance for uncollectibles)	731,033	2,507,056	1,339,759	4,577,848	-	29,261	4,607,109
Receivables - Other	11,950	11,114	13,540	36,604	1,775,016	-	1,811,620
Due from County Government	-	-	-	-	-	171,855	171,855
Due from Other Governments	113,239	22,130	144,177	279,546	3,804,179	-	4,083,725
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	10,076,561	-	10,076,561
Other	10,191	-	-	10,191	-	-	10,191
Total Assets	\$ 36,242,800	\$ 74,660,973	\$ 46,022,848	\$ 156,926,621	\$ 138,532,320	\$ 4,548,209	\$ 300,007,150
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 9,846,853	\$ 4,221,923	\$ 5,444,454	\$ 19,513,230	\$ 1,729,680	\$ 394,751	\$ 21,637,661
Accrued Liabilities	827,001	2,721,509	3,030,688	6,579,198	-	95,682	6,674,880
Retainage Payable	-	-	-	-	749,908	-	749,908
Deposits and Deferred Revenue	277,221	1,158,331	3,500,154	4,935,706	-	39,000	4,974,706
Total Liabilities	10,951,075	8,101,763	11,975,296	31,028,134	2,479,588	529,433	34,037,155
<b>Fund Balances:</b>							
Reserved for Encumbrances	10,871,655	9,917,207	3,642,635	24,431,497	15,879,797	421,467	40,732,761
Reserved for Debt Service	-	-	-	-	-	14,261	14,261
Unreserved, Designated for Contingencies	2,475,500	8,133,200	3,473,300	14,082,000	-	-	14,082,000
Unreserved, Designated for Subsequent Years	2,160,900	10,845,200	2,227,100	15,233,200	-	-	15,233,200
Unreserved, Undesignated, Reported in:							
General Fund	9,783,670	37,663,603	24,704,517	72,151,790	-	-	72,151,790
Special Revenue Fund	-	-	-	-	-	3,583,048	3,583,048
Capital Projects	-	-	-	-	120,172,935	-	120,172,935
Total Fund Balances	25,291,725	66,559,210	34,047,552	125,898,487	136,052,732	4,018,776	265,969,995
Total Liabilities and Fund Balances	\$ 36,242,800	\$ 74,660,973	\$ 46,022,848	\$ 156,926,621	\$ 138,532,320	\$ 4,548,209	\$ 300,007,150

**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2009**

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>REVENUES</b>							
Property Taxes	\$ 42,091,842	\$ 149,481,184	\$ 55,164,393	\$ 246,737,419	\$ -	\$ 1,208,337	\$ 247,945,756
Intergovernmental:							
Federal	-	45,997	146,699	192,696	30,306	-	223,002
State	-	21,737	343,924	365,661	2,710,611	-	3,076,272
County	160,278	3,000	-	163,278	-	173,702	336,980
Local	-	11,349	-	11,349	-	-	11,349
Charges for Services	1,012,211	373,815	6,221,020	7,607,046	-	977,903	8,584,949
Rentals and Concessions	-	2,019,287	714,727	2,734,014	-	4,821,693	7,555,707
Interest	891,080	1,382,777	1,109,012	3,382,869	3,043,344	175,833	6,602,046
Contributions	-	-	-	-	2,025,016	372,768	2,397,784
Miscellaneous	1,164	266,172	73,466	340,802	402	53,352	394,556
Total Revenues	<u>44,156,575</u>	<u>153,605,318</u>	<u>63,773,241</u>	<u>261,535,134</u>	<u>7,809,679</u>	<u>7,783,588</u>	<u>277,128,401</u>
<b>EXPENDITURES</b>							
Current:							
General Government	10,016,143	-	-	10,016,143	-	-	10,016,143
Planning and Zoning	36,052,040	-	-	36,052,040	-	-	36,052,040
Park Operations and Maintenance	-	85,254,655	-	85,254,655	-	334,485	85,589,140
Recreation	-	-	58,239,277	58,239,277	-	6,770,679	65,009,956
Contributions	-	-	-	-	-	859,223	859,223
Debt Service:							
Principal	-	-	-	-	-	10,534,049	10,534,049
Interest	-	-	-	-	-	3,715,795	3,715,795
Other Debt Service Costs	-	-	-	-	-	25,958	25,958
Capital Outlay:							
Park Acquisition	-	-	-	-	6,801,138	-	6,801,138
Park Development	-	-	-	-	11,097,576	-	11,097,576
Total Expenditures	<u>46,068,183</u>	<u>85,254,655</u>	<u>58,239,277</u>	<u>189,562,115</u>	<u>17,898,714</u>	<u>22,240,189</u>	<u>229,701,018</u>
Excess (deficiency) of Revenues over Expenditures	<u>(1,911,608)</u>	<u>68,350,663</u>	<u>5,533,964</u>	<u>71,973,019</u>	<u>(10,089,035)</u>	<u>(14,456,601)</u>	<u>47,427,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	3,043,344	-	3,043,344	61,182,809	13,986,572	78,212,725
Transfer Out	(50,000)	(73,490,572)	(8,980,900)	(82,521,472)	(3,043,344)	(1,628,809)	(87,193,625)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(70,447,228)</u>	<u>(8,980,900)</u>	<u>(79,478,128)</u>	<u>58,139,465</u>	<u>12,357,763</u>	<u>(8,980,900)</u>
Net Change in Fund Balances	(1,961,608)	(2,096,565)	(3,446,936)	(7,505,109)	48,050,430	(2,098,838)	38,446,483
Fund Balances - Beginning	<u>27,253,333</u>	<u>68,655,775</u>	<u>37,494,488</u>	<u>133,403,596</u>	<u>88,002,302</u>	<u>6,117,614</u>	<u>227,523,512</u>
Fund Balances - Ending	<u>\$ 25,291,725</u>	<u>\$ 66,559,210</u>	<u>\$ 34,047,552</u>	<u>\$ 125,898,487</u>	<u>\$ 136,052,732</u>	<u>\$ 4,018,776</u>	<u>\$ 265,969,995</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, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 39,793,000	\$ 39,793,000	\$ 42,091,842	\$ 2,298,842
Intergovernmental - County	210,000	174,276	160,278	(13,998)
Charges for Services	1,628,000	1,628,000	1,012,211	(615,789)
Interest	690,000	690,000	891,080	201,080
Miscellaneous	-	-	1,164	1,164
Total Revenues	<u>42,321,000</u>	<u>42,285,276</u>	<u>44,156,575</u>	<u>1,871,299</u>
Expenditures/Encumbrances:				
Commissioners' Office	2,866,800	2,866,800	2,544,533	322,267
Central Administrative Services - Department of Human Resources and Management	2,680,500	2,680,500	2,586,042	94,458
Department of Finance	3,236,400	3,236,400	3,127,365	109,035
Legal Department	1,126,000	1,126,000	1,125,312	688
Support Services	512,300	512,300	513,188	(888)
Merit System Board	55,200	55,200	51,528	3,672
Total Central Administrative Services	<u>7,610,400</u>	<u>7,610,400</u>	<u>7,403,435</u>	<u>206,965</u>
Planning Department - Director's Office	2,569,600	3,069,600	4,332,292	(1,262,692)
Development Review	8,298,900	8,298,900	6,627,095	1,671,805
Community Planning North	5,502,300	5,502,300	4,000,252	1,502,048
Community Planning South	4,938,200	4,938,200	3,629,658	1,308,542
Information Management	7,745,500	7,745,500	7,698,394	47,106
Countywide Planning	8,671,300	8,671,300	7,279,892	1,391,408
Information Center	6,222,500	6,222,500	3,501,253	2,721,247
Support Services	2,052,100	2,052,100	1,594,866	457,234
Grants	130,000	94,276	94,276	-
Total Planning Department	<u>46,130,400</u>	<u>46,594,676</u>	<u>38,757,978</u>	<u>7,836,698</u>
Non-Departmental	-	-	(360,876)	360,876
Total Expenditures/Encumbrances	<u>56,607,600</u>	<u>57,071,876</u>	<u>48,345,070</u>	<u>8,726,806</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(14,286,600)</u>	<u>(14,786,600)</u>	<u>(4,188,495)</u>	<u>10,598,105</u>
Other Financing Sources (Uses):				
Transfers In (Out) - Special Revenue Fund	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (14,336,600)</u>	<u>\$ (14,836,600)</u>	<u>(4,238,495)</u>	<u>\$ 10,598,105</u>
Fund Balance - Budget Basis, Beginning			18,658,565	
Fund Balance - Budget Basis, Ending			<u>\$ 14,420,070</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, 2009**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 140,022,000	\$ 140,022,000	\$ 149,481,184	\$ 9,459,184
Intergovernmental -				
Federal	-	23,532	45,997	22,465
State	-	16,089	21,737	5,648
Local	-	11,349	11,349	-
County	-	3,000	3,000	-
Charges for Services	336,600	336,600	373,815	37,215
Rentals and Concessions	2,066,200	2,066,200	2,019,287	(46,913)
Interest	1,530,000	1,530,000	1,382,777	(147,223)
Miscellaneous	314,400	314,400	266,172	(48,228)
Total Revenues	<u>144,269,200</u>	<u>144,323,170</u>	<u>153,605,318</u>	<u>9,282,148</u>
Expenditures/Encumbrances:				
Director's Office	3,570,300	2,894,400	2,820,132	74,268
Park Police	15,209,500	14,538,800	14,295,665	243,135
Support Services	11,860,300	12,915,300	12,857,387	57,913
Park Planning and Development	5,773,300	6,248,900	6,041,469	207,431
Information Technology and Communication	1,834,600	2,116,700	2,093,984	22,716
Facility Operations -				
Administration	430,400	417,200	389,594	27,606
Maintenance and Development	25,719,700	27,710,400	28,371,513	(661,113)
Natural and Historical Resources	2,742,100	2,553,200	2,618,085	(64,885)
Arts and Cultural Heritage	1,786,300	1,714,100	1,723,358	(9,258)
Park Permits and Aquatics Maintenance	554,600	393,800	427,482	(33,682)
Total Facility Operations	<u>31,233,100</u>	<u>32,788,700</u>	<u>33,530,032</u>	<u>(741,332)</u>
Area Operations -				
Northern Area	6,059,800	5,813,600	5,785,434	28,166
Central Area	5,807,300	5,656,700	5,439,921	216,779
Southern Area	5,248,300	5,234,800	5,106,423	128,377
Total Area Operations	<u>17,115,400</u>	<u>16,705,100</u>	<u>16,331,778</u>	<u>373,322</u>
Grants	-	53,970	53,970	-
Non-Departmental	3,963,900	2,802,500	2,569,674	232,826
Total Expenditures/Encumbrances	<u>90,560,400</u>	<u>91,064,370</u>	<u>90,594,091</u>	<u>470,279</u>
Excess of Revenues over Expenditures/Encumbrances	<u>53,708,800</u>	<u>53,258,800</u>	<u>63,011,227</u>	<u>9,752,427</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	1,140,000	1,140,000	3,043,344	1,903,344
Debt Service - Park Fund	(14,223,900)	(14,223,900)	(13,936,572)	287,328
Capital Projects Funds - Development	(59,554,000)	(59,554,000)	(59,554,000)	-
Total Other Financing Sources (Uses)	<u>(72,637,900)</u>	<u>(72,637,900)</u>	<u>(70,447,228)</u>	<u>2,190,672</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (18,929,100)</u>	<u>\$ (19,379,100)</u>	<u>(7,436,001)</u>	<u>\$ 11,943,099</u>
Fund Balance - Budget Basis, Beginning			64,078,004	
Fund Balance - Budget Basis, Ending			<u>\$ 56,642,003</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, 2009**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 51,896,000	\$ 51,896,000	\$ 55,164,393	\$ 3,268,393
Intergovernmental -				
Federal	-	146,699	146,699	-
State	-	343,922	343,922	-
Charges for Services	6,268,900	6,268,900	6,221,020	(47,880)
Rentals and Concessions	630,700	630,700	714,726	84,026
Interest	1,404,000	1,404,000	1,109,012	(294,988)
Miscellaneous	92,600	92,600	73,466	(19,134)
Total Revenues	<u>60,292,200</u>	<u>60,782,821</u>	<u>63,773,238</u>	<u>2,990,417</u>
<b>Expenditures/Encumbrances:</b>				
Director's Office	1,401,300	1,241,300	1,023,644	217,656
Deputy Director	260,000	260,000	255,726	4,274
Support Services	6,274,000	7,198,400	6,357,002	841,398
Information Technology Communications	2,698,300	3,673,300	3,809,953	(136,653)
Total Director's Office	<u>10,633,600</u>	<u>12,373,000</u>	<u>11,446,325</u>	<u>926,675</u>
<b>Facility Operations:</b>				
Sports/Athletic/Outreach Program	5,083,000	4,998,000	4,942,939	55,061
Natural and Historical Resources	4,385,600	4,284,600	4,462,348	(177,748)
Arts and Cultural Heritage	3,655,100	3,655,100	3,467,188	187,912
Grants	-	490,621	491,168	(547)
Total Facility Operations	<u>13,123,700</u>	<u>13,428,321</u>	<u>13,363,643</u>	<u>64,678</u>
<b>Area Operations:</b>				
Deputy Director	534,900	534,900	494,342	40,558
Northern Area	7,990,200	7,862,800	8,430,252	(567,452)
Central Area	7,007,200	6,907,200	6,891,944	15,256
Southern Area	7,950,500	7,450,500	7,291,304	159,196
Child Care and Special Projects	5,434,500	5,461,900	5,453,625	8,275
Total Area Operations	<u>28,917,300</u>	<u>28,217,300</u>	<u>28,561,467</u>	<u>(344,167)</u>
Non-Departmental	4,692,700	4,839,300	4,503,690	335,610
Total Operating Expenditures/Encumbrances	<u>57,367,300</u>	<u>58,857,921</u>	<u>57,875,125</u>	<u>982,796</u>
Excess of Revenues over (under) Expenditures/Encumbrances	<u>2,924,900</u>	<u>1,924,900</u>	<u>5,898,113</u>	<u>3,973,213</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out) -				
Enterprise	(8,980,900)	(8,980,900)	(8,980,900)	-
Total Other Financing Sources (Uses)	<u>(8,980,900)</u>	<u>(8,980,900)</u>	<u>(8,980,900)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (6,056,000)</u>	<u>\$ (7,056,000)</u>	<u>(3,082,787)</u>	<u>\$ 3,973,213</u>
Fund Balance - Budget Basis, Beginning			33,487,704	
Fund Balance - Budget Basis, Ending			<u>\$ 30,404,917</u>	



**Required Supplementary Information for Defined Benefit Pension Plan  
(Unaudited)**

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)

	<u>July 1, 2006</u>	<u>July 1, 2007</u>	<u>July 1, 2008</u>
Actuarial Valuation of Plan Assets	\$ 552,432	\$ 600,285	\$ 633,700
Actuarial Accrued Liability	544,748	615,589	662,225
Funded Ratio	101.4%	97.5%	95.7%
Actuarial Value of Assets in Excess of (less than) Actuarial Accrued Liability	7,684	(15,304)	(28,525)
Annual Covered Payroll	109,579	122,825	132,241
Actuarial Value of Assets in Excess of (less than) Actuarial Accrued Liability as a Percentage of Covered Payroll	7.0%	-12.5%	-21.6%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the unfunded percentage, the stronger the system.

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

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

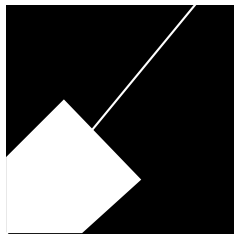
**Schedule of Funding Progress for Other Postemployment Benefits Plan (the Plan)** - The actuarial accrued liability at the valuation date shown on the Schedule of Funding Progress is a measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate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

The Commission adopted the accounting requirements of GASB Statement No. 45 prospectively in fiscal year 2008, and began a formal program of funding these benefits in that fiscal year. Therefore the full three years of information required is not available, and the impact of that funding is not reflected in the actuarial information presented below. However, information from two actuarial valuations is available, summarized as follows:

SCHEDULE OF FUNDING PROGRESS (000'S)

	<u>July 1, 2006</u>	<u>July 1, 2007</u>	<u>July 1, 2008</u>
Actuarial Valuation of Plan Assets	\$ 132	\$ 144	\$ 2,817
Actuarial Accrued Liability	208,005	232,535	257,492
Funded Ratio	0.06%	0.06%	1.09%
Unfunded Actuarial Accrued Liability	207,873	232,391	254,675
Annual Covered Payroll	109,579	122,825	131,074
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	189.7%	189.2%	194.3%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the unfunded percentage, the stronger the system.



---

# ◆ PART IIB ◆

## FINANCIAL SECTION

---

### Combining Statements and Schedules



The Brainard Warner House, built in 1894, is the former home of the founder of the original town of Kensington.

### 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, 2009

	MONTGOMERY COUNTY										PRINCE GEORGE'S COUNTY										
	Special Revenue Funds					Advance Land Acquisition Debt Service					Special Revenue Funds					Advance Land Acquisition Debt Service					
	Planning	Parks	Special Revenue	Total		Planning	Park Debt Service	Special Revenue	Total		Planning	Park Debt Service	Special Revenue	Total		Planning	Park Debt Service	Special Revenue	Total		
<b>ASSETS</b>																					
Equity in Pooled Cash and Investments	\$ 1,474,692	\$ 481,118	\$ 1,955,810	\$ 96,604	\$ 2,052,414	\$ 139,861	\$ 4,190,533	\$ 4,330,394	\$ 4,347,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	-	-	13,728	-	13,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	-	13,728	-	-	13,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from County Government	303,060	-	303,060	-	303,060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,777,752</b>	<b>\$ 494,846</b>	<b>\$ 2,272,598</b>	<b>\$ 96,604</b>	<b>\$ 2,445,520</b>	<b>\$ 139,861</b>	<b>\$ 4,362,388</b>	<b>\$ 4,502,249</b>	<b>\$ 4,548,209</b>	<b>\$ 29,261</b>	<b>\$ 29,261</b>	<b>\$ 171,855</b>	<b>\$ 4,502,249</b>	<b>\$ 4,548,209</b>	<b>\$ 171,855</b>	<b>\$ 29,261</b>	<b>\$ 171,855</b>	<b>\$ 4,548,209</b>	<b>\$ 4,548,209</b>	<b>\$ 171,855</b>	<b>\$ 6,993,729</b>
<b>LIABILITIES</b>																					
Accounts Payable	\$ 7,088	\$ 2,275	\$ 9,363	\$ 55,624	\$ 64,987	\$ -	\$ 378,052	\$ 378,052	\$ 394,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	507	399	906	40,980	41,886	-	95,682	95,682	95,682	-	-	-	-	-	-	-	-	-	-	-	-
Due to County Government	35	-	35	-	35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and Deferred Revenue	35,645	43,622	79,267	47,200	126,467	-	24,000	24,000	39,000	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 43,275</b>	<b>\$ 46,296</b>	<b>\$ 89,571</b>	<b>\$ 96,604</b>	<b>\$ 233,375</b>	<b>\$ -</b>	<b>\$ 497,734</b>	<b>\$ 497,734</b>	<b>\$ 529,433</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 497,734</b>	<b>\$ 529,433</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 497,734</b>	<b>\$ 529,433</b>	<b>\$ 15,000</b>	<b>\$ 762,808</b>
<b>FUND BALANCES</b>																					
Reserved for Encumbrances	417,385	8,651	426,036	-	426,036	-	421,467	421,467	421,467	-	-	-	-	-	-	-	-	-	-	-	-
Reserved for Debt Service	-	-	-	29,118	29,118	-	-	-	-	14,261	14,261	-	-	-	-	-	-	-	-	-	-
Unreserved, Undesignated	1,317,092	439,899	1,756,991	-	1,756,991	139,861	3,443,187	3,583,048	3,583,048	-	-	3,583,048	4,004,515	3,583,048	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 1,734,477</b>	<b>\$ 448,550</b>	<b>\$ 2,183,027</b>	<b>\$ 29,118</b>	<b>\$ 2,212,145</b>	<b>\$ 139,861</b>	<b>\$ 3,864,654</b>	<b>\$ 4,004,515</b>	<b>\$ 4,018,776</b>	<b>\$ 14,261</b>	<b>\$ 14,261</b>	<b>\$ 4,004,515</b>	<b>\$ 4,018,776</b>	<b>\$ 4,018,776</b>	<b>\$ 14,261</b>	<b>\$ 14,261</b>	<b>\$ 14,261</b>	<b>\$ 4,018,776</b>	<b>\$ 4,018,776</b>	<b>\$ 14,261</b>	<b>\$ 6,230,921</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,777,752</b>	<b>\$ 494,846</b>	<b>\$ 2,272,598</b>	<b>\$ 96,604</b>	<b>\$ 2,445,520</b>	<b>\$ 139,861</b>	<b>\$ 4,362,388</b>	<b>\$ 4,502,249</b>	<b>\$ 4,548,209</b>	<b>\$ 29,261</b>	<b>\$ 29,261</b>	<b>\$ 4,502,249</b>	<b>\$ 4,548,209</b>	<b>\$ 4,548,209</b>	<b>\$ 29,261</b>	<b>\$ 29,261</b>	<b>\$ 171,855</b>	<b>\$ 4,548,209</b>	<b>\$ 4,548,209</b>	<b>\$ 171,855</b>	<b>\$ 6,993,729</b>

**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, 2009**

	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								
<b>REVENUES:</b>																												
Property Taxes	-	-	-	-	1,700,802	-	-	-	-	1,700,802	-	-	-	-	1,700,802	-	-	-	-	1,700,802	-	-	-	-	1,208,337	2,909,139		
Intergovernmental - County	275,780	265,935	541,715	-	541,715	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	715,417				
Intergovernmental - Other	27,280	6,697	33,977	-	33,977	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,977				
Charges for Services	1,669,667	20,796	1,690,463	-	1,690,463	-	-	-	-	1,690,463	-	-	-	-	1,690,463	-	-	-	-	-	-	-	-	977,903	2,666,366			
Recreation Activities	-	34,618	34,618	-	34,618	-	-	-	-	34,618	-	-	-	-	34,618	-	-	-	-	-	-	-	-	-	4,821,693			
Interest	51,788	13,315	65,103	-	65,103	-	-	-	-	65,103	-	-	-	-	65,103	-	-	-	-	-	-	-	-	-	175,833			
Contributions	87,738	12,657	100,395	-	100,395	-	-	-	-	100,395	-	-	-	-	100,395	-	-	-	-	-	-	-	-	-	372,768			
Miscellaneous	150,315	56,094	206,409	-	206,409	-	-	-	-	206,409	-	-	-	-	206,409	-	-	-	-	-	-	-	-	-	473,163			
Total Revenues	2,262,568	410,112	2,672,680	-	2,672,680	-	-	-	-	2,672,680	-	-	-	-	2,672,680	-	-	-	-	-	-	-	-	-	53,352			
					4,373,482					4,373,482					4,373,482					4,373,482					7,783,588	12,157,070		
<b>EXPENDITURES:</b>																												
Principal Retirements	-	-	-	-	535,000	-	-	-	-	535,000	-	-	-	-	535,000	-	-	-	-	-	-	-	-	-	10,534,049			
Interest	-	-	-	-	1,400,607	-	-	-	-	1,400,607	-	-	-	-	1,400,607	-	-	-	-	-	-	-	-	-	3,715,795			
Other Debt Service Costs	-	-	-	-	1,749	-	-	-	-	1,749	-	-	-	-	1,749	-	-	-	-	-	-	-	-	-	25,958			
Contributions	-	-	-	-	1,001,558	-	-	-	-	1,001,558	-	-	-	-	1,001,558	-	-	-	-	-	-	-	-	-	859,223			
Planning and Zoning	3,693,007	-	3,693,007	-	3,693,007	-	-	-	-	3,693,007	-	-	-	-	3,693,007	-	-	-	-	-	-	-	-	-	3,693,007			
Park Operations and Maintenance	-	293,465	293,465	-	293,465	-	-	-	-	293,465	-	-	-	-	293,465	-	-	-	-	-	-	-	-	-	334,485			
Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	627,950			
Total Expenditures	3,693,007	293,465	3,986,472	-	3,986,472	-	-	-	-	3,986,472	-	-	-	-	3,986,472	-	-	-	-	-	-	-	-	-	6,770,679			
Excess (deficiency) of revenues over expenditures	(1,430,439)	116,647	(1,313,792)	-	(1,313,792)	-	-	-	-	(1,313,792)	-	-	-	-	(1,313,792)	-	-	-	-	-	-	-	-	-	9,884	(19,688,916)		
<b>OTHER FINANCING SOURCES (USES):</b>																												
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,405,000			
Premiums on Bonds Issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	343,405			
Principal Retirement of Refunded Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,650,856)			
Transfers In	1,773,000	-	1,773,000	-	1,773,000	-	-	-	-	1,773,000	-	-	-	-	1,773,000	-	-	-	-	-	-	-	-	-	-	19,802,434		
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,628,809)			
Total Other Financing Sources (Uses)	1,773,000	-	1,773,000	-	1,773,000	-	-	-	-	1,773,000	-	-	-	-	1,773,000	-	-	-	-	-	-	-	-	-	-	18,071,174		
Net change in fund balances	342,561	116,647	459,208	-	459,208	-	-	-	-	459,208	-	-	-	-	459,208	-	-	-	-	-	-	-	-	-	-	(1,617,742)		
Fund Balances - beginning	1,391,916	331,903	1,723,819	-	1,723,819	-	-	-	-	1,723,819	-	-	-	-	1,723,819	-	-	-	-	-	-	-	-	-	-	7,848,665		
Fund Balances - ending	1,734,477	448,550	2,183,027	-	2,183,027	-	-	-	-	2,183,027	-	-	-	-	2,183,027	-	-	-	-	-	-	-	-	-	-	6,230,921		

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

**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, 2009**

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Intergovernmental	\$ 345,800	\$ 345,800	\$ 575,692	\$ 229,892	\$ 376,000	\$ 173,702	\$ (202,298)	
Charges for Services	2,053,900	2,053,900	1,690,463	(363,437)	955,300	977,903	22,603	
Recreation Activities	13,000	13,000	34,618	21,618	5,724,600	4,821,693	(902,907)	
Interest	500	500	65,103	64,603	287,000	175,833	(111,167)	
Contributions	65,000	65,000	100,395	35,395	572,700	372,768	(199,932)	
Miscellaneous	181,800	181,800	206,409	24,609	73,500	53,352	(20,148)	
<b>Total Revenues</b>	<b>2,660,000</b>	<b>2,660,000</b>	<b>2,672,680</b>	<b>12,680</b>	<b>7,989,100</b>	<b>6,575,251</b>	<b>(1,413,849)</b>	
<b>Expenditures/Encumbrances:</b>								
Current -								
County Planning and Zoning	4,340,300	4,340,300	3,754,309	585,991	-	-	-	
Park Operations and Maintenance	278,700	278,700	216,984	61,716	849,500	378,824	470,676	
Recreation	-	-	-	-	6,827,300	6,744,753	82,547	
<b>Total Expenditures/Encumbrances</b>	<b>4,619,000</b>	<b>4,619,000</b>	<b>3,971,293</b>	<b>647,707</b>	<b>7,676,800</b>	<b>7,123,577</b>	<b>553,223</b>	
<b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances</b>	<b>(1,959,000)</b>	<b>(1,959,000)</b>	<b>(1,298,613)</b>	<b>660,387</b>	<b>312,300</b>	<b>(548,326)</b>	<b>(860,626)</b>	
<b>Other Financing Sources (Uses):</b>								
Operating Transfers In	1,773,000	1,773,000	1,773,000	-	50,000	50,000	-	
Transfers Out	-	-	-	-	(1,743,400)	(1,628,809)	114,591	
<b>Total Other Financing (Uses)</b>	<b>1,773,000</b>	<b>1,773,000</b>	<b>1,773,000</b>	<b>-</b>	<b>(1,693,400)</b>	<b>(1,578,809)</b>	<b>114,591</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis</b>	<b>\$ (186,000)</b>	<b>\$ (186,000)</b>	<b>474,387</b>	<b>\$ 660,387</b>	<b>\$ (1,381,100)</b>	<b>(2,127,135)</b>	<b>\$ (746,035)</b>	
<b>Fund Balances - Budget Basis, July 1</b>			<u>1,282,603</u>			<u>5,710,183</u>		
<b>Fund Balances - Budget Basis, June 30</b>			<u>\$ 1,756,990</u>			<u>\$ 3,583,048</u>		

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



Tucker Road Ice Rink in Fort Washington is a very “cool” facility for all ages.

## ENTERPRISE FUNDS

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Assets  
Enterprise Funds  
June 30, 2009 and 2008

Recreational and Cultural Facilities

	Montgomery County		Prince George's County		Totals	
	June 30,	June 30,	June 30,	June 30,	June 30,	June 30,
	2009	2008	2009	2008	2009	2008
<b>ASSETS</b>						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 1,497,629	\$ 1,581,618	\$ 2,838,466	\$ 2,933,116	\$ 4,336,095	\$ 4,514,734
Accounts Receivable	6,928	6,928	-	84,550	6,928	91,478
Due from County Government	180,000	180,000	-	-	180,000	180,000
Due from Other Government	-	102,906	9,231	-	9,231	102,906
Inventories	152,487	186,240	827,778	828,210	980,265	1,014,450
Total Current Assets	<u>1,837,044</u>	<u>2,057,692</u>	<u>3,675,475</u>	<u>3,845,876</u>	<u>5,512,519</u>	<u>5,903,568</u>
Noncurrent Assets:						
Due from County Government	360,000	540,000	-	-	360,000	540,000
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	26,999,848	26,994,492	72,270,589	72,270,589	99,270,437	99,265,081
Machinery and Equipment	1,680,427	1,625,438	5,047,976	4,783,290	6,728,403	6,408,728
Construction in Progress	397,888	172,164	-	-	397,888	172,164
	40,662,631	40,376,562	85,097,696	84,833,010	125,760,327	125,209,572
Less - Accumulated Depreciation	(15,056,458)	(13,692,522)	(28,876,284)	(26,630,930)	(43,932,742)	(40,323,452)
Total Capital Assets (net of depreciation)	<u>25,606,173</u>	<u>26,684,040</u>	<u>56,221,412</u>	<u>58,202,080</u>	<u>81,827,585</u>	<u>84,886,120</u>
Total Noncurrent Assets	<u>25,966,173</u>	<u>27,224,040</u>	<u>56,221,412</u>	<u>58,202,080</u>	<u>82,187,585</u>	<u>85,426,120</u>
Total Assets	<u>27,803,217</u>	<u>29,281,732</u>	<u>59,896,887</u>	<u>62,047,956</u>	<u>87,700,104</u>	<u>91,329,688</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	102,018	336,271	478,203	604,589	580,221	940,860
Accrued Salaries and Benefits	65,017	47,966	214,508	175,780	279,525	223,746
Compensated Absences	97,315	83,717	224,343	188,908	321,658	272,625
Interest Payable	31,370	38,915	-	-	31,370	38,915
Revenue Collected in Advance	812,787	905,214	333,293	115,199	1,146,080	1,020,413
Current Portion of Revenue Bonds Payable	685,117	662,779	-	-	685,117	662,779
Current Portion of Revenue Notes Payable	444,444	444,444	-	-	444,444	444,444
Current Portion of Notes Payable	-	-	-	-	-	-
Total Current Liabilities	<u>2,238,068</u>	<u>2,519,306</u>	<u>1,250,347</u>	<u>1,084,476</u>	<u>3,488,415</u>	<u>3,603,782</u>
Noncurrent Liabilities:						
Revenue Bonds Payable	1,741,512	2,394,566	-	-	1,741,512	2,394,566
Revenue Notes Payable	1,555,560	2,000,004	-	-	1,555,560	2,000,004
Compensated Absences	179,087	174,150	574,001	565,246	753,088	739,396
Net Other Post Employment Benefit Obligations	184,535	92,317	720,432	351,589	904,967	443,906
Total Noncurrent Liabilities	<u>3,660,694</u>	<u>4,661,037</u>	<u>1,294,433</u>	<u>916,835</u>	<u>4,955,127</u>	<u>5,577,872</u>
Total Liabilities	<u>5,898,762</u>	<u>7,180,343</u>	<u>2,544,780</u>	<u>2,001,311</u>	<u>8,443,542</u>	<u>9,181,654</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	21,179,540	21,182,247	56,221,412	58,202,080	77,400,952	79,384,327
Unrestricted	724,915	919,142	1,130,695	1,844,565	1,855,610	2,763,707
Total Net Assets	<u>\$ 21,904,455</u>	<u>\$ 22,101,389</u>	<u>\$ 57,352,107</u>	<u>\$ 60,046,645</u>	<u>\$ 79,256,562</u>	<u>\$ 82,148,034</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Assets  
Enterprise Funds  
For the Years Ended June 30, 2009 and 2008

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2009	2008	2009	2008	2009	2008
Operating Revenues:						
Intergovernmental	\$ 82,249	\$ 102,906	\$ 9,688	\$ 48,730	\$ 91,937	\$ 151,636
Sales	651,471	631,448	2,409,559	2,553,637	3,061,030	3,185,085
Charges for Services	5,456,653	4,786,150	4,576,459	4,645,836	10,033,112	9,431,986
Rentals and Concessions	2,327,935	2,326,898	2,755,534	2,983,022	5,083,469	5,309,920
Total Operating Revenues	<u>8,518,308</u>	<u>7,847,402</u>	<u>9,751,240</u>	<u>10,231,225</u>	<u>18,269,548</u>	<u>18,078,627</u>
Operating Expenses:						
Cost of Goods Sold	356,967	323,603	1,615,475	1,737,089	1,972,442	2,060,692
Personal Services	3,091,710	2,854,190	11,220,659	10,692,610	14,312,369	13,546,800
Supplies and Materials	503,561	503,608	1,615,713	1,636,301	2,119,274	2,139,909
Communications	36,124	43,276	345,584	345,435	381,708	388,711
Utilities	1,204,525	1,171,194	1,981,766	1,780,917	3,186,291	2,952,111
Maintenance	498,606	517,290	860,290	1,059,898	1,358,896	1,577,188
Contractual Services	557,949	660,097	606,466	707,985	1,164,415	1,368,082
Other Services and Charges	232,402	352,783	658,519	649,789	890,921	1,002,572
Administrative Services	1,291,790	1,320,493	341,700	321,900	1,633,490	1,642,393
Depreciation	1,363,936	1,363,737	2,268,984	2,265,809	3,632,920	3,629,546
Total Operating Expenses	<u>9,137,570</u>	<u>9,110,271</u>	<u>21,515,156</u>	<u>21,197,733</u>	<u>30,652,726</u>	<u>30,308,004</u>
Operating Income (Loss)	<u>(619,262)</u>	<u>(1,262,869)</u>	<u>(11,763,916)</u>	<u>(10,966,508)</u>	<u>(12,383,178)</u>	<u>(12,229,377)</u>
Nonoperating Revenues (Expenses):						
Investment Earnings	49,735	101,154	88,478	193,701	138,213	294,855
Interest Expense, net of Amortization	(246,407)	(291,511)	-	-	(246,407)	(291,511)
Loss on Disposal of Asset	-	(27,208)	-	-	-	(27,208)
Total Nonoperating Revenue (Expense)	<u>(196,672)</u>	<u>(217,565)</u>	<u>88,478</u>	<u>193,701</u>	<u>(108,194)</u>	<u>(23,864)</u>
Loss before Transfers	<u>(815,934)</u>	<u>(1,480,434)</u>	<u>(11,675,438)</u>	<u>(10,772,807)</u>	<u>(12,491,372)</u>	<u>(12,253,241)</u>
Transfers In	619,000	619,000	8,980,900	8,445,100	9,599,900	9,064,100
Total Contributions and Transfers	<u>619,000</u>	<u>619,000</u>	<u>8,980,900</u>	<u>8,445,100</u>	<u>9,599,900</u>	<u>9,064,100</u>
Change in Net Assets	<u>(196,934)</u>	<u>(861,434)</u>	<u>(2,694,538)</u>	<u>(2,327,707)</u>	<u>(2,891,472)</u>	<u>(3,189,141)</u>
Total Net Assets - Beginning	<u>22,101,389</u>	<u>22,962,823</u>	<u>60,046,645</u>	<u>62,374,352</u>	<u>82,148,034</u>	<u>85,337,175</u>
Total Net Assets - Ending	<u>\$ 21,904,455</u>	<u>\$ 22,101,389</u>	<u>\$ 57,352,107</u>	<u>\$ 60,046,645</u>	<u>\$ 79,256,562</u>	<u>\$ 82,148,034</u>

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

**Schedule 6**

**Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2009 and 2008**

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Year Ended June 30,	
	Year Ended June 30, 2009	2008	2009	2008	2009	2008
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers and Users	\$ 8,528,788	\$ 8,009,815	\$ 10,044,653	\$ 10,185,976	\$ 18,573,441	\$ 18,195,791
Payments to Suppliers	(3,165,480)	(2,889,872)	(7,809,767)	(7,840,812)	(10,975,247)	(10,730,684)
Payments to Employees	(2,963,906)	(2,920,126)	(10,768,898)	(10,357,519)	(13,732,804)	(13,277,645)
Payments for Interfund Services Used	(432,700)	(489,800)	-	-	(432,700)	(489,800)
Payments for Administrative Charges	(1,291,790)	(1,320,493)	(341,700)	(321,900)	(1,633,490)	(1,642,393)
Net Cash Provided (Used) by Operating Activities	<u>674,912</u>	<u>389,524</u>	<u>(8,875,712)</u>	<u>(8,334,255)</u>	<u>(8,200,800)</u>	<u>(7,944,731)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In from Other Funds	<u>619,000</u>	<u>619,000</u>	<u>8,980,900</u>	<u>8,445,100</u>	<u>9,599,900</u>	<u>9,064,100</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and Construction of Capital Assets	(286,069)	(341,601)	(288,316)	(162,985)	(574,385)	(504,586)
Principal Paid on Bonds and Notes Payable	(1,107,223)	(1,112,836)	-	-	(1,107,223)	(1,112,836)
Interest Paid	(214,344)	(259,448)	-	-	(214,344)	(259,448)
Payment Received on Long Term Note	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>180,000</u>	<u>180,000</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,427,636)</u>	<u>(1,533,885)</u>	<u>(288,316)</u>	<u>(162,985)</u>	<u>(1,715,952)</u>	<u>(1,696,870)</u>
<b>Cash Flows from Investing Activities:</b>						
Interest on Investments	<u>49,735</u>	<u>101,154</u>	<u>88,478</u>	<u>193,701</u>	<u>138,213</u>	<u>294,855</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(83,989)</u>	<u>(424,207)</u>	<u>(94,650)</u>	<u>141,561</u>	<u>(178,639)</u>	<u>(282,646)</u>
Cash, Cash Equivalents and Restricted Cash, July 1	<u>1,581,618</u>	<u>2,005,825</u>	<u>2,933,116</u>	<u>2,791,555</u>	<u>4,514,734</u>	<u>4,797,380</u>
Cash, Cash Equivalents and Restricted Cash, June 30	<u>\$ 1,497,629</u>	<u>\$ 1,581,618</u>	<u>\$ 2,838,466</u>	<u>\$ 2,933,116</u>	<u>\$ 4,336,095</u>	<u>\$ 4,514,734</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (619,262)	\$ (1,262,869)	\$ (11,763,916)	\$ (10,966,508)	(12,383,178)	\$ (12,229,377)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Depreciation	1,363,936	1,363,737	2,268,984	2,265,809	3,632,920	3,629,546
<b>Effect of Changes in Assets and Liabilities in:</b>						
Accounts Receivable	-	43	84,550	(47,206)	84,550	(47,163)
Due from Other Government	102,906	(87,949)	(9,231)	146,596	93,675	58,647
Inventories, at Cost	33,753	1,270	432	(170,643)	34,185	(169,373)
Accounts Payable	(234,253)	207,927	(126,386)	247,245	(360,639)	455,172
Accrued Salaries and Benefits	17,051	(119,503)	38,728	(98,101)	55,779	(217,604)
Compensated Absences	18,535	(48,179)	44,190	81,603	62,725	33,424
Interest Payable	(7,545)	(7,589)	-	-	(7,545)	(7,589)
Net Other Post Employment Obligations	92,218	92,317	368,843	351,589	461,061	443,906
Revenue Collected in Advance	(92,427)	250,319	218,094	(144,639)	125,667	105,680
Total Adjustments	<u>1,294,174</u>	<u>1,652,393</u>	<u>2,888,204</u>	<u>2,632,253</u>	<u>4,182,378</u>	<u>4,284,646</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 674,912</u>	<u>\$ 389,524</u>	<u>\$ (8,875,712)</u>	<u>\$ (8,334,255)</u>	<u>\$ (8,200,800)</u>	<u>\$ (7,944,731)</u>



The Matthew Henson Trail kiosk provides information and a bit of a history lesson to the users of the new 4.2 mile, 8-foot-wide hard surface trail.

## 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**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2009**

	MONTGOMERY COUNTY				PRINCE GEORGE'S COUNTY				TOTALS	
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	June 30, 2009	June 30, 2008
<b>ASSETS</b>										
Current Assets:										
Equity in Pooled Cash and Investments	\$ 3,970,660	\$ 8,897,735	\$ 9,616,955	\$ 5,439,407	\$ 1,382,734	\$ 8,897,736	\$ 13,805,500	\$ 3,231,887	\$ 55,242,014	\$ 56,062,657
Restricted Cash, Cash Equivalents and Investments:										
Equipment Financing Proceeds	-	-	-	-	-	-	-	-	-	3,524,181
Accounts Receivable	-	18,773	1,500	-	-	18,772	1,250	-	40,295	15,670
Due from County Government	-	-	205,628	-	-	-	205,628	-	411,256	117,966
Prepaid Expenses	199,399	-	-	271,574	-	-	-	24,981	495,654	-
Deposits and Other	-	58,352	-	-	-	58,352	-	-	116,704	-
Total Current Assets	4,170,059	8,974,860	9,823,483	5,710,981	1,382,734	8,974,860	14,012,378	3,256,568	56,305,923	59,837,178
Noncurrent Assets:										
Capital Assets:										
Land	-	-	-	-	748,497	-	-	-	748,497	748,497
Buildings and Improvements	-	-	-	-	2,649,865	-	-	-	2,649,865	2,649,865
Machinery and Equipment	25,699,930	-	178,928	715,206	13,671	-	336,149	808,400	27,752,284	25,146,860
Construction in Progress	1,759,763	-	-	-	-	-	-	277,746	2,037,509	1,056,761
Less-Accumulated Depreciation	(18,862,184)	-	(154,093)	(276,790)	(1,644,433)	-	(319,677)	(346,057)	(21,603,234)	(20,494,572)
Total Capital Assets (net of accumulated depreciation)	8,597,509	-	24,835	438,416	1,767,600	-	15,472	740,089	11,584,921	9,107,411
Total Assets	12,767,568	8,974,860	9,848,318	6,149,397	3,150,334	8,974,860	14,028,850	3,996,657	67,890,844	68,944,589
<b>LIABILITIES</b>										
Current Liabilities:										
Accounts Payable	120,977	25,974	49,908	204,643	16,099	25,974	15,365	19,037	477,977	327,753
Current Portion of Claims Payable	-	999,348	1,126,315	-	-	999,347	1,428,522	-	4,553,532	4,720,202
Accrued Salaries and Benefits	-	-	6,841	-	2,281	-	7,071	-	16,193	140,213
Current Portion of Notes Payable	1,170,862	-	-	148,278	190,000	-	-	104,423	1,613,563	1,548,713
Current Portion of Compensated Absences	-	-	22,358	-	11,164	-	22,358	-	55,880	-
Due to County Government	-	-	161,453	-	-	-	161,452	-	322,905	443,010
Interest Payable	17,970	-	-	2,366	18,912	-	-	849	40,097	56,106
Revenue Collected in Advance	-	-	-	-	-	-	-	-	-	100,000
Due to Other Funds	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	1,309,809	1,025,322	1,366,875	355,287	238,456	1,025,321	1,634,768	124,309	7,080,147	7,354,865
Noncurrent Liabilities:										
Claims Payable - Net of Current Portion	-	-	3,378,943	-	-	-	4,240,358	-	7,619,301	7,180,851
Notes Payable - Net of Current Portion	914,803	-	13,891	123,786	595,000	-	-	7,327	1,570,916	3,184,480
Compensated Absences - Net of Current Portion	-	-	53,153	-	5,339	-	13,892	-	33,122	-
Net Other Post Employment Benefit Obligations	-	-	3,445,987	-	12,386	-	53,153	-	118,692	48,499
Total Noncurrent Liabilities	914,803	-	3,445,987	123,786	542,725	-	4,307,403	7,327	9,342,031	10,413,830
Total Liabilities	2,224,612	1,025,322	4,812,862	479,073	781,181	1,025,321	5,942,171	131,636	16,422,178	17,768,695
<b>NET ASSETS</b>										
Invested in Capital Assets, Net of Related Debt	6,511,844	-	24,835	166,362	1,052,600	-	16,472	628,339	8,400,442	7,898,399
Unrestricted (See Note 6)	4,031,112	7,949,538	5,010,821	5,503,972	1,316,553	7,949,539	8,070,207	3,236,862	43,088,224	43,277,495
Total Net Assets	10,542,956	7,949,538	5,035,656	5,670,324	2,369,153	7,949,539	8,086,679	3,865,021	51,468,666	51,175,894

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

**Schedule 8**

**Internal Service Funds  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended June 30, 2009**

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY					TOTALS	
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	June 30, 2009	June 30, 2008		
<b>Operating Revenues:</b>												
Charges for Services	\$ 3,677,320	\$ 10,621,354	\$ 3,415,001	\$ 400,000	\$ 962,000	\$ 10,623,005	\$ 3,030,000	\$ 1,694,502	\$ 34,423,182	\$ 49,445,957		
Claim Recoveries	-	-	226,288	-	-	-	704,642	-	930,930	767,426		
Total Operating Revenues	<u>3,677,320</u>	<u>10,621,354</u>	<u>3,641,289</u>	<u>400,000</u>	<u>962,000</u>	<u>10,623,005</u>	<u>3,734,642</u>	<u>1,694,502</u>	<u>35,354,112</u>	<u>50,213,383</u>		
<b>Operating Expenses:</b>												
Personal Services	-	3,370,657	513,399	-	233,525	(29,763)	513,399	-	4,601,217	16,201,088		
Supplies and Materials	11,008	-	6,657	257,369	26,426	-	6,668	51,943	360,071	140,005		
Contractual Services - Montgomery County Self	-	29,617	589,279	-	-	15,024	728,294	-	1,332,214	1,062,761		
Other Contractual Services	-	7,716,474	1,943,107	-	-	7,716,473	2,406,015	-	19,782,069	19,511,926		
Claims Incurred	-	3,318,098	104,186	-	-	3,318,099	165,543	-	6,905,926	5,991,917		
Insurance	-	51,000	249,101	186,462	324,962	51,000	196,220	520,269	1,628,182	1,279,458		
Other Services and Charges	49,168	-	11,000	81,748	106,954	-	20,461	77,034	1,896,716	1,818,219		
Depreciation	1,599,519	14,485,846	3,386,729	525,579	691,867	11,070,833	4,036,600	649,246	36,506,395	46,005,374		
Total Operating Expenses	<u>1,659,695</u>	<u>3,370,657</u>	<u>513,399</u>	<u>257,369</u>	<u>233,525</u>	<u>(29,763)</u>	<u>513,399</u>	<u>51,943</u>	<u>4,601,217</u>	<u>16,201,088</u>		
Operating Income (Loss)	2,017,625	(3,864,492)	254,560	(125,579)	270,133	(447,828)	(301,958)	1,045,256	(1,152,283)	4,208,009		
<b>Nonoperating Revenues (Expenses):</b>												
Interest Income	16,734	371,626	269,603	88,423	22,666	377,300	370,438	70,190	1,586,980	2,605,096		
Interest Expense	(85,920)	-	-	(11,266)	(40,202)	-	-	(4,537)	(141,925)	(200,865)		
Loss on Disposal of Asset	-	-	-	-	-	-	-	-	-	(102,469)		
Total Nonoperating Revenues (Expenses)	<u>(69,186)</u>	<u>371,626</u>	<u>269,603</u>	<u>77,157</u>	<u>(17,536)</u>	<u>377,300</u>	<u>370,438</u>	<u>65,653</u>	<u>1,445,055</u>	<u>2,301,762</u>		
Income (Loss) Before Contributions and Transfers	1,948,439	(3,492,866)	524,163	(48,422)	252,597	(70,528)	68,480	1,110,909	292,772	6,509,771		
<b>Contributions and Transfers In (Out):</b>												
Transfers In	2,744,234	254,000	431,950	5,156,174	567,395	254,000	1,638,264	-	11,046,017	250,000		
Transfers (Out)	-	(3,788,113)	-	-	-	(7,257,904)	-	-	(11,046,017)	-		
Net Operating Transfers	<u>2,744,234</u>	<u>(3,534,113)</u>	<u>431,950</u>	<u>5,156,174</u>	<u>567,395</u>	<u>(7,003,904)</u>	<u>1,638,264</u>	<u>-</u>	<u>-</u>	<u>250,000</u>		
Change in Net Assets	4,692,673	(7,026,979)	956,113	5,107,752	819,992	(7,074,432)	1,706,744	1,110,909	292,772	6,759,771		
Total Net Assets, July 1	5,850,283	14,976,517	4,079,343	562,572	1,549,161	15,023,971	6,379,935	2,754,112	51,175,894	27,333,877		
Total Net Assets, June 30	<u>10,542,956</u>	<u>7,949,538</u>	<u>5,035,456</u>	<u>5,670,324</u>	<u>2,569,153</u>	<u>7,949,539</u>	<u>8,086,679</u>	<u>3,865,021</u>	<u>51,468,666</u>	<u>34,093,648</u>		
Prior Period Adjustment (see Note 6)	-	-	-	-	-	-	-	-	-	17,082,246		
Ending Net Assets June 30, 2008, as restated										<u>\$ 51,175,894</u>		

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2009**

Schedule 9

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY				
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment/	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	TOTAL	
<b>Cash Flows from Operating Activities:</b>										
Receipts from Customers and Users	\$ 3,477,921	\$ 10,559,041	\$ 3,494,644	\$ 128,426	\$ 962,000	\$ 10,560,693	\$ 3,587,997	\$ 1,669,821	\$ 34,440,543	
Payments to Suppliers	(125,765)	(11,170,446)	(2,256,146)	(236,782)	(335,580)	(11,109,370)	(3,395,425)	(553,933)	(29,183,447)	
Payments to Employees	-	(3,397,608)	(503,100)	-	(232,293)	-	(503,233)	-	(4,636,234)	
Payments for Interfund Services Used	(36,700)	(51,000)	(199,000)	(3,600)	(1,300)	(51,000)	(145,200)	-	(487,800)	
Net Cash Provided (Used) by Operating Activities	<u>3,315,456</u>	<u>(4,060,013)</u>	<u>536,398</u>	<u>(111,956)</u>	<u>392,827</u>	<u>(599,677)</u>	<u>(455,861)</u>	<u>1,115,888</u>	<u>133,062</u>	
<b>Cash Flows from Noncapital Financing Activities:</b>										
Transfers In From Other Funds	2,744,234	(3,534,113)	431,950	5,156,174	567,395	(7,003,904)	1,638,264	-	-	
<b>Cash Flows from Capital and Related Financing Activities:</b>										
Acquisition of Capital Assets	(3,996,675)	-	-	(16,608)	(8,157)	-	-	(352,789)	(4,374,229)	
Principal Paid on Notes Payable	(1,123,914)	-	-	(143,442)	(180,000)	-	-	(101,356)	(1,548,712)	
Interest Paid on Notes Payable	(85,920)	-	-	(11,266)	(40,202)	-	-	(4,537)	(141,925)	
Net Cash Used by Capital and Related Financing Activities	<u>(5,206,509)</u>	<u>-</u>	<u>-</u>	<u>(171,316)</u>	<u>(228,359)</u>	<u>-</u>	<u>-</u>	<u>(458,682)</u>	<u>(6,064,866)</u>	
<b>Cash Flows from Investing Activities:</b>										
Interest on Investments	16,734	371,626	269,603	88,423	22,666	377,300	370,438	70,190	1,586,980	
Net Increase (Decrease) in Cash and Cash Equivalents	869,915	(7,222,500)	1,237,951	4,961,325	754,529	(7,226,281)	1,552,841	727,396	(4,344,824)	
<b>Cash and Cash Equivalents, July 1</b>	<b>3,100,745</b>	<b>16,120,235</b>	<b>8,378,404</b>	<b>478,082</b>	<b>628,205</b>	<b>16,124,017</b>	<b>12,252,659</b>	<b>2,504,491</b>	<b>59,586,838</b>	
<b>Cash and Cash Equivalents, June 30</b>	<b>\$ 3,970,660</b>	<b>\$ 8,897,735</b>	<b>\$ 9,616,355</b>	<b>\$ 5,439,407</b>	<b>\$ 1,382,734</b>	<b>\$ 8,897,736</b>	<b>\$ 13,805,500</b>	<b>\$ 3,231,887</b>	<b>\$ 55,242,014</b>	
<b>Operating Income (Loss)</b>	<b>\$ 2,017,625</b>	<b>\$ (3,864,492)</b>	<b>\$ 254,560</b>	<b>\$ (125,579)</b>	<b>\$ 270,133</b>	<b>\$ (447,828)</b>	<b>\$ (301,958)</b>	<b>\$ 1,045,256</b>	<b>\$ (1,152,283)</b>	
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>										
Depreciation	1,599,519	-	11,000	81,748	106,954	-	20,461	77,034	1,896,716	
Effect of Changes in Assets and Liabilities in:										
Accounts Receivable	-	(12,313)	-	-	-	(12,312)	-	-	(24,625)	
Due from County Government	-	-	(146,645)	-	-	-	(146,645)	-	(293,290)	
Prepaid Expenses	(199,399)	-	-	(271,574)	-	-	-	(24,681)	(495,654)	
Accounts Payable	(74,125)	(34,812)	22,810	204,643	8,647	11,670	(7,646)	19,037	150,224	
Claims Payable	-	(71,445)	414,641	-	-	(71,444)	28	-	271,780	
Accrued Salaries and Benefits	-	(26,951)	2,331	-	1,266	(29,763)	2,197	-	(50,920)	
Compensated Absences	-	-	7,968	-	(34)	-	7,969	-	15,903	
Interest Payable	(9,296)	-	-	(1,194)	(4,761)	-	-	(758)	(16,009)	
Other Accrued Liabilities	(18,868)	(50,000)	-	-	-	(50,000)	-	-	(100,000)	
Due to Other Funds	-	-	29,785	-	10,622	-	-	-	(18,868)	
Net Other Post Employment Obligations	-	-	(60,052)	-	-	-	29,786	-	70,193	
Due to County Government	-	-	281,838	13,623	122,694	(151,849)	(153,903)	70,632	(120,105)	
Total Adjustments	<u>1,297,831</u>	<u>(195,521)</u>	<u>281,838</u>	<u>13,623</u>	<u>122,694</u>	<u>(151,849)</u>	<u>(153,903)</u>	<u>70,632</u>	<u>1,285,345</u>	
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,315,456</b>	<b>\$ (4,060,013)</b>	<b>\$ 536,398</b>	<b>\$ (111,956)</b>	<b>\$ 392,827</b>	<b>\$ (599,677)</b>	<b>\$ (455,861)</b>	<b>\$ 1,115,888</b>	<b>\$ 133,062</b>	



Air Fair 100 at College Park Airport attracted thousands to the site where they were treated to high-flying trick planes and numerous aviation displays and vendors.

## FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity or as an agent for employees, individuals, private organizations, other governmental units, and/or other funds.

### *Pension Trust Funds*

The Pension Trust Funds are used to account for activities related to benefits for retired employees. This includes all activities of the Employees' Retirement System including accumulation of resources for, and payment of, retirement annuities and/or other benefits and the administrative costs of operating the system. This also includes all activities related to the Commission's portion of medical costs of retirees.

### *Private Purpose Trust Funds*

The Private Purpose Trust Funds are used to account for funds whose principal and interest must be expended in accordance with their designated purposes.

### *Agency Funds*

The Agency Funds are used to account for funds where the Commission is merely acting in an agent capacity for another organization.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 10

Combining Statements of Net Assets  
Fiduciary Fund Types  
June 30, 2009

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS				AGENCY FUNDS			
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds		Montgomery County	Prince George's County	Total Private Purpose Trust Funds		State Retirement	Montgomery	Prince George's	Total Agency Funds
<b>ASSETS</b>												
Equity in Pooled Cash and Investments	\$ -	\$ 602,103	\$ 602,103	\$ 20,174,156	\$ 7,223,373	\$ 27,397,529	\$ 2,397,943	\$ 276,721	\$ 2,320	\$ 2,676,984		
Cash	27,957	17,530	45,487	-	-	-	-	-	-	-	-	-
Fixed Income Securities	126,922,128	-	126,922,128	-	-	-	-	-	-	-	-	-
International Fixed Income Securities	26,625,065	-	26,625,065	-	-	-	-	-	-	-	-	-
Corporate Stock	210,216,353	-	210,216,353	-	-	-	-	-	-	-	-	-
International Corporate Stock	57,811,003	-	57,811,003	-	-	-	-	-	-	-	-	-
Real Estate Investments	22,147,479	-	22,147,479	-	-	-	-	-	-	-	-	-
Short Term Investments	16,282,919	-	16,282,919	-	-	-	-	-	-	-	-	-
Mutual Funds	-	7,457,761	7,457,761	-	-	-	-	-	-	-	-	-
Collateral for Securities Lending												
Transactions	21,963,391	-	21,963,391	-	-	-	-	-	-	-	-	-
Accounts Receivable	1,401,972	-	1,401,972	-	2,602	2,602	-	364,112	-	-	-	364,112
Land Held for Other Governments	-	-	-	32,505,331	17,837,342	50,342,673	-	-	-	-	-	-
Other	14,783	-	14,783	-	-	-	-	-	-	-	-	-
Total Assets	483,413,050	8,077,394	491,490,444	52,679,487	25,063,317	77,742,804	2,397,943	640,833	2,320	3,041,096		
<b>LIABILITIES</b>												
Investments Payable	9,037,432	-	9,037,432	-	-	-	-	-	-	-	-	-
Accounts Payable	572,335	4,872	577,207	-	4,633	4,633	2,397,943	-	1,700	2,399,643		
Claims Payable	-	597,231	597,231	-	-	-	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	22,537,284	-	22,537,284	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	32,147,051	602,103	32,749,154	-	4,633	4,633	2,397,943	640,833	2,320	641,453		
<b>NET ASSETS</b>												
Assets Held in Trust for:												
Land Held for Transfer	-	-	-	32,505,331	17,837,342	50,342,673	-	-	-	-	-	-
Pension Benefits	451,265,999	-	451,265,999	-	-	-	-	-	-	-	-	-
Other Postemployment Benefits	-	7,475,291	7,475,291	-	-	-	-	-	-	-	-	-
Other Purposes	-	-	-	20,174,156	7,221,342	27,395,498	-	-	-	-	-	-
Total Net Assets	\$ 451,265,999	\$ 7,475,291	\$ 458,741,290	\$ 52,679,487	\$ 25,058,684	\$ 77,738,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 11

Combining Statements of Changes in Net Assets  
Fiduciary Fund Types

For the Year Ended June 30, 2009

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals
<b>ADDITIONS:</b>						
Contributions:						
Employer	\$ 14,933,506	\$ 11,608,636	\$ 26,542,142	\$ -	\$ -	\$ -
Plan Members	4,892,570	-	4,892,570	-	-	-
Plan Members for Current Benefits	-	845,226	845,226	-	-	-
Private Donations	-	-	-	7,422	44,210	51,632
Total Contributions	19,826,076	12,453,862	32,279,938	7,422	44,210	51,632
Contributions from Commission Debt Service Funds	-	-	-	1,001,558	859,223	1,860,781
Federal Grants - Medicare	-	333,101	333,101	-	-	-
Investment Earnings:						
Interest	6,407,173	7,690	6,414,863	579,391	173,207	752,598
Dividends	51,299	235,647	286,946	-	-	-
Net increase (decrease) in the Fair Value of Investments	(124,430,522)	(963,616)	(125,394,138)	-	-	-
Total Investment Earnings	(117,972,050)	(720,279)	(118,692,329)	579,391	173,207	752,598
Less: Investment Advisory and Management Fees	(1,577,950)	(19,159)	(1,597,109)	-	-	-
Net Income (Loss) from Investing Activities	(119,550,000)	(739,438)	(120,289,438)	579,391	173,207	752,598
Securities Lending Activity						
Securities Lending Income	355,078	-	355,078	-	-	-
Securities Lending Fees	(249,946)	-	(249,946)	-	-	-
Net Income from Securities Lending Activity	105,132	-	105,132	-	-	-
Total Net Investment Income (Loss)	(119,444,868)	(739,438)	(120,184,306)	579,391	173,207	752,598
Total Additions and Investment Income (Loss)	(99,618,792)	12,047,525	(87,571,267)	1,586,371	1,076,640	2,665,011
<b>DEDUCTIONS:</b>						
Benefits	25,670,702	7,989,223	33,059,925	-	-	-
Refunds of Contributions	249,583	-	249,583	-	-	-
Administrative expenses	1,358,695	-	1,358,695	-	-	-
Other	-	-	-	1,547	60,790	62,337
Total Deductions	27,278,980	7,989,223	34,668,203	1,547	60,790	62,337
Change in Net Assets	(126,897,772)	4,658,302	(122,239,470)	1,586,824	1,015,850	2,602,674
Net Assets - Beginning	578,163,771	2,816,989	580,980,760	51,092,663	24,042,834	75,135,497
Net Assets - Ending	\$ 451,265,999	\$ 7,475,291	\$ 458,741,290	\$ 52,679,487	\$ 25,058,684	\$ 77,738,171

**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, 2009**

	July 1, 2008	Additions	Deductions	June 30, 2009
<b>MARYLAND STATE RETIREMENT SYSTEM FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 2,500,971	\$ 210,717	\$ 313,745	\$ 2,397,943
Total Current Assets	\$ 2,500,971	\$ 210,717	\$ 313,745	\$ 2,397,943
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,500,971	\$ 210,717	\$ 313,745	\$ 2,397,943
Total Current Liabilities	\$ 2,500,971	\$ 210,717	\$ 313,745	\$ 2,397,943
<b>MONTGOMERY COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 639,499	\$ 1,110,236	\$ 1,473,014	\$ 276,721
Accounts Receivable	-	614,112	250,000	364,112
Total Current Assets	\$ 639,499	\$ 1,724,348	\$ 1,723,014	\$ 640,833
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,690	\$ 705,478	\$ 715,168	\$ -
Deposits	629,809	829,526	818,502	640,833
Total Current Liabilities	\$ 639,499	\$ 1,535,004	\$ 1,533,670	\$ 640,833
<b>PRINCE GEORGE'S COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ -	\$ 2,320	\$ -	\$ 2,320
Total Current Assets	\$ -	\$ 2,320	\$ -	\$ 2,320
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 1,700	\$ -	\$ 1,700
Deposits	-	2,320	1,700	620
Total Current Liabilities	\$ -	\$ 4,020	\$ 1,700	\$ 2,320
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 3,140,470	\$ 1,323,273	\$ 1,786,759	\$ 2,676,984
Accounts Receivable	-	614,112	250,000	364,112
Total Current Assets	\$ 3,140,470	\$ 1,937,385	\$ 2,036,759	\$ 3,041,096
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,510,661	\$ 917,895	\$ 1,028,913	\$ 2,399,643
Deposits	629,809	831,846	820,202	641,453
Total Current Liabilities	\$ 3,140,470	\$ 1,749,741	\$ 1,849,115	\$ 3,041,096

---

◆ PART III ◆  
STATISTICAL SECTION

---



Children of all ages enjoy skateboarding at Olney Recreational Park.

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <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>	122
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	127
<b>Debt Capacity</b> <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>	131
<b>Demographic and Economic Information</b> <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>	136
<b>Operating Information</b> <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>	139

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Net Assets by Category (1)								
Entity-wide Basis								
Last Eight Fiscal Years (2)								
Governmental Activities:								
Invested in Capital Assets, net of related debt	\$ 282,595,478	\$ 305,800,251	\$ 364,642,396	\$ 370,469,274	\$ 383,457,023	\$ 416,140,797	\$ 456,767,669	\$ 492,930,779
Unrestricted	82,792,312	86,192,777	91,953,723	126,681,153	159,962,347	201,822,613	253,129,079	282,047,368
Subtotal Governmental Activities Net Assets	<u>365,387,790</u>	<u>391,993,028</u>	<u>456,596,119</u>	<u>497,150,427</u>	<u>543,419,370</u>	<u>617,963,410</u>	<u>709,896,748</u>	<u>774,978,147</u>
Business-type Activities:								
Invested in Capital Assets, net of related debt	82,267,248	80,397,496	85,843,860	83,421,966	84,318,532	81,455,721	79,384,327	77,400,952
Restricted for Debt Service	583,266	589,848	-	-	-	-	-	-
Unrestricted	3,772,189	1,910,929	2,238,739	2,334,180	2,101,083	3,881,454	2,763,707	1,855,610
Subtotal Business-type Activities Net Assets	<u>86,622,703</u>	<u>82,898,273</u>	<u>88,082,599</u>	<u>85,756,146</u>	<u>86,419,615</u>	<u>85,337,175</u>	<u>82,148,034</u>	<u>79,256,562</u>
Primary Government:								
Invested in Capital Assets, net of related debt	364,862,726	386,197,747	450,486,256	453,891,240	467,775,555	497,596,518	536,151,996	570,331,731
Restricted for Debt Service	583,266	589,848	-	-	-	-	-	-
Unrestricted	86,594,501	88,103,706	94,192,462	129,015,333	162,063,430	205,704,067	255,892,786	283,902,978
Total Government Net Assets	<u>\$ 452,010,493</u>	<u>\$ 474,891,301</u>	<u>\$ 544,678,718</u>	<u>\$ 582,906,573</u>	<u>\$ 629,838,985</u>	<u>\$ 703,300,585</u>	<u>\$ 792,044,782</u>	<u>\$ 854,234,709</u>

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

(2) The entity-wide net assets figures are only available for eight years.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-2

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
<b>Governmental Activities:</b>								
General Government	\$ 11,614,891	\$ 12,678,079	\$ 12,497,931	\$ 13,365,605	\$ 14,110,350	\$ 15,062,982	\$ 17,397,550	\$ 18,875,258
County Planning and Zoning	29,739,984	29,119,749	29,792,531	31,089,512	35,931,600	39,150,300	48,649,825	60,370,641
Park Operations and Maintenance	102,355,291	104,484,551	112,777,571	117,420,745	140,378,771	145,957,331	165,753,521	181,359,243
Recreation Programs	37,992,630	38,057,899	39,174,875	42,175,861	43,058,594	46,907,997	52,688,859	68,011,470
Interest on Long-term Debt	8,460,869	6,994,245	5,483,168	6,396,948	6,045,652	5,693,542	5,902,190	5,211,728
Subtotal Governmental Activities	190,163,665	191,334,523	199,726,076	210,448,671	239,524,967	252,772,152	290,391,945	333,828,340
<b>Business-type Activities:</b>								
Recreational and Cultural Facilities	28,203,070	28,243,046	30,033,511	31,635,252	32,957,080	28,861,349	30,626,723	30,899,133
Total Government Expenses	218,366,735	219,577,569	229,759,587	242,083,923	272,482,047	281,633,501	321,018,668	364,727,473
<b>Program Revenues</b>								
<b>Governmental Activities:</b>								
County Planning and Zoning	2,771,580	3,058,135	4,392,957	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020
Park Operations and Maintenance	31,666,712	26,321,407	20,104,060	23,359,117	23,763,315	29,883,255	46,784,958	26,817,082
Recreation Programs	10,330,965	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938
Subtotal Governmental Activities	44,769,257	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006	45,028,040
<b>Business-type Activities:</b>								
Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548
Total Government Program Revenues	67,189,515	58,547,702	61,949,585	63,140,031	68,505,853	68,486,379	82,053,633	63,297,588
<b>Net Government Expenses</b>	(151,177,220)	(161,029,867)	(167,810,002)	(178,943,892)	(203,976,194)	(213,147,122)	(238,965,035)	(301,429,885)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699
Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113
Total Primary Government	174,900,419	183,910,675	205,767,831	217,171,747	250,908,606	286,608,722	327,709,232	363,619,812
<b>Change in Net Assets</b>								
Governmental Activities	21,122,387	26,605,238	32,773,503	40,554,308	46,268,943	74,544,040	91,933,338	65,081,399
Business-type Activities	2,600,812	(3,724,430)	5,184,326	(2,326,453)	663,469	(1,082,440)	(3,189,141)	(2,891,472)
Total Primary Government	23,723,199	22,880,808	37,957,829	38,227,855	46,932,412	73,461,600	88,744,197	62,189,927

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-3

Government Wide Revenues  
Entity-wide Basis  
Last Eight Fiscal Years (1)

	2002	2003	2004	2005	2006	2007	2008	2009
<b>Program Revenues</b>								
<b>Governmental Activities:</b>								
County Planning and Zoning								
Charges for services	\$ 2,004,103	\$ 2,206,015	\$ 3,743,951	\$ 3,523,763	\$ 4,535,128	\$ 5,703,337	\$ 3,612,794	\$ 3,257,841
Operating grants and contributions	767,477	852,120	649,006	1,013,503	1,020,755	749,283	1,124,883	1,419,179
Total County Planning and Zoning	2,771,580	3,058,135	4,392,957	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020
Park Operations and Maintenance								
Charges for services	5,029,035	4,689,195	5,294,071	6,544,420	5,498,642	5,553,868	5,473,310	5,381,156
Operating grants and contributions	570,005	762,869	705,213	645,795	1,106,898	1,122,332	1,272,686	891,923
Capital grants and contributions	26,067,672	20,869,343	14,104,776	16,168,902	17,157,775	23,207,055	40,038,962	20,544,003
Total Park Operations and Maintenance	31,666,712	26,321,407	20,104,060	23,359,117	23,763,315	29,883,255	46,784,958	26,817,082
Recreation Programs								
Charges for services	9,989,550	9,083,148	11,239,721	11,641,554	12,294,579	12,052,358	11,916,298	12,725,930
Operating grants and contributions	341,415	327,394	311,216	280,363	451,706	392,770	536,073	808,008
Total Recreation Programs	10,330,965	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938
Total Governmental Activities	44,769,257	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006	45,028,040
<b>Business-type Activities:</b>								
Recreational and Cultural Facilities								
Charges for services	22,420,258	19,757,618	22,046,268	23,321,731	22,969,521	19,286,008	17,926,891	18,177,611
Operating grants and contributions	-	-	26,000	-	-	146,596	151,636	91,937
Capital grants and contributions	-	-	3,829,363	-	3,470,849	272,772	-	-
Total Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548
Total Government Program Revenues	\$ 67,189,515	\$ 58,547,702	\$ 61,949,585	\$ 63,140,031	\$ 68,505,853	\$ 68,486,379	\$ 82,053,633	\$ 63,297,588
<b>General Revenues and Other Changes in Net Assets</b>								
<b>Governmental Activities</b>								
Property Taxes	\$ 174,735,630	\$ 181,859,997	\$ 204,217,877	\$ 213,178,802	\$ 241,784,351	\$ 272,927,451	\$ 313,813,140	\$ 354,329,523
Unrestricted Investment Earnings	3,073,142	1,931,787	1,418,407	3,908,309	8,870,876	13,361,838	13,601,237	9,152,076
Gain/Loss on Disposal of Land	(3,170,165)	(4,920)	35,676	-	(6,926,800)	-	-	-
Transfers	(8,121,812)	(4,637,187)	(9,220,335)	(5,902,432)	(7,754,100)	(7,754,100)	(9,064,100)	(9,599,900)
Total Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699
Business-type Activities								
Unrestricted Investment Earnings	261,812	123,811	95,871	84,636	253,379	319,433	294,855	136,213
Transfers	8,121,812	4,637,187	9,220,335	5,902,432	6,926,800	7,754,100	9,064,100	9,599,900
Total Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113
Total Primary Government	\$ 174,900,419	\$ 183,910,675	\$ 205,767,831	\$ 217,171,747	\$ 250,908,606	\$ 286,608,722	\$ 327,709,232	\$ 363,619,812

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

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



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

TABLE T-4

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 13,406,458	\$ 10,146,574	\$ 8,720,270	\$ 9,828,316	\$ 7,909,128	\$ 11,340,789	\$ 15,766,495	\$ 19,064,712	\$ 21,618,725	\$ 31,406,415
Unreserved, reported in:										
Montgomery Administration Account	1,961,800	1,667,283	2,015,586	2,303,332	2,489,284	1,406,864	1,587,630	2,870,039	2,149,543	3,133,034
Montgomery Park Account	3,446,871	3,015,542	4,123,670	5,489,328	4,289,120	3,419,516	3,662,593	7,240,864	10,702,580	7,548,971
Prince George's Administration Account	2,741,183	3,431,162	4,439,016	5,779,000	7,655,832	10,120,856	12,568,819	15,888,797	18,658,565	14,420,070
Prince George's Park Account	27,609,215	22,886,857	20,175,540	17,581,235	28,032,500	36,850,247	50,284,754	54,213,314	64,078,004	56,642,003
Prince George's Recreation Account	8,457,382	9,108,023	9,619,463	8,674,676	8,463,689	10,997,196	16,987,850	23,875,520	33,487,704	30,404,917
Total General Fund	57,622,909	50,255,441	49,093,545	49,655,887	58,839,553	74,135,468	100,858,141	123,153,246	150,695,121	143,555,410
All Other Governmental Funds										
Reserved	9,840,345	14,110,994	14,432,004	15,166,586	19,279,123	16,239,896	30,979,446	27,311,293	25,013,746	29,845,493
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	6,546,298	5,888,267	6,466,722	7,088,718	8,358,389	9,421,909	6,992,786	5,340,039
Capital Projects Funds	12,596,487	3,478,091	17,427,284	21,121,422	19,573,788	27,292,889	15,279,284	40,535,220	69,407,232	110,264,080
Total All Other Governmental Funds	22,436,832	17,589,085	38,405,586	42,176,275	45,319,633	50,621,503	54,617,119	77,268,422	101,413,764	145,449,612
Total All Governmental Funds	\$ 80,059,741	\$ 67,844,526	\$ 87,499,131	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022

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)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Property Taxes	\$ 166,088,780	\$ 169,028,884	\$ 177,143,063	\$ 182,180,854	\$ 199,178,086	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421	\$ 353,966,263
Intergovernmental	20,455,474	22,523,429	18,561,030	14,291,595	14,282,243	13,475,196	13,728,507	20,395,468	38,609,800	17,411,704
Charges for Services	6,517,397	6,618,976	8,233,858	8,285,233	11,378,060	10,905,923	12,170,203	13,302,866	11,457,579	11,572,219
Rentals and Concessions	2,837,447	2,967,445	7,374,700	6,562,896	7,752,377	8,119,786	8,883,464	8,872,522	8,977,209	9,017,218
Interest	5,565,815	4,717,809	2,265,821	1,361,363	1,040,326	2,996,567	6,934,901	10,582,784	10,996,141	7,565,096
Miscellaneous	1,712,412	1,056,531	1,420,835	1,129,476	1,297,262	3,278,902	2,312,925	2,004,402	1,749,098	3,666,197
Total Revenues	203,177,325	206,913,074	214,959,307	213,811,417	234,928,354	254,824,003	288,637,360	328,601,283	385,418,248	403,198,697
<b>Expenditures</b>										
General Government	10,787,642	11,751,327	12,088,929	12,698,310	13,097,617	13,814,296	14,989,960	15,307,979	16,809,827	18,355,098
Planning and Zoning	26,771,563	28,860,846	29,707,273	29,387,574	30,921,513	32,024,402	35,660,252	39,453,463	47,993,136	57,139,743
Park Operations and Maintenance	86,674,082	95,079,886	95,550,144	99,466,159	103,998,826	109,838,327	118,469,005	131,788,561	148,113,743	162,803,732
Recreation	29,668,637	30,383,916	36,242,037	37,467,508	38,003,635	40,419,313	41,484,461	45,466,125	50,361,564	65,009,956
Contributions	-	-	-	-	-	-	-	1,269,884	1,545,894	1,860,781
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	7,745,000	7,825,000	9,340,000	31,335,000 (1)	10,755,000	11,290,000	11,820,000	11,630,000	13,131,800	13,705,849
Interest	8,141,310	7,794,657	8,076,447	6,638,933	5,945,514	5,812,572	5,986,849	5,321,528	5,504,890	5,065,685
Other Debt Service Costs	33,237	81,752	70,981	553,630	525,375	188,317	262,491	258,155	87,937	178,835
Capital Projects	33,486,574	37,422,899	25,615,322	16,387,523	33,551,617	23,212,160	22,269,358	39,382,789	40,868,140	37,968,742
Total Expenditures	203,308,045	219,200,283	216,691,133	233,934,637	236,799,097	236,599,387	250,942,376	289,878,484	324,416,931	362,088,421
<b>Other Financing Sources (Uses)</b>										
Proceeds from General Obligation Bonds	-	5,700,000	18,744,820	26,422,900	14,720,000	4,002,020	-	13,600,000	17,300,000	5,250,000
Refunding Bonds Issued	-	-	-	29,592,100	22,805,000	-	19,130,000	-	(17,300,000)	8,405,000
Loan Issued	-	-	-	-	-	-	-	284,000	-	-
Premiums on Bonds Issued	-	-	-	281,807	1,926,886	-	88,405	93,709	-	381,617
Payment to Refunding Bond Escrow Account	-	-	-	(29,552,086)	(23,862,764)	-	(19,018,300)	-	-	(8,650,856)
Payment from Private Purpose Trust Funds	-	-	-	9,874	8,615	-	-	-	-	-
Contribution to Private Purpose Trust Funds	-	-	(286,585)	(493,058)	(609,148)	-	-	-	-	-
Transfers In	21,566,544	20,654,975	20,320,029	22,591,017	28,577,814	31,727,099	31,327,417	46,882,822	54,409,188	84,117,596
Transfers Out	(27,873,205)	(26,282,981)	(25,448,702)	(24,396,303)	(29,368,636)	(33,355,950)	(38,504,217)	(54,636,922)	(63,723,288)	(93,717,496)
Total Other Financing Sources (Uses)	(6,306,661)	71,984	13,329,562	24,486,251	14,197,767	2,373,169	(6,976,695)	6,223,609	(9,314,100)	(4,214,139)
Net Change in Fund Balances	(6,437,381)	(12,215,215)	11,637,736	4,333,031	12,327,024	20,597,785	30,718,289	44,946,408	51,687,217	36,896,137
Beginning Fund Balance	86,497,122	80,059,741	75,861,395	87,499,131	91,832,162	104,159,186	124,756,971	155,475,260	200,421,668	252,108,885
Ending Fund Balance	\$ 80,059,741	\$ 67,844,526	\$ 87,499,131	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022
Debt Service as a Percentage of Noncapital Expenditures	9.52%	8.76%	9.22%	17.65%	8.30%	8.09%	7.62%	6.77%	6.56%	5.90%

(1) Due to the pay-off of the X-2 bond issue in Prince George's County which was re-financed in FY 2003

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

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

TABLE T-6

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

(Dollars in Thousands)

MONTGOMERY COUNTY

Fiscal Year	Real Property (1)			Personal Property (2)			Total (3)		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value		
2000	\$ 28,674,554	\$ 74,907,403	2.514	\$ 3,879,303	2.502	\$ 32,553,857	\$ 78,786,706	41.32 %	
2001	29,649,013	79,021,889	2.513	4,077,848	2.500	33,726,861	83,099,737	40.59	
2002	77,574,948	84,229,042	1.005	4,201,345	2.495	81,776,293	88,430,387	92.48	
2003	82,407,338	93,432,356	1.004	4,227,854	2.494	86,635,192	97,660,210	88.71	
2004	89,263,005	98,091,215	1.005	3,963,802	2.498	93,226,807	102,055,017	91.35	
2005	98,281,725	105,339,469	0.994	3,902,612	2.474	102,184,337	109,242,081	93.54	
2006	110,529,249	118,593,615	0.952	3,831,629	2.367	114,360,878	122,425,244	93.41	
2007	125,710,776	131,634,320	0.902	3,948,950	2.242	129,659,726	135,583,270	95.63	
2008	142,306,436	145,210,649	0.902	3,970,547	2.241	146,276,983	149,181,196	98.05	
2009	158,133,491	164,038,892	0.902	3,920,171	2.241	162,053,662	167,959,063	96.48	

PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property (1)			Personal Property (2)			Total (3)		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value		
2000	\$ 14,869,426	\$ 37,244,023	2.459	\$ 3,022,343	2.459	\$ 17,891,769	\$ 40,266,366	44.43 %	
2001	15,173,826	38,267,541	2.458	3,009,078	2.458	18,182,904	41,276,619	44.05	
2002	39,091,456	39,326,338	0.981	3,099,323	2.453	42,190,779	42,425,661	99.45	
2003	40,794,370	42,546,271	0.980	3,037,763	2.450	43,832,133	45,584,034	96.16	
2004	43,066,688	45,195,233	0.980	2,956,111	2.452	46,022,799	48,151,344	95.58	
2005	46,612,629	49,379,361	0.978	2,828,385	2.444	49,441,014	52,207,746	94.70	
2006	52,277,305	58,874,924	0.980	2,823,369	2.449	55,100,674	61,698,293	89.31	
2007	60,716,650	69,500,205	0.924	2,827,545	2.312	63,544,195	72,327,750	87.86	
2008	72,840,584	82,244,050	0.915	2,888,299	2.327	75,728,883	85,132,349	88.95	
2009	85,649,437	99,986,181	0.907	2,987,437	2.294	88,636,874	102,973,618	86.08	

- Note:
- (1) Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100 percent of actual value. Previously the valuation was assessed at 40% of actual value.
  - (2) For personal property, the assessed value and estimated value are the same.
  - (3) Total includes real property, business personal property, public utility operating property and domestic shares.

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

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

TABLE T-7

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

**M-NCPPC TAXES**

MONTGOMERY COUNTY

Fiscal Year	Administration		Park Operations	Advance Land Acquisition	Total		County-wide Property Taxes Within County		Total
	\$				\$		\$		
2000	\$	0.0620	\$ 0.1540	\$ 0.0030	0.2190	\$	2.2950	\$	2.5140
2001		0.0600	0.1600	0.0030	0.2230		2.2900		2.5130
2002	(1)	0.024/0.059	0.0660/0.1650	0.0010/0.0020	0.0910/0.2260		0.914/2.269		1.005/2.495
2003		0.023/0.058	0.0630/0.1580	0.0010/0.0030	0.0870/0.2190		0.917/2.275		1.004/2.494
2004		0.021/0.053	0.0590/0.1480	0.0010/0.0030	0.0810/0.2040		0.924/2.294		1.005/2.498
2005		0.020/0.050	0.0590/0.1480	0.0010/0.0030	0.0800/0.2010		0.914/2.273		0.994/2.474
2006		0.022/0.055	0.0610/0.1530	0.0010/0.0030	0.0840/0.2110		0.868/2.156		0.952/2.367
2007		0.020/0.050	0.0570/0.1430	0.0010/0.0030	0.0780/0.1960		0.824/2.048		0.902/2.244
2008		0.019/0.047	0.0580/0.1450	0.0010/0.0030	0.0780/0.1950		0.824/2.046		0.902/2.241
2009		0.019/0.047	0.0530/0.1320	0.0010/0.0030	0.0730/0.1820		0.829/2.059		0.902/2.241

PRINCE GEORGE'S COUNTY

Fiscal Year	Administration		Park Operations	Recreation	Advance Land Acquisition	Total		County-wide Property Taxes Within County		Total
	\$					\$		\$		
2000	\$	0.1123	\$ 0.3534	\$ 0.1381	\$ 0.0062	0.6100	\$	2.7340	\$	3.3440
2001		0.1153	0.3534	0.1381	0.0032	0.6100		2.7330		3.3430
2002	(1)	0.0466/0.1165	0.1420/0.3550	0.0541/0.1353	0.0013/0.0032	0.2440/0.6100		1.0906/2.7277		1.3346/3.3377
2003		0.0466/0.1165	0.1420/0.3550	0.0541/0.1353	0.0013/0.0032	0.2440/0.6100		1.0901/2.7253		1.3341/3.3353
2004		0.0466/0.1165	0.1770/0.4425	0.0541/0.1353	0.0013/0.0032	0.2790/0.6975		1.1384/2.8471		1.4174/3.5446
2005		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975		1.1357/2.8390		1.4147/3.5365
2006		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975		1.1381/2.8437		1.4171/3.5412
2007		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975		1.1165/2.7916		1.3955/3.4891
2008		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975		1.1069/2.8069		1.3859/3.5044
2009		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975		1.0986/2.7740		1.3776/3.4715

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

(1) Rates shown are for Real/Personal.

Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100 percent of actual value. Previously the valuation for real property was assessed at 40% of actual value.

Tax rates were adjusted so that change was revenue neutral.

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

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

TABLE T-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

Taxpayer	2009			2000 (1)		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Potomac Electric Power Company	\$ 690,226,160	1	0.43 %	\$ 1,009,659,880	1	3.10 %
Verizon - Maryland	680,681,930	2	0.42	636,666,050	2	1.96
Montgomery Mall LLC	396,142,869	3	0.24	82,043,360	6	0.25
Washington Gas Light Company	230,268,250	4	0.14	171,956,400	3	0.53
7501 Wisconsin Ave. LLC	226,841,666	5	0.14	-	-	-
Camalier, Anne D et al, Trustee	220,531,312	6	0.14	-	-	-
Federal Realty Investment Trust	213,390,806	7	0.13	-	-	-
Democracy Associates	207,114,900	8	0.13	-	-	-
Chevy Chase Land Co	201,846,132	9	0.12	-	-	-
Wheaton Plaza Regional Shopping Center	188,065,412	10	0.12	-	-	-
Lake Fores Associates	-	-	-	50,115,600	9	0.15
International Business Machines	-	-	-	85,389,180	4	0.26
May Department Stores	-	-	-	83,324,130	5	0.26
Bryant F. Foulger, Trustee	-	-	-	57,116,210	7	0.17
Albert & R. Abramson, et. al.	-	-	-	50,844,300	8	0.16
Asbury Methodist Home, Inc	-	-	-	45,774,450	10	0.14
<b>Total</b>	<b>\$ 3,255,109,437</b>		<b>2.01 %</b>	<b>\$ 2,272,889,560</b>		<b>6.98 %</b>
<b>Total Assessable Base</b>	<b>\$ 162,053,662,492</b>		<b>100.00 %</b>	<b>\$ 32,553,856,811</b>		<b>100.00 %</b>

PRINCE GEORGE'S COUNTY

Taxpayer	2009			2000 (1)		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Gaylord National, LLC	\$ 670,855,100	1	0.76 %	\$ -	-	- %
Mirant Chalk Point LLC	494,667,042	2	0.56	-	-	-
Potomac Electric Power Company	431,790,993	3	0.49	1,981,398,800	1	11.07
Verizon Maryland	406,340,430	4	0.46	-	-	-
Washington Gas Light Company	218,766,847	5	0.25	300,951,720	3	1.68
Greenbelt Homes, Incorporated	195,151,290	6	0.22	110,126,160	8	0.62
JKC Stadium (FedEx Field)	187,999,100	7	0.21	95,614,260	9	0.53
Baltimore Gas and Electric Company	-	-	-	184,935,080	4	1.03
Empirian Village of Maryland, LLC	187,362,588	8	0.21	-	-	-
Silver Oaks Campus LLC	129,448,066	9	0.15	-	-	-
Samuel Zell TRS	125,229,198	10	0.14	-	-	-
Safeway Stores, Inc.	-	-	-	121,934,260	5	0.68
Summerfield Housing LTD Partnership	-	-	-	115,480,400	6	0.65
Giant Foods, Inc.	-	-	-	113,332,040	7	0.63
Bell Atlantic Maryland	-	-	-	748,002,160	2	4.18
GB Mall Limited Partnership	-	-	-	70,053,680	10	0.39
<b>Total</b>	<b>\$ 3,047,610,654</b>		<b>3.44 %</b>	<b>\$ 3,841,828,560</b>		<b>21.46 %</b>
<b>Total Assessable Base</b>	<b>\$ 88,636,873,820</b>		<b>100.00 %</b>	<b>\$ 17,891,768,130</b>		<b>100.00 %</b>

(1) Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100 percent of actual value. Previously the valuation was assessed at 40% of actual value.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

Property Tax Levies and Collections  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2000	\$ 61,998,281	\$ 60,973,987	98.3 %	\$ 471,925	\$ 61,445,595	99.1 %
2001	65,210,972	64,015,359	98.2	318,227	64,333,586	98.7
2002	69,302,154	68,605,694	99.0	1,489,419	70,095,113	101.1
2003	69,493,121	68,994,492	99.3	694,315	69,688,807	100.3
2004	68,788,496	68,447,863	99.5	653,433	69,101,296	100.5
2005	74,428,353	74,232,900	99.7	322,725	74,555,625	100.2
2006	87,277,546	84,587,921	96.9	2,532,356	87,120,277	99.8
2007	91,903,957	91,347,333	99.4	(28,936)	91,318,397	99.4
2008	102,981,734	102,582,155	99.6	(149,698)	102,432,457	99.5
2009	106,450,471	105,976,302	99.6	-	105,976,302	99.6

PRINCE GEORGES 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
2000	\$ 103,461,526	\$ 102,213,005	98.8 %	\$ 578,712	\$ 102,791,717	99.4 %
2001	105,035,614	103,544,928	98.6	748,846	104,293,774	99.3
2002	107,977,263	106,777,906	98.9	933,786	107,711,692	99.8
2003	112,003,391	110,517,257	98.7	771,714	111,288,971	99.4
2004	132,837,385	128,734,271	96.9	3,651,572	132,385,843	99.7
2005	141,452,179	140,621,685	99.4	318,400	140,940,085	99.6
2006	156,005,194	155,091,912	99.4	392,566	155,484,478	99.7
2007	178,448,928	177,139,126	99.3	571,135	177,710,261	99.6
2008	210,271,715	208,168,095	99.0	1,065,977	209,234,072	99.5
2009	245,444,114	246,157,180	100.3	-	246,157,180	100.3

Source: Total Tax Levy - Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities		Business-Type Activities		Ratios			Advance Land Acquisition General Obligation Bonds		Ratios		
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable	Total Primary Government	Percentage Of Personal Income	Outstanding Debt Per Capita	Total Debt	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)		
2000	\$ 27,125	\$ 2,149	\$ 13,255	\$ -	42,529	0.10	\$ 48.40	\$ 5,255	0.11	\$ 54.38		
2001	30,920	4,792	12,388	273	48,373	0.11	54.07	4,925	0.12	59.58		
2002	28,700	3,577	11,811	218	44,306	0.09	48.80	4,500	0.10	53.76		
2003	32,125	4,976	10,852	290	48,243	0.10	52.66	4,225	0.11	57.27		
2004	29,830	3,291	9,860	204	43,185	0.08	46.88	3,805	0.09	51.01		
2005	31,760	5,256	8,825	114	45,955	0.08	49.55	5,390	0.09	55.36		
2006	29,555	3,711	7,780	54	41,100	0.07	43.86	4,845	0.08	49.03		
2007	32,025	5,259	6,715	27	44,026	0.07	46.49	4,290	0.08	51.02		
2008	29,465	3,522	5,630	-	38,617	0.06	40.78	3,745	0.07	44.73		
2009	32,290	2,301	4,523	-	39,114	0.06	41.30	3,210	0.07	44.69		

PRINCE GEORGE'S COUNTY

Year	Governmental Activities		Business-Type Activities		Ratios			Advance Land Acquisition General Obligation Bonds		Ratios		
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable	Total Primary Government	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)	Total Debt	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)		
2000	\$ 112,635	\$ 1,893	\$ -	\$ -	114,528	0.49	\$ 142.68	\$ 3,370	0.51	\$ 146.87		
2001	107,280	1,796	-	-	109,076	0.45	133.68	3,135	0.46	137.53		
2002	119,620	1,765	-	-	121,385	0.48	146.99	2,800	0.49	150.38		
2003	113,655	1,675	-	-	115,330	0.44	138.49	2,470	0.45	141.46		
2004	121,965	1,530	-	-	123,495	0.44	147.40	2,145	0.45	149.96		
2005	113,480	1,714	-	-	115,194	0.39	136.69	1,825	0.40	138.85		
2006	105,030	1,496	-	-	106,526	0.35	126.62	1,505	0.36	128.41		
2007	105,400	1,806	-	-	107,206	0.38	129.36	1,190	n.a	130.79		
2008	95,735	1,438	-	-	97,173	n.a	n.a	885	n.a	n.a		
2009	85,501	1,054	-	-	86,555	n.a	n.a	585	n.a	n.a		

Notes: (1) 000's omitted.

(2) See Table 15 for personal income and population data. Data are not available for Prince George's County for FY 2008 and FY 2009.

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 (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	
2000	877,495	\$ 28,408,647	\$ 27,125	0.10 %	\$ 5,255	0.02 %	\$ 5.99	
2001	894,878	29,324,926	30,920	0.11	4,925	0.01	5.50	
2002 (3)	908,233	71,060,080	28,700	0.04	4,500	0.01	4.95	
2003	917,160	75,030,387	32,125	0.04	4,225	0.00	4.61	
2004	923,094	80,589,255	29,830	0.04	3,805	0.00	4.12	
2005	930,286	88,294,369	31,760	0.04	5,390	0.01	5.79	
2006	936,070	99,136,692	29,555	0.03	4,845	0.00	5.18	
2007	941,491	112,335,704	32,025	0.03	4,290	0.00	4.56	
2008	949,591	126,613,148	29,465	0.02	3,745	0.00	3.94	
2009	957,760	140,254,264	32,290	0.02	3,210	0.00	3.35	

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	
2000	802,712	\$ 16,634,701	\$ 112,635	0.68 %	\$ 3,370	0.02 %	\$ 4.20	
2001	815,927	16,873,735	107,280	0.64	3,135	0.02	3.84	
2002 (3)	825,815	39,068,577	119,620	0.31	2,800	0.01	3.39	
2003	832,761	40,706,364	113,655	0.28	2,470	0.01	2.97	
2004	837,837	42,782,719	121,965	0.29	2,145	0.00	2.56	
2005	842,764	45,981,392	113,480	0.25	1,825	0.00	2.17	
2006	841,315	55,083,907	105,030	0.19	1,505	0.00	1.79	
2007	828,770	59,177,385	105,400	0.18	1,190	0.00	1.44	
2008	820,852	70,615,992	95,735	0.14	885	0.00	n.a.	
2009	n. a.	82,671,572	85,501	0.10	585	0.00	n.a.	

Notes: (1) 000's omitted

(2) Metropolitan District only

(3) Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100% of actual value. Previously the valuation was assessed at 40% of actual value.

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



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

Table T-12

Direct and Overlapping Governmental Activities Debt

June 30, 2009

	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
<b>Overlapping Debt:</b>					
<b>Montgomery County:</b>					
Montgomery County Government Direct Debt	\$ 2,050,218,071	100.00%	\$ 2,050,218,071	\$ -	\$ 2,050,218,071
MCPS - capital leases	46,838,246	100.00%	46,838,246	-	46,838,246
MCC - capital leases	31,225,000	100.00%	31,225,000	-	31,225,000
Kingsview Village Center - bonds	2,075,000	100.00%	2,075,000	-	2,075,000
West Germantown - bonds	15,060,000	100.00%	15,060,000	-	15,060,000
Towns, Cities and Villages	47,851,848	100.00%	47,851,848	-	47,851,848
<b>Prince George's County:</b>					
Prince George's County Direct Debt	704,467,333	100.00%	-	704,467,333	704,467,333
IDA of Prince George's County - lease revenue bonds	47,039,258	100.00%	-	47,039,258	47,039,258
Towns, Cities and Villages (2)	19,182,999	100.00%	-	19,182,999	19,182,999
Total Overlapping Debt			<u>2,193,268,165</u>	<u>770,689,590</u>	<u>2,963,957,755</u>
M-NCPPC Direct Debt Outstanding (1)			<u>37,800,765</u>	<u>87,140,065</u>	<u>124,940,830</u>
Total Direct and Overlapping Debt			<u>\$ 2,231,068,930</u>	<u>\$ 857,829,655</u>	<u>\$ 3,088,898,585</u>

Note: (1) Direct Debt is comprised of Park bonds, ALA bonds, and the debt of Internal Service Funds.  
(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2008 data from Prince George's County.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

Park Acquisition and Development Bonds  
Guaranteed by Montgomery County

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Valuation - Metropolitan District										
Real Property	\$ -	\$ -	\$ 67,628,590,879	\$ 71,653,677,756	\$ 77,392,706,440	\$ 85,115,950,105	\$ 96,008,277,404	\$ 109,087,997,868	\$ 123,349,223,504	\$ 137,037,338,727
Personal Property	-	-	3,431,488,780	3,376,709,429	3,196,548,890	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271	3,216,925,627
Total Assessed Value	28,408,647,000	29,324,926,000	71,060,079,659	75,030,387,185	80,589,255,330	88,294,369,345	99,136,692,634	112,335,703,729	126,613,147,775	140,254,264,354
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 3.6 cents (9 cents for FY 2001 and prior)	-	-	24,346,293	25,795,324	27,861,374	30,641,742	34,562,980	39,271,679	44,405,720	49,333,442
Personal Property at 9 cents	25,567,782	26,392,433	3,088,340	3,039,038	2,876,894	2,860,577	2,815,574	2,922,935	2,937,532	2,895,233
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	767,033,460	791,772,990	823,038,990	865,030,860	922,148,040	1,005,069,570	1,121,356,620	1,265,838,420	1,420,297,560	1,566,860,250
Debt Service Applicable to Limit	37,381,000	43,203,000	39,469,000	43,472,000	39,836,487	42,224,115	38,393,681	41,883,976	38,059,329	40,869,590
Legal Debt Margin	\$ 729,652,460	\$ 748,569,990	\$ 783,569,990	\$ 821,558,860	\$ 882,311,553	\$ 962,845,455	\$ 1,082,962,939	\$ 1,223,954,444	\$ 1,382,238,231	\$ 1,525,990,660
Debt Service Applicable to Limit as a Percentage of the Limit	4.87%	5.46%	4.80%	5.03%	4.32%	4.20%	3.42%	3.31%	2.68%	2.61%

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Valuation - Metropolitan District										
Real Property	\$ -	\$ -	\$ 36,198,688,000	\$ 37,840,312,000	\$ 40,023,911,556	\$ 43,332,058,449	\$ 52,272,039,269	\$ 56,538,661,869	\$ 67,906,380,950	\$ 79,863,728,005
Personal Property	-	-	2,869,889,000	2,866,052,000	2,758,807,706	2,649,333,133	2,811,867,582	2,638,722,757	2,709,610,652	2,807,843,667
Total Assessed Value	16,634,701,000	16,873,735,000	39,068,577,000	40,706,364,000	42,782,719,262	45,981,391,582	55,083,906,851	59,177,384,646	70,615,991,602	82,671,571,672
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 4 cents (10 cents for FY 2001 and prior)	-	-	14,479,475	15,136,125	16,009,565	17,332,823	20,908,816	22,615,465	27,162,552	31,945,491
Personal Property at 10 cents	16,634,701	16,873,735	17,349,364	18,002,177	18,768,373	19,982,156	23,720,684	25,254,188	29,872,163	34,753,335
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	499,041,030	506,212,050	520,480,920	540,065,310	563,051,190	599,464,680	711,620,520	757,625,640	896,164,890	1,042,600,050
Debt Service Applicable to Limit	152,589,437	141,350,000	157,767,000	147,391,000	156,442,246	146,418,484	136,076,320	135,699,883	119,846,031	105,933,668
Legal Debt Margin	\$ 346,451,593	\$ 364,862,050	\$ 362,713,920	\$ 392,674,310	\$ 406,608,944	\$ 453,046,196	\$ 575,544,200	\$ 621,925,757	\$ 776,318,859	\$ 936,666,382
Debt Service Applicable to Limit as a Percentage of the Limit	30.58%	27.92%	30.31%	27.29%	27.78%	24.42%	19.12%	17.91%	13.37%	10.16%

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

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

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

TABLE T-14

Pledged-Revenue Coverage  
Last Ten Fiscal Years

Little Bennett Golf Course Revenue Bonds (1)						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
2000	\$ 1,654,516	\$ 1,531,064	\$ 123,452	\$ 245,000	\$ 273,875	0.24
2001	1,697,517	1,728,532	(31,015)	255,000	259,647	(0.06)
2002	1,782,015	1,910,369	(128,354)	270,000	244,643	(0.25)
2003	1,433,356	1,636,476	(203,120)	285,000	228,796	(0.40)
2004	1,547,197	1,501,372	45,825	300,000	248,684	0.08
2005	1,407,434	1,571,068	(163,634)	314,634	122,975	(0.37)
2006	999,416	1,303,515	(304,099)	315,137	120,699	(0.70)
2007	213,804	3,194	210,610	325,757	109,811	0.48
2008	301,059	159,104	141,955	336,735	98,587	0.33
2009	300,000	70,385	229,615	348,083	86,983	0.53

Wheaton Ice Rink Revenue Bonds						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
2000	\$ 585,225	\$ 1,213,664	\$ (628,439)	\$ 190,000	\$ 216,241	(1.55)
2001	760,659	868,404	(107,745)	200,000	204,626	(0.27)
2002	949,130	986,319	(37,189)	215,000	192,335	(0.09)
2003	917,785	995,430	(77,645)	230,000	179,174	(0.19)
2004	962,056	1,036,132	(74,076)	315,662	158,692	(0.16)
2005	1,017,062	1,112,823	(95,761)	275,622	83,433	(0.27)
2006	1,248,187	1,375,948	(127,761)	284,910	72,748	(0.36)
2007	1,129,298	1,329,107	(199,809)	294,512	63,144	(0.56)
2008	981,681	1,262,416	(280,735)	304,437	53,165	(0.79)
2009	969,600	1,360,638	(391,038)	314,696	42,846	(1.09)

Cabin John Ice Rink Revenue Notes (5)						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
2000	\$ 1,637,362	\$ 1,579,133	\$ 58,229	\$ -	\$ 311,920	0.19
2001	2,426,109	2,170,016	256,093	444,444	300,045	0.34
2002	2,778,017	2,506,214	271,803	444,444	277,111	0.38
2003	2,968,982	2,529,806	439,176	444,444	254,177	0.63
2004	3,071,550	2,495,269	576,281	444,444	231,245	0.85
2005	3,066,518	2,608,814	457,704	444,444	208,311	0.70
2006	3,384,115	3,066,518	317,597	444,444	185,378	0.50
2007	3,006,568	2,604,061	402,507	444,444	162,444	0.66
2008	2,505,663	2,204,101	301,562	444,444	139,512	0.52
2009	2,724,698	2,399,913	324,785	444,444	116,578	0.58

- Notes: (1) The Commission's Montgomery County golf courses lease to the Montgomery County Revenue Authority on a short-term basis on April 15, 2006 was converted to a long-term lease in October 2006.  
(2) Gross revenues include nonoperating interest income.  
(3) Operating expenses do not include interest, depreciation, or amortization expenses.  
(4) These are the revenues that are actually pledged to cover this debt. In practice, the Commission uses the available resources of the entire Montgomery County Enterprise Fund.  
(5) Revenue notes for the Cabin John Ice Rink were issued in fiscal year 2000.

Source: The Maryland-National Capital Park and Planning Commission

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

TABLE T-15

Demographic Statistics  
Last Ten Fiscal Years

MONTGOMERY COUNTY

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income 000's omitted (2,3)</u>	<u>Per Capita Income (4)</u>	<u>Labor Force (5)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (7)</u>
2000	877,495	\$ 43,575,224	\$ 49,659	489,050	2.6 %	130,689
2001	894,878	45,537,627	50,887	490,213	3.1	134,180
2002	908,233	47,041,902	51,795	496,101	3.5	136,832
2003	917,160	48,533,753	52,917	496,223	3.3	138,891
2004	923,094	51,907,936	56,233	497,204	3.2	139,203
2005	930,286	55,806,685	59,989	505,692	3.1	139,337
2006	936,070	59,458,070	63,519	514,163	2.8	139,387
2007	941,491	63,573,952	67,525	512,719	2.7	137,798
2008	949,591	65,300,000	68,766	513,649	3.2	137,745
2009	957,760	67,100,000	70,059	509,926	5.4	137,763

PRINCE GEORGE'S COUNTY

<u>Year</u>	<u>Population (8)</u>	<u>Total Personal Income 000's omitted (2)</u>	<u>Per Capita Income (2)</u>	<u>Labor Force (9)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (10)</u>
2000	802,712	\$ 23,195,413	\$ 28,894	452,067	4.3 %	131,059
2001	815,927	24,414,098	29,909	485,077	4.0	133,723
2002	825,815	25,445,330	30,783	471,602	5.1	135,039
2003	832,761	26,248,500	31,429	475,007	5.2	135,439
2004	837,837	28,162,399	33,461	440,424	4.5	137,285
2005	842,764	29,422,711	34,912	445,124	4.5	136,095
2006	841,315	30,137,985	36,108	454,601	4.1	133,325
2007	828,770	30,994,985	37,555	448,144	3.7	131,014
2008	820,852	n. a.	n. a.	450,970	4.5	129,752
2009	n. a.	n. a.	n. a.	443,244	6.9	127,977

Notes:

- (1) Source: Data for 2000-2008 from the U.S. Bureau of the Census, data for 2009 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2008 and 2009 is not currently available)
- (3) Source: Data for 2008 - 2009 are estimates derived by the Montgomery County Department of Finance
- (4) Source: Per Capita Income is derived by dividing personal income by population
- (5) Source: Bureau of Labor Statistics, U.S. Department of Labor
- (6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.
- (7) Source: Office of Management and Budget, Montgomery County
- (8) Source: U.S. Bureau of the Census, Population Estimates Branch
- (9) Source: Maryland Department of Labor, Career and Workforce Information
- (10) Source: www.mdreportcard.org

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

TABLE T-16

Total Government Employees by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>										
Commissioners Office	14.41	14.41	14.41	14.41	14.22	14.19	16.70	16.70	16.40	9.90
Department of Human Resources and Management	22.75	24.75	24.25	24.05	24.35	23.75	23.75	23.75	24.50	26.75
Department of Finance	28.60	28.80	29.30	29.00	28.30	28.30	29.30	29.30	29.60	29.10
Legal Department	8.75	8.75	9.75	9.40	9.40	9.50	11.00	11.00	12.70	12.75
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>74.76</u>	<u>76.96</u>	<u>77.96</u>	<u>77.11</u>	<u>76.52</u>	<u>75.99</u>	<u>81.00</u>	<u>81.00</u>	<u>83.45</u>	<u>78.75</u>
County Planning and Zoning:										
Office of the Planning Director	3.00	2.50	2.50	2.30	2.50	2.50	2.50	3.30	3.77	3.82
Management Services	13.10	13.10	12.80	12.40	12.80	11.30	11.10	9.30	7.60	25.57
Strategic Planning	5.00	4.50	4.50	4.50	4.50	4.50	4.40	3.30	4.30	-
Community-Based Planning	46.50	46.20	45.70	45.75	44.70	43.70	39.00	38.00	38.77	22.22
County-Wide Planning	37.90	38.20	41.40	42.35	41.70	40.20	40.10	41.00	48.57	-
Environmental Planning	-	-	-	-	-	-	-	-	-	23.67
Transportation Planning	-	-	-	-	-	-	-	-	-	17.89
Urban Design	-	-	-	-	-	-	-	-	-	17.01
Development Review	25.20	24.30	24.80	24.40	24.80	24.60	28.50	35.60	35.00	32.32
Research and Technology	30.00	28.50	28.50	29.80	28.00	26.80	26.30	26.90	31.30	28.55
Total County Planning and Zoning	<u>160.70</u>	<u>157.30</u>	<u>160.20</u>	<u>161.50</u>	<u>159.00</u>	<u>153.60</u>	<u>151.90</u>	<u>157.40</u>	<u>169.31</u>	<u>171.05</u>
Park Operations and Maintenance:										
Director of Parks	15.40	15.40	17.00	16.50	2.00	4.00	3.90	24.20	23.65	21.57
Superintendent of Parks	-	-	-	-	15.00	19.00	19.00	-	-	-
Management Services	-	-	-	-	-	-	-	-	7.22	7.13
Facilities Management	-	-	-	-	-	-	-	-	6.90	6.83
Research and Technology	8.00	8.00	8.00	8.00	10.00	7.70	8.90	10.10	11.50	10.74
County-Wide Planning	12.00	16.80	17.10	16.30	16.05	18.95	20.50	18.85	29.88	33.43
Park Development	29.27	27.90	27.80	26.50	27.50	27.00	27.70	26.50	28.50	28.43
Park Police	108.50	114.50	115.50	115.05	115.50	112.50	111.20	117.50	112.85	114.72
Natural Resources	66.27	70.60	69.05	69.25	67.65	65.05	67.30	65.65	62.65	63.84
Central Maintenance	105.40	110.90	109.90	107.25	102.30	98.30	106.80	101.30	102.77	104.76
Northern Region	115.50	116.15	117.40	123.25	118.00	113.90	118.00	115.10	114.71	116.25
Southern Region	198.00	198.95	194.20	197.30	190.30	175.00	181.50	174.22	179.11	180.51
Property Management	1.10	1.10	1.10	2.10	3.10	3.10	3.00	3.00	3.50	3.50
Total Park Operations and Maintenance	<u>659.44</u>	<u>680.30</u>	<u>677.05</u>	<u>681.50</u>	<u>667.40</u>	<u>644.50</u>	<u>667.80</u>	<u>656.42</u>	<u>683.24</u>	<u>691.71</u>
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	211.85	235.60	231.65	226.35	229.30	215.40	204.70	109.70	110.30	104.60
Total Workyears	<u>1,106.75</u>	<u>1,150.16</u>	<u>1,146.86</u>	<u>1,146.46</u>	<u>1,132.22</u>	<u>1,089.49</u>	<u>1,105.40</u>	<u>1,004.52</u>	<u>1,046.30</u>	<u>1,046.11</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16  
continued

Total Government Employees by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>										
General Government:	76.25	78.45	77.45	76.60	75.70	75.70	77.20	79.35	82.65	86.90
County Planning and Zoning:										
Director's Office	24.20	13.00	15.50	14.00	14.00	13.00	15.00	14.00	14.00	16.00
Development Review	29.20	41.20	39.70	41.20	42.70	43.60	46.60	48.40	49.70	52.70
Information Permit Review	18.00	-	-	-	-	-	-	-	-	-
Community Planning	23.60	23.60	24.60	22.93	21.03	24.13	26.88	33.63	45.80	43.80
Redevelopment Authority	14.00	14.00	14.00	13.90	14.00	-	-	-	-	-
Natural Resources	12.60	-	-	-	-	-	-	-	-	-
Transportation	10.00	-	-	-	-	-	-	-	-	-
Urban Design	10.00	-	-	-	-	-	-	-	-	-
Information Management	32.00	26.00	22.00	21.80	23.00	22.00	23.00	23.50	24.60	25.60
County-Wide Planning	-	30.60	30.60	29.80	31.00	32.00	34.00	35.50	42.00	39.50
Information Center	-	25.70	22.70	21.10	20.00	22.00	22.00	23.50	25.00	27.00
Total County Planning and Zoning	173.60	174.10	169.10	164.73	165.73	156.73	167.48	178.53	201.10	204.60
Park Operations and Maintenance:										
Office of the Director	33.00	33.00	33.20	34.70	40.70	39.70	39.70	39.70	25.10	27.50
IT & Communications	-	-	-	-	-	-	-	-	15.20	16.20
Park Police	121.00	121.00	123.40	123.40	124.20	124.20	129.80	130.80	137.60	143.50
Park Planning and Development	49.00	49.00	48.00	48.00	47.00	47.00	48.00	51.00	52.00	61.00
Facility Operations	239.00	239.00	233.00	232.50	234.50	235.50	243.50	243.50	250.50	271.60
Area Operations	214.00	218.00	202.00	202.10	204.10	204.10	219.60	219.60	228.10	240.10
Total Park Operations and Maintenance	656.00	660.00	639.60	640.70	650.50	650.50	680.60	684.60	708.50	759.90
Recreation Programs:										
Director's Office	2.00	2.00	3.00	3.00	3.00	8.00	8.00	9.50	9.50	19.50
Administration and Development	-	-	-	-	-	-	-	-	-	2.00
IT & Communications	-	-	-	-	-	-	-	-	9.00	9.00
Facility Operations	212.50	176.50	161.00	159.60	157.60	157.60	159.10	161.10	160.70	164.70
Area Operations	439.50	472.50	476.60	473.00	472.00	622.40	644.10	654.60	670.60	718.30
Total Recreation Programs	654.00	651.00	640.60	635.60	632.60	788.00	811.20	825.20	849.80	913.50
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	139.50	147.30	217.50	217.50	210.50	209.50	207.50	215.50	218.00	213.00
Total Workyears	1,699.35	1,710.85	1,744.25	1,735.13	1,735.03	1,880.43	1,943.98	1,983.18	2,060.05	2,177.90

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17

Operating Indicators by Function  
Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>										
General Government, Commission-Wide:										
Number of Positions Advertised	224	377	175	200	200	362	325	400	350	376
Number of Vendors in Directory	11,520	12,976	14,165	15,171	16,015	17,014	17,741	18,481	19,514	20,593
Number of MFD Vendors in Directory	1,334	1,334	1,549	1,772	2,094	2,551	2,818	3,028	3,383	3,747
<b>MONTGOMERY COUNTY</b>										
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed	5	4	3	8	9	12	6	7	-	4
Number of Regulatory Planning Reviews	n/a	n/a	n/a	26	30	35	35	38	120	124
Number of Transportation Studies	n/a	126	125	53	46	56	52	40	39	40
Number of Site Plan and Project Plans Reviews	55	71	68	135	107	142	109	160	na	na
Number of Daily Website Visits	n/a	n/a	n/a	n/a	1,963	2,000	2,800	3,000	3,080	3,624
Number of GIS Updates	n/a	n/a	n/a	2,086	2,500	1,805	2,140	2,400	5,697	14,576
Park Operations and Maintenance:										
Number of Park Permits Issued	7,685	9,056	9,282	9,239	9,505	9,475	9,475	9,547	9,882	9,014
Number of Playground Renovations Completed	n/a	n/a	9	2	14	16	6	6	10	12
Total Acres of Parkland Acquired	n/a	n/a	529	1,031	224	407	310	480	297	140
Trees Planted for Reforestation Projects	n/a	n/a	n/a	2,000	1,200	1,300	1,512	1,295	1,100	1,581
Major Maintenance Requests Completed	n/a	n/a	n/a	32	30	33	146	184	240	84
Service Requests Completed	3,872	3,900	3,900	5,463	5,300	5,569	5,812	6,830	7,104	7,798
Number of Customers Attending Nature Programs	n/a	n/a	n/a	n/a	n/a	35,225	30,355	45,808	46,700	37,877
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	151,389	381,779	398,664	418,318	426,493	440,235	459,863	449,007	408,746	390,336
Number of Indoor Tennis Customers	156,503	148,400	145,511	159,869	155,604	140,760	139,839	132,801	58,510	96,103
Number of Park Facilities Customers	491,966	419,357	526,628	358,668	494,563	520,097	496,112	569,315	490,220	422,565
Number of Conference Center Customers	28,395	30,100	31,191	32,301	31,873	37,466	39,153	29,964	30,359	27,729

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

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

TABLE T-17  
continued

Operating Indicators by Function  
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	estimated 2009
<b>PRINCE GEORGE'S COUNTY</b>										
<b>Governmental Activities</b>										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	n/a	229	113	157	214	214	163	70	152	150
Number of New Zoning Applications	n/a	89	98	88	71	76	90	59	53	40
Number of Help Desk Requests Completed	n/a	1,251	1,309	1,986	2,240	2,030	2,770	2,450	2,900	3,200
Number of GIS Requests Delivered	n/a	153	175	212	212	240	206	200	211	228
Number of Transportation Referrals Received	265	295	414	338	369	303	318	346	282	218
Number of Environmental Referrals Received	377	1,023	1,174	1,441	1,791	1,783	2,355	1,923	1,323	1,400
Number of Walk-in Customers Served	n/a	5,707	7,106	n/a	7,165	7,100	10,149	7,000	7,269	6,800
Number of Telephone Calls Responded to	n/a	15,111	11,215	n/a	10,911	10,911	9,645	11,000	8,128	8,000
<b>Park Operations and Maintenance:</b>										
Number of Nature Education Attendees	23,800	20,024	44,968	39,193	91,320	152,817	152,346	167,372	160,799	165,500
Number of Museum Visitors (College Park Airport)	60,000	32,113	42,000	53,000	76,331	77,246	88,019	65,772	60,331	68,000
Number of Commission Facility Permits Issued	6,000	5,300	5,300	5,400	4,676	5,494	4,363	4,521	4,600	4,700
Number of Historic Property Rentals	599	630	458	706	663	566	596	609	752	848
Acres of Grass Mowed	4,760	4,964	5,092	5,582	5,698	6,040	6,450	6,600	7,100	7,550
<b>Recreation Programs:</b>										
Number of Museum Visitors (Historic Sites)	15,296	13,969	22,400	33,718	34,030	42,246	51,155	48,194	47,336	49,000
Number of Youth Sports Participants	18,000	18,000	18,000	18,000	20,000	18,000	15,400	13,000	12,000	12,800
Total Aquatics Activities Attendance	284,891	281,094	298,871	222,835	275,772	271,834	284,844	295,242	290,000	291,000
Total Community Center Classes Conducted	2,282	1,884	1,983	4,000	4,877	4,699	5,078	5,387	6,866	5,650
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities										
Number of Rounds of Golf	103,271	102,735	110,650	88,561	89,102	91,867	90,556	81,274	84,558	94,000
Number of Fitness Center Class Participants	n/a	n/a	9,000	22,000	22,000	23,500	26,000	26,500	28,000	27,500
Number of Ice Rink General Admissions	30,000	29,250	11,360	11,700	16,800	27,900	27,000	24,355	36,564	31,000
Number of Attendance (Show Place Arena)	223,010	223,010	227,925	216,061	253,446	268,304	277,295	278,147	240,840	226,652
Number of Attendance (Equestrian Center)	24,811	n/a	30,900	41,806	36,941	37,735	38,562	37,122	35,315	27,821

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-18

Capital Asset Statistics by Function  
Last Five Fiscal Years

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

(1) Data for 2000-2004 not readily available

(2) The four Montgomery County golf courses have been leased to the Montgomery County Revenue Authority as of October 2006.

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

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

TABLE T-19

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	<u>2009 (1)</u>			<u>2000</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	39,979	1	8.36 %	30,463	1	6.77 %
Montgomery County Public Schools	20,953	2	4.38	18,066	2	4.02
U.S. Department of Defense	14,709	3	3.07	14,598	3	3.24
U.S. Department of Commerce	8,749	4	1.83	8,940	4	1.99
Montgomery County Government	8,525	5	1.78	7,626	5	1.70
Lockheed Martin	7,000	6	1.46	4,200	9	0.93
Adventist Healthcare	6,911	7	1.44	6,000	6	1.33
Marriott International, Inc. (Headquarters)	3,957	8	0.83	3,500	10	0.78
Giant Food Corporation	3,816	9	0.80	5,250	7	1.17
Holy Cross Hospital	3,200	10	0.67	*		-
Chevy Chase Bank	*	-	-	4,500	8	1.00
<b>Total</b>	<b>117,799</b>		<b>24.62 %</b>	<b>103,143</b>		<b>22.93 %</b>

PRINCE GEORGE'S COUNTY

<u>Employer</u>	<u>2008 (2)</u>			<u>1999 (2)</u>		
	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
United Parcel Service	4,220	1	0.94 %	2,280	5	0.53
Giant Food, Inc.	3,609	2	0.80	4,375	1	1.03 %
Verizon	2,738	3	0.61	-	-	-
Dimensions Health Corporation	2,500	4	0.55	2,510	2	0.59
Safeway Stores, Inc.	2,400	5	0.53	2,400	3	0.56
Shoppers Food Warehouse	1,975	6	0.44	1,975	6	0.46
Chevy Chase Bank	1,456	7	0.32	-	-	-
Target	1,400	8	0.31	-	-	-
Southern Maryland Hospital Center	1,300	9	0.29	1,300	7	0.30
Computer Science Corporation	1,150	10	0.26	1,209	8	0.28
Bell Atlantic Corp./Verizon	*	-	-	2,328	4	0.55
Hughes STX	-	-	-	898	9	0.21
Allied technical Services	*	-	-	897	10	0.21
<b>Total</b>	<b>22,748</b>		<b>5.05 %</b>	<b>20,172</b>		<b>4.72 %</b>

Note: (1) The employee numbers listed are best estimates taken during the 4th quarter of 2008 from various sources, including first-hand research by the County's Department of Economic Development, the Montgomery County Department of Park and Planning Research and Technology Center, CoStar Tenant, and company Internet websites.

(2) In 2009, Information is not yet available. The number of employees in FY 1999 is provided for the ten year comparison.

\* Employer is not one of the largest employers during the year noted.

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

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

Table T-20

**SUPPLEMENTAL ENTERPRISE INFORMATION**

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2009

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	Totals
Operating Revenues	\$ 333,339	\$ 359,868	\$ 3,768,067	\$ 1,288,327	\$ 2,768,707	\$ 8,518,308
Operating Expenses Before Depreciation	546,699	78,368	3,828,449	1,107,552	2,212,566	7,773,634
Operating Income (Loss) Before Depreciation	(213,360)	281,500	(60,382)	180,775	556,141	744,674
Depreciation	33,056	488,614	682,326	41,573	118,367	1,363,936
Operating Income (Loss)	(246,416)	(207,114)	(742,708)	139,202	437,774	(619,262)
Nonoperating Revenues (Expenses)	-	(86,983)	(159,424)	24,196	25,539	(196,672)
Transfers In (Out)	76,000	-	543,000	-	-	619,000
Net Income (Loss)	\$ (170,416)	\$ (294,097)	\$ (359,132)	\$ 163,398	\$ 463,313	\$ (196,934)

PRINCE GEORGE'S COUNTY

	Airport	Equestrian Center/ Multipurpose Arena	Golf Courses	Ice Rinks	Regional Parks	Trap and Skeet Center	Sports and Learning Complex	Bladensburg Marina	Totals
Operating Revenues	\$ 260,760	\$ 1,463,684	\$ 2,495,617	\$ 514,980	\$ 356,705	\$ 1,267,366	\$ 3,338,895	\$ 53,233	\$ 9,751,240
Operating Expenses Before Depreciation	480,602	3,805,288	3,633,225	1,391,787	554,938	1,419,328	7,511,609	449,395	19,246,172
Operating Income (Loss) Before Depreciation	(219,842)	(2,341,604)	(1,137,608)	(876,807)	(198,233)	(151,962)	(4,172,714)	(396,162)	(9,494,932)
Depreciation	116,128	604,419	95,201	115,524	85,641	7,777	1,220,677	23,617	2,268,984
Operating Income (Loss)	(35,714)	(1,737,185)	(1,042,407)	(992,283)	(112,592)	(144,185)	(2,952,037)	(372,545)	(11,763,916)
Nonoperating Revenues (Expenses)	5,567	18,468	-	-	19,267	(159,739)	28,006	17,170	88,478
Capital Contribution	-	-	-	-	-	-	-	-	-
Transfers In (Out)	145,500	2,282,900	956,100	756,500	382,600	86,700	4,126,200	244,400	8,980,900
Net Income (Loss)	\$ (184,903)	\$ (644,655)	\$ (276,709)	\$ (235,831)	\$ 117,993	\$ (73,039)	\$ (1,239,185)	\$ (158,209)	\$ (2,694,538)

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

## **ACKNOWLEDGMENTS**

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

Barbara A. Walsh  
David B. Rowland  
and  
Valerie Berton  
Andrea G. Davey  
Harion R. Davis  
Tanya R. Hankton  
Sharon Jones  
Maranda Jones-Anderson  
Richard E. King  
Deloris M. Kirby  
Gwendolyn Lindsay  
Latisha A. Parker  
Dolente Thomas  
Marquia L. Tillery  
Virgilio P. Vehemente  
Al Warfield  
John Williams  
Mary L. Williford

## **Photo Index**

### **Cover:**

The new Vansville Community Center boasts numerous GREEN technologies making it an environmentally friendly building. After School Care participants play a game of Dodgeball at the Vansville Community Center.

### **Page 9:**

Father and son take advantage of the wide open space at the Agricultural History Farm Park...M-NCPPC celebrates Asian Pacific Heritage Month annually with a showcase of cultural entertainment, food, and good times...Volunteers demonstrate 'old-time' toys during Arbor Day at the Agricultural History Farm Park in Derwood, MD...Judo is among the martial arts class offerings that blend mind, body and spirit...The Cub Scout's monkey bridge is a popular attraction at Germantown's Oktoberfest hosted by Ridge Road Recreational Park...Centenarians gather annually at the Centenarian event to celebrate with food, fun, and friends...Day campers participate in a bug hunt at Woodlawn Manor Park...Parks and park facilities are kept secure around the clock by The Maryland-National Capital Park Police utilizing the best in police technology.

### **Photo Credits:**

Cassi Hayden (Prince George's County): Cover, pages 9, 20, 108, and 116.

Francine Bethea (Montgomery County): pages 1, 9, 104, 112, and 120.

---

The Maryland-National Capital  
Park and Planning Commission



8787 Georgia Avenue  
Silver Spring, Maryland 20910  
14741 Governor Oden Bowie Drive  
Upper Marlboro, Maryland 20772

---