

The Maryland-National Capital Park and Planning Commission



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For the Fiscal Year Ended June 30, 2012

Commissioners

Françoise M. Carrier, Chairman of the Commission
Elizabeth M. Hewlett, Vice-Chairman of the Commission
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Joseph C. Zimmerman, Secretary-Treasurer
Adrian R. Gardner, General Counsel

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Mary Bradford, Montgomery County Director of Parks

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Chip S. Bennett, Administration
Stacey Pearson, Purchasing
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◆ PART I ◆
INTRODUCTORY SECTION



Exterior and interior views of the Prince George's Ballroom.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 20, 2012

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2012 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with Article 28, which was recodified effective October 1, 2012 as part of the Land Use Article of the Annotated Code of Maryland, and Sections 2-113 and 7-107, were recodified, respectively, to Sections 15-115 and 15-116. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of CliftonLarsonAllen 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, 2012 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, 2012 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this Report.

This year the Commission is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as revised and U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. This audit is not required as the dollar threshold requiring such an audit was not met. 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 complements this letter of transmittal, and should be read in conjunction with it.

The Commission

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

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

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

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 declined in FY 2012, 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, 2012, the Commission's General Fund budget basis ending fund balance was \$140.1 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 2011 was \$70,004, an increase of about \$700 from the previous year and Montgomery County regularly ranks among the top 15 wealthiest counties in the nation.

Like other jurisdictions across the nation, both counties are impacted by the current fiscal environment. As of June 2012, the nation's unemployment rate was 8.2 percent, whereas Montgomery and Prince George's rates were 5.4 percent and 7.2 percent, respectively. These counties have a combined population base of 1.9 million people and have almost 1.1 million employed as of fiscal year 2011.

According to the Consolidated Federal Funds Reports, Montgomery County received \$18.6 billion in procurement contracts from the federal government for fiscal year 2010, which represents a decrease of 3.0 percent over the previous fiscal year and Prince George's County received \$12.5 billion, which was an increase of 2.0 percent over the previous year. The increase in federal spending boosted economic activity in the Washington area and contributed to the local economy's resilience to negative forces that continue to affect the national economy.

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 FY2012 expenditures was made, while in

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

There are significant unassigned fund balances in Prince George's County (\$125.7 million) which are planned to be used over the six-year period to maintain a stable tax rate for the Commission in that county.

Major Initiatives

The Commission enjoyed an excellent program year in fiscal year 2012. 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, 2011. 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.

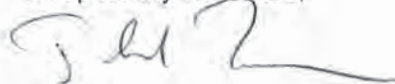
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2012. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

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

Respectfully submitted,



Joseph C. Zimmerman, CPA
Secretary-Treasurer

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, 2011

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.



Christopher P. Moynell

President

Jeffrey R. Enow

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

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

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

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

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

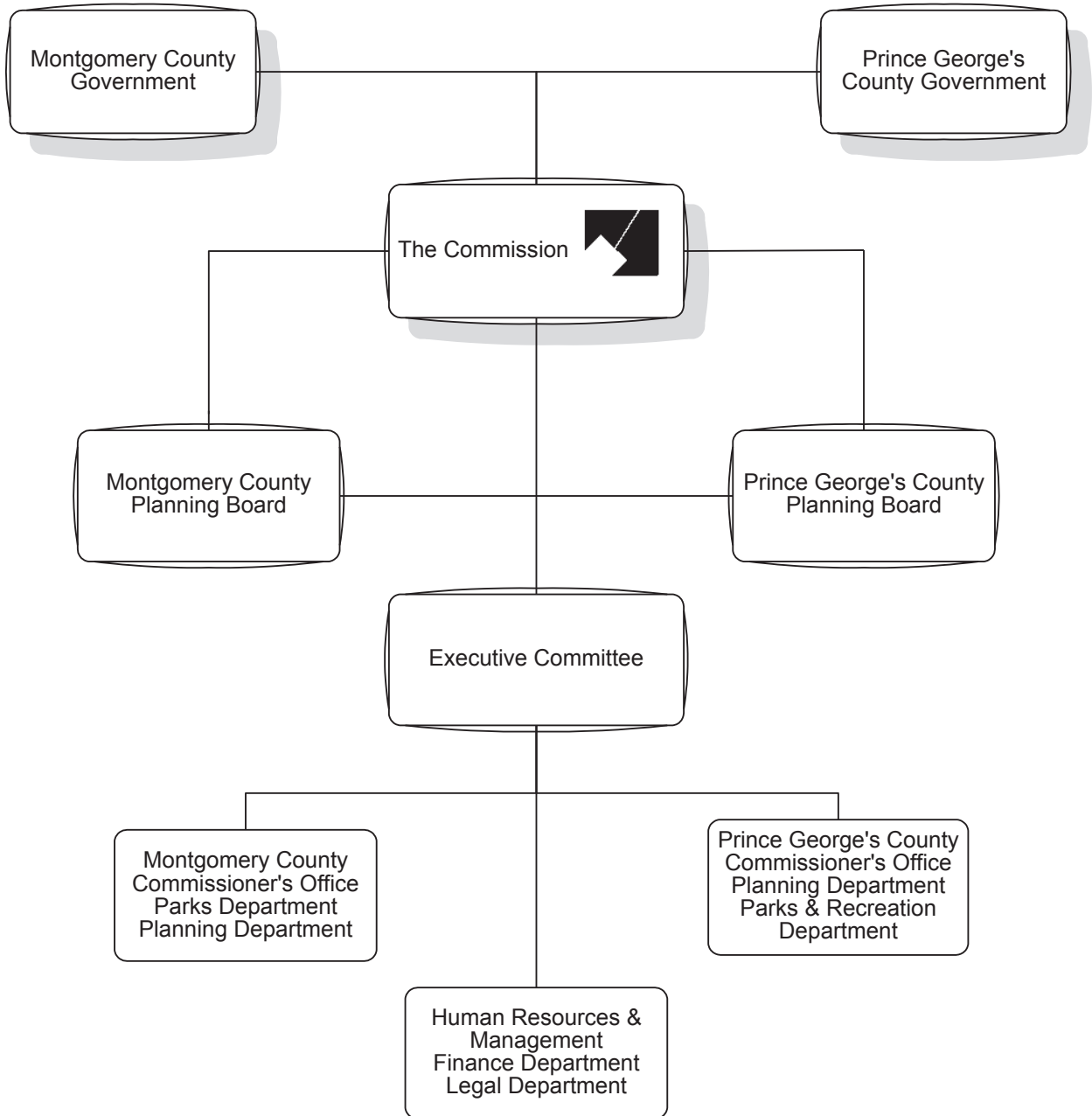
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 62,300 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 1,995 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 4,494 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 2012 PROGRAM HIGHLIGHTS

The year 2012 marked the 85th anniversary of the Maryland-National Capital Park and Planning Commission (M-NCPPC). Despite tight budgets and fiscal constraints, the agency continued to carry out its vital mission to provide and maintain award-winning, quality programs, services and facilities to benefit the residents of the increasingly diverse bi-county area. M-NCPPC's mission, skill and dedication were put to the test as staff coped with a series of natural disasters, including a hurricane and earthquake, as well as devastating storms, excessive heat and cold, and long-term power failures -- all the while maintaining operations and providing assistance to local communities and governments.

Public outreach and engagement continued as a priority for M-NCPPC, with work proceeding on a number of critical efforts to chart the future of land use and service delivery for our communities. Among the many outreach efforts were preliminary work in preparation for Plan Prince George's 2035 update of the General Plan, the Formula 2040 Functional Master Plan for Parks, Recreation and Open Space in Prince George's County, Plan 2030, Montgomery Parks' Vision 2030 and Montgomery County's Subdivision Staging Policy that sets the direction for growth countywide.

In recognition of outstanding management and performance in the fields of Planning and Parks and Recreation, M-NCPPC staff again garnered numerous national and statewide awards from organizations such as the American Planning Association, and the National and Maryland Recreation and Parks Associations -- capped off by the Commission's selection as a finalist for the National Gold Medal for excellence in parks and recreation management. Already an unprecedented five-time National Gold Medal award winner, the Commission has established a benchmark of excellence unparalleled by any other park and recreation agency in the nation. Nomination once again as a finalist for this prestigious award honored the Commission and confirmed its position as a nationwide leader.

Montgomery County Department of Parks

Park Projects and Acquisitions: Many FY12 projects focused on stewardship of natural resources such as the Needwood Golf Course's new stormwater management facilities and fire prevention system upgrades at Meadowbrook Stables or preserving cultural resources such as the relocation and stabilization of the historic Darby Store. New park facilities added in FY12 include the County's first public Tai Chi court at Cabin John Regional Park, the Miracle League Field at South Germantown Recreational Park, the new vehicle wash at Cabin John maintenance facility, and several connector trails to countywide trail systems. The renovation program provided significant upgrades and new facilities at Takoma-Piney Branch Local Park, total renovation of Wheaton Adventure Playground, improvements to portions of the Black Hill trail system, and lifecycle upgrades at ball fields, playgrounds and tennis courts throughout the County. The Department also directed significant resources toward infrastructure maintenance, which included roofs, bridges, parking lots/pathways, ADA compliance, and park building energy conservation improvements. The Rock Creek Sewer project completed this year was a significant infrastructure maintenance project that replaced the failing sewer line at Rock Creek Regional Park. The Acquisition program funded the purchase of 355 acres of new parkland.

Quantifying Accomplishments: The Department prioritized projects based on its core mission, and accomplished the key tasks set out in its work program. Among its accomplishments: maintaining the profitability of the Enterprise Fund; composting 1.2 million pounds of landscape waste to support nursery and garden operations, which eliminating the costs of waste disposal and purchasing compost from a vendor; adding a new community garden, bringing the total to 12 gardens; continuing to make strides in restoring and interpreting cultural resources by adding the Kingsley School to the History in the Parks program; and training six new docents for the Underground Railroad Experience Trail and Oakley Cabin.

Focus on Water Quality: In addition to property tax funding, the Department also received \$1,509,300 from the County's Water Quality Protection Fund, which enabled the Department to proceed with stream stewardship, restoration, and management; stormwater management/environmental site design; the National Pollution Discharge Elimination System (NPDES) Industrial Permit for 12 park maintenance yards; the Phase II NPDES Permit for Small Municipal Separate Storm Sewer Systems (MS4); and volunteer stream clean-up costs.

ADA Compliance: The new requirements of the Americans with Disabilities Act (ADA) went into effect on March 15, 2011 which required the Department of Parks to develop policies to ensure that ADA compliance and accessibility are incorporated throughout the park system's planning, design, construction, and operational processes. The Department worked to resolve access deficiencies regarding barriers within park properties, facilities and programs.

Marshalling Volunteers: In FY12, over 8,000 volunteers contributed the equivalent of 34 work years in 24 program areas. The dollar value of volunteer activity for FY12 is estimated at over \$1.5 million. These volunteers provide vital assistance to Parks through a wide variety of programs. Student Service Learning hours are also offered through our programs. The Department began the process to form a more structured framework to help guide the development and management of Friends Groups and establish more productive, mutually beneficial, long-term relationships that support the operational goals of the park system.

Maryland Partnership for Children in Nature: The Department signed an agreement with the Maryland Department of Agriculture, the Department of Natural Resources, and the Maryland State Department of Education to support the Governor's Children in Nature Program to embed environmental literacy in school and reach out to underserved populations. The Department of Parks is playing a key role in this program that links teachers, administrators and outdoor environmental education providers.

Gaining Efficiencies: Space management cost savings were achieved when staff relocated from expensive leased space and consolidated in more energy-efficient buildings. These relocations made more effective use of our existing spaces, enabling the Department to share administrative staff, improve coordination between like functions, and provide greater proximity for Park Police to fleet management and central Montgomery County. Staff continued to perform work formerly provided by contractors, including managing the park house rental program, providing cleaning and janitorial services for park activity buildings, and performing significant major maintenance and renovation work, including historic structures. Energy consumption was reduced in FY12 primarily through projects funded by an \$111,000 grant from the Maryland Energy Administration, CIP energy projects, and best energy management practices.

Planning for the Future: The Department implemented a number of the recommendations in our Vision 2030 plan for the future of parks and recreation in Montgomery County to help prioritize tax resources to focus on core services, balance new construction with the maintenance and repair of existing facilities, and distribute land parcels and facilities to meet the appropriate level of service. Cost recovery analysis was begun to determine which services should be subsidized with tax resources, which should be able to recover all or a portion of their costs through fees, charges, or donations, and to identify the best opportunities for alternative funding and support. The State-mandated 2012 Park, Recreation and Open Space (PROS) Plan update was begun to update the 2005 PROS chapters on Recreation (supply, demand, needs), Natural Resources, Historic/Cultural Resources, and Agricultural Preservation. The PROS plan will integrate findings from the Vision 2030 plan analysis.

The Montgomery Parks Foundation: Fundraising activity reports indicate continued substantial progress toward establishing a sustainable and successful fundraising organization serving as a champion for Montgomery Parks. The Foundation's independent FY11 financial review (January 1, 2011- December 31, 2011) indicated an 87 percent return on the department's one year investment. In FY12, the Foundation further refined donation programs, including the "Friends of Montgomery Parks," the Tribute Trees and Benches, and the Park Naming and Dedication program. The Foundation assisted in establishing departmental policies and created internal procedures and infrastructure to integrate all departmental fundraising including federal/state/local/private/corporate grants, developing and implementing capital campaigns, and cultivating and stewarding major gifts.

Montgomery County Planning Department

Charting Applications and Gaining Efficiencies: Throughout the year, the Planning Department renewed – and in many cases, improved – efforts to analyze and process development applications. Throughout fiscal year 2012, the department's Development Application and Regulatory Coordination Division received and assigned 1,763 applications or amendments, forest conservation plans, special protection area plans, special exceptions, development plan amendments, local map amendments, and mandatory referrals. The department expects more applications over the next year and is tracking the impact on funding and level of service. The number of applications accepted by the Department increased by 23 percent in FY2012 compared to FY2011. The number of sketch plans, a new plan type, increased as more master plans come online with mixed-use zoning, which requires sketch plans.

Planning for Great Communities: Work continued on Master Plans, Sector Plans, Sectional Map Amendments and Implementation Plans, all with the goal of making recommendations to improve quality of life in Montgomery County communities. The Planning Board transmitted the Burtonsville Crossroads Neighborhood Plan to the County Council. The plan benefited from ambitious outreach, including staff attending 25 meetings and events. Planners made excellent progress on the White Oak Science Gateway Master Plan and participated in 15 outreach events plus monthly Citizens Advisory

Committee meetings. Open houses drew close to 200 people. Planners kicked off a sector plan for Greater Lyttonsville and developed a scope of work for this community slated to have two Purple Line light rail stations. Planners drafting the Chevy Chase Lake Sector Plan took a staff draft to the Planning Board, and planners advanced the Glenmont and White Flint 2 Sector Plans by doing area analysis and conducting outreach meetings.

Smaller, Nimbler Plans Address Community Needs: The Department initiated a minor master plan amendment process to respond quickly to current and pressing planning issues facing a community. While master plans create a planning framework designed to last 15 to 20 years, minor master plan amendments are smaller and nimbler and can address potential land use changes and other priorities identified by community stakeholders. Any property owners or community groups in Montgomery County interested in addressing issues of land use, zoning or other community priorities in their neighborhoods may submit applications using an online form. In response to the first round of applications, the County Council approved two minor master plan amendments.

Zoning Rewrite Project Gathers Steam: Since October 2010, planners have been revising sections of the Montgomery County Zoning Ordinance as drafts for consideration by county officials, residents and members of an advisory panel. The revisions are part of an ambitious effort to rewrite the Zoning Code to modernize antiquated, redundant zoning regulations and create new tools to help achieve goals in community plans. Last rewritten in 1977, the 1,200-page code is viewed as inconsistent and outdated. The revised code is expected to reduce the number of zones, clarify what uses are permitted in each zone, and rethink 1950s-era commercial strips and office parks. Planners have released a consolidated draft that combines all sections and addresses many of the comments received for Planning Board consideration. After the Planning Board completes its review, the draft Zoning Code Rewrite will be transmitted to the County Council for consideration in 2013.

Staging Growth and Measuring Transportation: The Subdivision Staging Policy (SSP) manages growth over the next four years by setting policies and establishing tests to measure the impact of development. The 2012-2016 SSP differs from previous growth policies by introducing Transportation Policy Area Review, which calculates the effects of new development over different periods on transit and roads. The traffic test analyzes roadway congestion and transit service and provides tools to match funding of improvements where transit service and/or traffic congestion need to be improved in advance of development. Road and transit improvement funding would come from a mix of public funds and contributions from developers. A portion of the funds is proposed to be used to improve pedestrian and bicycle facilities.

Developing a Plan for Countywide Transit: Planners are working on a functional plan on countywide transit corridors to improve accessibility and mobility throughout Montgomery County. The transit corridors study will recommend corridors for inclusion in the Master Plan of Highways, based on projected ridership, as well as identify right-of-way needs.

Preserving a Slice of History: Historic preservation planners report an increase in the number of Historic Area Work Permit (HAWP) applications. In 2011, they processed 175 HAWPs, a 37-percent increase from 2010. In a unique development agreement, the Planning Board approved a site plan application for the Falklands Chase property in Silver Spring that made a compromise between historic preservation and the property's proximity to transit. The project for 1,250 multi-family and townhouses and 70,000 square of commercial space was approved for redevelopment on one parcel, while two other parcels were designated on the Master Plan for Historic Preservation. The Planning Board sent a proposed amendment to the Master Plan for Historic Preservation for the Upper Patuxent Area Historic Resources. Twelve resources are recommended for designation in the northernmost part of the County around Damascus.

Partnerships and Collaborations: The Department worked closely with the county Board of Education on school site selections and the process by which new school sites are located and decided upon. Recommendations included requiring mandatory referral cases for new school sites before Montgomery County Public Schools makes its final selection and for the Department to consider developing a master plan for future county facilities.

Prince George's County Department of Parks and Recreation

Community involvement: Community engagement remains the key to success for the Department of Parks and Recreation. The Department continued its outstanding level of services to county residents while improving efficiencies, streamlining processes and engaging more individuals and organizations in the community. The community's participation in the activities offered at historic, cultural and nature facilities, through courses, day camps, playgrounds, clinics, and inter-center leagues, and the activity in parks and on trails all demonstrate how the community values the opportunities to "live more, play more." We maintain an ongoing conversation with the community through our website, weekly electronic newsletters, social

media, presence at community events and meetings, volunteer opportunities, the Nixle alert system, seasonal program guides and brochures. The Department's work also has been recognized with several awards. Maryland Recreation and Parks Association presented its Innovative Program Award for the Summer Reading Program at our summer day camps and playgrounds. The Maryland Historical Trust's Preservation Partnership Award was earned for the newly restored and dedicated Ridgeley Rosenwald School, and we received "Green Center" designation at Patuxent River Park from the Maryland Association of Environmental and Outdoor Educators. The Park Police was awarded its fourth law enforcement accreditation from the Commission on Accreditation for Law Enforcement Agencies, Inc. Looking toward the future of parks and recreation in the community, the County Council initiated preparation of the Formula 2040 Functional Master Plan for Parks, Recreation and Open Space. The finished plan will provide standards for land acquisition, program planning, facility design, and development, and build upon the Parks & Recreation: 2010 and Beyond comprehensive needs assessment. Numerous Countywide public engagement events were conducted to gather input.

Continuing a Tradition of Serious Recreation: The Department's hallmark innovative recreation programs included new sports offerings, including a countywide soccer event, Prince George's Cultural Cup, at the University of Maryland; Safe Summer drop-in soccer for teens; expanded resources for the First Tee Program; and the new artificial turf field at the Sports and Learning Complex. Each positioned us to grow the market for non-traditional sports such as lacrosse and field hockey and to build on our foundation of introductory programs for girls and boys. Free baseball clinics through our partnership with the Washington Nationals, College Park Tennis Center's Game On tennis program to teach elementary school students how to play tennis, and the USA Swimming Foundation's Make a Splash program of free water safety classes and swim lessons for PGCPs students, were all well received. Reaching out to two specific populations, the Department initiated G. E. A. R. (Girls Excited About Recreation) and launched the "Changing The Way We Age" campaign with the goal of optimizing the opportunities for health, participation, and security in order to enhance seniors' quality of life. Continued stewardship of historic sites via cooperative restoration projects at historic schools and houses helped preserve and teach the county's history. Youth and community garden program sites were expanded. The lake at Cosca Regional Park was dredged to encourage the fish population, walking trails at Tucker Road Athletic Complex were refurbished, and a trail loop around the pond was incorporated. As part of ongoing neighborhood playground renovations, new facilities opened, including Fairwood Park and Indian Creek Playground.

Our Place in the Community: In addition to programs in our facilities, we continued to take our programs into the community. Staff presented over 4,000 innovative educational programs, tours and events to park patrons and students at museums, nature centers, waterfront parks, natural areas and schools. Audience members of all ages enjoyed cultural programs at historic rental properties and arts facilities including: teen theater performances; dance showcases; exceptional Black History and Asian Heritage events; and concerts in the park featuring live performances by local talent. The Show Place Arena hosted the CAA Women's Basketball Tournament, hosted a New Edition reunion concert, and expanded its event space with the construction of the covered show ring at the Prince George's Equestrian Center. The Department also continued its tradition of hosting community festival and celebration days, often in partnership with municipalities and community organizations. The community responded with record attendance. These events celebrated the community's diversity, showcased local talents and provided opportunities for communities to gather. Celebrations included the Festival of Nations, Beltway BBQ, Philippine Festival, Three Kings Celebration, Hispanic Festival, Teen Vocal Showcase, Kinderfest, Lake Arbor Jazz Festival, and the Festival of Lights.

The Department also used its resources to benefit community members in times of need. Hillcrest Heights Community Center served as temporary shelter for displaced residents after an earthquake, and summer's extreme heat wave saw the opening of community centers as cooling centers and extended hours at pools. The Park Police, an essential component to our work in the community, sponsored the G.R.E.A.T. (Gangs Resistance Education and Training) Program with specially trained officers teaching the anti-gang message at Prince George's County Public Schools and summer camps and playgrounds. As a result of proactive policing, the park system had a 32-percent reduction in serious crime.

Partners and Collaborators: Partnerships and grants with organizations with complementary missions were actively pursued, including with the U.S. Department of Agriculture, U.S. Forest Service, Embassy of France, GEICO, and Class Acts Arts. The Mid-Atlantic Arts Foundation Masterpiece Touring grants supported our performing arts; the Summer Reading Program was supported by community donors and expanded into all summer playgrounds, Xtreme Teen playgrounds and Safe Summer sites; a partnership with the University of Maryland included use of campus recreation facilities, initiatives with the School of Public Health for health and wellness research, Good Neighbor Day, and College Park Scholars service opportunities. In collaboration with Prince George's County, limited transportation and hot meals were provided at our senior centers, and an NRPAACHIEVE grant funded health assessments for the District Heights and Capital Heights communities. Festivals and community events also provided sponsorship opportunities.

Infrastructure and Processes: Staff employed innovative use of technology to aid programming and community outreach. Public Affairs and Marketing presence on the Flickr photo sharing site garnered more than 469,000 views by customers, media, and program partners, as well as staff. An online Proposal for Partnership was instituted, creating one portal for all requests for partnerships with the Department. Improved customer processes streamlined more than 10,000 activity registrations, automated collection of over 15,000 summer forms, sales of more than 10,000 amusement park tickets, and the administration of over \$250,000 in third-party billed programs. The second year of a four-year plan was completed to improve broadband technology at all facilities, implementing best practices for security, voice/data infrastructure management, customer service and support, and increased wireless Internet availability. Use of videoconferencing helped engage more staff in training and saved travel time and costs. The Maintenance Division took the lead on ensuring full compliance with federal ADA Standards for Accessible Design. Mowing areas were strategically and systematically reduced to reduce our carbon footprint and use of green custodial products and machines was expanded. The Major Maintenance Work Program, through the Infrastructure Improvement Fund, moved to address maintenance concerns proactively and collaboratively, rather than waiting for an emergency -- for example, simultaneously replacing aging roofs while completing other renovation work at facilities.

Prince George's County Planning Department

Planning for Quality Communities: Work continued on Master Plans, Sector Plans, Sectional Map Amendments, Implementation Plans, Planning Assistance to Municipalities and Communities projects, and specialized planning studies, including efforts related to supporting transit oriented development. Community Planning North accomplishments included the final review, printing and distribution of the Subregion 1 Master Plan and Sectional Map Amendment (SMA) and the Central Annapolis Road, Central US 1 Corridor, and Glen Dale- Seabrook-Lanham and Vicinity Sector Plans and SMAs; and completion of the Sub 4 TOD Implementation Project (Central Avenue Blue Line Corridor Phase 2). Contracts were executed for the Landover Metro Station Area and MD 202 Corridor, and Largo Town Center Sector Plans and SMAs. Community Planning South Division accomplishments included initiation and pre-planning activity for the Southern Green Line Station Area and Eastover section plans, and preliminary development concepts for the Southern Green Line project. The Greater Upper Marlboro Revitalization and Development Strategy, Rural Villages Study, Brandywine Revitalization and Preservation Study, A Corridor Management Program for Croom and Aquasco Road, and extensive public outreach and preparation of the draft sector plan for the Central Branch Avenue Corridor Revitalization project were completed. Recommendations of the Joint Land Use Study on interim development regulations were implemented, and support for the Branch Avenue in Bloom Program continued. Staff evaluated governance structures and preliminary recommendations for the Westphalia Sector Plan area, and provided resources and technical support to the Glassmanor/Oxon Hill, Coral Hills/Suitland and Hillcrest Heights/Marlow Heights Focus Areas, as part of the County's Transforming Neighborhoods Initiative.

Providing for Public Facilities and Services: Staff members provided public facility technical support for all active master plans. Staff also assisted the Board of Education with the annual Educational Facilities Master Plan and coordinated the Planning Department's analysis for the Water and Sewer Plan Amendment cycles and the update of the Water and Sewer Plan.

Developing Efficient Transportation Systems: Work was completed on the Prince George's Transitway Study under the COG/TLC program, Phase 2 of the Central Avenue TOD Implementation Plan, and the Corridor Management Plan for the Croom Road segment of the Star-Spangled Banner National Scenic Byway. Work was initiated on the pedestrian/bike facility APF guidelines for CB-2-2012 and the signage plan for the Potomac Heritage Trail. Staff assisted with the County's Bicycle and Trail Advisory Group, the Transportation Planning Board Technical Committee, and the TPB Travel Forecasting and Bicycle/Pedestrian Subcommittees.

Preserving and Protecting the Environment, Agriculture, and Historic Properties: The Countywide Green Infrastructure Plan continues to be implemented; revisions to the technical manual associated with the Woodland Conservation Ordinance were prepared for public comment; and development proposals were reviewed for forest conservation, wetland preservation and protection of the Chesapeake Bay. A Priority Preservation Area Functional Master Plan to preserve farmland was adopted. Staff provided analysis for the Maryland Agricultural Land Preservation Foundation and Historic Agricultural Resource Preservation Program applications. *African American Historical and Cultural Resources in Prince George's County, Maryland* was published. National Register nominations were completed and reviewed by the Historic Preservation Commission (HPC) for University Park (Boundary Expansion), College Heights Estates, Old Town College Park, Upper Marlboro Residential Area, and the Early Family Historic District. A multiple property document for Rosenwald Schools of Maryland and an individual nomination for Ridgeley Rosenwald School were reviewed by the HPC and recommended for

County Executive concurrence. Staff supported the Historic Properties Grant Committee, reviewing and field-surveying 14 submitted applications; with 11 approved and successfully awarded. Recommendations and reports for development review referrals, Historic Area Work Permits, and Preservation Tax Credits were completed and submitted to the HPC.

Information Technology Advancements: The new, updated version of PGAtlas, our web-based mapping application, went live in FY12. The new website was re-built from the ground up and includes several new databases and tools that improve public access to information about Prince George's County and development review cases. The GIS Section responded to over 200 internal and external requests for map, data, reports and technical services. Customers included municipalities, county agencies, including the County Executive and County Council, educational institutions and numerous private sector businesses. The Department collaborated with other Departments in the Commission to complete the migration of e-mail and calendar services to the cloud-based Microsoft Office 365. The Network and Technology Services Section completed the upgrade to Office 2010, creating a redundant Internet connection that ensures access to business critical web services, and completed the upgrade of the Department's Wide Area Network (WAN) connectivity to satellite offices and to the remainder of the Commission. Document imaging services continued to expand to include a pilot program for collaboration with the Commission's Central Administrative Services offices.

Promoting Responsible Development: Approximately 380 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, and preliminary plans and final plats of subdivision were analyzed for conformance with county plans, policies and development regulations. Approximately 26,000 permits were processed, and the Planning Information Center responded to almost 9,500 inquiries from the general public. Several major development proposals were approved, including a conceptual site plan, preliminary plan and detailed site plan for Salubria. A major rezoning request and a preliminary plan of subdivision were processed for the Cafritz M-U-TC project located in the Developed Tier. Organization and research continued on the Zoning/Subdivision Ordinance Rewrite, a multi-year project designed to simplify these ordinances to make them more responsive to newer planning initiatives related to infill and transit-oriented development, and to improve development review processes.

Department of Human Resources and Management

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

Program and Service Improvements: Critical updates to agency-wide programs/policies were made to strengthen internal controls, implement cost containment, ensure compliance with changing laws, and enhance transparency/public accountability. These efforts included leading a comprehensive review of the agency's pension program, restructuring the Vehicle Use Program to ensure greater oversight, limit the use of take home vehicles, strengthen driver eligibility requirements, and incorporate additional cost containment measures, implementing substantive updates on the employment records programs to ensure compliance with privacy laws and provide clear guidance on record keeping, implementing a clearer policy on the role of the Audit Committee and the new organizational structure of Internal Audit. Changes strengthened transparency and independent review, providing leadership for the agency's Diversity Council and its updated strategic and budget plans.

Enterprise Resource Planning System (ERP): DHRM, in partnership with the Department of Finance, undertook replacement of its Human Resources Information Systems as part of the implementation of a consolidated ERP System. The ERP will integrate multiple functional areas such as Human Resources, Payroll, Budget and other components in order to create efficiencies and provide better information for decision making purposes. The use of one system to accomplish business needs across multiple functional areas is a major benefit of the ERP. The Human Resources/Payroll module is expected to "go live" in April 2013.

Liability/Workers' Compensation Oversight: The Agency overhauled its driver license monitoring program to ensure greater safety and accountability of any employee who operates an agency vehicle. The resulting program has some of the most rigorous driving standards in the state. Drivers must complete mandatory driving safety instruction, meet specific

driving standards through required review of their state-issued driving license, and adhere to requirements to specific prohibitions including, but not limited to, drug/alcohol use, and/or eight (8) or more points on their license. A comprehensive database was developed and implemented to monitor driving records.

DHRM also analyzed and implemented a number of additional strategies for improved oversight and greater cost containment. These included: quarterly meeting with operating departments to review workers' compensation and claims patterns, identify strategies for return to work, reduction of repeat incidents, and opportunities for additional training/inspections; semi-annual audits of third party claims administrator to ensure improved case management and more accurate establishment of case reserves; and, successfully implementing new claims software program to improve oversight of workers' compensation and liability claims.

Human Resources: DHRM led management's negotiating team in bargaining with two unions. The team restructured compensation and benefits to levels which are competitive yet more fiscally sustainable. The negotiations resulted in agreements with both unions for one time payments for FY 13 and pension and health benefit restructuring. A new pension plan for non-police was approved and employees and retirees will begin to pay an increased cost share for benefits beginning in January of 2013. These changes reduced the agency's financial burden by two million dollars. Additionally, DHRM implemented changes to the unemployment compensation programs, which resulted in lowered expenses. Finally, the services of a consultant were utilized to identify best practices in Classification and address organizational challenges.

Recognition of Excellence in Business and Results: DHRM received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its FY12 annual proposed budget for the 26th consecutive year.

Department of Finance

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

Corporate Financial Management: In FY12, the Department coordinated the sale of \$15.5 million Montgomery County Park Acquisition and Development Bonds of which \$7.5 million were refunding bonds for Montgomery. As a result of the refunding, a net present value savings of \$724,869 will be realized. The remaining portion of the sale, \$8 million will be used to acquire land for parks, to develop new parks, and to improve existing parks in Montgomery County. The Department also coordinated the sale of an \$11.42 million Prince George's County Park Acquisition and Development Refunding Bond. As a result of the refunding, a net present value savings of \$686,366 was realized. 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.

Automating/Streamlining Efforts: The Department has awarded a contract to replace its outdated financial and HR/Payroll system software products with a new enterprise resource planning (ERP) system. This new system will greatly enhance the toolset available to our operating departments and allow for enhanced financial analysis, and reporting along with better access to financial information.

Safeguarding of Commission Assets: The Commission's Investment Policy was revised to allow a greater percentage of investment in Certificates of Deposits (CD's). The policy was limited to 30% of the portfolio and it was changed to permit the option of moving to 50%.

Information Systems Support: The IT Divisions provides management and support to all departments within Central Administration Services (CAS) along with a disaster recovery site located at the Prince George's County Administrative Building. The division provides support to ensure business continuity, PCI compliance, strong security administration, accountability and maintenance for all CAS information systems and services. Major efforts included multiple implementations such as a new payroll tax software application, new Lawson ERP AIX Unix Virtualize server, VM software for remote access, and SharePoint. Several upgrades also took place to include Activity Directory to version 2008, cloud e-mail services to Office365, and ePersonality to version 4.10.

Outreach to Minority, Female and Disabled Vendors: The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. These events reflect the increasing diversity of the two Counties. The

Commission achieved an MFD utilization rate of 26.4% which equated to \$26.1 million of procurement with MFD firms.

Financial Reporting: For the 39th 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 FY11 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

Office of General Counsel

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

Protecting the Public Interest in Litigation: The beginning of FY12 found the OGC actively involved in 41 court cases (including state and federal courts) which carried-over from FY11. During FY11, the OGC managed 45 new court cases, resolved 32 court cases, and closed the fiscal year with 54 active court cases. During FY12, the OGC continued its administrative prosecution of site plan and forest conservation enforcement actions in Montgomery County, and stepped up its efforts to contest unfavorable workers compensation awards.

Building Quality of Life – One Transaction at a Time: Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements and memoranda of understanding. Although fiscal resources devoted to this team were cut by approximately 25% during the FY11 budget cycle, the OGC Transactions Practice Team continues to offer a 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.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 133 bills during the 2012 Session of the Maryland General Assembly.

Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) develops the Information Technology architecture and recommends IT policies for the Commission. Policies are authorized by the IT Council. IT Council and the OCIO provide the Commission governance for enterprise-wide efforts. Fiscal year 2012 had its challenges including changes in the leadership of the OCIO. The OCIO and the Bi-County Chief Technology Officers are in a transformational process, but through it all we have had several notable successes. During FY12 the Commission started moving the organization in a more secure direction with an upgrade of key domain controllers to the functional level of Active Directory 2008. This change saw the migration from Microsoft Business Productivity Online Services (BPOS) to Office 365, the new standard for Exchange online. Work continued to progress in the Telecommunications space with the consolidation of some communication lines and regular meetings with the Telecom Community of Practices. The Labor Soft package and Kronos was upgraded.

Challenges will continue to present themselves in FY13. The office looks forward to improved communication, more collaboration, an enhanced network infrastructure, and improved security across the Commission's technical environment. These directives will create a strong foundation for the implementation of Enterprise Resource Planning and Enterprise Asset Management and other enterprise-wide solutions that will improve efficiency and demonstrate strong stewardship.

Office of Internal Audit

The primary focus of the Commission's Internal Audit Office is to provide the Board and Department Heads with objective information to assist them in determining whether Commission operations are adequately controlled and whether the required high degree of public accountability is maintained over public funds and to improve the efficiency and effectiveness of the Commission. To accomplish this, in fiscal year 2012 more than 30 audits and reviews we performed and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

Merit System Board

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY12, 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 3, 2012, 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 assets closed the year with a fair market value in excess of \$630.2 million. The FY12 annualized rate of return on investments was 2.27%. The Board of Trustees actions for the year included approving a revised asset allocation policy, adopting revisions to the Statement of Investment Policy and investment manager guidelines, approving amendments to the Plan document for plan revisions initiated by the Commission; approving a Restatement of the Plan document that included amendments required by the Internal Revenue Service, the Pension Funding Act of 2004, the Pension Protection Act of 2006, and the Heroes Earnings Assistance and Relief Tax Act of 2008, and continuing comprehensive communications to all members via an Annual Report, a Comprehensive Annual Financial Report and conducting educational workshops for participants.



◆ PART II A ◆

FINANCIAL SECTION

Basic Financial Statements



Parents and children enjoy the new playground site at Wheaton Regional Park.



Independent Auditor's Report

Board of Commissioners
The Maryland-National Capital Parks 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 Parks and Planning Commission (the Commission) as of and for the year ended June 30, 2012, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commissions' 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, 2012, 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 October 18, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management discussion and analysis and the schedules of funding progress as referenced in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. 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 supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

CliftonLarsonAllen LLP

Calverton, Maryland
October 18, 2012



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, 2012.

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

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

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

Five separate accounts are maintained within the General Fund to account for the Commission's primary services. Revenues and expenditures that can be specifically identified with a county are recorded in the appropriate account. Expenses that apply to both counties are allocated to the appropriate accounts. Debt is issued on a county basis, not for the Commission as a whole. General obligation debt is guaranteed by the Commission and by the county government for which the proceeds will be expended. Due to this unique arrangement, certain financial information provided in this discussion and analysis, as well as in the summaries presented in Note 6 of the Notes to the Financial Statements, has been provided by county to reflect the financing constraints within each county. Other funds and accounts are maintained on a Commission-wide or on a separate county basis as necessary and appropriate.

Financial Highlights

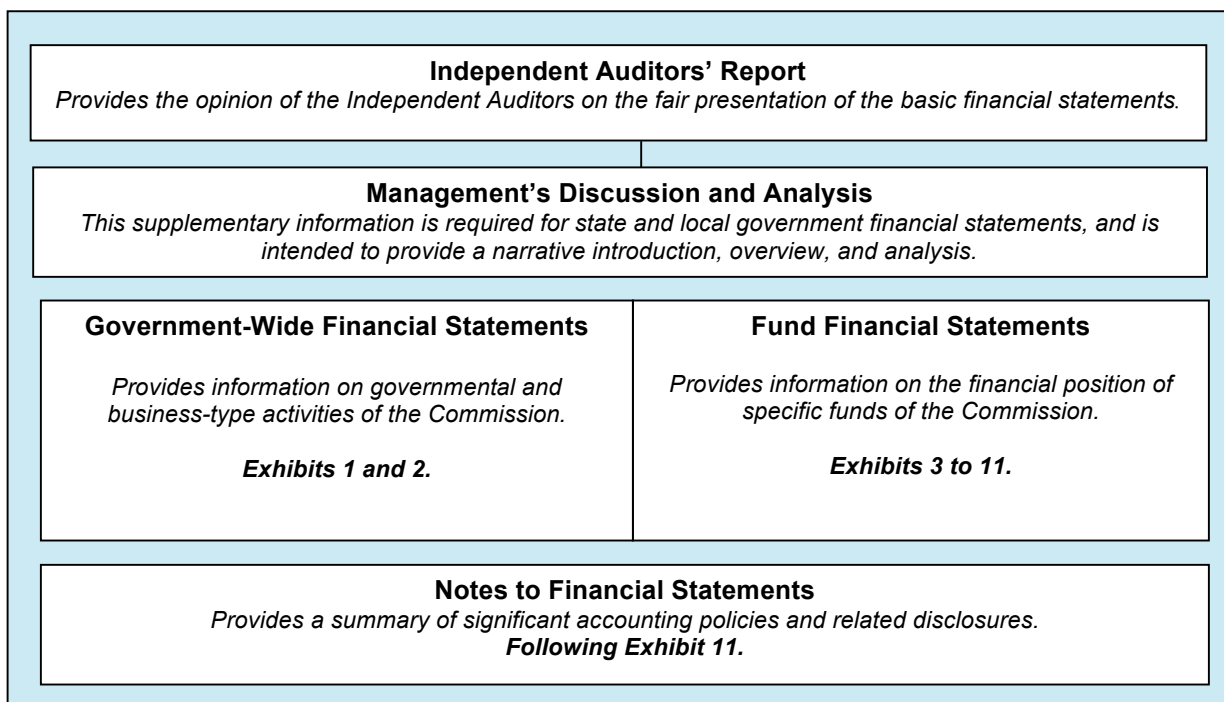
- The assets of the Commission exceeded its liabilities at June 30, 2012 by \$ 931.7 million (net assets). Of this amount, \$249.4 million may be used to meet the Commission's ongoing obligations.
- The Commission's net assets grew by \$29.8 million during fiscal year 2012. This is largely a result of: pay-as-you-go funds of \$11.1 million in the Capital Projects Funds which have not been spent, \$20.9 million of grants and contributions, receipt of property taxes (\$1.3 million) higher than the budget, debt principal payments of \$30.3 million and new debt issued in the amount of \$27.9 million, and the increase in the OPEB liability of \$11.9 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 \$62.9 million has been recognized on the Commission's Statement of Net Assets, including \$2.8 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2012, the Commission's governmental funds reported combined ending fund balances of \$309.8 million, an increase of \$6.5 million. Of this amount, \$114.8 million is unassigned, \$126.0 million is assigned and \$64.3 million is committed and \$4.7 million of fund balance is restricted.

- The Commission's General Fund balance at June 30, 2012 was \$162.6 million, an increase of \$25.5 million during the year. The unassigned fund balance of \$135.5 million is approximately 41.1% of fiscal year 2012 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance at June 30, 2012 was \$0.6 million, an increase of \$3.3 million. The unassigned fund deficit of \$ 20.7 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.
- The Prince George's County Capital Projects Fund balance at June 30, 2012 was \$136.3 million, a decrease of \$25.3 million. The assigned fund balance of \$111.9 million has grown due to major pay-as-you-go funding.
- The assets of the enterprise funds exceeded liabilities by \$73.6 million, a decrease of \$1.0 million. The Prince George's Enterprise Fund had a decrease in net assets of \$1.7 million and the Montgomery Enterprise Fund had an increase in net assets of \$0.7 million.
- The Commission's bonds and notes payable decreased by \$30.3 million due to scheduled principal payments and an advance and current refunding offset by an increased amount of \$27.9 million for the new refunding debt issues and a 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 include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization and Flow of Financial Section Information



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

The statement of net 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 6 of the Notes to the Financial Statements, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits 3 - 6 of this report.

Proprietary funds. The Commission maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for Montgomery Counties and Prince George's Counties 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 \$931.7 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, 2012 and 2011

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2011-2012
	2012	2011	2012	2011	2012	2011	
Assets							
Current and Other Assets	\$ 418.1	\$ 405.5	\$ 10.0	\$ 8.3	\$ 428.1	\$ 413.8	3.5%
Capital Assets	697.6	655.6	71.8	75.0	769.4	730.6	5.3%
Total Assets	<u>1,115.7</u>	<u>1,061.1</u>	<u>81.8</u>	<u>83.3</u>	<u>1,197.5</u>	<u>1,144.4</u>	<u>4.6%</u>
Liabilities							
Current Portion of Long-term							
Liabilities	25.3	26.8	1.2	1.5	26.5	28.3	-6.4%
Long-term Liabilities	170.0	157.6	4.1	4.4	174.1	162.0	7.5%
Other Liabilities	62.3	49.5	2.9	2.8	65.2	52.3	24.7%
Total Liabilities	<u>257.6</u>	<u>233.9</u>	<u>8.2</u>	<u>8.7</u>	<u>265.8</u>	<u>242.6</u>	<u>9.6%</u>
Net Assets							
Invested in Capital Assets,							
Net of Related Debt	611.6	569.9	70.7	72.8	682.3	642.7	6.2%
Unrestricted	246.5	257.3	2.9	1.8	249.4	259.1	-3.7%
Total Net Assets	<u>\$ 858.1</u>	<u>\$ 827.2</u>	<u>\$ 73.6</u>	<u>\$ 74.6</u>	<u>\$ 931.7</u>	<u>\$ 901.8</u>	<u>3.3%</u>

Current and other assets increased by 3.5%, primarily due to a minor increase in cash and investments. Changes in other liabilities were primarily a result of an increase in accounts payable. Changes in net assets are discussed later.

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

The remaining balance of \$249.4 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:

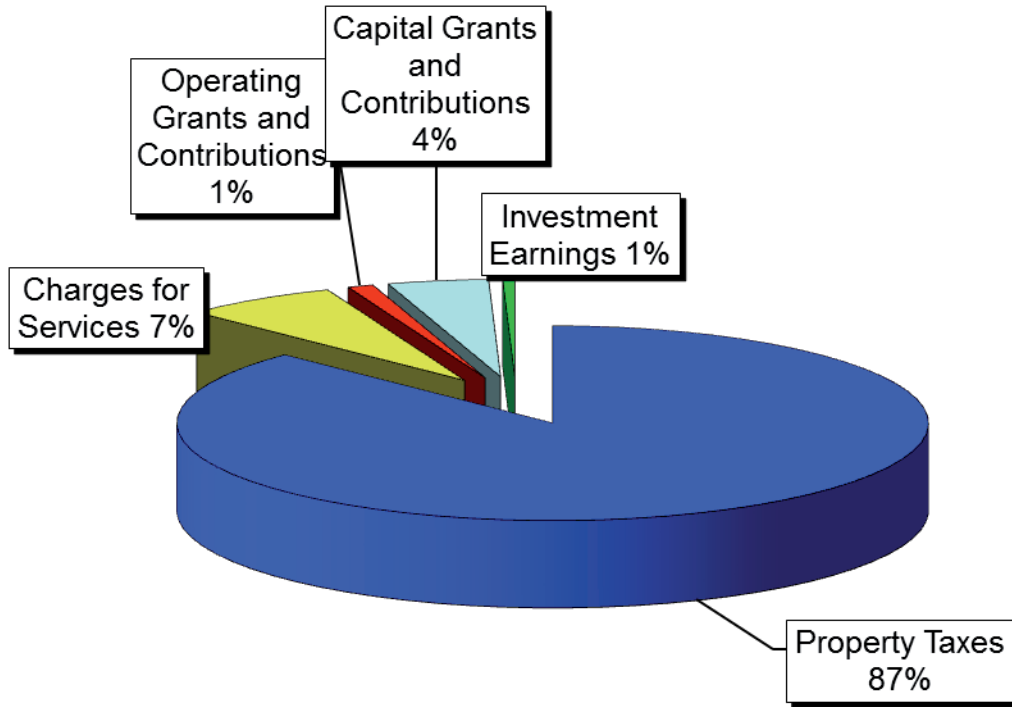
Summary of Changes in Net Assets (in millions)
For the Fiscal Years Ended June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2011-2012
	2012	2011	2012	2011	2012	2011	
Program Revenues:							
Charges for Services	\$ 25.8	\$ 22.3	\$ 20.3	\$ 19.0	\$ 46.1	\$ 41.3	11.6%
Operating Grants and Contributions	4.3	2.6	-	-	4.3	2.6	65.4%
Capital Grants and Contributions	16.6	26.2	0.3	-	16.9	26.2	-35.5%
General Revenues:							
Property Taxes	336.3	345.8	-	-	336.3	345.8	-2.7%
Investment Earnings	2.0	1.7	0.1	-	2.1	1.7	23.5%
Total Revenues	<u>385.0</u>	<u>398.6</u>	<u>20.7</u>	<u>19.0</u>	<u>405.7</u>	<u>417.6</u>	<u>-2.8%</u>
Expenses:							
General Government	18.1	19.0	-	-	18.1	19.0	-4.7%
County Planning and Zoning	56.2	55.9	-	-	56.2	55.9	0.5%
Park Operations and Maintenance	200.4	232.7	-	-	200.4	232.7	-13.9%
Recreation Programs	65.9	68.8	-	-	65.9	68.8	-4.2%
Recreational and Cultural Facilities	-	-	31.8	31.0	31.8	31.0	2.6%
Interest on Long-term Debt	3.4	3.8	-	-	3.4	3.8	-10.5%
Total Expenses	<u>344.0</u>	<u>380.2</u>	<u>31.8</u>	<u>31.0</u>	<u>375.8</u>	<u>411.2</u>	<u>-8.6%</u>
Increase (Decrease) in Net Assets Before Transfers	41.0	18.4	(11.1)	(12.0)	29.9	6.4	<u>367.2%</u>
Transfers	<u>(10.1)</u>	<u>(9.8)</u>	<u>10.1</u>	<u>9.8</u>	<u>-</u>	<u>-</u>	
Increase (Decrease) in Net Assets	30.9	8.6	(1.0)	(2.2)	29.9	6.4	
Net Assets - beginning	<u>827.2</u>	<u>818.6</u>	<u>74.6</u>	<u>76.8</u>	<u>901.8</u>	<u>895.4</u>	
Net Assets - ending	<u>\$ 858.1</u>	<u>\$ 827.2</u>	<u>\$ 73.6</u>	<u>\$ 74.6</u>	<u>\$ 931.7</u>	<u>\$ 901.8</u>	

During the current fiscal year the Commission's net assets increased by \$29.9 million. This is largely a result of: pay-as-you-go funds received from the two counties of \$11.1 million in the Capital Projects Funds which has not been spent, \$20.9 million of grants and contributions, property taxes (\$1.3 million) higher than budgeted, debt principal payments of \$30.3 million and new debt issued in the amount of \$27.9, increase in the accounts payable liability of \$12.6 million, and the increase in the OPEB liability of \$11.9 million. Charges for services decreased in the, Park Operations and Maintenance Activities and Rentals and Concessions activities for Recreation Programs. This was offset by a reduction in property taxes of \$9.5 million.

Governmental activities. Governmental activities increased the Commission's net assets by \$30.9 million, thereby accounting for 103% of the total growth in the net assets of the Commission. This increase is primarily attributable to capital grants receipts of \$16.6 million, added to an excess of ongoing revenues over ongoing expenses of \$24.4 million, which were offset by the transfers to business-type activities of \$10.1 million.

Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 87% of Commission governmental revenues.

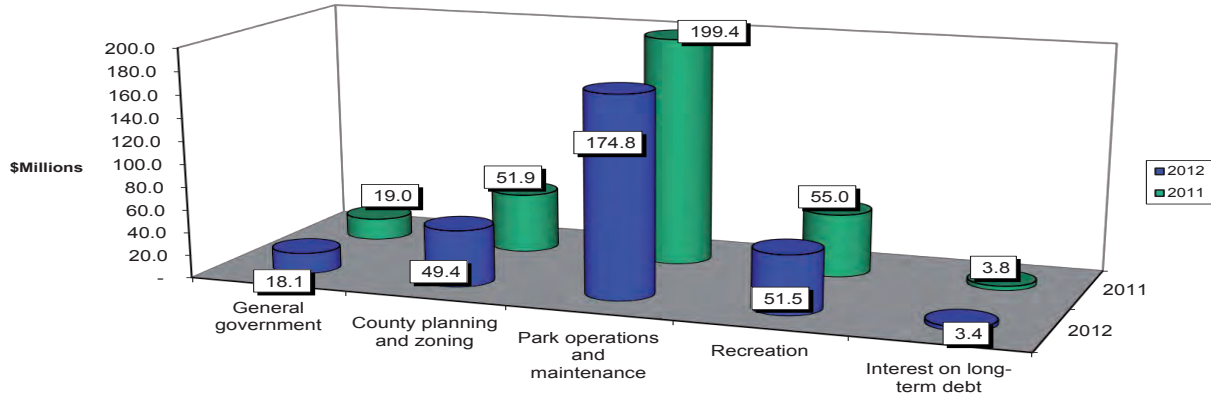
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 7.8% of governmental activities expenses.

The overall net cost of services and total cost of services decreased by 9.5% and 9.7% respectively for FY 2012 compared to FY 2011.

Net Cost of Governmental Activities (000's)
For the Fiscal Years Ended June 30, 2012 and 2011

	2012		2011		Percentage Change 2011 - 2012	
	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	\$ 18,141	\$ 18,141	\$ 18,966	\$ 18,966	-4.3%	-4.3%
County Planning and Zoning	56,148	49,428	55,916	51,898	0.4%	-4.8%
Park Operations and Maintenance	200,435	174,834	232,698	199,389	-13.9%	-12.3%
Recreation Programs	65,883	51,490	68,828	55,049	-4.3%	-6.5%
Interest on Long-term Debt	3,404	3,404	3,831	3,831	-11.1%	-11.1%
Total	\$ 344,011	\$ 297,297	\$ 380,239	\$ 329,133	-9.5%	-9.7%

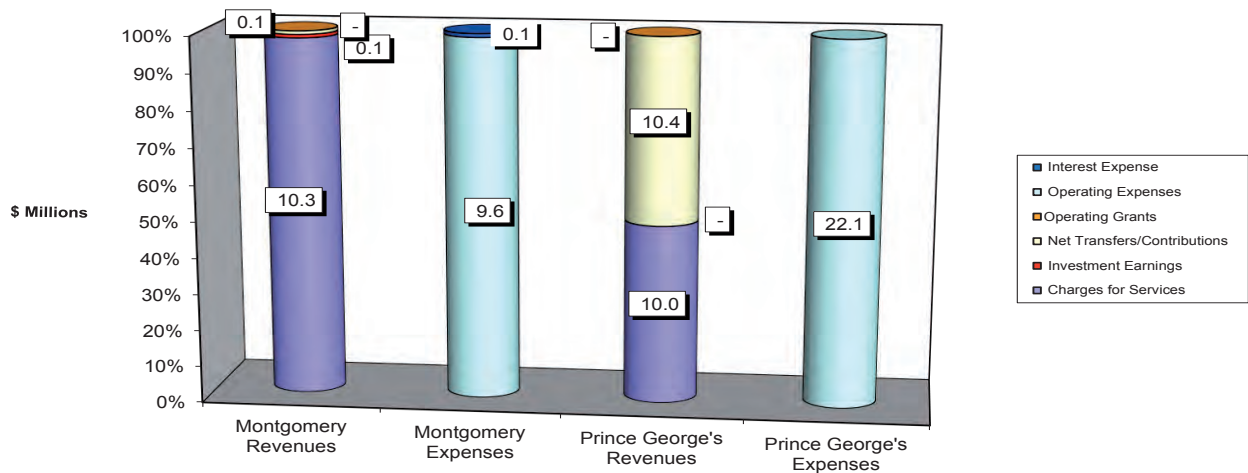
Net Cost by Function - General Government



Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission's net assets by \$1.0 million.

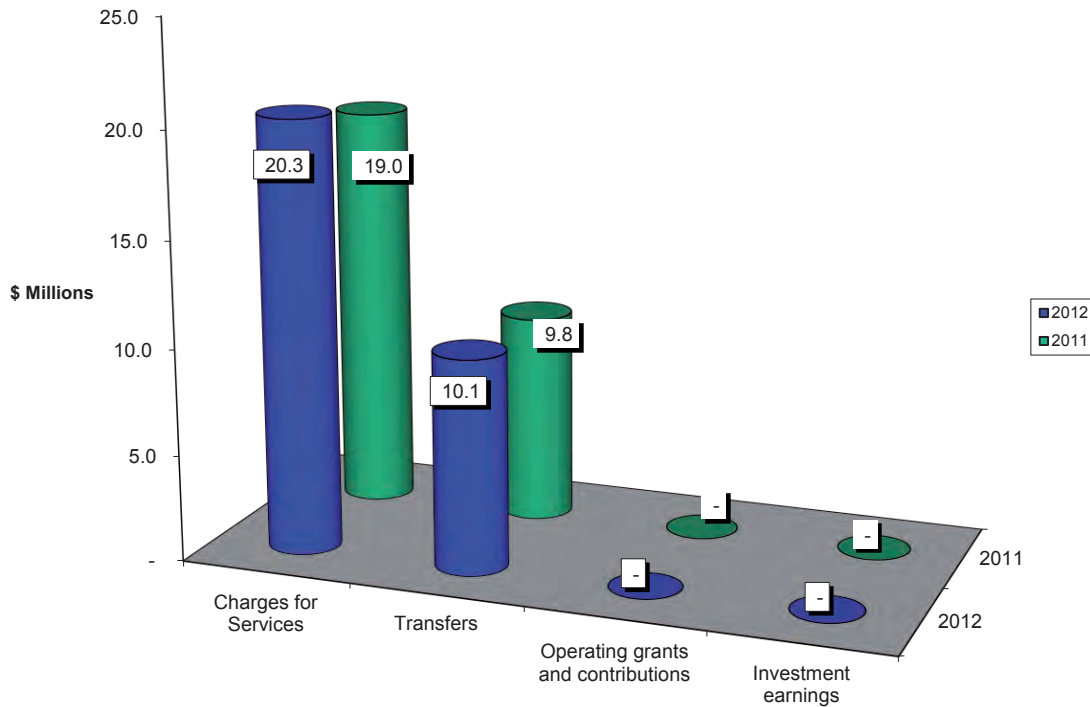
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$11.1 million.
- Governmental activities contributed \$10.1 million to support the enterprise activities. The funding is primarily 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, the Golf Courses, Regional Parks, and the Ice Rinks. More detail is provided later in the Proprietary Funds discussion.

Revenues by Source - Business-type Activities



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

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

Financial Analysis of the Commission’s Funds

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

As of the end of the current fiscal year, the Commission’s governmental funds reported combined ending fund balances of \$309.8 million, an increase of \$6.5 million in comparison with the prior year. Approximately 37.1% of this total amount, or \$114.8 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. \$136.9 million of this balance is in the capital project funds. The remaining fund balances are restricted, committed or assigned to indicate that they are not available for new spending as \$64.3 million has been committed for contracts and purchase orders, \$4.7 million is restricted and \$126.0 million is assigned to fund fiscal year 2013 expenditures.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$135.5 million, while total fund balance was \$162.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41.1% of the total general fund expenditures and transfers out, while total fund balance represents 49.4% of the same amount.

The fund balance of the Commission's General Fund has increased by \$25.5 million during the current fiscal year. Key factors that generated this increase are as follows:

- An increase of \$2.5 million was planned in the final budget for fiscal year 2012.
- Property taxes were \$1.3 million higher than anticipated.
- Receipts from Charges for Services and Rentals and Concessions were \$.4 million higher than anticipated due to a slight increase in the general economic conditions.
- Interest revenues were \$.2 million lower than anticipated in the general fund due to lower than budgeted interest rates.
- Interest revenues in the Capital Projects funds were \$.8 million lower than the budgeted amount. These revenues are transferred into the Park Accounts for each county.
- Transfers to the Debt Service funds were \$.9 million lower than anticipated due to the postponement of a new bond issue.
- A control of expenditures generated \$23.3 million savings to provide funding for future years' budgets.
- Encumbrances were \$2.4 million lower than in the prior year, representing additional fund balance increases.

The capital project fund for Montgomery County has a total surplus fund balance of \$.6 million and Prince George's County has a surplus fund balance of \$136.3 million, all of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were an increase of \$3.3 million in Montgomery County, and an decrease of \$25.3 million in Prince George's County primarily due to the \$10.7 million in pay-as-you-go funding received from Prince George's County, and construction grants realized of \$11.9 million in Montgomery County and \$2.2 million in Prince George's County. Expenditures for the fiscal year were \$20.8 million in Montgomery County and \$38.9 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 \$2.3 million and those for the Prince George's County fund amounted to \$0.5 million. The total changes in net assets for the funds were an increase in the Montgomery County fund of \$0.7 million and a decrease of \$1.7 million in the Prince George's County fund.

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

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2012 and 2011				
	Montgomery County		Prince George's County	
	FY2012	FY2011	FY2012	FY2011
Operating Revenues	\$ 10,251	\$ 9,555	\$ 10,034	\$ 9,440
Operating Expenses, Excluding Depreciation	8,341	7,614	19,848	19,618
Operating Income (Loss), Excluding Depreciation	1,910	1,941	(9,814)	(10,178)
Depreciation	1,259	1,294	2,267	2,305
Operating Income (Loss)	651	647	(12,081)	(12,483)
Nonoperating Revenue (Expense)	(84)	(153)	26	17
Transfers/Contributions	93	-	10,387	9,789
Change in Net Assets	\$ 660	\$ 494	\$ (1,668)	\$ (2,677)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2012 and 2011						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2012	FY2011	Change	FY2012	FY2011	Change
Event Centers	\$ 592	\$ 502	\$ 90	\$ (94)	\$ (88)	\$ (6)
Golf Courses	518	338	180	379	207	172
Ice Rinks	4,377	4,271	106	680	835	(155)
Indoor Tennis	1,563	1,492	71	306	360	(54)
Park Facilities	3,201	2,952	249	639	627	12
Total	\$ 10,251	\$ 9,555	\$ 696	\$ 1,910	\$ 1,941	\$ (31)

The Montgomery County Enterprise Fund revenues increased by \$696,000, and operating income, excluding depreciation, decreased by \$31,000. Operating revenues at the golf courses have grown by \$180,000, due to the increased rental payments plus increased driving range attendance at the South Germantown Driving Range. This increase in revenues along with efforts to control costs has led to an increase in Net Income at the Golf Courses of \$172,000. Operating revenues at the Event Centers have increased due to a greater concentration on attracting more business and social events.

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, 2012 and 2011						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2012	FY2011	Change	FY2012	FY2011	Change
Airport	\$ 314	\$ 171	\$ 143	\$ (47)	\$ (259)	\$ 212
Equestrian Center/Arena	1,409	1,381	28	(1,940)	(2,513)	573
Golf Courses	2,553	2,321	232	(914)	(1,171)	257
Ice Rinks	563	584	(21)	(846)	(919)	73
Tennis Bubbles/Administration	372	339	33	(1,216)	(699)	(517)
Trap and Skeet Center	1,731	1,413	318	54	(44)	98
Sports and Learning Complex	3,014	3,178	(164)	(4,063)	(4,005)	(58)
Bladensburg Marina	78	53	25	(842)	(568)	(274)
Total	<u>\$ 10,034</u>	<u>\$ 9,440</u>	<u>\$ 594</u>	<u>\$ (9,814)</u>	<u>\$ (10,178)</u>	<u>\$ 364</u>

The Prince George's County Enterprise Fund revenues had increased by \$594,000 and the operating income, excluding depreciation, increased by \$364,000. Revenues remained fairly stable at facilities with the exception of the Golf Courses and Trap and Skeet Center where revenues were higher in FY 2012 due to a slight improvement in the general state of the economy. Some of these revenue gains were offset by a reduction in spending for compensation and supplies. Expenses decreased overall for most funds, primarily due to decreased compensation costs resulting in greater gains than in 2011. The Bladensburg Marina costs were significantly higher in FY12 due to a dredging project in the amount of \$238,900 and the Tennis Bubbles/Administration cost increases were due to pre-funding of OPEB costs in the amount of \$667,600. 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, 2012		
	Administration Account	Park Account
(Unfavorable) property tax collections	\$ (197.1)	\$ (436.0)
Favorable charges for services	349.2	179.6
Favorable (unfavorable) intergovernmental revenue	28.6	(335.6)
(Unfavorable) investment revenue	(6.0)	(125.5)
Favorable (unfavorable) other revenue	4.6	(148.9)
Total favorable/(unfavorable) revenue variance	<u>179.3</u>	<u>(866.4)</u>
Expenditure savings	1,783.7	2,648.9
Favorable other financing sources (uses)	-	896.1
Total favorable budgetary variance	<u>\$ 1,963.0</u>	<u>\$ 2,678.6</u>

Property tax collections were below budget due to decreases in the assessable base. Charges for Services were up considerably in both the Administration Account and the Park Account. The Administration Account realized a 340% increase in the generation of Forest Conservation fees while the Park Account came in over budget primarily due to higher volume of rentals of Park Activity buildings as well as much greater than anticipated birthday parties at the Nature Centers. Investment revenues remain significantly under budget due to declining interest rates being applied to declining cash balances. Intergovernmental revenue was up slightly for the Administration Account due to the receipt of County monies related to the Water Quality Protection Project and the Park Account was down approximately 20% due to less State monies received. Other Revenue was minimally over budget in the Administration Account and severely under budget in the Park Account. The Park account depends on donations and in the current challenging economic environments those are not forthcoming. Expenditure savings were significant for both accounts primarily as a result of continued restructuring, salary lapses and hiring deferrals in coping with the existing struggling economy. The favorable other financing uses in the Park Accounts resulted from the delay in interest payments due to the new bond issue.

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, 2012		
	Administration Account	Park Account
<u>Fund balance, budget basis</u>		
Assigned	\$ 446.1	\$ 138.3
Unassigned	3,075.4	6,733.1
Total Budgetary Fund Balance	<u>\$ 3,521.5</u>	<u>\$ 6,871.4</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, 2012			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 19.7	\$ 1,605.8	\$ 336.2
Favorable (unfavorable) charges for services	(98.6)	(169.0)	178.8
(Unfavorable) intergovernmental revenue	(14.3)	-	-
(Unfavorable) investment revenue	(14.7)	(61.6)	(18.3)
Favorable other revenue	14.9	40.0	24.2
Total favorable (unfavorable) revenue variance	<u>(93.0)</u>	<u>1,415.2</u>	<u>520.9</u>
Expenditure savings	4,616.4	6,145.6	8,169.3
Favorable (unfavorable) other financing sources	-	14.7	(3.7)
Total favorable budgetary variance	<u>\$ 4,523.4</u>	<u>\$ 7,575.5</u>	<u>\$ 8,686.5</u>

Property tax collections were above budget because the assessable base was higher than anticipated. Charges for services were down in the Administration Account as a result of slower than anticipated recovery in the Construction Industry resulting in lower collections for subdivisions, zoning and urban design applications. Charges for Services were also down in the Park Account, the result of a change in the collection of Park Permits being categorized as Rentals and Concessions. The Recreation Account is above budget because of increased collections from fees in Sports, Health & Wellness, Fairland and Special Programs. Unfavorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to lower than budgeted interest rates. The expenditure savings were primarily the result of vacant positions in all of the Accounts, efforts to save in other categories and non-departmental savings from liquidation of prior year encumbrances of \$1,608,013 in the Administration Account, \$300,657 in the Park Account and \$281,060 in the Recreation Account. Other

Financing Sources were favorable in the Park Account due to interest on cash balances in the Capital Projects Account from the Pay-As-You-Go funding balances for projects.

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, 2012			
	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ 2,192.3	\$ -	\$ 1,762.6
Unassigned	18,286.0	85,791.8	21,626.2
Total Budgetary Fund Balance	<u>\$ 20,478.3</u>	<u>\$ 85,791.8</u>	<u>\$ 23,388.8</u>

Capital Asset and Debt Administration

Capital Assets. The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounts to \$769.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and intangibles, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 5.3% (a 6.4% increase for governmental activities and a 4.3% decrease for business-type activities). The most significant increases are from land acquisitions, construction of recreational facilities, community center renovation/expansion, replacement of playground equipment and trail construction. The only significant capital asset changes in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Assets. During fiscal year 2012, projects totaling \$4.4 million in governmental activities were completed. Among these projects, where most of the costs were incurred in prior years, are the installation of a pre-fabricated restroom at Auth village Neighborhood Park, installation of new equipment at Mt. Rainier-Upshur Neighborhood Mini Park, renovated concourse, HVAC system, and lighting at Prince George's Stadium, installation of synthetic turf on Field No. 5 at Fairland, and pollution prevention controls installed at Cabin John Maintenance Yard.

Expenditures on Montgomery County projects totaled \$20.8 million in fiscal year 2012, of which \$2.4 million was for land acquisition and \$18.4 million was for development. The land acquisitions included \$.8 million for two properties for the Upper Paint Branch Stream Valley Park, and \$.6 million for the Tunnell family property. Major Park Development expenditures included \$2.3 million in Expenditures for the East Point Local Park Expansion for FY 2012 bringing overall construction costs to date in the project to \$3.0 million. Similarly, \$2.2 million was expended in FY 2012 for the Black Hill Trail Renovation and Expansion with overall expenditures to date amounting to \$3.4 million. In addition, expenditures totaling \$4.1 expenditures were spent on 15 projects to continue routine maintenance of parks, roads, buildings and other structures.

Prince George's County projects totaled \$38.9 million in fiscal year 2012, of which \$10.3 million was for land acquisition and \$28.6 million was for development. Land Acquisition included \$9.1 million for Land Preservation and \$1.0 million for CountyWide Local Park Acquisitions. Major Park Development expenditures include Allentown Aquatic Center with construction costs to date of \$4.9 million of which \$3.6 million was in fiscal year 2012, Fairwood Community Park with construction costs to date of \$2.0 million of which \$1.5 million was in fiscal year 2012, GlenArden Community Center with construction costs of \$6.5 million, of which \$2.3 million was in fiscal year 2012, Walker Mill Regional Park with \$4.7 million in construction costs to date, of which \$2.6 million was in fiscal year 2012 and The Southern Regional Technology Recreation Complex with construction costs to date of \$10.5 million of which \$5.4 million was in fiscal year 2012. In addition, expenditures totaling \$1 million were spent for Play equipment replacement.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2012 and 2011

	June 30, 2012			June 30, 2011			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 337,141	\$ 19,364	\$ 356,505	\$ 322,698	\$ 19,364	\$ 342,062	4.2%
Buildings and improvements	76,578	50,361	126,939	80,995	53,523	134,518	-5.6%
Infrastructure	109,647	-	109,647	111,980	-	111,980	-2.1%
Machinery, equip. & intangibles	22,108	1,965	24,073	22,465	1,747	24,212	-0.6%
Construction in progress	152,168	136	152,304	117,512	398	117,910	29.2%
Total	<u>\$ 697,642</u>	<u>\$ 71,826</u>	<u>\$ 769,468</u>	<u>\$ 655,650</u>	<u>\$ 75,032</u>	<u>\$ 730,682</u>	<u>5.3%</u>

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 \$92.9 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$15.4 million (Montgomery - \$3.7 million; Prince George's - \$11.7 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$91.0 million (Montgomery County - \$34.6 million and Prince George's County - \$56.4 million) at June 30, 2012. Park Bonds debt service expenditures totaled \$15.1 million (Montgomery - \$3.4 million, Prince George's - \$11.7 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 1.48 cents per \$100 of assessed valuation for real property and 3.70 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, 2012			
	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 \$1.1 million at June 30, 2012. These bonds and notes 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 \$1.2 million for the fiscal year. The outstanding proprietary fund debt as of June 30, 2012, and the related debt service requirements are set forth in the Notes to the Financial Statements.

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2012 follow (\$000's):

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

Commission's Outstanding Debt June 30, 2012 and 2011							
	Governmental Activities		Business-type Activities		Total		Change
	2012	2011	2012	2011	2012	2011	
General obligation bonds	\$ 92,480	\$ 93,194	\$ -	\$ -	\$ 92,480	\$ 93,194	-0.8%
Revenue bonds and notes	-	-	1,064	2,209	1,064	2,209	-51.8%
Notes payable	120	737	-	-	120	737	-83.7%
Total	<u>\$ 92,600</u>	<u>\$ 93,931</u>	<u>\$ 1,064</u>	<u>\$ 2,209</u>	<u>\$ 93,664</u>	<u>\$ 96,140</u>	<u>-2.6%</u>

Montgomery County Outstanding Debt June 30, 2012 and 2011							
	Governmental Activities		Business-type Activities		Total		Change
	2012	2011	2012	2011	2012	2011	
General obligation bonds	\$ 36,721	\$ 28,475	\$ -	\$ -	\$ 36,721	\$ 28,475	29.0%
Revenue bonds and notes	-	-	1,064	2,209	1,064	2,209	-51.8%
Notes payable	-	368	-	-	-	368	-100.0%
Total	<u>\$ 36,721</u>	<u>\$ 28,843</u>	<u>\$ 1,064</u>	<u>\$ 2,209</u>	<u>\$ 37,785</u>	<u>\$ 31,052</u>	<u>21.7%</u>

Prince George's County Outstanding Debt June 30, 2012 and 2011							
	Governmental Activities		Business-type Activities		Total		Change
	2012	2011	2012	2011	2012	2011	
General obligation bonds	\$ 55,759	\$ 64,719	\$ -	\$ -	\$ 55,759	\$ 64,719	-13.8%
Revenue bonds and notes	-	-	-	-	-	-	0.0%
Notes payable	120	369	-	-	120	369	-67.5%
Total	<u>\$ 55,879</u>	<u>\$ 65,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,879</u>	<u>\$ 65,088</u>	<u>-14.1%</u>

The Commission's bonds and notes payable decreased by \$30.3 million due to scheduled principal payments and an advance and current refunding offset by an increased amount of \$27.9 million for the new refunding debt issues and a Park Bond issue in Montgomery County.

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 \$1,807.3 million of debt service for Montgomery County and \$938.1 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$33.2 million and \$79.2 million, respectively, over the 30 year period.

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

Economic Factors and Next Year's Budgets and Rates

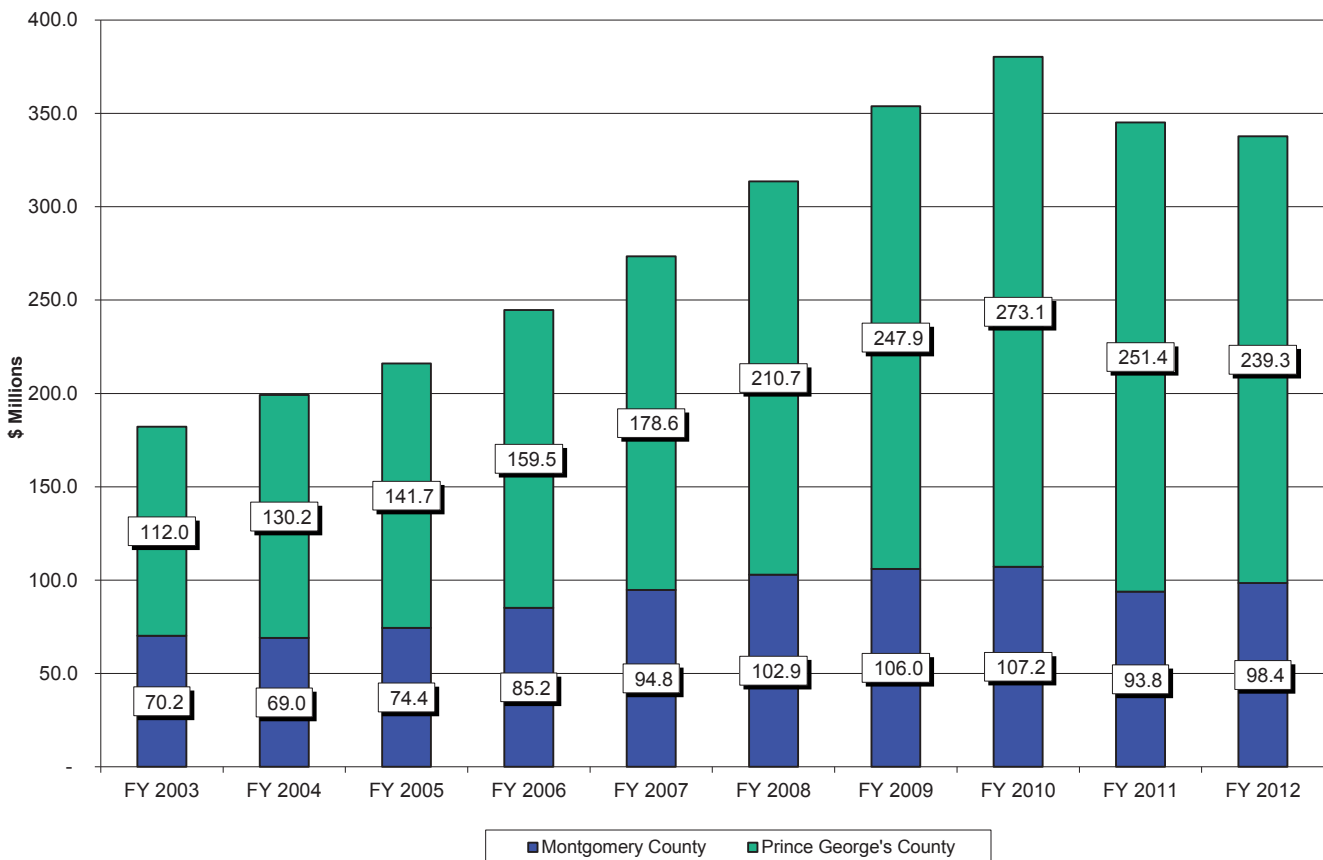
The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 87% of the Governmental Funds revenues in FY 2012. Strong fiscal policies including fund balance reserves, interim financial reporting to monitor revenues and expenditures, and long-term fiscal plans enabled the Commission to respond to the strategies incorporated by the two County Governments in setting the FY 2013 tax rates and adopting the FY 2013 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 2013, the Commission's total Montgomery County real property tax rate was increased by 1.7 of a cent and the personal property tax rate was increased by 1.7 cents. However, the taxable real property assessable base is projected to decrease by 2.4%. Commission property tax revenue is budgeted to increase by 10.3% and budgeted expenditures are budgeted to increase 5.0% in the tax supported funds.

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 in prior years, 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 keeping debt levels relatively low and providing capacity to assist the Prince George's County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. The project charges increased from \$21.5 million in FY 2011 to \$22.1 million in FY 2012 and for FY 2013, they are budgeted at \$17.2 million.

As noted above, assessable base in Montgomery County has declined due to the economic slowdown. Assessable base in Prince George's County shows a decrease between budgeted FY 2012 and FY 2013. 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 or decreasing growth, the assessable base declines at a slower rate which affords the Commission time to adjust its service delivery and spending levels in response to what is economically affordable. When the economy is recovering, the assessments growth rate will lag somewhat.

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



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$140.0 million. Of this amount, \$4.5 million is assigned fund balance and \$135.5 million is unassigned as of June 30, 2012. Of the unassigned portion, \$125.7 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

Requests for Information

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 399,528,402	\$ 8,972,887	\$ 408,501,289
Receivables - Taxes, net of allowance for uncollectibles	1,902,894	-	1,902,894
Receivables - Other	967,820	628	968,448
Due from County Governments	4,656,887	10,840	4,667,727
Due from Other Governments	4,290,133	-	4,290,133
Inventories	-	958,577	958,577
Deposits and Other	1,985,490	-	1,985,490
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	4,715,485	-	4,715,485
Capital Assets:			
Land and Construction in Progress	489,308,807	19,499,342	508,808,149
Other Capital Assets, Net of Accumulated Depreciation	208,333,196	52,326,203	260,659,399
Total Assets	<u>1,115,689,114</u>	<u>81,768,477</u>	<u>1,197,457,591</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	54,387,585	1,292,245	55,679,830
Accrued Interest Payable	692,655	7,965	700,620
Due to Other Governments	526,078	-	526,078
Deposits and Unearned Revenue	6,673,422	1,616,776	8,290,198
Claims Payable:			
Due within One Year	4,512,729	-	4,512,729
Due in more than One Year	9,450,331	-	9,450,331
Compensated Absences:			
Due within One Year	9,022,389	340,847	9,363,236
Due in more than One Year	10,524,756	679,235	11,203,991
Bonds and Notes Payable:			
Due within One Year	11,767,535	841,874	12,609,409
Due in more than One Year	80,832,341	222,228	81,054,569
Net Other Post Employment Benefit Obligations			
Due in more than One Year	60,160,115	2,766,543	62,926,658
Net Pension Obligations			
Due in more than One Year	9,072,693	404,203	9,476,896
Total Liabilities	<u>257,622,629</u>	<u>8,171,916</u>	<u>265,794,545</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	811,517,276	70,761,443	882,278,719
Unrestricted	246,549,209	2,835,118	249,384,327
Total Net Assets	<u>\$ 858,066,485</u>	<u>\$ 73,596,561</u>	<u>\$ 931,663,046</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, 2012

Functions/Programs	Expenses	Program Revenues				Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
General Government	\$ 18,141,138	\$ -	\$ -	\$ -	(18,141,138)	\$ (18,141,138)
County Planning and Zoning	56,148,279	5,283,065	1,437,007	-	(49,428,207)	(49,428,207)
Park Operations and Maintenance	200,435,112	6,475,293	2,469,032	16,656,522	(174,834,265)	(174,834,265)
Recreation Programs	65,883,047	14,035,495	357,912	-	(51,489,640)	(51,489,640)
Interest on Long-term Debt	3,403,501	-	-	-	(3,403,501)	(3,403,501)
Total Governmental Activities	344,011,077	25,793,853	4,263,951	16,656,522	(297,296,751)	(297,296,751)
Business-type Activities:						
Recreational and Cultural Facilities	31,821,425	20,284,112	-	331,427	(11,205,886)	(11,205,886)
Total Business-type Activities	31,821,425	20,284,112	-	331,427	(11,205,886)	(11,205,886)
Total Government	\$ 375,832,502	\$ 46,077,965	\$ 4,263,951	\$ 16,987,949	(297,296,751)	(308,502,637)
General Revenues:						
Property Taxes					336,318,601	336,318,601
Unrestricted Investment Earnings					1,971,299	2,020,250
Transfers					(10,149,000)	-
Net General Revenues and Transfers					328,140,900	338,338,851
Change in Net Assets					30,844,149	29,836,214
Net Assets - Beginning					827,222,336	901,826,832
Net Assets - Ending					\$ 858,066,485	\$ 931,663,046

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, 2012

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 203,192,096	\$ -	\$ 141,820,238	\$ 11,324,761	\$ 356,337,095
Receivables - Taxes (net of allowance for uncollectibles)	1,882,164	-	-	20,730	1,902,894
Receivables - Other (net of allowance for uncollectibles)	19,663	-	-	14,630	34,293
Due from Other Funds	4,109,264	-	-	-	4,109,264
Due from County Governments	281,109	3,327,812	200,000	311,339	4,120,260
Due from Other Governments	2,023,408	1,175,344	1,062,383	29,000	4,290,133
Restricted Cash - Unspent Debt Proceeds	-	4,715,485	-	-	4,715,485
Other	21,995	-	-	38,472	60,467
Total Assets	\$ 211,529,697	\$ 9,218,641	\$ 143,082,621	\$ 11,738,932	\$ 375,569,891
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 31,219,589	\$ 2,761,816	\$ 4,536,917	\$ 514,254	\$ 39,032,576
Accrued Liabilities	10,613,961	-	-	253,343	10,867,304
Retainage Payable	-	1,648,530	2,212,521	-	3,861,051
Due to Other Funds	-	4,109,264	-	-	4,109,264
Due to County Governments	60	-	-	30	90
Deposits and Deferred Revenue	7,074,734	100,000	-	767,509	7,942,243
Total Liabilities	48,908,344	8,619,610	6,749,438	1,535,136	65,812,528
Fund Balance:					
Restricted for:					
Parks	-	4,715,485	-	5,930	4,721,415
Committed to:					
Planning	10,130,123	-	-	9,999	10,140,122
Parks	10,114,783	16,619,202	24,397,265	567,202	51,698,472
Recreation	2,324,715	-	-	118,639	2,443,354
Assigned to:					
Planning	2,638,400	-	-	4,308,426	6,946,826
Parks	138,255	-	111,935,898	1,428,746	113,502,899
Recreation	1,762,600	-	-	3,764,854	5,527,454
Unassigned:	135,512,477	(20,735,656)	-	-	114,776,821
Total Fund Balances	162,621,353	599,031	136,333,183	10,203,796	309,757,363
Total Liabilities and Fund Balances	\$ 211,529,697	\$ 9,218,641	\$ 143,082,621	\$ 11,738,932	

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.	687,427,650
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,759,664
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.	39,235,089
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.	1,268,821
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(181,382,102)
Net Assets of Governmental Activities	\$ 858,086,485

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, 2012

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 335,947,518	\$ -	\$ -	\$ 1,743,930	\$ 337,691,448
Intergovernmental -					
Federal	246,864	74,730	-	-	321,594
State	295,379	2,789,400	2,183,800	-	5,268,579
County	2,411,446	9,028,888	-	1,097,766	12,538,090
Local	-	-	-	787	787
Charges for Services	9,251,771	-	110	5,143,497	14,395,378
Rentals and Concessions	4,573,106	-	-	5,529,766	10,102,872
Interest	908,881	3,389	763,243	48,402	1,723,915
Contributions	5,000	732,134	-	206,719	943,853
Miscellaneous	508,919	14,400	687,724	84,560	1,295,603
Total Revenues	<u>354,148,884</u>	<u>12,642,941</u>	<u>3,634,877</u>	<u>13,855,417</u>	<u>384,282,119</u>
EXPENDITURES					
Current -					
General Government	17,286,400	-	-	-	17,286,400
Planning and Zoning	49,781,118	-	-	3,709,256	53,490,374
Park Operations and Maintenance	167,401,202	-	-	1,589,775	168,990,977
Recreation	57,242,588	-	-	5,177,340	62,419,928
Contributions	-	-	-	1,425,741	1,425,741
Debt Service -					
Principal	56,800	-	-	11,942,535	11,999,335
Interest	-	-	-	3,361,761	3,361,761
Other Debt Service Costs	-	-	-	427,602	427,602
Capital Outlay -					
Park Acquisition	-	2,353,735	10,241,423	-	12,595,158
Park Development	-	18,445,432	28,638,793	-	47,084,225
Total Expenditures	<u>291,768,108</u>	<u>20,799,167</u>	<u>38,880,216</u>	<u>27,634,010</u>	<u>379,081,501</u>
Excess (Deficiency) of Revenues over Expenditures	<u>62,380,776</u>	<u>(8,156,226)</u>	<u>(35,245,339)</u>	<u>(13,778,593)</u>	<u>5,200,618</u>
OTHER FINANCING SOURCES (USES)					
General Obligation Bonds Issued	-	10,500,000	-	-	10,500,000
Refunding Bonds Issued	-	-	-	16,425,000	16,425,000
Premiums on Bonds Issued	-	615,441	-	1,998,632	2,614,073
Deposit of Bond Proceeds with Escrow Agent	-	-	-	(18,130,936)	(18,130,936)
Transfers In	766,632	350,000	10,714,000	16,431,439	28,262,071
Transfers Out	(37,594,439)	(3,389)	(763,243)	(50,000)	(38,411,071)
Total Other Financing Sources (Uses)	<u>(36,827,807)</u>	<u>11,462,052</u>	<u>9,950,757</u>	<u>16,674,135</u>	<u>1,259,137</u>
Net Change in Fund Balances	25,552,969	3,305,826	(25,294,582)	2,895,542	6,459,755
Fund Balances - Beginning	137,068,384	(2,705,795)	161,627,765	7,308,254	303,297,608
Fund Balances - Ending	<u>\$ 162,621,353</u>	<u>\$ 599,031</u>	<u>\$ 136,333,183</u>	<u>\$ 10,203,796</u>	<u>\$ 309,757,363</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, 2012**

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) \$ 6,459,755

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	\$	53,969,282	
Depreciation Expense		<u>(14,576,395)</u>	
Net adjustment			39,392,887

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

Loss on Disposal		(74,799)	
Donations		<u>1,847,570</u>	
Net adjustment			1,772,771

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.

(1,372,847)

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		(29,382,115)	
Repayments of Principal		12,240,080	
Payment to Refunding Bond Escrow Account		<u>18,130,936</u>	
Net adjustment			988,901

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

(11,870,800)

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

52,718

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.

(4,579,236)

Change in net assets of governmental activities (Exhibit 2)	\$	<u>30,844,149</u>	
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The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 6

Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual - GENERAL FUND
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 334,619,000	\$ 334,619,000	\$ 335,947,518	\$ 1,328,518
Intergovernmental	2,624,700	3,279,373	2,953,689	(325,684)
Charges for Services	9,158,800	9,133,800	9,251,770	117,970
Rentals and Concessions	4,251,000	4,251,000	4,573,106	322,106
Interest	1,135,000	1,135,000	908,882	(226,118)
Miscellaneous	569,700	574,700	513,919	(60,781)
Total Revenues	<u>352,358,200</u>	<u>352,992,873</u>	<u>354,148,884</u>	<u>1,156,011</u>
Expenditures/Encumbrances:				
Current -				
General Government	17,645,951	17,645,951	17,048,217	597,734
County Planning and Zoning	54,348,150	54,634,792	48,832,367	5,802,425
Park Operation and Maintenance	175,274,930	175,317,204	166,522,615	8,794,589
Recreation Programs	64,843,200	65,138,957	56,969,657	8,169,300
Total Expenditures/Encumbrances	<u>312,112,231</u>	<u>312,736,904</u>	<u>289,372,856</u>	<u>23,364,048</u>
Excess of Revenues over Expenditures/Encumbrances	<u>40,245,969</u>	<u>40,255,969</u>	<u>64,776,028</u>	<u>24,520,059</u>
Other Financing Sources (Uses):				
Transfers In	786,000	786,000	766,632	(19,368)
Transfers Out	(38,520,900)	(38,520,900)	(37,594,439)	926,461
Total Other Financing Sources (Uses)	<u>(37,734,900)</u>	<u>(37,734,900)</u>	<u>(36,827,807)</u>	<u>907,093</u>
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	<u>\$ 2,511,069</u>	<u>\$ 2,521,069</u>	<u>27,948,221</u>	<u>\$ 25,427,152</u>
Fund Balances - Budget Basis, Beginning			<u>112,103,511</u>	
Fund Balances - Budget Basis, Ending			<u>\$ 140,051,732</u>	

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, 2012

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery County	Prince George's County	Totals	Internal Service Funds
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 4,934,957	\$ 4,037,930	\$ 8,972,887	\$ 43,191,307
Accounts Receivable	14	614	628	933,527
Due from County Government	1,400	9,440	10,840	536,627
Deposits and Other	-	-	-	165,359
Inventories	129,556	829,021	958,577	-
Total Current Assets	5,065,927	4,877,005	9,942,932	44,826,820
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,124,149	72,308,339	99,432,488	2,767,613
Machinery, Equipment and Intangibles	1,895,800	5,558,417	7,454,217	34,013,108
Construction in Progress	135,743	-	135,743	-
	40,740,160	85,645,887	126,386,047	37,529,218
Less - Accumulated Depreciation	(18,942,042)	(35,618,460)	(54,560,502)	(27,314,865)
Total Capital Assets, Net of Depreciation	21,798,118	50,027,427	71,825,545	10,214,353
Total Noncurrent Assets	21,798,118	50,027,427	71,825,545	10,214,353
Total Assets	26,864,045	54,904,432	81,768,477	55,041,173
LIABILITIES				
Current Liabilities:				
Accounts Payable	139,649	374,607	514,256	558,845
Claims Payable	-	-	-	4,512,729
Accrued Salaries and Benefits	246,224	531,765	777,989	67,809
Compensated Absences	77,795	263,052	340,847	15,189
Interest Payable	7,965	-	7,965	3,020
Revenue Collected in Advance	1,381,625	235,151	1,616,776	-
Current Portion of Revenue Bonds Payable	397,430	-	397,430	-
Current Portion of Revenue Notes Payable	444,444	-	444,444	-
Current Portion of Notes Payable	-	-	-	115,000
Due to Other Government	-	-	-	525,988
Total Current Liabilities	2,695,132	1,404,575	4,099,707	5,798,580
Noncurrent Liabilities:				
Claims Payable	-	-	-	9,450,331
Revenue Notes Payable	222,228	-	222,228	-
Compensated Absences	243,324	435,911	679,235	137,311
Net Other Post Employment Benefit Obligations	573,563	2,192,980	2,766,543	419,862
Net Pension Obligation	102,436	301,767	404,203	-
Total Noncurrent Liabilities	1,141,551	2,930,658	4,072,209	10,007,504
Total Liabilities	3,836,683	4,335,233	8,171,916	15,806,084
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	20,734,016	50,027,427	70,761,443	10,099,353
Unrestricted	2,293,346	541,772	2,835,118	29,135,736
Total Net Assets	\$ 23,027,362	\$ 50,569,199	\$ 73,596,561	\$ 39,235,089

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, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 136,350
Sales	732,130	2,312,717	3,044,847	-
Charges for Services	6,527,955	4,745,136	11,273,091	31,837,831
Claim Recoveries	-	-	-	1,269,167
Rentals and Concessions	2,990,504	2,975,670	5,966,174	-
Total Operating Revenues	10,250,589	10,033,523	20,284,112	33,243,348
Operating Expenses:				
Cost of Goods Sold	413,561	1,432,142	1,845,703	-
Personal Services	3,433,920	11,627,312	15,061,232	1,675,026
Supplies and Materials	525,632	1,717,528	2,243,160	595,804
Claims Incurred	-	-	-	22,552,162
Insurance	-	-	-	6,583,499
Communications	30,016	395,664	425,680	-
Utilities	1,144,661	1,991,821	3,136,482	-
Maintenance	391,154	965,190	1,356,344	-
Contractual Services	679,447	1,026,426	1,705,873	1,227,664
Other Services and Charges	160,732	396,052	556,784	3,210,027
Administrative Services	1,560,893	296,000	1,856,893	-
Depreciation	1,259,295	2,266,954	3,526,249	2,215,331
Total Operating Expenses	9,599,311	22,115,089	31,714,400	38,059,513
Operating Income (Loss)	651,278	(12,081,566)	(11,430,288)	(4,816,165)
Nonoperating Revenues (Expenses):				
Investment Earnings	22,192	26,759	48,951	247,384
Interest Expense, net of Amortization	(107,025)	-	(107,025)	(10,455)
Total Nonoperating Revenue (Expense)	(84,833)	26,759	(58,074)	236,929
Income (Loss) before Contributions and Transfers	566,445	(12,054,807)	(11,488,362)	(4,579,236)
Contribution from General Government Assets	93,225	238,202	331,427	-
Transfers	-	10,149,000	10,149,000	-
Total Contributions and Transfers	93,225	10,387,202	10,480,427	-
Change in Net Assets	659,670	(1,667,605)	(1,007,935)	(4,579,236)
Total Net Assets - Beginning	22,367,692	52,236,804	74,604,496	43,814,325
Total Net Assets - Ending	\$ 23,027,362	\$ 50,569,199	\$ 73,596,561	\$ 39,235,089

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, 2012**

	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	\$ 10,600,398	\$ 10,035,409	\$ 20,635,807	\$ 32,699,418
Payments to Suppliers	(2,834,202)	(7,858,382)	(10,692,584)	(32,822,683)
Payments to Employees	(3,240,545)	(11,424,196)	(14,664,741)	(1,523,726)
Payments for Interfund Services Used	(592,799)	-	(592,799)	(779,100)
Payments for Administrative Charges	<u>(1,560,893)</u>	<u>(296,000)</u>	<u>(1,856,893)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>2,371,959</u>	<u>(9,543,169)</u>	<u>(7,171,210)</u>	<u>(2,426,091)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	10,149,000	10,149,000	-
Transfers Out to Other Funds	<u>(54,776)</u>	<u>-</u>	<u>(54,776)</u>	<u>-</u>
Net Cash Flows from Noncapital Financing Activities	<u>(54,776)</u>	<u>10,149,000</u>	<u>10,094,224</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(47,340)	(34,368)	(81,708)	(3,042,122)
Principal Paid on Bonds and Notes Payable	(1,176,450)	-	(1,176,450)	(565,000)
Principal Paid on Revenue Bonds	(32,063)	-	(32,063)	-
Interest Paid	(74,962)	-	(74,962)	(10,455)
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>(1,150,815)</u>	<u>(34,368)</u>	<u>(1,185,183)</u>	<u>(3,617,577)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>22,192</u>	<u>26,759</u>	<u>48,951</u>	<u>247,384</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,188,560	598,222	1,786,782	(5,796,284)
Cash and Cash Equivalents, July 1	<u>3,746,397</u>	<u>3,439,708</u>	<u>7,186,105</u>	<u>48,987,591</u>
Cash and Cash Equivalents, June 30	\$ <u>4,934,957</u>	\$ <u>4,037,930</u>	\$ <u>8,972,887</u>	\$ <u>43,191,307</u>

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 651,278	\$ (12,081,566)	\$ (11,430,288)	\$ (4,816,165)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,259,295	2,266,954	3,526,249	2,215,331
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	5,122	-	5,122	(201,556)
Due from Other Government	180,466	-	180,466	(302,375)
Inventories, at Cost	8,336	(52,525)	(44,189)	-
Deposits and Other	-	-	-	(39,999)
Accounts Payable	(82,199)	118,967	36,768	18,275
Claims Payable	-	-	-	303,232
Accrued Salaries and Benefits	18,698	(90,998)	(72,300)	7,966
Compensated Absences	47,228	(104,086)	(56,858)	26,567
Interest Payable	(7,935)	-	(7,935)	(8,820)
Net Pension Obligation	1,048	(3,145)	(2,097)	276,486
Net Other Post Employment Obligations	126,401	401,344	527,745	94,967
Revenue Collected in Advance	164,221	1,886	166,107	-
Total Adjustments	1,720,681	2,538,397	4,259,078	2,390,074
Net Cash Provided (Used) by Operating Activities	\$ 2,371,959	\$ (9,543,169)	\$ (7,171,210)	\$ (2,426,091)

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, 2012

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 628,950	\$ 18,356,666	\$ 2,601,610
Cash	2,101,064	-	-
Fixed Income Securities	200,496,364	-	-
International Fixed Income Securities	26,608,748	-	-
Venture Capital/Alternative Investments	16,883,391	-	-
Corporate Stock	297,976,005	-	-
International Corporate Stock	49,042,620	-	-
Real Estate Investments	40,470,556	-	-
Short Term Investments	17,674,248	-	-
Mutual Funds	6,109,967	-	-
Collateral for Securities Lending Transactions	65,088,801	-	-
Accounts Receivable	1,714,100	-	-
Land Held for Other Governments	-	60,244,017	-
Other	76,135	-	-
Total Assets	<u>724,870,949</u>	<u>78,600,683</u>	<u>2,601,610</u>
LIABILITIES			
Investment Payable	9,387,822	-	-
Accounts Payable	987,108	543	1,835,030
Claims Payable	538,327	-	-
Obligation for Collateral Received under Securities Lending Transactions	65,954,799	-	-
Deposits	-	-	766,580
Total Liabilities	<u>76,868,056</u>	<u>543</u>	<u>2,601,610</u>
NET ASSETS			
Assets Held in Trust for:			
Land Held for Other Governments	-	60,244,017	-
Pension Benefits	630,202,661	-	-
Other Postemployment Benefits	17,800,232	-	-
Other Purposes	-	18,356,123	-
Total Net Assets	<u>\$ 648,002,893</u>	<u>\$ 78,600,140</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, 2012

	Pension Trust Funds	Private Purpose Trust Funds
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 47,668,072	\$ -
Plan Members	4,395,720	-
Plan Members for Current Benefits	1,219,804	-
Private Donations	-	68,541
Total Contributions	<u>53,283,596</u>	<u>68,541</u>
Receipts from Commission Debt Service Funds	-	1,425,741
Federal Grants - Medicare	757,585	-
Investment Earnings:		
Interest	9,504,236	87,157
Dividends	1,304,152	-
Net Increase in the Fair Value of Investments	5,728,423	-
Total Investment Earnings	<u>16,536,811</u>	<u>87,157</u>
Less Investment Advisory and Management Fees	<u>(2,381,945)</u>	<u>-</u>
Net Income from Investing Activities	<u>14,154,866</u>	<u>87,157</u>
Securities Lending Activity		
Securities Lending Income	190,211	-
Securities Lending Fees	5,592	-
Net Income from Securities Lending Activity	<u>195,803</u>	<u>-</u>
Total Net Investment Income	<u>14,350,669</u>	<u>87,157</u>
Total Additions and Investment Income	<u>68,391,850</u>	<u>1,581,439</u>
DEDUCTIONS		
Benefits	44,917,104	-
Refunds of Contributions	316,681	-
Administrative Expenses	1,453,094	-
Other	-	199,065
Total Deductions	<u>46,686,879</u>	<u>199,065</u>
Change in Net Assets	<u>21,704,971</u>	<u>1,382,374</u>
Net Assets - Beginning	626,297,922	77,217,766
Net Assets - Ending	<u>\$ 648,002,893</u>	<u>\$ 78,600,140</u>

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



NOTES TO FINANCIAL STATEMENTS

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

(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, which was recodified effective October 1, 2012 as part of the Land Use Article of the Annotated Code of Maryland, and Sections 2-113 and 7-107, were recodified, respectively, to Sections 15-115 and 15-116. As a body corporate of the State of Maryland, the Commission is not generally subject to local county legislation such as the Tax Reform Initiative by Marylanders ("TRIM"), a Prince George's County Charter Amendment originally enacted in November 1978.

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

The provisions of Sections 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

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.

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.

In accordance with GAAP, the Commission represents a joint venture of Montgomery and Prince George's Counties, reportable in the notes to their respective financial statements. The financial data of the Commission pertinent to Montgomery County and Prince George's County for governmental funds are set forth on a County basis in Note 6.

(B) Government-wide and Fund Financial Statements

The Commission follows accounting standards established by the Governmental Accounting Standards Board ("GASB").

The reporting requirements established by GASB include:

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

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

The basic financial statements include both Government-wide (based on the Commission as a whole) and fund financial statements. The focus is on both the Commission as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category). Both the Government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the Government-wide Statement of Net 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 net assets as of June 30, 2012.

Statement of Activities – The Government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the Commission's functions. The expense of each individual function is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). The Government-wide Statement of Activities reflects both the gross and net cost per functional category (county planning and zoning, park operations and maintenance, recreation, etc.) that is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (county planning and zoning, park operations and maintenance, recreation, etc.) or a business-type activity. Program revenues include 1) charges for county planning and zoning services; 2) charges for park operations and maintenance; 3) rentals and concessions; 4) recreational and cultural facilities and events and 5) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not

properly included among program revenues are reported as general revenues. Direct expenses are considered those that are clearly identifiable with a specific function or segment. The Commission does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Financial Statements – Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the Commission are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the Government-wide statements' governmental activities column, reconciliations are presented which briefly explain the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the Government-wide financial statements.

The Commission's fiduciary funds, the Employees' Retirement System and the Other Post Employment Benefits Fund, which are fiduciary in nature, are presented in the fund financial statements by fund type (pension, private purpose trust, and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Commission, these funds are not incorporated into the Government-wide statements.

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of the Commission's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the financial progress of their governments over the course of the year. For this reason, the Commission has chosen to make its General Fund budgetary comparison statement part of the basic financial statements. The Commission and many other governments revise their original budgets over the course of the year for a variety of reasons.

Since the Commission adopts its General Fund budget by accounts within each county, each of which has a dedicated tax levy, budgetary comparison summaries are presented for each account in Note 6. These accounts are as follows: Montgomery County Administration, Montgomery County Park, Prince George's County Administration, Prince George's County Park, and Prince George's County Recreation.

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Employee and employer contributions to pension trust funds are recognized as revenues (additions to net 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. Amounts not received within 60 days are reported as deferred revenue. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt

service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment has matured and is due.

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

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

The Commission reports the following fiduciary fund types:

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

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

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 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 and mature within three months of the date acquired by the Commission.

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

Property Taxes Receivable – All property tax receivables are shown net of an allowance for uncollectible accounts of \$1,981,003 at June 30, 2012. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George's County for taxes that are delinquent.

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

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

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

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, trails, dams and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. The Commission defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed and actual costs are not known. Donated capital assets are recorded at estimated fair 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 Balances - The Commission's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn and this policy is an important part of sound fiscal management. The Commission has adopted Resolution No. 06-21, a financial standard to maintain a minimum unrestricted fund balance of the General Fund so that at each fiscal year end this balance shall not be less than 3% to 5% of the current year's expenditures.

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

- **Nonspendable** – Items that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.
- **Restricted** – Items that are restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Items that have been committed for specific purposes pursuant to constraints imposed by a formal action (i.e. resolution) by the entity's "highest level decision-making authority", which the Commission considers actions taken by the Chairman and Vice-Chairman to be the highest level. These committed amounts could be changed by reversing the same type of action the Commission employed to previously commit the funds. The formal action should occur prior to the end of the reporting period.
- **Assigned** – Amounts reflecting a government's intended use of resources for specific purposes require less formal actions. Also, the Commission can delegate assignment authority to the Planning Boards per Article 28 Annotated Code of Maryland, Practice Number 1-10.
- **Unassigned** – This category is for any balances that have no restrictions placed upon them.

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

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

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Committed	\$ 4,459,151	\$ 3,002,704	\$ 5,670,972	\$ 7,112,079	\$ 2,324,715	\$ 22,569,621
Assigned	446,100	138,255	2,192,300	-	1,762,600	4,539,255
Unassigned	3,075,374	6,733,100	18,286,014	85,791,753	21,626,236	135,512,477
Total Fund Balance	<u>\$ 7,980,625</u>	<u>\$ 9,874,059</u>	<u>\$ 26,149,286</u>	<u>\$ 92,903,832</u>	<u>\$ 25,713,551</u>	<u>\$ 162,621,353</u>

Encumbrances

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

General Fund - Montgomery County	7,461,855
General Fund - Prince George's County	15,107,766
Capital Projects Fund - Montgomery County	16,619,202
Capital Projects Fund - Prince George's County	24,397,285
Non-Major Governmental Funds	695,840

(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	\$ 336,392,639
Buildings and improvements	203,634,993
Infrastructure	235,585,046
Machinery, Equipment and Intangibles	60,762,024
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles	(301,114,723)
Construction in Progress	152,167,671
Total	<u>\$ 687,427,650</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	\$ 11,652,535
Due in More than One Year	80,832,341
Net Other Post Employment Benefit	
Obligations	59,740,253
Net Pension Obligations	9,072,693
Compensated Absences	
Due Within One Year	9,007,200
Due in More than One Year	10,387,445
Accrued Interest Payable	689,635
Totals	<u>\$ 181,382,102</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 2012 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, 2012 is as follows. The following account information is reported in Note 6.

	Montgomery County		Prince George's County			Total General Fund
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2011	\$ 4,523,667	\$ 3,824,165	\$ 6,821,790	\$ 7,197,605	\$ 2,597,646	\$ 24,964,873
To Decrease -						
Encumbrances -						
June 30, 2012	(4,459,151)	(3,002,704)	(5,670,972)	(7,112,079)	(2,324,715)	(22,569,621)
Total Adjustment	64,516	821,461	1,150,818	85,526	272,931	2,395,252
Net Change in Fund Balance:						
GAAP Basis	1,385,430	858,556	(1,438,120)	29,472,885	(4,725,782)	25,552,969
Budget Basis	\$ 1,449,946	\$ 1,680,017	\$ (287,302)	\$ 29,558,411	\$ (4,452,851)	\$ 27,948,221

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2012, totaled \$1,157,255,764. The Commission's unrestricted pool of deposits and investments (\$434,804,000) 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 \$1,781,053 and the bank balance was \$5,744,179. In addition, the Commission held cash at various locations totaling \$271,160. Effective December 31, 2010, Section 343 of the Dodd-Frank Act amends the Federal Deposit Insurance Act to include noninterest-bearing transactions accounts as a new temporary deposit insurance account category. Therefore, at June 30, 2012 the entire cash carrying amount is fully insured, without limit.

In addition, the Commission had Certificates of Deposit with a carrying value (including accrued interest) of \$92,397,945 at June 30, 2012. The certificates, with an average life of 241.94 days, were covered by collateral of \$113,641,154, 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, 2012. 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 \$28,170,789. Of these deposits \$2,055 relates to cash and investments restricted for construction.

Investments - The Annotated Code of Maryland authorizes the Commission to invest in obligations for which the United States has pledged its full faith and credit for the payment of principal and interest, obligations that are issued by a Federal agency, repurchase agreements, bankers' acceptances, commercial paper, money market mutual funds, the State Treasurer's investment pool, and certificates of deposit. Commission bond proceeds may also be invested in municipal bonds and notes. The 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 \$4,715,485 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, 2012 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Municipal Bonds	\$ 1,500,190	3.00
U.S. Treasury Bills	3,213,239	230.00
Commercial Paper	19,985,400	103.00
U.S Treasury Notes	20,022,369	213.50
Federal Agricultural Mortgage Corporation Notes	20,023,250	227.50
Federal Home Loan Mortgage Association Notes	33,085,096	292.67
Maryland Local Government Investment Pool (MLGIP)	34,218,932	46.00
Federal National Mortgage Association Notes	52,846,042	128.51
Federal Farm Credit Bank	57,119,529	394.78
Federal Home Loan Bank Notes	70,169,006	423.29
Total Fair Value	\$ 312,183,053	
Portfolio Weighted Average Maturity		263.13

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

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

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$2,055 (0.04%) of bond funds invested in a money market fund that is considered investment grade.

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

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

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

* At time of purchase

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

The Commission is currently in compliance with this policy.

Employees' Retirement System (ERS) Cash 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, 2012, was \$17,774,922. Cash deposits in the bank account totaled \$100,674 that was insured and collateralized. At June 30, 2012, ERS held \$17,674,248 of cash equivalents in its custodial investment accounts.

As of June 30, 2012, ERS’s cash equivalents were exposed to custodial credit risk as follows:

Uninsured and held by custodial bank not in ERS's name	<u>\$ 51,107</u>
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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:

Asset Class	Target Exposure	Expected Range
U.S. Equities	23.0%	18%-28%
International Equities	23.0%	18%-28%
Private Equities	5.0%	0%-8%
Total Equities	51.0%	46%-56%
U.S. Core Fixed Income	14.0%	10%-18%
High Yield Fixed Income	7.5%	5%-10%
Global Opportunistic Fixed Income	7.5%	5%-10%
Total Fixed Income	29.0%	24%-34%
Public Real Assets	5.0%	0%-15%
Private Real Assets	15.0%	5%-20%
Total Real Assets	20.0%	10%-25%

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

- 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 and mid-capitalization stocks".

Non-U.S. Equity

- Cash equivalent exposure is limited to 5%.
- 80% to 100% should be invested in "developed markets".
- 0% to 20% should be invested in "emerging markets".

Core 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, 2012 was 5.90 years with the Merrill Lynch BB/B and the Barclays Aggregate at 4.69 and 5.07 years, respectively.
- The fixed income composite is expected to maintain an aggregate weighting of at least a single A.
- Build America Bonds issued by Montgomery County and Prince George's County are prohibited.

Global Opportunistic Fixed Income Guidelines

- The fixed income composite may contain an allocation to opportunistic investments and distressed securities.
- Flexible guidelines allow managers to invest globally, to add value through investment decisions such as duration management, yield curve positioning, and sector/issue selection.

Private Real Assets (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 investment 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 for 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.

Private Real Assets (ex-Real Estate) Guidelines

- Investments will be structured privately in the form of limited partnerships and diversified among the following investment types: energy, mining, timber, agriculture, and infrastructure.
- The portfolio is expected to be diversified by geographic location with the following weightings: U.S. (65%-75%), Non-U.S. Developed (15%-20%), and Non-U.S. Emerging (10%-15%).
- The fund will be diversified by vintage year. No single partnership commitment is expected to be more than 20% of the real assets composite or more than 20% of the portfolio of a fund-of-funds manager.

Public Real Assets Guidelines

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

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.

Derivatives Policy Statement- A Derivatives 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 paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not "plain vanilla" are restricted to 5% of a manager's portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board. At June 30, 2012, the System held derivatives with fair market values of approximately \$950 with an underlying notional market value of -\$5,772,938. Gains and losses are determined based on quoted market values and recorded in the statement of changes in plan net assets. The objective of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

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

Typically, investment advisors enter into foreign exchange contracts to make payment for international investments. Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The investment advisor uses these contracts primarily for its international investments to settle pending trades. To reduce the risk of counterparty nonperformance, the investment advisors generally enter into these contracts with institutions meeting high standards of credit worthiness. The realized and unrealized gain/loss on contracts is included in the ERS' net assets and represents the fair value of the contracts on June 30, 2012. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2012:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Australian dollar	\$ 131,352	\$ (2,823)	\$ (18,814)	\$ (34)
Brazilian real	1,458,980	5,669	(355,285)	(1,031)
British pound sterling	964,000	99	(51,799)	9
Canadian dollar	350,739	1,043	(333,395)	1,341
Czech koruna	369,306	255	(91,666)	855
Euro	3,347,540	18,121	(4,340,717)	24,930
Hong Kong dollar	651,565	(24)	(1,708,648)	308
Japanese yen	102,598	(254)	(65,217)	(214)
Mexican peso	-	-	(885,203)	(3,323)
Norwegian krone	218,017	678	(53,320)	(51)
Singapore dollar	-	-	(6,341)	5
South Korean won	1,085,543	(1,815)	(77,313)	(243)
Swedish krona	277,509	(2,776)	(26,800)	(1)
Swiss franc	-	-	(30,151)	(257)

Foreign Exchange Contracts Pending June 30, 2012:

<u>Currency</u>	<u>Purchases</u>	<u>Unrealized Gain/(Loss)</u>	<u>Sells</u>	<u>Unrealized Gain/(Loss)</u>
Euro	\$ -	\$ -	\$ (564,852)	\$ 18,864
Japanese yen	-	-	(35,192)	(160)

ERS's investments at June 30, 2012 were as follows:

<u>Investments</u>	<u>Fair Value</u>
Common stock	\$ 343,207,541
Preferred stock	236,509
Convertible equity	1,264,712
Venture Capital and Partnerships	16,883,391
Government bonds	39,013,430
Government agencies	18,673,820
Provincial bonds	4,380,155
Corporate bonds	85,569,208
Corporate convertible bonds	2,309,863
Equity exchange traded fund	0
Government mortgage-backed securities	32,603,930
Government-issued commercial mortgage-backed	311,153
Commercial mortgage-backed	6,848,196
Asset backed securities	2,450,542
Non-government backed CMOs	905,401
Index linked government bonds	8,114,074
Index linked corporate bonds	157,566
Fixed income mutual funds	18,387,762
Real estate	40,470,556
Cash & cash equivalents	17,674,248
Securities lending short term collateral investment pool	65,088,801
Total Investments	\$ 704,550,858

Custodial Credit Risk - Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the ERS will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. The ERS requires that all investments be clearly marked as to ownership and to the extent possible, shall be registered in the name of the ERS.

Of the ERS' \$704.6 million in investments at June 30, 2012, \$65.1 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

Interest Rate Risk – Each investment manager has duration targets and bands that control interest rate risk; however, the ERS has no policy relating to interest rate risk.

As of June 30, 2012, the 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	\$ 2,450,542	10.794628
Commercial mortgage-backed	6,848,196	28.495831
Corporate bonds	85,569,208	12.27396
Corporate convertible bonds	2,309,863	14.134898
Government agencies	18,673,820	13.858442
Government bonds	39,013,430	10.902149
Government mortgage backed securities	32,603,930	25.704846
Gov't-issued commercial mortgage backed securities	311,153	7.645294
Index linked corporate bonds	157,566	25.008
Index linked government bonds	8,114,074	2.104429
Provincial bonds	4,380,155	24.235848
Non-government backed CMOs	905,401	25.943296
Fixed income mutual funds	18,387,762	N/A
Short term investment funds	13,201,022	N/A
TOTAL	\$ 232,926,122	14.891924

Collateralized Mortgage Obligations - Collateralized Mortgage Obligations (CMOs) are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. The repayments of principal and interest from the pass-through securities are used to retire the bonds in an established order of maturity. The ERS held \$905,401 in CMOs at June 30, 2012.

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 \$2,450,542 in ABS at June 30, 2012.

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

Individual investment manager guidelines include limitations on the percentage of securities below investment grade and various types of securities including derivatives. A Derivatives Policy Statement identifies and allows common derivative investments and strategies which are consistent with the Investment Policy Statement.

Credit Quality Ratings as of June 30, 2012:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	Government	11.302%
Agency	AAA	0.059%
Agency	AA	2.131%
Agency	A	0.189%
Government Bonds	A	0.073%
Government Bonds	BBB	0.026%
Government Bonds	BB	0.021%
Government Bonds	NR	0.033%
Government Mortgage Backed Securities	AA	0.007%
Government Mortgage Backed Securities	NR	0.150%
Gov't-issued Commercial Mortgage-Backed	AA	0.017%
Asset Backed Securities	AAA	0.149%
Asset Backed Securities	AA	0.047%
Asset Backed Securities	A	0.004%
Asset Backed Securities	BB	0.019%
Asset Backed Securities	B	0.015%
Asset Backed Securities	D	0.013%
Asset Backed Securities	NR	0.101%
Commercial Mortgage-Backed	AAA	0.724%
Commercial Mortgage-Backed	AA	0.044%
Commercial Mortgage-Backed	A	0.007%
Commercial Mortgage-Backed	BBB	0.003%
Commercial Mortgage-Backed	NR	0.194%
Corporate Bonds	AAA	0.062%
Corporate Bonds	AA	0.723%
Corporate Bonds	A	3.390%
Corporate Bonds	BBB	3.006%
Corporate Bonds	BB	0.649%
Corporate Bonds	B	0.988%
Corporate Bonds	CCC	0.198%
Corporate Bonds	CC	0.028%
Corporate Bonds	D	0.014%
Corporate Bonds	NR	0.313%
Corporate Convertible Bonds	A	0.063%
Corporate Convertible Bonds	BB	0.118%
Corporate Convertible Bonds	B	0.105%
Corporate Convertible Bonds	NR	0.043%
Index Linked Corporate Bonds	BBB	0.022%
Index Linked Government Bonds	BBB	0.002%
Municipal/Provincial Bonds	AAA	0.034%
Municipal/Provincial Bonds	AA	0.401%
Municipal/Provincial Bonds	A	0.154%
Municipal/Provincial Bonds	NR	0.033%
Non-Government Backed C.M.O.s	AAA	0.084%
Non-Government Backed C.M.O.s	A	0.022%
Non-Government Backed C.M.O.s	NR	0.023%
Other Fixed Income	NR	0.173%
Funds - Corporate Bond	NR	2.774%
Funds - Other Fixed Income	NR	2.425%
Funds - Short Term Investment	NR	1.874%

Foreign Currency Risk – The ERS does not have a policy for foreign currency risk. Foreign currency is intentionally unhedged.

The ERS' exposure to foreign currency risk at June 30, 2012, was as follows:

<u>Investment Type</u>	<u>Currency</u>	<u>Fair Value</u>
Government Bonds	Euro	\$ 373,243
Government Bonds	Mexican peso	516,757
Government Agencies	Brazilian real	417,814
Government Agencies	Philippine peso	328,820
Corporate Bonds	Australian dollar	353,067
Corporate Bonds	Euro	235,855
Corporate Bonds	Mexican peso	154,953
Common Stock	Brazilian real	2,440,176
Common Stock	Swiss franc	1,088,938
Common Stock	Czech koruna	591,469
Common Stock	Euro	4,925,728
Common Stock	British pound sterling	5,074,518
Common Stock	Hong Kong dollar	4,417,111
Common Stock	Japanese yen	5,358,532
Common Stock	South Korean won	1,333,010
Common Stock	Norwegian krone	1,964,700
Common Stock	Swedish krona	1,493,872
Common Stock	Singapore dollar	545,425
Cash	Hong Kong dollar	15,915
Total		<u>\$ 31,629,903</u>

Cash Received as Securities Lending Collateral

The following table details the net income from securities lending for the period ending June 30, 2012:

Securities lending	\$ 190,211
Plus security lending income	5,592
Net securities lending income	<u>\$ 195,803</u>

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

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. The Board of Trustees authorized a securities lending loan cap of 30% effective October 6, 2010 with an increase to 50% effective February 1, 2011. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2012.

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 135 days in 2012.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 39 days as of this statement date. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2012:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>
Fixed income securities	\$ 41,723,746	\$ 42,438,596
Domestic equities	21,644,383	21,746,268
Global equities	<u>1,720,672</u>	<u>1,769,935</u>
Total	\$ <u>65,088,801</u>	\$ <u>65,954,799</u>

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

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

The Trust had \$2,000,390 in money market funds at June 30, 2012. The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$628,950. Investments in mutual funds totaled \$15,799,842.

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 2012 are as follows:

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

The Trust's investments in mutual funds at June 30, 2012 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Fixed Income	\$ 9,689,875
Equity Index Fund	6,109,967
Total Investments	\$ <u>15,799,842</u>

The Trust's fixed income investments at June 30, 2012 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Duration)</u>
Fixed Allocation Funds	\$ 4,877,888	2.67
Fixed Bond Fund	\$ 4,811,987	0.12
Total Fair Value	\$ <u>9,689,875</u>	
Portfolio Weighted Average Maturity		1.67

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

Statement of Net Assets

Equity in Pooled Cash and Investments	\$ 408,501,289
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	4,715,485

Statement of Net Assets - Fiduciary Funds

Equity in Pooled Cash and Investments - Pension Trust Funds	628,950
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	18,356,666
Equity in Pooled Cash and Investments - Agency Funds	2,601,610
Cash and Marketable Securities - Pension Trust Funds	657,362,963
Collateral for Securities Lending Transactions - Pension Trust Funds	65,088,801

Total	\$ 1,157,255,764
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They are composed of:

Cash in Banks of Commission	\$ 1,781,053
Cash of Employees' Retirement System Pension Trust Fund	100,674
Cash in Other Post Employment Benefits Fund	-
Cash in Other Locations - Commission	271,160
Money Market Deposits of Commission	28,170,789
Money Market Deposits in Other Post Employment Benefits Fund	2,000,390
Certificates of Deposit of Commission	92,397,945
Fixed Income Securities In Commission's Investment Pool	312,183,053
Mutual funds in Other Post Employment Benefits Fund	15,799,842
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	347,018,625
Fixed Income Securities	217,415,237
Real Estate	40,470,556
Venture Capital and Partnerships	16,883,391
Cash & Cash Equivalents	17,674,248
Collateral for Securities Lending Transactions	65,088,801
Total	\$ 1,157,255,764

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2012 is as follows:

	July 1, 2011	Increases	Decreases	Transfers/ Contributions	June 30, 2012
Capital assets not being depreciated					
Land	\$ 322,698,408	\$ 14,442,728	\$ -	\$ -	\$ 337,141,136
Construction in progress	117,511,959	39,008,466	(93,725)	(4,259,029)	152,167,671
Total capital assets not being depreciated	440,210,367	53,451,194	(93,725)	(4,259,029)	489,308,807
Other capital assets, being depreciated					
Buildings and improvements	205,542,559	-	-	860,047	206,402,606
Infrastructure	232,186,065	-	-	3,398,982	235,585,047
Machinery, equipment and intangibles	90,095,762	5,501,506	(822,137)	-	94,775,131
Total other capital assets	527,824,386	5,501,506	(822,137)	4,259,029	536,762,784
Less accumulated depreciation for:					
Buildings and improvements	(124,548,112)	(5,276,688)	-	-	(129,824,800)
Infrastructure	(120,205,710)	(5,732,206)	-	-	(125,937,916)
Machinery, equipment and intangibles	(67,631,378)	(5,782,832)	747,338	-	(72,666,872)
Total accumulated depreciation	(312,385,200)	(16,791,726)	747,338	-	(328,429,588)
Total other capital asset, net	215,439,186	(11,290,220)	(74,799)	4,259,029	208,333,196
Governmental activities capital assets, net	\$ 655,649,553	\$ 42,160,974	\$ (168,524)	\$ -	\$ 697,642,003

Summaries of business-type activities capital assets at June 30, 2012, made up of two major enterprise funds, are as follows:

	July 1, 2011	Increases	Decreases	Transfers	June 30, 2012
Montgomery County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 11,584,468	\$ -	\$ -	\$ -	\$ 11,584,468
Construction in progress	397,888	146,158	-	(408,303)	135,743
Total capital assets not being depreciated	11,982,356	146,158	-	(408,303)	11,720,211
Capital assets being depreciated					
Buildings and improvements	26,999,848	-	-	124,301	27,124,149
Machinery, equipment and intangibles	1,710,615	41,545	-	143,640	1,895,800
Total capital assets being depreciated	28,710,463	41,545	-	267,941	29,019,949
Less accumulated depreciation for:					
Buildings and improvements	(16,273,789)	(1,207,285)	-	-	(17,481,074)
Machinery, equipment and intangibles	(1,408,958)	(52,010)	-	-	(1,460,968)
Total accumulated depreciation	(17,682,747)	(1,259,295)	-	-	(18,942,042)
Total capital assets being depreciated, net	11,027,716	(1,217,750)	-	267,941	10,077,907
Capital assets, net	\$ 23,010,072	\$ (1,071,592)	\$ -	\$ (140,362)	\$ 21,798,118
Prince George's County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 7,779,131	\$ -	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:					
Buildings and improvements	72,270,589	-	-	-	72,270,589
Machinery, equipment and intangibles	5,323,596	34,368	-	238,203	5,596,167
Total capital assets being depreciated	77,594,185	34,368	-	238,203	77,866,756
Less accumulated depreciation for:					
Buildings and improvements	(29,473,483)	(2,079,051)	-	-	(31,552,534)
Machinery, equipment and intangibles	(3,878,023)	(187,903)	-	-	(4,065,926)
Total accumulated depreciation	(33,351,506)	(2,266,954)	-	-	(35,618,460)
Total capital assets being depreciated, net	44,242,679	(2,232,586)	-	238,203	42,248,296
Capital assets, net	\$ 52,021,810	\$ (2,232,586)	\$ -	\$ 238,203	\$ 50,027,427
Total Business-type activities	\$ 75,031,882	\$ (3,304,178)	\$ -	\$ 97,841	\$ 71,825,545

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

Governmental Activities:	
General Government	\$ 329,932
County Planning and Zoning	\$ 531,158
Park Operations and Maintenance	\$ 13,753,846
Recreation Programs	\$ 2,176,790
Total depreciation expense - governmental activities	<u>\$ 16,791,726</u>
Total depreciation expense - business-type activities	
Recreation and Cultural Facilities	<u>\$ 3,526,249</u>

Construction Commitments - The Commission is committed to \$41,016,487 for construction contracts for work to be performed in subsequent years.

(C) Interfund Receivables, Payables, and Transfers

The Commission had one interfund receivable and payable balance at June 30, 2012. The Montgomery County Capital Projects Fund has a payable balance of \$4,109,264 to the Montgomery County Parks Fund. The short term borrowing is to remove a cash shortfall in the Capital Projects Fund.

The Commission had the following interfund transfers during fiscal year 2012:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
Transfers In						
General Fund - Administration Account	\$ -	\$ -	\$ -	\$ 1,308,000	\$ -	\$ 1,308,000
General Fund - Park Account	-	350,000	10,664,000	15,119,742	-	26,133,742
General Fund - Recreation Account	-	-	-	3,697	10,149,000	10,152,697
Special Revenue Fund	-	-	50,000	-	-	50,000
Capital Projects	766,632	-	-	-	-	766,632
Total Transfers In	<u>\$ 766,632</u>	<u>\$ 350,000</u>	<u>\$ 10,714,000</u>	<u>\$ 16,431,439</u>	<u>\$ 10,149,000</u>	<u>\$ 38,411,071</u>
Transfers Out						
General Fund - Park Account	\$ -	\$ 3,389	\$ 763,243	\$ -	\$ -	\$ 766,632
Debt Service Fund	15,119,742	-	-	-	-	15,119,742
Capital Projects	11,014,000	-	-	50,000	-	11,064,000
Special Revenue Fund	1,311,697	-	-	-	-	1,311,697
Enterprise Fund	10,149,000	-	-	-	-	10,149,000
Total Transfers Out	<u>\$ 37,594,439</u>	<u>\$ 3,389</u>	<u>\$ 763,243</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 38,411,071</u>

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$15,119,742) and current funding for Capital Projects (\$11,064,000).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund	Total Proprietary Funds
Transfers In		
General Fund - Recreation Account	10,149,000	10,149,000
Total Transfers In	<u>\$ 10,149,000</u>	<u>\$ 10,149,000</u>

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

In addition to the above transfers, tax revenues of \$1,425,741 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 2016. Each agreement provides for termination in the event of nonappropriation of funds.

Future minimum commitments under operating leases at June 30, 2012 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2013	2,658	469	2,189
2014	2,515	393	2,122
2015	1,119	393	726
2016	941	328	613
Total minimum lease payments	<u>\$ 7,233</u>	<u>\$ 1,583</u>	<u>\$ 5,650</u>

In fiscal year 2012, expenditures in the General Fund included \$1,737,652 relating to the rental of office space and \$1,142,805 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, 2012 are as follows (\$000's):

Year Ending June 30	Total	Montgomery County Governmental		Prince George's County Governmental	
		Principal	Interest	Principal	Interest
2013	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115</u>	<u>\$ 3</u>
Total payments	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115</u>	<u>\$ 3</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 2011, 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 1.48 cents for real property and 3.70 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

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

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

Montgomery County General Obligation Bonds

Fiscal Year	Governmental Activities					
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA
	Principal	Interest	Payments	Principal	Interest	Payments
2013	2,620	1,256	3,876	240	71	311
2014	2,545	1,092	3,637	235	61	296
2015	2,795	1,013	3,808	230	52	282
2016	2,250	933	3,183	120	45	165
2017	2,305	861	3,166	120	40	160
2018-2022	10,690	3,136	13,826	600	134	734
2023-2027	6,795	1,459	8,254	360	22	382
2028-2032	4,590	451	5,041	-	-	-
Totals	<u>\$ 34,590</u>	<u>\$ 10,201</u>	<u>\$ 44,791</u>	<u>\$ 1,905</u>	<u>\$ 425</u>	<u>\$ 2,330</u>

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities						Total Commission General Obligation Bonds
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA	
	Principal	Interest	Payments	Principal	Interest	Payments	
2013	8,859	1,892	10,751	-	-	-	14,938
2014	7,962	1,831	9,793	-	-	-	13,726
2015	7,300	1,542	8,842	-	-	-	12,932
2016	6,623	1,244	7,867	-	-	-	11,215
2017	6,812	978	7,790	-	-	-	11,116
2018-2022	14,396	2,316	16,712	-	-	-	31,272
2023-2027	4,410	471	4,881	-	-	-	13,517
2028-2032	-	-	-	-	-	-	5,041
Totals	<u>\$ 56,362</u>	<u>\$ 10,274</u>	<u>\$ 66,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,757</u>

Outstanding General Obligation Bonds - General obligation bonds outstanding at June 30, 2012, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY 2013 Serial Payment	Original Issue	Outstanding at June 30, 2012
Montgomery County						
Park Acquisition and Development Bonds						
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	\$ 845	\$ 12,155	\$ 1,400
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	1,200
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	360	5,445	1,040
Series II-2	3.9651	03/15/07	04/01/27	185	4,700	3,775
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	860	8,405	7,050
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	4,620
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	-	12,505	12,505
Series MC-2012B	3.5622	04/05/12	12/01/32	-	3,000	3,000
				<u>2,620</u>	<u>55,460</u>	<u>34,590</u>
Advance Land Acquisition Bonds						
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	160	1,550	465
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,440
				<u>240</u>	<u>3,550</u>	<u>1,905</u>
Total Montgomery County General Obligation Bonds				<u>\$ 2,860</u>	<u>\$ 59,010</u>	<u>\$ 36,495</u>
Prince George's County						
Park Acquisition and Development Bonds						
Series W-2	6.4000	06/25/98	07/01/12	\$ 380	\$ 7,325	\$ 380
Series BB-2 Advance Refunding	3.3944	12/01/02	07/01/14	1,700	21,110	1,700
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	2,380	37,525	12,235
Series GG-2 Current Refunding	3.1053	07/15/05	07/01/12	1,050	13,685	1,050
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	7,125
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,715	17,300	10,708
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,240	14,080	11,745
Series PG2012A Advance and Current Refunding	1.8735	06/21/12	01/15/24	40	11,420	11,420
Total Prince George's County General Obligation Bonds				<u>\$ 8,860</u>	<u>\$ 131,345</u>	<u>\$ 56,363</u>

Notes: (1) The CC-2, EE-2, and MC-2012A 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 \$1,064,102 at June 30, 2012, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$1,259,699 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, 2012, 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
2013	842	35	877
2014	222	6	228
Total	<u>\$ 1,064</u>	<u>\$ 41</u>	<u>\$ 1,105</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 and revenue notes payable at June 30, 2012, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY2013 Serial Payment	Original Issue	Outstanding at June 30, 2012
Montgomery County						
Revenue Bonds and Notes						
Little Bennett Golf Course (net of deferred amount)	3.3705 %	12/09/03	11/01/12	\$ 397	\$ 3,154	\$ 397
Cabin John Ice Rink	5.1600	04/24/99	11/01/13	444	6,000	667
				<u>\$ 841</u>	<u>\$ 9,154</u>	<u>\$ 1,064</u>

New Bond Issues – On April 5, 2012, the Commission issued \$12,505,000 of Montgomery County Park Acquisition and Development General Obligation Project and Refunding Bonds Series MC-2012A (Federally Tax-Exempt). Proceeds of \$7,500,000 are to be used for capital project financing, and the balance of \$5,005,000 provided the resources to defease the callable portion of the Montgomery County Park Acquisition and Development Project Bonds, Series CC-2 and Series FF-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 December 1, 2032 at a net interest cost of 2.8695%.

On April 5, 2012, the Commission issued \$3,000,000 Of Montgomery County Park Acquisition and Development General Obligation Project Bonds Series MC-2012B (Federally Taxable). These proceeds are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until December 1, 2022 at a net interest cost of 3.5622%.

On June 21, 2012, the Commission issued \$11,420,000 of Prince George's County Park Acquisition and Development General Obligation Refunding Bonds Series PGC-2012A. The proceeds provided the resources to defease the callable portion of the Prince George's County Park Acquisition and Development Refunding Bonds, Series BB-2 and the Prince George's County Park Acquisition and Development Project and Refunding Bonds Series EE-2. 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 January 15, 2024 at a net interest cost of 1.8735%.

Information related to the refunding bond issues follows:

Montgomery County

	CC-2	FF-2	Total
Amount of refunding bonds issued	\$ 3,359,500	\$ 1,645,500	\$ 5,005,000
Premium	373,322	182,852	556,174
Amount refunded	(3,430,000)	(1,680,000)	(5,110,000)
Bond issuance costs	(70,648)	(34,603)	(105,251)
Underwriters discount	(20,493)	(10,038)	(30,531)
Economic Gain	211,681	103,711	315,392

Prince George's County

	BB-2	EE-2	Total
Amount of refunding bonds issued	\$ 2,304,300	\$ 9,115,700	\$ 11,420,000
Premium	291,060	1,151,398	1,442,458
Amount refunded	(2,380,000)	(9,415,000)	(11,795,000)
Bond issuance costs	(36,874)	(145,869)	(182,743)
Underwriters discount	(16,071)	(63,573)	(79,644)
Economic Gain	162,415	642,656	805,071

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

Series	Redemption Date	Montgomery County	Prince George's County
Series BB-2	07/01/12	\$ -	\$ 2,380,000
Series CC-2	12/01/12	3,430,000	\$ -
Series EE-2	01/15/14	-	\$ 8,820,000
Series FF-2	12/01/14	1,680,000	\$ -

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2012, were as follows:

General Obligation Park Bonds Payable	\$ 26,710,000	\$ 15,505,000	\$ 7,625,000	\$ 34,590,000	\$ 2,620,000
General Obligation ALA Bonds Payable	2,145,000	-	240,000	1,905,000	240,000
Deferred charges, net of premiums, on General Obligation Bonds	(379,822)	560,975	(44,884)	226,037	-
Notes Payable - Governmental	311,493	-	311,493	-	-
Loan Payable to Montgomery County	56,800	-	56,800	-	-
Accrued Compensated Absences	7,975,571	4,348,254	3,916,090	8,407,735	3,916,090
Net Other Post Employment Benefit Obligations	20,726,996	4,639,346	-	25,366,342	-
Net Pension Obligations	3,934,859	-	40,625	3,894,234	-
Long-term Liabilities	<u>61,480,897</u>	<u>25,053,575</u>	<u>12,145,124</u>	<u>74,389,348</u>	<u>6,776,090</u>
Prince George's County					
General Obligation Park Bonds Payable	65,925,197	11,420,000	20,982,535	56,362,662	8,859,539
General Obligation ALA Bonds Payable	-	-	-	-	-
Deferred charges, net of premiums, on General Obligation Bonds	(1,205,877)	387,209	(214,845)	(603,823)	-
Notes Payable - Governmental	368,507	-	248,507	120,000	115,000
Accrued Compensated Absences	10,926,249	5,319,460	5,106,299	11,139,410	5,106,299
Net Other Post Employment Benefit Obligations	27,991,403	6,802,370	-	34,793,773	-
Net Pension Obligations	5,232,541	-	54,082	5,178,459	-
Long-term Liabilities	<u>109,238,020</u>	<u>23,929,039</u>	<u>26,176,578</u>	<u>106,990,481</u>	<u>14,080,838</u>
Total Long-term Liabilities	<u>\$ 170,718,917</u>	<u>\$ 48,982,614</u>	<u>\$ 38,321,702</u>	<u>\$ 181,379,829</u>	<u>\$ 20,856,928</u>
Business type activities:					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
Revenue Bonds and Notes Payable	\$ 2,240,614	\$ -	\$ 1,176,512	\$ 1,064,102	\$ 841,874
Unamortized Discount on Revenue Bonds and Notes	(32,062)	-	(32,062)	-	-
Accrued Compensated Absences	273,891	125,022	77,794	321,119	77,795
Net Other Post Employment Benefit Obligations	447,162	126,401	-	573,563	-
Net Pension Obligations	101,388	1,048	-	102,436	-
Long-term Liabilities	<u>3,030,993</u>	<u>252,471</u>	<u>1,222,244</u>	<u>2,061,220</u>	<u>919,669</u>
Prince George's County					
Accrued Compensated Absences	803,049	158,967	263,053	698,963	263,052
Net Other Post Employment Benefit Obligations	1,791,636	401,344	-	2,192,980	-
Net Pension Obligations	304,912	-	3,145	301,767	-
Long-term Liabilities	<u>2,899,597</u>	<u>560,311</u>	<u>266,198</u>	<u>3,193,710</u>	<u>263,052</u>
Total Long-term Liabilities	<u>\$ 5,930,590</u>	<u>\$ 812,782</u>	<u>\$ 1,488,442</u>	<u>\$ 5,254,930</u>	<u>\$ 1,182,721</u>

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	\$ 9,022,389	\$ 340,847	\$ 9,363,236
Due in more than One Year	10,524,756	679,235	11,203,991
Bonds and Notes Payable:			
Due within One Year	11,767,535	841,874	12,609,409
Due in more than One Year	80,832,341	222,228	81,054,569
Net Other Post employment Benefit Obligations			
Due in more than One Year	60,160,115	2,766,543	62,926,658
Net Pension Obligations	9,072,693	404,203	9,476,896
Total Long-term Liabilities	<u>\$ 181,379,829</u>	<u>\$ 5,254,930</u>	<u>\$ 186,634,759</u>

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

(5) – OTHER INFORMATION

(A) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000 excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission paid one claim settlement in excess of \$250,000 in each of fiscal years 2010 and 2011. In fiscal year 2012 there were no claims over \$250,000. No insurance coverages were reduced in fiscal year 2012.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: two exclusive provider organizations (EPO) which is a Health Maintenance Organization (HMO) without a PCP as a gatekeeper, a point of service (POS), and a Medicare complement plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2012. 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 2012 totaled \$4,461,723. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Medical</u>	<u>Risk Management</u>
Unpaid Claims, June 30, 2010	\$ 1,687,020	\$ 10,832,538
Incurred Claims, Fiscal Year 2011	17,302,140	5,229,656
Claims Paid, Fiscal Year 2011	(17,307,958)	(4,083,568)
Unpaid Claims, June 30, 2011	1,681,202	11,978,626
Incurred Claims, Fiscal Year 2012	16,657,525	5,083,538
Claims Paid, Fiscal Year 2012	(16,976,108)	(4,461,723)
Unpaid Claims, June 30, 2012	<u>\$ 1,362,619</u>	<u>\$ 12,600,441</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:

	<u>Medical</u>	<u>Risk Management</u>	<u>Total</u>
Due within One Year	\$ 1,362,619	\$ 3,150,110	\$ 4,512,729
Due in more than One Year	-	9,450,331	9,450,331
Total	<u>\$ 1,362,619</u>	<u>\$ 12,600,441</u>	<u>\$ 13,963,060</u>

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2012:

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

Reimbursements to County Council for planning, zoning, and audio/visual	1,137,300
Dept. of Environ. Resources Zoning Enforcement and Inspection	1,891,600
Property Tax Collection Fees	432,200
Office Space Rental at the County Administrative Building	768,055
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel (Stan Derwin Brown)	113,400
Department of Environmental Resources - Water and Sewer Planning	155,300
Economic Development for Enterprise Zone	65,000
EDC - General Plan Goals	350,000
Permits & Inspection for M-NCPPC-DER	2,536,200
Permits & Inspection & Permitting - DPW&T	1,620,000
Redevelopment Authority	1,016,700
DPW&T - Director's Office	254,700
DPW&T Engineering, Snow Plowing, Etc.	686,900
Property Tax Collection Fees (Parks & Recreation)	353,700
Gorgeous Prince George's - Green to Greatness Day	250,000
Prince George's Community College	2,500,000
Prince George's County - Police Department	159,800
Prince George's County - Fire Department	43,200
Prince George's County - Health Department/Wellness Program	800,000
Prince George's County - Library Recreation Program	4,809,400
Total	<u>\$ 20,283,955</u>

Of this amount, \$18,401,918 is in Accounts Payable at June 30, 2012.

(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, 2011 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, 2011. 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 2% 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, 2011, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	659,362
Actuarial Accrued Liability		761,343
Funded Ratio		86.6%
Unfunded Actuarial Accrued Liability		101,981
Annual Covered Payroll		132,491
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		77.0%

The net assets available for benefits at June 30, 2012 totaled \$630,202,661.

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

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

Annual required contribution (expense)	\$	32,182,287
Interest on net OPEB obligation		718,000
Adjustment to annual required contribution		(814,804)
Annual OPEB cost (Expense)		32,085,483
Contribution made		32,182,287
Decrease in Net Pension contribution		(96,804)
Net Pension obligation, beginning of year		9,573,700
Net Pension obligation, end of year	\$	<u>9,476,896</u>

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years, 2009, 2010 and 2011 are presented below (\$000):

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual Pension Cost (APC)	\$ 17,615	\$ 25,633	\$ 32,182
Percentage of APC Contributed	100%	73%	100%
Net Pension Obligation (NPO)	-	9,574	9,477

In FY 2012 the Commission contributed 100% of the adjusted annual required contribution.

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

Deferred Compensation Plans

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

(E) Other Postemployment Benefits

Plan Description - In addition to the pension benefits provided by the System, the Commission provides postretirement healthcare benefits, a single-employer defined benefit healthcare plan, in accordance with Commission approval, to all full-time and part-time career employees, directors appointed by Montgomery County and Prince George's County Planning Boards, Merit System Board Members, Commissioners, appointed officials and Employees' Retirement System employees who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan at the end of their Commission or System service, and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. Currently 787 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. Separate financial statements are not issued for the Trust.

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

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

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

Annual required contribution (expense)	\$ 28,553
Interest on net OPEB obligation	1,543
Adjustment to annual required contribution	<u>(1,883)</u>
Annual OPEB cost (Expense)	28,213
Contribution made	<u>16,243</u>
Increase in Net OPEB contribution	11,970
Net OPEB obligation, beginning of year	<u>50,957</u>
Net OPEB obligation, end of year	<u><u>\$ 62,927</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 2010, 2011 and 2012 is presented below (\$000):

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Annual Required Contribution (ARC)	\$ 23,049	\$ 23,935	\$ 28,213
Percentage of ARC Contributed	31%	39%	58%
Net OPEB Obligation	36,232	50,957	62,957

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

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

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

Actuarial Methods for Retiree Health Care Benefits Plan - The actuarial value of assets is the fair value of the investments. This year's asset value is based on the July 1, 2011 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, 2011. 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 2012 was estimated at 9.0% for prescription drugs and medical costs, and 5.0% for dental and vision. Declining rates of increase were used, with 2021 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2011, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 11,170
Actuarial Accrued Liability	333,171
Funded Ratio	3.35%
Unfunded Actuarial Accrued Liability	322,001
Annual Covered Payroll	135,062
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	238.4%

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, 2012

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ -	\$ 628,950	\$ 628,950
Cash	100,674	2,000,390	2,101,064
Fixed Income Securities	190,806,489	9,689,875	200,496,364
International Fixed Income Securities	26,608,748	-	26,608,748
Venture Capital/Alternative Investments	16,883,391	-	16,883,391
Corporate Stock	297,976,005	-	297,976,005
International Corporate Stock	49,042,620	-	49,042,620
Real Estate Investments	40,470,556	-	40,470,556
Short Term Investments	17,674,248	-	17,674,248
Mutual Funds	-	6,109,967	6,109,967
Collateral for Securities Lending Transactions	65,088,801	-	65,088,801
Accounts Receivable	1,714,100	-	1,714,100
Other	76,135	-	76,135
Total Assets	<u>706,441,767</u>	<u>18,429,182</u>	<u>724,870,949</u>
LIABILITIES			
Investments Payable	9,387,822	-	9,387,822
Accounts Payable	896,485	90,623	987,108
Claims Payable	-	538,327	538,327
Obligation for Collateral Received under Securities Lending Transactions	65,954,799	-	65,954,799
Total Liabilities	<u>76,239,106</u>	<u>628,950</u>	<u>76,868,056</u>
NET ASSETS			
Assets Held in Trust for:			
Pension Benefits	630,202,661	-	630,202,661
Other Postemployment Benefits	-	17,800,232	17,800,232
Total Net Assets	<u>\$ 630,202,661</u>	<u>\$ 17,800,232</u>	<u>\$ 648,002,893</u>

Combining Schedules of Changes in Net Assets
Pension Trust Funds
For the Year Ended June 30, 2012

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 32,182,287	\$ 15,485,785	\$ 47,668,072
Plan Members	4,395,720	-	4,395,720
Plan Members for Current Benefits	-	1,219,804	1,219,804
Total Contributions	<u>36,578,007</u>	<u>16,705,589</u>	<u>53,283,596</u>
Federal Grants - Medicare	-	757,585	757,585
Investment Earnings:			
Interest	9,503,172	1,064	9,504,236
Dividends	1,226,630	77,522	1,304,152
Net increase in the Fair Value of Investments	5,556,997	171,426	5,728,423
Total Investment Earnings	<u>16,286,799</u>	<u>250,012</u>	<u>16,536,811</u>
Less Investment Advisory and Management Fees	(2,381,945)	-	(2,381,945)
Net Income from Investing Activities	<u>13,904,854</u>	<u>250,012</u>	<u>14,154,866</u>
Securities Lending Activity			
Securities Lending Income	190,211	-	190,211
Securities Lending Fees	5,592	-	5,592
Net Income from Securities Lending Activity	<u>195,803</u>	<u>-</u>	<u>195,803</u>
Total Net Investment Earnings	<u>14,100,657</u>	<u>250,012</u>	<u>14,350,669</u>
Total Additions and Investment Earnings	<u>50,678,664</u>	<u>17,713,186</u>	<u>68,391,850</u>
DEDUCTIONS:			
Benefits	33,833,630	11,083,474	44,917,104
Refunds of Contributions	316,681	-	316,681
Administrative expenses	1,453,094	-	1,453,094
Total Deductions	<u>35,603,405</u>	<u>11,083,474</u>	<u>46,686,879</u>
Change in Net Assets	<u>15,075,259</u>	<u>6,629,712</u>	<u>21,704,971</u>
Net Assets - Beginning	615,127,402	11,170,520	626,297,922
Net Assets - Ending	<u>\$ 630,202,661</u>	<u>\$ 17,800,232</u>	<u>\$ 648,002,893</u>

(6) – 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, 2012

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
ASSETS						
Equity in Pooled Cash and Investments	\$ 10,209,969	\$ 8,319,670	\$ 18,529,639	\$ -	\$ 5,308,344	\$ 23,837,983
Receivables - Taxes (net of allowance for uncollectibles)	66,944	151,345	218,289	-	21,658	239,947
Receivables - Other	4,552	10,000	14,552	-	14,630	29,182
Due from Other Funds	-	4,109,264	4,109,264	-	-	4,109,264
Due from County Government	-	148,805	148,805	3,327,812	260,840	3,737,457
Due from Other Governments	360,400	1,556,943	1,917,343	1,175,344	29,000	3,121,687
Restricted Cash - Unspent Debt Proceeds	-	-	-	4,715,485	-	4,715,485
Other	12,388	(584)	11,804	-	-	11,804
Total Assets	\$ 10,654,253	\$ 14,295,443	\$ 24,949,696	\$ 9,218,641	\$ 5,634,472	\$ 39,802,809
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 388,772	\$ 1,056,850	\$ 1,445,622	\$ 2,761,816	\$ 116,452	\$ 4,323,890
Accrued Liabilities	1,082,002	2,791,754	3,873,756	-	14,808	3,888,564
Retainage Payable	-	-	-	1,648,530	-	1,648,530
Due to Other Funds	-	-	-	4,109,264	-	4,109,264
Due to County Government	60	-	60	-	30	90
Deposits and Deferred Revenue	1,202,794	572,780	1,775,574	100,000	743,709	2,619,283
Total Liabilities	2,673,628	4,421,384	7,095,012	8,619,610	874,999	16,589,621
Fund Balance:						
Restricted for:						
Parks	-	-	-	4,715,485	6,658	4,722,143
Committed to:						
Planning	4,459,151	-	4,459,151	-	9,999	4,469,150
Parks	-	3,002,704	3,002,704	16,619,202	350,935	19,972,841
Assigned to:						
Planning	446,100	-	446,100	-	4,085,948	4,532,048
Parks	-	138,255	138,255	-	305,933	444,188
Unassigned:	3,075,374	6,733,100	9,808,474	(20,735,656)	-	(10,927,182)
Total Fund Balances	7,980,625	9,874,059	17,854,684	599,031	4,759,473	23,213,188
Total Liabilities and Fund Balances	\$ 10,654,253	\$ 14,295,443	\$ 24,949,696	\$ 9,218,641	\$ 5,634,472	\$ 39,802,809

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2012

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
REVENUES						
Property Taxes	\$ 25,260,352	\$ 71,398,786	\$ 96,659,138	\$ -	\$ 1,723,507	\$ 98,382,645
Intergovernmental:						
Federal	-	28,644	28,644	74,730	-	103,374
State	-	31,304	31,304	2,789,400	-	2,820,704
County	564,032	1,509,300	2,073,332	9,028,888	1,047,257	12,149,477
Local	-	-	-	-	787	787
Charges for Services	554,210	1,143,610	1,697,820	-	4,116,502	5,814,322
Rentals and Concessions	-	1,478,266	1,478,266	-	168,582	1,646,848
Interest	54,023	(5,456)	48,567	3,389	20,423	72,379
Contributions	-	-	-	732,134	147,915	880,049
Miscellaneous	4,543	149,542	154,085	14,400	33,514	201,999
Total Revenues	<u>26,437,160</u>	<u>75,733,996</u>	<u>102,171,156</u>	<u>12,642,941</u>	<u>7,258,487</u>	<u>122,072,584</u>
EXPENDITURES						
Current:						
General Government	7,437,374	-	7,437,374	-	-	7,437,374
Planning and Zoning	16,307,956	-	16,307,956	-	3,709,256	20,017,212
Park Operations and Maintenance	-	71,043,246	71,043,246	-	972,393	72,015,639
Contributions	-	-	-	-	1,404,616	1,404,616
Debt Service:						
Principal	28,400	28,400	56,800	-	2,755,000	2,811,800
Interest	-	-	-	-	876,339	876,339
Other Debt Service Costs	-	-	-	-	243,047	243,047
Capital Outlay:						
Park Acquisition	-	-	-	2,353,735	-	2,353,735
Park Development	-	-	-	18,445,432	-	18,445,432
Total Expenditures	<u>23,773,730</u>	<u>71,071,646</u>	<u>94,845,376</u>	<u>20,799,167</u>	<u>9,960,651</u>	<u>125,605,194</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,663,430</u>	<u>4,662,350</u>	<u>7,325,780</u>	<u>(8,156,226)</u>	<u>(2,702,164)</u>	<u>(3,532,610)</u>
OTHER FINANCING SOURCES (USES)						
General Obligation Bonds Issued	-	-	-	10,500,000	-	10,500,000
Refunding Bonds Issued	-	-	-	-	5,005,000	5,005,000
Premiums on Bonds Issued	-	-	-	615,441	556,174	1,171,615
Payment to Refunding Bond Escrow Account	-	-	-	-	(5,463,431)	(5,463,431)
Transfers In	-	3,389	3,389	350,000	4,735,183	5,088,572
Transfer Out	(1,278,000)	(3,807,183)	(5,085,183)	(3,389)	-	(5,088,572)
Total Other Financing Sources (Uses)	<u>(1,278,000)</u>	<u>(3,803,794)</u>	<u>(5,081,794)</u>	<u>11,462,052</u>	<u>4,832,926</u>	<u>11,213,184</u>
Net Change in Fund Balances	1,385,430	858,556	2,243,986	3,305,826	2,130,762	7,680,574
Fund Balances - Beginning	6,595,195	9,015,503	15,610,698	(2,706,795)	2,628,711	15,532,614
Fund Balances - Ending	<u>\$ 7,980,625</u>	<u>\$ 9,874,059</u>	<u>\$ 17,854,684</u>	<u>\$ 599,031</u>	<u>\$ 4,759,473</u>	<u>\$ 23,213,188</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, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 25,457,500	\$ 25,457,500	\$ 25,260,352	\$ (197,148)
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	360,400	385,400	564,032	178,632
Charges for Services	230,000	205,000	554,210	349,210
Interest	60,000	60,000	54,023	(5,977)
Miscellaneous	-	-	4,543	4,543
Total Revenues	<u>26,257,900</u>	<u>26,257,900</u>	<u>26,437,160</u>	<u>179,260</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,081,400	1,081,400	1,084,232	(2,832)
Central Administrative Services -				
Department of Human Resources and Management	1,775,300	1,775,300	1,677,212	98,088
Department of Finance	2,791,016	2,791,016	2,777,191	13,825
Internal Audit Division	148,048	148,048	137,747	10,301
Legal Department	1,159,022	1,159,022	1,144,034	14,988
Support Services	443,514	443,514	418,888	24,626
Merit System Board	66,750	66,750	64,069	2,681
Total Central Administrative Services	<u>6,383,650</u>	<u>6,383,650</u>	<u>6,219,141</u>	<u>164,509</u>
Planning Department -				
Park and Planning Director's Office	932,800	932,800	837,175	95,625
Management Services	3,680,300	3,680,300	3,619,834	60,466
Functional Planning and Policy	2,420,100	2,420,100	2,481,662	(61,562)
Area 1	1,410,400	1,410,400	1,302,574	107,826
Area 2	1,854,300	1,854,300	1,776,663	77,637
Area 3	1,894,600	1,894,600	1,777,135	117,465
Dev. App. And Reg. Coordination	1,040,250	1,040,250	876,059	164,191
Center for Research and Information Systems	1,693,600	1,693,600	1,648,343	45,257
Support Services	2,119,800	2,119,800	2,059,818	59,982
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>17,196,150</u>	<u>17,196,150</u>	<u>16,379,263</u>	<u>816,887</u>
Non-Departmental	831,750	831,750	26,578	805,172
Total Expenditures/Encumbrances	<u>25,492,950</u>	<u>25,492,950</u>	<u>23,709,214</u>	<u>1,783,736</u>
Excess of Revenues over Expenditures/Encumbrances	<u>764,950</u>	<u>764,950</u>	<u>2,727,946</u>	<u>1,962,996</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund - Dev. Review	(1,278,000)	(1,278,000)	(1,278,000)	-
Total Other Financing Sources (Uses)	<u>(1,278,000)</u>	<u>(1,278,000)</u>	<u>(1,278,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (513,050)</u>	<u>\$ (513,050)</u>	<u>1,449,946</u>	<u>\$ 1,962,996</u>
Fund Balance - Budget Basis, Beginning			2,071,528	
Fund Balance - Budget Basis, Ending			<u>\$ 3,521,474</u>	

MONTGOMERY COUNTY
PARK ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 71,834,800	\$ 71,834,800	\$ 71,398,786	\$ (436,014)
Intergovernmental -				
Federal	-	28,644	28,644	-
State	1,909,300	371,356	31,304	(340,052)
County	-	1,509,300	1,509,300	-
Charges for Services	1,191,300	1,191,300	1,143,610	(47,690)
Rentals and Concessions	1,251,000	1,251,000	1,478,266	227,266
Interest	120,000	120,000	(5,456)	(125,456)
Miscellaneous	294,000	294,000	149,542	(144,458)
Total Revenues	<u>76,600,400</u>	<u>76,600,400</u>	<u>75,733,996</u>	<u>(866,404)</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	866,400	866,400	907,346	(40,946)
Management Services	3,243,630	3,243,630	3,147,037	96,593
Facilities Management	10,099,500	10,099,500	9,948,231	151,269
Park Planning and Stewardship	3,038,900	3,038,900	3,128,906	(90,006)
Park Development	2,976,600	2,976,600	2,799,862	176,738
Park Police	11,344,200	11,344,200	10,593,000	751,200
Horticultural Resources	7,170,500	7,170,500	6,885,414	285,086
Public Affairs and Community Service	1,866,000	1,866,000	1,870,990	(4,990)
Northern Region	7,876,800	7,876,800	7,614,419	262,381
Southern Region	11,436,600	11,436,600	11,349,364	87,236
Support Services	9,949,800	9,949,800	9,688,312	261,488
Grants	400,000	400,000	62,839	337,161
Property Management	938,000	938,000	771,444	166,556
Non-Departmental	1,692,200	1,692,200	1,483,021	209,179
Total Expenditures/Encumbrances	<u>72,899,130</u>	<u>72,899,130</u>	<u>70,250,185</u>	<u>2,648,945</u>
Excess of Revenues over Expenditures/Encumbrances	<u>3,701,270</u>	<u>3,701,270</u>	<u>5,483,811</u>	<u>1,782,541</u>
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	2,000	2,000	3,389	1,389
Debt Service Fund	(4,351,900)	(4,351,900)	(3,457,183)	894,717
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	<u>(4,699,900)</u>	<u>(4,699,900)</u>	<u>(3,803,794)</u>	<u>896,106</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (998,630)</u>	<u>\$ (998,630)</u>	1,680,017	<u>\$ 2,678,647</u>
Fund Balance - Budget Basis, Beginning			5,191,338	
Fund Balance - Budget Basis, Ending			<u>\$ 6,871,355</u>	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities and Fund Balances
Governmental Funds and Accounts
June 30, 2012

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	\$ 37,355,773	\$ 101,508,318	\$ 45,798,366	\$ 184,662,457	\$ 141,820,238	\$ 6,016,417	\$ 332,499,112
Receivables - Taxes (net of allowance for uncollectibles)	226,458	679,298	758,119	1,663,875	-	(928)	1,652,947
Receivables - Other	2,897	1,679	535	5,111	-	-	5,111
Due from County Government	132,304	-	-	132,304	200,000	50,499	382,803
Due from Other Governments	86,437	10,040	9,586	106,063	1,062,383	-	1,168,446
Other	10,191	-	-	10,191	-	38,472	48,663
Total Assets	\$ 37,814,060	\$ 102,199,335	\$ 46,566,606	\$ 186,580,001	\$ 143,082,621	\$ 6,104,460	\$ 335,767,082
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 10,105,033	\$ 5,698,933	\$ 13,970,001	\$ 29,773,967	\$ 4,536,917	\$ 397,802	\$ 34,708,686
Accrued Liabilities	1,365,627	3,224,383	2,150,195	6,740,205	-	238,535	6,978,740
Retainage Payable	-	-	-	-	2,212,521	-	2,212,521
Deposits and Deferred Revenue	194,114	372,187	4,732,859	5,299,160	-	23,800	5,322,960
Total Liabilities	11,664,774	9,295,503	20,853,055	41,813,332	6,749,438	660,137	49,222,907
Fund Balance:							
Restricted for:							
Parks	-	-	-	-	-	(728)	(728)
Committed to:							
Planning	5,670,972	-	-	5,670,972	-	-	5,670,972
Parks	-	7,112,079	-	7,112,079	24,397,285	216,267	31,725,631
Recreation	-	-	2,324,715	2,324,715	-	118,639	2,443,354
Assigned to:							
Planning	2,192,300	-	-	2,192,300	-	222,478	2,414,778
Parks	-	-	-	-	111,935,898	1,122,813	113,058,711
Recreation	-	-	1,762,600	1,762,600	-	3,764,854	5,527,454
Unassigned:	18,286,014	85,791,753	21,626,236	125,704,003	-	-	125,704,003
Total Fund Balances	26,149,286	92,903,832	25,713,551	144,766,669	136,333,183	5,444,323	286,544,175
Total Liabilities and Fund Balances	\$ 37,814,060	\$ 102,199,335	\$ 46,566,606	\$ 186,580,001	\$ 143,082,621	\$ 6,104,460	\$ 335,767,082

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2012

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
REVENUES							
Property Taxes	\$ 40,556,550	\$ 144,460,008	\$ 54,271,822	\$ 239,288,380	\$ -	\$ 20,423	\$ 239,308,803
Intergovernmental:							
Federal	159,931	42,274	16,015	218,220	-	-	218,220
State	35,440	-	228,635	264,075	2,183,800	-	2,447,875
County	282,007	-	56,107	338,114	-	50,499	388,613
Charges for Services	638,932	122,126	6,792,893	7,553,951	110	1,026,995	8,581,056
Rentals and Concessions	-	2,141,593	953,247	3,094,840	-	5,361,184	8,456,024
Interest	226,330	401,316	232,668	860,314	763,243	27,979	1,651,536
Contributions	-	-	5,000	5,000	-	58,804	63,804
Miscellaneous	14,878	226,840	113,116	354,834	667,724	51,046	1,093,604
Total Revenues	<u>41,914,068</u>	<u>147,394,157</u>	<u>62,669,503</u>	<u>251,977,728</u>	<u>3,634,877</u>	<u>6,596,930</u>	<u>262,209,535</u>
EXPENDITURES							
Current:							
General Government	9,849,026	-	-	9,849,026	-	-	9,849,026
Planning and Zoning	33,473,162	-	-	33,473,162	-	-	33,473,162
Park Operations and Maintenance	-	96,357,956	-	96,357,956	-	617,382	96,975,338
Recreation	-	-	57,242,588	57,242,588	-	5,177,340	62,419,928
Contributions	-	-	-	-	-	21,125	21,125
Debt Service:							
Principal	-	-	-	-	-	9,187,535	9,187,535
Interest	-	-	-	-	-	2,485,422	2,485,422
Other Debt Service Costs	-	-	-	-	-	184,555	184,555
Capital Outlay:							
Park Acquisition	-	-	-	-	10,241,423	-	10,241,423
Park Development	-	-	-	-	28,638,793	-	28,638,793
Total Expenditures	<u>43,322,188</u>	<u>96,357,956</u>	<u>57,242,588</u>	<u>196,922,732</u>	<u>38,880,216</u>	<u>17,673,359</u>	<u>253,476,307</u>
Excess (deficiency) of Revenues over Expenditures	<u>(1,408,120)</u>	<u>51,036,201</u>	<u>5,426,915</u>	<u>55,054,996</u>	<u>(35,245,339)</u>	<u>(11,076,429)</u>	<u>8,733,228</u>
OTHER FINANCING SOURCES (USES)							
Refunding Bonds Issued	-	-	-	-	-	11,420,000	11,420,000
Premiums on Bonds Issued	-	-	-	-	-	1,442,458	1,442,458
Deposit of Bond Proceeds with Escrow Agent	-	-	-	-	-	(12,667,505)	(12,667,505)
Transfers In	-	763,243	-	763,243	10,714,000	11,696,256	23,173,499
Transfer Out	(30,000)	(22,326,559)	(10,152,697)	(32,509,256)	(763,243)	(50,000)	(33,322,499)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(21,563,316)</u>	<u>(10,152,697)</u>	<u>(31,746,013)</u>	<u>9,950,757</u>	<u>11,841,209</u>	<u>(9,954,047)</u>
Net Change in Fund Balances	(1,438,120)	29,472,885	(4,725,782)	23,308,983	(25,294,582)	764,780	(1,220,819)
Fund Balances - Beginning	27,587,406	63,430,947	30,439,333	121,457,686	161,627,765	4,679,543	287,764,994
Fund Balances - Ending	<u>\$ 26,149,286</u>	<u>\$ 92,903,832</u>	<u>\$ 25,713,551</u>	<u>\$ 144,766,669</u>	<u>\$ 136,333,183</u>	<u>\$ 5,444,323</u>	<u>\$ 286,544,175</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, 2012**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 40,536,900	\$ 40,536,900	\$ 40,556,550	\$ 19,650
Intergovernmental -				
Federal	-	193,230	159,931	(33,299)
State	-	-	35,440	35,440
County	205,000	298,412	282,007	(16,405)
Charges for Services	737,500	737,500	638,931	(98,569)
Interest	241,000	241,000	226,331	(14,669)
Miscellaneous	-	-	14,878	14,878
Total Revenues	<u>41,720,400</u>	<u>42,007,042</u>	<u>41,914,068</u>	<u>(92,974)</u>
Expenditures/Encumbrances:				
Commissioners' Office	3,133,800	3,133,800	2,890,789	243,011
Central Administrative Services -				
Department of Human Resources and Management	2,200,860	2,200,860	2,079,259	121,601
Department of Finance	3,322,243	3,322,243	3,305,786	16,457
Internal Audit Division	257,218	257,218	239,320	17,898
Legal Department	756,516	756,516	746,733	9,783
Support Services	443,514	443,514	418,888	24,626
Merit System Board	66,750	66,750	64,069	2,681
Total Central Administrative Services	<u>7,047,101</u>	<u>7,047,101</u>	<u>6,854,055</u>	<u>193,046</u>
Planning Department -				
Director's Office	4,482,200	4,482,200	4,476,575	5,625
Development Review	7,739,800	7,739,800	7,442,212	297,588
Community Planning North	4,238,800	4,238,800	3,923,179	315,621
Community Planning South	3,539,600	3,539,600	3,101,083	438,517
Information Management	5,688,100	5,688,100	5,556,043	132,057
Countywide Planning	7,851,100	7,851,100	6,963,535	887,565
Support Services	1,870,700	1,870,700	1,408,620	462,080
Grants	138,000	424,642	391,343	33,299
Total Planning Department	<u>35,548,300</u>	<u>35,834,942</u>	<u>33,262,590</u>	<u>2,572,352</u>
Non-Departmental	771,950	771,950	(836,064)	1,608,014
Total Expenditures/Encumbrances	<u>46,501,151</u>	<u>46,787,793</u>	<u>42,171,370</u>	<u>4,616,423</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(4,780,751)</u>	<u>(4,780,751)</u>	<u>(257,302)</u>	<u>4,523,449</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ <u>(4,810,751)</u>	\$ <u>(4,810,751)</u>	(287,302)	\$ <u>4,523,449</u>
Fund Balance - Budget Basis, Beginning			20,765,616	
Fund Balance - Budget Basis, Ending			\$ <u>20,478,314</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, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 142,854,200	\$ 142,854,200	\$ 144,460,008	\$ 1,605,808
Intergovernmental -				
Federal	-	42,274	42,274	-
Charges for Services	317,600	317,600	122,126	(195,474)
Rentals and Concessions	2,115,100	2,115,100	2,141,593	26,493
Interest	463,000	463,000	401,316	(61,684)
Miscellaneous	186,800	186,800	226,840	40,040
Total Revenues	<u>145,936,700</u>	<u>145,978,974</u>	<u>147,394,157</u>	<u>1,415,183</u>
Expenditures/Encumbrances:				
Office of The Director -				
Office of the Director	543,700	543,700	546,157	(2,457)
Park Police	16,048,600	16,048,600	15,939,854	108,746
Administration and Development -				
Deputy Director	299,800	299,800	388,132	(88,332)
Administrative Services	1,414,200	1,414,200	1,277,308	136,892
Management Supervision - Public Affairs & Marketing	1,678,000	1,678,000	1,487,207	190,793
Support Services	12,894,300	12,894,300	11,363,773	1,530,527
Park Planning and Development	6,362,400	6,362,400	6,214,528	147,872
Info Tech and Communications	4,363,700	4,363,700	4,430,433	(66,733)
Facility Operations -				
Deputy Director	517,400	517,400	500,502	16,898
Maintenance and Development	25,413,900	25,413,900	24,563,772	850,128
Natural and Historical Resources	5,744,000	5,744,000	5,584,631	159,369
Arts and Cultural Heritage	1,990,700	1,990,700	1,549,630	441,070
Total Facility Operations	<u>33,666,000</u>	<u>33,666,000</u>	<u>32,198,535</u>	<u>1,467,465</u>
Area Operations -				
Northern Area	6,265,100	6,265,100	6,041,964	223,136
Central Area	6,767,300	6,767,300	5,958,076	809,224
Southern Area	5,963,000	5,963,000	5,822,754	140,246
Total Area Operations	<u>18,995,400</u>	<u>18,995,400</u>	<u>17,822,794</u>	<u>1,172,606</u>
Grants	-	42,274	42,274	-
Non-Departmental	6,109,700	6,109,700	4,561,435	1,548,265
Total Expenditures/Encumbrances	<u>102,375,800</u>	<u>102,418,074</u>	<u>96,272,430</u>	<u>6,145,644</u>
Excess of Revenues over Expenditures/Encumbrances	<u>43,560,900</u>	<u>43,560,900</u>	<u>51,121,727</u>	<u>7,560,827</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	784,000	784,000	763,243	(20,757)
Debt Service - Park Fund	(11,698,000)	(11,698,000)	(11,662,559)	35,441
Capital Projects Funds - Development	(10,664,000)	(10,664,000)	(10,664,000)	-
Total Other Financing Sources (Uses)	<u>(21,578,000)</u>	<u>(21,578,000)</u>	<u>(21,563,316)</u>	<u>14,684</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 21,982,900</u>	<u>\$ 21,982,900</u>	<u>29,558,411</u>	<u>\$ 7,575,511</u>
Fund Balance - Budget Basis, Beginning			<u>56,233,342</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 85,791,753</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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 53,935,600	\$ 53,935,600	\$ 54,271,822	\$ 336,222
Intergovernmental -				
Federal	-	16,015	16,015	-
State	-	228,635	228,635	-
County	-	56,107	56,107	-
Charges for Services	6,682,400	6,682,400	6,792,893	110,493
Rentals and Concessions	884,900	884,900	953,247	68,347
Interest	251,000	251,000	232,668	(18,332)
Miscellaneous	88,900	93,900	118,116	24,216
Total Revenues	<u>61,842,800</u>	<u>62,148,557</u>	<u>62,669,503</u>	<u>520,946</u>
Expenditures/Encumbrances:				
Administration and Development-				
Administrative Services	2,225,300	2,225,300	1,728,803	496,497
Deputy Director	374,700	374,700	361,927	12,773
Public Affairs & Marketing	900,300	900,300	503,400	396,900
Support Services	6,993,900	6,993,900	4,804,276	2,189,624
Total Director's Office	<u>10,494,200</u>	<u>10,494,200</u>	<u>7,398,406</u>	<u>3,095,794</u>
Facility Operations:				
Sports/Athletic/Outreach Program	8,142,100	8,142,100	8,225,676	(83,576)
Natural and Historical Resources	1,513,300	1,513,300	1,354,382	158,918
Arts and Cultural Heritage	3,474,300	3,474,300	3,190,598	283,702
Grants	-	295,757	295,757	-
Total Facility Operations	<u>13,129,700</u>	<u>13,425,457</u>	<u>13,066,413</u>	<u>359,044</u>
Area Operations:				
Deputy Director	417,100	417,100	378,210	38,890
Northern Area	7,591,100	7,591,100	7,309,657	281,443
Central Area	7,562,900	7,562,900	6,998,924	563,976
Southern Area	8,319,000	8,319,000	6,140,326	2,178,674
Child Care and Special Programs	8,041,000	8,041,000	7,652,984	388,016
Total Area Operations	<u>31,931,100</u>	<u>31,931,100</u>	<u>28,480,101</u>	<u>3,450,999</u>
Non-Departmental	9,288,200	9,288,200	8,024,737	1,263,463
Total Operating Expenditures/Encumbrances	<u>64,843,200</u>	<u>65,138,957</u>	<u>56,969,657</u>	<u>8,169,300</u>
Excess of Revenues over Expenditures/Encumbrances	<u>(3,000,400)</u>	<u>(2,990,400)</u>	<u>5,699,846</u>	<u>8,690,246</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Enterprise	(10,149,000)	(10,149,000)	(10,152,697)	(3,697)
Total Other Financing Sources (Uses)	<u>(10,149,000)</u>	<u>(10,149,000)</u>	<u>(10,152,697)</u>	<u>(3,697)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (13,149,400)</u>	<u>\$ (13,139,400)</u>	<u>(4,452,851)</u>	<u>\$ 8,686,549</u>
Fund Balance - Budget Basis, Beginning			27,841,687	
Fund Balance - Budget Basis, Ending			<u>\$ 23,388,836</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, 2009</u>	<u>July 1, 2010</u>	<u>July 1, 2011</u>
Actuarial Valuation of Plan Assets	\$ 541,519	\$ 609,903	\$ 659,362
Actuarial Accrued Liability	726,000	763,860	761,343
Funded Ratio	74.6%	79.8%	86.6%
Actuarial Value of Assets in Excess of Actuarial Accrued Liability	(184,481)	(153,957)	(101,981)
Annual Covered Payroll	142,591	140,407	132,491
Actuarial Value of Assets in Excess of Actuarial Accrued Liability as a Percentage of Covered Payroll	-129.4%	-109.7%	-77.0%

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 and generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due and generally, the smaller the unfunded percentage, the stronger the system.

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

Required Supplementary Information for Other Postemployment Benefits
(Unaudited)

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)

	July 1, 2009	July 1, 2010	July 1, 2011
Actuarial Valuation of Plan Assets	\$ 7,475	\$ 8,553	\$ 11,170
Actuarial Accrued Liability	266,473	311,709	333,171
Funded Ratio	2.81%	2.74%	3.35%
Unfunded Actuarial Accrued Liability	258,998	303,156	322,001
Annual Covered Payroll	142,681	137,245	135,062
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	181.5%	220.9%	238.4%

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 and generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due and generally, the smaller the unfunded percentage, the stronger the system.



◆ PART IIB ◆

FINANCIAL SECTION

Combining Statements and Schedules



Exterior view of the Suitland Community Center in Suitland, MD.

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

Schedule 1

MONTGOMERY COUNTY PRINCE GEORGE'S COUNTY

	Special Revenue Funds			Total	Special Revenue Funds			Total	Advance Land Acquisition Debt Service			Total
	Planning	Parks	Total Special Revenue		Planning	Parks and Recreation	Total Special Revenue		Park Debt Service	Advance Land Acquisition Debt Service	Total	
ASSETS												
Equity in Pooled Cash and Investments	\$ 4,521,268	\$ 740,171	\$ 5,261,438	\$ 46,905	\$ 5,308,344	\$ 222,478	\$ 5,960,872	\$ 55,745	\$ 6,016,417	\$ 11,324,761		
Taxes Receivable	-	-	-	-	21,658	-	-	-	(928)	20,730		
Accounts Receivable	-	14,630	14,630	-	14,630	-	-	-	-	14,630		
Due from County Government	260,840	-	260,840	-	260,840	-	50,499	-	50,499	311,339		
Due from Other Government	29,000	-	29,000	-	29,000	-	38,472	-	38,472	67,472		
Total Assets	\$ 4,811,108	\$ 754,801	\$ 5,565,909	\$ 46,905	\$ 5,634,472	\$ 222,478	\$ 6,049,643	\$ 55,745	\$ 6,104,460	\$ 11,738,932		
LIABILITIES												
Accounts Payable	\$ -	\$ 69,547	\$ 69,547	\$ 46,905	\$ 116,452	\$ -	\$ 342,057	\$ 55,745	\$ 397,802	\$ 514,254		
Accrued Liabilities	-	14,808	14,808	-	14,808	-	238,535	-	238,535	283,343		
Due to County Government	30	30	30	-	30	-	-	-	-	30		
Deposits and Deferred Revenue	715,131	13,578	728,709	-	743,709	-	24,000	-	23,800	767,509		
Total Liabilities	715,161	97,933	813,094	46,905	874,999	-	604,592	55,745	660,137	1,535,136		
FUND BALANCES												
Fund Balance:												
Restricted for:												
Parks	-	-	-	-	6,658	-	-	-	(728)	5,930		
Committed to:												
Planning	9,999	-	9,999	-	9,999	-	-	-	-	9,999		
Parks	350,935	350,935	350,935	-	350,935	-	216,267	-	216,267	567,202		
Recreation	-	-	-	-	-	-	118,639	-	118,639	118,639		
Assigned to:												
Planning	4,085,948	-	4,085,948	-	4,085,948	222,478	222,478	-	222,478	4,308,426		
Parks	305,933	-	305,933	-	305,933	-	1,122,813	-	1,122,813	1,428,746		
Recreation	4,085,947	656,868	4,752,815	-	4,759,473	-	3,764,854	-	3,764,854	3,764,854		
Total Fund Balances	\$ 4,811,108	\$ 754,801	\$ 5,565,909	\$ 46,905	\$ 5,634,472	\$ 222,478	\$ 6,049,643	\$ 55,745	\$ 6,104,460	\$ 11,738,932		

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

Schedule 2

	MONTGOMERY COUNTY										PRINCE GEORGES COUNTY										
	Special Revenue Funds					Advance Land Acquisition Debt Service					Special Revenue Funds					Advance Land Acquisition Debt Service					
	Planning	Parks	Special Revenue	Total		Planning	Parks and Recreation	Special Revenue	Total		Planning	Parks and Recreation	Special Revenue	Total		Planning	Park Debt Service	Advance Land Acquisition Debt Service	Total	Total Nonmajor Governmental Funds	
REVENUES:																					
Property Taxes	\$ 254,840	782,417	1,047,257	1,723,507	\$ -	\$ -	\$ -	\$ -	1,723,507	\$ -	\$ -	\$ -	\$ -	1,723,507	\$ -	\$ -	\$ -	20,423	20,423	\$ 1,743,930	
Intergovernmental - Other	-	787	787	1,047,257	-	-	-	787	-	-	-	-	787	-	-	-	-	-	50,499	50,499	1,097,756
Charges for Services	4,047,209	69,293	4,116,502	4,116,502	-	-	-	4,116,502	-	-	-	-	4,116,502	-	-	-	-	-	1,026,995	1,026,995	5,143,487
Recreation Activities	-	168,582	168,582	168,582	-	-	-	168,582	-	-	-	-	168,582	-	-	-	-	-	5,361,184	5,361,184	5,529,769
Interest	18,742	7,158	20,423	20,423	-	-	-	20,423	-	-	-	-	20,423	-	-	-	-	-	27,979	27,979	48,402
Contributions	140,757	10,221	147,915	147,915	-	-	-	147,915	-	-	-	-	147,915	-	-	-	-	-	58,804	58,804	206,719
Miscellaneous	23,293	-	33,514	33,514	-	-	-	33,514	-	-	-	-	33,514	-	-	-	-	-	51,046	51,046	84,560
Total Revenues	4,484,841	1,050,139	5,534,980	7,258,487	-	-	-	7,258,487	-	-	-	-	7,258,487	-	-	-	-	20,423	6,596,930	13,855,417	
EXPENDITURES:																					
Principal Retirements	-	-	-	2,755,000	-	2,615,000	-	240,000	-	-	-	-	2,755,000	-	-	-	-	-	9,187,535	11,942,535	
Interest	-	-	-	876,339	-	796,879	-	79,460	-	-	-	-	876,339	-	-	-	-	-	2,485,422	3,361,761	
Other Debt Service Costs	-	-	-	243,047	-	243,047	-	-	-	-	-	-	243,047	-	-	-	-	-	184,555	427,602	
Contributions	-	-	-	1,404,816	-	-	-	1,404,816	-	-	-	-	1,404,816	-	-	-	-	21,125	21,125	1,425,741	
Planning and Zoning	3,709,256	-	3,709,256	3,709,256	-	-	-	3,709,256	-	-	-	-	3,709,256	-	-	-	-	-	-	3,709,256	3,709,256
Park Operations and Maintenance	-	972,393	972,393	972,393	-	-	-	972,393	-	-	-	-	972,393	-	-	-	-	-	617,382	617,382	1,589,775
Recreation	-	-	-	972,393	-	-	-	972,393	-	-	-	-	972,393	-	-	-	-	-	5,177,340	5,177,340	5,177,340
Total Expenditures	3,709,256	972,393	4,681,649	9,960,651	-	3,554,926	-	1,724,076	-	-	-	-	9,960,651	-	-	-	-	21,125	17,673,959	27,654,010	
Excess (deficiency) of revenues over expenditures	775,585	77,746	853,331	(2,702,164)	-	(3,554,926)	-	(569)	-	-	-	-	(2,702,164)	-	-	-	(702)	(702)	(11,076,429)	(13,778,593)	
OTHER FINANCING SOURCES (USES):																					
Refunding Bonds Issued	-	-	-	5,005,000	-	5,005,000	-	-	-	-	-	-	5,005,000	-	-	-	-	-	11,420,000	16,425,000	
Premiums on Bonds Issued	-	-	-	556,174	-	556,174	-	-	-	-	-	-	556,174	-	-	-	-	-	1,442,458	1,998,632	
Payment to Refunding Bond Escrow Agent	-	-	-	(5,463,431)	-	(5,463,431)	-	-	-	-	-	-	(5,463,431)	-	-	-	-	-	(12,667,606)	(16,130,936)	
Transfers In	1,276,000	-	1,276,000	4,735,183	-	3,457,183	-	4,735,183	-	-	-	-	4,735,183	-	-	-	-	-	11,896,256	16,431,439	
Transfers Out	-	-	-	(4,735,183)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)	
Total Other Financing Sources (Uses)	1,276,000	-	1,276,000	4,832,926	-	3,554,926	-	4,832,926	-	-	-	-	4,832,926	-	-	-	-	11,857,512	11,841,209	16,674,135	
Net change in fund balances	2,053,656	77,746	2,131,331	(2,130,762)	-	(569)	-	2,130,762	-	-	-	-	(2,130,762)	-	-	-	(702)	(702)	764,780	2,895,542	
Fund Balances - beginning	2,042,362	579,122	2,621,484	2,628,711	-	7,227	-	2,628,711	-	-	-	-	2,628,711	-	-	-	(26)	(26)	4,679,543	7,308,254	
Fund Balances - ending	4,095,947	656,868	4,752,815	4,759,473	-	6,658	-	4,759,473	-	-	-	-	4,759,473	-	-	-	(728)	(728)	5,444,323	10,203,796	

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, 2012

Schedule 3

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 1,494,840	\$ 1,494,840	\$ 1,048,044	\$ (446,796)	\$ 375,000	\$ 50,499	\$ (324,501)	
Charges for Services	1,905,600	1,905,600	4,116,502	2,210,902	1,266,700	1,026,995	(239,705)	
Recreation Activities	172,800	172,800	168,582	(4,218)	6,261,800	5,361,184	(900,616)	
Interest	14,000	14,000	20,423	6,423	40,200	27,979	(12,221)	
Contributions	207,000	207,000	147,915	(59,085)	51,500	58,804	7,304	
Miscellaneous	100,000	100,000	33,514	(66,486)	10,900	51,046	40,146	
Total Revenues	3,894,240	3,894,240	5,534,980	1,640,740	8,006,100	6,576,507	(1,429,593)	
Expenditures/Encumbrances:								
Current -								
County Planning and Zoning	3,905,740	3,905,740	3,182,404	723,336	884,700	832,549	52,151	
Park Operations and Maintenance	1,764,400	1,764,400	1,103,495	660,905	7,478,300	5,161,656	2,316,644	
Recreation	5,670,140	5,670,140	4,285,899	1,384,241	8,363,000	5,994,205	2,368,795	
Total Expenditures/Encumbrances	(1,775,900)	(1,775,900)	1,249,081	3,024,981	(356,900)	582,302	939,202	
Excess (Deficiency) of Revenues over Expenditures/Encumbrances								
Other Financing Sources (Uses):								
Operating Transfers In	1,278,000	1,278,000	1,278,000	-	30,000	30,000	-	
Transfers Out	-	-	-	-	(50,000)	(46,303)	3,697	
Total Other Financing (Uses)	1,278,000	1,278,000	1,278,000	-	(20,000)	(16,303)	3,697	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	\$ (497,900)	\$ (497,900)	\$ 2,527,081	\$ 3,024,981	\$ (376,900)	\$ 565,999	\$ 942,899	
Fund Balances - Budget Basis, July 1			1,864,800			4,544,146		
Fund Balances - Budget Basis, June 30			\$ 4,391,881			\$ 5,110,145		

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



The miniature train rolls into the Wheaton Regional Park Train Station

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, 2012 and 2011

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 4,934,957	\$ 3,746,397	\$ 4,037,930	\$ 3,439,708	\$ 8,972,887	\$ 7,186,105
Accounts Receivable	14	5,136	614	614	628	5,750
Due from County Government	1,400	181,866	9,440	9,440	10,840	191,306
Inventories	129,556	137,892	829,021	776,496	958,577	914,388
Total Current Assets	5,065,927	4,071,291	4,877,005	4,226,258	9,942,932	8,297,549
Noncurrent Assets:						
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	27,124,149	26,999,848	72,308,339	72,270,589	99,432,488	99,270,437
Machinery, Equipment and Intangibles	1,895,800	1,710,615	5,558,417	5,323,596	7,454,217	7,034,211
Construction in Progress	135,743	397,888	-	-	135,743	397,888
	40,740,160	40,692,819	85,645,887	85,373,316	126,386,047	126,066,135
Less - Accumulated Depreciation	(18,942,042)	(17,682,747)	(35,618,460)	(33,351,506)	(54,560,502)	(51,034,253)
Total Capital Assets (net of depreciation)	21,798,118	23,010,072	50,027,427	52,021,810	71,825,545	75,031,882
Total Noncurrent Assets	21,798,118	23,010,072	50,027,427	52,021,810	71,825,545	75,031,882
Total Assets	26,864,045	27,081,363	54,904,432	56,248,068	81,768,477	83,329,431
LIABILITIES						
Current Liabilities:						
Accounts Payable	139,649	221,848	374,607	255,640	514,256	477,488
Accrued Salaries and Benefits	246,224	227,526	531,765	622,762	777,989	850,288
Compensated Absences	77,795	54,016	263,052	295,043	340,847	349,059
Interest Payable	7,965	15,900	-	-	7,965	15,900
Revenue Collected in Advance	1,381,625	1,217,404	235,151	233,265	1,616,776	1,450,669
Current Portion of Revenue Bonds Payable	397,430	732,069	-	-	397,430	732,069
Current Portion of Revenue Notes Payable	444,444	444,444	-	-	444,444	444,444
Total Current Liabilities	2,695,132	2,913,207	1,404,575	1,406,710	4,099,707	4,319,917
Noncurrent Liabilities:						
Revenue Bonds Payable	-	365,367	-	-	-	365,367
Revenue Notes Payable	222,228	666,672	-	-	222,228	666,672
Compensated Absences	243,324	219,875	435,911	508,006	679,235	727,881
Net Other Post Employment Benefit Obligations	573,563	447,162	2,192,980	1,791,636	2,766,543	2,238,798
Net Pension Obligations	102,436	101,388	301,767	304,912	404,203	406,300
Total Noncurrent Liabilities	1,141,551	1,800,464	2,930,658	2,604,554	4,072,209	4,405,018
Total Liabilities	3,836,683	4,713,671	4,335,233	4,011,264	8,171,916	8,724,935
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	20,734,016	20,801,520	50,027,427	52,021,810	70,761,443	72,823,330
Unrestricted	2,293,346	1,566,172	541,772	214,994	2,835,118	1,781,166
Total Net Assets	\$ 23,027,362	\$ 22,367,692	\$ 50,569,199	\$ 52,236,804	\$ 73,596,561	\$ 74,604,496

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, 2012 and 2011

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011	2012	2011
Operating Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,600	\$ -	\$ 2,600
Sales	732,130	703,841	2,312,717	2,305,227	3,044,847	3,009,068
Charges for Services	6,527,955	6,137,974	4,745,136	4,458,369	11,273,091	10,596,343
Rentals and Concessions	2,990,504	2,713,184	2,975,670	2,673,574	5,966,174	5,386,758
Total Operating Revenues	10,250,589	9,554,999	10,033,523	9,439,770	20,284,112	18,994,769
Operating Expenses:						
Cost of Goods Sold	413,561	344,611	1,432,142	1,540,102	1,845,703	1,884,713
Personal Services	3,433,920	3,098,263	11,627,312	11,491,600	15,061,232	14,589,863
Supplies and Materials	525,632	522,057	1,717,528	1,509,304	2,243,160	2,031,361
Communications	30,016	21,288	395,664	262,448	425,680	283,736
Utilities	1,144,661	1,193,244	1,991,821	1,999,104	3,136,482	3,192,348
Maintenance	391,154	413,341	965,190	972,843	1,356,344	1,386,184
Contractual Services	679,447	610,944	1,026,426	711,812	1,705,873	1,322,756
Other Services and Charges	180,732	202,035	396,052	743,288	556,784	945,323
Administrative Services	1,560,893	1,208,434	296,000	387,000	1,856,893	1,595,434
Depreciation	1,259,295	1,294,511	2,266,954	2,305,589	3,526,249	3,600,100
Total Operating Expenses	9,599,311	8,908,728	22,115,089	21,923,090	31,714,400	30,831,818
Operating Income (Loss)	651,278	646,271	(12,081,566)	(12,483,320)	(11,430,288)	(11,837,049)
Nonoperating Revenues (Expenses):						
Investment Earnings	22,192	14,907	26,759	16,722	48,951	31,629
Interest Expense, net of Amortization	(107,025)	(167,634)	-	-	(107,025)	(167,634)
Total Nonoperating Revenue (Expense)	(84,833)	(152,727)	26,759	16,722	(58,074)	(136,005)
Loss before Transfers	566,445	493,544	(12,054,807)	(12,466,598)	(11,488,362)	(11,973,054)
Contribution from General Government Assets	93,225	-	238,202	-	331,427	-
Transfers In	-	-	10,149,000	9,789,550	10,149,000	9,789,550
Total Contributions and Transfers	93,225	-	10,387,202	9,789,550	10,480,427	9,789,550
Change in Net Assets	659,670	493,544	(1,667,605)	(2,677,048)	(1,007,935)	(2,183,504)
Total Net Assets - Beginning	22,367,692	21,874,148	52,236,804	54,913,852	74,604,496	76,788,000
Total Net Assets - Ending	\$ 23,027,362	\$ 22,367,692	\$ 50,569,199	\$ 52,236,804	\$ 73,596,561	\$ 74,604,496

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2012 and 2011

Recreational and Cultural Facilities

	Montgomery County		Prince George's County		Year Ended June 30,	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2012	2011	2012	2011	2012	2011
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 10,600,398	\$ 9,713,304	\$ 10,035,409	\$ 9,244,285	\$ 20,635,807	\$ 18,957,589
Payments to Suppliers	(2,834,202)	(2,846,216)	(7,858,382)	(7,833,472)	(10,692,584)	(10,679,686)
Payments to Employees	(3,240,545)	(2,724,258)	(11,424,196)	(10,306,800)	(14,664,741)	(13,031,058)
Payments for Interfund Services Used	(592,799)	(399,700)	-	-	(592,799)	(399,700)
Payments for Administrative Charges	(1,560,893)	(1,208,434)	(296,000)	(387,000)	(1,856,893)	(1,595,434)
Net Cash Provided (Used) by Operating Activities	2,371,959	2,534,696	(9,543,169)	(9,282,987)	(7,171,210)	(6,748,291)
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	-	10,149,000	9,789,550	10,149,000	9,789,550
Transfers Out to Other Funds	(54,776)	-	-	-	(54,776)	-
Net Cash Flows from Noncapital Financing Activities	(54,776)	-	10,149,000	9,789,550	10,094,224	9,789,550
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(47,340)	(30,188)	(34,368)	(238,842)	(81,708)	(269,030)
Principal Paid on Bonds and Notes Payable	(1,176,450)	(1,152,647)	-	-	(1,176,450)	(1,152,647)
Interest Paid on Revenue Bonds	(32,063)	-	-	-	(32,063)	-
Interest Paid	(74,962)	(135,571)	-	-	(74,962)	(135,571)
Payment Received on Long Term Note	180,000	180,000	-	-	180,000	180,000
Net Cash Used by Capital and Related Financing Activities	(1,150,815)	(1,138,406)	(34,368)	(238,842)	(1,185,183)	(1,377,248)
Cash Flows from Investing Activities:						
Interest on Investments	22,192	14,907	26,759	16,722	48,951	31,629
Net Increase in Cash and Cash Equivalents	1,188,560	1,411,197	598,222	284,443	1,786,782	1,695,640
Cash, Cash Equivalents and Restricted Cash, July 1	3,746,397	2,335,200	3,439,708	3,155,265	7,186,105	5,490,465
Cash, Cash Equivalents and Restricted Cash, June 30	\$ 4,934,957	\$ 3,746,397	\$ 4,037,930	\$ 3,439,708	\$ 8,972,887	\$ 7,186,105
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 651,278	\$ 646,271	\$ (12,081,566)	\$ (12,483,320)	(11,430,288)	(11,837,049)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,259,295	1,294,511	2,266,954	2,305,589	3,526,249	3,600,100
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	5,122	(1,559)	-	(1,072)	5,122	(2,631)
Due from County Government	180,466	-	-	-	180,466	-
Due from Other Government	-	(1,866)	-	-	-	(1,866)
Inventories, at Cost	8,336	1,945	(52,525)	39,786	(44,189)	41,731
Accounts Payable	(82,199)	67,456	118,967	(134,357)	36,768	(66,901)
Accrued Salaries and Benefits	18,698	104,346	(90,998)	365,009	(72,300)	469,355
Compensated Absences	47,228	32,904	(104,086)	(13,620)	(56,858)	19,284
Interest Payable	(7,935)	(7,800)	-	-	(7,935)	(7,800)
Net Pension Obligation	1,048	101,388	(3,145)	304,912	(2,097)	406,300
Net Other Post Employment Obligations	126,401	135,370	401,344	528,499	527,745	663,869
Revenue Collected in Advance	164,221	161,730	1,886	(194,413)	166,107	(32,683)
Total Adjustments	1,720,681	1,888,425	2,538,397	3,200,333	4,259,078	5,088,758
Net Cash Provided (Used) by Operating Activities	\$ 2,371,959	\$ 2,534,696	\$ (9,543,169)	\$ (9,282,987)	\$ (7,171,210)	\$ (6,748,291)



Exterior view of the College Park Aviation Museum. The museum highlights the display of unique aircraft and artifacts and tells the story of the airport's many firsts in flight.

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
For the Year Ended June 30, 2012
(With Summary and Comparative Totals for 2011)

ASSETS	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, 2012	June 30, 2011		
Current Assets:												
Equity in Pooled Cash and Investments	\$ 3,701,103	\$ 2,954,605	\$ 10,304,577	\$ 2,623,994	\$ 1,521,807	\$ 2,954,605	\$ 14,076,207	\$ 5,054,409	\$ 43,191,307	\$ 48,987,591		
Restricted Cash, Cash Equivalents and Investments:												
Equipment Financing	-	466,764	-	-	-	466,763	-	-	933,527	731,971		
Accounts Receivable	-	-	217,113	102,401	-	-	217,113	-	536,627	234,252		
Due from County Government	-	82,880	-	-	-	82,879	-	-	165,359	125,360		
Deposits and Other	-	-	-	-	-	-	-	-	-	-		
Total Current Assets	3,701,103	3,504,049	10,521,690	2,726,395	1,521,807	3,504,047	14,293,320	5,054,409	44,826,820	50,079,174		
Noncurrent Assets:												
Capital Assets:												
Land	-	-	-	-	745,497	-	-	-	745,497	748,497		
Buildings and Improvements	81,000	-	-	36,748	2,649,865	-	-	-	2,757,613	2,757,613		
Machinery, Equipment and Intangibles	29,856,755	-	208,406	1,063,364	100,770	-	365,626	2,428,187	34,013,108	31,046,657		
Less-Accumulated Depreciation	(23,517,285)	-	(188,447)	(531,790)	(1,988,292)	-	(350,130)	(738,931)	(27,314,865)	(25,175,206)		
Total Capital Assets (net of accumulated depreciation)	6,420,470	-	19,959	536,332	1,510,840	-	15,496	1,689,256	10,214,353	9,387,561		
Total Assets	10,121,573	3,504,049	10,541,649	3,264,727	3,032,647	3,504,047	14,308,816	6,743,665	55,041,173	59,466,735		
LIABILITIES												
Current Liabilities:												
Accounts Payable	14,304	82,235	1,277	77,044	60,086	82,234	1,277	240,388	588,845	540,569		
Current Portion of Claims Payable	-	681,310	1,310,793	-	8,500	681,309	1,839,317	-	4,512,729	4,675,859		
Accrued Salaries and Benefits	-	-	26,564	-	-	-	26,565	6,180	67,809	59,843		
Current Portion of Notes Payable	-	-	6,490	-	115,000	-	-	-	115,000	570,000		
Current Portion of Compensated Absences	-	-	6,490	-	2,209	-	6,490	-	15,189	42,950		
Due to County Government	-	-	262,994	-	-	-	262,994	-	525,988	249,502		
Interest Payable	-	-	-	-	3,020	-	-	-	3,020	11,840		
Total Current Liabilities	14,304	763,545	1,608,118	77,044	189,815	763,543	2,136,643	246,568	5,798,580	6,150,563		
Noncurrent Liabilities:												
Claims Payable - Net of Current Portion	-	-	3,992,379	-	-	-	5,517,952	-	9,450,331	8,963,969		
Notes Payable - Net of Current Portion	-	-	56,696	-	23,921	-	56,696	-	137,311	82,983		
Compensated Absences - Net of Current Portion	-	-	185,799	-	41,224	-	192,839	-	419,862	324,895		
Net Other Post Employment Benefit Obligations	-	-	4,174,873	-	65,145	-	5,767,486	-	10,007,504	9,501,847		
Total Noncurrent Liabilities	-	-	5,789,997	77,044	253,990	763,543	7,904,129	246,568	15,806,054	15,652,410		
Total Liabilities	14,304	763,545	5,789,997	77,044	189,815	763,543	7,904,129	246,568	15,806,054	15,652,410		
NET ASSETS												
Invested in Capital Assets, Net of Related Debt	6,420,470	-	19,959	558,332	1,385,840	-	15,496	1,689,256	10,099,353	8,707,561		
Unrestricted	3,686,799	2,740,504	4,738,690	2,649,351	1,382,847	2,740,504	6,389,191	4,807,841	29,135,736	35,106,764		
Total Net Assets	10,107,269	2,740,504	4,758,649	3,207,683	2,778,687	2,740,504	6,404,687	6,497,097	39,235,089	43,814,325		

Schedule 8

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Internal Service Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 For the Year Ended June 30, 2012
 (With Summary and Comparative Totals for 2011)

	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, 2012	June 30, 2011		
Operating Revenues:												
Intergovernmental-Federal Charges for Services	865,285	10,882,358	2,562,300	136,350	1,046,810	10,882,358	4,404,700	810,027	31,837,831	32,067,160		
Claim Recoveries	-	-	321,727	383,993	-	-	947,440	-	1,269,167	679,140		
Total Operating Revenues	865,285	10,882,358	2,884,027	520,343	1,046,810	10,882,358	5,352,140	810,027	33,243,348	32,746,300		
Operating Expenses:												
Personal Services	-	-	631,009	14,500	212,371	-	648,020	169,126	1,675,026	1,293,316		
Supplies and Materials	74,567	-	12,833	475,615	6,653	-	24,736	1,400	595,804	358,640		
Contractual Services	-	76,092	428,699	-	-	76,092	646,781	-	1,227,664	1,266,730		
Claims Incurred	-	8,734,311	1,625,264	-	-	8,734,311	3,458,276	-	22,552,162	23,334,225		
Insurance	-	3,178,915	95,842	-	-	3,178,914	129,828	-	6,583,499	8,248,763		
Other Services and Charges	320,435	116,900	167,152	574,021	453,552	116,900	541,498	919,569	3,210,027	2,723,187		
Depreciation	1,795,125	-	11,412	107,321	116,072	-	9,708	175,663	2,226,204	2,226,204		
Total Operating Expenses	2,190,127	12,106,218	2,972,211	1,171,457	788,648	12,106,217	5,458,847	1,265,788	38,059,513	39,451,065		
Operating Income (Loss)	(1,324,842)	(1,223,860)	(88,184)	(651,114)	258,162	(1,223,859)	(106,707)	(455,761)	(4,816,165)	(6,704,765)		
Nonoperating Revenues (Expenses):												
Interest Income	15,581	22,775	53,584	12,223	9,298	22,774	81,496	29,653	247,384	249,617		
Interest Expense	(1,425)	-	-	(193)	(8,826)	-	-	(11)	(10,455)	(42,348)		
Loss on Disposal of Asset	14,156	-	-	-	-	-	-	-	-	(1,803,993)		
Total Nonoperating Revenues (Expenses)	(1,310,686)	(1,201,085)	(34,600)	(639,084)	258,634	(1,201,085)	(25,211)	(426,119)	(4,579,236)	(8,301,489)		
Income (Loss) Before Contributions and Transfers	(1,310,686)	(1,201,085)	(34,600)	(639,084)	258,634	(1,201,085)	(25,211)	(426,119)	(4,579,236)	(8,301,489)		
Change in Net Assets												
Total Net Assets, July 1	11,417,955	3,941,589	4,793,256	3,846,767	2,520,053	3,941,589	6,429,898	6,923,216	43,814,325	52,115,814		
Total Net Assets, June 30	10,107,269	2,740,504	4,758,658	3,207,683	2,776,687	2,740,504	6,404,667	6,497,097	39,235,089	43,814,325		

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 9

Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY				
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	TOTAL	
Cash Flows from Operating Activities:										
Receipts from Customers and Users	\$ 865,285	\$ 10,760,330	\$ 2,785,290	\$ 417,942	\$ 1,046,810	\$ 10,760,331	\$ 5,253,403	\$ 810,027	\$ 32,699,418	
Payments to Suppliers	(450,425)	(12,236,865)	(1,915,541)	(1,025,940)	(406,946)	(12,236,865)	(3,889,497)	(680,604)	(32,822,683)	
Payments to Employees	-	-	(593,164)	-	(184,478)	-	(593,140)	(162,946)	(1,523,726)	
Payments for Interfund Services Used	(54,500)	(116,900)	(190,200)	(14,500)	(7,300)	(116,900)	(278,800)	-	(779,100)	
Net Cash Provided (Used) by Operating Activities	360,360	(1,593,435)	96,385	(622,498)	448,088	(1,593,434)	511,966	(33,523)	(2,426,091)	
Cash Flows from Capital and Related Financing Activities:										
Acquisition of Capital Assets	(1,482,264)	-	-	(217,798)	-	-	-	(1,342,040)	(3,042,122)	
Principal Paid on Notes Payable	(310,498)	-	-	(42,015)	(210,000)	-	-	(2,487)	(565,000)	
Interest Paid on Notes Payable	-	-	-	(193)	(8,826)	-	-	(11)	(10,455)	
Net Cash Used by Capital and Related Financing Activities	(1,794,207)	-	-	(260,006)	(218,826)	-	-	(1,344,538)	(3,617,577)	
Cash Flows from Investing Activities:										
Interest on Investments	15,581	22,775	53,584	12,223	9,298	22,774	81,496	29,653	247,384	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,418,266)	(1,570,660)	149,969	(870,281)	238,560	(1,570,660)	593,462	(1,348,408)	(5,796,284)	
Cash and Cash Equivalents, July 1	5,119,369	4,525,265	10,154,608	3,494,275	1,283,247	4,525,265	13,482,745	6,402,817	48,987,591	
Cash and Cash Equivalents, June 30	\$ 3,701,103	\$ 2,954,605	\$ 10,304,577	\$ 2,623,994	\$ 1,521,807	\$ 2,954,605	\$ 14,076,207	\$ 5,054,409	\$ 43,191,307	
Operating Income (Loss)	\$ (1,324,842)	\$ (1,223,860)	\$ (88,184)	\$ (651,114)	\$ 258,162	\$ (1,223,859)	\$ (106,707)	\$ (455,761)	\$ (4,816,165)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:										
Depreciation	1,795,125	-	11,412	107,321	116,072	-	9,708	175,693	2,215,331	
Effect of Changes in Assets and Liabilities in:										
Accounts Receivable	-	(102,028)	1,250	-	-	(102,028)	1,250	-	(201,556)	
Due from County Government	-	-	(99,987)	(102,401)	-	-	(99,987)	-	(302,375)	
Deposits and Other	-	(20,000)	-	-	-	(19,999)	-	-	(39,999)	
Accounts Payable	(107,086)	(88,256)	(5,032)	24,080	58,835	(88,256)	(16,398)	240,388	18,275	
Claims Payable	-	(159,291)	90,838	-	-	(159,292)	530,977	-	303,232	
Accrued Salaries and Benefits	-	-	(486)	-	2,757	-	(485)	6,180	7,966	
Compensated Absences	-	-	10,467	-	5,632	-	10,468	-	26,567	
Interest Payable	(2,837)	-	37,864	(384)	(5,576)	-	-	(23)	(8,820)	
Net Other Post Employment Obligations	-	-	138,243	-	12,206	-	44,897	-	94,967	
Due to County Government	-	(369,575)	184,569	28,616	189,926	(369,575)	618,673	422,238	2,390,074	
Total Adjustments	1,685,202	(369,575)	184,569	28,616	448,088	(369,575)	511,966	(33,523)	(2,426,091)	
Net Cash Provided (Used) by Operating Activities	\$ 360,360	\$ (1,593,435)	\$ 96,385	\$ (622,498)	\$ 448,088	\$ (1,593,434)	\$ 511,966	\$ (33,523)	\$ (2,426,091)	



Participants practicing Tai Chi at the Cabin John Tai Chi Park Dedication. The Tai Chi court is a 48-foot-diameter circle of flagstone incorporating the shape of a yin/yang symbol and surrounded by elegant benches in a serene natural setting.

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, 2012

	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	States Retirement	Montgomery	Prince George's	Total Agency Funds			
ASSETS													
Equity in Pooled Cash and Investments	\$ -	\$ 628,950	\$ 628,950	\$ 9,067,616	\$ 9,289,050	\$ 18,356,668	\$ 1,835,030	\$ 766,005	\$ 575	\$ 2,601,610			
Cash	100,674	2,000,390	2,101,064	-	-	-	-	-	-	-	-	-	-
Fixed Income Securities	190,806,489	9,689,875	200,496,364	-	-	-	-	-	-	-	-	-	-
International Fixed Income Securities	26,608,748	-	26,608,748	-	-	-	-	-	-	-	-	-	-
Venture Capital/Alternative Investments	16,883,391	-	16,883,391	-	-	-	-	-	-	-	-	-	-
Corporate Stock	297,976,005	-	297,976,005	-	-	-	-	-	-	-	-	-	-
International Corporate Stock	49,042,620	-	49,042,620	-	-	-	-	-	-	-	-	-	-
Real Estate Investments	40,470,556	-	40,470,556	-	-	-	-	-	-	-	-	-	-
Short Term Investments	17,674,248	-	17,674,248	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	6,109,967	6,109,967	-	-	-	-	-	-	-	-	-	-
Collateral for Securities Lending	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions	65,088,801	-	65,088,801	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	1,714,100	-	1,714,100	-	-	-	-	-	-	-	-	-	-
Land Held for Other Governments	-	-	-	42,406,875	17,837,342	60,244,017	-	-	-	-	-	-	-
Other	76,135	-	76,135	-	-	-	-	-	-	-	-	-	-
Total Assets	708,441,767	18,429,182	724,870,949	51,474,291	27,126,392	78,600,683	1,835,030	766,005	575	2,601,610			
LIABILITIES													
Investments Payable	9,387,822	-	9,387,822	-	-	-	-	-	-	-	-	-	-
Accounts Payable	896,485	90,623	987,108	305	238	543	1,835,030	-	-	1,835,030	-	-	1,835,030
Claims Payable	-	538,327	538,327	-	-	-	-	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	65,954,799	-	65,954,799	-	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	76,239,106	628,950	76,868,056	305	238	543	1,835,030	766,005	575	766,580			
NET ASSETS													
Assets Held in Trust for:													
Land Held for Transfer	-	-	-	42,406,675	17,837,342	60,244,017	-	-	-	-	-	-	-
Pension Benefits	630,202,661	-	630,202,661	-	-	-	-	-	-	-	-	-	-
Other Postemployment Benefits	-	17,800,232	17,800,232	-	-	-	-	-	-	-	-	-	-
Other Purposes	-	-	-	9,067,311	9,288,612	18,356,123	-	-	-	-	-	-	-
Total Net Assets	\$ 630,202,661	\$ 17,800,232	\$ 648,002,893	\$ 51,473,986	\$ 27,126,154	\$ 78,600,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2012

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS			
	Employees' Retirement Fund	Other Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals	Montgomery County	Prince George's County
ADDITIONS:								
Contributions:								
Employer	\$ 32,182,287	\$ 15,485,785	\$ 47,668,072	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Members	4,395,720	-	4,395,720	-	-	-	-	-
Plan Members for Current Benefits	-	1,219,804	1,219,804	-	-	-	-	-
Private Donations	-	-	-	8,651	59,890	68,541	8,651	59,890
Total Contributions	36,578,007	16,705,589	53,283,596	8,651	59,890	68,541	8,651	59,890
Contributions from Commission Debt Service Funds	-	-	-	1,404,616	21,125	1,425,741	1,404,616	21,125
Federal Grants - Medicare	-	757,585	757,585	-	-	-	-	-
Investment Earnings:								
Interest	9,503,172	1,064	9,504,236	40,198	46,959	87,157	40,198	46,959
Dividends	1,226,630	77,522	1,304,152	-	-	-	-	-
Net Increase in the Fair Value of Investments	5,556,997	171,426	5,728,423	-	-	-	-	-
Total Investment Earnings	16,286,799	250,012	16,536,811	40,198	46,959	87,157	40,198	46,959
Less Investment Advisory and Management Fees	(2,381,945)	-	(2,381,945)	-	-	-	-	-
Net Income from Investing Activities	13,904,854	250,012	14,154,866	40,198	46,959	87,157	40,198	46,959
Securities Lending Activity								
Securities Lending Income	190,211	-	190,211	-	-	-	-	-
Securities Lending Fees	5,592	-	5,592	-	-	-	-	-
Net Income from Securities Lending Activity	195,803	-	195,803	-	-	-	-	-
Total Net Investment Income	14,100,657	250,012	14,350,669	40,198	46,959	87,157	40,198	46,959
Total Additions and Investment Income	50,678,664	17,713,186	68,391,850	1,453,465	127,974	1,581,439	1,453,465	127,974
DEDUCTIONS:								
Benefits	33,833,630	11,083,474	44,917,104	-	-	-	-	-
Refunds of Contributions	316,681	-	316,681	-	-	-	-	-
Administrative expenses	1,453,094	-	1,453,094	-	-	-	-	-
Other	-	-	-	116,450	82,615	199,065	116,450	82,615
Total Deductions	35,603,405	11,083,474	46,686,879	116,450	82,615	199,065	116,450	82,615
Change in Net Assets	15,075,259	6,629,712	21,704,971	1,337,015	45,359	1,382,374	1,337,015	45,359
Net Assets - Beginning	615,127,402	11,170,520	626,297,922	50,136,971	27,080,795	77,217,766	50,136,971	27,080,795
Net Assets - Ending	630,202,661	17,800,232	648,002,893	51,473,986	27,126,154	78,600,140	51,473,986	27,126,154

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, 2012

	July 1, 2011	Additions	Deductions	June 30, 2012
MARYLAND STATE RETIREMENT SYSTEM FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,040,953	\$ 157,276	\$ 363,199	\$ 1,835,030
Total Current Assets	\$ 2,040,953	\$ 157,276	\$ 363,199	\$ 1,835,030
LIABILITIES				
Accounts Payable	\$ 2,040,953	\$ 157,276	\$ 363,199	\$ 1,835,030
Total Current Liabilities	\$ 2,040,953	\$ 157,276	\$ 363,199	\$ 1,835,030
MONTGOMERY COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 684,230	\$ 31,721	\$ (50,054)	\$ 766,005
Total Current Assets	\$ 684,230	\$ 31,721	\$ (50,054)	\$ 766,005
LIABILITIES				
Deposits	\$ 684,230	\$ 31,721	\$ (50,054)	\$ 766,005
Total Current Liabilities	\$ 684,230	\$ 31,721	\$ (50,054)	\$ 766,005
PRINCE GEORGE'S COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,003	\$ 2,627	\$ 3,055	\$ 575
Total Current Assets	\$ 1,003	\$ 2,627	\$ 3,055	\$ 575
LIABILITIES				
Deposits	\$ 1,003	\$ 2,627	\$ 3,055	\$ 575
Total Current Liabilities	\$ 1,003	\$ 2,627	\$ 3,055	\$ 575
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,726,186	\$ 191,624	\$ 316,200	\$ 2,601,610
Total Current Assets	\$ 2,726,186	\$ 191,624	\$ 316,200	\$ 2,601,610
LIABILITIES				
Accounts Payable	\$ 2,040,953	\$ 157,276	\$ 363,199	\$ 1,835,030
Deposits	685,233	34,348	(46,989)	766,580
Total Current Liabilities	\$ 2,726,186	\$ 191,624	\$ 316,200	\$ 2,601,610

◆ PART III ◆

STATISTICAL SECTION



A docent leads a group of middle school children on a tour of Surratt House in Clinton, MD.

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	123
Revenue Capacity <i>These schedules contain information to help the reader assess the Commission’s most significant local revenue source, the property tax.</i>	128
Debt Capacity <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>	132
Demographic and Economic Information <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>	137
Operating Information <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>	140

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
Invested in Capital Assets, net of related debt	\$ 305,800,251	\$ 364,642,386	\$ 370,469,274	\$ 383,457,023	\$ 416,140,797	\$ 456,767,669	\$ 492,930,779	\$ 535,147,424	\$ 569,890,944	\$ 611,517,276
Unrestricted	86,192,777	51,953,723	126,681,153	159,992,347	201,822,613	253,129,079	282,047,368	282,484,768	257,331,391	246,549,209
Subtotal Governmental Activities Net Assets	391,993,028	456,596,119	497,150,427	543,419,370	617,963,410	709,896,748	774,978,147	818,632,192	827,222,335	868,066,485
Business-type Activities:										
Invested in Capital Assets, net of related debt	80,397,466	85,843,860	85,421,966	84,318,532	81,455,721	79,384,327	77,400,952	75,033,816	72,823,330	70,761,443
Restricted for Debt Service	589,848	2,238,739	2,334,160	2,101,083	3,881,454	2,763,707	1,855,610	1,754,194	1,781,166	2,835,118
Unrestricted	1,910,929	89,082,599	85,756,146	86,419,615	85,337,175	82,148,034	79,256,652	76,788,000	74,604,498	73,586,561
Subtotal Business-type Activities Net Assets	82,898,273	89,082,599	85,756,146	86,419,615	85,337,175	82,148,034	79,256,652	76,788,000	74,604,498	73,586,561
Primary Government:										
Invested in Capital Assets, net of related debt	386,197,747	450,486,256	453,891,240	467,775,555	497,586,518	536,151,996	570,331,731	611,181,240	642,714,274	682,278,719
Restricted for Debt Service	589,848	2,238,739	2,334,160	2,101,083	3,881,454	2,763,707	1,855,610	1,754,194	1,781,166	2,835,118
Unrestricted	89,103,706	94,192,462	129,015,333	162,063,430	205,704,087	255,692,766	283,902,978	284,238,952	259,112,557	249,384,327
Total Government Net Assets	\$ 474,891,301	\$ 544,678,718	\$ 582,909,573	\$ 629,639,985	\$ 703,300,585	\$ 792,044,782	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831	\$ 931,663,046

(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.

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
Last Ten Fiscal Years
Entity-wide Basis

	Fiscal Year									
	2003	2004	2005	2005	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General Government	\$ 12,678,079	\$ 12,497,931	\$ 13,365,605	\$ 14,110,350	\$ 15,069,982	\$ 17,397,550	\$ 18,975,258	\$ 19,765,904	\$ 18,965,709	\$ 18,141,138
County Planning and Zoning	29,119,749	29,792,931	31,089,512	35,931,900	39,150,300	48,649,825	60,370,641	58,695,074	55,915,753	56,148,279
Park Operations and Maintenance	104,484,551	112,777,571	117,420,745	140,378,771	145,957,331	165,753,521	181,359,243	224,848,872	232,698,656	200,435,117
Recreation Programs	38,057,899	39,174,675	42,175,861	43,058,594	46,907,997	52,698,859	69,011,470	68,427,714	68,827,893	65,883,047
Interest on Long-term Debt	6,994,245	5,483,168	6,396,948	6,045,652	5,693,542	5,902,190	5,211,728	4,296,266	3,630,828	3,403,501
Subtotal Governmental Activities	191,334,523	199,726,076	210,448,671	239,524,987	252,772,152	290,391,945	333,828,340	376,032,730	360,238,839	344,011,077
Business-type Activities:										
Recreational and Cultural Facilities	28,243,046	30,039,511	31,635,252	32,857,080	28,861,349	30,626,723	30,899,133	30,924,994	30,989,452	31,821,425
Total Government Expenses	219,577,569	229,765,587	242,083,923	272,482,047	281,633,501	321,018,668	364,727,473	406,957,724	411,238,291	375,832,502
Program Revenues										
Governmental Activities:										
County Planning and Zoning	3,058,135	4,392,957	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072
Park Operations and Maintenance	26,321,407	20,104,060	23,359,117	23,763,315	29,893,255	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847
Recreation Programs	9,410,542	11,550,937	11,921,917	12,746,285	12,446,128	12,462,371	13,533,938	13,125,288	13,776,536	14,393,407
Subtotal Governmental Activities	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326
Business-type Activities:										
Recreational and Cultural Facilities	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,616,538
Total Government Program Revenues	58,547,702	61,949,585	63,140,031	68,505,853	68,486,379	82,053,633	63,297,588	65,943,963	70,100,693	67,329,865
Net Government Expenses	<u>(151,029,867)</u>	<u>(167,810,002)</u>	<u>(178,943,892)</u>	<u>(203,976,194)</u>	<u>(213,147,122)</u>	<u>(238,965,035)</u>	<u>(301,429,885)</u>	<u>(341,013,761)</u>	<u>(341,137,598)</u>	<u>(308,502,637)</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Governmental Activities	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057	328,140,900
Business-type Activities	4,760,998	9,319,208	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179	10,197,961
Total Primary Government	183,910,675	205,767,833	217,171,747	250,908,606	286,608,722	327,709,232	363,619,812	382,199,244	347,544,236	338,338,861
Change in Net Assets										
Governmental Activities	26,605,238	32,775,503	40,554,308	46,268,943	74,544,040	91,833,338	65,081,399	48,654,045	8,590,142	30,844,149
Business-type Activities	(3,724,430)	5,184,326	(2,326,453)	663,469	(1,082,440)	(3,189,141)	(2,891,472)	(3,468,582)	(2,183,504)	(1,007,935)
Total Primary Government	<u>\$ 22,880,808</u>	<u>\$ 37,957,829</u>	<u>\$ 38,227,855</u>	<u>\$ 46,932,412</u>	<u>\$ 73,461,600</u>	<u>\$ 88,744,197</u>	<u>\$ 62,189,927</u>	<u>\$ 45,185,463</u>	<u>\$ 6,406,638</u>	<u>\$ 29,836,214</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-3

Government Wide Revenues
Last ten Fiscal Years
Entity-wide Basis

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental Activities:										
County Planning and Zoning										
Charges for services	2,206,015	3,743,951	3,523,763	4,535,128	5,703,337	3,612,794	3,257,841	2,851,449	3,127,500	5,283,065
Operating grants and contributions	852,120	649,006	1,013,503	1,020,755	749,283	1,124,883	1,419,179	638,888	890,692	1,437,007
Total County Planning and Zoning	3,058,135	4,392,957	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020	3,490,337	4,018,192	6,720,072
Park Operations and Maintenance										
Charges for services	4,669,195	5,294,071	6,544,420	5,498,642	5,553,888	5,473,310	5,381,156	5,048,728	5,830,735	6,475,293
Operating grants and contributions	762,869	705,213	645,795	1,106,898	1,122,332	1,272,688	891,923	1,864,538	1,288,151	2,469,032
Capital grants and contributions	20,869,343	14,104,776	16,169,902	17,157,775	23,207,055	40,038,982	20,544,003	23,662,201	26,190,310	16,656,522
Total Park Operations and Maintenance	26,321,407	20,104,060	23,359,117	23,763,315	29,883,255	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847
Recreation Programs										
Charges for services	9,063,148	11,239,721	11,641,554	12,294,579	12,052,358	11,916,298	12,725,930	12,819,668	13,388,956	14,035,495
Operating grants and contributions	327,394	311,216	280,363	451,706	392,770	536,610	808,008	305,610	369,580	357,912
Total Recreation Programs	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,908	13,533,938	13,125,278	13,758,536	14,393,407
Total Governmental Activities	38,790,084	35,047,954	39,818,300	42,065,483	48,761,003	63,975,005	45,028,040	47,221,052	51,105,924	48,714,326
Business-type Activities:										
Recreational and Cultural Facilities										
Charges for services	19,757,618	22,046,268	23,321,731	22,369,521	19,286,008	17,926,991	18,177,611	18,572,911	18,992,169	20,284,112
Operating grants and contributions	-	26,000	-	-	146,596	151,636	91,937	150,000	2,600	-
Capital grants and contributions	-	3,829,363	-	3,470,849	272,772	-	-	-	-	331,427
Total Recreational and Cultural Facilities	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,615,538
Total Business-type Activities	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,615,538
Total Government Program Revenues	58,547,702	61,949,585	63,140,031	68,505,853	68,486,379	82,053,633	63,297,588	65,943,963	70,100,693	67,329,865
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes	181,859,997	204,217,877	213,178,802	241,784,351	272,927,451	313,613,140	354,329,523	380,067,118	345,841,894	336,318,601
Unrestricted Investment Earnings	1,931,787	1,418,407	3,908,309	8,870,876	13,361,838	13,601,237	9,152,076	2,097,505	1,670,713	1,971,299
Gain/Loss on Disposal of Land	(4,637,187)	35,676	(5,902,432)	(6,926,800)	(7,754,100)	(9,064,100)	(9,599,900)	(9,688,900)	(9,789,550)	(10,149,000)
Transfers	179,149,677	196,451,625	211,184,679	243,729,427	278,555,189	318,350,277	353,881,659	372,465,723	337,723,067	328,140,900
Total Governmental Activities	188,353,274	202,123,585	210,361,358	246,656,854	283,729,525	326,496,554	347,682,368	372,881,446	345,723,064	336,141,800
Business-type Activities:										
Unrestricted Investment Earnings	123,811	95,871	84,636	253,379	319,433	294,855	138,213	34,621	31,629	48,951
Transfers	4,637,187	9,220,335	5,902,432	6,926,800	7,754,100	9,064,100	9,599,900	9,688,900	9,789,550	10,149,000
Total Business-type Activities	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951
Total Primary Government	183,910,675	205,767,831	211,717,447	250,908,605	266,608,722	327,709,232	363,619,812	382,199,244	347,544,236	336,338,651

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-4

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

	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 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	2,303,332	2,489,284	1,406,864	1,587,630	2,870,039	2,149,543	3,133,034
Montgomery Park Account	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	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	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	8,674,676	8,463,689	10,997,195	16,987,850	23,875,520	33,487,704	30,404,917
Total General Fund	49,655,887	58,839,553	74,135,488	100,858,141	123,153,246	150,695,121	143,555,410
All Other Governmental Funds							
Reserved	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	5,888,267	6,466,722	7,088,718	8,358,389	9,421,909	6,992,786	5,340,039
Capital Projects Funds	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	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	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022

	2010	2011	2012
General Fund			
Committed	\$ 20,087,780	\$ 24,964,873	\$ 22,569,621
Assigned	16,343,650	19,271,830	4,539,255
Unassigned	99,092,516	92,831,681	135,512,477
Total General Fund	135,523,946	137,068,384	162,621,353
All Other Governmental Funds			
Restricted	23,712	6,372,978	4,721,415
Committed	46,032,175	47,780,344	41,712,327
Assigned	131,465,297	129,601,078	121,437,924
Unassigned	(11,055,627)	(17,525,176)	(20,735,656)
Total All Other Governmental Funds	166,465,557	166,229,224	147,136,010
Total All Governmental Funds	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

TABLE T-5

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property Taxes	\$ 182,180,854	\$ 199,178,086	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421	\$ 353,966,253	\$ 380,292,455	\$ 345,254,763	\$ 337,691,448
Intergovernmental	14,291,595	14,282,243	13,475,196	13,726,507	20,395,468	38,609,800	17,411,704	20,281,231	27,617,494	18,129,050
Charges for Services	8,285,233	11,378,060	10,905,923	12,170,203	13,302,886	11,457,579	11,572,219	11,024,346	11,514,064	14,395,378
Rentals and Concessions	6,562,866	7,752,377	8,119,786	8,883,464	8,872,522	8,977,209	9,077,134	8,929,475	9,759,475	10,102,872
Interest	1,361,363	1,040,325	2,996,567	6,934,901	10,582,784	10,986,141	7,565,096	1,816,538	1,421,095	1,723,915
Miscellaneous	1,129,476	1,297,262	3,278,902	2,312,925	2,004,402	1,749,098	3,666,197	3,250,281	1,321,762	2,239,465
Total Revenues	213,811,417	234,928,354	254,824,003	288,637,360	328,601,283	385,418,248	403,198,697	425,603,965	396,888,653	384,282,119
Expenditures										
General Government	12,698,310	13,097,617	13,814,296	14,989,960	15,307,979	16,809,827	18,355,098	18,760,282	16,900,334	17,286,400
Planning and Zoning	29,387,574	30,921,513	32,024,402	35,660,252	39,453,463	47,993,136	57,139,743	56,761,092	51,677,578	53,490,374
Park Operations and Maintenance	99,406,159	103,989,828	109,838,327	118,469,005	131,788,561	148,113,743	162,803,732	201,163,727	185,124,386	169,990,977
Recreation	37,467,508	38,003,635	40,419,313	41,484,461	45,466,125	50,361,564	65,009,956	64,896,624	62,922,303	62,419,828
Contributions	-	-	-	-	1,269,884	1,545,894	1,860,781	2,187,475	2,100,896	1,425,741
Debt Service:										
Principal	31,335,000 (1)	10,755,000	11,290,000	11,820,000	11,630,000	13,131,800	13,705,849	13,181,587	14,172,757	11,999,335
Interest	6,638,933	5,945,514	5,812,572	5,986,849	5,321,528	5,504,890	5,065,685	4,223,697	3,888,860	3,361,761
Other Debt Service Costs	553,630	525,375	186,317	262,491	258,155	87,937	178,835	113,412	(95,874)	427,602
Capital Projects	16,387,523	33,551,617	23,212,160	22,269,358	39,382,789	40,868,140	37,968,742	41,632,678	49,199,758	59,679,383
Total Expenditures	233,934,637	236,799,097	236,599,387	250,942,376	289,878,484	324,416,931	362,088,421	402,920,584	385,890,996	379,081,501
Other Financing Sources (Uses)										
Proceeds from General Obligation Bonds	26,422,900	14,720,000	4,002,020	-	13,600,000	17,300,000	5,250,000	-	-	10,500,000
Refunding Bonds Issued	29,592,100	22,805,000	-	19,130,000	-	(17,300,000)	8,405,000	14,080,000	-	16,425,000
Loan Issued	-	-	-	-	284,000	-	-	-	-	-
Premiums on Bonds Issued	281,807	1,926,886	-	88,405	93,709	-	381,617	769,574	-	2,614,073
Payment to Refunding Bond Escrow Account	(29,552,086)	(23,862,784)	-	(19,018,300)	-	-	(8,650,856)	(14,849,574)	-	(18,130,936)
Contribution to Private Purpose Trust Funds	9,874	8,615	-	-	-	-	-	-	-	-
Transfers In	(493,058)	(609,148)	-	-	-	-	-	-	-	-
Transfers Out	22,591,017	28,577,814	31,727,099	31,327,417	46,882,822	54,409,188	84,117,596	62,185,114	41,616,423	28,262,071
Total Other Financing Sources (Uses)	24,456,251	14,197,787	2,373,169	(6,976,695)	6,223,609	(9,314,100)	(4,214,139)	(9,698,900)	(9,789,550)	1,259,137
Net Change in Fund Balances	4,333,031	12,327,024	20,597,785	30,718,289	44,946,408	51,687,217	36,896,137	12,884,481	1,308,105	6,459,755
Beginning Fund Balance	87,499,131	91,832,162	104,159,186	124,756,971	155,475,260	200,421,668	252,108,885	289,005,022	301,989,503	303,297,608
Ending Fund Balance	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363
Debt Service as a Percentage of Noncapital Expenditures	17.65%	8.30%	8.09%	7.62%	6.77%	6.56%	5.86%	4.84%	5.20%	4.72%

(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			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value %
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/ Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
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	
2010	167,096,844	168,676,000	0.904	4,123,997	2.247	171,220,841	179,277,921		95.51	
2011	167,790,793	189,808,589	0.904	3,856,192	2.247	171,646,984	193,664,781		88.63	
2012	162,197,150	174,593,272	0.947	3,718,946	2.357	165,916,096	178,312,218		93.05	

PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value %
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/ Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
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	
2010	95,749,759	102,512,190	0.900	2,772,044	2.272	98,521,803	105,284,234		93.58	
2011	88,129,040	96,199,089	0.900	2,734,464	2.000	90,863,504	98,933,553		91.84	
2012	81,798,606	83,404,281	0.905	2,743,679	2.000	84,542,285	86,147,960		98.14	

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

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

M-NCPPC TAXES

MONTGOMERY COUNTY

Fiscal Year	Administration		Park Operations	Advance Land Acquisition	Total	County-wide Property Taxes	
						Within County	Total
2003	(1) \$	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	0.0730/0.1820	0.824/2.046	0.902/2.241
2009		0.019/0.047	0.0530/0.1320	0.0010/0.0030	0.0690/0.1730	0.829/2.059	0.902/2.241
2010		0.018/0.045	0.0500/0.1250	0.0010/0.0030	0.0690/0.1730	0.835/2.074	0.904/2.247
2011		0.015/0.038	0.0450/0.1120	0.0010/0.0030	0.0610/0.1530	0.843/2.094	0.904/2.247
2012		0.017/0.043	0.0480/0.1200	0.0010/0.0030	0.0660/0.1660	0.881/2.191	0.947/2.357

PRINCE GEORGE'S COUNTY

Fiscal Year	Administration		Park Operations	Recreation	Advance Land Acquisition	Total	County-wide Property Taxes	
							Within County	Total
2003	(1) \$	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	1.3341/3.3353
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
2010		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0915/2.7524	1.3705/3.4499
2011		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0918/2.4800	1.3708/3.1775
2012		0.0466/0.1165	0.1719/0.4298	0.0605/0.1512	0.0000/0.0000	0.2790/0.6975	1.0974/2.4800	1.3764/3.1775

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

Taxpayer	2012			2003		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Potomac Electric Power Company	\$ 751,658,563	1	0.45 %	\$ 831,750,280	1	0.96 %
Verizon Maryland INC	572,981,617	2	0.35	704,318,184	2	0.81
Montgomery Mall LLC	293,001,260	3	0.18	221,842,146	3	0.26
Washington Gas Light Company	263,742,870	4	0.16	186,819,170	5	0.22
Medimmune Inc	223,005,690	5	0.13	-	-	-
Chevy Chase Land Co.	207,018,567	6	0.12	-	-	-
Camaller, Anne D et al, Trustee	205,657,500	7	0.12	139,303,652	8	0.16
7501 Wisconsin Avenue LLC	200,032,490	8	0.12	155,000,000	6	0.18
Federal Realty Investment Trust	196,688,020	9	0.12	-	-	-
Wheaton Plaza Reg Shopping Center	175,771,910	10	0.11	-	-	-
Democracy Associates	-	-	-	132,000,000	9	0.15
Mirant Mid-Atlantic LLC	-	-	-	210,666,756	4	0.24
Bryant F. Foulger, Trustee	-	-	-	150,827,832	7	0.17
Marbeth Partnership	-	-	-	129,350,000	10	0.15
Total	\$ 3,089,558,487		1.86 %	\$ 2,861,878,020		3.30 %
Total Assessable Base	\$ 165,916,095,469		100.00 %	\$ 86,635,192,231		100.00 %

PRINCE GEORGE'S COUNTY

Taxpayer	2012			2003		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Gaylord National, LLC	\$ 571,965,510	1	0.68 %	\$ -	-	- %
Potomac Electric Power Company	475,442,520	2	0.56	470,354,510	2	1.07
Verizon Maryland	355,498,130	3	0.42	434,806,270	3	0.99
Washington Gas Light Company	250,452,830	4	0.30	161,666,738	5	0.37
Greenbelt Homes, Incorporated	235,186,522	5	0.28	85,549,134	9	0.20
JKC Stadium (FedEx Field)	218,537,900	6	0.26	208,004,000	4	0.47
Empirian Village of Maryland, LLC	202,332,116	7	0.24	-	-	-
Mirant Chalk Point LLC	167,145,266	8	0.20	471,882,953	1	1.08
Baltimore Gas and Electric Company	158,123,710	9	0.19	101,059,340	6	0.23
Zell, Samuel TRS	131,996,866	10	0.14	-	-	-
Safeway Stores, Inc.	-	-	-	100,465,063	7	0.23
Summerfield Housing LTD Partnership	-	-	-	99,274,000	8	0.23
Digex Incorp	-	-	-	75,100,790	10	0.17
Total	\$ 2,766,681,370		3.27 %	\$ 2,208,162,798		5.04 %
Total Assessable Base	\$ 84,542,284,899		100.00 %	\$ 43,832,133,344		100.00 %

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

Property Tax Levies and Collections
Last Ten Fiscal Years

MONTGOMERY COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2003	69,493,121	68,994,492	99.3	365,111	69,359,603	99.8 %
2004	68,788,496	68,447,863	99.5	252,747	68,700,610	99.9
2005	74,428,353	74,232,900	99.7	125,102	74,358,002	99.9
2006	87,277,546	84,587,921	96.9	2,525,186	87,113,107	99.8
2007	91,903,957	91,347,333	99.4	(24,917)	91,322,416	99.4
2008	102,981,734	102,582,155	99.6	(149,823)	102,432,332	99.5
2009	106,450,471	105,976,302	99.6	375,477	106,351,779	99.9
2010	106,745,211	106,602,322	99.9	(515,868)	106,086,454	99.4
2011	94,042,259	93,678,737	99.6	248,869	93,927,606	99.9
2012	98,068,320	98,064,266	100.0	-	98,064,266	100.0

PRINCE GEORGE'S COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
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	247,780,995	244,957,183	98.9	387,786	245,344,969	99.0
2010	275,536,417	271,182,300	98.4	2,197,893	273,380,193	99.2
2011	254,998,038	250,411,969	98.2	2,539,249	252,951,218	99.2
2012	237,755,078	234,227,123	98.5	-	234,227,123	98.5

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)		Total Debt (1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Percentage Of Personal Income	Outstanding Debt Per Capita	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)			
2003	\$ 32,125	\$ 4,976	\$ 10,852	\$ 290	48,243	0.10	%	\$ 4,225	\$ 52,668	0.11	%	\$ 57.27
2004	29,830	3,291	9,860	204	43,185	0.08		3,805	46,990	0.09		51.01
2005	31,760	5,256	8,825	114	45,955	0.08		5,390	51,345	0.09		55.36
2006	29,555	3,711	7,780	54	41,100	0.07		4,845	45,945	0.08		49.03
2007	32,025	5,259	6,715	27	44,026	0.07		4,290	48,316	0.08		51.02
2008	29,465	3,522	5,630	-	38,617	0.06		3,745	42,362	0.07		44.73
2009	32,290	2,301	4,523	-	39,114	0.06		3,210	42,324	0.07		44.69
2010	29,680	1,041	3,393	-	34,114	0.06		2,680	36,794	0.06		38.85
2011	26,710	368	2,241	-	29,319	0.04		2,145	31,464	0.05		32.12
2012	34,590	-	1,064	-	35,654	0.05		1,905	37,559	0.05		37.96

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)		Total Debt (1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Percentage Of Personal Income	Outstanding Debt Per Capita	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)			
2003	\$ 113,655	\$ 1,675	\$ -	\$ -	115,330	0.43	%	\$ 2,470	\$ 117,800	0.44	%	\$ 141.77
2004	121,965	1,530	-	-	123,495	0.44		2,145	125,640	0.45		150.27
2005	113,480	1,714	-	-	115,194	0.39		1,825	117,019	0.40		139.22
2006	105,030	1,496	-	-	106,526	0.35		1,505	108,031	0.36		129.12
2007	105,400	1,806	-	-	107,206	0.34		1,190	108,396	0.34		130.17
2008	95,735	1,438	-	-	97,173	0.29		885	98,058	0.30		118.07
2009	85,501	1,054	-	-	86,555	0.26		585	87,140	0.26		104.41
2010	76,246	653	-	-	76,899	0.22		290	77,189	0.23		89.40
2011	65,925	369	-	-	66,294	na		-	66,294	na		76.09
2012	56,363	120	-	-	56,483	na		-	56,483	na		na

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 2011 and FY 2012.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-11

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

MONTGOMERY COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds		
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Assessed Value (1)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value
2003	917,160	\$ 75,030,387	\$ 32,125	0.04	\$ 86,635,192	\$ 4,225	0.00
2004	923,094	80,589,255	29,830	0.04	93,226,807	3,805	0.00
2005	930,286	88,294,369	31,760	0.04	102,184,337	5,390	0.01
2006	936,070	99,136,692	29,555	0.03	114,360,878	4,845	0.00
2007	941,491	112,335,704	32,025	0.03	129,659,726	4,290	0.00
2008	949,591	126,613,148	29,465	0.02	146,276,983	3,745	0.00
2009	957,760	140,254,264	32,290	0.02	162,053,662	3,210	0.00
2010	966,000	149,161,911	29,680	0.02	171,220,841	2,680	0.00
2011	979,551	149,284,865	26,710	0.02	171,646,984	2,145	0.00
2012	989,540	143,754,415	34,590	0.02	165,916,424	1,905	0.00
							Net Bonded Debt Per Capita
							4.61
							4.12
							5.79
							5.18
							4.56
							3.94
							3.35
							2.77
							2.19
							1.93

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds		
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Assessed Value (1)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value
2003	830,923	\$ 40,706,364	\$ 113,655	0.28	\$ 43,832,133	\$ 2,470	0.01
2004	836,103	42,782,719	121,965	0.29	46,022,799	2,145	0.00
2005	840,513	45,981,392	113,480	0.25	49,441,014	1,825	0.00
2006	836,644	55,083,907	105,030	0.19	55,100,674	1,505	0.00
2007	832,699	59,177,385	105,400	0.18	63,544,195	1,190	0.00
2008	830,514	70,615,992	95,735	0.14	75,728,883	885	0.00
2009	834,560	82,671,572	85,501	0.10	88,636,874	585	0.00
2010	863,420	91,889,365	76,246	0.08	98,521,803	290	0.00
2011	871,233	84,718,780	65,925	0.08	90,863,504	-	0.00
2012	n. a.	79,043,657	56,363	0.07	84,542,585	-	0.00
							Net Bonded Debt Per Capita
							2.97
							2.57
							2.17
							1.80
							1.43
							1.07
							0.70
							0.34
							n.a.
							n.a.

Notes: (1) 000's omitted

(2) Metropolitan District only

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-12

Direct and Overlapping Governmental Activities Debt

June 30, 2012

	Debt Outstanding	Estimated Percentage Applicable	Montgomery County Estimated Share of Overlapping Debt	Prince George's County Estimated Share of Overlapping Debt	Total Estimated Share of Overlapping Debt
Overlapping Debt:					
Montgomery County:					
Montgomery County Government Direct Debt	\$ 2,857,196,443	100.00%	\$ 2,857,196,443	\$ -	\$ 2,857,196,443
MCPS - capital leases	37,674,880	100.00%	37,674,880	-	37,674,880
MCC - capital leases	60,106,203	100.00%	60,106,203	-	60,106,203
Kingsview Village Center - bonds	1,805,000	100.00%	1,805,000	-	1,805,000
West Germantown - bonds	14,235,000	100.00%	14,235,000	-	14,235,000
Towns, Cities and Villages	55,243,741	100.00%	55,243,741	-	55,243,741
Prince George's County:					
Prince George's County Direct Debt	714,695,331	100.00%	-	714,695,331	714,695,331
IDA of Prince George's County - lease revenue bonds	65,265,000	100.00%	-	65,265,000	65,265,000
Towns, Cities and Villages (2)	41,103,819	100.00%	-	41,103,819	41,103,819
Total Overlapping Debt			<u>3,026,261,267</u>	<u>821,064,150</u>	<u>3,847,325,417</u>
M-NCPPC Direct Debt Outstanding (1)			<u>36,495,000</u>	<u>56,482,662</u>	<u>92,977,662</u>
Total Direct and Overlapping Debt			<u>\$ 3,062,756,267</u>	<u>\$ 877,546,812</u>	<u>\$ 3,940,303,079</u>

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2012 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

	2003	2004	2005	2005	2007	2008	2009	2010	2011	2012
Assessed Valuation - Metropolitan District										
Real Property	\$ 71,653,677,756	77,392,706,440	\$ 85,115,950,105	\$ 96,008,277,404	\$ 109,097,997,688	\$ 123,349,225,504	\$ 137,037,368,727	\$ 145,753,018,621	\$ 146,152,672,587	\$ 162,197,149,758
Personal Property	3,376,709,429	3,195,548,890	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271	3,216,925,627	3,409,992,006	3,132,192,188	3,719,945,710
Total Assessed Value	75,030,387,185	80,589,255,330	88,294,369,345	99,136,692,634	112,335,703,729	126,613,147,775	140,254,294,354	149,161,910,629	149,284,864,775	165,916,095,468
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)	25,795,324	27,861,374	30,641,742	34,562,980	39,271,679	44,405,720	49,333,442	52,471,087	52,614,962	58,900,974
Personal Property at 9 cents	3,039,038	2,876,894	2,860,577	2,815,574	2,922,935	2,937,532	2,895,233	3,669,003	2,818,973	3,347,051
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	28,834,362	30,738,268	33,502,319	37,378,554	42,194,614	47,343,252	52,228,675	55,539,090	55,433,935	61,738,025
Debt Service Applicable to Limit	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	1,666,172,700	1,663,018,050	1,852,140,750
Legal Debt Margin	43,472,000	39,836,487	42,224,115	36,393,661	41,893,976	38,059,329	40,869,990	37,199,245	33,237,298	44,791,154
Debt Service Applicable to Limit as a Percentage of the Limit	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	1,628,974,455	1,629,780,762	1,807,349,596
	5.03%	4.32%	4.20%	3.42%	3.31%	2.68%	2.61%	2.23%	2.00%	2.42%

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

	2003	2004	2005	2005	2007	2008	2009	2010	2011	2012
Assessed Valuation - Metropolitan District										
Real Property	\$ 37,840,312,000	40,023,911,566	\$ 43,332,058,448	\$ 52,272,039,269	\$ 56,536,681,889	\$ 67,906,380,950	\$ 79,863,728,005	\$ 89,287,524,163	\$ 82,153,036,056	\$ 76,465,608,181
Personal Property	2,866,052,000	2,758,807,706	2,849,333,133	2,811,867,582	2,639,722,757	2,709,610,652	2,807,843,667	2,601,841,179	2,585,743,870	2,878,049,126
Total Assessed Value	40,706,364,000	42,782,719,262	45,881,391,582	55,083,906,851	59,177,384,646	70,615,991,602	82,671,571,672	91,889,365,342	84,718,779,926	79,043,657,307
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)	15,136,125	16,009,585	17,332,823	20,908,816	22,615,465	27,162,552	31,945,491	35,715,010	32,881,214	30,586,243
Personal Property at 10 cents	2,866,052	2,758,808	2,849,333	2,811,868	2,639,723	2,709,611	2,807,844	2,601,841	2,585,744	2,878,049
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	18,002,177	18,768,373	19,982,156	23,720,684	25,254,188	29,872,163	34,753,335	38,316,851	35,426,958	33,164,292
Debt Service Applicable to Limit	540,065,310	563,051,190	599,464,680	711,620,520	757,625,640	896,164,890	1,042,600,050	1,149,505,530	1,062,808,740	894,928,760
Legal Debt Margin	147,391,000	155,442,246	146,418,484	136,076,320	135,698,883	119,646,031	105,933,668	92,328,755	79,212,624	56,382,662
Debt Service Applicable to Limit as a Percentage of the Limit	392,674,310	406,606,944	453,046,196	575,544,200	621,926,757	776,318,859	936,666,382	1,057,176,775	983,586,116	838,566,098
	27.28%	27.78%	24.42%	19.12%	17.91%	13.37%	10.16%	8.03%	7.45%	5.66%

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	
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
2010	450,000	208,925	241,075	359,813	74,989	0.55
2011	300,131	57,474	242,657	371,939	32,617	0.60
2012	300,000	-	300,000	384,473	19,872	0.74

Wheaton Ice Rink Revenue Bonds						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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)
2010	967,805	1,205,865	(238,060)	325,301	32,182	(0.67)
2011	993,678	1,136,389	(142,711)	336,264	23,046	(0.40)
2012	1,061,049	1,152,529	(91,480)	347,596	11,714	(0.25)

Cabin John Ice Rink Revenue Notes						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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
2010	2,906,570	2,293,433	613,137	444,444	93,645	1.14
2011	3,268,960	2,255,172	1,013,788	444,444	74,534	1.95
2012	3,315,806	2,416,083	899,723	444,444	51,600	1.81

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

Source: The Maryland-National Capital Park and Planning Commission

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Demographic Statistics
Last Ten Fiscal Years

MONTGOMERY COUNTY

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income 000's omitted (2,3)</u>	<u>Per Capita Income (4)</u>	<u>Labor Force (5)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (7)</u>
2003	910,498	\$ 48,650,108	\$ 53,432	496,223	3.3 %	138,891
2004	914,991	52,238,928	57,092	497,204	3.2	139,203
2005	921,531	55,846,295	60,602	508,251	3.1	139,337
2006	926,492	60,372,289	65,162	518,142	2.8	139,387
2007	931,694	62,643,745	67,236	512,934	2.6	137,798
2008	942,748	65,845,731	69,844	519,957	3.2	137,745
2009	959,013	63,323,396	66,030	521,429	5.6	137,763
2010	971,777	65,977,456	67,894	522,913	5.8	140,500
2011	980,620	69,430,000	70,802	525,157	5.2	143,309
2012	989,540	72,550,000	73,317	527,829	5.0	146,497

PRINCE GEORGE'S COUNTY

<u>Year</u>	<u>Population (8)</u>	<u>Total Personal Income 000's omitted (2)</u>	<u>Per Capita Income (2) (4)</u>	<u>Labor Force (9)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (10)</u>
2003	830,923	\$ 26,644,565	\$ 31,809	475,007	5.2 %	135,439
2004	836,103	28,115,765	33,236	440,424	4.5	137,285
2005	840,513	29,434,782	34,496	445,124	4.5	136,095
2006	836,644	30,306,871	35,567	446,366	4.1	133,325
2007	832,699	31,753,583	37,361	448,144	3.7	131,014
2008	830,514	33,026,742	38,847	454,201	4.5	129,752
2009	834,560	33,227,622	38,810	452,754	7.1	127,977
2010	863,420	34,302,938	39,647	462,138	7.7	127,039
2011	871,233	n. a.	n. a.	464,524	7.0	126,671
2012	n. a.	n. a.	n. a.	464,436	6.8	123,833

Notes:

- (1) Source: Data for 2003-2009 from the U.S. Bureau of the Census, data for 2011-2012 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2011 and 2012 is not currently available)
- (3) Source: Data for 2009 - 2011 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities:										
General Government:	77.11	76.52	75.99	81.00	81.00	83.45	78.75	76.35	74.05	66.05
County Planning and Zoning:										
Office of the Planning Director	2.30	2.50	2.50	2.50	3.30	3.77	3.82	3.00	3.00	6.00
Management Services	12.40	12.80	11.30	11.10	9.30	7.60	25.57	28.35	29.02	22.39
Functional Planning and Policy	-	-	-	-	-	-	-	-	-	14.50
Area 1	-	-	-	-	-	-	-	-	-	11.49
Area 2	-	-	-	-	-	-	-	-	-	15.49
Area 3	-	-	-	-	-	-	-	-	-	16.19
Strategic Planning	4.50	4.50	4.50	4.40	3.30	4.30	-	-	-	-
Community-Based Planning	45.75	44.70	43.70	39.00	38.00	38.77	22.22	24.17	21.20	-
County-Wide Planning	42.35	41.70	40.20	40.10	41.00	48.57	-	-	-	-
Environmental Planning	-	-	-	-	-	-	23.67	23.67	22.43	-
Transportation Planning	-	-	-	-	-	-	17.89	18.15	13.29	-
Urban Design	-	-	-	-	-	-	17.01	16.99	15.20	-
Development Review	24.40	24.80	24.60	28.50	35.60	35.00	32.32	31.48	15.60	-
Development Applications and Regulatory Coordination	-	-	-	-	-	-	-	-	-	12.60
Center for Research and Information Systems	29.80	28.00	26.80	26.30	26.90	31.30	28.55	24.84	23.18	12.64
Total County Planning and Zoning	161.50	159.00	153.60	151.90	157.40	169.31	171.05	170.65	142.92	111.30
Park Operations and Maintenance:										
Director of Parks	-	2.00	4.00	3.90	24.20	23.65	21.57	5.55	5.55	5.00
Superintendent of Parks	16.50	15.00	19.00	19.00	-	-	-	6.00	6.00	-
Special Programs	-	-	-	-	-	-	-	10.30	10.30	18.00
Park Information and Customer Service	-	-	-	-	-	-	-	7.50	7.50	20.60
Management Services	-	-	-	-	-	7.22	7.13	6.00	6.00	-
Facilities Management	-	-	-	-	-	6.90	6.83	6.00	6.00	-
Technology Center	8.00	10.00	7.70	8.90	10.10	11.50	10.74	10.90	11.15	-
Park Planning and Stewardship	16.30	16.05	18.95	20.50	18.85	29.88	33.43	31.96	31.62	25.70
Park Development	26.50	27.50	27.00	27.70	26.50	28.50	28.43	28.50	28.55	24.80
Park Police	115.05	115.05	112.50	111.20	117.50	112.85	114.72	115.56	115.61	104.90
Horticultural Resources	69.25	67.65	65.05	67.30	65.65	62.65	63.84	63.40	63.50	73.20
Facilities Management (formerly Central Maintenance)	107.25	102.30	96.30	106.80	101.30	102.77	104.76	102.90	102.65	91.10
Northern Region	123.25	118.00	113.90	118.00	115.10	114.71	116.25	116.52	116.52	101.00
Southern Region	197.30	190.30	175.00	181.50	174.22	179.11	180.51	182.14	181.84	153.90
Support Services	-	-	-	-	-	-	-	1.10	1.10	1.10
Property Management	2.10	3.10	3.10	3.00	3.00	3.50	3.50	3.50	3.50	2.50
Total Park Operations and Maintenance	681.50	667.40	644.50	667.80	656.42	683.24	691.71	692.00	691.39	621.80
Business-Type Activities										
Recreational and Cultural Facilities	226.35	229.30	215.40	204.70	109.70	110.30	104.60	113.10	110.90	117.20
Total Workyears	1,146.46	1,132.22	1,089.49	1,105.40	1,004.52	1,046.30	1,046.11	1,052.10	1,019.26	916.35

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Total Government Employees by Function
Last Ten Fiscal Years

continued

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General Government:	76.60	75.70	75.70	77.20	79.35	82.65	86.90	85.40	83.75	81.55
County Planning and Zoning:										
Director's Office	14.00	14.00	13.00	15.00	14.00	14.00	16.00	27.00	28.00	28.00
Development Review	41.20	42.70	43.60	46.60	48.40	49.70	52.70	60.00	59.00	56.00
Community Planning	22.93	21.03	24.13	26.88	33.63	45.80	43.80	43.60	43.60	42.60
Redevelopment Authority	13.90	14.00								
Information Management	21.80	23.00	22.00	23.00	23.50	24.60	25.60	27.60	27.80	28.00
County-Wide Planning	29.80	31.00	32.00	34.00	35.50	42.00	39.50	46.00	46.00	45.00
Information Center	21.10	20.00	22.00	22.00	23.50	25.00	27.00			
Total County Planning and Zoning	164.73	165.73	158.73	167.48	178.53	201.10	204.60	204.20	204.40	199.60
Park Operations and Maintenance:										
Office of the Director	34.70	40.70	39.70	39.70	39.70	25.10	27.50	4.00	4.00	3.00
Administrative Services	-	-	-	-	-	-	-	16.10	15.10	15.50
Administration and Development	-	-	-	-	-	-	-	-	-	2.00
Public Affairs and Marketing	-	-	-	-	-	-	-	-	-	-
IT & Communications	-	-	-	-	-	15.20	16.20	12.00	15.00	14.00
Park Police	123.40	124.20	124.20	129.80	130.80	137.60	143.50	16.20	27.20	29.20
Park Planning and Development	48.00	47.00	47.00	48.00	51.00	52.00	61.00	146.50	151.50	146.50
Facility Operations	232.50	234.50	235.50	243.50	243.50	250.50	271.60	61.00	61.00	56.50
Area Operations	202.10	204.10	204.10	219.60	219.60	228.10	240.10	269.50	266.50	291.90
Total Park Operations and Maintenance	640.70	650.50	650.50	680.60	684.60	708.50	759.90	765.40	789.40	800.10
Recreation Programs:										
Director's Office	3.00	3.00	8.00	8.00	9.50	9.50	19.50	20.50	18.50	18.00
Administrative Services	-	-	-	-	-	-	-	3.00	2.00	2.00
Public Affairs and Marketing	-	-	-	-	-	-	-	2.00	2.00	3.00
Administration and Development	-	-	-	-	-	9.00	9.00	9.00	-	-
IT & Communications	-	-	-	-	-	160.70	164.70	217.30	226.50	179.40
Facility Operations	159.60	157.60	157.60	159.10	161.10	160.70	164.70	700.30	733.30	723.70
Area Operations	473.00	472.00	622.40	644.10	654.60	670.60	718.30	249.10	249.10	241.50
Total Recreation Programs	635.60	632.60	788.00	811.20	825.20	849.80	913.50	952.10	982.30	926.10
Business-Type Activities										
Recreational and Cultural Facilities	217.50	210.50	209.50	207.50	215.50	218.00	213.00	202.00	200.50	193.00
Total Workyears	1,735.13	1,735.03	1,860.43	1,943.98	1,983.18	2,060.05	2,177.90	2,209.10	2,260.35	2,200.35

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17

Operating Indicators by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	200	200	362	325	400	350	376	109	60	147
Number of Vendors in Directory	15,171	16,015	17,014	17,741	18,481	19,514	20,393	14,048	14,974	15,926
Number of MFD Vendors in Directory	1,772	2,094	2,551	2,818	3,028	3,383	3,747	3,830	4,182	4,547
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed	8	9	12	6	7	-	4	4	2	3
Number of Regulatory Planning Reviews	26	30	35	35	38	120	124	220	254	352
Number of Transportation Studies	53	46	56	52	40	39	40	26	29	47
Number of Site Plan and Project Plans Reviews	135	107	142	109	160	na	na	na	76	81
Number of Daily Website Visits	n/a	1,963	2,000	2,800	3,000	3,080	3,624	3,439	4,190	3,225
Number of GIS Updates	2,086	2,500	1,805	2,140	2,400	5,697	14,576	23,602	18,537	69,237
Park Operations and Maintenance:										
Number of Park Permits Issued	9,239	9,505	9,475	9,475	9,547	9,882	9,014	8,003	8,753	8,330
Number of Playground Renovations Completed	2	14	16	6	6	10	12	10	6	8
Total Acres of Parkland Acquired	1,031	224	407	310	480	297	140	877	59	355
Trees Planted for Reforestation Projects	2,000	1,200	1,300	1,512	1,295	1,100	1,581	1,642	1,797	6,300
Major Maintenance Requests Completed	32	30	33	146	184	240	84	172	85	98
Service Requests Completed	5,463	5,300	5,569	5,812	6,830	7,104	7,798	8,556	6,432	6,453
Number of Customers Attending Nature Programs	n/a	n/a	35,225	30,355	45,808	46,700	37,877	45,248	34,533	27,274
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	418,318	426,493	440,235	459,863	449,007	408,746	390,336	424,638	427,854	402,438
Number of Indoor Tennis Customers	159,869	155,604	140,760	139,839	132,801	58,510	96,103	121,715	122,049	106,435
Number of Park Facilities Customers	358,668	494,563	520,097	496,112	569,315	490,220	422,565	500,679	588,464	626,243
Number of Conference Center Customers	32,301	31,873	37,466	39,153	29,964	30,359	27,729	31,534	28,455	40,943

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17
continued

Operating Indicators by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	157	214	214	163	70	152	50	90	98	120
Number of New Zoning Applications	88	71	76	90	59	53	42	54	34	52
Number of Help Desk Requests Completed	1966	2240	2030	2770	2450	2900	3843	3714	3213	3700
Number of GIS Requests Delivered	212	240	240	206	200	211	228	213	200	200
Number of Transportation Referrals Received	338	369	303	318	346	282	192	151	107	133
Number of Environmental Referrals Received	1441	1791	1783	2355	1923	1323	944	550	359	370
Number of Walk-in Customers Served	n/a	7165	7100	10149	7000	7269	6417	7000	5256	5500
Number of Telephone Calls Responded to	n/a	10811	10811	9645	11000	8128	4440	5000	4162	4900
Park Operations and Maintenance:										
Number of Nature Education Attendees	39,193	91,320	152,817	152,346	167,372	160,799	165,500	n/a	n/a	n/a
Number of Museum Visitors (College Park Airport)	53,000	76,331	77,246	88,019	65,772	60,331	68,000	n/a	n/a	n/a
Number of Commission Facility Permits Issued	5,400	4,676	5,494	4,363	4,521	4,600	4,700	n/a	n/a	n/a
Number of activities for fee assistance clients	n/a	n/a	n/a	n/a	n/a	1,400	1,750	2,000	2,150	n/a
Acres of Grass Mowed	5,582	5,696	6,040	6,450	6,600	7,100	7,550	7,595	n/a	n/a
Number of Park acres	n/a	n/a	n/a	n/a	n/a	26,776	26,998	27,188	27,528	27,628
Number of completed Capital Improvement projects	n/a	n/a	n/a	n/a	n/a	36	32	49	34	66
Number of picnic shelters rentals	n/a	n/a	n/a	n/a	n/a	972	936	928	924	929
Number of ADA Accommodations	n/a	n/a	n/a	n/a	n/a	1,400	1,500	1,600	2,600	2,800
Number of Community Sponsored Events	n/a	n/a	n/a	n/a	n/a	112	131	262	313	322
Number of Historic Property Rentals	706	663	566	596	609	752	763	798	780	780
Recreation Programs:										
Number of Museum Visitors (Historic Sites)	33,718	34,030	42,246	51,155	48,194	47,336	49,000	n/a	n/a	n/a
Number of Youth Sports Participants	18,000	20,000	18,000	15,400	13,000	12,000	12,800	14,933	n/a	n/a
Total Aquatics Activities Attendance	222,835	275,772	271,834	284,944	295,242	290,000	291,000	65,403	n/a	n/a
Total Community Center Classes Conducted	4,000	4,877	4,699	5,078	5,387	6,866	5,650	11,901	n/a	n/a
Number of Art class registrants	n/a	n/a	n/a	n/a	n/a	2,400	2,500	2,900	3,100	n/a
Total Youth registered for recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	214,422	214,400
Total Seniors registered for recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	90,662	90,000
Number of program youth volunteers	n/a	n/a	n/a	n/a	n/a	1,400	1,500	2,900	7,800	7,900
Number of Art classes	n/a	n/a	n/a	n/a	n/a	n/a	2,700	2,900	6,900	7,000
Number of Therapeutic Recreation programs	n/a	n/a	n/a	n/a	n/a	362	375	425	408	405
Business-Type Activities										
Recreational and Cultural Facilities										
Number of Rounds of Golf	88,561	89,102	91,867	90,556	81,274	84,558	94,000	n/a	n/a	n/a
Number of Fitness Center Class Participants	22,000	22,000	23,500	26,000	26,500	28,000	27,500	10,867	n/a	n/a
Number of Ice Rink General Admissions	11,700	16,800	27,900	27,000	24,355	36,564	31,000	4,753	n/a	n/a
Number of Attendance (Show Place Arena)	216,061	253,446	268,304	277,295	278,147	240,840	226,652	n/a	n/a	n/a
Number of Attendance (Equestrian Center)	41,806	36,941	37,735	38,562	37,122	35,315	27,821	n/a	n/a	n/a
Number of Fitness center memberships	n/a	n/a	n/a	n/a	n/a	3,725	4,046	4,000	5,198	6,500
Number of swimming classes	n/a	n/a	n/a	n/a	n/a	12,843	13,700	14,385	16,188	17,806
Number of event days at Show Place Arena	n/a	n/a	n/a	n/a	n/a	204	175	184	222	208

Source: The Park and Planning Commission Proposed Annual Budget, various years - FY 12 estimated data
n/a - not available

The Maryland-National Capital Park and Planning Commission

TABLE T-18

Capital Asset Statistics by Function
Last Eight Fiscal Years (1)

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

(1) Data for 2003-2004 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>	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Health and Human Services	26,460	1	5.63 %	29,700	1	6.39 %
Montgomery County Public Schools	24,000	2	5.11	22,556	2	4.85
U.S. Department of Defense	12,020	3	2.56	12,690	3	2.73
Montgomery County Government	10,000	4	2.13	11,309	4	2.43
U.S. Department of Commerce	7,369	5	1.57	8,250	5	1.77
Adventist Healthcare	5,900	6	1.26	6,600	6	1.42
Marriott International, Inc (Headquarters)	5,497	7	1.17	5,025	7	1.08
Lockheed Martin	5,200	8	1.11	4,741	8	1.02
Verizon	3,571	9	0.76	-	-	-
Montgomery College	3,500	10	0.75	3,061	10	0.66
Giant Food Corporation	-	-	-	4,377	9	0.94
Total	103,517		22.05 %	108,309		23.30 %

PRINCE GEORGE'S COUNTY

<u>Employer</u>	2011 (1)			2002 (1)		
	Private Sector Employees	Rank	Percentage of Total County Employment	Private Sector Employees	Rank	Percentage of Total County Employment
United Parcel Service	4,220	1	0.94 %	2,300	5	0.47 %
Giant Food, Inc.	3,600	2	0.80	6,500	1	1.27
Verizon	2,738	3	0.61	-	-	-
Dimensions Health Corporation	2,500	4	0.56	3,000	2	0.43
Gaylord National Resort and Convention Center	2,000	5	0.45	-	-	-
Shoppers Food Warehouse	1,975	6	0.44	1,975	6	0.41
Safeway Stores, Inc	1,605	7	0.36	2,400	4	0.49
Chevy Chase Bank	1,456	8	0.32	-	-	-
Target	1,400	9	0.31	-	-	-
Doctor's Community Hospital	1,300	10	0.29	-	-	-
Southern Maryland Hospital Center	1,300	10	0.29	-	-	-
Bell Atlantic Corp/Verizon	-	-	-	2,700	3	0.42
Raytheon Systems Company	-	-	-	1,300	7	0.27
Computer Science Corp	-	-	-	1,200	8	0.25
Aetna U.S. Healthcare, Inc.	-	-	-	1,100	9	0.23
Honeywell Technology Solutions	-	-	-	900	10	0.23
Total	24,094		5.37 %	23,375		4.47 %

Note:

(1) In 2012, information is not yet available. The number of employees in FY 2002 is provided for the ten year comparison.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses
For the Fiscal Year Ended June 30, 2012

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	Totals
Operating Revenues	\$ 591,503	\$ 517,718	\$ 4,376,856	\$ 1,563,052	\$ 3,201,460	\$ 10,250,589
Operating Expenses Before Depreciation	685,774	139,059	3,696,549	1,256,661	2,561,973	8,340,016
Operating Income (Loss)	(94,271)	378,659	680,307	306,391	639,487	1,910,573
Before Depreciation	33,951	411,069	677,780	38,675	97,820	1,259,295
Depreciation	(128,222)	(32,410)	2,527	267,716	541,667	651,278
Operating Income (Loss)	-	(49,549)	(57,476)	103,277	12,140	8,392
Nonoperating Revenues (Expenses)						
Net Income (Loss)	\$ (128,222)	\$ (81,959)	\$ (54,949)	\$ 370,993	\$ 553,807	\$ 659,670

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	\$ 313,741	\$ 1,408,679	\$ 2,553,051	\$ 563,037	\$ 372,333	\$ 1,730,654	\$ 3,014,286	\$ 77,742	\$ 10,033,523
Operating Expenses Before Depreciation	361,330	3,349,007	3,466,645	1,409,360	1,588,706	1,676,444	7,076,932	919,712	19,848,136
Operating Income (Loss)	(47,589)	(1,940,328)	(913,594)	(846,323)	(1,216,373)	54,210	(4,062,646)	(841,970)	(9,814,613)
Before Depreciation	164,899	588,576	114,265	135,151	41,012	4,862	1,154,372	63,816	2,266,953
Depreciation	(212,488)	(2,528,904)	(1,027,859)	(981,474)	(1,257,385)	49,348	(5,217,018)	(905,786)	(12,081,566)
Operating Income (Loss)	1,558	4,972	-	-	5,367	238,202	9,607	5,255	26,759
Nonoperating Revenues (Expenses)									
Capital Contribution									
Transfers In (Out)	229,500	2,288,500	843,300	836,600	1,223,000	42,200	3,869,400	816,500	10,149,000
Net Income (Loss)	\$ 18,570	\$ (235,432)	\$ (184,559)	\$ (144,874)	\$ (29,018)	\$ 329,750	\$ (1,338,011)	\$ (84,031)	\$ (1,667,605)

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

ACKNOWLEDGMENTS

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

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Photo Index

Cover:

Top left: Oakley Cabin African American Museum and Park in historic Brookville, MD.

Top right: Members of the community gather for the Randolph Hills Shelter dedication at the Randolph Hills local park in Silver Spring, MD.

Bottom left: Miniature train ride at Cabin John Park. The train is a replica of the 1863 C.P. Huntington, a 4-2-4T steam locomotive purchased by the Southern Pacific Railroad and named in honor of Collis P. Huntington, President of the Southern Pacific Company.

Bottom right: Exterior view of Meadowbrook Activity Center located in Meadowbrook Local Park, Chevy Chase, MD.

Page 8: Collage

Miracle League Field mascot, coach and young batter up at bat...Young tennis players at the South Germantown Tennisplex opening...Father takes daughter and son paddle boating at Lake Needwood...Children's soccer match...Seniors participate in ceramic class at Langely Park Community Center...Park Police participate in community events at Watkins Regional Park...Seniors dancing at Jazz Festival for Active Aging week held at Oxon Hill Manor...Children attempt rock climbing at the Festival of Nations at the Tucker Road Athletic Complex.

Photo Credits:

Francine Bethea (Montgomery County): pages 1, 8, 19, 109, and 117.

Cassi Hayden (Prince George's County): Cover, pages 9, 105, 113, and 121.

Market Ebert (Prince George's County): page 8

The Maryland-National Capital
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