

The Maryland-National Capital Park and Planning Commission



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ANNUAL REPORT**

Of

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For the Fiscal Year Ended June 30, 2013

Commissioners

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

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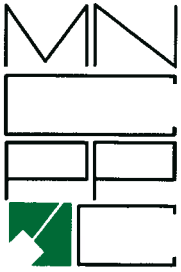
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◆ PART I ◆
INTRODUCTORY SECTION



Black Hill Visitor Center, Black Hill Regional Park



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 14, 2013

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2013 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, 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 CliftonLarson Allen 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, 2013 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, 2013 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 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**. 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.

The Montgomery County Parks Foundation, Inc. is included as a component unit in the accompanying financial statements and is disclosed in the Notes to the Financial Statements. A copy of the independently audited annual financial report is available from the component unit.

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 2013, 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, 2013, the Commission's General Fund budget basis ending fund balance was \$202.5 million.

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

Montgomery and Prince George's Counties are adjacent to Washington, D. C. and both 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 2012 was \$71,122, an increase of about \$1,100 from the previous year and Montgomery County regularly ranks among the top 10 wealthiest counties in the nation.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2013, the nation's unemployment rate was 7.6 percent, whereas Montgomery and Prince George's rates were 6.0 percent and 7.7 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 2012.

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 FY2013 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 (\$147.4 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 2013. 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, 2012. 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.

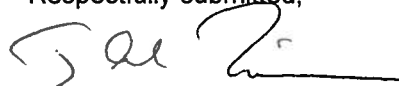
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2013. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

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

Respectfully submitted,



Joseph C. Zimmerman, CPA
Secretary-Treasurer



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Commission Background and Organization

The Maryland-National Capital Park and Planning Commission is a body corporate of the State of Maryland, established by the Maryland General Assembly in 1927. The laws governing the Commission were codified in 1959, recodified in 1975 to be Article 66D of the Annotated Code of Maryland and again in 1983, to be Article 28. As of October 1, 2012, Article 28 of the Annotated Code of Maryland is recodified under Division II, Land Use Article, Maryland Annotated Code.

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

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

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

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

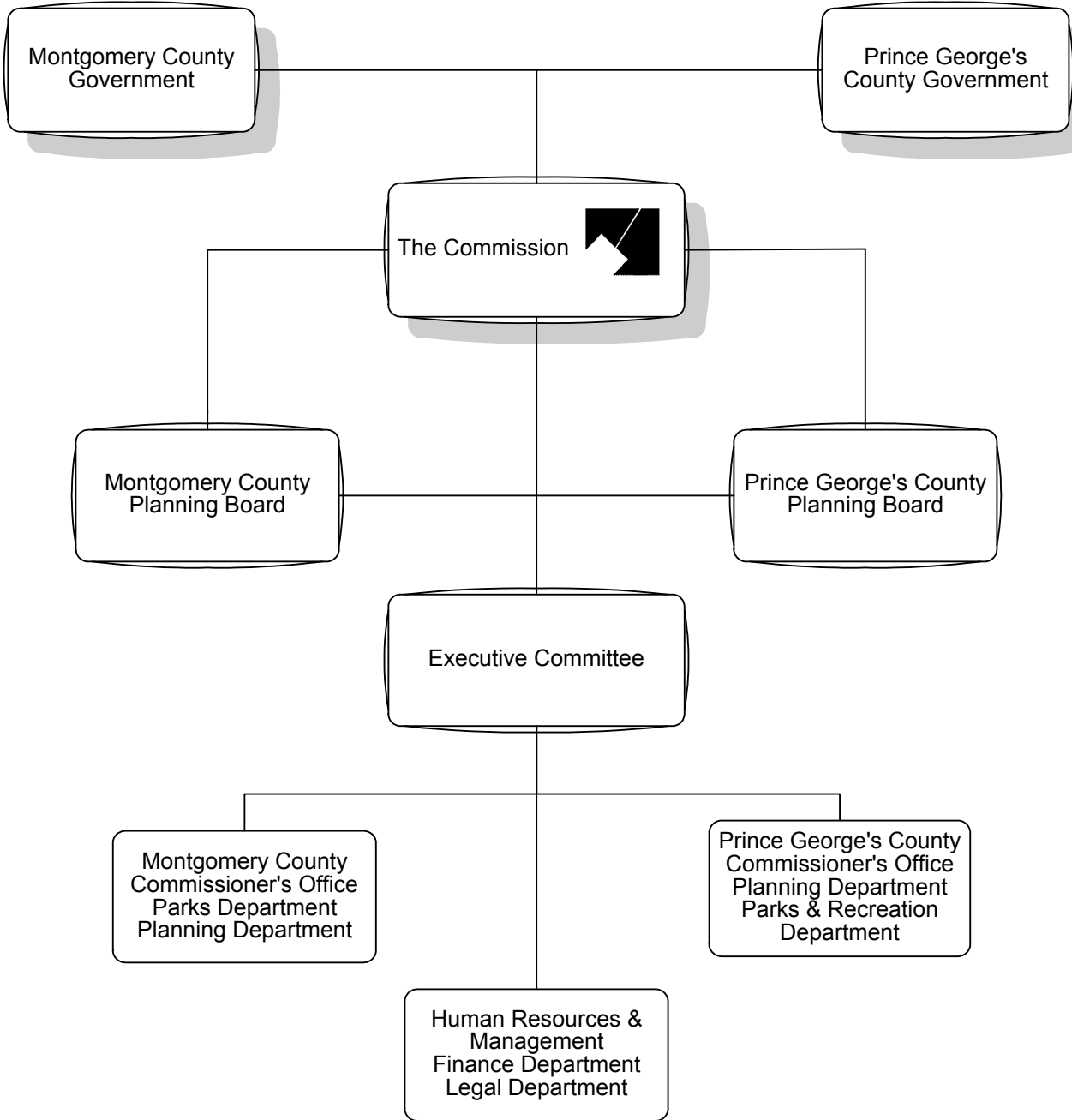
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 62,700 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 1,900 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 4,800 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 2013 PROGRAM HIGHLIGHTS

In FY13, The Maryland-National Capital Planning Commission (M-NCPPC) fulfilled its mission to provide top-quality, vital land use planning and parks and recreation services to the citizens and residents of Montgomery and Prince George's counties. The agency supported this mission by building on a prudent long-term fiscal stability plan, bolstered by creative, collaborative public-private partnerships, grants and other complementary funding sources. This strategic fiscal plan supported the completion and opening of a number of new recreational facilities, including the eagerly awaited South County Recreation and Technology Center in Ft. Washington and the indoor artificial turf Sports Pavilion at Wheaton Regional Park, and the acquisition of new parkland in both counties.

Significant volunteer participation contributed millions of dollars of value in in-kind services across the bi-county area as well. And, strong collaboration with other government agencies and private partners and funders supported an increasing focus on health and wellness, both in parks and recreation activities and community planning. The only five-time gold medal winner for excellence in parks and recreation in the United States and one of less than 100 agencies in the country accredited by the Commission for Accreditation of Park and Recreation Agencies (CAPRA), M-NCPPC continued to receive national recognition for its programs from a variety of professional organizations, including the American Planning Association and the National Recreation and Parks Association. The Commission was also honored again as a Gold Medal finalist in FY13.

During the fiscal year, M-NCPPC continued to build on its strong reputation for accomplishment and leadership in community outreach and collaboration, encouraging the active participation of thousands of citizens and other stakeholders in a number of major comprehensive planning projects and efforts that will affect the future of the bi-county area for years to come. These include: Formula 2040: The Functional Master Plan for Parks, Recreation and Open Space in Prince George's County; Plan Prince George's 2035, the update of the County's General Plan; and the ambitious rewrite and revision of the Montgomery County Zoning Ordinance.

Prince George's County Department of Parks and Recreation

Engaging the Community in Plans for the Future: The Department of Parks and Recreation completed its first functional master plan in over 30 years. *Formula 2040: The Functional Master Plan for Parks, Recreation and Open Space* takes an innovative approach to parks, recreation and open space planning that goes beyond a typical land use plan. It provides an integrated approach to define a sustainable model for the provision of future parks and recreation programs, and was built on a collaborative planning process involving hundreds of meetings with residents, an advisory panel and representatives from local municipalities. The plan was formally approved by the Prince George's County Council and adopted by the Prince George's County Planning Board. Plan implementation will serve County residents with an additional 8,000 acres of parkland, 200 miles of off-road trails, and 500,000 square feet of indoor recreation space by the year 2040.

Bringing New Resources: A total of \$560,000 in grants from state and federal agencies and private organizations supported capital projects and programs including trail extensions, after school and summer programs for youth, performing arts programs, archeology programs and restoration projects along waterways and in parks. Sponsorship support for community events and programs raised close to \$350,000 in additional revenue and in-kind support for the Festival of Lights, Kinderfest, Festival Hispano, Festival of Nations, Herb, Bread & Tea Festival, Jug Bay 10K Run and Walk, as well as program support for the Teen Cotillion and children's performances at the Publick Playhouse. Approximately 3,550 volunteers—including groups and individuals of all ages—participated in service opportunities valued at over \$8 million in donated time and resources.

Enhancing and Maintaining Our Parks: The Department purchased approximately 140 acres of new parkland, and through the Historic Agricultural Resource Protection Program secured approximately 273 acres in conservation easements. The new, 37,000-square-foot Southern Regional Technology and Recreation Complex was opened as well as a new skate park at Cosca Regional Park. Renovations were completed at Allentown Splash, Tennis and Fitness Park and Seat Pleasant Activity Center. New classrooms and renovations were completed at Henson Creek and Paint Branch Golf Courses to support their First Tee youth golf programs, and in the suites at Prince George's Stadium. New park rental buildings—Jesse J. Warr, Jr. and Lincoln Vista—were opened. At Walker Mill Regional Park, major improvements to the infrastructure, play area and trail were completed. Imagination Playgrounds were constructed at Berwyn Heights, Tucker Road and Mitchellville South neighborhood parks. Renovations converted the Bladensburg Community Center activity room into a full teen center. In addition, Fleet Management provided a full complement of support services to the Prince George's County Department of Public Works and Transportation through the winter. This included removing snow and ice from four major county routes, while simultaneously clearing residential and recreation areas for safe passage.

Providing Healthy Recreation Opportunities: The Department launched a health and wellness zone at Tucker Road Athletic Complex to promote active lifestyles through healthy activities, educational classes and fun events using the park amenities, ice rink, community centers, golf course, exercise stations and walking loop trails. To help promote a healthier community, a community garden at the Prince George's Sports & Learning Complex engaged residents to produce healthier food options for their families. In collaboration with the Prince George's County Public Schools, the Make a Splash program served over 1,200 second grade students by providing free water safety education and swimming lessons utilizing grant funds from the USA Swimming Foundation. A new partnership with the Prince George's Women's Lacrosse Association, PG PRIDE, and the U.S. Lacrosse Association offered free lacrosse clinics and classes for boys and girls around the County; plans are being developed to offer recreational leagues in 2014. The Department hosted the 7th Annual Maryland Senior Idol program showcasing senior talent and implemented a senior Latino outreach initiative in the northern area of the county. Over 700 visitors attended the first Prince George's County Wine Festival at Marietta Historic House. The Department continued its successful Safe Summer late night recreation program at 24 locations engaging youth 12 to 24; approximately 41,000 visits were logged over the 6-week program. A new partnership with the National Rehabilitation Hospital and the Paralympics of Washington, D.C. offered specialized programs and events for injured service members, veterans and individuals with physical disabilities. The successful Building Block volunteer training program for teens moved from evening sessions to two full days when schools are not in session.

Supporting Arts and Cultural Heritage: The Arts and Cultural Heritage Division continued its mission to make connections between art and people in arts performances and activities. County school children participated in field trips to the Publick Playhouse to enjoy four GEICO Gecko Children's theater programs. A new mobile arts program, Arts On a Roll, was launched, offering unique opportunities for participants to engage in artistic activities in areas where these activities may be limited. For the first time, the popular Shakespeare in the Parks live theater program was produced by Department staff; *The Tempest* was a high-quality production that provided employment for local artists, sound and light technicians and theater students. Three public art pieces were installed at Department properties. County residents participated in creating a tile mural for their community recreation center. The art centers offered innovative classes, camps, entertaining concerts and cultural heritage programs. In addition to a busy year of facility rental activity, the rental properties opened their doors with performances and events that allowed the public greater access to these community treasures.

Preserving Natural and Historical Resources: The implementation of a sustainable mowing program reduced the number of acres routinely mowed in undeveloped areas, with both cost savings and environmental benefits--increased habitat for birds and small animals as well as reduced carbon emissions into the atmosphere. A grant from the War of 1812 Bicentennial Commission to the Archaeology Program is funding a geo-physical survey using ground penetrating radar to locate the remains and location of the War's 1814 Encampment in the Town of Nottingham. Abraham Hall served as host of the Smithsonian's Neighborhood Tour of African American Communities which profiled the history of the benevolent lodge and the ironworking community of Muirkirk. The popular guided wildlife program *On the Water, Ospreys on the Patuxent* gave over 300 participants the opportunity to participate in an osprey monitoring project. A live, online osprey cam brought these birds' story to thousands.

Keeping Our Parks Secure: Park Police developed partnerships with local law enforcement agencies, communities, the court system and elected officials to support initiatives in reducing violent crime and quality of life crimes. The Division integrated law enforcement personnel into recreational programming and instituted educational public safety awareness activities to build relationships with staff, park users and the community. Electronic ticketing was fully implemented to streamline the citation process. Park Police staff has implemented electronic access control and camera surveillance in all M-NCPPC facilities to provide a safe environment for the community.

Prince George's County Planning Department

General Plan 2035: Staff members engaged in public outreach efforts throughout the county which included promoting a town meeting and distribution of plan information at various county libraries and metro stations. Staff also conducted the Plan Prince George's Town meeting held at the University Of Maryland's Samuel Riggs IV Alumni Center. Over 300 county stakeholders attended the meeting in which participants learned about and discussed six potential "downtown" locations that could become major economic engines for the county in the future.

Planning for Quality Communities: Work continued on Master Plans, Sector Plans, and Sectional Map Amendments, implementation activities, Planning Assistance to Municipalities and Communities projects, specialized planning studies, including efforts to support Transit Oriented Development, and support to the Transforming Neighborhood Initiative Program. Accomplishments included the following: interim land use controls for areas impacted by airport operations at Joint Base Andrews; completion of the Greenbelt Metro/MD 193 Sector Plan and SMA, Central Branch Avenue Revitalization Sector Plan, Star Spangled Banner/Scenic Byways Management Plan, Purple Line

Study, and Mt Vernon Viewshed Study; initiation of the Eastover Sector Plan & SMA, Landover Metro/MD 202 Sector Plan & SMA, Largo Lottsford Sector Plan & SMA, Southern Green Line Sector Plan & SMA, Eastover Sector Plan & SMA, and College Park/Riverdale Park TDDP/TDOZ; and execution of professional services contracts for the College Park/Riverdale Park TDDP/TDOW, Chillum Study, and Kenilworth Avenue/Town of Cheverly Industrial Study, and an MOU with the University of Maryland Small Business and Technology Development Center regarding the Branch Avenue in Bloom project.

Providing for Public Facilities and Services: Staff members completed a Public Facilities Needs Assessment to project the need and likely locations of future schools, libraries, fire, emergency medical and police stations. Staff also conducted land use and site design reviews for proposed federal, state and local government projects and updated the county's Water and Sewer Plan.

Developing Efficient Transportation Systems: A report identifying priority routes for future transit projects was completed; the Planning Board adopted new guidelines for providing vehicular, transit, bicycle and pedestrian infrastructure in new development; staff provided planning advice to the Department of Public Works and Transportation, the Metropolitan Washington Council of Governments, and the county's Bicycle and Trail Advisory Group.

Preserving and Protecting the Environment, Agriculture, and Historic Properties: The county adopted tier boundaries to limit the number of large lot developments using septic systems, in order to protect the Chesapeake Bay and comply with the Sustainable Growth Act. The Countywide Green Infrastructure Plan continued to be implemented; revisions to the technical manual associated with the Woodland Conservation Ordinance were prepared for public comment; development proposals were reviewed for forest conservation, wetland preservation and protection of the Chesapeake Bay. A Priority Preservation Area Master Plan to preserve farmland was approved. Staff provided analysis for the Maryland Agricultural Land Preservation Foundation and Historic Agricultural Resource Preservation Program applications. Staff supported the Historic Preservation Commission, including the issuance of grants to rehabilitate historic structures and recommendations for development review referrals and Historic Area Work Permits. The County Council enhanced the availability of Preservation Tax Credits.

Information Technology Advancements: New professional services contracts were secured to support ongoing improvements to PGAtlas, our online GIS mapping web site, and to acquire updates to important GIS data, including new aerial imagery. 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 offices, educational institutions and numerous private sector businesses. The Network and Technology Services Section completed building a virtualized server environment to improve computing efficiency and reduce costs and upgraded remote access and improved enterprise network services to strengthen Commission and Department communications and business operations. Document imaging services continued to expand and now is beginning to capture documents and plans for all development review applications, making them available to staff and others through the Department's Development Activities Monitoring System (DAMS).

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 28,000 permits were processed, and the Planning Information Center responded to almost 10,400 inquiries from the general public. Several major development proposals were approved, including 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 multiyear 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.

Montgomery County Parks Department

Park Projects and Acquisitions: Many new facilities were completed in FY13, including a new indoor, artificial turf Sports Pavilion at Wheaton Regional Park, an expansion of the Splash Playground at South Germantown Recreational Park, and the renovation of Takoma-Piney Branch Local Park – which was partially funded by a \$70,000 donation from former NBA All-Star Steve Francis – as well as eight playgrounds around the county. Three new facilities were introduced through the public-private partnership program, including the Jack Schore TennisPlex at South Germantown Recreational Park, a Dryland Diving Training Facility at Wall Local Park, and the Capital Crescent Trail Plaza (still in design), all developed with private funding at no cost to the taxpayer. The renovation of Evans Parkway Neighborhood Park is one of 150 projects in the country selected to participate in the pilot program for the Sustainable Sites Initiative (SITES), an interdisciplinary effort led by the American Society of Landscape Architects, the Lady Bird Johnson Wildflower Center and the United States Botanic Garden to create guidelines and benchmarks for sustainable

land design, construction and maintenance practices. Our Deer Management program for FY13 was completed in February 2013 for 26 park areas covering 15,071 acres. All harvest goals were achieved. In FY13, the Department acquired 98.69 acres of new parkland.

Required Federal and State Mandates: Under the Department's two National Pollutant Discharge Elimination System (NPDES) permits, the Department is required by the US EPA and the Maryland Department of the Environment to develop Best Management Practices (BMPs) to clean up storm water pollution and satisfy the EPA's six Minimum Control Measures. BMPs and other related initiatives include reforestation, personnel education, illicit discharge elimination, removal of impervious surfaces, and the design, construction and maintenance of storm water management facilities. Work continues with the Maryland Department of the Environment, the US Army Corps of Engineers, the Maryland Department of Natural Resources, and the Maryland Historic Trust, among others, to minimize the environmental impact of a Consent Decree that obligates the Washington Suburban Sanitary Commission (WSSC) to make numerous repairs to reduce and eliminate sewer overflows and leaks in Montgomery County.

ADA Compliance: The Department is proceeding on schedule with Americans with Disabilities Act (ADA) Compliance activities. In FY13, more than 600 employees were trained in ADA laws and awareness. Construction improvements at four parks are underway, and signage improvements at 19 parks were completed by August 2013. The 2013 ADA Interim Transition Plan (ITP), self-evaluation reports, the Department of Justice Park Site improvement Reports (as required by our Settlement Agreement) and a Signage Report have been delivered to the DOJ. To date, approximately 48% of our facilities have been evaluated; these evaluations have identified approximately 14,000 barriers. The total planning level costs as provided in the 2012 and 2013 ITPs to perform the ADA renovations are in the range of \$18 to \$20 million dollars.

Park Volunteerism: In FY13, individual and group volunteers contributed over 83,189 volunteer hours in support of the Department's wide variety of volunteer programs, a value of \$1.84 million. There were 90 volunteer cleanups throughout Montgomery Parks for Earth Month during April 2013, during which an estimated 2000+ volunteers removed around 30,000 pounds of trash from our parks.

Green Initiatives: In FY13, the Department achieved its 6% consumption reduction goal, with an emphasis on aging heating and air conditioning systems. Two additional fuel sites have been upgraded to be more energy efficient and ecologically friendly; three more upgrades are scheduled. Staff will continue to reduce yard waste and construction debris disposal to the county transfer station. A pilot program to increase community participation in recycling is underway at the Wheaton Regional Park. Since October 2012, the Department has collected and processed an estimated 1000 tons of storm debris and green waste produced by last summer's derecho and Hurricane Sandy. This volume of material is roughly double what we have processed in previous years. The material will be transformed into over 1000 cubic yards of mulch and 300 yards of valuable compost for use in our parks. We anticipate reaching a total of 1600 tons of material processed this year, maintaining our closed loop on green waste in the parks.

Revenue: The Enterprise Division continues to increase revenue sufficient to cover all operating and debt service expenditures as well as CIP projects, and, for another consecutive year, finished in the black in FY13. Event Center revenue continues to grow and is up 3% over the same time period last year, largely due to the new tent pads installed at Woodlawn Manor and Seneca Lodge. Revenue generated by the Park Permit Office through the rental of public amenities such as athletic fields, park activity buildings and picnic shelters increased by 19% from \$1.6 million in FY12 to \$1.9 million in FY13. Since no permit fees were increased during FY13, the increase in revenue is being attributed to more effective management practices and targeted marketing efforts.

The Montgomery Parks Foundation: The Montgomery Parks Foundation continues to progress toward establishing a sustainable and successful independent non-profit charitable organization to support Montgomery Parks. The Foundation operates on a calendar fiscal year and in its fiscal year 2012, the Foundation raised over \$415,000 to support donor-designated programs, facility repairs and improvements, benches and trees, and other efforts. As of June 30, 2013, the Foundation had achieved revenue of \$280,000 in donations and private support. The Foundation also successfully negotiated a countywide Whole Foods 5% day on January 9, 2013 that raised \$27,000 to support our community gardens program. The funds will be used to install and manage the new Long Branch community garden and provide general support for the community gardens program. As strategic fundraising programs are further implemented, the Foundation intends to focus its efforts on a \$2 million Capital Campaign for Josiah Henson Park, supporting enhancements to the Brookside Gardens Master Plan, enhancing the Tribute programs throughout the parks (benches, trees, bricks), and establishing donation programs to support the Nature Centers.

Montgomery County Planning Department

Regulatory Reviews: Throughout the year, the Planning Department processed a number of exciting development applications. In FY13, the Department's Development Application and Regulatory Coordination Division received and assigned 702 applications or amendments, forest conservation plans, special protection area plans, special exceptions, development plan amendments, local map amendments and mandatory referrals. Significant projects include White Flint Mall, Pike and Rose II, and North Bethesda II in White Flint, the Blairs and the new net zero United Therapeutics building in Silver Spring, Bethesda Center and 7900 Wisconsin in Bethesda, and Cabin Branch in Clarksburg. The number of building permits received by the Planning Department increased by 37% from FY12, indicating an economic upswing. The number of regulatory projects received by the Department remained constant in FY13 compared to FY12, but the number of residential units approved increased from 3,172 in FY 12 to 5,622 in FY 13. The Department expects more applications over the next year and is tracking the impact on funding and level of service.

Planning for Great Communities: Work continued on Master Plans, Sector Plans, Sectional Map Amendments and Implementation Plans, all with the goal of improving the quality of life in Montgomery County's diverse communities. The Planning Board transmitted the Chevy Chase Lake, Long Branch and Glenmont Sector Plans to the County Council and worked with the Council toward the approval of the Burtonsville Crossroads Neighborhood Plan. The Planning Board conducted a public hearing and began work sessions on the White Oak Science Gateway Master Plan.

Smaller, Nimbler Plans Address Community Needs: The Department implemented a new minor Master Plan amendment process to respond quickly to current and pressing planning issues. While Master Plans create a planning framework designed to last 15 – 20 years, minor Master Plan amendments are smaller and nimbler and can address potential land use changes and other priorities identified by community stakeholders. In response to the first round of applications, the County Council authorized three minor Master Plan amendments including 1) the Bethesda Purple Line Station Plan, 2) the Aspen Hill Commercial Area Plan, and the Sandy Spring Plan.

Master Plan Implementation: The Planning Board approved the first Biennial Master Plan Monitoring Report produced by planners to assess progress in implementing the ideas, including multi-modal transportation and mixed use development, that were set forth in three Master Plans – White Flint, Great Seneca Science Corridor, and Shady Grove. These plans include complex staging mechanisms that will help manage the transformation of these suburban areas into sustainable neighborhoods. The recommendations in the report identified and prioritized the actions and facilities needed to bring about successful redevelopment.

Zoning Rewrite Project Marks another Milestone: In May, the Planning Board transmitted to the County Council a comprehensive revision to the Zoning Ordinance as well as a comprehensive District Map Amendment. This project has been ongoing since October of 2010, when planners began revising the ordinance in order to modernize antiquated, redundant zoning regulations and create new tools to help achieve important goals such as better mixed use and sustainable development. Last rewritten in 1977, the 1,200 page code is viewed as unwieldy, inconsistent and outdated. The revised code will reduce the number of zones, consolidate the use table, and revise parking regulations, and should greatly improve ease of use. The County Council is expected to approve the new Zoning Ordinance in late 2013.

Staging Growth and Measuring Transportation: The County Council approved the Subdivision Staging Policy (SSP) prepared by the Planning Department and the Planning Board. The SSP manages growth over the next four years by setting policies and establishing tests to measure the impact of development in order to ensure that the necessary infrastructure including roads, transit and schools among others, keeps up with the development that is being approved. The 2012 – 2016 SSP differs from previous growth policies by introducing Transportation Policy Area Review, which includes a traffic test that analyzes roadway congestion and transit service and provides tools to match the funding of improvements where transit service or the roadway network fall short. Funding for such improvements would come from a mix of public funds and developer contributions. A key focus is the improvement of pedestrian and bicycle facilities.

Developing a Countywide Rapid Transit Plan: Planners finalized a functional plan focused on providing bus rapid transit in designated transit corridors throughout the county in order to improve accessibility and mobility. The network as originally envisioned would include 170 miles of rapid transit service. However, planners are focusing their attention on a more focused, 69 mile system, based on ridership projections. Planners will also explore whether such transit should be provided in roadway medians, in separate lanes but mixing with regular traffic, or a combination of the two. Any corridors selected for implementation will be included in the Master Plan of Highways.

Preserving a Slice of History: Although the number of Historic Area Work Permits (HAWPS) decreased slightly in FY13, the number of preliminary consultations increased significantly by more than 50 percent. Staff evaluated numerous resources for potential historic designation as part of the Long Branch, Glenmont and White Oak Science Gateway plans.

Partnerships and Collaborations: The Department worked closely with the Executive Agencies, the Utilities, the Office of Zoning and Hearings, and citizens and developers to determine ways to streamline the development process. Sixty-seven recommendations were put forward, with specific timelines for implementation, and quarterly meetings have been scheduled to assess progress.

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: There were a number of notable updates to agency-wide programs and policies to strengthen internal controls and cost containment, promote a workplace of excellence, and enhance organizational transparency/public accountability. National Recognition for Workplace of Excellence: On behalf of the agency, the department led the effort to be considered for prestigious national awards through the Alliance for Workplace Excellence. Following a rigorous review by a panel of industry leaders, the M-NCPPC became one of only a handful of organizations which earned all four awards for outstanding and innovative policies and programs, many of which were initiated by DHRM. These awards included: Workplace Excellence Award: Exceptional commitment to the overall success of its workforce initiatives such as management practices, workplace standards, and comprehensive work/life policies. Health and Wellness Trailblazer Award: Excellence in workforce health and wellness management. Diversity Champion Award: Commitment to creating a diverse and inclusive workforce. EcoLeadership Award: Visionary leadership and commitment to environmentally sustainable workplace practices and efficient use of resources.

Collective Bargaining: DHRM led management's negotiating team in bargaining with two unions. The focus of the team was on restructuring compensation and benefits to levels which are competitive yet more fiscally sustainable. The negotiations resulted in agreements with both unions for pension and health benefit savings. Implement Classification and Compensation Study: Human Resources engaged the services of a consultant to identify best practices in Classification. Meetings began in order to understand the Classification/Compensation challenges of the organization. Surveys were distributed and will be evaluated, along with the face-to-face meetings, to determine what changes may be necessary. The study will continue through FY14.

Pension and Benefits Restructuring: Redesigned and implemented pension reforms and benefit cost sharing changes to maintain competitive benefits at sustainable funding levels. These efforts resulted in significant cost containment and reduced the Commission's financial burden by two million dollars. Implemented changes to the unemployment compensation program to proactively manage benefits claims and lower unemployment expenses.

Fiscal Responsibility and Budget Management: In partnership with the Finance Department, received the Distinguished Budget Presentation Award from GFOA for the 27th consecutive year. DHRM reengineered the budget function through improved corporate guidance on salary projections, long range planning, labor cost modeling, and cost allocations. The Corporate Budget Office serves as the main point of contact for administration of the agency budgets. Departmental budget activities streamlined to strengthen tracking, cost containment, and oversight.

Corporate Policy/Operational Standards: As part of the ongoing and comprehensive review of agency programs, a number of policies were revised/updated to provide clearer guidance on operating standards and practices, strengthen public accountability, and ensure compliance with evolving regulations. Among areas reviewed, implemented policies include: M-NCPPC Sustainability Standards: Established minimum sustainability standards that all departments must implement to support use of renewable resources, energy efficient design, reduction and recycling of resources, and cost containment. Mobile Technology: Established agency-wide standards for the authorization of devices, user responsibilities and permissible use, and oversight of M-NCPPC mobile technology. Organization and Function of the

Audit Committee: Established provisions to strengthen understanding of governmental auditing standards, and to clarify investigation roles and responsibilities, and the handling of public release of audits. **Fraud, Waste, and Abuse:** Revised policy to incorporate: expanded avenues to report concerns, clearer investigation roles, and improved coordination of investigations. **Employee Leave Policies:** Personal, Annual, Sick, and Compensatory Leave: Updated policies to enhance understanding of wage laws, reflect restructure leave benefits, and clarify leave administration.

Health Care Reform: DHRM implemented Federal Health Care Reform as each stage of the regulations went into effect. On behalf of the agency, DHRM applied for and received \$340,000 in reimbursements from the Early Retiree Reinsurance program. DHRM also applied for and received \$374,000 from the Center for Medicare and Medicaid Services (CMS) through the Medicare Part D (Prescription) Subsidy program for the agency.

Risk Management/Workplace Safety Oversight: The Risk Management Office provides oversight and protection of Commission assets through purchase of insurance, contractual transfer of risk, program and operational analysis, mitigation of insured losses, loss prevention and related program and policy development to minimize risk and loss potential. This Office is also charged with developing and implementing the Commission's safety and health programs to reduce accidents and injuries through extensive training, inspections, testing, and regulatory compliance with state and federal workplace safety laws. Some key accomplishments in FY13 include: Delivery of 52 safety training sessions to over 1000 employees and supervisors to meet regulatory safety compliance; Implementation of a revised tracking system and database for improved monitoring of employee driving license. FY13 had a 22% reduction in reported injuries and a 9% reduction in lost time claims.

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 which 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 system. In FY13, the agency launched system testing to evaluate the design interface and make necessary modifications to ensure effective roll out of the program. Several components including the human capital management module will be implemented for users in FY2014. The Department continues to identify strategies to help the agency meet its mission through efficiency improvements, cost containment and value-added services and programs.

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: 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.

Information Systems Support: The IT Division 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: annual recertification of our network, security and general use controls; implementation of a scalable high-available storage area network for the virtualized servers; expansion of the Lawson ERP architecture to include a Production environment that mirrors the Test/Development environment; MHC; self-service and supplier portal; completion of the computer room upgrade and expansion of our virtual desktop integration which is used for local and remote access to the ERP project software and for remote desktop access.

Outreach to Minority, Female and Disabled Vendors: The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. These events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 24.8% which equated to \$27.6 million of procurement with MFD firms.

Financial Reporting: For the 40th 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 FY12 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

Office of General Counsel

The Office of the General Counsel, (OGC or Legal Department) provides a comprehensive program of legal services to the Commission, supporting 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 FY13 found the OGC actively involved in 53 court cases (including state and federal courts) which carried-over from FY12. During the fiscal year, the OGC managed 38 new court cases, resolved 43 court cases, and closed the fiscal year with 48 active court cases. The OGC has also 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, memoranda of understanding, and policies related to the Commission's park and recreation functions. Examples of important projects initiated or completed during FY13 include crafting a new policy for public-private partnerships in Montgomery County and structuring complex capital funding agreements for the National Childrens Museum in Prince George's County.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 70 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 project efforts. The Bi-County Chief Technology Officers have a dotted line reporting relationship to the OCIO. Fiscal year 2013 (FY13) continued to have its challenges, as expected, but the OCIO reports that there has been significant movement. During FY13 each Chief Technology Officer worked closely together to optimize the technology within the Commission's portfolio by sharing more information about projects within each department. As a result the Commission has adopted the ISO 27000 framework for IT security governance, we have begun the necessary Active Directory clean up, and we have aggressively supported the planned implementation of the Lawson Enterprise Resource Planning application. The Commission did consolidate several telecommunications lines while maintaining the connectivity to our more remote locations. The OCIO also believes the organizational focus has improved. There are many potential projects, but the Commission can't support all the projects at once.

Challenges will continue to present themselves in FY14. The OCIO will continue to improve communications, collaboration, network infrastructure, and security across the Commission's technical environment. FY14 projects will focus on IT Security governance to include Payment Card Industry Compliance, and Active Directory clean up. The OCIO will support the ERP implementation and ensure we maintain the currency of key applications like Office 365 and the Office Productivity Suite.

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 2013 more than 38 audits and reviews were performed and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

Merit System Board

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY13, 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 five plans, qualified under the Internal Revenue Code Section 401(a). The administrative operations are the responsibility of the ERS Staff and Board-appointed Administrator, who reports directly to the Chairman of the Board of Trustees.

ERS Trust Fund assets closed the year with a fair market value in excess of \$693.9 million. For the one, three, and five year period ending June 30, 2013, the ERS posted net of fee returns of 11.8%, 11.7% and 5.3%, respectively. The Board of Trustees actions for the year included implementation of the revised asset allocation policy with new investments in global fixed income, private equity, public and private real assets, and elimination of the long duration fixed income allocation. Additional initiatives included reducing the investment return assumption from 7.5% to 7.4% for the July 1, 2013 actuarial valuation; approving an allocation to a real estate debt fund; engaging a new U.S. small cap equity growth manager; and implementing plan amendments effective July 1, 2012 and January 1, 2013 which included changes to the employee contribution rate in Plans A and B, modification of the cost-of-living adjustment in Plans A, B, C, and D, and the addition of a new plan E for employees hired on or after January 1, 2013. Comprehensive communications to all members continued via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and educational on-site workshops and counseling for participants.

◆ PART IIA ◆

FINANCIAL SECTION

Basic Financial Statements



Exterior View of entrance to Largo Kettering Community Center

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information and the budgetary comparison for the general fund of The Maryland-National Capital Park and Planning Commission (the Commission) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Montgomery County Parks Foundation, Inc., a discretely presented component unit, which represents 100% percent of the assets, net position, and revenues of the aggregate discretely component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montgomery County Parks Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Commission as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Calverton, Maryland
October 14, 2013

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, 2013.

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

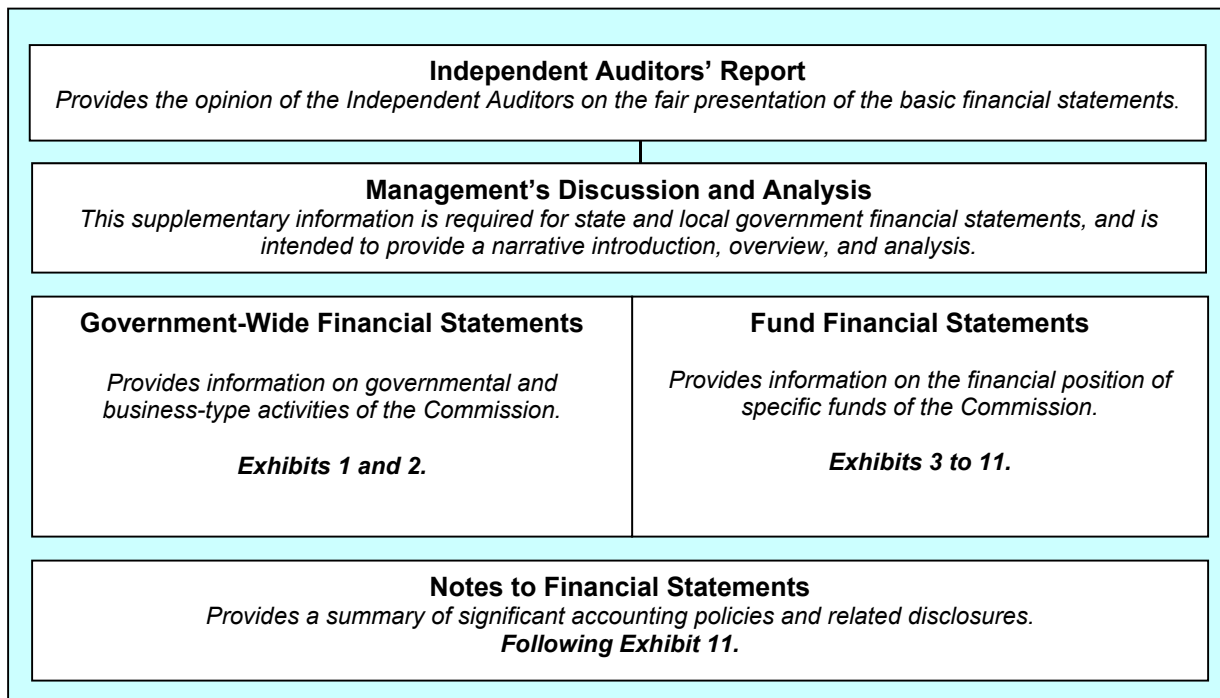
- The assets of the Commission exceeded its liabilities at June 30, 2013 by \$982.6 million (net position). Of this amount, \$260.0 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$50.9 million during fiscal year 2013. This is largely a result of: an increase in capital assets of \$29.7 million, \$27.9 million of grants and contributions, debt principal payments of \$11.7 million, offset by the increase in the OPEB liability of \$3.7 million.
- In fiscal year 2008 the Commission implemented GASB statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Implementing this statement required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. Because the Commission is phasing into full funding of the actuarially calculated contribution for these benefits, which contribution must be recorded as an expense, a liability of \$66.6 million has been recognized on the Commission's Statement of Net Position, including \$2.9 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2013, the Commission's governmental funds reported combined ending fund balances of \$321.9 million, an increase of \$12.2 million. Of this amount, \$135.3 million is unassigned, \$99.4 million is assigned and \$84.2 million is committed and \$3.0 million of fund balance is restricted.

- The Commission's General Fund balance at June 30, 2013 was \$242.7 million, an increase of \$80.1 million during the year. The unassigned fund balance of \$157.1 million is approximately 50.8% of fiscal year 2013 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance at June 30, 2013 was a deficit of \$3.0 million, a decrease of \$3.6 million. The unassigned fund deficit of \$21.7 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, 2013 was \$69.2 million, a decrease of \$67.1 million. The assigned fund balance of \$41.6 million has decreased due to a one time transfer out to the general fund in the amount of \$45.5 million.
- The assets of the enterprise funds exceeded liabilities by \$72.9 million, a decrease of \$0.7 million. The Prince George's Enterprise Fund had a decrease in net position of \$1.3 million and the Montgomery Enterprise Fund had an increase in net position of \$0.6 million.
- The Commission's bonds and notes payable decreased by \$12.5 million due to scheduled principal payments.

Overview of the Financial Statements

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

Organization and Flow of Financial Section Information



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

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

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

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

The government-wide financial statements include not only the Commission itself (known as the Primary Government), but also a legally separate entity known as a Component Unit. The Montgomery County Parks Foundation, Inc. is the Commission's discretely presented component unit, which is presented as a separate column in the government-wide statements.

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

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

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

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

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

The Commission adopts an annual appropriated budget for its General Fund, which is actually adopted as five "accounts" corresponding to the five different property tax levies. A budgetary comparison statement for the total General Fund has been provided as Exhibit 6, and summaries for each account are included in Note 6 of the Notes to the Financial Statements, to demonstrate compliance with this budget.

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

Proprietary funds. The Commission maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The

Commission uses enterprise funds to account for Recreational and Cultural Facilities in both Montgomery and Prince George's Counties.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Commission's various functions. The Commission uses internal service funds to account for Montgomery County's Capital Equipment, 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 position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$982.6 million at the close of the most recent fiscal year. A summary of the Commission's net position follows:

Summary of Net Position (millions)							
June 30, 2013 and 2012							
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total Percentage Change 2012-2013</u>
	2013	2012	2013	2012	2013	2012	
<u>Assets</u>							
Current and Other Assets	\$ 410.8	\$ 418.1	\$ 11.0	\$ 10.0	\$ 421.8	\$ 428.1	-1.5%
Capital Assets	730.1	697.6	69.0	71.8	799.1	769.4	3.9%
Total Assets	<u>1,140.9</u>	<u>1,115.7</u>	<u>80.0</u>	<u>81.8</u>	<u>1,220.9</u>	<u>1,197.5</u>	<u>2.0%</u>
<u>Liabilities</u>							
Current Portion of Long-term							
Liabilities	26.4	25.3	0.6	1.2	27.0	26.5	1.9%
Long-term Liabilities	164.0	170.0	3.9	4.1	167.9	174.1	-3.6%
Other Liabilities	40.8	62.3	2.6	2.9	43.4	65.2	-33.4%
Total Liabilities	<u>231.2</u>	<u>257.6</u>	<u>7.1</u>	<u>8.2</u>	<u>238.3</u>	<u>265.8</u>	<u>-10.3%</u>
<u>Net Position</u>							
Net investment in Capital							
Assets	653.8	611.6	68.8	70.7	722.6	682.3	5.9%
Unrestricted	255.9	246.5	4.1	2.9	260.0	249.4	4.3%
Total Net Position	<u>\$ 909.7</u>	<u>\$ 858.1</u>	<u>\$ 72.9</u>	<u>\$ 73.6</u>	<u>\$ 982.6</u>	<u>\$ 931.7</u>	<u>5.5%</u>

Current and other assets decreased by 1.5%, primarily due to a minor decrease in cash and investments. Changes in other liabilities were primarily a result of an increase in accounts payable. Changes in net position are discussed later.

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

The remaining balance of \$260.0 million of net position is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors. Changes in this balance are discussed later.

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

A summary of changes in net position follows:

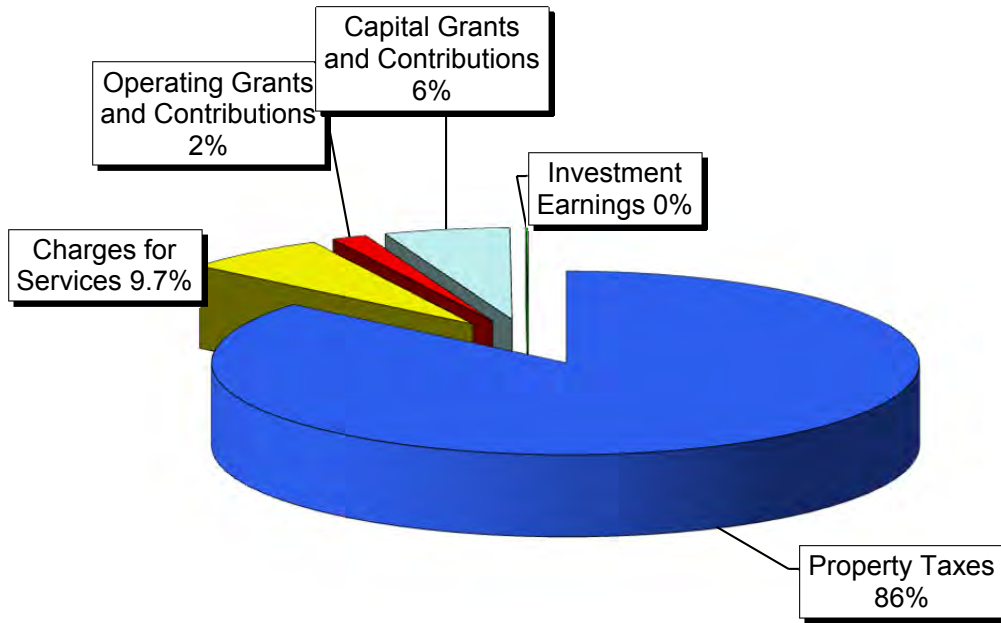
Summary of Changes in Net Position (in millions)
For the Fiscal Years Ended June 30, 2013 and 2012

	Governmental		Business-type		Total		Total Percentage Change 2012-2013
	Activities		Activities				
	2013	2012	2013	2012	2013	2012	
Program Revenues:							
Charges for Services	\$ 25.1	\$ 25.8	\$ 20.0	\$ 20.3	\$ 45.1	\$ 46.1	-2.2%
Operating Grants and Contributions	6.1	4.3	-	-	6.1	4.3	41.9%
Capital Grants and Contributions	21.8	16.6	-	0.3	21.8	16.9	29.0%
General Revenues:							
Property Taxes	327.6	336.3	-	-	327.6	336.3	-2.6%
Investment Earnings	0.4	2.0	-	0.1	0.4	2.1	-81.0%
Total Revenues	<u>381.0</u>	<u>385.0</u>	<u>20.0</u>	<u>20.7</u>	<u>401.0</u>	<u>405.7</u>	<u>-1.2%</u>
Expenses:							
General Government	16.9	18.1	-	-	16.9	18.1	-6.6%
County Planning and Zoning	45.5	56.2	-	-	45.5	56.2	-19.0%
Park Operations and Maintenance	199.3	200.4	-	-	199.3	200.4	-0.5%
Recreation Programs	55.8	65.9	-	-	55.8	65.9	-15.3%
Recreational and Cultural Facilities	-	-	29.5	31.8	29.5	31.8	-7.2%
Interest on Long-term Debt	3.1	3.4	-	-	3.1	3.4	-8.8%
Total Expenses	<u>320.6</u>	<u>344.0</u>	<u>29.5</u>	<u>31.8</u>	<u>350.1</u>	<u>375.8</u>	<u>-6.8%</u>
Increase (Decrease) in Net Assets Before Transfers	60.4	41.0	(9.5)	(11.1)	50.9	29.9	<u>70.2%</u>
Transfers	<u>(8.8)</u>	<u>(10.1)</u>	<u>8.8</u>	<u>10.1</u>	<u>-</u>	<u>-</u>	
Increase (Decrease) in Net Position	51.6	30.9	(0.7)	(1.0)	50.9	29.9	
Net Position - beginning	858.1	827.2	73.6	74.6	931.7	901.8	
Net Position - ending	<u>\$ 909.7</u>	<u>\$ 858.1</u>	<u>\$ 72.9</u>	<u>\$ 73.6</u>	<u>\$ 982.6</u>	<u>\$ 931.7</u>	

During the current fiscal year the Commission's net position increased by \$50.9 million. This is largely a result of: an increase in capital assets of \$29.7 million, \$27.9 million of grants and contributions, debt principal payments of \$11.7 million, offset by the increase in the OPEB liability of \$3.7 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 \$8.9 million.

Governmental activities. Governmental activities increased the Commission's net position by \$51.6 million, thereby accounting for 102% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of \$21.8 million, added to an excess of ongoing revenues over ongoing expenses of \$38.6 million, which were offset by the transfers to business-type activities of \$8.8 million.

Revenues by Source - Governmental Activities



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

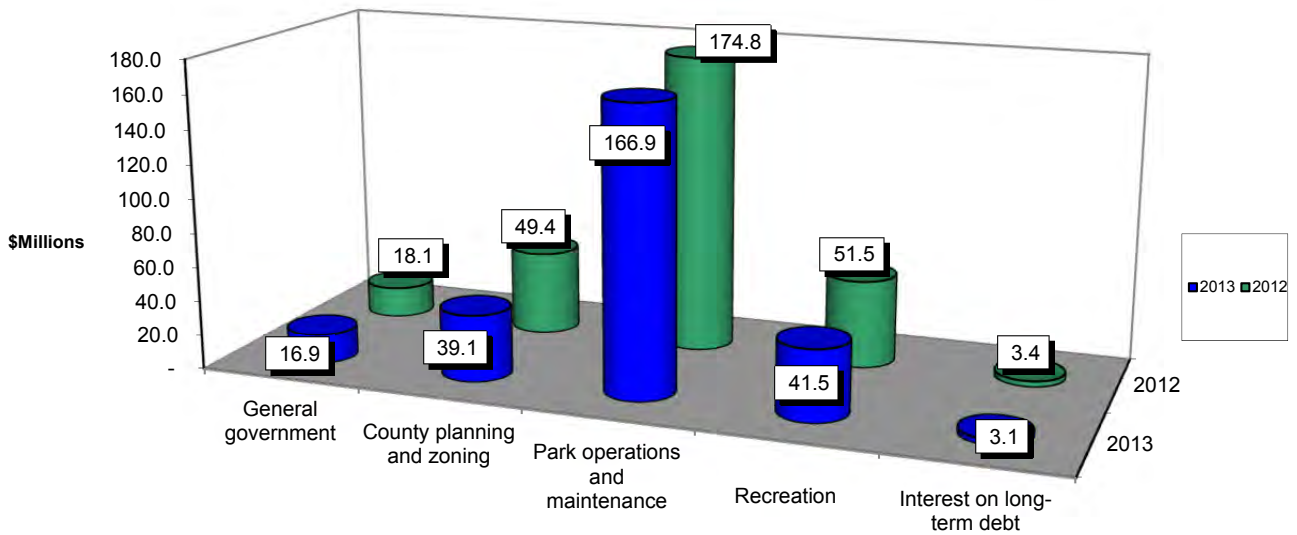
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 9.7% of governmental activities expenses.

The overall total cost of services and net cost of services decreased by 6.8% and 10.0% respectively for FY 2013 compared to FY 2012.

Net Cost of Governmental Activities (000's)
For the Fiscal Years Ended June 30, 2013 and 2012

	2013		2012		Percentage Change 2012 - 2013	
	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	\$ 16,859	\$ 16,859	\$ 18,141	\$ 18,141	-7.1%	-7.1%
County Planning and Zoning	45,516	39,088	56,148	49,428	-18.9%	-20.9%
Park Operations and Maintenance	199,288	166,944	200,435	174,834	-0.6%	-4.5%
Recreation Programs	55,800	41,546	65,883	51,490	-15.3%	-19.3%
Interest on Long-term Debt	3,098	3,098	3,404	3,404	-9.0%	-9.0%
Total	\$ 320,561	\$ 267,535	\$ 344,011	\$ 297,297	-6.8%	-10.0%

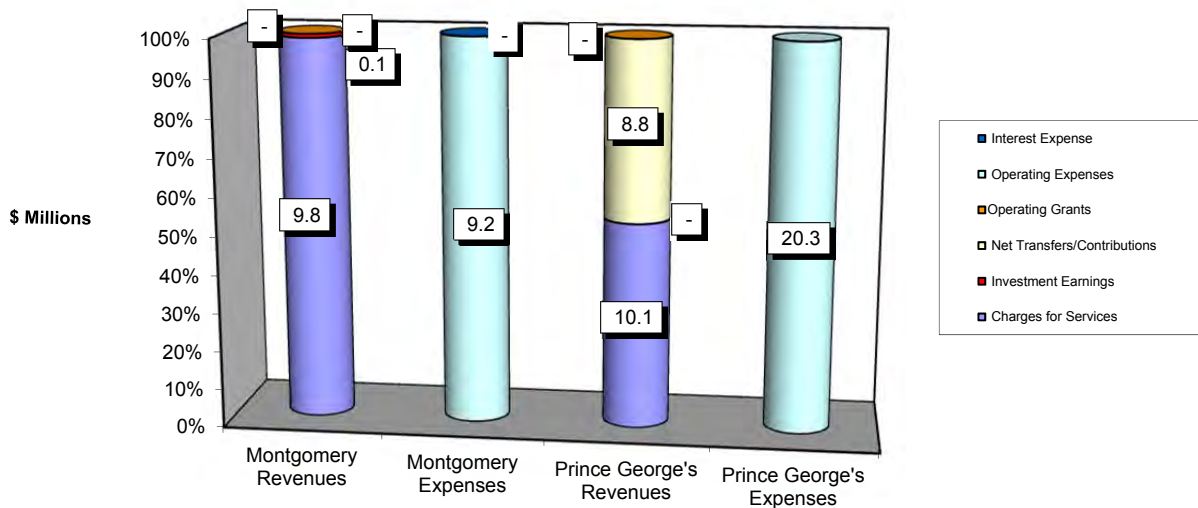
Net Cost by Function - General Government



Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission’s net position by \$0.7 million.

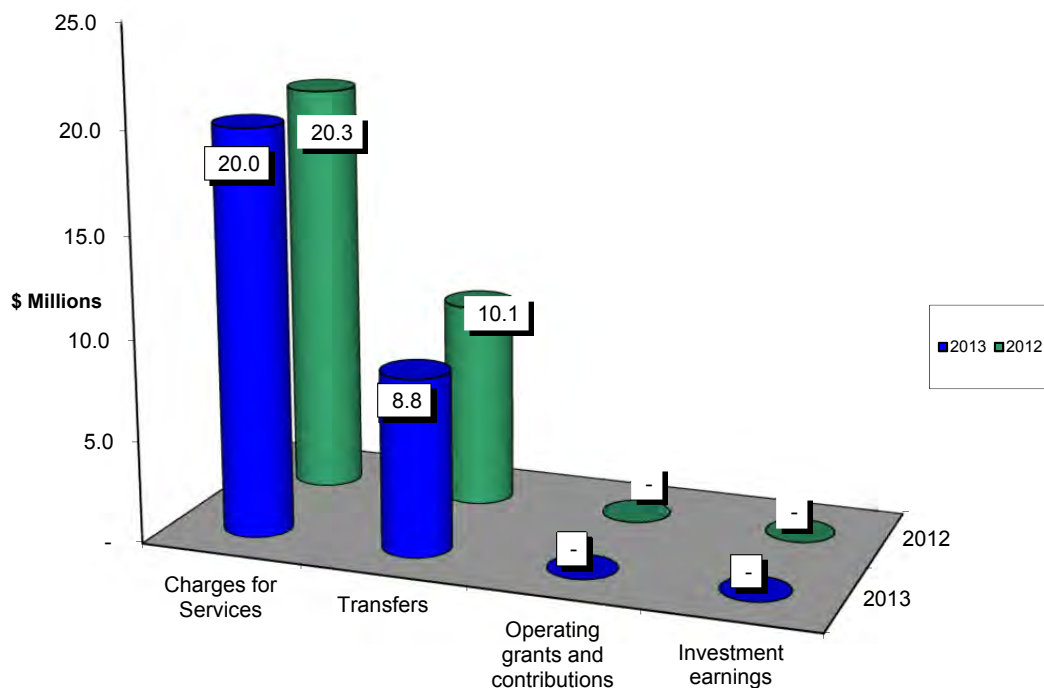
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$9.5 million.
- Governmental activities contributed \$8.8 million to support the enterprise activities. The funding is primarily 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 \$321.9 million, an increase of \$12.2 million in comparison with the prior year. Approximately 42.0% of this total amount, or \$135.3 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. \$66.2 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 \$84.2 million has been committed for contracts and purchase orders, \$3.0 million is restricted and \$99.4 million is assigned to fund fiscal year 2014 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 \$157.1 million, while total fund balance was \$242.7 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 50.8% of the total general fund expenditures and transfers out, while total fund balance represents 78.5% of the same amount.

The fund balance of the Commission's General Fund has increased by \$80.1 million during the current fiscal year. Key factors that generated this increase are as follows:

- An increase of \$38.9 million was planned in the final budget for fiscal year 2013.
- Receipts from Charges for Services and Rentals and Concessions were \$.2 million higher than anticipated due to a slight increase the general economic conditions.
- Interest revenues were \$.5 million lower than anticipated in the general fund due to lower than budgeted interest rates.
- A one-time transfer from the capital projects fund in the amount of \$45.5 million.
- A control of expenditures generated \$19.4 million savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total deficit fund balance of \$3.0 million and Prince George's County has a surplus fund balance of \$69.2 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 a decrease of \$3.6 million in Montgomery County, and a decrease of \$67.1 million in Prince George's County primarily due to the \$45.5 million one-time transfer out to the general fund, and construction grants realized of \$14.8 million in Montgomery County and \$2.7 million in Prince George's County. Expenditures for the fiscal year were \$19.9 million in Montgomery County and \$26.2 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 \$3.0 million and those for the Prince George's County fund amounted to \$1.1 million. The total changes in net position for the funds were an increase in the Montgomery County fund of \$0.6 million and a decrease of \$1.3 million in the Prince George's County fund.

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

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2013 and 2012				
	Montgomery County		Prince George's County	
	FY2013	FY2012	FY2013	FY2012
Operating Revenues	\$ 9,833	\$ 10,251	\$ 10,122	\$ 10,034
Operating Expenses, Excluding Depreciation	8,049	8,341	18,085	19,848
Operating Income (Loss), Excluding Depreciation	1,784	1,910	(7,963)	(9,814)
Depreciation	1,174	1,259	2,192	2,267
Operating Income (Loss)	610	651	(10,155)	(12,081)
Nonoperating Revenue (Expense)	(21)	(84)	6	26
Transfers/Contributions	-	93	8,826	10,387
Change in Net Position	<u>\$ 589</u>	<u>\$ 660</u>	<u>\$ (1,323)</u>	<u>\$ (1,668)</u>

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's)						
For the Fiscal Years Ended June 30, 2013 and 2012						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2013	FY2012	Change	FY2013	FY2012	Change
Event Centers	\$ 653	\$ 592	\$ 61	\$ (141)	\$ (94)	\$ (47)
Golf Courses	238	518	(280)	76	379	(303)
Ice Rinks	4,298	4,377	(79)	591	680	(89)
Indoor Tennis	1,610	1,563	47	495	306	189
Park Facilities	3,034	3,201	(167)	763	639	124
Total	<u>\$ 9,833</u>	<u>\$ 10,251</u>	<u>\$ (418)</u>	<u>\$ 1,784</u>	<u>\$ 1,910</u>	<u>\$ (126)</u>

The Montgomery County Enterprise Fund revenues decreased by \$418,000. This decrease in revenue is partly due to the final rent payment for the golf courses which was received in FY 2012 from the Montgomery County Revenue Authority. No rent payment was due in FY 2013. Also, the Ice Rinks and Park Facilities revenue decreased due to closures for the Derecho and Hurricane Sandy. Operating income, excluding depreciation, decreased by \$126,000. This decrease is mainly due to repairs made for Hurricane Sandy and Derecho storm damage.

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, 2013 and 2012						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2013	FY2012	Change	FY2013	FY2012	Change
Airport	\$ 249	\$ 314	\$ (65)	\$ (212)	\$ (47)	\$ (165)
Equestrian Center/Arena	1,408	1,409	(1)	(1,367)	(1,940)	573
Golf Courses	2,323	2,553	(230)	(1,011)	(914)	(97)
Ice Rinks	546	563	(17)	(707)	(846)	139
Tennis Bubbles/Administration	319	372	(53)	(1,077)	(1,216)	139
Trap and Skeet Center	1,919	1,731	188	111	54	57
Sports and Learning Complex	3,292	3,014	278	(3,290)	(4,063)	773
Bladensburg Marina	66	78	(12)	(410)	(842)	432
Total	<u>\$ 10,122</u>	<u>\$ 10,034</u>	<u>\$ 88</u>	<u>\$ (7,963)</u>	<u>\$ (9,814)</u>	<u>\$ 1,851</u>

The Prince George's County Enterprise Fund revenues increased by \$88,000 and the operating gain, excluding depreciation, increased by \$1,851,000. Revenues remained fairly stable at the facilities with the exception of the Sports and Learning Complex and Trap and Skeet Center where revenues were higher in FY 2013. The increase in revenues for Trap and Skeet are due to changes in the gun laws and the anti-gun debates and participation for gun applications has increased. As a result, Trap & Skeet has experienced a 10% increase in sales income. Also, rental income for the facility has increased 10%. The increase in revenues for the Sports and Learning Complex are due to a 32% increase in special events and income from the field house usage increased by 53%. Some of these revenue gains were supplemented 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 2012. 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, 2013		
	Administration Account	Park Account
(Unfavorable) property tax collections	\$ (77.6)	\$ (68.5)
Favorable charges for services	178.3	167.1
Favorable (unfavorable) intergovernmental revenue	(99.4)	274.0
(Unfavorable) investment revenue	(29.0)	(80.0)
Favorable other revenue	2.1	174.8
Total favorable/(unfavorable) revenue variance	(25.6)	467.4
Expenditure savings	2,629.3	1,252.4
Favorable other financing sources (uses)	-	(110.0)
Total favorable budgetary variance	\$ 2,603.7	\$ 1,609.8

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 experienced increased receipts from Forest Conservation fees while the Park Account came in over budget primarily due to increased Ball field fees from local parks. Unfavorable variance in investment revenue in the Administration and Park Accounts was due to declining interest rates applied to cash balances. Intergovernmental revenue was down for the Administration Account due to less State monies received but was slightly offset by increased receipts from the County related to the Water Quality Protection Project and the Park Account was up due to more Federal monies received as a result of the Derecho Storm. Other Revenue was minimally over budget in the Administration Account. In the Park Account the favorable variance is the result of a higher volume of rentals of park facilities than budgeted. Expenditure savings were significant for both accounts primarily as a result of continued restructuring, salary lapses, hiring deferrals and lower than budgeted retirement costs. The Park Account had additional savings from lower utility costs.

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, 2013		
	Administration Account	Park Account
Fund balance, budget basis		
Assigned	\$ 926.0	\$ 3,368.2
Unassigned	4,753.1	4,909.0
Total Budgetary Fund Balance	\$ 5,679.1	\$ 8,277.2

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, 2013			
	Administration Account	Park Account	Recreation Account
Favorable (unfavorable) property tax collections	\$ (316.8)	\$ 6.4	\$ (197.4)
Favorable (unfavorable) charges for services	57.1	(2.3)	(64.3)
Favorable (unfavorable) intergovernmental revenue	(14.6)	-	0.5
(Unfavorable) investment revenue	(90.6)	(236.8)	(41.8)
Favorable (unfavorable) other revenue	(41.3)	35.2	19.4
Total (unfavorable) revenue variance	(406.2)	(197.5)	(283.6)
Expenditure savings	4,420.2	5,283.0	5,772.4
Favorable other financing sources	-	4,761.6	-
Total favorable budgetary variance	\$ 4,014.0	\$ 9,847.1	\$ 5,488.8

Property tax collections were below budget due to decreases in the assessable base. Charges for services increased in the Administration Account as a result of increased revenue generated from zoning, Urban site plan fees and increased application fees for subdivision. Charges for Services slightly decreased in the Park Account due to decreased bus transportation fees. The Recreation Account is lower than budgeted from slower than anticipated collections from sports activities. Other Revenues in the Administration Account were lower than budgeted due to less than anticipated collections. The favorable variance in the Park Account is due to higher than budgeted property rentals. The favorable variance in the Recreation Account is the result of higher than budgeted contributions and sales. The unfavorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to declining interest rates applied to cash balances. The expenditure savings were primarily the result of vacant positions in all of the Accounts and non-departmental savings from liquidation of prior year encumbrances of \$342,451 in the Administration Account, \$2,499,406 in the Park Account and \$1,275,841 in the Recreation Account. Additional savings in the Administration Account are the result of savings from professional service contracts. The Park Account also generated expenditure savings from professional service contracts. The additional positive variance in the Recreation Fund is the result of savings from lower utility rates. Other Financing Sources were favorable in the Park Account due to savings in Debt Service from refunding BB-2 and EE-2 bond series and the result of bonds budgeted in FY2013 being issued in FY2014.

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, 2013			
	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ 4,458.0	\$ 30,147.0	\$ 6,584.1
Unassigned	17,842.1	109,031.2	20,530.9
Total Budgetary Fund Balance	\$ 22,300.1	\$ 139,178.2	\$ 27,115.0

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, 2013 amounts to \$799.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and intangibles, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 3.8% (a 4.7% increase for governmental activities and a 4.0% decrease for business-type activities). The most significant increases are \$6.0

million from land acquisitions, \$5.8 million in development costs from the construction of recreational facilities, and community center renovation/expansions. 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 2013, projects totaling \$10.4 million in governmental activities were completed. Among these projects, where most of the costs were incurred in prior years, are the construction of a school community center at Oakcrest Greater Capital Heights Park School, renovation of existing facilities, including HVAC, window replacement, sprinklers and compliance upgrades at South Bowie Community Center, installation of play equipment at Vansville Neighborhood Recreation Center and infrastructure improvements at Daisy Lane, Enterprise Estates Neighborhood Park, Henry P. Johnson Neighborhood Park, Mount Rainier Neighborhood Mini Park and Snowden Oaks. Waterway Improvements were also completed at various waterfront properties. Additionally, construction of an outdoor riding rink at Woodstock Equestrian was completed, new sewer pipes installed for Rock Creek Sewer System improvements and dredging at Lake Needwood.

Expenditures on Montgomery County projects totaled \$19.9 million in fiscal year 2013, of which \$2.8 million was for land acquisition and \$17.1 million was for development. The land acquisitions included \$1.2 million for the Athey property. Major Park Development expenditures included \$0.9 million in expenditures for pollution prevention, Germantown Town Center with construction costs to date of \$3.3 million of which \$2.0 million was in fiscal year 2013, \$0.7 million each spent in fiscal year 2013 for Evans Parkway Neighborhood Park, Restoration of historic structures and Stream Banks Protection. In addition, expenditures totaling \$3.1 million was spent on PLAR for play equipment and minor park renovations.

Prince George's County projects totaled \$26.2 million in fiscal year 2013, of which \$4.7 million was for land acquisition and \$21.5 million was for development. Land Acquisition included \$4.4 million for Land Preservation and \$206 thousand for County-Wide Local Park Acquisitions. Major Park Development expenditures include Allentown Aquatic Center with construction costs to date of \$6.2 million of which \$1.3 million was in fiscal year 2013, Cosca Regional Park with construction costs to date of \$1.3 million of which \$1.0 million was in fiscal year 2013, The Infrastructure Improvement Fund with construction costs to date of \$2.5 million, of which \$2.4 million was in fiscal year 2013, Jesse Warr Jr. Neighborhood Park with construction costs to date of \$1.5 million of which \$1.1 million was in fiscal year 2013, Lincoln Vista Community Park with construction costs to date of \$1.3 million of which \$0.7 million was in fiscal year 2013, PRA Renovation with construction costs to date of \$1.6 million of which \$1.1 million was in fiscal year 2013, Walker Mill Regional Park with \$6.5 million in construction costs to date, of which \$1.6 million was in fiscal year 2013 and The Southern Regional Technology Recreation Complex with construction costs to date of \$14.6 million of which \$4.0 million was in fiscal year 2013. In addition, expenditures totaling \$0.9 million was spent for Play equipment replacement.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's)
June 30, 2013 and 2012

	June 30, 2013			June 30, 2012			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 348,348	\$ 19,364	\$ 367,712	\$ 337,141	\$ 19,364	\$ 356,505	3.1%
Buildings and improvements	78,607	47,282	125,889	76,578	50,361	126,939	-0.8%
Infrastructure	106,846	-	106,846	109,647	-	109,647	-2.6%
Machinery, equip. & intangibles	22,619	2,086	24,705	22,108	1,965	24,073	2.6%
Construction in progress	173,730	247	173,977	152,168	136	152,304	14.2%
Total	\$ 730,150	\$ 68,979	\$ 799,129	\$ 697,642	\$ 71,826	\$ 769,468	3.9%

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 \$81.1 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 \$14.9 million (Montgomery - \$4.2 million; Prince George’s - \$10.7 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$79.5 million (Montgomery County - \$32.0 million and Prince George’s County - \$47.5 million) at June 30, 2013. Park Bonds debt service expenditures totaled \$14.6 million (Montgomery - \$3.9 million, Prince George’s - \$10.7 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 0.23 cents per \$100 of assessed valuation for real property and 0.58 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.40 cents per \$100 of assessed valuation for real property and 3.50 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, 2013			
	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 \$0.2 million at June 30, 2013. 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 \$0.9 million for the fiscal year. The outstanding proprietary fund debt as of June 30, 2013, 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, 2013 follow (\$000's):

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

Commission's Outstanding Debt June 30, 2013 and 2012							
	Governmental Activities		Business-type Activities		Total		Change
	2013	2012	2013	2012	2013	2012	
General obligation bonds	\$ 80,991	\$ 92,480	\$ -	\$ -	\$ 80,991	\$ 92,480	-12.4%
Revenue bonds and notes	-	-	222	1,064	222	1,064	-79.1%
Notes payable	-	120	-	-	-	120	-100.0%
Total	\$ 80,991	\$ 92,600	\$ 222	\$ 1,064	\$ 81,213	\$ 93,664	-13.3%

Montgomery County Outstanding Debt June 30, 2013 and 2012							
	Governmental Activities		Business-type Activities		Total		Change
	2013	2012	2013	2012	2013	2012	
General obligation bonds	\$ 33,905	\$ 36,721	\$ -	\$ -	\$ 33,905	\$ 36,721	-7.7%
Revenue bonds and notes	-	-	222	1,064	222	1,064	-79.1%
Total	\$ 33,905	\$ 36,721	\$ 222	\$ 1,064	\$ 34,127	\$ 37,785	-9.7%

Prince George's County Outstanding Debt June 30, 2013 and 2012							
	Governmental Activities		Business-type Activities		Total		Change
	2013	2012	2013	2012	2013	2012	
General obligation bonds	\$ 47,086	\$ 55,759	\$ -	\$ -	\$ 47,086	\$ 55,759	-15.6%
Revenue bonds and notes	-	-	-	-	-	-	0.0%
Notes payable	-	120	-	-	-	120	-100.0%
Total	\$ 47,086	\$ 55,879	\$ -	\$ -	\$ 47,086	\$ 55,879	-15.7%

The Commission's bonds and notes payable decreased by \$12.5 million due to scheduled principal payments.

State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,769.2 million of debt service for Montgomery County and \$876.3 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$37.4 million and \$47.5 million, respectively, over the 30 year period.

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

Economic Factors and Next Year's Budgets and Rates

The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 86% of the Governmental Funds revenues in FY 2013. 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 2014 tax rates and adopting the FY 2014 Budget.

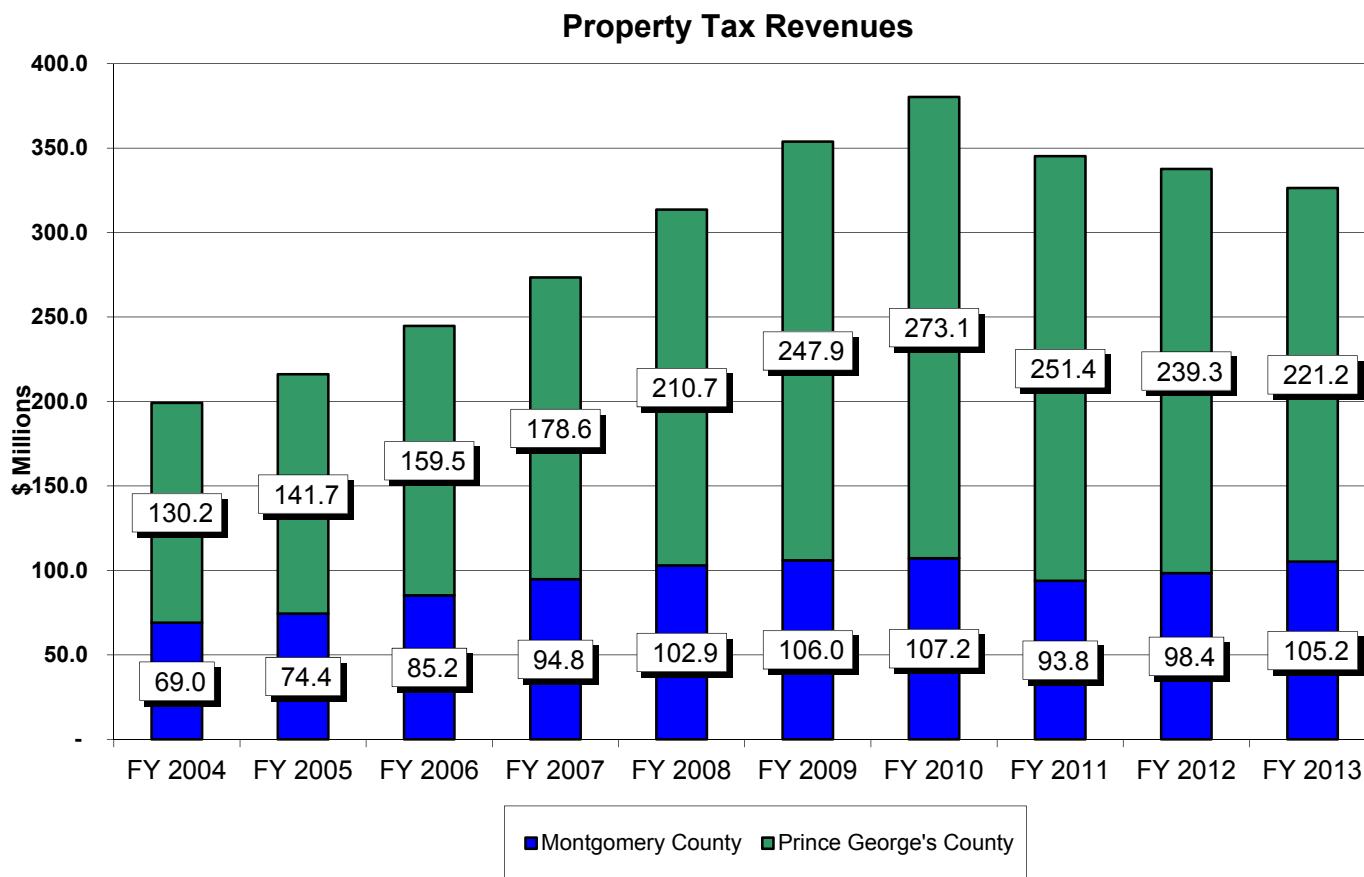
The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates, which have resulted in declining Commission tax rates over the past few years. In FY 2014, the Commission's total Montgomery County real property tax rate was decreased by .1 of a cent and the personal property tax rate was decreased by .2 cents. However, the taxable real property assessable base is projected to increase by 1.67%. Commission property tax revenue is budgeted to decrease by .86% and budgeted expenditures are budgeted to increase 5.3% 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. These project charges have been decreasing due to a declining assessable base in the county even though overall tax rates for the Commission have been held constant. The project charges decreased from \$22.1 million in FY 2012 to \$17.2 million in FY 2013 and for FY 2014, they are budgeted at \$14.9 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 2013 and FY 2014. 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.

Property tax revenues over the past 10 years are displayed in the chart below.



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$202.5 million. Of this amount, \$45.4 million is assigned fund balance and \$157.1 million is unassigned as of June 30, 2013. Of the unassigned portion, \$147.4 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 Position
June 30, 2013

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 389,672,047	\$ 10,163,049	\$ 399,835,096	\$ 373,158
Receivables - Taxes, net of allowance for uncollectibles	4,784,134	-	4,784,134	-
Receivables - Other	1,090,076	14	1,090,090	-
Due from County Governments	4,364,321	11,773	4,376,094	-
Due from Other Governments	5,518,386	-	5,518,386	-
Inventories	-	824,019	824,019	-
Deposits and Other	2,376,317	-	2,376,317	921
Restricted Cash, Cash Equivalents and Investments:				
Unspent Debt Proceeds	3,005,586	-	3,005,586	-
Investments	-	-	-	-
Capital Assets:				60,121
Land and Construction in Progress	522,078,141	19,610,635	541,688,776	-
Other Capital Assets, Net of Accumulated Depreciation	208,071,415	49,367,892	257,439,307	4,657
Total Assets	<u>1,140,960,423</u>	<u>79,977,382</u>	<u>1,220,937,805</u>	<u>438,857</u>
LIABILITIES				
Accounts Payable and Other Current Liabilities	33,264,977	1,217,779	34,482,756	12,730
Accrued Interest Payable	497,510	1,910	499,420	-
Due to Other Governments	247,783	-	247,783	-
Deposits and Unearned Revenue	6,737,662	1,396,315	8,133,977	-
Claims Payable:				
Due within One Year	5,415,458	-	5,415,458	-
Due in more than One Year	12,527,752	-	12,527,752	-
Compensated Absences:				
Due within One Year	10,338,678	366,408	10,705,086	-
Due in more than One Year	8,545,627	572,109	9,117,736	-
Bonds and Notes Payable:				
Due within One Year	10,741,975	222,228	10,964,203	-
Due in more than One Year	70,248,498	-	70,248,498	-
Net Other Post Employment Benefit Obligations				
Due in more than One Year	63,673,114	2,936,734	66,609,848	-
Net Pension Obligations				
Due in more than One Year	8,974,893	402,107	9,377,000	-
Total Liabilities	<u>231,213,927</u>	<u>7,115,590</u>	<u>238,329,517</u>	<u>12,730</u>
NET POSITION				
Net Investment in Capital Assets	653,877,083	68,756,299	722,633,382	-
Temporarily Restricted	-	-	-	279,699
Unrestricted	255,869,413	4,105,493	259,974,906	146,428
Total Net Position	<u>\$ 909,746,496</u>	<u>\$ 72,861,792</u>	<u>\$ 982,608,288</u>	<u>\$ 426,127</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, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Primary Government:						
Governmental Activities:						
General Government	\$ 16,859,031	\$ -	\$ -	\$ -	\$ (16,859,031)	\$ -
County Planning and Zoning	45,516,295	4,684,322	1,743,452	-	(39,088,521)	-
Park Operations and Maintenance	199,288,578	6,627,653	3,891,896	21,825,501	(166,943,528)	-
Recreation Programs	55,799,559	13,807,912	445,499	-	(41,546,148)	-
Interest on Long-term Debt	3,097,948	-	-	-	(3,097,948)	-
Total Governmental Activities	320,561,411	25,119,887	6,080,847	21,825,501	(267,535,176)	-
Business-type Activities:						
Recreational and Cultural Facilities	29,529,919	19,943,177	11,883	-	(9,574,859)	-
Total Business-type Activities	29,529,919	19,943,177	11,883	-	(9,574,859)	-
Total Primary Government	\$ 350,091,330	\$ 45,063,064	\$ 6,092,730	\$ 21,825,501	\$ (267,535,176)	\$ (277,110,035)
Component Unit:						
Park Operations and Maintenance	\$ 282,722	\$ 15	\$ 609,145	\$ -	\$ -	\$ 326,438
General Revenues:						
Property Taxes						
Unrestricted Investment Earnings						
Transfers						
Net General Revenues and Transfers						
Change in Net Position						
Net Position - Beginning						326,438
Net Position - Ending						99,689
						426,127

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, 2013

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 260,999,059	\$ -	\$ 71,911,032	\$ 13,125,752	\$ 346,035,843
Receivables - Taxes (net of allowance for uncollectibles)	4,756,518	-	-	27,616	4,784,134
Receivables - Other (net of allowance for uncollectibles)	122,174	-	-	13,728	135,902
Due from Other Funds	5,543,717	-	-	-	5,543,717
Due from County Governments	540,144	2,802,576	-	788,883	4,131,603
Due from Other Governments	2,452,299	1,377,545	1,682,542	6,000	5,518,386
Restricted Cash - Unspent Debt Proceeds	-	3,005,586	-	-	3,005,586
Other	21,995	-	-	40,549	62,544
Total Assets	\$ 274,435,906	\$ 7,185,707	\$ 73,593,574	\$ 14,002,528	\$ 369,217,715
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 12,685,596	\$ 2,859,495	\$ 2,100,936	\$ 207,956	\$ 17,853,983
Accrued Liabilities	10,279,136	-	-	279,778	10,558,914
Retainage Payable	-	1,824,048	2,252,291	-	4,076,339
Due to Other Funds	-	5,543,717	-	-	5,543,717
Due to County Governments	60	-	-	30	90
Deposits and Deferred Revenue	8,759,879	-	-	467,283	9,227,162
Total Liabilities	31,724,671	10,227,260	4,353,227	955,047	47,260,205
Fund Balance:					
Restricted for:					
Parks	-	3,005,586	-	6,924	3,012,510
Committed to:					
Planning	17,807,708	-	-	15,250	17,822,958
Parks	14,643,850	15,691,351	27,662,561	568,916	58,566,678
Recreation	7,710,065	-	-	113,221	7,823,286
Assigned to:					
Planning	5,384,026	-	-	5,773,579	11,157,605
Parks	33,515,235	-	41,577,786	1,805,801	76,898,822
Recreation	6,584,122	-	-	4,763,790	11,347,912
Unassigned:	157,066,229	(21,738,490)	-	-	135,327,739
Total Fund Balances	242,711,235	(3,041,553)	69,240,347	13,047,481	321,957,510
Total Liabilities and Fund Balances	\$ 274,435,906	\$ 7,185,707	\$ 73,593,574	\$ 14,002,528	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	719,663,133
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,712,414
Internal service funds are used by management to charge the costs of capital equipment financing, risk management, group insurance and the Executive Office Building. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	36,343,984
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	2,489,500
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(172,420,045)
Net Position of Governmental Activities	\$ 909,746,496

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, 2013

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 324,753,680	\$ -	\$ -	\$ 1,678,523	\$ 326,432,203
Intergovernmental -					
Federal	1,241,246	30,916	-	-	1,272,162
State	417,909	5,473,167	2,712,695	-	8,603,771
County	2,469,433	9,329,822	-	1,685,995	13,485,250
Charges for Services	9,183,208	-	-	4,693,781	13,876,989
Rentals and Concessions	4,804,020	-	-	5,577,073	10,381,093
Interest	169,809	(4,707)	129,203	17,710	312,015
Contributions	-	531,831	-	266,264	798,095
Miscellaneous	552,946	18	161,141	147,700	861,805
Total Revenues	<u>343,592,251</u>	<u>15,361,047</u>	<u>3,003,039</u>	<u>14,067,046</u>	<u>376,023,383</u>
EXPENDITURES					
Current -					
General Government	16,888,747	-	-	-	16,888,747
Planning and Zoning	41,866,872	-	-	3,564,271	45,431,143
Park Operations and Maintenance	174,415,515	-	-	2,034,671	176,450,186
Recreation	48,519,686	-	-	5,231,937	53,751,623
Contributions	-	-	-	1,366,819	1,366,819
Debt Service -					
Principal	-	-	-	11,719,539	11,719,539
Interest	-	-	-	3,218,877	3,218,877
Other Debt Service Costs	-	-	-	10,860	10,860
Capital Outlay -					
Park Acquisition	-	2,776,933	4,683,059	-	7,459,992
Park Development	-	17,135,579	21,563,971	-	38,699,550
Total Expenditures	<u>281,690,820</u>	<u>19,912,512</u>	<u>26,247,030</u>	<u>27,146,974</u>	<u>354,997,336</u>
Excess (Deficiency) of Revenues over Expenditures	<u>61,901,431</u>	<u>(4,551,465)</u>	<u>(23,243,991)</u>	<u>(13,079,928)</u>	<u>21,026,047</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	45,536,596	906,174	1,692,458	18,172,245	66,307,473
Transfers Out	(27,348,145)	4,707	(45,541,303)	(2,248,632)	(75,133,373)
Total Other Financing Sources (Uses)	<u>18,188,451</u>	<u>910,881</u>	<u>(43,848,845)</u>	<u>15,923,613</u>	<u>(8,825,900)</u>
Net Change in Fund Balances	80,089,882	(3,640,584)	(67,092,836)	2,843,685	12,200,147
Fund Balances - Beginning	162,621,353	599,031	136,333,183	10,203,796	309,757,363
Fund Balances - Ending	<u>\$ 242,711,235</u>	<u>\$ (3,041,553)</u>	<u>\$ 69,240,347</u>	<u>\$ 13,047,481</u>	<u>\$ 321,957,510</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, 2013**

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)	\$	12,200,147
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation in the current period.

Capitalized Expenditures	\$ 43,133,324	
Depreciation Expense	<u>(14,644,911)</u>	
Net adjustment		28,488,413

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

Donations	<u>3,747,070</u>	
Net adjustment		3,747,070

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.

1,220,679

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.

Repayments of Principal	<u>11,677,531</u>	
Net adjustment		11,677,531

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.

(2,724,712)

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.

(38,012)

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

Change in net position of governmental activities (Exhibit 2)	\$	<u><u>(2,891,105)</u></u>
		<u><u>51,680,011</u></u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 6

**Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual - General Fund
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 325,407,700	\$ 325,407,700	\$ 324,753,680	\$ (654,020)
Intergovernmental	2,766,000	3,968,080	4,128,588	160,508
Charges for Services	8,780,300	8,847,300	9,183,208	335,908
Rentals and Concessions	4,568,900	4,568,900	4,804,020	235,120
Interest	648,000	648,000	169,809	(478,191)
Miscellaneous	589,900	597,784	552,946	(44,838)
Total Revenues	342,760,800	344,037,764	343,592,251	(445,513)
Expenditures/Encumbrances:				
Current -				
General Government	17,684,100	17,684,100	16,601,029	1,083,071
County Planning and Zoning	54,967,800	55,798,681	49,832,175	5,966,506
Park Operation and Maintenance	185,443,355	185,479,997	178,944,582	6,535,415
Recreation Programs	59,268,000	59,677,441	53,905,036	5,772,405
Total Expenditures/Encumbrances	317,363,255	318,640,219	299,282,822	19,357,397
Excess of Revenues over Expenditures/Encumbrances	25,397,545	25,397,545	44,309,429	18,911,884
Other Financing Sources (Uses):				
Transfers In	45,787,100	45,787,100	45,536,596	(250,504)
Transfers Out	(32,250,200)	(32,250,200)	(27,348,145)	4,902,055
Total Other Financing Sources (Uses)	13,536,900	13,536,900	18,188,451	4,651,551
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	\$ 38,934,445	\$ 38,934,445	62,497,880	\$ 23,563,435
Fund Balances - Budget Basis, Beginning			140,051,732	
Fund Balances - Budget Basis, Ending			\$ 202,549,612	

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 7

**Statement of Net Position
Proprietary Funds
June 30, 2013**

	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	\$ 5,674,846	\$ 4,488,203	\$ 10,163,049	\$ 43,636,204
Accounts Receivable	14	-	14	954,174
Due from County Government	2,333	9,440	11,773	232,718
Deposits and Other	-	-	-	601,359
Inventories	124,597	699,422	824,019	-
Total Current Assets	<u>5,801,790</u>	<u>5,197,065</u>	<u>10,998,855</u>	<u>45,424,455</u>
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,135,692	72,340,644	99,476,336	2,767,613
Machinery, Equipment and Intangibles	1,946,813	5,871,787	7,818,600	36,600,888
Construction in Progress	247,036	-	247,036	-
	40,914,009	85,991,562	126,905,571	40,116,998
Less - Accumulated Depreciation	(20,115,945)	(37,811,099)	(57,927,044)	(29,630,575)
Total Capital Assets, Net of Depreciation	<u>20,798,064</u>	<u>48,180,463</u>	<u>68,978,527</u>	<u>10,486,423</u>
Total Noncurrent Assets	<u>20,798,064</u>	<u>48,180,463</u>	<u>68,978,527</u>	<u>10,486,423</u>
Total Assets	<u>26,599,854</u>	<u>53,377,528</u>	<u>79,977,382</u>	<u>55,910,878</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	168,460	289,334	457,794	712,060
Claims Payable	-	-	-	5,415,458
Accrued Salaries and Benefits	249,777	510,208	759,985	63,681
Compensated Absences	107,504	258,904	366,408	55,679
Interest Payable	1,910	-	1,910	-
Revenue Collected in Advance	1,353,081	43,234	1,396,315	-
Current Portion of Revenue Notes Payable	222,228	-	222,228	-
Current Portion of Notes Payable	-	-	-	242
Due to Other Government	-	-	-	247,693
Total Current Liabilities	<u>2,102,960</u>	<u>1,101,680</u>	<u>3,204,640</u>	<u>6,494,813</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	12,527,752
Compensated Absences	164,958	407,151	572,109	81,090
Net Other Post Employment Benefit Obligations	615,399	2,321,335	2,936,734	463,239
Net Pension Obligation	100,340	301,767	402,107	-
Total Noncurrent Liabilities	<u>880,697</u>	<u>3,030,253</u>	<u>3,910,950</u>	<u>13,072,081</u>
Total Liabilities	<u>2,983,657</u>	<u>4,131,933</u>	<u>7,115,590</u>	<u>19,566,894</u>
NET POSITION				
Net Investment in Capital Assets	20,575,836	48,180,463	68,756,299	10,486,181
Unrestricted	3,040,361	1,065,132	4,105,493	25,857,803
Total Net Position	<u>\$ 23,616,197</u>	<u>\$ 49,245,595</u>	<u>\$ 72,861,792</u>	<u>\$ 36,343,984</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 8

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Intergovernmental	\$ 11,883	\$ -	\$ 11,883	\$ -
Sales	640,199	2,350,479	2,990,678	-
Charges for Services	6,284,292	4,580,046	10,864,338	39,987,994
Claim Recoveries	-	-	-	399,955
Rentals and Concessions	2,896,220	3,191,941	6,088,161	-
Total Operating Revenues	<u>9,832,594</u>	<u>10,122,466</u>	<u>19,955,060</u>	<u>40,387,949</u>
Operating Expenses:				
Cost of Goods Sold	437,785	1,586,913	2,024,698	-
Personal Services	4,617,167	10,497,317	15,114,484	1,412,166
Supplies and Materials	618,039	1,651,523	2,269,562	1,046,303
Claims Incurred	-	-	-	26,623,368
Insurance	-	-	-	6,721,542
Communications	99,229	354,609	453,838	-
Utilities	977,123	1,720,686	2,697,809	-
Maintenance	444,957	798,222	1,243,179	-
Contractual Services	19,021	822,180	841,201	1,171,593
Other Services and Charges	835,436	379,088	1,214,524	4,064,562
Administrative Services	-	275,000	275,000	-
Depreciation	1,173,903	2,192,639	3,366,542	2,315,710
Total Operating Expenses	<u>9,222,660</u>	<u>20,278,177</u>	<u>29,500,837</u>	<u>43,355,244</u>
Operating Income (Loss)	<u>609,934</u>	<u>(10,155,711)</u>	<u>(9,545,777)</u>	<u>(2,967,295)</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	7,983	6,207	14,190	76,190
Interest Expense, net of Amortization	<u>(29,082)</u>	-	<u>(29,082)</u>	-
Total Nonoperating Revenue (Expense)	<u>(21,099)</u>	<u>6,207</u>	<u>(14,892)</u>	<u>76,190</u>
Income (Loss) before Contributions and Transfers	588,835	(10,149,504)	(9,560,669)	(2,891,105)
Transfers				
Total Contributions and Transfers	-	8,825,900	8,825,900	-
Change in Net Position	<u>588,835</u>	<u>(1,323,604)</u>	<u>(734,769)</u>	<u>(2,891,105)</u>
Total Net Position - Beginning	<u>23,027,362</u>	<u>50,569,199</u>	<u>73,596,561</u>	<u>39,235,089</u>
Total Net Position - Ending	\$ <u>23,616,197</u>	\$ <u>49,245,595</u>	\$ <u>72,861,792</u>	\$ <u>36,343,984</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 9

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2013**

	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	\$ 9,803,124	\$ 9,931,163	\$ 19,734,287	\$ 40,235,213
Payments to Suppliers	(4,876,921)	(7,268,896)	(12,145,817)	(34,979,829)
Payments to Employees	(1,188,615)	(10,423,427)	(11,612,042)	(1,377,049)
Payments for Interfund Services Used	(1,560,893)	-	(1,560,893)	(807,090)
Payments for Administrative Charges	(399,984)	(275,000)	(674,984)	-
Net Cash Provided (Used) by Operating Activities	<u>1,776,711</u>	<u>(8,036,160)</u>	<u>(6,259,449)</u>	<u>3,071,245</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	8,825,900	8,825,900	-
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>8,825,900</u>	<u>8,825,900</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(173,849)	(345,674)	(519,523)	(2,587,780)
Principal Paid on Bonds and Notes Payable	(841,874)	-	(841,874)	(114,758)
Interest Paid	(29,082)	-	(29,082)	-
Net Cash Used by Capital and Related Financing Activities	<u>(1,044,805)</u>	<u>(345,674)</u>	<u>(1,390,479)</u>	<u>(2,702,538)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>7,983</u>	<u>6,207</u>	<u>14,190</u>	<u>76,190</u>
Net Increase (Decrease) in Cash and Cash Equivalents	739,889	450,273	1,190,162	444,897
Cash and Cash Equivalents, July 1	<u>4,934,957</u>	<u>4,037,930</u>	<u>8,972,887</u>	<u>43,191,307</u>
Cash and Cash Equivalents, June 30	<u>\$ 5,674,846</u>	<u>\$ 4,488,203</u>	<u>\$ 10,163,049</u>	<u>\$ 43,636,204</u>

**Exhibit 9
continued**

	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)	\$ 609,934	\$ (10,155,711)	\$ (9,545,777)	\$ (2,967,295)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,173,903	2,192,639	3,366,542	2,315,710
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	-	614	614	(20,647)
Due from Other Government	(933)	-	(933)	303,909
Inventories, at Cost	4,959	129,599	134,558	-
Deposits and Other	-	-	-	(436,000)
Accounts Payable	28,811	(85,274)	(56,463)	153,215
Claims Payable	-	-	-	3,980,150
Accrued Salaries and Benefits	3,553	(21,557)	(18,004)	(4,128)
Compensated Absences	(48,657)	(32,908)	(81,565)	(15,731)
Interest Payable	(6,055)	-	(6,055)	(3,020)
Net Pension Obligation	(2,096)	-	(2,096)	(278,295)
Net Other Post Employment Obligations	41,836	128,355	170,191	43,377
Revenue Collected in Advance	(28,544)	(191,917)	(220,461)	-
Total Adjustments	<u>1,166,777</u>	<u>2,119,551</u>	<u>3,286,328</u>	<u>6,038,540</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,776,711</u>	<u>\$ (8,036,160)</u>	<u>\$ (6,259,449)</u>	<u>\$ 3,071,245</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 10

Statement of Net Position
Fiduciary Funds
June 30, 2013

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 488,215	\$ 19,733,581	\$ 2,383,492
Cash	130,977	-	-
Fixed Income Securities	182,559,817	-	-
International Fixed Income Securities	11,125,113	-	-
Venture Capital/Alternative Investments	18,339,236	-	-
Corporate Stock	348,097,649	-	-
International Corporate Stock	77,995,456	-	-
Real Estate Investments	46,264,851	-	-
Short Term Investments	27,380,462	-	-
Mutual Funds	12,340,946	-	-
Collateral for Securities Lending Transactions	80,072,342	-	-
Accounts Receivable	1,456,898	-	-
Land Held for Other Governments	-	60,244,017	-
Other	65,546	-	-
Total Assets	<u>806,317,508</u>	<u>79,977,598</u>	<u>2,383,492</u>
LIABILITIES			
Investment Payable	298,713	-	-
Accounts Payable	1,313,187	1,649	1,658,443
Claims Payable	427,582	-	-
Obligation for Collateral Received under Securities Lending Transactions	82,241,046	-	-
Deposits	-	-	725,049
Total Liabilities	<u>84,280,528</u>	<u>1,649</u>	<u>2,383,492</u>
NET POSITION			
Assets Held in Trust for:			
Land Held for Other Governments	-	60,244,017	-
Pension Benefits	693,968,157	-	-
Other Postemployment Benefits	28,068,823	-	-
Other Purposes	-	19,731,932	-
Total Net Position	<u>\$ 722,036,980</u>	<u>\$ 79,975,949</u>	<u>\$ -</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Exhibit 11

Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2013

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 41,233,750	\$ -
Plan Members	5,354,904	-
Plan Members for Current Benefits	1,700,221	-
Private Donations	-	46,216
Total Contributions	<u>48,288,875</u>	<u>46,216</u>
Receipts from Commission Debt Service Funds	-	1,366,819
Federal Grants - Medicare	453,235	-
Investment Earnings:		
Interest	15,008,485	29,464
Dividends	155,122	-
Net Increase in the Fair Value of Investments	<u>62,781,079</u>	<u>-</u>
Total Investment Earnings	77,944,686	29,464
Less Investment Advisory and Management Fees	<u>(2,895,248)</u>	<u>-</u>
Net Income from Investing Activities	<u>75,049,438</u>	<u>29,464</u>
Securities Lending Activity		
Securities Lending Income	265,571	-
Securities Lending Fees	<u>(44,730)</u>	<u>-</u>
Net Income from Securities Lending Activity	<u>220,841</u>	<u>-</u>
Total Net Investment Income	<u>75,270,279</u>	<u>29,464</u>
Total Additions and Investment Income	<u>124,012,389</u>	<u>1,442,499</u>
DEDUCTIONS		
Benefits	48,044,110	-
Refunds of Contributions	368,762	-
Administrative Expenses	1,565,430	-
Contribution of Land	-	32,500
Other	-	34,190
Total Deductions	<u>49,978,302</u>	<u>66,690</u>
Change in Net Position	74,034,087	1,375,809
Net Position - Beginning	648,002,893	78,600,140
Net Position - Ending	<u>\$ 722,036,980</u>	<u>\$ 79,975,949</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, 2013

(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 and discretely presented component unit, the Montgomery County Parks Foundation, Inc. (The Foundation). A blended component unit, although a legally separate entity, is, in substance, part of the Commission's operations and therefore data from these units are combined with data of the Commission. Accordingly, the financial statements of these component units are included as pension trust funds in the accompanying financial statements. The discretely presented component unit is included in the reporting unit because the Primary Government provides a significant amount of funding to the unit and appoints the governing board.

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.

The Foundation helps fund parks and open space needs in Montgomery County, Maryland. The Foundation works in cooperation with private citizens, business, other foundations, the Commission and the Montgomery County Department of Parks to meet these parks and open space needs. The Foundation operates on a calendar year of December 31. The completed financial statements can be obtained at 9500 Brunett Avenue, Silver Spring, MD 20901.

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 Position and Statement of Activities, both the governmental and business-type activities columns are presented on a consolidated basis by column on a full accrual, economic resource basis, as discussed above. Eliminations have been made to minimize the double counting of internal activities. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

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

Statement of Net Position – The Statement of Net Position is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Position and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. Net position is the excess of assets and deferred outflows over liabilities and deferred inflows. The net position of the Commission are presented in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are available. The Commission may defer the use of restricted net position based on a review of the specific transaction. The Commission has no restricted net position as of June 30, 2013.

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

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

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

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

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

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

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

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

similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Amounts not received within 60 days are reported as deferred revenue. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment has matured and is due.

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

Internal Service Funds – Internal service funds are used to account for the financing of certain goods or services provided by one department to other departments of the Commission on a cost-reimbursement basis. There are eight internal service funds reported by the Commission: Montgomery County Capital Equipment Fund, Montgomery County 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 and FY 2013.

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 Position. The Commission eliminates internal service fund expenses by allocating the expenses to other functions. Expenses for capital equipment, risk management and Commission wide initiatives are allocated based on revenues, and for employee benefits based on salaries expense. The expenses of the 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 \$1,602,500 at June 30, 2013. 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, such as inventory and prepaid expenses.
- **Restricted** – Items that are restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Items that have been committed for specific purposes pursuant to constraints imposed by a formal action (i.e. resolution) by the entity's "highest level decision-making authority", which the Commission considers actions taken by the Chairman and Vice-Chairman to be the highest level. These committed amounts could be changed by reversing the same type of action the Commission employed to previously commit the funds. The formal action should occur prior to the end of the reporting period.
- **Assigned** – Amounts reflecting a government's intended use of resources for specific purposes require less formal actions. Also, the Commission can delegate assignment authority to the Planning Boards per the Land Use Article of the Annotated Code of Maryland, 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	\$ 3,764,974	\$ 4,247,753	\$ 14,042,734	\$ 10,396,097	\$ 7,710,065	\$ 40,161,623
Assigned	926,041	3,368,205	4,457,985	30,147,030	6,584,122	45,483,383
Unassigned	4,753,067	4,909,003	17,842,072	109,031,211	20,530,876	157,066,229
Total Fund Balance	\$ 9,444,082	\$ 12,524,961	\$ 36,342,791	\$ 149,574,338	\$ 34,825,063	\$ 242,711,235

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	8,012,727
General Fund - Prince George's County	32,148,896
Capital Projects Fund - Montgomery County	15,691,351
Capital Projects Fund - Prince George's County	27,662,561
Non-Major Governmental Funds	697,387

(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 position – governmental activities as reported in the Statement of Net Position (Exhibit 1). Details related to the most significant items on the reconciliation are as follows.

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

Land	\$ 347,599,701
Buildings and improvements	211,247,185
Infrastructure	238,470,116
Machinery, Equipment and Intangibles	64,341,221
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles	(315,725,033)
Construction in Progress	173,729,943
Total	<u>\$ 719,663,133</u>

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

Bonds and Notes Payable:	
Due Within One Year	\$ 10,741,733
Due in More than One Year	70,248,498
Net Other Post Employment Benefit Obligations	63,209,875
Net Pension Obligations	8,974,893
Compensated Absences	
Due Within One Year	10,282,999
Due in More than One Year	8,464,537
Accrued Interest Payable	497,510
Totals	<u>\$ 172,420,045</u>

(3) – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(A) Budgetary Information

The following procedures are used in establishing the annual budget.

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

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

The legal level of budgetary control is the department or function for the Administration Accounts and the Montgomery County Park Account, and the Account level for Prince George's County Park Account, and Prince George's County Recreation Account. The Commission's expenditures may not exceed the total approved budget for each of the General Fund Accounts without prior approval by the respective County Council, except where grant

funds received with the knowledge and approval of Prince George's County constitute an automatic budget amendment, thereby increasing the appropriations. Management is authorized to allow a department or function within a General Fund Account to be overspent by up to 10% of the approved budget without Council approval, provided the account in total is not overspent.

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

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

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2013 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, 2013, as noted in Note 6 as follows.

	Montgomery County		Prince George's County			Total General Fund
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2013	\$ 4,459,151	\$ 3,002,704	\$ 5,670,972	\$ 7,112,079	\$ 2,324,715	\$ 22,569,621
To Decrease -						
Encumbrances -						
June 30, 2013	(3,764,974)	(4,247,753)	(14,042,734)	(10,396,097)	(7,710,065)	(40,161,623)
Total Adjustment	694,177	(1,245,049)	(8,371,762)	(3,284,018)	(5,385,350)	(17,592,002)
Net Change in Fund Balance:						
GAAP Basis	1,463,457	2,650,902	10,193,505	56,670,506	9,111,512	80,089,882
Budget Basis	\$ 2,157,634	\$ 1,405,853	\$ 1,821,743	\$ 53,386,488	\$ 3,726,162	\$ 62,497,880

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2013, totaled \$1,229,752,819. The Commission's unrestricted pool of deposits and investments (\$422,440,384) 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 \$779,234 and the bank balance was \$4,432,999. In addition, the Commission held cash at various locations totaling \$284,590. Of the bank balance, \$500,000 was covered by Federal depository insurance and the remainder was collateralized by \$2,692,562 securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank. Deposits of \$1,240,437 were uninsured and uncollateralized at June 30, 2013.

In addition, the Commission had Certificates of Deposit with a carrying value (including accrued interest) of \$47,117,929 at June 30, 2013. The certificates, with an average life of 290.64 days, were covered by collateral of \$107,179,910, 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, 2013 except for one account which, due to timing of a late incoming deposit, did not meet the bank's automated cutoff time for increase and therefore the collateral was based on the previous days balance and self-corrected the next day. 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 \$48,667,727. Of these deposits \$8,603 relates to cash and investments restricted for construction.

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

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

Cash and Investments Restricted for Unspent Debt Proceeds - At year-end, the Commission had \$3,005,586 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, 2013 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Municipal Bonds	\$ 750,038	9.00
U.S. Treasury Bills	2,246,945	165.86
Maryland Local Government Investment Pool (MLGIP)	16,615,425	46.00
U.S Treasury Notes	20,004,578	57.50
Federal Home Loan Mortgage Association Notes	35,976,114	347.71
Commercial Paper	44,994,850	31.11
Federal Agricultural Mortgage Corporation Notes	52,485,151	387.40
Federal Home Loan Bank Notes	70,487,111	321.86
Federal Farm Credit Bank	85,036,278	282.59
Total Fair Value	\$ 328,596,490	
Portfolio Weighted Average Maturity		252.98

Pooled Investments - The State Legislature created the Maryland Local Government Investment Pool ("MLGIP") with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by a single Baltimore-based financial institution, PNC Bank. The pool has a AAAM rating from Standard and Poor's and maintains a \$1.00 per share value. A MLGIP Advisory Committee of current participants was formed to review, on a 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 \$8,603 (0.29%) 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, Investments and Securities Lending

Cash and Short Term Investments - For short term investments, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

The amount of ERS's total cash and cash equivalents at June 30, 2013, was \$27,511,335. Cash deposits that were insured and collateralized in the bank account totaled \$130,873 at June 30, 2013. At June 30, 2013, the ERS held \$27,380,462 of short term investments in its custodial investment accounts.

As of June 30, 2013, the ERS held \$99,519 of short term investments that were exposed to custodial credit risk.

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 the investment consultant selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers.

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 short term investments 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".

International Equity Guidelines

- 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".

Private Equity Guidelines

- The portfolio is expected to be diversified by geographic location with the following weightings: North America (approximately 50%), Europe (approximately 30%), and the Asia-Pacific region and other emerging markets (approximately 20%).
- The composite is expected to be diversified by the following investment types: buyouts, venture capital, growth equity, distressed, and special situations (private equity-like investments, such as mezzanine debt, asset-intensive assets or royalty streams and other opportunistic funds).
- Secondary fund investments and direct co-investments are permitted on an opportunistic basis with a combined maximum limit of 20%.
- Investments should be diversified by vintage year.
- No single partnership investment is expected to be more than 20% of the private equity composite. This guideline shall not apply during initial funding.

Core Fixed Income Guidelines

- The fixed income composite is limited to 20% of its value in short term investments 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, 2013 was 5.83 years with the Merrill Lynch BB/B and the Barclays Aggregate at 4.46 and 5.49 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.

High Yield Fixed Income Guidelines

- Average credit quality ranges between BB and B.
- Securities rated below B- are limited to no more than 10% of the manager's portfolio.
- Cash equivalent exposure is limited to no more than 5%.

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 required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return

profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as “plain vanilla” collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not “plain vanilla” are restricted to 5% of a manager’s portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board. At June 30, 2013, the ERS did not hold any derivatives. Gains and losses are determined based on quoted market values and recorded in the statement of changes in 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, 2013. The ERS’ contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2013:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Australian dollar	\$ -	\$ -	\$ (134,703)	\$ (288)
Brazilian real	956,569	(3,906)	(3,331,841)	(1,606)
British pound sterling	1,293,984	(14,873)	(1,242,270)	(7,484)
Czech koruna	244,956	(6,126)	(36,848)	291
Euro	9,400,899	42,759	(5,912,220)	(42,736)
Hong Kong dollar	5,063,462	29	(4,819,936)	469
Japanese yen	1,813,961	2,495	(1,270,856)	2,893
Mexican peso	241,842	(967)	(70,965)	149
Norwegian krone	2,134,371	(6,498)	(74,106)	55
Singapore dollar	697,079	(490)	(1,470,932)	866
South Korean won	2,040,319	(1,638)	(415,996)	(316)
Swedish krona	557,689	(2,359)	(48,615)	(357)
Swiss franc	687,983	(3,402)	(41,253)	(158)
Turkish lira	1,615,932	4,761	(888,755)	(72)

Foreign Exchange Contracts Pending June 30, 2013:

<u>Currency</u>	<u>Purchases</u>	<u>Unrealized Gain/(Loss)</u>	<u>Sells</u>	<u>Unrealized Gain/(Loss)</u>
Euro	\$ 234,000	\$ (6,300)	\$ (1,579,391)	\$ 549
Hong Kong dollar	61,034	8	(29,445)	(4)
Japanese yen	-	-	(39,605)	376
Swiss franc	-	-	(10,742)	(4)

ERS's investments at June 30, 2013 were as follows:

Investments	Fair Value
Common stock	\$ 390,272,441
Preferred stock	404,745
Convertible equity	1,488,385
Venture Capital and Private Equity Partnerships	18,339,236
Government bonds	9,695,926
Government agencies	10,021,690
Provincial bonds	1,799,377
Corporate bonds	81,517,607
Corporate convertible bonds	4,038,962
Equity exchange traded fund	29,888,572
Government mortgage-backed securities	19,930,498
Government-issued commercial mortgage-backed	98,624
Commercial mortgage-backed	6,801,625
Asset-backed securities	400,816
Non-government backed CMOs	0
Index linked government bonds	4,221,007
Index linked corporate bonds	183,364
Fixed income mutual funds	43,286,623
Real estate	46,264,851
Short term investment funds	27,380,462
Securities lending short term collateral investment pool	80,072,342
Total Investments	\$ 776,107,153

The ERS has investments that are subject to various risks. Among these risks are custodial credit risk, interest rate risk, credit risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

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

Of the ERS' \$776.1 million in investments at June 30, 2013, \$80.1 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, 2013, the ERS had the following fixed income investments and short term investments with the following maturities:

Investment Type	Fair Value	Weighted Average
	Fair Value	Maturity-Years
Asset-backed securities	\$ 400,816	3.521438
Commercial mortgage-backed	6,801,625	28.453961
Corporate bonds	81,517,607	10.039558
Corporate convertible bonds	4,038,962	12.571810
Government agencies	10,021,690	13.419946
Government bonds	9,695,926	8.770640
Government mortgage-backed securities	19,930,498	25.321786
Gov't-issued commercial mortgage-backed securities	98,624	7.339000
Index linked corporate bonds	183,364	24.008000
Index linked government bonds	4,221,007	8.622816
Provincial bonds	1,799,377	10.784563
Fixed income mutual funds	43,286,623	N/A
Short term investment funds	24,875,595	N/A
TOTAL	\$ 206,871,714	13.104567

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 no CMOs at June 30, 2013.

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 \$400,816 in ABS at June 30, 2013.

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 Statement of Investment Policy.

Credit Quality Ratings as of June 30, 2013:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	AGY	3.296%
Agency	AAA	0.126%
Agency	AA	1.078%
Agency	A	0.042%
Government Bonds	A	0.095%
Government Bonds	BBB	0.110%
Government Bonds	BB	0.032%
Government Bonds	NR	0.605%
Government Mortgage-Backed Securities	AA	0.071%
Government Mortgage-Backed Securities	NR	0.061%
Index Linked Government Bonds	BBB	0.138%
Gov't-issued Commercial Mortgage-Backed	AA	0.013%
Asset-Backed Securities	AAA	0.017%
Asset-Backed Securities	NR	0.035%
Commercial Mortgage-Backed	AAA	0.547%
Commercial Mortgage-Backed	AA	0.019%
Commercial Mortgage-Backed	BBB	0.035%
Commercial Mortgage-Backed	NR	0.275%
Corporate Bonds	AAA	0.039%
Corporate Bonds	AA	0.371%
Corporate Bonds	A	0.837%
Corporate Bonds	BBB	3.508%
Corporate Bonds	BB	1.531%
Corporate Bonds	B	0.818%
Corporate Bonds	CCC	0.464%
Corporate Bonds	CC	0.007%
Corporate Bonds	NR	0.181%
Corporate Convertible Bonds	A	0.020%
Corporate Convertible Bonds	BBB	0.073%
Corporate Convertible Bonds	BB	0.180%
Corporate Convertible Bonds	B	0.118%
Corporate Convertible Bonds	NR	0.129%
Index Linked Corporate Bonds	BBB	0.024%
Municipal/Provincial Bonds	AA	0.104%
Municipal/Provincial Bonds	A	0.020%
Municipal/Provincial Bonds	BBB	0.024%
Municipal/Provincial Bonds	BB	0.084%
Other Fixed Income	NR	1.341%
Funds - Corporate Bond	NR	2.748%
Funds - Other Fixed Income	NR	4.222%
Funds - Short Term Investment	NR	3.205%

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, 2013, was as follows:

Investment Type	Currency	Fair Value
Government Bonds	Euro	\$ 1,049,782
Government Bonds	Mexican peso	720,402
Government Agencies	Brazilian real	360,693
Government Agencies	Philippine peso	324,170
Corporate Bonds	Australian dollar	226,451
Corporate Bonds	Euro	90,355
Corporate Bonds	Mexican peso	152,337
Corporate Bonds	Brazilian real	118,150
Common Stock	Swiss franc	2,415,944
Common Stock	Czech koruna	891,155
Common Stock	Euro	9,256,716
Common Stock	British pound sterling	6,008,833
Common Stock	Hong Kong dollar	5,985,173
Common Stock	South Korean won	2,824,016
Common Stock	Norwegian krone	4,382,428
Common Stock	Swedish krona	2,497,131
Common Stock	Turkish lira	966,041
Common Stock	Japanese yen	7,638,687
Common Stock	Brazilian real	1,145,044
Municipal/Provincial Bonds	Euro	182,745
Cash	Swiss franc	17,577
Cash	Japanese yen	39,605
Cash	Hong Kong dollar	29,445
Cash	Euro	12,892
Total		\$ 47,335,772

Cash Received as Securities Lending Collateral

The following table details the net income from securities lending for the period ending June 30, 2013:

Securities lending	\$ 265,571
Plus security lending income	(44,730)
Net securities lending income	<u>\$ 220,841</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, 2013.

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 74 days in 2013.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 43 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, 2013:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>
Fixed income securities	\$ 26,376,329	\$ 26,951,744
Domestic equities	50,502,249	51,804,876
Global equities	3,193,764	3,484,426
Total	\$ 80,072,342	\$ 82,241,046

*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 \$104 in money market funds at June 30, 2013. The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$488,215. Investments in mutual funds totaled \$28,068,719.

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 2013 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, 2013 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Fixed Income	\$ 12,340,946
Equity Index Fund	15,727,773
Total Investments	\$ 28,068,719

The Trust's fixed income investments at June 30, 2013 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Duration)</u>
Fixed Allocation Funds	\$ 7,863,040	3.25
Fixed Bond Fund	7,864,734	0.92
Total Fair Value	\$ 15,727,774	
Portfolio Weighted Average Maturity		2.42

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

Statement of Net Assets

Equity in Pooled Cash and Investments	\$ 399,835,096
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	3,005,586

Statement of Net Assets - Fiduciary Funds

Equity in Pooled Cash and Investments - Pension Trust Funds	488,215
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	19,733,581
Equity in Pooled Cash and Investments - Agency Funds	2,383,492
Cash and Marketable Securities - Pension Trust Funds	724,234,507
Collateral for Securities Lending Transactions - Pension Trust Funds	80,072,342

Total	<u>\$ 1,229,752,819</u>
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They are composed of:

Cash in Banks of Commission	\$ 779,234
Cash of Employees' Retirement System Pension Trust Fund	130,873
Cash in Other Post Employment Benefits Fund	-
Cash in Other Locations - Commission	284,590
Money Market Deposits of Commission	48,667,727
Money Market Deposits in Other Post Employment Benefits Fund	104
Certificates of Deposit of Commission	47,117,929
Fixed Income Securities In Commission's Investment Pool	328,596,490
Mutual funds in Other Post Employment Benefits Fund	28,068,719
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	426,093,105
Fixed Income Securities	177,957,157
Real Estate	46,264,851
Venture Capital and Partnerships	18,339,236
Cash & Cash Equivalents	27,380,462
Collateral for Securities Lending Transactions	80,072,342
Total	<u>\$ 1,229,752,819</u>

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2013 is as follows:

	July 1, 2012	Increases	Decreases	Transfers/ Contributions	June 30, 2013
Capital assets not being depreciated					
Land	\$ 337,141,136	\$ 11,207,062	\$ -	\$ -	\$ 348,348,198
Construction in progress	152,167,671	31,981,471	-	(10,419,199)	173,729,943
Total capital assets not being depreciated	<u>489,308,807</u>	<u>43,188,533</u>	<u>-</u>	<u>(10,419,199)</u>	<u>522,078,141</u>
Other capital assets, being depreciated					
Buildings and improvements	206,402,606	78,063	-	7,534,129	214,014,798
Infrastructure	235,585,047	-	-	2,885,070	238,470,117
Machinery, equipment and intangibles	94,775,131	6,201,578	(34,601)	-	100,942,108
Total other capital assets	<u>536,762,784</u>	<u>6,279,641</u>	<u>(34,601)</u>	<u>10,419,199</u>	<u>553,427,023</u>
Less accumulated depreciation for:					
Buildings and improvements	(129,824,800)	(5,583,300)	-	-	(135,408,100)
Infrastructure	(125,937,916)	(5,685,882)	-	-	(131,623,798)
Machinery, equipment and intangibles	(72,666,872)	(5,691,439)	34,601	-	(78,323,710)
Total accumulated depreciation	<u>(328,429,588)</u>	<u>(16,960,621)</u>	<u>34,601</u>	<u>-</u>	<u>(345,355,608)</u>
Total other capital asset, net	<u>208,333,196</u>	<u>(10,680,980)</u>	<u>-</u>	<u>10,419,199</u>	<u>208,071,415</u>
Governmental activities capital assets, net	<u>\$ 697,642,003</u>	<u>\$ 32,507,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 730,149,556</u>

Summaries of business-type activities capital assets at June 30, 2013, made up of two major enterprise funds, are as follows:

	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Montgomery County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 11,584,468	\$ -	\$ -	\$ -	\$ 11,584,468
Construction in progress	135,743	111,293	-	-	247,036
Total capital assets not being depreciated	11,720,211	111,293	-	-	11,831,504
Capital assets being depreciated					
Buildings and improvements	27,124,149	11,543	-	-	27,135,692
Machinery, equipment and intangibles	1,895,800	51,013	-	-	1,946,813
Total capital assets being depreciated	29,019,949	62,556	-	-	29,082,505
Less accumulated depreciation for:					
Buildings and improvements	(17,481,074)	(1,126,126)	-	-	(18,607,200)
Machinery, equipment and intangibles	(1,460,968)	(47,777)	-	-	(1,508,745)
Total accumulated depreciation	(18,942,042)	(1,173,903)	-	-	(20,115,945)
Total capital assets being depreciated, net	10,077,907	(1,111,347)	-	-	8,966,560
Capital assets, net	\$ 21,798,118	\$ (1,000,054)	\$ -	\$ -	\$ 20,798,064
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	72,308,339	32,305	-	-	72,340,644
Machinery, equipment and intangibles	5,558,417	313,370	-	-	5,871,787
Total capital assets being depreciated	77,866,756	345,675	-	-	78,212,431
Less accumulated depreciation for:					
Buildings and improvements	(31,552,534)	(2,034,521)	-	-	(33,587,055)
Machinery, equipment and intangibles	(4,065,926)	(158,118)	-	-	(4,224,044)
Total accumulated depreciation	(35,618,460)	(2,192,639)	-	-	(37,811,099)
Total capital assets being depreciated, net	42,248,296	(1,846,964)	-	-	40,401,332
Capital assets, net	\$ 50,027,427	\$ (1,846,964)	\$ -	\$ -	\$ 48,180,463
Total Business-type activities	\$ 71,825,545	\$ (2,847,018)	\$ -	\$ -	\$ 68,978,527

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

Governmental Activities:	
General Government	\$ 351,465
County Planning and Zoning	463,331
Park Operations and Maintenance	13,995,653
Recreation Programs	2,150,172
Total depreciation expense - governmental activities	\$ 16,960,621
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	\$ 3,366,542

Construction Commitments - The Commission is committed to \$43,353,912 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, 2013. The Montgomery County Capital Projects Fund has a payable balance of \$5,543,717 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 2013:

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	\$ -	\$ -	\$ -	\$ 1,420,000	\$ -	\$ 1,420,000
General Fund - Park Account	-	906,174	1,442,458	16,752,245	-	19,100,877
General Fund - Recreation Account	-	-	-	-	8,825,900	8,825,900
Special Revenue Fund	-	-	250,000	-	-	250,000
Capital Projects	45,536,596	-	-	-	-	45,536,596
Total Transfers In	\$ 45,536,596	\$ 906,174	\$ 1,692,458	\$ 18,172,245	\$ 8,825,900	\$ 75,133,373
Transfers Out						
General Fund - Park Account	\$ -	\$ (4,707)	\$ 45,541,303	\$ 1,998,632	\$ -	\$ 47,535,228
Debt Service Fund	16,637,198	-	-	-	-	16,637,198
Capital Projects	350,000	-	-	250,000	-	600,000
Special Revenue Fund	1,535,047	-	-	-	-	1,535,047
Enterprise Fund	8,825,900	-	-	-	-	8,825,900
Total Transfers Out	\$ 27,348,145	\$ (4,707)	\$ 45,541,303	\$ 2,248,632	\$ -	\$ 75,133,373

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$16,637,199) and a return of current funding from the Prince George's Capital Projects fund to the Prince George's Park Account (\$45,412,100)

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	8,825,900	8,825,900
Total Transfers In	\$ 8,825,900	\$ 8,825,900

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 \$1,366,819 not needed to pay current debt service were contributed by the Montgomery County Advanced Land Acquisition Debt Service Fund to the Montgomery County Advanced Land Acquisition Account in the Private Purpose Trust Funds.

(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, 2013 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2014	2,554	392	2,162
2015	1,999	392	1,607
2016	1,159	392	767
2017	325	98	227
2018	47	-	47
Total minimum lease payments	\$ 6,084	\$ 1,274	\$ 4,810

In fiscal year 2013, expenditures in the General Fund included \$1,332,750 relating to the rental of office space and \$955,560 relating to rental and other charges for rented equipment.

(E) Long-Term Obligations

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

Mandatory taxes of 3.6 cents per \$100 of real property assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of real property assessed valuation (10 cents for personal property) in Prince George's County are required by the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116 to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2013, debt service payments approximated 0.23 cents per \$100 of real property and 0.58 cents per \$100 of personal property for Montgomery County and 1.40 cents for real property and 3.50 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 Principal	Total Park Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments
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	\$ 31,970	\$ 8,945	\$ 40,915	\$ 1,665	\$ 354	\$ 2,019

Prince George's County General Obligation Bonds							Total Commission General Obligation Bonds
Fiscal Year	Governmental Activities						
	Total Park Principal	Total Park Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments	
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	\$ 47,503	\$ 8,382	\$ 55,885	\$ -	\$ -	\$ -	\$ 98,819

Outstanding General Obligation Bonds - General obligation bonds outstanding at June 30, 2013, consist of the following individual issues (000's):

<u>Series</u>	<u>Effective Interest Rate at Date of Sale</u>	<u>Dated</u>	<u>Final Maturity Date</u>	<u>FY 2014 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2013</u>
Montgomery County						
Park Acquisition and Development Bonds						
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	\$ 280	\$ 12,155	\$ 555
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	1,040
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	345	5,445	680
Series II-2	3.9651	03/15/07	04/01/27	185	4,700	3,590
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	850	8,405	6,190
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	4,410
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	395	12,505	12,505
Series MC-2012B	3.5622	04/05/12	12/01/32	120	3,000	3,000
				<u>2,545</u>	<u>55,460</u>	<u>31,970</u>
Advance Land Acquisition Bonds						
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	155	1,550	305
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,360
				<u>235</u>	<u>3,550</u>	<u>1,665</u>
Total Montgomery County General						
Obligation Bonds				<u>\$ 2,780</u>	<u>\$ 59,010</u>	<u>\$ 33,635</u>
Prince George's County						
Park Acquisition and Development Bonds						
Series W-2	6.4000	06/25/98	07/01/12	\$ -	\$ 7,325	\$ -
Series BB-2 Advance Refunding	3.3944	12/01/02	07/01/14	-	21,110	-
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	2,915	37,525	9,855
Series GG-2 Current Refunding	3.1053	07/15/05	07/01/12	-	13,685	-
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	6,770
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,742	17,300	8,993
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,220	14,080	10,505
Series PG2012A Advance and Current Refunding	1.8735	06/21/12	01/15/24	1,730	11,420	11,380
Total Prince George's County						
General Obligation Bonds				<u>\$ 7,962</u>	<u>\$ 131,345</u>	<u>\$ 47,503</u>

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

Revenue Bonds and Revenue Notes Payable - The Commission is authorized to issue revenue bonds and notes to finance the cost of revenue producing facilities and to refund outstanding bonds. The revenue bonds and notes are not general obligations of the Commission or county for which they are issued and are payable solely from revenues generated from revenue producing facilities. The Commission's revenue bonds and revenue notes payable, which totaled \$222,228 at June 30, 2013, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$877,237 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, 2013, 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
2014	222	6	228
Total	\$ 222	\$ 6	\$ 228

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, 2013, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY2014 Serial Payment	Original Issue	Outstanding at June 30, 2013
Montgomery County Revenue Bonds and Notes Cabin John Ice Rink	5.1600	04/24/99	11/01/13	222 \$ 222	6,000 \$ 6,000	222 \$ 222

Defeased Debt - In the prior 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 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, 2013, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
General Obligation Park Bonds Payable	\$ 34,590,000	\$ -	\$ 2,620,000	\$ 31,970,000	\$ 2,545,000
General Obligation ALA Bonds Payable	1,905,000	-	240,000	1,665,000	235,000
Deferred charges, net of premiums, on General Obligation Bonds	226,037	-	(43,885)	269,922	-
Notes Payable - Governmental	-	-	-	-	-
Loan Payable to Montgomery County	-	-	-	-	-
Accrued Compensated Absences	8,407,735	4,029,310	4,617,705	7,819,340	4,617,705
Net Other Post Employment Benefit Obligations	25,366,342	1,440,498	-	26,806,840	-
Net Pension Obligations	3,894,234	-	41,209	3,853,025	-
Long-term Liabilities	<u>74,389,348</u>	<u>5,469,808</u>	<u>7,475,029</u>	<u>72,384,127</u>	<u>7,397,705</u>
Prince George's County					
General Obligation Park Bonds Payable	56,362,662	-	8,859,539	47,503,123	7,961,975
General Obligation ALA Bonds Payable	-	-	-	-	-
Deferred charges, net of premiums, on General Obligation Bonds	(603,823)	-	(186,251)	(417,572)	-
Notes Payable - Governmental	120,000	-	120,000	-	-
Accrued Compensated Absences	11,139,410	5,646,528	5,720,973	11,064,965	5,720,973
Net Other Post Employment Benefit Obligations	34,793,773	2,072,501	-	36,866,274	-
Net Pension Obligations	5,178,459	-	56,591	5,121,868	-
Long-term Liabilities	<u>106,990,481</u>	<u>7,719,029</u>	<u>14,570,852</u>	<u>100,138,658</u>	<u>13,682,948</u>
Total Long-term Liabilities	<u>\$ 181,379,829</u>	<u>\$ 13,188,837</u>	<u>\$ 22,045,881</u>	<u>\$ 172,522,785</u>	<u>\$ 21,080,653</u>
Business type activities:					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
Revenue Bonds and Notes Payable	\$ 1,064,102	\$ -	\$ 841,874	\$ 222,228	\$ 222,228
Unamortized Discount on Revenue Bonds and Notes	-	-	-	-	-
Accrued Compensated Absences	321,119	58,344	107,000	272,463	107,504
Net Other Post Employment Benefit Obligations	573,563	41,836	-	615,399	-
Net Pension Obligations	102,436	-	2,096	100,340	-
Long-term Liabilities	<u>2,061,220</u>	<u>100,180</u>	<u>950,970</u>	<u>1,210,430</u>	<u>329,732</u>
Prince George's County					
Accrued Compensated Absences	698,963	226,091	259,000	666,054	258,904
Net Other Post Employment Benefit Obligations	2,192,980	128,355	-	2,321,335	-
Net Pension Obligations	301,767	-	-	301,767	-
Long-term Liabilities	<u>3,193,710</u>	<u>354,446</u>	<u>259,000</u>	<u>3,289,156</u>	<u>258,904</u>
Total Long-term Liabilities	<u>\$ 5,254,930</u>	<u>\$ 454,626</u>	<u>\$ 1,209,970</u>	<u>\$ 4,499,586</u>	<u>\$ 588,636</u>

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

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 10,338,678	\$ 366,408	\$ 10,705,086
Due in more than One Year	8,545,627	572,109	9,117,736
Bonds and Notes Payable:			
Due within One Year	10,741,975	222,228	10,964,203
Due in more than One Year	70,248,498	-	70,248,498
Net Other Post employment Benefit Obligations			
Due in more than One Year	63,673,114	2,936,734	66,609,848
Net Pension Obligations	8,974,893	402,107	9,377,000
Total Long-term Liabilities	<u>\$ 172,522,785</u>	<u>\$ 4,499,586</u>	<u>\$ 177,022,371</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 fiscal year 2011 but none in fiscal years 2012 and 2013. 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 2013. 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 2013 totaled \$3,219,566. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

		Risk
	<u>Medical</u>	<u>Management</u>
Unpaid Claims, June 30, 2011	\$ 1,681,202	\$ 11,978,626
Incurred Claims, Fiscal Year 2012	16,657,525	5,083,538
Claims Paid, Fiscal Year 2012	<u>(16,976,108)</u>	<u>(4,461,723)</u>
Unpaid Claims, June 30, 2012	1,362,619	12,600,441
Incurred Claims, Fiscal Year 2013	18,642,038	7,322,794
Claims Paid, Fiscal Year 2013	<u>(18,765,116)</u>	<u>(3,219,566)</u>
Unpaid Claims, June 30, 2013	<u>\$ 1,239,541</u>	<u>\$ 16,703,669</u>

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 1,239,541	\$ 4,175,917	\$ 5,415,458
Due in more than One Year	-	12,527,752	12,527,752
Total	<u>\$ 1,239,541</u>	<u>\$ 16,703,669</u>	<u>\$ 17,943,210</u>

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2013:

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	1,826,750
Property Tax Collection Fees (Administration)	78,500
Office Space Rental at the County Administrative Building	791,096
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel (Stan Derwin Brown)	200,000
Department of Environmental Resources - Water and Sewer Planning	155,300
Economic Development for Enterprise Zone	65,000
EDC - General Plan Goals	333,400
Permits & Inspection for M-NCPPC-DER	2,176,200
Permits & Inspection & Permitting - DPW&T	1,390,000
Redevelopment Authority	930,600
DPW&T - Director's Office	212,250
Property Tax Collection Fees (Parks & Recreation)	353,700
Gorgeous Prince George's - Green to Greatness Day	250,000
Prince George's Community College	1,500,000
Prince George's County - Police Department	159,800
Prince George's County - Fire Department	43,200
Prince George's County - Health Department/Wellness Program	500,000
Prince George's County - Library Recreation Program	2,712,770
Total	<u>\$ 15,156,366</u>

Of this amount, \$13,447,673 is in Accounts Payable at June 30, 2013.

(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 6.5% of their base pay. Plan B members contribute 3.5% of their base pay up to the maximum Social Security Wage Base and 6.5% 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. Plan E members contribute 4% of their base pay up to the maximum Social Security Wage Base and 8% in excess of the maximum Social Security Wage Base for the calendar year.

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, 2012 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, 2012. 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 for 2011-2013 and 3% per year plus additional merit increases for 2014 and later, (c) The assumed post-retirement cost of living adjustment is 3% compounded annually for benefits accrued until July 1, 2012, and 2.5% compounded annually thereafter.

The funded status of the plan as of the most recent actuarial date, July 1, 2012, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 660,232
Actuarial Accrued Liability	802,077
Funded Ratio	82.3%
Unfunded Actuarial Accrued Liability	141,845
Annual Covered Payroll	129,912
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	109.2%

The net position available for benefits at June 30, 2013 totaled \$693,968,157.

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)	\$ 23,806,058
Interest on net pension obligation	732,004
Adjustment to annual required contribution	<u>(831,900)</u>
Annual pension cost (expense)	23,706,162
Contribution made	<u>23,806,058</u>
Decrease in net pension contribution	(99,896)
Net pension obligation, beginning of year	9,476,896
Net pension obligation, end of year	<u><u>\$ 9,377,000</u></u>

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years, 2011, 2012 and 2013 are presented below (\$000):

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual Pension Cost (APC)	\$ 25,633	\$ 32,182	\$ 23,806
Percentage of APC Contributed	73%	100%	100%
Net Pension Obligation (NPO)	9,574	9,477	9,377

In FY 2013 the Commission contributed 100% of the adjusted annual required contribution and has an NPO of \$9,377,000 at year-end.

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)	\$ 21,812
Interest on net OPEB obligation	3,553
Adjustment to annual required contribution	<u>(3,924)</u>
Annual OPEB cost (expense)	21,441
Contribution made	<u>17,758</u>
Increase in Net OPEB contribution	<u>3,683</u>
Net OPEB obligation, beginning of year	62,927
Net OPEB obligation, end of year	<u><u>\$ 66,610</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 2011, 2012 and 2013 is presented below (\$000):

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 23,935	\$ 28,213	\$ 21,429
Percentage of ARC Contributed	39%	58%	83%
Net OPEB Obligation	50,957	62,927	66,610

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, 2012 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, 2012. 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 2013 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 2022 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2012, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	17,800
Actuarial Accrued Liability		311,710
Funded Ratio		5.71%
Unfunded Actuarial Accrued Liability		293,910
Annual Covered Payroll		123,684
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		237.6%

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 Position
Pension Trust Funds
June 30, 2013

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ -	\$ 488,215	\$ 488,215
Cash	130,873	104	130,977
Fixed Income Securities	166,832,044	15,727,773	182,559,817
International Fixed Income Securities	11,125,113	-	11,125,113
Venture Capital/Alternative Investments	18,339,236	-	18,339,236
Corporate Stock	348,097,649	-	348,097,649
International Corporate Stock	77,995,456	-	77,995,456
Real Estate Investments	46,264,851	-	46,264,851
Short Term Investments	27,380,462	-	27,380,462
Mutual Funds	-	12,340,946	12,340,946
Collateral for Securities Lending Transactions	80,072,342	-	80,072,342
Accounts Receivable	1,456,898	-	1,456,898
Other	65,546	-	65,546
Total Assets	<u>777,760,470</u>	<u>28,557,038</u>	<u>806,317,508</u>
LIABILITIES			
Investments Payable	298,713	-	298,713
Accounts Payable	1,252,554	60,633	1,313,187
Claims Payable	-	427,582	427,582
Obligation for Collateral Received under Securities Lending Transactions	82,241,046	-	82,241,046
Total Liabilities	<u>83,792,313</u>	<u>488,215</u>	<u>84,280,528</u>
NET POSITION			
Assets Held in Trust for:			
Pension Benefits	693,968,157	-	693,968,157
Other Postemployment Benefits	-	28,068,823	28,068,823
Total Net Position	<u>\$ 693,968,157</u>	<u>\$ 28,068,823</u>	<u>\$ 722,036,980</u>

Combining Schedules of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2013

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 23,806,058	\$ 17,427,692	\$ 41,233,750
Plan Members	5,354,904	-	5,354,904
Plan Members for Current Benefits	-	1,700,221	1,700,221
Total Contributions	<u>29,160,962</u>	<u>19,127,913</u>	<u>48,288,875</u>
Federal Grants - Medicare	-	453,235	453,235
Investment Earnings:			
Interest	15,008,322	163	15,008,485
Dividends	70,519	84,603	155,122
Net increase in the Fair Value of Investments	<u>60,397,254</u>	<u>2,383,825</u>	<u>62,781,079</u>
Total Investment Earnings	75,476,095	2,468,591	77,944,686
Less Investment Advisory and Management Fees	<u>(2,895,248)</u>	-	<u>(2,895,248)</u>
Net Income from Investing Activities	<u>72,580,847</u>	<u>2,468,591</u>	<u>75,049,438</u>
Securities Lending Activity			
Securities Lending Income	265,571	-	265,571
Securities Lending Fees	<u>(44,730)</u>	-	<u>(44,730)</u>
Net Income from Securities Lending Activity	<u>220,841</u>	<u>-</u>	<u>220,841</u>
Total Net Investment Earnings	<u>72,801,688</u>	<u>2,468,591</u>	<u>75,270,279</u>
Total Additions and Investment Earnings	<u>101,962,650</u>	<u>22,049,739</u>	<u>124,012,389</u>
DEDUCTIONS:			
Benefits	36,262,962	11,781,148	48,044,110
Refunds of Contributions	368,762	-	368,762
Administrative expenses	<u>1,565,430</u>	-	<u>1,565,430</u>
Total Deductions	<u>38,197,154</u>	<u>11,781,148</u>	<u>49,978,302</u>
Change in Net Assets	<u>63,765,496</u>	<u>10,268,591</u>	<u>74,034,087</u>
Net Position - Beginning	<u>630,202,661</u>	<u>17,800,232</u>	<u>648,002,893</u>
Net Position - Ending	<u>\$ 693,968,157</u>	<u>\$ 28,068,823</u>	<u>\$ 722,036,980</u>

(6) – COUNTY FINANCIAL DATA

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

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MONTGOMERY COUNTY
Summary of Assets, Liabilities and Fund Balances
Governmental Funds and Accounts
June 30, 2013

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
ASSETS						
Equity in Pooled Cash and Investments	\$ 11,916,298	\$ 9,075,665	\$ 20,991,963	\$ -	\$ 7,012,226	\$ 28,004,189
Receivables - Taxes (net of allowance for uncollectibles)	318,061	531,860	849,921	-	28,616	878,537
Receivables - Other	33,120	49,843	82,963	-	13,728	96,691
Due from Other Funds	-	5,543,717	5,543,717	-	-	5,543,717
Due from County Government	250,000	153,254	403,254	2,802,576	255,269	3,461,099
Due from Other Governments	360,400	2,033,128	2,393,528	1,377,545	6,000	3,777,073
Restricted Cash - Unspent Debt Proceeds	-	-	-	3,005,586	-	3,005,586
Other	12,388	(584)	11,804	-	-	11,804
Total Assets	\$ 12,890,267	\$ 17,386,883	\$ 30,277,150	\$ 7,185,707	\$ 7,315,839	\$ 44,778,696
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 910,144	\$ 1,366,009	\$ 2,276,153	\$ 2,859,495	\$ 61,296	\$ 5,196,944
Accrued Liabilities	1,032,157	2,752,664	3,784,821	-	8,605	3,793,426
Retainage Payable	-	-	-	1,824,048	-	1,824,048
Due to Other Funds	-	-	-	5,543,717	-	5,543,717
Due to County Government	60	-	60	-	30	90
Deposits and Deferred Revenue	1,503,824	743,249	2,247,073	-	443,283	2,690,356
Total Liabilities	3,446,185	4,861,922	8,308,107	10,227,260	513,214	19,048,581
Fund Balance:						
Restricted for:						
Parks	-	-	-	3,005,586	9,816	3,015,402
Committed to:						
Planning	3,764,974	-	3,764,974	-	15,250	3,780,224
Parks	-	4,247,753	4,247,753	15,691,351	554,796	20,493,900
Assigned to:						
Planning	926,041	-	926,041	-	5,770,928	6,696,969
Parks	-	3,368,205	3,368,205	-	451,835	3,820,040
Unassigned:	4,753,067	4,909,003	9,662,070	(21,738,490)	-	(12,076,420)
Total Fund Balances	9,444,082	12,524,961	21,969,043	(3,041,553)	6,802,625	25,730,115
Total Liabilities and Fund Balances	\$ 12,890,267	\$ 17,386,883	\$ 30,277,150	\$ 7,185,707	\$ 7,315,839	\$ 44,778,696

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2013

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
REVENUES						
Property Taxes	\$ 25,853,216	\$ 77,724,077	\$ 103,577,293	\$ -	\$ 1,680,687	\$ 105,257,980
Intergovernmental:						
Federal	-	595,118	595,118	30,916	-	626,034
State	-	71,038	71,038	5,473,167	-	5,544,205
County	685,988	1,558,600	2,244,588	9,329,822	1,152,431	12,726,841
Charges for Services	388,295	1,321,413	1,709,708	-	3,617,649	5,327,357
Rentals and Concessions	-	1,561,364	1,561,364	-	169,729	1,731,093
Interest	15,963	(66,956)	(50,993)	(4,707)	7,811	(47,889)
Contributions	-	-	-	531,831	183,211	715,042
Miscellaneous	2,135	220,289	222,424	18	92,492	314,934
Total Revenues	<u>26,945,597</u>	<u>82,984,943</u>	<u>109,930,540</u>	<u>15,361,047</u>	<u>6,904,010</u>	<u>132,195,597</u>
EXPENDITURES						
Current:						
General Government	7,412,325	-	7,412,325	-	-	7,412,325
Planning and Zoning	16,679,815	-	16,679,815	-	3,564,271	20,244,086
Park Operations and Maintenance	-	75,431,275	75,431,275	-	1,124,105	76,555,380
Contributions	-	-	-	-	1,366,819	1,366,819
Debt Service:						
Principal	-	-	-	-	2,860,000	2,860,000
Interest	-	-	-	-	1,327,163	1,327,163
Other Debt Service Costs	-	-	-	-	385	385
Capital Outlay:						
Park Acquisition	-	-	-	2,776,933	-	2,776,933
Park Development	-	-	-	17,135,579	-	17,135,579
Total Expenditures	<u>24,092,140</u>	<u>75,431,275</u>	<u>99,523,415</u>	<u>19,912,512</u>	<u>10,242,743</u>	<u>129,678,670</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,853,457</u>	<u>7,553,668</u>	<u>10,407,125</u>	<u>(4,551,465)</u>	<u>(3,338,733)</u>	<u>2,516,927</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	(4,707)	(4,707)	906,174	5,938,059	6,839,526
Transfer Out	(1,390,000)	(4,898,059)	(6,288,059)	4,707	(556,174)	(6,839,526)
Total Other Financing Sources (Uses)	<u>(1,390,000)</u>	<u>(4,902,766)</u>	<u>(6,292,766)</u>	<u>910,881</u>	<u>5,381,885</u>	<u>-</u>
Net Change in Fund Balances	1,463,457	2,650,902	4,114,359	(3,640,584)	2,043,152	2,516,927
Fund Balances - Beginning	7,980,625	9,874,059	17,854,684	599,031	4,759,473	23,213,188
Fund Balances - Ending	<u>\$ 9,444,082</u>	<u>\$ 12,524,961</u>	<u>\$ 21,969,043</u>	<u>\$ (3,041,553)</u>	<u>\$ 6,802,625</u>	<u>\$ 25,730,115</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 25,930,800	\$ 25,930,800	\$ 25,853,216	\$ (77,584)
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	385,400	635,400	685,988	50,588
Charges for Services	210,000	210,000	388,295	178,295
Interest	45,000	45,000	15,963	(29,037)
Miscellaneous	-	-	2,135	2,135
Total Revenues	<u>26,721,200</u>	<u>26,971,200</u>	<u>26,945,597</u>	<u>(25,603)</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,094,700	1,094,700	1,023,475	71,225
Central Administrative Services -				
Department of Human Resources and Management	1,784,600	1,784,600	1,593,949	190,651
Department of Finance	2,764,800	2,764,800	2,762,259	2,541
Internal Audit Division	149,800	149,800	108,566	41,234
Legal Department	1,255,100	1,255,100	1,200,588	54,512
Support Services	569,600	569,600	508,511	61,089
Merit System Board	71,200	71,200	69,630	1,570
Total Central Administrative Services	<u>6,595,100</u>	<u>6,595,100</u>	<u>6,243,503</u>	<u>351,597</u>
Planning Department -				
Park and Planning Director's Office	931,500	931,500	558,265	373,235
Management Services	3,617,000	3,617,000	3,367,921	249,079
Functional Planning and Policy	1,932,600	1,932,600	1,800,655	131,945
Area 1	1,568,000	1,568,000	1,339,129	228,871
Area 2	1,911,700	1,911,700	1,779,495	132,205
Area 3	1,789,600	2,039,600	1,790,982	248,618
Dev. App. And Reg. Coordination	815,400	815,400	549,290	266,110
Center for Research and Information Systems	1,803,400	1,803,400	1,707,379	96,021
Support Services	2,052,900	2,052,900	1,936,950	115,950
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>16,572,100</u>	<u>16,822,100</u>	<u>14,830,066</u>	<u>1,992,034</u>
Non-Departmental	<u>1,515,400</u>	<u>1,515,400</u>	<u>1,300,919</u>	<u>214,481</u>
Total Expenditures/Encumbrances	<u>25,777,300</u>	<u>26,027,300</u>	<u>23,397,963</u>	<u>2,629,337</u>
Excess of Revenues over Expenditures/Encumbrances	<u>943,900</u>	<u>943,900</u>	<u>3,547,634</u>	<u>2,603,734</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund - Dev. Review	(1,390,000)	(1,390,000)	(1,390,000)	-
Total Other Financing Sources (Uses)	<u>(1,390,000)</u>	<u>(1,390,000)</u>	<u>(1,390,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ <u>(446,100)</u>	\$ <u>(446,100)</u>	2,157,634	\$ <u>2,603,734</u>
Fund Balance - Budget Basis, Beginning			<u>3,521,474</u>	
Fund Balance - Budget Basis, Ending			\$ <u>5,679,108</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, 2013**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 77,792,600	\$ 77,792,600	\$ 77,724,077	\$ (68,523)
Intergovernmental -				
Federal	-	-	595,118	595,118
State	1,958,600	392,116	71,038	(321,078)
County	-	1,558,600	1,558,600	-
Charges for Services	1,154,300	1,154,300	1,321,413	167,113
Rentals and Concessions	1,351,500	1,351,500	1,561,364	209,864
Interest	13,000	13,000	(66,956)	(79,956)
Miscellaneous	247,500	255,384	220,289	(35,095)
Total Revenues	82,517,500	82,517,500	82,984,943	467,443
Expenditures/Encumbrances:				
Director of Montgomery Parks	896,300	896,300	903,447	(7,147)
Management Services	3,242,200	3,492,100	3,399,737	92,363
Facilities Management	10,319,800	10,569,800	10,537,332	32,468
Park Planning and Stewardship	3,035,200	3,035,200	3,038,926	(3,726)
Park Development	2,909,700	2,909,700	2,779,443	130,257
Park Police	12,873,755	11,905,755	11,745,862	159,893
Horticultural Resources	7,118,300	6,868,300	7,085,359	(217,059)
Public Affairs and Community Service	1,958,800	1,988,800	2,031,025	(42,225)
Northern Region	7,968,400	8,001,400	7,917,873	83,527
Southern Region	11,781,800	11,468,900	11,545,706	(76,806)
Support Services	9,690,400	10,658,400	10,372,246	286,154
Grants	400,000	400,000	78,296	321,704
Property Management	867,700	867,700	839,471	28,229
Non-Departmental	4,866,400	4,866,400	4,401,601	464,799
Total Expenditures/Encumbrances	77,928,755	77,928,755	76,676,324	1,252,431
 Excess of Revenues over Expenditures/Encumbrances	 4,588,745	 4,588,745	 6,308,619	 1,719,874
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	-	-	(4,707)	(4,707)
Debt Service Fund	(4,442,700)	(4,442,700)	(4,433,012)	9,688
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Special Revenue	-	-	(115,047)	(115,047)
Total Other Financing Sources (Uses)	(4,792,700)	(4,792,700)	(4,902,766)	(110,066)
 Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 \$ (203,955)	 \$ (203,955)	 1,405,853	 \$ 1,609,808
 Fund Balance - Budget Basis, Beginning			6,871,355	
Fund Balance - Budget Basis, Ending			\$ 8,277,208	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities and Fund Balances
Governmental Funds and Accounts
June 30, 2013

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	\$ 39,285,203	\$ 153,820,786	\$ 46,901,107	\$ 240,007,096	\$ 71,911,032	\$ 6,113,526	\$ 318,031,654
Receivables - Taxes (net of allowance for uncollectibles)	698,465	1,944,494	1,263,638	3,906,597	-	(1,000)	3,905,597
Receivables - Other	33,809	1,461	3,941	39,211	-	-	39,211
Due from County Government	136,890	-	-	136,890	-	533,614	670,504
Due from Other Governments	42,598	10,040	6,133	58,771	1,682,542	-	1,741,313
Other	10,191	-	-	10,191	-	40,549	50,740
Total Assets	\$ 40,207,156	\$ 155,776,781	\$ 48,174,819	\$ 244,158,756	\$ 73,593,574	\$ 6,686,689	\$ 324,439,019
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 2,084,491	\$ 2,237,152	\$ 6,087,800	\$ 10,409,443	\$ 2,100,936	\$ 146,660	\$ 12,657,039
Accrued Liabilities	1,308,006	3,049,589	2,138,720	6,494,315	-	271,173	6,765,488
Retainage Payable	-	-	-	-	2,252,291	-	2,252,291
Deposits and Deferred Revenue	473,868	915,702	5,123,236	6,512,806	-	24,000	6,536,806
Total Liabilities	3,864,365	6,202,443	13,349,756	23,416,564	4,353,227	441,833	28,211,624
Fund Balance:							
Restricted for:							
Parks	-	-	-	-	-	(2,892)	(2,892)
Committed to:							
Planning	14,042,734	-	-	14,042,734	-	-	14,042,734
Parks	-	10,396,097	-	10,396,097	27,662,561	14,120	38,072,778
Recreation	-	-	7,710,065	7,710,065	-	113,221	7,823,286
Assigned to:							
Planning	4,457,985	-	-	4,457,985	-	2,651	4,460,636
Parks	-	30,147,030	-	30,147,030	41,577,786	1,353,966	73,078,782
Recreation	-	-	6,584,122	6,584,122	-	4,763,790	11,347,912
Unassigned:	17,842,072	109,031,211	20,530,876	147,404,159	-	-	147,404,159
Total Fund Balances	36,342,791	149,574,338	34,825,063	220,742,192	69,240,347	6,244,856	296,227,395
Total Liabilities and Fund Balances	\$ 40,207,156	\$ 155,776,781	\$ 48,174,819	\$ 244,158,756	\$ 73,593,574	\$ 6,686,689	\$ 324,439,019

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2013

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
REVENUES							
Property Taxes	\$ 43,333,491	\$ 119,484,069	\$ 58,358,827	\$ 221,176,387	\$ -	\$ (2,164)	\$ 221,174,223
Intergovernmental:							
Federal	596,531	36,642	12,955	646,128	-	-	646,128
State	-	-	346,871	346,871	2,712,695	-	3,059,566
County	174,730	-	50,115	224,845	-	533,564	758,409
Charges for Services	714,122	128,033	6,631,345	7,473,500	-	1,076,132	8,549,632
Rentals and Concessions	-	2,336,773	905,883	3,242,656	-	5,407,344	8,650,000
Interest	59,370	93,217	68,215	220,802	129,203	9,899	359,904
Contributions	-	-	-	-	-	83,053	83,053
Miscellaneous	8,740	238,895	82,887	330,522	161,141	55,208	546,871
Total Revenues	44,886,984	122,317,629	66,457,098	233,661,711	3,003,039	7,163,036	243,827,786
EXPENDITURES							
Current:							
General Government	9,476,422	-	-	9,476,422	-	-	9,476,422
Planning and Zoning	25,187,057	-	-	25,187,057	-	-	25,187,057
Park Operations and Maintenance	-	98,984,240	-	98,984,240	-	910,566	99,894,806
Recreation	-	-	48,519,686	48,519,686	-	5,231,937	53,751,623
Debt Service:							
Principal	-	-	-	-	-	8,859,539	8,859,539
Interest	-	-	-	-	-	1,891,714	1,891,714
Other Debt Service Costs	-	-	-	-	-	10,475	10,475
Capital Outlay:							
Park Acquisition	-	-	-	-	4,683,059	-	4,683,059
Park Development	-	-	-	-	21,563,971	-	21,563,971
Total Expenditures	34,663,479	98,984,240	48,519,686	182,167,405	26,247,030	16,904,231	225,318,666
Excess (deficiency) of Revenues over Expenditures	10,223,505	23,333,389	17,937,412	51,494,306	(23,243,991)	(9,741,195)	18,509,120
OTHER FINANCING SOURCES (USES)							
Transfers In	-	45,541,303	-	45,541,303	1,692,458	12,234,186	59,467,947
Transfer Out	(30,000)	(12,204,186)	(8,825,900)	(21,060,086)	(45,541,303)	(1,692,458)	(68,293,847)
Total Other Financing Sources (Uses)	(30,000)	33,337,117	(8,825,900)	24,481,217	(43,848,845)	10,541,728	(8,825,900)
Net Change in Fund Balances	10,193,505	56,670,506	9,111,512	75,975,523	(67,092,836)	800,533	9,683,220
Fund Balances - Beginning	26,149,286	92,903,832	25,713,551	144,766,669	136,333,183	5,444,323	286,544,175
Fund Balances - Ending	\$ 36,342,791	\$ 149,574,338	\$ 34,825,063	\$ 220,742,192	\$ 69,240,347	\$ 6,244,856	\$ 296,227,395

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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 43,650,300	\$ 43,650,300	\$ 43,333,491	\$ (316,809)
Intergovernmental -				
Federal	-	596,531	596,531	-
County	272,000	189,350	174,730	(14,620)
Charges for Services	590,000	657,000	714,122	57,122
Interest	150,000	150,000	59,370	(90,630)
Miscellaneous	50,000	50,000	8,740	(41,260)
Total Revenues	<u>44,712,300</u>	<u>45,293,181</u>	<u>44,886,984</u>	<u>(406,197)</u>
Expenditures/Encumbrances:				
Commissioners' Office	2,967,800	2,967,800	2,716,806	250,994
Central Administrative Services -				
Department of Human Resources and Management	2,223,300	2,223,300	1,986,948	236,352
Department of Finance	3,180,600	3,180,600	3,177,576	3,024
Internal Audit Division	255,500	255,500	183,860	71,640
Legal Department	726,500	726,500	690,919	35,581
Support Services	569,600	569,600	508,511	61,089
Merit System Board	71,000	71,000	69,431	1,569
Total Central Administrative Services	<u>7,026,500</u>	<u>7,026,500</u>	<u>6,617,245</u>	<u>409,255</u>
Planning Department -				
Director's Office	4,532,200	4,532,200	4,358,142	174,058
Development Review	7,344,500	7,344,500	6,946,375	398,125
Community Planning North	4,092,500	4,092,500	3,116,827	975,673
Community Planning South	3,342,000	3,342,000	3,155,449	186,551
Information Management	7,063,300	7,063,300	6,882,775	180,525
Countywide Planning	6,859,200	6,859,200	5,502,313	1,356,887
Support Services	1,601,800	1,601,800	1,440,637	161,163
Grants	138,000	718,881	734,323	(15,442)
Total Planning Department	<u>34,973,500</u>	<u>35,554,381</u>	<u>32,136,841</u>	<u>3,417,540</u>
Non-Departmental	1,906,800	1,906,800	1,564,349	342,451
Total Expenditures/Encumbrances	<u>46,874,600</u>	<u>47,455,481</u>	<u>43,035,241</u>	<u>4,420,240</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(2,162,300)</u>	<u>(2,162,300)</u>	<u>1,851,743</u>	<u>4,014,043</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>\$ (2,192,300)</u>	<u>\$ (2,192,300)</u>	<u>1,821,743</u>	<u>\$ 4,014,043</u>
Fund Balance - Budget Basis, Beginning			<u>20,478,314</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 22,300,057</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$ 119,477,700	\$ 119,477,700	\$ 119,484,069	\$ 6,369
Intergovernmental - Federal	-	36,642	36,642	-
Charges for Services	130,400	130,400	128,033	(2,367)
Rentals and Concessions	2,336,500	2,336,500	2,336,773	273
Interest	330,000	330,000	93,217	(236,783)
Miscellaneous	203,900	203,900	238,895	34,995
Total Revenues	<u>122,478,500</u>	<u>122,515,142</u>	<u>122,317,629</u>	<u>(197,513)</u>
Expenditures/Encumbrances:				
Office of The Director - Office of the Director	683,500	683,500	629,657	53,843
Park Police	17,619,400	17,619,400	17,433,935	185,465
Administration and Development - Deputy Director	729,800	729,800	652,604	77,196
Administrative Services	3,807,600	3,807,600	3,669,031	138,569
Management Supervision - Public Affairs & Marketing	1,901,500	1,901,500	1,666,572	234,928
Support Services	13,746,700	13,746,700	14,238,559	(491,859)
Park Planning and Development	6,233,400	6,233,400	5,766,307	467,093
Info Tech and Communications	4,284,300	4,284,300	4,586,893	(302,593)
Facility Operations - Deputy Director	395,500	395,500	294,702	100,798
Maintenance and Development	24,601,900	24,601,900	23,878,135	723,765
Natural and Historical Resources	5,629,100	5,629,100	5,413,778	215,322
Arts and Cultural Heritage	1,912,200	1,912,200	1,759,344	152,856
Total Facility Operations	<u>32,538,700</u>	<u>32,538,700</u>	<u>31,345,959</u>	<u>1,192,741</u>
Area Operations - Deputy Director	401,900	401,900	356,954	44,946
Northern Area	6,071,500	6,071,500	5,828,826	242,674
Central Area	6,618,500	6,618,500	5,840,139	778,361
Southern Area	5,863,900	5,863,900	5,701,686	162,214
Total Area Operations	<u>18,955,800</u>	<u>18,955,800</u>	<u>17,727,605</u>	<u>1,228,195</u>
Grants Non-Departmental	-	36,642	36,642	-
Total Expenditures/Encumbrances	<u>107,514,600</u>	<u>107,551,242</u>	<u>102,268,258</u>	<u>5,282,984</u>
Excess of Revenues over Expenditures/Encumbrances	<u>14,963,900</u>	<u>14,963,900</u>	<u>20,049,371</u>	<u>5,085,471</u>
Other Financing Sources (Uses):				
Transfers In (Out) - Capital Projects Funds - Interest	375,000	375,000	129,203	(245,797)
Debt Service - Park Fund	(17,211,600)	(17,211,600)	(12,204,186)	5,007,414
Capital Projects Funds - Development	45,412,100	45,412,100	45,412,100	-
Total Other Financing Sources (Uses)	<u>28,575,500</u>	<u>28,575,500</u>	<u>33,337,117</u>	<u>4,761,617</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 43,539,400</u>	<u>\$ 43,539,400</u>	<u>53,386,488</u>	<u>\$ 9,847,088</u>
Fund Balance - Budget Basis, Beginning			85,791,753	
Fund Balance - Budget Basis, Ending			<u>\$ 139,178,241</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$ 58,556,300	\$ 58,556,300	\$ 58,358,827	\$ (197,473)
Intergovernmental -				
Federal	-	12,955	12,955	-
State	-	346,871	346,871	-
County	-	49,615	50,115	500
Charges for Services	6,695,600	6,695,600	6,631,345	(64,255)
Rentals and Concessions	880,900	880,900	905,883	24,983
Interest	110,000	110,000	68,215	(41,785)
Miscellaneous	88,500	88,500	82,887	(5,613)
Total Revenues	<u>66,331,300</u>	<u>66,740,741</u>	<u>66,457,098</u>	<u>(283,643)</u>
Expenditures/Encumbrances:				
Administration and Development-				
Public Affairs & Marketing	874,800	874,800	603,952	270,848
Support Services	6,824,400	6,824,400	5,996,975	827,425
Total Director's Office	<u>7,699,200</u>	<u>7,699,200</u>	<u>6,600,927</u>	<u>1,098,273</u>
Facility Operations:				
Sports/Athletic/Outreach Program	9,897,600	9,897,600	9,434,104	463,496
Natural and Historical Resources	1,515,600	1,515,600	1,259,019	256,581
Arts and Cultural Heritage	3,455,200	3,455,200	3,284,122	171,078
Grants	-	409,441	417,939	(8,498)
Total Facility Operations	<u>14,868,400</u>	<u>15,277,841</u>	<u>14,395,184</u>	<u>882,657</u>
Area Operations:				
Northern Area	6,524,000	6,524,000	6,430,783	93,217
Central Area	6,285,800	6,285,800	5,902,271	383,529
Southern Area	8,154,700	8,154,700	6,809,906	1,344,794
Child Care and Special Programs	7,948,100	7,948,100	7,254,006	694,094
Total Area Operations	<u>28,912,600</u>	<u>28,912,600</u>	<u>26,396,966</u>	<u>2,515,634</u>
Non-Departmental	7,787,800	7,787,800	6,511,959	1,275,841
Total Operating Expenditures/Encumbrances	<u>59,268,000</u>	<u>59,677,441</u>	<u>53,905,036</u>	<u>5,772,405</u>
Excess of Revenues over Expenditures/Encumbrances	<u>7,063,300</u>	<u>7,063,300</u>	<u>12,552,062</u>	<u>5,488,762</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Enterprise	(8,825,900)	(8,825,900)	(8,825,900)	-
Total Other Financing Sources (Uses)	<u>(8,825,900)</u>	<u>(8,825,900)</u>	<u>(8,825,900)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (1,762,600)</u>	<u>\$ (1,762,600)</u>	<u>3,726,162</u>	<u>\$ 5,488,762</u>
Fund Balance - Budget Basis, Beginning			<u>23,388,836</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 27,114,998</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, 2010</u>	<u>July 1, 2011</u>	<u>July 1, 2012</u>
Actuarial Valuation of Plan Assets	\$ 609,903	\$ 659,362	\$ 660,232
Actuarial Accrued Liability	763,860	761,343	802,077
Funded Ratio	79.8%	86.6%	82.3%
Actuarial Value of Assets in Excess of Actuarial Accrued Liability	153,957	101,981	141,845
Annual Covered Payroll	140,407	132,491	129,912
Actuarial Value of Assets in Excess of Actuarial Accrued Liability as a Percentage of Covered Payroll	109.7%	77.0%	109.2%

Analysis of the dollar amounts of plan net position, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position 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)

	<u>July 1, 2010</u>	<u>July 1, 2011</u>	<u>July 1, 2012</u>
Actuarial Valuation of Plan Assets	\$ 8,553	\$ 11,170	\$ 17,800
Actuarial Accrued Liability	311,709	333,171	311,710
Funded Ratio	2.74%	3.35%	5.71%
Unfunded Actuarial Accrued Liability	303,156	322,001	293,910
Annual Covered Payroll	137,245	135,062	123,684
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	220.9%	238.4%	237.6%

Analysis of the dollar amounts of plan net position, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position 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 Red Wiggler Barn at Ovid Hazen Wells Park

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

MONTGOMERY COUNTY

PRINCE GEORGE'S COUNTY

	Special Revenue Funds				Special Revenue Funds				Special Revenue Funds				Advance Land Acquisition Debt Service		Total Nonmajor Governmental Funds
	Planning	Parks	Total Special Revenue	Total	Planning	Parks and Recreation	Total Special Revenue	Total	Plan Debt Service	Park Debt Service	Land Acquisition Debt Service	Total	Total		
Equity in Pooled Cash and Investments	\$ 5,948,177	\$ 1,063,797	\$ 7,011,974	\$ 7,012,226	\$ 2,651	\$ 6,112,515	\$ 6,115,166	\$ 6,113,526	\$ (1,892)	\$ (1,000)	\$ 252	\$ 6,113,526	\$ 13,125,752		
Taxes Receivable	-	-	28,616	28,616	-	-	-	-	-	-	-	-	27,616		
Accounts Receivable	-	13,728	13,728	13,728	-	-	-	-	-	-	-	-	13,728		
Due from County Government	254,840	429	255,269	255,269	-	533,614	533,614	533,614	-	-	-	533,614	788,883		
Due from Other Government	6,000	6,000	6,000	6,000	-	40,549	40,549	40,549	-	-	-	40,549	46,549		
Total Assets	\$ 6,209,017	\$ 1,077,954	\$ 7,286,971	\$ 7,315,839	\$ 2,651	\$ 6,686,678	\$ 6,689,329	\$ 6,686,689	\$ (2,892)	\$ (2,892)	\$ 252	\$ 6,686,689	\$ 14,002,528		

LIABILITIES

Accounts Payable	\$ 11,904	\$ 49,140	\$ 61,044	\$ 61,296	\$ -	\$ 146,408	\$ 146,408	\$ 146,660	\$ -	\$ -	\$ 252	\$ 146,660	\$ 207,956
Accrued Liabilities	-	8,605	8,605	8,605	-	271,173	271,173	271,173	-	-	-	271,173	279,778
Due to County Government	30	-	30	30	-	-	-	-	-	-	-	-	30
Deposits and Deferred Revenue	410,905	13,578	424,483	443,283	-	24,000	24,000	24,000	-	-	-	24,000	467,283
Total Liabilities	422,839	71,323	494,162	513,214	-	441,581	441,581	441,833	-	-	252	441,833	955,047

FUND BALANCES

	Special Revenue Funds				Special Revenue Funds				Special Revenue Funds				Advance Land Acquisition Debt Service		Total Nonmajor Governmental Funds
	Planning	Parks	Total Special Revenue	Total	Planning	Parks and Recreation	Total Special Revenue	Total	Plan Debt Service	Park Debt Service	Land Acquisition Debt Service	Total	Total		
Fund Balance, Restricted for:	-	-	9,816	9,816	-	-	-	-	-	-	-	-	6,924		
Committed to:	-	-	15,250	15,250	-	-	-	-	-	-	-	-	15,250		
Assigned to:	-	-	554,796	554,796	-	14,120	14,120	14,120	-	-	-	14,120	588,916		
Total Fund Balances	5,770,928	451,835	6,222,763	6,802,625	2,651	6,245,097	6,247,748	6,244,856	(2,892)	(2,892)	252	6,244,856	13,047,481		
Total Liabilities and Fund Balances	\$ 6,209,017	\$ 1,077,954	\$ 7,286,971	\$ 7,315,839	\$ 2,651	\$ 6,686,678	\$ 6,689,329	\$ 6,686,689	\$ (2,892)	\$ (2,892)	\$ 252	\$ 6,686,689	\$ 14,002,528		

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, 2013

Schedule 2

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY					
	Special Revenue Funds			Advance Land Acquisition Debt Service			Special Revenue Funds			Advance Land Acquisition Debt Service		
	Planning	Parks	Total	Park Debt Service			Planning	Recreation	Total	Park Debt Service		
REVENUES:												
Property Taxes												
Intergovernmental - County	254,840	897,591	1,152,431			1,680,687						
Charges for Services	3,555,387	62,262	3,617,649			1,152,431						
Recreation Activities		169,729	169,729			3,617,649						
Interest		542	7,811			169,729	173	9,726	9,899			
Contributions	31,363	151,848	183,211			7,811		83,053	83,053			
Miscellaneous	15,643	76,849	92,492			183,211		55,208	55,208			
Total Revenues	3,864,502	1,358,821	5,223,323			6,904,010	173	7,165,027	7,165,000			
EXPENDITURES:												
Principal Retirements												
Interest												
Other Debt Service Costs												
Contributions												
Planning and Zoning	3,564,271		3,564,271			2,860,000						
Park Operations and Maintenance		1,124,105	1,124,105			1,327,163						
Recreation						1,256,453						
Total Expenditures	3,564,271	1,124,105	4,688,376			70,710						
Excess (deficiency) of revenues over expenditures	300,231	234,716	534,947			3,158	173	1,022,524	1,022,697			
OTHER FINANCING SOURCES (USES):												
Transfers In												
Transfers Out												
Total Other Financing Sources (Uses)	1,390,000	115,047	1,505,047			2,860,000	30,000		30,000			
Net change in fund balances	1,690,231	349,763	2,039,994			1,327,163	(250,000)		(250,000)			
Fund Balances - beginning	4,085,947	656,868	4,742,815			(556,174)	(222,478)		(222,478)			
Fund Balances - ending	5,786,178	1,006,631	6,792,809			3,876,838	2,651	6,245,097	6,247,748			

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, 2013

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 1,433,900	\$ 1,433,900	\$ 1,152,431	\$ (281,469)	\$ 375,000	\$ 533,564	\$ 158,564	
Charges for Services	1,800,800	1,800,800	3,617,649	1,816,849	1,301,700	1,076,132	(225,568)	
Recreation Activities	201,500	201,500	169,729	(31,771)	6,278,800	5,407,344	(871,456)	
Interest	11,900	11,900	7,811	(4,089)	51,000	9,899	(41,101)	
Contributions	197,700	197,700	183,211	(14,489)	67,100	83,053	15,953	
Miscellaneous	25,000	25,000	92,492	67,492	12,300	55,208	42,908	
Total Revenues	3,670,800	3,670,800	5,223,323	1,552,523	8,085,900	7,165,200	(920,700)	
Expenditures/Encumbrances:								
Current -								
County Planning and Zoning	4,101,500	4,101,500	3,569,521	531,979	-	-	-	
Park Operations and Maintenance	1,657,500	1,657,500	1,327,967	329,533	903,100	708,419	194,681	
Recreation	-	-	-	-	7,525,800	5,226,519	2,299,281	
Total Expenditures/Encumbrances	5,759,000	5,759,000	4,897,488	861,512	8,428,900	5,934,938	2,493,962	
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	(2,088,200)	(2,088,200)	325,835	2,414,035	(343,000)	1,230,262	1,573,262	
Other Financing Sources (Uses):								
Operating Transfers In	1,390,000	1,390,000	1,505,047	115,047	30,000	30,000	-	
Transfers Out	-	-	-	-	(250,000)	(250,000)	-	
Total Other Financing (Uses)	1,390,000	1,390,000	1,505,047	115,047	(220,000)	(220,000)	-	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	\$ (698,200)	\$ (698,200)	\$ 1,830,882	\$ 2,529,082	\$ (563,000)	\$ 1,010,262	\$ 1,573,262	
Fund Balances - Budget Basis, July 1			<u>4,391,881</u>			<u>5,110,145</u>		
Fund Balances - Budget Basis, June 30			<u>\$ 6,222,763</u>			<u>\$ 6,120,407</u>		

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



Exterior view of South Bowie Community Center

ENTERPRISE FUNDS

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Position
Enterprise Funds
June 30, 2013 and 2012

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 5,674,846	\$ 4,934,957	\$ 4,488,203	\$ 4,037,930	\$ 10,163,049	\$ 8,972,887
Restricted Cash, Cash Equivalents and Investments:						
Accounts Receivable	14	14	-	614	14	628
Due from County Government	2,333	1,400	9,440	9,440	11,773	10,840
Inventories	124,597	129,556	699,422	829,021	824,019	958,577
Total Current Assets	<u>5,801,790</u>	<u>5,065,927</u>	<u>5,197,065</u>	<u>4,877,005</u>	<u>10,998,855</u>	<u>9,942,932</u>
Noncurrent Assets:						
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	27,135,692	27,124,149	72,340,644	72,308,339	99,476,336	99,432,488
Machinery, Equipment and Intangibles	1,946,813	1,895,800	5,871,787	5,558,417	7,818,600	7,454,217
Construction in Progress	247,036	135,743	-	-	247,036	135,743
	40,914,009	40,740,160	85,991,562	85,645,887	126,905,571	126,386,047
Less - Accumulated Depreciation	(20,115,945)	(18,942,042)	(37,811,099)	(35,618,460)	(57,927,044)	(54,560,502)
Total Capital Assets (net of depreciation)	<u>20,798,064</u>	<u>21,798,118</u>	<u>48,180,463</u>	<u>50,027,427</u>	<u>68,978,527</u>	<u>71,825,545</u>
Total Noncurrent Assets	<u>20,798,064</u>	<u>21,798,118</u>	<u>48,180,463</u>	<u>50,027,427</u>	<u>68,978,527</u>	<u>71,825,545</u>
Total Assets	<u>26,599,854</u>	<u>26,864,045</u>	<u>53,377,528</u>	<u>54,904,432</u>	<u>79,977,382</u>	<u>81,768,477</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	168,460	139,649	289,334	374,607	457,794	514,256
Accrued Salaries and Benefits	249,777	246,224	510,208	531,765	759,985	777,989
Compensated Absences	107,504	77,795	258,904	263,052	366,408	340,847
Interest Payable	1,910	7,965	-	-	1,910	7,965
Revenue Collected in Advance	1,353,081	1,381,625	43,234	235,151	1,396,315	1,616,776
Current Portion of Revenue Bonds Payable	-	397,430	-	-	-	397,430
Current Portion of Revenue Notes Payable	222,228	444,444	-	-	222,228	444,444
Total Current Liabilities	<u>2,102,960</u>	<u>2,695,132</u>	<u>1,101,680</u>	<u>1,404,575</u>	<u>3,204,640</u>	<u>4,099,707</u>
Noncurrent Liabilities:						
Revenue Notes Payable	-	222,228	-	-	-	222,228
Compensated Absences	164,958	243,324	407,151	435,911	572,109	679,235
Net Other Post Employment Benefit Obligations	615,399	573,563	2,321,335	2,192,980	2,936,734	2,766,543
Net Pension Obligations	100,340	102,436	301,767	301,767	402,107	404,203
Total Noncurrent Liabilities	<u>880,697</u>	<u>1,141,551</u>	<u>3,030,253</u>	<u>2,930,658</u>	<u>3,910,950</u>	<u>4,072,209</u>
Total Liabilities	<u>2,983,657</u>	<u>3,836,683</u>	<u>4,131,933</u>	<u>4,335,233</u>	<u>7,115,590</u>	<u>8,171,916</u>
NET POSITION						
Net Investment in Capital Assets	20,575,836	20,734,016	48,180,463	50,027,427	68,756,299	70,761,443
Unrestricted	3,040,361	2,293,346	1,065,132	541,772	4,105,493	2,835,118
Total Net Position	<u>\$ 23,616,197</u>	<u>\$ 23,027,362</u>	<u>\$ 49,245,595</u>	<u>\$ 50,569,199</u>	<u>\$ 72,861,792</u>	<u>\$ 73,596,561</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Years Ended June 30, 2013 and 2012

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2013	2012	2013	2012	2013	2012
Operating Revenues:						
Intergovernmental	\$ 11,883	\$ -	\$ -	\$ -	\$ 11,883	\$ -
Sales	640,199	732,130	2,350,479	2,312,717	2,990,678	3,044,847
Charges for Services	6,284,292	6,527,955	4,580,046	4,745,136	10,864,338	11,273,091
Rentals and Concessions	2,896,220	2,990,504	3,191,941	2,975,670	6,088,161	5,966,174
Total Operating Revenues	<u>9,832,594</u>	<u>10,250,589</u>	<u>10,122,466</u>	<u>10,033,523</u>	<u>19,955,060</u>	<u>20,284,112</u>
Operating Expenses:						
Cost of Goods Sold	437,785	413,561	1,586,913	1,432,142	2,024,698	1,845,703
Personal Services	4,617,167	3,433,920	10,497,317	11,627,312	15,114,484	15,061,232
Supplies and Materials	618,039	525,632	1,651,523	1,717,528	2,269,562	2,243,160
Communications	99,229	30,016	354,609	395,664	453,838	425,680
Utilities	977,123	1,144,661	1,720,686	1,991,821	2,697,809	3,136,482
Maintenance	444,957	391,154	798,222	965,190	1,243,179	1,356,344
Contractual Services	19,021	679,447	822,180	1,026,426	841,201	1,705,873
Other Services and Charges	835,436	160,732	379,088	396,052	1,214,524	556,784
Administrative Services	-	1,560,893	275,000	296,000	275,000	1,856,893
Depreciation	1,173,903	1,259,295	2,192,639	2,266,954	3,366,542	3,526,249
Total Operating Expenses	<u>9,222,660</u>	<u>9,599,311</u>	<u>20,278,177</u>	<u>22,115,089</u>	<u>29,500,837</u>	<u>31,714,400</u>
Operating Income (Loss)	<u>609,934</u>	<u>651,278</u>	<u>(10,155,711)</u>	<u>(12,081,566)</u>	<u>(9,545,777)</u>	<u>(11,430,288)</u>
Nonoperating Revenues (Expenses):						
Investment Earnings	7,983	22,192	6,207	26,759	14,190	48,951
Interest Expense, net of Amortization	(29,082)	(107,025)	-	-	(29,082)	(107,025)
Total Nonoperating Revenue (Expense)	<u>(21,099)</u>	<u>(84,833)</u>	<u>6,207</u>	<u>26,759</u>	<u>(14,892)</u>	<u>(58,074)</u>
Loss before Transfers	<u>588,835</u>	<u>566,445</u>	<u>(10,149,504)</u>	<u>(12,054,807)</u>	<u>(9,560,669)</u>	<u>(11,488,362)</u>
Contribution from General Government Assets	-	93,225	-	238,202	-	331,427
Transfers In	-	-	8,825,900	10,149,000	8,825,900	10,149,000
Total Contributions and Transfers	<u>-</u>	<u>93,225</u>	<u>8,825,900</u>	<u>10,387,202</u>	<u>8,825,900</u>	<u>10,480,427</u>
Change in Net Position	<u>588,835</u>	<u>659,670</u>	<u>(1,323,604)</u>	<u>(1,667,605)</u>	<u>(734,769)</u>	<u>(1,007,935)</u>
Total Net Position - Beginning	<u>23,027,362</u>	<u>22,367,692</u>	<u>50,569,199</u>	<u>52,236,804</u>	<u>73,596,561</u>	<u>74,604,496</u>
Total Net Position - Ending	<u>\$ 23,616,197</u>	<u>\$ 23,027,362</u>	<u>\$ 49,245,595</u>	<u>\$ 50,569,199</u>	<u>\$ 72,861,792</u>	<u>\$ 73,596,561</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2013 and 2012

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,	
	2013	2012	2013	2012	2013	2012
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 9,803,124	\$ 10,600,398	\$ 9,931,163	\$ 10,035,409	\$ 19,734,287	\$ 20,635,807
Payments to Suppliers	(4,876,921)	(2,834,202)	(7,268,896)	(7,858,382)	(12,145,817)	(10,692,584)
Payments to Employees	(1,188,615)	(3,240,545)	(10,423,427)	(11,424,196)	(11,612,042)	(14,664,741)
Payments for Interfund Services Used	(1,560,893)	(1,560,893)	-	-	(1,560,893)	(1,560,893)
Payments for Administrative Charges	(399,984)	(592,799)	(275,000)	(296,000)	(674,984)	(888,799)
Net Cash Provided (Used) by Operating Activities	1,776,711	2,371,959	(8,036,160)	(9,543,169)	(6,259,449)	(7,171,210)
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	-	8,825,900	10,149,000	8,825,900	10,149,000
Transfers Out to Other Funds	-	(54,776)	-	-	-	(54,776)
Net Cash Flows from Noncapital Financing Activities	-	(54,776)	8,825,900	10,149,000	8,825,900	10,094,224
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(173,849)	(47,340)	(345,674)	(34,368)	(519,523)	(81,708)
Principal Paid on Bonds and Notes Payable	(841,874)	(1,176,450)	-	-	(841,874)	(1,176,450)
Interest Paid on Revenue Bonds	(29,082)	(32,063)	-	-	(29,082)	(32,063)
Interest Paid	-	(74,962)	-	-	-	(74,962)
Payment Received on Long Term Note	-	180,000	-	-	-	180,000
Net Cash Used by Capital and Related Financing Activities	(1,044,805)	(1,150,815)	(345,674)	(34,368)	(1,390,479)	(1,185,183)
Cash Flows from Investing Activities:						
Interest on Investments	7,983	22,192	6,207	26,759	14,190	48,951
Net Increase in Cash and Cash Equivalents	739,889	1,188,560	450,273	598,222	1,190,162	1,786,782
Cash, Cash Equivalents and Restricted Cash, July 1	4,934,957	3,746,397	4,037,930	3,439,708	8,972,887	7,186,105
Cash, Cash Equivalents and Restricted Cash, June 30	\$ 5,674,846	\$ 4,934,957	\$ 4,488,203	\$ 4,037,930	\$ 10,163,049	\$ 8,972,887
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 609,934	\$ 651,278	\$ (10,155,711)	\$ (12,081,566)	(9,545,777)	\$ (11,430,288)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,173,903	1,259,295	2,192,639	2,266,954	3,366,542	3,526,249
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	-	5,122	614	-	614	5,122
Due from County Government	(933)	180,466	-	-	(933)	180,466
Inventories, at Cost	4,959	8,336	129,599	(52,525)	134,558	(44,189)
Accounts Payable	28,811	(82,199)	(85,274)	118,967	(56,463)	36,768
Accrued Salaries and Benefits	3,553	18,698	(21,557)	(90,998)	(18,004)	(72,300)
Compensated Absences	(48,657)	47,228	(32,908)	(104,086)	(81,565)	(56,858)
Interest Payable	(6,055)	(7,935)	-	-	(6,055)	(7,935)
Net Pension Obligation	(2,096)	1,048	-	(3,145)	(2,096)	(2,097)
Net Other Post Employment Obligations	41,836	126,401	128,355	401,344	170,191	527,745
Revenue Collected in Advance	(28,544)	164,221	(191,917)	1,886	(220,461)	166,107
Total Adjustments	1,166,777	1,720,681	2,119,551	2,538,397	3,286,328	4,259,078
Net Cash Provided (Used) by Operating Activities	\$ 1,776,711	\$ 2,371,959	\$ (8,036,160)	\$ (9,543,169)	\$ (6,259,449)	\$ (7,171,210)



Park staff member conducting a nature class at Lake Needwood Nature Center

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the consolidated financing of certain goods or services provided to other Commission funds on a cost-reimbursement basis.

Capital Equipment Funds

The Montgomery County Capital Equipment Fund is used to account for the acquisition of equipment through the use of tax exempt financing and the leasing of the equipment to other Commission funds.

Executive Building Fund

The Executive Building Fund is used to account for the cost of operating the Executive Office Building in Prince George's County and was used to account for the renovation costs of that building which was acquired in February of 1992.

Employee Benefits Funds

The Employee Benefits Funds are used to account for the costs related to employees' life and health insurance coverage, and the flexible spending program.

Risk Management Fund

The Risk Management Funds are used to account for the activity related to general liability, property damage, and workers compensation.

Commission Wide Initiatives Fund

The Commission Wide Initiatives Fund is used to account for the acquisition of equipment through the use of tax exempt financing for certain projects which benefit the entire Commission.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 7

Internal Service Funds
 Combining Statement of Net Position
 For the Year Ended June 30, 2013
 (With Summary and Comparative Totals for 2012)

ASSETS	MONTGOMERY COUNTY			PRINCE GEORGE'S COUNTY			COMMISSION WIDE INITIATIVE FUNDS			TOTALS	
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	Executive Building	Employee Benefits	Commission Wide IT Initiatives	June 30, 2013	June 30, 2012		
Current Assets:											
Equity in Pooled Cash and Investments	\$ 2,781,654	\$ 10,722,021	\$ 1,668,961	\$ 15,618,179	\$ 1,664,894	\$ 7,352,586	\$ 3,827,909	\$ 43,636,204	\$ 43,191,307		
Accounts Receivable	-	-	-	-	-	954,174	-	954,174	933,527		
Due from County Government	-	69,604	-	164,114	-	-	-	232,718	536,627		
Deposits and Other	-	-	-	-	-	601,359	-	601,359	165,359		
Total Current Assets	2,781,654	10,790,625	1,668,961	15,782,293	1,664,894	8,908,119	3,827,909	45,424,455	44,826,820		
Noncurrent Assets:											
Capital Assets:											
Land	-	-	-	-	748,497	-	-	748,497	748,497		
Buildings and Improvements	81,000	-	36,748	-	2,649,865	-	-	2,767,613	2,767,613		
Machinery, Equipment and Intangibles	32,142,763	208,404	1,270,138	365,626	100,770	-	2,513,187	36,600,888	34,013,108		
Less-Accumulated Depreciation	(25,329,278)	(195,176)	(658,972)	(356,782)	(2,104,365)	-	(986,000)	(29,630,575)	(27,314,865)		
Total Capital Assets (net of accumulated depreciation)	6,894,485	13,226	647,914	8,844	1,394,767	-	1,527,187	10,486,423	10,214,353		
Total Assets	9,676,139	10,803,851	2,316,875	15,791,137	3,059,661	8,908,119	5,355,096	55,910,878	55,041,173		
LIABILITIES											
Current Liabilities:											
Accounts Payable	514,569	5,818	-	15,434	13,442	102,248	60,549	712,060	568,845		
Current Portion of Claims Payable	-	1,729,203	-	2,446,714	-	1,239,541	-	5,415,458	4,512,729		
Accrued Salaries and Benefits	-	14,772	-	14,773	8,582	18,796	6,758	63,681	67,809		
Current Portion of Notes Payable	-	-	-	-	242	-	-	242	115,000		
Current Portion of Compensated Absences	-	15,930	-	15,930	6,630	17,189	-	55,679	15,189		
Due to County Government	-	123,846	-	123,847	-	-	-	247,693	525,988		
Interest Payable	-	-	-	-	-	-	-	-	3,020		
Total Current Liabilities	514,569	1,889,569	-	2,616,698	28,896	1,377,774	67,307	6,494,813	5,796,580		
Noncurrent Liabilities:											
Claims Payable - Net of Current Portion	-	5,187,608	-	7,340,144	-	-	-	12,527,752	9,450,331		
Compensated Absences - Net of Current Portion	-	3,367	-	3,367	20,015	54,341	-	81,090	137,311		
Net Other Post Employment Benefit Obligations	-	193,257	-	200,298	45,271	8,763	15,650	463,239	419,862		
Total Noncurrent Liabilities	-	5,384,232	-	7,543,809	65,286	63,104	15,650	13,072,081	10,007,504		
Total Liabilities	514,569	7,273,801	-	10,160,507	94,182	1,440,878	82,957	19,566,894	15,806,084		
NET POSITION											
Net Investment in Capital Assets	6,894,485	13,226	647,914	8,844	1,394,525	-	1,527,187	10,486,181	10,099,353		
Unrestricted	2,267,085	3,516,824	1,668,961	5,621,786	1,570,954	7,467,241	3,744,952	25,857,803	29,135,736		
Total Net Position	9,161,570	3,530,050	2,316,875	5,630,630	2,965,479	7,467,241	5,272,139	36,343,984	39,235,089		

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 8

Internal Service Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2013
 (With Summary and Comparative Totals for 2012)

	MONTGOMERY COUNTY				PRINCE GEORGE'S COUNTY				COMMISSION WIDE INITIATIVE FUNDS				TOTALS	
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	Executive Building	Employee Benefits	Commission Wide IT Initiatives	June 30, 2013	June 30, 2012					
Operating Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental-Federal Charges for Services	987,763	2,766,100	500,000	4,790,200	1,202,450	28,725,014	1,014,467	39,987,994	31,837,831	39,987,994	1,014,467	39,987,994	31,837,831	136,350
Claim Recoveries	-	187,114	-	212,841	-	-	-	399,955	1,269,167	-	-	-	399,955	1,269,167
Total Operating Revenues	987,763	2,955,214	500,000	5,003,041	1,202,450	28,725,014	1,014,467	40,387,949	33,243,348	40,387,949	1,014,467	40,387,949	33,243,348	1,675,026
Operating Expenses:														
Personal Services	-	253,369	7,700	259,220	186,283	525,080	178,514	1,412,166	595,804	1,412,166	178,514	1,412,166	595,804	1,675,026
Supplies and Materials	-	13,275	954,185	39,739	26,740	-	12,364	1,046,303	1,227,664	1,046,303	12,364	1,046,303	1,227,664	595,804
Other Contractual Services	-	377,864	-	590,891	-	202,838	-	1,171,593	2,552,162	1,171,593	-	1,171,593	2,552,162	1,227,664
Claims Incurred	-	3,026,267	-	4,296,527	-	19,300,574	-	26,623,368	6,583,499	26,623,368	-	26,623,368	6,583,499	2,552,162
Insurance	-	90,531	-	138,831	-	6,492,180	-	6,721,542	3,210,027	6,721,542	-	6,721,542	3,210,027	6,583,499
Other Services and Charges	124,121	433,595	303,670	474,058	688,572	232,000	1,808,546	4,064,562	3,210,027	4,064,562	1,808,546	4,064,562	3,210,027	3,210,027
Depreciation	1,811,993	6,732	127,192	6,652	116,072	-	247,069	2,315,710	2,215,331	2,315,710	247,069	2,315,710	2,215,331	2,215,331
Total Operating Expenses	1,936,114	4,201,633	1,392,747	5,805,918	1,019,667	26,752,672	2,246,493	43,355,244	38,059,513	43,355,244	2,246,493	43,355,244	38,059,513	38,059,513
Operating Income (Loss)	(948,351)	(1,246,419)	(892,747)	(802,877)	182,783	1,972,342	(1,232,026)	(2,967,295)	(4,816,165)	(2,967,295)	(1,232,026)	(2,967,295)	(4,816,165)	(4,816,165)
Nonoperating Revenues (Expenses):														
Interest Income	2,652	17,811	1,939	28,820	4,009	13,891	7,068	76,190	247,384	76,190	7,068	76,190	247,384	247,384
Interest Expense	-	-	-	-	-	-	-	-	(10,455)	-	-	-	(10,455)	(10,455)
Total Nonoperating Revenues (Expenses)	2,652	17,811	1,939	28,820	4,009	13,891	7,068	76,190	236,929	76,190	7,068	76,190	236,929	236,929
Income (Loss) Before Contributions and Transfers	(945,699)	(1,228,608)	(890,808)	(774,057)	186,792	1,986,233	(1,224,958)	(2,891,105)	(4,579,236)	(2,891,105)	(1,224,958)	(2,891,105)	(4,579,236)	(4,579,236)
Change in Net Position	(945,699)	(1,228,608)	(890,808)	(774,057)	186,792	1,986,233	(1,224,958)	(2,891,105)	(4,579,236)	(2,891,105)	(1,224,958)	(2,891,105)	(4,579,236)	(4,579,236)
Total Net Position, July 1	10,107,269	4,758,658	3,207,683	6,404,687	2,778,687	5,481,008	6,497,097	39,235,089	43,814,325	39,235,089	6,497,097	39,235,089	43,814,325	43,814,325
Total Net Position, June 30	\$ 9,161,570	\$ 3,530,050	\$ 2,316,875	\$ 5,630,630	\$ 2,965,479	\$ 7,467,241	\$ 5,272,139	\$ 36,343,984	\$ 39,235,089	\$ 36,343,984	\$ 5,272,139	\$ 36,343,984	\$ 39,235,089	\$ 39,235,089

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 9

Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2013

	MONTGOMERY COUNTY		PRINCE GEORGE'S COUNTY		COMMISSION WIDE INITIATIVE FUNDS			
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	Executive Building	Employee Benefits	Commission Wide IT Initiatives	TOTAL
Cash Flows from Operating Activities:								
Receipts from Customers and Users	\$ 987,765	\$ 3,103,723	\$ 602,401	\$ 5,056,040	\$ 1,202,450	\$ 28,268,367	\$ 1,014,467	\$ 40,235,213
Payments to Suppliers	426,862	(2,157,499)	(1,334,899)	(2,967,679)	(764,975)	(26,180,890)	(2,000,749)	(34,979,829)
Payments to Employees	-	(301,591)	-	(307,441)	(179,739)	(425,992)	(162,286)	(1,377,049)
Payments for Interfund Services Used	(50,720)	(245,000)	(7,700)	(267,770)	(3,900)	(232,000)	-	(807,090)
Net Cash Provided (Used) by Operating Activities	<u>1,363,907</u>	<u>399,633</u>	<u>(740,198)</u>	<u>1,513,150</u>	<u>253,836</u>	<u>1,429,485</u>	<u>(1,148,568)</u>	<u>3,071,245</u>
Cash Flows from Capital and Related Financing Activities:								
Acquisition of Capital Assets	(2,286,006)	-	(216,774)	-	(114,758)	-	(85,000)	(2,587,780)
Principal Paid on Notes Payable	-	-	-	-	(114,758)	-	-	(114,758)
Net Cash Used by Capital and Related Financing Activities	<u>(2,286,006)</u>	<u>-</u>	<u>(216,774)</u>	<u>-</u>	<u>(114,758)</u>	<u>-</u>	<u>(85,000)</u>	<u>(2,702,538)</u>
Cash Flows from Investing Activities:								
Interest on Investments	2,652	17,811	1,939	28,820	4,009	13,891	7,068	76,190
Net Increase (Decrease) in Cash and Cash Equivalents	(919,447)	417,444	(955,033)	1,541,970	143,087	1,443,376	(1,226,500)	444,897
Cash and Cash Equivalents, July 1	3,701,103	10,304,577	2,623,994	14,076,207	1,521,807	5,909,210	5,054,409	43,191,307
Cash and Cash Equivalents, June 30	<u>2,781,656</u>	<u>10,722,021</u>	<u>1,668,961</u>	<u>15,618,177</u>	<u>1,664,894</u>	<u>7,352,586</u>	<u>3,827,909</u>	<u>43,636,204</u>
Operating Income (Loss)	\$ (948,351)	\$ (1,246,419)	\$ (892,747)	\$ (802,877)	\$ 182,783	\$ 1,972,342	\$ (1,232,026)	\$ (2,967,295)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation	1,811,993	6,732	127,192	6,652	116,072	-	247,069	2,315,710
Effect of Changes in Assets and Liabilities in:								
Accounts Receivable	-	-	-	-	-	(20,647)	-	(20,647)
Due from County Government	-	148,509	102,401	52,999	-	-	-	303,909
Deposits and Other	-	-	-	-	-	(436,000)	-	(436,000)
Accounts Payable	500,265	4,541	(77,044)	14,156	(46,643)	(62,221)	(179,839)	153,215
Claims Payable	-	1,673,640	-	2,429,588	-	(123,078)	-	3,980,150
Accrued Salaries and Benefits	-	(11,792)	-	(11,792)	82	18,796	578	(4,128)
Compensated Absences	-	(43,888)	-	(43,888)	515	71,530	-	(15,731)
Interest Payable	-	-	-	-	(3,020)	-	-	(3,020)
Net Other Post Employment Obligations	-	7,458	-	7,459	4,047	8,763	15,650	43,377
Due to County Government	-	(139,148)	-	(139,147)	-	-	-	(278,295)
Total Adjustments	<u>2,312,258</u>	<u>1,646,052</u>	<u>152,549</u>	<u>2,316,027</u>	<u>71,053</u>	<u>(542,857)</u>	<u>83,458</u>	<u>6,038,540</u>
Net Cash Provided (Used) by Operating Activities	<u>1,363,907</u>	<u>399,633</u>	<u>(740,198)</u>	<u>1,513,150</u>	<u>253,836</u>	<u>1,429,485</u>	<u>(1,148,568)</u>	<u>3,071,245</u>



Grand Opening Day at the Southern Regional Technical and Recreation Center in Fort Washington, MD

FIDUCIARY FUNDS

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

Pension Trust Funds

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

Private Purpose Trust Funds

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

Agency Funds

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 10

**Combining Statements of Net Position
Fiduciary Fund Types
June 30, 2013**

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS			
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Montgomery County	Prince George's County	Total Private Purpose Trust Funds	State Retirement	Montgomery	Prince George's	Total Agency Funds	
ASSETS											
Equity in Pooled Cash and Investments	\$ -	\$ 488,215	\$ 488,215	\$ 10,430,326	\$ 9,303,255	\$ 19,733,581	\$ 1,658,443	\$ 724,178	\$ 871	\$ 2,383,492	
Cash	130,873	104	130,977	-	-	-	-	-	-	-	
Fixed Income Securities	166,832,044	15,727,773	182,559,817	-	-	-	-	-	-	-	
International Fixed Income Securities	11,125,113	-	11,125,113	-	-	-	-	-	-	-	
Venture Capital/Alternative Investments	18,339,236	-	18,339,236	-	-	-	-	-	-	-	
Corporate Stock	348,097,649	-	348,097,649	-	-	-	-	-	-	-	
International Corporate Stock	77,995,456	-	77,995,456	-	-	-	-	-	-	-	
Real Estate Investments	46,264,851	-	46,264,851	-	-	-	-	-	-	-	
Short Term Investments	27,380,462	-	27,380,462	-	-	-	-	-	-	-	
Mutual Funds	-	12,340,946	12,340,946	-	-	-	-	-	-	-	
Collateral for Securities Lending	-	-	-	-	-	-	-	-	-	-	
Transactions	80,072,342	-	80,072,342	-	-	-	-	-	-	-	
Accounts Receivable	1,456,898	-	1,456,898	-	-	-	-	-	-	-	
Land Held for Other Governments	-	-	-	42,406,675	17,837,342	60,244,017	-	-	-	-	
Other	65,546	-	65,546	-	-	-	-	-	-	-	
Total Assets	777,760,470	28,557,038	806,317,508	52,837,001	27,140,597	79,977,598	1,658,443	724,178	871	2,383,492	
LIABILITIES											
Investments Payable	298,713	-	298,713	-	-	-	-	-	-	-	
Accounts Payable	1,252,554	60,633	1,313,187	222	1,427	1,649	1,658,443	-	-	1,658,443	
Claims Payable	-	427,582	427,582	-	-	-	-	-	-	-	
Obligation for Collateral Received	-	-	-	-	-	-	-	-	-	-	
under Securities Lending Transactions	82,241,046	-	82,241,046	-	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	-	-	-	-	
Total Liabilities	83,792,313	488,215	84,280,528	222	1,427	1,649	1,658,443	724,178	871	725,049	
NET POSITION											
Assets Held in Trust for:											
Land Held for Transfer	-	-	-	42,406,675	17,837,342	60,244,017	-	-	-	-	
Pension Benefits	693,968,157	-	693,968,157	-	-	-	-	-	-	-	
Other Postemployment Benefits	-	28,068,823	28,068,823	-	-	-	-	-	-	-	
Other Purposes	-	-	-	10,430,104	9,301,828	19,731,932	-	-	-	-	
Total Net Position	\$ 693,968,157	\$ 28,068,823	\$ 722,036,980	\$ 52,836,779	\$ 27,139,170	\$ 79,975,949	\$ -	\$ -	\$ -	\$ -	

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 11

Combining Statements of Changes in Net Position
Fiduciary Fund Types
For the Year Ended June 30, 2013

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals		Montgomery County	Prince George's County	Totals
ADDITIONS:							
Contributions:							
Employer	\$ 23,806,058	\$ 17,427,692	\$ 41,233,750	\$ -	\$ -	\$ -	-
Plan Members	5,354,904	-	5,354,904	-	-	-	-
Private Donations	-	1,700,221	1,700,221	-	-	-	-
Total Contributions	29,160,962	19,127,913	48,288,875	30,591	15,625	46,216	46,216
Contributions from Commission Debt Service Funds	-	-	-	1,366,819	-	-	1,366,819
Federal Grants - Medicare	-	453,235	453,235	-	-	-	-
Investment Earnings:							
Interest	15,008,322	163	15,008,485	14,486	14,978	29,464	29,464
Dividends	70,519	84,603	155,122	-	-	-	-
Net increase in the Fair Value of Investments	60,397,254	2,383,825	62,781,079	-	-	-	-
Total Investment Earnings	75,476,095	2,468,591	77,944,686	14,486	14,978	29,464	29,464
Less Investment Advisory and Management Fees	(2,895,248)	-	(2,895,248)	-	-	-	-
Net Income from Investing Activities	72,580,847	2,468,591	75,049,438	14,486	14,978	29,464	29,464
Securities Lending Activity							
Securities Lending Income	265,571	-	265,571	-	-	-	-
Securities Lending Fees	(44,730)	-	(44,730)	-	-	-	-
Net Income from Securities Lending Activity	220,841	-	220,841	-	-	-	-
Total Net Investment Income	72,801,688	2,468,591	75,270,279	14,486	14,978	29,464	29,464
Total Additions and Investment Income	101,962,650	22,049,739	124,012,389	1,411,896	30,603	1,442,499	1,442,499
DEDUCTIONS:							
Benefits	36,282,962	11,781,148	48,064,110	-	-	-	-
Refunds of Contributions	368,762	-	368,762	-	-	-	-
Administrative expenses	1,565,430	-	1,565,430	-	-	-	-
Contribution of Land	-	-	-	32,500	-	-	32,500
Other	-	-	-	16,603	-	-	16,603
Total Deductions	38,197,154	11,781,148	49,978,302	49,103	17,587	66,690	66,690
Change in Net Position	63,765,496	10,268,591	74,034,087	1,362,793	13,016	1,375,809	1,375,809
Net Position - Beginning	630,202,661	17,800,232	648,002,893	51,473,986	27,126,154	78,600,140	78,600,140
Net Position - Ending	693,968,157	28,068,823	722,036,980	52,836,779	27,139,170	79,975,949	79,975,949

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, 2013

	July 1, 2012	Additions	Deductions	June 30, 2013
MARYLAND STATE RETIREMENT SYSTEM FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,835,030	\$ 206,521	\$ 383,108	\$ 1,658,443
Total Current Assets	\$ 1,835,030	\$ 206,521	\$ 383,108	\$ 1,658,443
LIABILITIES				
Accounts Payable	\$ 1,835,030	\$ 206,521	\$ 383,108	\$ 1,658,443
Total Current Liabilities	\$ 1,835,030	\$ 206,521	\$ 383,108	\$ 1,658,443
MONTGOMERY COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 766,005	\$ 87,533	\$ 129,360	\$ 724,178
Total Current Assets	\$ 766,005	\$ 87,533	\$ 129,360	\$ 724,178
LIABILITIES				
Deposits	\$ 766,005	\$ 87,533	\$ 129,360	\$ 724,178
Total Current Liabilities	\$ 766,005	\$ 87,533	\$ 129,360	\$ 724,178
PRINCE GEORGE'S COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 575	\$ 3,482	\$ 3,186	\$ 871
Total Current Assets	\$ 575	\$ 3,482	\$ 3,186	\$ 871
LIABILITIES				
Deposits	\$ 575	\$ 3,482	\$ 3,186	\$ 871
Total Current Liabilities	\$ 575	\$ 3,482	\$ 3,186	\$ 871
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,601,610	\$ 297,536	\$ 515,654	\$ 2,383,492
Total Current Assets	\$ 2,601,610	\$ 297,536	\$ 515,654	\$ 2,383,492
LIABILITIES				
Accounts Payable	\$ 1,835,030	\$ 206,521	\$ 383,108	\$ 1,658,443
Deposits	766,580	91,015	132,546	725,049
Total Current Liabilities	\$ 2,601,610	\$ 297,536	\$ 515,654	\$ 2,383,492

◆ PART III ◆
STATISTICAL SECTION



Gentlemen sawing wood at Kingsley Schoolhouse while a group of visitors watch.

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	119
<i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i>	
Revenue Capacity	124
<i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	
Debt Capacity	128
<i>These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	133
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i>	
Operating Information	136
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i>	

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net Investment in Capital Assets										
Unrestricted	\$ 364,642,396	\$ 370,469,274	\$ 383,457,023	\$ 416,140,797	\$ 456,767,669	\$ 492,930,779	\$ 536,147,424	\$ 569,860,944	\$ 611,517,276	\$ 653,877,083
Subtotal Governmental Activities Net Position	91,953,723	126,681,153	159,962,347	201,822,613	253,129,079	282,047,368	282,484,768	257,331,391	246,549,209	255,869,413
	456,596,119	497,150,427	543,419,370	617,963,410	709,896,748	774,978,147	818,632,192	827,222,335	858,066,485	909,746,496
Business-type Activities:										
Net Investment in Capital Assets										
Unrestricted	85,843,860	83,421,966	84,318,532	81,455,721	79,384,327	77,400,952	75,033,816	72,823,330	70,761,443	68,756,299
Subtotal Business-type Activities Net Position	2,238,739	2,334,180	2,101,083	3,881,454	2,763,707	1,855,610	1,754,184	1,781,166	2,835,118	4,105,493
	88,082,599	85,756,146	86,419,615	85,337,175	82,148,034	79,256,562	76,788,000	74,604,496	73,596,561	72,861,792
Primary Government:										
Net Investment in Capital Assets										
Unrestricted	450,486,256	453,891,240	467,775,555	497,596,518	536,151,996	570,331,731	611,181,240	642,714,274	682,278,719	722,633,382
Total Government Net Position	94,192,462	129,015,333	162,063,430	205,704,067	255,892,786	283,902,978	284,238,952	259,112,557	249,384,327	259,974,906
	\$ 544,678,718	\$ 582,906,573	\$ 629,838,985	\$ 703,300,585	\$ 792,044,782	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831	\$ 931,663,046	\$ 982,608,288

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

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 Position
Last Ten Fiscal Years
Entity-wide Basis

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
General Government	\$ 12,497,931	\$ 13,365,605	\$ 14,110,350	\$ 15,062,862	\$ 17,397,550	\$ 18,875,258	\$ 19,765,804	\$ 18,965,709	\$ 18,141,138	\$ 16,859,031
County Planning and Zoning	28,792,531	31,089,512	35,931,600	39,150,300	48,649,825	60,370,641	68,695,074	55,915,753	56,148,279	45,516,285
Park Operations and Maintenance	112,777,571	117,420,745	140,378,771	145,957,331	165,753,521	181,359,243	224,848,872	232,698,656	200,435,112	199,288,578
Recreation Programs	39,174,875	42,175,881	43,058,584	46,907,997	52,688,859	69,011,470	66,427,714	66,827,863	65,963,047	55,799,559
Interest on Long-term Debt	5,483,168	6,398,948	6,045,652	5,693,542	5,902,190	5,211,728	4,295,266	3,830,828	3,403,501	3,097,948
Subtotal Governmental Activities	199,726,076	210,449,671	239,524,967	252,772,152	290,397,945	333,828,340	376,032,730	380,238,839	344,011,077	320,561,411
Business-type Activities:										
Recreational and Cultural Facilities	30,033,511	31,635,252	32,957,080	28,861,349	30,626,723	30,899,133	30,924,994	30,999,452	31,821,425	29,529,919
Total Government Expenses	229,759,587	242,084,923	272,482,047	281,633,501	321,018,668	364,727,473	406,957,724	411,238,291	375,832,502	350,091,330
Program Revenues										
Governmental Activities:										
County Planning and Zoning	4,382,857	4,537,266	5,555,883	6,452,620	4,737,877	4,677,020	3,480,317	4,018,182	6,720,072	6,427,774
Park Operations and Maintenance	20,104,060	23,359,117	23,763,315	29,883,255	48,794,958	26,617,062	30,605,467	33,309,196	25,600,847	32,345,050
Recreation Programs	11,550,957	11,921,917	12,746,265	12,445,128	12,452,371	13,533,838	13,125,268	13,778,536	14,393,407	14,253,411
Subtotal Governmental Activities	36,047,954	39,819,300	42,065,463	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235
Business-type Activities:										
Recreational and Cultural Facilities	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060
Total Government Program Revenues	61,949,585	63,141,031	68,505,853	68,486,376	82,053,633	63,297,586	65,943,963	70,100,693	87,329,865	72,981,295
Net Government Expenses	(187,810,002)	(178,943,892)	(203,976,194)	(213,147,122)	(238,665,035)	(301,429,865)	(341,013,761)	(341,137,598)	(309,502,637)	(277,110,035)
General Revenues and Other Changes in Net Position										
Governmental Activities	186,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057	328,140,800	319,215,187
Business-type Activities	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	8,840,090
Total Primary Government	205,767,831	217,171,747	250,908,606	286,608,722	327,709,232	363,619,812	382,199,244	347,544,236	338,338,751	328,055,277
Change in Net Position										
Governmental Activities	32,773,503	40,554,308	46,288,943	74,544,040	91,933,338	65,061,399	43,654,045	8,590,142	30,844,149	51,680,011
Business-type Activities	(5,164,326)	(2,326,453)	(663,469)	(1,062,440)	(3,189,141)	(2,891,472)	(2,468,562)	(2,183,504)	(1,007,935)	(734,789)
Total Primary Government	37,609,177	38,227,855	45,625,474	73,481,600	88,744,197	62,169,927	41,185,483	6,406,638	29,836,214	50,945,222

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program Revenues										
Governmental Activities:										
County Planning and Zoning										
Charges for services	\$ 3,743,961	\$ 3,523,783	\$ 4,535,128	\$ 5,703,337	\$ 3,612,784	\$ 3,257,841	\$ 2,851,449	\$ 3,127,500	\$ 5,283,065	\$ 4,684,322
Operating grants and contributions	649,006	1,013,503	1,020,755	749,283	1,124,883	1,419,179	638,868	890,692	1,437,007	1,743,452
Total County Planning and Zoning	4,392,957	4,537,286	5,555,883	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774
Park Operations and Maintenance										
Charges for services	5,294,071	6,544,420	5,498,642	5,553,868	5,473,310	5,381,156	5,048,728	5,830,735	6,475,283	6,627,653
Operating grants and contributions	705,213	645,785	1,106,898	1,122,332	1,272,686	891,923	1,894,538	1,288,151	2,469,032	3,891,896
Capital grants and contributions	14,104,776	19,198,902	17,157,775	23,207,055	40,039,962	20,544,003	23,662,201	26,190,310	16,656,522	21,825,501
Total Park Operations and Maintenance	20,104,060	23,359,117	23,763,315	29,863,255	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050
Recreation Programs										
Charges for services	11,238,721	11,641,554	12,294,579	12,052,358	11,916,298	12,725,930	12,819,658	13,388,956	14,035,485	13,807,912
Operating grants and contributions	311,216	280,363	451,706	392,770	536,073	808,008	305,610	389,590	357,912	445,499
Total Recreation Programs	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411
Total Governmental Activities	36,047,954	39,818,300	42,065,463	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235
Business-type Activities:										
Recreational and Cultural Facilities										
Charges for services	22,046,268	23,321,731	22,969,521	19,286,008	17,926,991	18,177,611	18,572,911	18,992,169	20,284,112	19,943,177
Operating grants and contributions	26,000	-	-	146,596	151,636	91,937	150,000	2,900	-	11,863
Capital grants and contributions	3,829,363	3,470,849	12,746,285	272,172	12,452,371	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411
Total Recreational and Cultural Facilities	25,901,631	23,321,731	26,440,370	19,705,376	18,078,827	18,269,546	18,722,811	18,994,789	20,615,539	19,955,060
Total Government Program Revenues	\$ 61,949,585	\$ 63,140,031	\$ 68,505,853	\$ 68,486,379	\$ 82,053,833	\$ 63,297,588	\$ 65,943,863	\$ 70,100,693	\$ 67,329,865	\$ 72,981,295
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 204,217,877	\$ 213,178,802	\$ 241,784,351	\$ 272,927,451	\$ 313,813,140	\$ 354,328,523	\$ 380,067,118	\$ 345,841,894	\$ 336,318,601	\$ 327,652,882
Unrestricted Investment Earnings	1,418,407	3,908,309	8,870,876	13,361,638	13,801,237	9,152,076	2,097,505	1,670,713	1,971,289	388,205
Gain/Loss on Disposal of Land	35,676	-	-	-	-	-	-	-	-	-
Transfers	(9,220,335)	(5,902,432)	(6,928,800)	(7,754,100)	(9,064,100)	(9,599,900)	(9,599,900)	(9,789,550)	(10,149,000)	(8,825,900)
Total Governmental Activities	196,451,625	211,184,679	243,726,427	278,535,189	318,550,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187
Business-type Activities										
Unrestricted Investment Earnings	95,871	84,636	253,379	319,433	294,855	138,213	34,621	31,629	48,951	14,190
Transfers	9,220,335	5,902,432	6,928,800	7,754,100	9,064,100	9,599,900	9,599,900	9,789,550	10,149,000	8,825,900
Total Business-type Activities	9,316,206	5,987,068	7,182,179	8,073,533	9,359,955	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090
Total Primary Government	\$ 205,767,831	\$ 217,171,747	\$ 250,908,606	\$ 286,608,722	\$ 327,709,232	\$ 363,619,812	\$ 382,199,244	\$ 347,544,236	\$ 338,338,851	\$ 328,055,277

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)

	2004	2005	2006	2007	2008	2009
General Fund						
Reserved	\$ 7,909,128	\$ 11,340,789	\$ 15,766,495	\$ 19,064,712	\$ 21,618,725	\$ 31,406,415
Unreserved, reported in:						
Montgomery Administration Account	2,489,284	1,406,864	1,587,630	2,870,039	2,149,543	3,133,034
Montgomery Park Account	4,289,120	3,419,516	3,662,593	7,240,864	10,702,580	7,548,971
Prince George's Administration Account	7,655,832	10,120,856	12,568,819	15,888,797	18,658,565	14,420,070
Prince George's Park Account	28,032,500	36,850,247	50,284,754	54,213,314	64,078,004	56,642,003
Prince George's Recreation Account	8,463,689	10,997,196	16,987,650	23,875,520	33,487,704	30,404,917
Total General Fund	58,639,553	74,135,468	100,858,141	123,153,246	150,695,121	143,555,410
All Other Governmental Funds						
Reserved	19,279,123	16,239,896	30,979,446	27,311,293	25,013,746	29,845,493
Unreserved (deficit), reported in:						
Special Revenue Funds	6,466,722	7,088,718	8,358,389	9,421,909	6,992,786	5,340,039
Capital Projects Funds	19,573,788	27,292,889	15,279,284	40,535,220	69,407,232	110,284,080
Total All Other Governmental Funds	45,319,633	50,621,503	54,617,119	77,268,422	101,413,764	145,449,612
Total All Governmental Funds	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022
General Fund						
Committed	20,087,780	24,964,873	22,569,621	40,161,623		
Assigned	16,343,650	19,271,830	4,539,255	45,483,383		
Unassigned	99,092,516	92,831,681	135,512,477	157,066,229		
Total General Fund	135,523,946	137,068,384	162,621,353	242,711,235		
All Other Governmental Funds						
Restricted	23,712	6,372,978	4,721,415	3,012,510		
Committed	46,032,175	47,780,344	41,712,327	44,051,299		
Assigned	131,465,297	129,601,078	121,437,924	53,920,956		
Unassigned	(11,055,627)	(17,525,176)	(20,735,656)	(21,738,490)		
Total All Other Governmental Funds	166,465,557	166,229,224	147,136,010	79,246,275		
Total All Governmental Funds	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363	\$ 321,957,510		

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property Taxes	\$ 199,178,086	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421	\$ 353,966,763	\$ 380,292,455	\$ 345,254,763	\$ 337,691,448	\$ 326,432,203
Intergovernmental	14,282,243	13,475,196	13,728,507	20,395,468	17,411,704	17,411,704	20,281,231	27,617,484	16,129,050	23,361,183
Charges for Services	11,378,060	10,905,923	12,170,203	13,302,886	11,457,579	11,572,219	11,614,064	11,614,064	14,395,378	13,876,989
Rentals and Concessions	7,752,377	8,119,786	8,893,464	8,872,522	8,977,209	9,017,218	8,929,134	9,759,475	10,102,872	10,381,093
Interest	1,040,326	2,998,567	6,994,901	10,862,784	10,986,141	7,865,096	1,816,538	1,421,095	1,723,915	312,015
Miscellaneous	1,297,262	3,273,902	2,312,925	2,004,402	1,749,098	3,666,197	3,260,261	1,321,762	2,239,456	1,659,900
Total Revenues	234,528,354	254,824,003	288,637,360	328,601,293	385,418,248	403,189,697	425,603,965	396,988,653	384,282,119	376,023,383
Expenditures										
General Government	13,097,617	13,614,296	14,989,960	15,307,979	16,809,827	18,355,098	18,760,282	16,900,334	17,286,400	16,888,747
Planning and Zoning	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	45,431,143
Park Operations and Maintenance	103,998,826	109,839,327	118,469,005	131,788,561	148,113,743	162,603,732	201,163,727	185,124,386	169,990,977	176,450,186
Recreation	38,003,635	40,419,313	41,484,461	45,466,125	50,361,564	65,009,966	64,896,624	62,922,303	62,419,928	53,751,623
Contributions	-	-	-	1,269,894	1,545,894	1,860,781	2,187,475	2,100,896	1,425,741	1,366,819
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	10,755,000	11,290,000	11,820,000	11,630,000	13,131,800	13,705,849	13,181,597	14,172,757	11,999,335	11,719,539
Interest	5,945,514	5,812,572	5,986,849	5,321,528	5,504,890	5,065,685	4,223,697	3,898,860	3,361,761	3,218,877
Other Debt Service Costs	525,375	186,317	262,481	258,155	87,937	178,835	113,412	(95,874)	427,602	10,860
Capital Projects	33,551,617	23,212,160	22,269,358	39,382,789	40,868,140	37,968,742	41,632,676	49,189,798	59,679,383	46,159,542
Total Expenditures	236,799,097	236,596,387	250,942,376	289,876,484	324,416,931	362,088,421	402,920,584	385,890,988	379,081,501	354,997,336
Other Financing Sources (Uses)										
Proceeds from General Obligation Bonds	14,720,000	4,002,020	-	13,600,000	17,300,000	5,250,000	-	-	10,500,000	-
Refunding Bonds Issued	22,605,000	-	19,130,000	-	(17,300,000)	8,405,000	14,080,000	-	16,425,000	-
Loan Issued	-	-	-	284,000	-	-	-	-	-	-
Premiums on Bonds Issued	1,926,886	-	88,405	93,709	-	381,617	769,574	-	2,614,073	-
Payment to Refunding Bond Escrow Account	(23,862,764)	-	(19,018,300)	-	-	(8,650,856)	(14,849,574)	-	(18,130,936)	-
Contribution to Private Purpose Trust Funds	8,615	-	-	-	-	-	-	-	-	-
Contribution to Private Purpose Trust Funds	(609,148)	-	-	-	-	-	-	-	-	-
Transfers In	28,577,814	31,727,099	31,327,417	46,882,822	54,409,188	84,117,586	62,185,114	41,616,423	28,262,071	66,307,473
Transfers Out	(29,368,636)	(33,355,950)	(38,504,217)	(64,636,922)	(63,723,289)	(93,717,496)	(71,884,014)	(51,405,973)	(38,411,071)	(75,133,373)
Total Other Financing Sources (Uses)	14,197,767	2,373,169	(6,976,695)	6,223,609	(9,314,100)	(4,214,139)	(9,698,900)	(9,789,550)	1,259,137	(8,825,900)
Net Change in Fund Balances	12,327,024	20,597,785	30,716,289	44,946,408	51,687,217	36,896,137	12,984,481	1,308,105	6,459,755	12,200,147
Beginning 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
Ending Fund Balance	\$ 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	\$ 321,957,510
Debt Service as a Percentage of Noncapital Expenditures	8.30%	8.09%	7.62%	6.77%	6.56%	5.86%	4.84%	5.20%	4.72%	4.79%

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		
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	0.904	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	
2013	158,272,831	170,369,032	0.981	3,604,479	2.441	161,877,310	173,973,511	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		
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	
2013	75,777,582	76,633,200	0.903	2,741,339	2.283	78,518,921	79,374,539	98.92	

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		Total
	(1) \$			\$			\$		
2004	0.021/0.053	0.0590/0.1480	0.0590/0.1480	0.0010/0.0030	0.0810/0.2040	0.924/2.294	0.924/2.294	\$ 1.005/2.498	
2005	0.020/0.050	0.0590/0.1480	0.0590/0.1480	0.0010/0.0030	0.0800/0.2010	0.914/2.273	0.914/2.273	0.994/2.474	
2006	0.022/0.055	0.0610/0.1530	0.0610/0.1530	0.0010/0.0030	0.0840/0.2110	0.868/2.156	0.868/2.156	0.952/2.367	
2007	0.020/0.050	0.0570/0.1430	0.0570/0.1430	0.0010/0.0030	0.0780/0.1960	0.824/2.048	0.824/2.048	0.902/2.244	
2008	0.019/0.047	0.0580/0.1450	0.0580/0.1450	0.0010/0.0030	0.0780/0.1950	0.824/2.046	0.824/2.046	0.902/2.241	
2009	0.019/0.047	0.0530/0.1320	0.0530/0.1320	0.0010/0.0030	0.0730/0.1820	0.829/2.059	0.829/2.059	0.902/2.241	
2010	0.018/0.045	0.0500/0.1250	0.0500/0.1250	0.0010/0.0030	0.0690/0.1730	0.835/2.074	0.835/2.074	0.904/2.247	
2011	0.015/0.038	0.0450/0.1120	0.0450/0.1120	0.0010/0.0030	0.0610/0.1530	0.843/2.094	0.843/2.094	0.904/2.247	
2012	0.017/0.043	0.0480/0.1200	0.0480/0.1200	0.0010/0.0030	0.0660/0.1660	0.881/2.191	0.881/2.191	0.947/2.357	
2013	0.018/0.045	0.0540/0.1350	0.0540/0.1350	0.0010/0.0030	0.0730/0.1830	0.908/2.258	0.908/2.258	0.981/2.441	

PRINCE GEORGE'S COUNTY

Fiscal Year	Administration		Park Operations	Advance Land Acquisition		Recreation	Total	County-wide Property Taxes		Total
	(1) \$			\$				\$		
2004	0.0466/0.1165	0.1770/0.4425	0.1770/0.4425	0.0013/0.0032	0.0541/0.1353	0.2790/0.6975	1.1384/2.8471	\$ 1.3341/3.3353		
2005	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.1357/2.8390	1.4147/3.5365		
2006	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.1381/2.8437	1.4171/3.5412		
2007	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.1165/2.7916	1.3955/3.4891		
2008	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.1069/2.8069	1.3859/3.5044		
2009	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.0986/2.7740	1.3776/3.4715		
2010	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.0915/2.7524	1.3705/3.4499		
2011	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0013/0.0032	0.0592/0.1480	0.2790/0.6975	1.0918/2.4800	1.3708/3.1775		
2012	0.0466/0.1165	0.1719/0.4298	0.1719/0.4298	0.0000/0.0000	0.0605/0.1512	0.2790/0.6975	1.0974/2.4800	1.3764/3.1775		
2013	0.0541/0.1353	0.1544/0.3860	0.1544/0.3860	0.0000/0.0000	0.0705/0.1762	0.2790/0.6975	1.0948/2.7630	1.3738/3.4605		

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	2013			2004		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Potomac Electric Power Company	\$ 714,754,210	1	0.44 %	\$ 766,285,986	1	0.82 %
Verizon Maryland INC	530,706,663	2	0.33	629,743,666	2	0.68
Montgomery Mall LLC	280,682,610	3	0.17	224,504,932	3	0.24
Washington Gas Light Company	258,719,080	4	0.16	206,249,370	4	0.22
Wheaton Plaza Reg Shopping Center	213,403,400	5	0.13	-	-	-
Chevy Chase Land Co.	207,339,733	6	0.13	-	-	-
Camalier, Anne D et al, Trustee	202,494,900	7	0.13	139,042,168	8	0.15
7501 Wisconsin Avenue LLC	200,029,560	8	0.12	155,000,000	7	0.17
Federal Realty Investment Trust	198,438,757	9	0.12	-	-	-
WP Project Developer LLC	165,434,493	10	0.10	-	-	-
Democracy Associates	-	-	-	137,266,666	9	0.15
Mirant Mid-Atlantic LLC	-	-	-	205,747,732	5	0.24
Bryant F. Foulger, Trustee	-	-	-	155,509,300	6	0.17
Marbeth Partnership	-	-	-	129,021,000	10	0.14
Total	\$ 2,972,003,406		1.83 %	\$ 2,748,370,820		2.98 %
Total Assessable Base	\$ 161,877,309,598		100.00 %	\$ 86,635,192,231		100.00 %

PRINCE GEORGE'S COUNTY

Taxpayer	2013			2004		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Gaylord National, LLC	\$ 550,000,000	1	0.70 %	\$ -	-	- %
Potomac Electric Power Company	469,845,938	2	0.60	437,932,470	2	0.95
Verizon Maryland	342,892,040	3	0.44	426,660,950	3	0.93
Washington Gas Light Company	245,668,650	4	0.31	179,269,812	5	0.39
Greenbelt Homes, Incorporated	226,145,362	5	0.29	80,194,020	9	0.17
JKC Stadium (FedEx Field)	220,582,533	6	0.28	187,999,100	4	0.41
Empirian Village of Maryland, LLC	205,441,150	7	0.26	-	-	-
Baltimore Gas and Electric Company	156,648,140	8	0.20	104,631,660	6	0.23
Genon Chalk Point LLC (1)	155,574,600	9	0.20	-	-	-
Petrie ELG Inglewood, LLC	135,470,099	10	0.17	-	-	-
Mirant Chalk Point LLC	-	-	-	441,694,116	1	0.96
Safeway Stores, Inc.	-	-	-	89,986,998	7	0.20
Digex Incorp	-	-	-	75,100,790	10	0.16
Summerfield Housing LTD Partnership	-	-	-	99,274,000	8	0.22
Total	\$ 2,708,268,512		3.45 %	\$ 2,122,743,916		4.61 %
Total Assessable Base	\$ 78,518,921,206		100.00 %	\$ 46,022,798,662		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
2004 \$	68,788,496 \$	68,447,863	99.5 %	258,510 \$	68,706,373	99.9 %
2005	74,428,353	74,232,900	99.7	125,625	74,358,525	99.9
2006	87,277,546	84,587,921	96.9	2,521,106	87,109,027	99.8
2007	91,903,957	91,347,333	99.4	(23,700)	91,323,633	99.4
2008	102,981,734	102,582,155	99.6	(147,609)	102,434,546	99.5
2009	106,450,471	105,976,302	99.6	313,500	106,289,802	99.8
2010	106,745,211	106,602,322	99.9	(600,372)	106,001,950	99.3
2011	94,042,259	93,678,737	99.6	169,586	93,848,323	99.8
2012	98,068,320	98,064,266	100.0	(65,333)	97,998,933	99.9
2013	106,088,181	105,178,075	99.1	-	105,178,075	99.1

PRINCE GEORGES COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
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	2,765,609	236,992,732	99.7
2013	220,093,844	218,774,290	99.4	-	218,774,290	99.4

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Advance Land Acquisition General Obligation Bonds(1)	Ratios		Ratios		
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Total Primary Government(1)	Percentage Of Personal Income (2)	Total Debt (1)	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2004	\$ 29,830	\$ 3,291	\$ 9,860	\$ 204	\$ 43,185	0.08	\$ 47.20	\$ 46,990	0.09	\$ 51.36
2005	31,760	5,256	8,825	114	45,955	0.08	49.87	51,345	0.09	55.72
2006	29,555	3,711	7,780	54	41,100	0.07	44.36	45,945	0.08	49.59
2007	32,025	5,259	6,715	27	44,026	0.07	47.25	48,316	0.08	51.86
2008	29,465	3,522	5,630	27	38,617	0.06	40.96	42,362	0.06	44.93
2009	32,290	2,301	4,523	-	39,114	0.06	40.79	42,324	0.07	44.13
2010	29,680	1,041	3,393	-	34,114	0.05	35.10	36,794	0.06	37.86
2011	26,710	368	2,241	-	29,319	0.04	29.90	31,464	0.05	32.09
2012	34,590	-	1,064	-	35,654	0.05	36.03	37,559	0.05	37.96
2013	32,240	-	222	-	32,462	0.04	32.49	34,127	0.05	34.15

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Advance Land Acquisition General Obligation Bonds(1)	Ratios		Ratios		
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Total Primary Government(1)	Percentage Of Personal Income (2)	Total Debt (1)	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2004	\$ 121,965	\$ 1,530	\$ -	\$ -	\$ 123,495	0.44	\$ 147.70	\$ 125,640	0.45	\$ 150.27
2005	113,480	1,714	-	-	115,194	0.39	137.05	117,019	0.40	139.22
2006	105,030	1,496	-	-	106,526	0.35	127.33	108,031	0.36	129.12
2007	105,400	1,806	-	-	107,206	0.34	128.75	108,396	0.34	130.17
2008	95,735	1,438	-	-	97,173	0.29	117.00	98,058	0.30	118.07
2009	85,501	1,054	-	-	86,555	0.26	103.71	87,140	0.26	104.41
2010	76,246	653	-	-	76,899	0.22	88.83	77,189	0.23	89.16
2011	65,925	369	-	-	66,294	0.19	75.85	66,294	0.19	75.85
2012	56,363	120	-	-	56,483	na	64.10	56,483	na	64.10
2013	47,086	-	-	-	47,086	na	na	47,086	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 2012 and FY 2013.

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	Net Bonded Debt Per Capita	Assessed Value (1)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2004	923,094	\$ 80,589,255	\$ 29,830	0.04 %	\$ 32.32	\$ 93,226,807	3,805	0.00 %	\$ 4.12
2005	930,286	88,294,369	31,760	0.04	34.14	102,184,337	5,390	0.01	5.79
2006	936,070	99,136,692	29,555	0.03	31.57	114,360,878	4,845	0.00	5.18
2007	941,491	112,335,704	32,025	0.03	34.02	129,659,726	4,290	0.00	4.56
2008	949,591	126,613,148	29,465	0.02	31.03	146,276,983	3,745	0.00	3.94
2009	957,760	140,254,264	32,290	0.02	33.71	162,053,662	3,210	0.00	3.35
2010	966,000	149,161,911	29,680	0.02	30.72	171,220,841	2,680	0.00	2.77
2011	979,551	149,284,865	26,710	0.02	27.27	171,646,984	2,145	0.00	2.19
2012	989,540	143,754,415	34,590	0.02	34.96	165,916,424	1,905	0.00	1.93
2013	999,247	140,577,467	32,240	0.02	32.26	161,877,310	1,665	0.00	1.67

PRINCE GEORGES 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	Net Bonded Debt Per Capita	Assessed Value (1)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2004	836,103	\$ 42,782,719	\$ 121,965	0.29 %	\$ 145.87	\$ 46,022,799	2,145	0.00 %	\$ 2.57
2005	840,513	45,981,392	113,480	0.25	135.01	49,441,014	1,825	0.00	2.17
2006	836,644	55,083,907	105,030	0.19	125.54	55,100,674	1,505	0.00	1.80
2007	832,699	59,177,385	105,400	0.18	126.58	63,544,195	1,190	0.00	1.43
2008	830,514	70,615,992	95,735	0.14	115.27	75,728,883	885	0.00	1.07
2009	834,560	82,671,572	85,501	0.10	102.45	88,636,874	585	0.00	0.70
2010	865,705	91,889,365	76,246	0.08	88.07	98,521,803	290	0.00	0.33
2011	874,045	84,718,780	65,925	0.08	75.43	90,863,504	-	0.00	n.a.
2012	881,138	79,043,657	56,363	0.07	63.97	84,542,585	-	0.00	n.a.
2013	n. a.	73,123,809	47,086	0.06	n.a.	78,518,921	-	0.00	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, 2013

	Debt Outstanding	Estimated Percentage Applicable	Montgomery County Estimated Share of Overlapping Debt	Prince George's County Estimated Share of Overlapping Debt	Total Estimated Share of Overlapping Debt
Overlapping Debt:					
Montgomery County:					
Montgomery County Government Direct Debt	\$ 3,085,183,755	100.00%	\$ 3,085,183,755	\$ -	\$ 3,085,183,755
MCPS - capital leases	47,090,756	100.00%	47,090,756	-	47,090,756
MCC - capital leases	58,069,610	100.00%	58,069,610	-	58,069,610
Kingsview Village Center - bonds	1,695,000	100.00%	1,695,000	-	1,695,000
West Germantown - bonds	13,890,000	100.00%	13,890,000	-	13,890,000
Towns, Cities and Villages	52,027,910	100.00%	52,027,910	-	52,027,910
Prince George's County:					
Prince George's County Direct Debt	956,231,112	100.00%	-	956,231,112	956,231,112
IDA of Prince George's County - lease revenue bonds	60,650,000	100.00%	-	60,650,000	60,650,000
Towns, Cities and Villages (2)	48,512,311	100.00%	-	48,512,311	48,512,311
Total Overlapping Debt			<u>3,257,957,031</u>	<u>1,065,393,423</u>	<u>4,323,350,454</u>
M-NCPPC Direct Debt Outstanding (1)			<u>33,904,922</u>	<u>47,085,551</u>	<u>80,990,473</u>
Total Direct and Overlapping Debt			<u>\$ 3,291,861,953</u>	<u>\$ 1,112,478,974</u>	<u>\$ 4,404,340,927</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 2013 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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Computation of Legal Debt Margin Park Acquisition and Development Bonds Last Ten Fiscal Years										
Park Acquisition and Development Bonds Guaranteed by Montgomery County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 77,392,706,440	\$ 85,115,950,105	\$ 96,008,277,404	\$ 109,087,997,868	\$ 123,349,223,504	\$ 137,037,338,727	\$ 145,753,018,821	\$ 148,152,872,587	\$ 162,197,149,758	\$ 158,272,830,848
Personal Property	3,186,548,890	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271	3,210,929,627	3,406,892,008	3,132,182,188	3,718,945,710	3,804,478,750
Total Assessed Value	80,569,255,330	88,294,369,345	99,136,692,634	112,335,703,729	126,613,147,775	140,254,264,354	149,161,910,829	149,284,884,775	165,916,095,468	161,877,309,598
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)	27,861,374	30,641,742	34,582,980	39,271,679	44,405,720	48,333,442	52,471,087	52,614,962	58,390,974	56,978,219
Personal Property at 9 cents	2,876,894	2,890,577	2,815,574	2,922,935	2,937,532	2,895,233	3,068,003	2,819,973	3,347,051	3,244,051
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	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	60,222,260
Debt Service Applicable to Limit	922,148,040	1,005,069,570	1,121,356,620	1,285,838,420	1,420,297,560	1,566,890,250	1,666,172,700	1,663,019,050	1,852,140,750	1,806,667,500
Legal Debt Margin	39,836,487	42,224,115	39,393,681	41,983,976	38,059,329	40,869,590	37,198,245	33,237,288	44,791,154	37,422,603
Debt Service Applicable to Limit as a Percentage of the Limit	4.32%	4.20%	3.42%	3.31%	2.68%	2.61%	2.23%	2.00%	2.42%	2.07%
Park Acquisition and Development Bonds Guaranteed by Prince George's County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 40,023,911,556	\$ 43,332,058,449	\$ 52,272,039,269	\$ 56,538,661,889	\$ 67,906,390,950	\$ 79,863,728,005	\$ 89,287,524,163	\$ 82,153,036,056	\$ 76,465,608,181	\$ 70,562,234,135
Personal Property	2,758,807,706	2,649,333,133	2,811,867,582	2,638,722,757	2,709,610,652	2,807,843,687	2,601,841,179	2,565,743,870	2,578,049,126	2,571,574,560
Total Assessed Value	42,782,719,262	45,981,391,582	55,083,906,851	59,177,384,646	70,615,991,602	82,671,571,692	91,889,365,342	84,718,779,928	79,043,657,307	73,133,808,695
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)	16,009,565	17,332,823	20,908,818	22,615,465	27,182,592	31,945,491	35,715,010	32,861,214	30,566,243	28,220,894
Personal Property at 10 cents	2,758,808	2,649,333	2,811,868	2,638,723	2,709,611	2,807,844	2,601,841	2,565,744	2,578,049	2,571,575
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	18,768,373	19,982,156	23,720,684	25,254,188	29,872,183	34,753,335	38,316,851	35,426,958	33,164,292	30,792,469
Debt Service Applicable to Limit	583,051,190	599,464,880	711,620,520	757,925,640	886,164,890	1,042,600,050	1,149,505,530	1,062,808,740	994,928,760	923,774,070
Legal Debt Margin	156,442,245	146,418,484	136,076,320	135,698,853	119,846,031	105,933,658	92,328,755	79,212,624	56,362,662	47,503,123
Debt Service Applicable to Limit as a Percentage of the Limit	27.78%	24.42%	19.12%	17.91%	13.37%	10.16%	8.03%	7.45%	5.66%	5.14%

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	
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
2013	13,400	1,322	12,078	384,030	4,239	0.03

Wheaton Ice Rink Revenue Bonds						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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)
2013	1,003,491	1,204,661	(201,170)	-	-	-

Cabin John Ice Rink Revenue Notes						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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
2013	3,256,992	2,391,626	865,366	444,444	28,667	1.83

- 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>
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
2013	999,247	73,420,000	73,475	540,133	5.2	149,018

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>
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	865,705	34,302,938	39,647	462,138	7.7	127,039
2011	874,045	35,036,640	40,215	466,787	7.2	126,671
2012	881,138	n. a.	n. a.	469,150	6.8	123,833
2013	n. a.	n. a.	n. a.	467,318	6.9	123,737

Notes:

- (1) Source: Data for 2004-2009 from the U.S. Bureau of the Census, data for 2010-2013 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2012 and 2013 is not currently available)
- (3) Source: Data for 2010 - 2013 are estimates derived by the Montgomery County Department of Finance
- (4) Source: Per Capita Income is derived by dividing personal income by population
- (5) Source: Bureau of Labor Statistics, U.S. Department of Labor
- (6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.
- (7) Source: Office of Management and Budget, Montgomery County
- (8) Source: Data for 2010-2013 are estimates derived by the Prince George's County Department of Finance and data from the U.S. B
- (8) Source Con't: 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government:	76.52	75.99	81.00	81.00	83.45	78.75	76.35	74.05	67.55	64.00
County Planning and Zoning:										
Office of the Planning Director	2.50	2.50	2.50	3.30	3.77	3.82	3.00	3.00	6.00	6.00
Management Services	12.80	11.30	11.10	9.30	7.60	25.57	28.35	29.02	22.39	21.60
Functional Planning and Policy	-	-	-	-	-	-	-	-	14.50	14.40
Area 1	-	-	-	-	-	-	-	-	11.49	12.75
Area 2	-	-	-	-	-	-	-	-	15.49	16.25
Area 3	-	-	-	-	-	-	-	-	16.19	15.50
Strategic Planning	4.50	4.50	4.40	3.30	4.30	-	24.17	21.20	-	-
Community-Based Planning	44.70	43.70	39.00	38.00	38.77	-	-	-	-	-
County-Wide Planning	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	24.80	24.60	28.50	35.60	35.00	32.32	31.48	15.60	-	-
Development Applications and Regulatory Coordination	-	-	-	-	-	-	-	-	12.60	10.85
Center for Research and Information Systems	28.00	26.80	26.30	26.90	31.30	28.55	24.84	23.18	12.64	13.95
Total County Planning and Zoning	159.00	153.60	151.90	157.40	169.31	171.05	170.65	142.92	111.30	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	6.00
Superintendent of Parks	15.00	19.00	19.00	-	-	-	-	-	-	-
Special Programs	-	-	-	-	-	-	6.00	6.00	-	-
Park Information and Customer Service	-	-	-	-	-	-	10.30	10.30	18.00	18.20
Management Services	-	-	-	-	-	7.13	7.67	7.50	20.60	20.10
Facilities Management	-	-	-	-	7.22	6.83	6.00	6.00	-	-
Technology Center	10.00	7.70	8.90	10.10	11.50	10.74	10.90	11.15	-	-
Park Planning and Stewardship	16.05	18.95	20.50	18.85	29.88	33.43	31.96	31.62	25.70	24.80
Park Development	27.50	27.00	27.70	26.50	28.50	28.43	28.50	28.55	24.80	23.80
Park Police	115.50	112.50	111.20	117.50	112.85	114.72	115.56	115.61	104.90	109.40
Horticultural Resources	67.65	65.05	67.30	65.65	62.65	63.84	63.40	63.50	73.20	79.40
Facilities Management (formerly Central Maintenance)	102.30	98.30	106.80	101.30	102.77	104.76	102.90	102.65	91.10	89.80
Northern Region	118.00	113.90	118.00	115.10	114.71	116.25	116.52	116.52	101.00	100.00
Southern Region	190.30	175.00	181.50	174.22	178.11	180.51	182.14	181.84	153.90	151.20
Support Services	-	-	-	-	-	-	1.10	1.10	1.10	2.90
Property Management	3.10	3.10	3.00	3.00	3.50	3.50	3.50	3.50	2.50	5.00
Total Park Operations and Maintenance	667.40	644.50	687.80	656.42	683.24	681.71	692.00	691.39	621.80	630.60
Business-Type Activities										
Recreational and Cultural Facilities	229.30	215.40	204.70	109.70	110.30	104.60	113.10	110.90	117.20	118.90
Total Workyears	1,132.22	1,089.49	1,105.40	1,004.52	1,046.30	1,046.11	1,052.10	1,019.26	917.85	924.80

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16
continued

Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government:	75.70	75.70	77.20	79.35	82.65	86.90	85.40	83.75	81.55	77.65
County Planning and Zoning:										
Director's Office	14.00	13.00	15.00	14.00	14.00	16.00	27.00	28.00	28.00	28.50
Development Review	42.70	43.60	46.60	48.40	49.70	52.70	60.00	59.00	56.00	53.00
Community Planning	21.03	24.13	26.88	33.63	45.80	43.80	43.60	43.60	42.60	39.60
Redevelopment Authority	14.00									
Information Management	23.00	22.00	23.00	23.50	24.60	25.60	27.60	27.80	28.00	28.00
County-Wide Planning	31.00	32.00	34.00	35.50	42.00	39.50	46.00	46.00	45.00	40.00
Information Center	20.00	22.00	22.00	23.50	25.00	27.00				
Total County Planning and Zoning	165.73	156.73	167.48	178.53	201.10	204.60	204.20	204.40	199.60	189.10
Park Operations and Maintenance:	40.70	39.70	39.70	39.70	25.10	27.50	4.00	4.00	3.00	3.00
Office of the Director	-	-	-	-	-	-	16.10	15.10	15.50	36.50
Administrative Services	-	-	-	-	-	-	-	-	2.00	6.00
Administration and Development	-	-	-	-	-	-	-	15.00	14.00	14.00
Public Affairs and Marketing	-	-	-	-	-	-	12.00	27.20	29.20	28.20
IT & Communications	-	-	-	-	15.20	16.20	16.20	15.00	14.00	14.00
Park Police	124.20	124.20	129.80	130.80	137.60	143.50	146.50	151.50	146.50	146.50
Park Planning and Development	47.00	47.00	48.00	51.00	52.00	61.00	61.00	61.00	56.50	55.00
Facility Operations	234.50	235.50	243.50	243.50	250.50	271.60	269.50	266.50	291.90	285.60
Area Operations	204.10	204.10	219.60	219.60	228.10	240.10	240.10	249.10	241.50	247.50
Total Park Operations and Maintenance	650.50	650.50	680.60	684.60	708.50	759.90	765.40	789.40	800.10	824.30
Recreation Programs:	3.00	8.00	8.00	9.50	9.50	19.50	-	-	-	-
Director's Office	-	-	-	-	-	-	20.50	18.50	18.00	-
Administrative Services	-	-	-	-	-	-	3.00	2.00	2.00	2.00
Public Affairs and Marketing	-	-	-	-	-	2.00	2.00	2.00	3.00	-
Administration and Development	-	-	-	-	-	9.00	9.00	-	-	-
IT & Communications	-	-	-	-	-	160.70	217.30	226.50	179.40	212.40
Facility Operations	157.60	157.60	159.10	161.10	160.70	164.70	700.30	733.30	723.70	689.20
Area Operations	472.00	622.40	644.10	654.60	670.60	718.30	700.30	733.30	723.70	689.20
Total Recreation Programs	632.60	788.00	811.20	825.20	849.80	913.50	952.10	982.30	926.10	903.60
Business-Type Activities	210.50	209.50	207.50	215.50	218.00	213.00	202.00	200.50	193.00	188.00
Recreational and Cultural Facilities	1,735.03	1,880.43	1,943.98	1,983.18	2,060.05	2,177.90	2,209.10	2,260.35	2,200.35	2,182.65
Total Workyears										

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	200	362	325	400	350	376	109	60	147	109
Number of Vendors in Directory	16,015	17,014	17,741	18,481	19,514	20,593	14,048	14,974	15,926	10,226
Number of MFD Vendors in Directory	2,094	2,551	2,818	3,028	3,383	3,747	3,830	4,182	4,547	4,957
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed	9	12	6	7	-	4	4	2	3	2
Number of Regulatory Planning Reviews	30	35	35	38	120	124	220	254	352	284
Number of Transportation Studies	46	56	52	40	39	40	26	29	47	40
Number of Site Plan and Project Plans Reviews	107	142	109	160	na	na	na	76	81	99
Number of Daily Website Visits	1,963	2,000	2,800	3,000	3,080	3,624	3,439	4,190	3,225	5,521
Number of GIS Updates	2,500	1,805	2,140	2,400	5,697	14,576	23,602	18,537	69,237	22,017
Park Operations and Maintenance:										
Number of Park Permits Issued	9,505	9,475	9,475	9,547	9,882	9,014	8,003	8,753	8,330	9,034
Number of Playground Renovations Completed	14	16	6	6	10	12	10	6	8	7
Total Acres of Parkland Acquired	224	407	310	480	297	140	877	59	355	75
Trees Planted for Reforestation Projects	1,200	1,300	1,512	1,295	1,100	1,581	1,642	1,797	6,300	34,942
Major Maintenance Requests Completed	30	33	146	184	240	84	172	85	98	94
Service Requests Completed	5,300	5,569	5,812	6,830	7,104	7,798	8,556	6,432	6,453	6,801
Number of Customers Attending Nature Programs	n/a	35,225	30,355	45,808	46,700	37,877	45,248	34,533	27,274	32,183
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	426,493	440,235	459,863	449,007	408,746	390,336	424,638	427,854	402,438	432,154
Number of Indoor Tennis Customers	155,604	140,760	139,839	132,801	58,510	96,103	121,715	122,049	106,435	110,826
Number of Park Facilities Customers	494,563	520,097	496,112	569,315	490,220	422,565	500,679	588,464	626,243	519,704
Number of Conference Center Customers	31,873	37,466	39,153	29,964	30,359	27,729	31,834	28,455	40,943	50,509

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Operating Indicators by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

TABLE T-17
continued

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	214	214	163	70	152	50	90	98	120	120
Number of New Zoning Applications	71	76	90	59	53	42	54	34	61	60
Number of Help Desk Requests Completed	2,240	2,030	2,770	2,450	2,900	3,843	3,714	3,213	4,332	4,000
Number of GIS Requests Delivered	212	240	206	200	228	211	213	200	200	210
Number of Transportation Referrals Received	369	303	318	346	282	192	151	107	113	128
Number of Environmental Referrals Received	1,791	1,783	2,355	1,923	1,323	944	550	359	342	350
Number of Walk-in Customers Served	7,165	7,100	10,149	7,000	7,269	6,417	7,000	5,256	4,580	5,000
Number of Telephone Calls Responded to	10,911	10,911	9,645	11,000	8,128	4,440	5,000	4,162	4,562	5,000
Park Operations and Maintenance:										
Number of Nature Education Attendees	91,320	152,817	152,346	167,372	160,799	165,500	n/a	n/a	n/a	n/a
Number of Museum Visitors (College Park Airport)	76,331	77,246	88,019	65,772	60,331	68,000	n/a	n/a	n/a	n/a
Number of Commission Facility Permits Issued	4,676	5,494	4,363	4,521	4,600	4,700	n/a	n/a	n/a	n/a
Number of activities for fee assistance clients	n/a	n/a	n/a	n/a	1,400	1,750	2,000	2,150	n/a	n/a
Acres of Grass Mowed	5,698	6,040	6,450	6,600	7,100	7,550	7,595	n/a	n/a	n/a
Number of Park acres	n/a	n/a	n/a	n/a	26,776	26,998	27,188	27,528	27,628	27,000
Number of completed Capital Improvement projects	n/a	n/a	n/a	n/a	36	32	49	34	30	45
Number of picnic shelters rentals	n/a	n/a	n/a	n/a	972	936	928	924	929	992
Number of ADA Accommodations	n/a	n/a	n/a	n/a	1,400	1,500	1,600	2,600	2,800	3,100
Number of Community Sponsored Events	n/a	n/a	n/a	n/a	112	131	262	313	322	312
Number of Historic Property Rentals	663	566	596	609	752	763	798	780	780	780
Recreation Programs:										
Number of Museum Visitors (Historic Sites)	34,030	42,246	51,155	48,194	47,336	49,000	n/a	n/a	n/a	n/a
Number of Youth Sports Participants	20,000	18,000	15,400	13,000	12,000	12,800	14,933	n/a	n/a	n/a
Total Aquatics Activities Attendance	275,772	271,834	284,844	295,242	290,000	291,000	65,403	n/a	n/a	n/a
Total Community Center Classes Conducted	4,877	4,699	5,078	5,387	6,866	5,650	11,901	n/a	n/a	n/a
Number of Art class registrants	n/a	n/a	n/a	n/a	2,400	2,500	2,900	3,100	n/a	n/a
Total Youth registered for recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	214,422	214,400	205,999
Total Seniors registered for recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	90,662	90,000	125,382
Number of program youth volunteers	n/a	n/a	n/a	n/a	1,400	1,500	2,900	7,800	1,500	1,500
Number of Art classes	n/a	n/a	n/a	n/a	n/a	2,700	2,900	6,900	7,000	7,000
Number of Therapeutic Recreation programs	n/a	n/a	n/a	n/a	362	375	425	408	405	405
Business-Type Activities										
Recreational and Cultural Facilities										
Number of Rounds of Golf	89,102	91,867	90,556	81,274	84,558	94,000	n/a	n/a	n/a	n/a
Number of Fitness Center Class Participants	22,000	23,500	26,000	26,500	28,000	27,500	10,867	n/a	n/a	n/a
Number of Ice Rink General Admissions	16,800	27,900	27,000	24,355	36,564	31,000	4,753	n/a	n/a	n/a
Number of Attendance (Show Place Arena)	253,446	268,304	277,295	278,147	240,840	226,652	n/a	n/a	n/a	n/a
Number of Attendance (Equestrian Center)	36,941	37,735	38,562	37,122	35,315	27,821	n/a	n/a	n/a	n/a
Number of Fitness center memberships	n/a	n/a	n/a	n/a	3,725	4,046	4,000	5,198	5,600	5,800
Number of swimming classes	n/a	n/a	n/a	n/a	12,843	13,700	14,385	16,188	17,806	18,500
Number of event days at Show Place Arena	n/a	n/a	n/a	n/a	204	175	184	222	208	206

Source: The Park and Planning Commission Proposed Annual Budget, various years - FY 13 estimated data
n/a - not available

The Maryland-National Capital Park and Planning Commission

TABLE T-18

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
COMMISSION-WIDE									
Governmental Activities									
General Government:									
Office Building	1	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	1
Park Operations and Maintenance:									
Athletic Fields	356	356	360	361	359	363	363	347	350
Basketball Courts	159	173	173	208	208	207	207	207	207
Campsites	102	102	102	102	102	102	102	108	107
Dog Parks	-	3	4	4	4	4	5	5	5
Historic Buildings	27	27	27	27	27	27	45	43	117
Office Building	13	13	13	13	13	13	13	13	13
Picnic Shelters	131	131	190	191	194	193	132	129	130
Playgrounds	249	255	284	290	291	291	291	290	291
Recreation Buildings	32	32	32	32	31	31	31	29	25
Rental Buildings	61	61	61	61	61	61	49	49	53
Skateboard Park	-	-	1	1	1	1	1	2	3
Tennis Courts	139	153	153	305	305	305	305	317	315
Business-Type Activities									
Recreational and Cultural Facilities:									
Antique Carousel	1	1	1	1	1	1	1	1	1
Conference Centers	3	3	3	3	3	3	5	5	5
Equestrian Centers	5	5	5	5	5	5	5	6	6
Golf Courses (2)	4	4	-	-	-	-	-	-	-
Ice Rinks	2	2	2	2	2	2	2	2	2
Indoor Tennis Facilities	2	2	2	2	2	2	2	2	2
Miniature Trains	2	2	2	2	2	2	2	2	2
Miniature Golf Course	-	1	1	1	1	2	1	1	1
Splash Park	-	1	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	14
Recreation Buildings	24	24	24	25	25	25	26	28	34
Picnic Shelters	86	86	87	88	88	88	88	88	88
Playgrounds	209	209	223	227	227	227	228	229	240
Athletic Fields	380	380	383	389	390	390	390	390	392
Tennis Courts	160	160	161	163	163	163	163	163	163
Basketball Courts	211	211	211	213	214	214	214	214	215
Recreation Programs:									
Historic Buildings	15	15	15	15	15	15	15	15	15
Community Centers	29	29	30	30	30	30	31	31	31
Swimming Pools	10	10	10	10	10	10	11	11	11
Business-Type Activities									
Recreational and Cultural Facilities:									
Ice Rinks	2	2	2	2	2	2	2	2	2
Golf Courses	3	3	3	3	3	3	3	3	3
Tennis Bubbles	2	2	2	2	2	2	2	2	2
Equestrian Center	1	1	1	1	1	1	1	1	1
Sports and Learning Complex	1	1	1	1	1	1	1	1	1
Trap and Skeet Range	1	1	1	1	1	1	1	2	2
Marina	1	1	1	1	1	1	1	1	1
Airport	1	1	1	1	1	1	1	1	1

(1) Data for 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

Principal Employers

TABLE T-19

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	2013			2004		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	28,195	1	5.91 %	34,600	1	7.70 %
Montgomery County Public Schools	24,913	2	5.22	20,682	2	4.60
U.S. Department of Defense	11,686	3	2.45	13,030	3	2.90
Montgomery County Government	10,485	4	2.20	8,099	4	1.80
U.S. Department of Commerce	7,334	5	1.54	6,500	5	1.45
Adventist Healthcare	5,669	6	1.19	6,000	6	1.33
Marriott International, Inc (Headquarters)	5,497	7	1.15	-	-	-
Lockheed Martin	5,200	8	1.09	3,896	10	0.87
Verizon	3,571	9	0.75	4,700	8	1.05
Giant Food Corporation	3,493	10	0.73	4,900	7	1.09
Chevy Chase Bank	-	-	-	4,700	9	1.05
Total	<u>106,043</u>		<u>22.23 %</u>	<u>107,107</u>		<u>23.84 %</u>

PRINCE GEORGE'S COUNTY

<u>Employer</u>	2012 (1)			2003 (1)		
	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
United Parcel Service	4,220	1	0.90 %	2,300	6	0.48 %
Giant Food, Inc.	3,000	2	0.64	6,011	1	1.27
Verizon	2,738	3	0.58	-	-	-
Dimensions Health Corporation	2,500	4	0.53	3,000	3	0.63
Shoppers Food Warehouse	1,975	5	0.42	3,700	2	0.78
Gaylord National Resort and Convention Center	1,800	6	0.38	-	-	-
Safeway Stores, Inc	1,605	7	0.34	2,400	5	0.51
Capital One	1,456	8	0.31	-	-	-
Target	1,400	9	0.30	-	-	-
Doctor's Community Hospital	1,300	10	0.28	-	-	-
Honeywell Technology Solutions	-	-	-	900	9	0.19
Digex, Inc.	-	-	-	700	10	0.15
Computer Science Corp	-	-	-	1,200	8	0.25
Raytheon Systems Company	-	-	-	1,300	7	0.27
Bell Atlantic Corp/Verizon	-	-	-	2,700	4	0.42
Total	<u>21,994</u>		<u>4.68 %</u>	<u>24,211</u>		<u>4.95 %</u>

Note:

(1) In 2013, Information is not yet available. The number of employees in FY 2003 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, 2013

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	Totals
Operating Revenues	\$ 652,655	\$ 237,866	\$ 4,297,574	\$ 1,610,393	\$ 3,035,131	\$ 9,833,619
Operating Expenses Before Depreciation	793,431	161,645	3,706,888	1,116,042	2,270,751	8,048,757
Operating Income (Loss)	(140,776)	76,221	590,686	494,351	764,380	1,784,862
Before Depreciation	35,320	336,811	667,624	38,305	89,250	1,167,310
Depreciation	(176,096)	(260,590)	(76,938)	456,046	675,130	617,552
Operating Income (Loss)	-	(4,239)	(24,843)	3,609	4,374	(21,099)
Nonoperating Revenues (Expenses)						
Net Income (Loss)	\$ (176,096)	\$ (264,829)	\$ (101,781)	\$ 459,655	\$ 679,504	\$ 596,453

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	\$ 249,232	\$ 1,408,377	\$ 2,322,737	\$ 545,516	\$ 319,070	\$ 1,918,850	\$ 3,291,830	\$ 66,854	\$ 10,122,466
Operating Expenses Before Depreciation	460,770	2,775,659	3,334,123	1,252,168	1,395,843	1,807,388	6,582,536	477,052	18,085,539
Operating Income (Loss)	(211,538)	(1,367,282)	(1,011,386)	(706,652)	(1,076,773)	111,462	(3,290,706)	(410,198)	(7,963,073)
Before Depreciation	161,670	618,553	86,467	135,151	41,368	1,736	1,147,683	-	2,192,638
Depreciation	(373,208)	(1,985,845)	(1,097,853)	(841,803)	(1,118,141)	109,726	(4,438,389)	(410,198)	(10,155,711)
Nonoperating Revenues (Expenses)	437	1,352	-	-	1,201	95	2,029	1,093	6,207
Transfers In (Out)	228,400	2,171,200	885,400	769,800	1,048,300	37,200	3,367,600	318,000	8,825,900
Net Income (Loss)	\$ (144,371)	\$ 186,707	\$ (212,453)	\$ (72,003)	\$ (68,640)	\$ 147,021	\$ (1,068,760)	\$ (91,105)	\$ (1,323,604)

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

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

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Photo Index

Cover:

Front and side views of the new Southern Regional Technology and Recreation Complex in Fort Washington, MD. The Complex, which opened in June, 2013, is a 37,000-square-foot LEED Silver certified state-of-the-art technology and recreation facility. It is home to innovative 21st century technology and recreation initiatives for people of all ages and abilities. It offers a rock climbing wall, gymnasium, dance studio, fitness room, science and computer labs, a recording studio as well as adult and teens cafes.

Page 9: Collage

Owners bring their dogs to the Cabin John dog park dedication...children tossing balls into basketball hoops at the annual Beltway BBQ Show Down at the Tucker Road Athletic Complex...skaters displaying their moves during a practice session at the Wheaton Ice Rink...Seniors walk the walking trail along the Woodrow Wilson bridge during Active Aging Week...Montgomery County park police patrolling the grounds during the Matthew Henson park dedication...children admiring the costumed dragon at the annual Festival of Nations day...children interact with the costumed butterflies at the Monarch Festival...players playing a game of rugby indoors.

Photo Credits:

Cassi Hayden (Prince George's County): Cover, pages 8, 18, 105, and 113.

Francine Bethea and various staff members (Montgomery County): pages 1, 8, 101, 109, and 117.