

The Maryland-National Capital Park and Planning Commission



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ANNUAL REPORT**

Of

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For the Fiscal Year Ended June 30, 2016

Commissioners

Casey Anderson, Chairman of the Commission
Elizabeth M. Hewlett, Vice-Chair of the Commission
Dorothy F. Bailey
Norman Dreyfuss
Manuel R. Geraldo
Natali Fani-Gonzalez
Amy Presley
John P. Shoaff
A. Shuanise Washington
Marye Wells-Harley

Officers

Patricia Colihan Barney, Executive Director
Joseph C. Zimmerman, Secretary-Treasurer
Adrian R. Gardner, General Counsel

Department Directors

Gwen Wright, Montgomery County Director of Planning
Mike Riley, Montgomery County Director of Parks

Fern V. Piret, Prince George's County Director of Planning
Ronnie Gathers, Prince George's County Director of Parks and Recreation

Patricia Colihan Barney, Department of Human Resources and Management
Joseph C. Zimmerman, Department of Finance
Adrian R. Gardner, Legal Department

Prepared by the Department of Finance

Joseph C. Zimmerman, Secretary-Treasurer

Finance Managers

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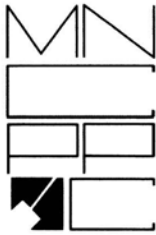
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◆ PART I ◆
INTRODUCTORY SECTION



College Park Airport Museum



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 19, 2016

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2016 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of SB & Company, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent public accountants concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Commission's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformance with GAAP. The independent public accountants report is presented as the first component of the Financial Section of this Report.

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

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal, and should be read in conjunction with it.

The Commission

The Commission is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. The Commission is a bi-county agency serving both Montgomery and Prince George's Counties. It is empowered to acquire, develop, maintain and administer a regional system of parks in the defined

Metropolitan District in Montgomery and Prince George's Counties, and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County.

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

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

Factors Affecting Financial Condition

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both Prince George's and Montgomery Counties increased in FY 2016, and collections, including interest and penalties as a percent of the levy, are consistently above 99%. The Commission prepares quarterly financial projections to help guide current year expenditures based upon anticipated revenue sources. In addition, the Commission maintains a comprehensive fund balance policy to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. As of June 30, 2016, the Commission's General Fund budget basis ending fund balance was \$181.0 million.

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

Montgomery and Prince George's Counties are adjacent to Washington, D.C. and both of these counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the wealthiest state in the nation, according to the latest U. S. Census data. The state's median household income for 2015 was \$75,847, an increase of about \$1,900 from the previous year.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2016, the nation's unemployment rate was 4.9 percent, whereas Montgomery and Prince George's rates were 3.7 percent and 4.6 percent, respectively. These counties have a combined population base of 1.9 million people and have over 1.0 million employed as of fiscal year 2016.

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 FY2016 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 (\$163.3 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 2016. 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, 2015. 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 2016. 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, 2015

Executive Director/CEO

Commission Background and Organization

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

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

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

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

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

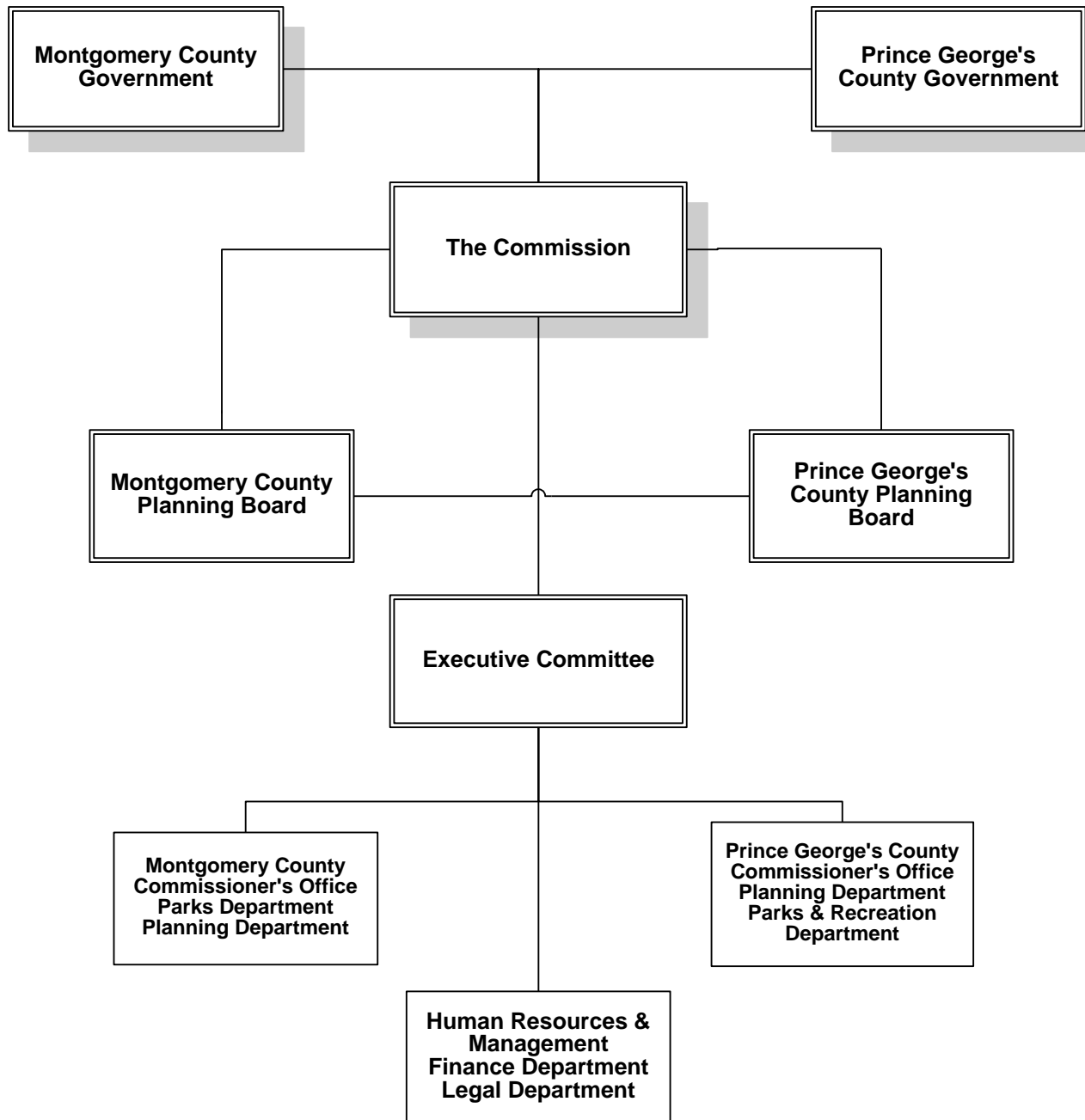
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 64,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. At June 30, its staff consisted of over 2,000 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately over 4,000 seasonal workers, primarily for its numerous park and recreation programs.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

ORGANIZATION CHART





FY 2016 PROGRAM HIGHLIGHTS

SUMMARY

The Maryland-National Capital Park and Planning Commission continued to advance its overriding mission to provide award-winning, quality programs, services and facilities to benefit the residents of our increasingly diverse bi-county area. As the only, unprecedented, six-time National Gold Medal winner for excellence in parks and recreation management, as recognized by the National Recreation and Parks Association, the agency has enhanced its reputation for excellence by recently earning a variety of additional regional and statewide accolades. Some of the many awards garnered by the Commission include the 2016 President's Award from the Potomac Chapter of the American Society of Landscape Architects for Montgomery County's Little Bennett Regional Park Day Use Area Phase I. This association honored the Evans Parkway Neighborhood Park and East Norbeck Local Park with Merit Awards for Built Design. These projects were also recognized with awards from the Maryland Chapter of the American Society of Landscape Architects and Maryland Recreation and Parks Association.

The Commission adopted innovative approaches to foster community collaboration. Increased emphasis was placed on community outreach, including interactive web-based and social media communications, and targeted marketing to specific user groups, including seniors, youth, families, ethnic populations and those with special interests and needs. Recognizing the integral role it plays in building and maintaining healthy, thriving communities, M-NCPPC continued to emphasize health and wellness in parks and recreation programming, and instituted a wide-ranging Work Wellness Initiative for employees. In keeping with a new state law, the Commission adopted new and revised regulations prohibiting use of lighted tobacco products in its indoor and outdoor facilities, venues and vehicles. A focus on environmental protection, health and wellness continued to be incorporated into major planning projects, including the Resource Conservation Plan and revamped zoning ordinances in Prince George's and Montgomery Counties.

Montgomery County Department of Parks

In FY 16, The Montgomery Parks Foundation welcomed highly accomplished Executive Director Michael Nardolilli and raised more than \$900,000. In addition, the Foundation constructed shade structures at Cedar Creek Local Park, worked to diversify its Board of Trustees and co-sponsored the highly successful Josiah Henson Leadership Conference, featuring former Congressman Al Wynn, Catherine Leggett and two panels of speakers.

Educational Programs for School children: Montgomery Parks offers a variety of educational programming to connect teachers and students with nature, the environment and local history. In collaboration with the Lathrop E. Smith Environmental Education Center, Montgomery Parks offers curriculum-based environmental educational programming for students in grades pre-K through 12. In order to support Montgomery County schools in meeting the mandated Maryland Environmental Literacy Graduation Requirement, Montgomery Parks waives fees for K-12 environmental education programs. Montgomery Parks also offers affordable educational field trips about local history in the county, available for students in grades four and up. Students who participate in these programs engage in topics related to enslavement, life on a farm, early medicine, going to school in a one-room schoolhouse and more.

Activating Urban Parks: Active, vibrant parks are important parts of healthy, connected communities. Montgomery Parks is expanding its successful urban park activation program by partnering with regional and local organizations to offer a variety of fun, educational and healthy activities that will bring urban parks to life, enrich our neighborhoods and provide places where neighbors can become friends.

Creating Active Open Space: We are continuing efforts to acquire and build the right parks in the right places to ensure parks are available and actively used in growing urban areas. A particularly challenging aspect of protecting open space is funding park acquisitions in developing urban areas. While the Parks Department has been resourceful in leveraging various tools and funding sources, there is more work to be done to ensure County residents have green open space that is easily accessible.

Expanding Trails: Montgomery Parks' trails are one of the most popular amenities in our parks system. We have more than 250 miles of trails connecting people with active lifestyles and nature. We continue to maintain and build trails, enhance access and connect existing trails so that our users and residents have access to trails near where they work, play and live. After completing the comprehensive amendment to the Countywide Park Trails Plan, which guides future investments in major park trails of countywide significance, we estimate that nearly 100 percent of County residents will be located within three miles of a trail or a non-park bikeway connector.

Broadening Public Outreach: Diversity helps to shape our parks, facilities and programs, resulting in a park system that meets the needs of all citizens. To effectively reach and engage with new and diverse audiences, we have created a Department-wide outreach strategy that encourages people of all backgrounds to take an active role in the park planning and development process. As part of this process, we have formalized how outreach is executed, created tiered levels of outreach for the 300-plus projects taking place in parks at any given time and conducted broad outreach campaigns.

Improving Accessibility for Individuals with Disabilities: Embracing people of all abilities to participate in programs and events is important to creating a healthy community. To meet this goal, we continue to making physical improvements to amenities such as athletic fields, tennis courts and playgrounds, and unique places, such as Brookside Gardens and our historic buildings.

Diversifying Athletic Fields: Montgomery Parks has more than 290 athletic fields; however, location and field type do not always provide the accessibility and availability that our customers need. In order to improve capacity and grow user satisfaction, staff continuously works to enhance the quality, safety, capacity and diversity of our fields. We are working on a comprehensive field condition assessment for park and school fields. We continue investing in field-related improvements to improve quality, adding fields and working to improve capacity and expanding our field maintenance program with the Montgomery County Public School system. In addition, we are working on identifying future field needs through the PROS Plan.

History in The Parks. History comes alive in Montgomery Parks! Visitors come from Montgomery County and surrounding jurisdictions to learn about our country's history, culture and the complexity of our shared story. Montgomery Parks' historic sites offer unique opportunities, including the Underground Railroad Experience, guided tours at Josiah Henson Park, Kingsley Schoolhouse and Oakley Cabin, and school and group tours at multiple sites. The addition of the distinctive visitor's center at Woodlawn Cultural Park creates additional heritage tourism, educates visitors about Montgomery County's Quaker and agriculture heritage, and ties together our African American public history trilogy of slavery, emancipation and reconstruction.

Educational, Health and Active Lifestyles. Montgomery Parks offers a variety of programs and places where residents can connect to nature and participate in active, educational and healthy activities. From nature and gardening programs to ice skating and tennis, from school programming to summer camps and "park play days," we connect people with fun, memorable things to do and to learn about. There are many things to do, places to visit and activities to try in our parks and facilities.

The Value of Volunteers. Annually, Montgomery Parks works with an estimated 11,600 volunteers who donate more than 75,000 hours of service to the Department in a variety of ways, including park and stream clean-ups, trail work, special events, nature and gardening programs, public safety and historic interpretation. Since 1996, our volunteers have contributed more than 1,070,693 hours of service – a total that's valued at more than \$24 million.

Montgomery County Planning Department

Planning for Great Communities: Work on four major plans was substantially completed, encompassing Downtown Bethesda, Greater Lyttonsville, Montgomery Village and Westbard. Significant progress was made on plans for Rock Spring, White Flint 2 and MARC-served station areas of Boyds and Germantown. Work was initiated on the Grosvenor-Strathmore Metro Area Minor Master Plan. The goal of these planning efforts is to improve the quality of life in

Montgomery County's diverse communities through recommendations for public spaces, transportation, environment, new development and more

Focusing on the Future of Suburban Office Parks: An important planning effort focused on the future of suburban office parks where vacancies are high. The Department's 2015 study of the office market set the stage for a variety of efforts. The Planning Board Chair participated in the Office Market Working Group appointed by the County Executive. The Planning Department engaged the Urban Land Institute to convene a Technical Assistance Panel and evaluate two County office parks in Rock Spring Park and Executive Boulevard in White Flint 2. A consultant was then hired to evaluate the potential for the adaptive reuse of the office buildings in these two areas. These efforts are helping to shape the recommendations of the Rock Spring Master Plan and White Flint 2 Sector Plan that will be reviewed by the Planning Board in fall 2016.

New Digital Maps and Tools: Our Information Technology staff developed new digital maps and tools to provide accessible, helpful information for our planning efforts. One of these interactive maps reports US Census demographic, income, housing and commute mode data. Another is the Bicycle Stress Map showing the amount of stress that bicyclists experience when riding on roads in Montgomery County. The purpose of the map is to help the Bicycle Master Plan team understand the impediments to bicycling in the County and identify and prioritize the changes that are needed to create a safe, low-stress bicycling environment. In addition, a digital map was created to document the communities and sites in the County associated with African American history and culture. For planners involved in the MARC Rail Communities Plan, an interactive map of the station areas in Boyds and Germantown was created to allow residents to record their comments about planning concerns through their computers or smart phones.

Improving Regulatory Reviews: In FY16, the Department's Development Application and Regulatory Coordination Division received and assigned 553 total applications. These applications comprised 1 development plan amendment, 10 concept plans, 140 forest conservation exemptions, 5 zoning applications, 32 mandatory referrals, 77 natural resource inventories, 2 park forest conservation plans, 123 plats, 5 pre-preliminary plans, 61 preliminary plans or amendments, 2 project plan amendments, 19 sediment control forest conservation plans, 68 site plans or amendments, and 8 sketch plans. The most significant projects included the Clarksburg Town Center in Clarksburg, Century in Germantown, Artery Plaza in Bethesda, Sligo ArtSpace in Silver Spring, Saul Centers on Rockville Pike in North Bethesda, Chevy Chase Lake, Marion Fathers Property in Olney, Armstrong Property in Damascus, Pooks Hill in Bethesda and Elizabeth House III in Silver Spring. Work on improving the development review process is a continuing and the time it takes for plat processing has decreased significantly. This efficiency has been achieved through ePlans and efforts to better coordinate the review tasks of M-NCPPC and the Department of Permitting Services.

Advancing Design Excellence: Improving the quality of the County's architecture and urban design is another of our goals that is moving forward. The Department is forming a Design Advisory Panel to review and provide feedback on significant development proposals in Downtown Bethesda that are requesting additional density. In FY16, the Planning Board approved the creation of this panel.

Investing in Historic Preservation: As part of its work to support the County's Historic Preservation Commission, the Historic Preservation Office processed 168 historic area work permits in FY16, a slight decrease from FY15 (181 permits) and an increase over FY14 (125 permits). Staff also received 100 historic preservation tax credit applications, representing nearly \$3 million in investments in historic properties across the County.

Prince George's County Department of Parks and Recreation

Bringing Art to the Community. During fall 2015, the Department served as the hosting sponsor for Artomatic 2015, featuring more than 550 visual artists, musicians, dancers, filmmakers, poets, sculptors, deejays, comedians and installation artists within a 90,000 square-foot building. It was the first time the creative arts festival was held in Prince George's County and in Maryland. Through this unique collaborative arts experience, the Department was able to work with local jurisdictions, businesses and elected officials to promote economic development and provide a space for youth,

teens and adult artists to express themselves while introducing art to a broad audience of families, seniors and millennials.

Building Partnerships in the Community. In FY16, the Department hosted Major League Baseball's RBI (Reviving Baseball in Inner Cities Initiative) Mid-Atlantic Regional Tournament for a third year. Our growing partnership with the Washington Nationals included an invitation to Nationals Park for a grounds maintenance workshop for Department staff and for our youth baseball coaches to attend a clinic taught by the Nationals coaching staff.

Festivals and Special Events in the Community. An array of special events drew thousands of residents and visitors to the Winter Festival of Lights, summer concerts in the parks and outdoor movie nights, Lake Arbor Jazz Festival, Hispanic Festival, the Beltway BBQ, Jug Bay Run for Wildlife and summer wine and jazz festivals.

Summer Camp and Volunteers in the Community. In FY16, more than 17,700 children and youth registered for summer day camps and playgrounds, as well as winter and spring break camps. Nearly 180 volunteers worked 70 different camp locations. Volunteers working with children, seniors, nature programs, arts, sports and special events donate the equivalent of \$13 million in time and work to the Department each year.

Promoting Health and Wellness in the Community. The Department was recognized by the American Heart Association as a Platinum-level Fit-Friendly Worksite and received the Community Innovation Award. We launched the Walk and Talk with the Doc program, connecting residents with health care professionals for an informational walk through our trails, parks and communities. We created additional Health and Wellness Zones with a focus on family activities that emphasize healthy living. And, in celebration of International Active Aging Week, the Department invited seniors age 60 and older to explore their possibilities with jazz concerts, water aerobics, tennis, card games and to simply get fit, socialize and have fun. The many activities, free classes, programs and opportunities to meet and interact with others is all part of the Department's effort to help seniors in the County change the way they age.

Innovating for the Community. The Department challenged its staff to an innovation initiative to identify improvements, best practices and explore ideas, designed to provide the best quality services and programs to the communities in Prince George's County. Cost savings, creative programming and refined policies and procedures are the result.

Providing Public Safety to the Community. The Maryland-National Capital Park Police are tasked with protecting approximately 27,000 acres of park property in Prince George's County, as well as those who visit and staff M-NCPPC sites. It was impressive that the overall crime statistics have continued to decline since FY 2014. Our commitment to community policing was demonstrated at the Park Police Community Day festival at Watkins Regional Park, where thousands of participants met and talked with officers, viewed equipment and watched demonstrations by Park Police horses and K-9 units.

Connecting with the Community. Continuing to expand its social media reach, the Department provides 24/7 customer service and creates large-scale social media campaigns used to seek community input on Master Plan development and additional input on community forums. A summer radio ad campaign was launched to raise awareness of Department services in our local community. The ads reached 82 percent of Prince George's County residents and 45 percent of residents in the metropolitan area. The campaign, which targeted diverse audiences, also reached 37.5 percent of the Latino community.

The Department continues to expand its multi-language interpretive services. This initiative ensures that we are reaching various community groups and providing information on programs, activities and services in their native languages. We also participated in the 2015 Maryland STEAM initiative, actively hosting several events during the annual festival and providing computers and staff to assist in helping young people "connect the pixels" around technology. We also continued to create connectivity for the community by providing free Wi-Fi and technology labs at many of our facilities.

Prince George's County Planning Department

Modernizing Zoning and Subdivision Ordinances: Staff accepted two major consultant deliverables—proposals for new zones and development standards—as part of a comprehensive rewrite of the County's current Zoning Ordinance and Subdivision Regulations. More than 50 stakeholder meetings were held to discuss the project, consultant findings

and recommendations, and a multi-faceted outreach strategy was implemented to engage 900,000 residents and interested parties.

Planning for Quality Communities: In FY16, work continued on a variety of projects including a Transit District Development Plan, two Sector Plans, two action plans, two overlay zones, implementation activity and Planning Assistance to Municipalities and Communities (PAMC) projects. Community Planning's accomplishments included the approval of the Prince George's Plaza Transit District Development Plan and Transit District Overlay Zone; Minor Plan Amendments to the Gateway Arts District Approved Sector Plan, Largo Town Center Sector Plan and Southern Green Line Station Area Sector Plan; and, Military Installation Overlay Zone legislation. The Clear Zone Action Plan funded by the Department of Defense, Office of Economic Adjustment and the Prince George's Plaza Transit District Parking Study were also completed. In addition, contracts were awarded for rebranding the Prince George's Plaza Transit District, Town of Capitol Heights professional services and Town of Upper Marlboro streetscape and Transforming Neighborhoods Initiative landscape improvement projects. Substantial progress was made on the following projects so that completion can be expected in 2017, or as established by approved schedules: Mt. Rainier Agricultural Conservation Plan and Overlay Zone and pattern book; Subregion 4 Employment Area Action Plan, East Riverdale Beacon Heights and Greater Cheverly Sector Plans, City of Bowie Sustainability Plan and Prince George's Plaza Transit District Storm Water Management Study. Significant activity also continued on key implementation efforts including Branch Avenue in Bloom; Town of Upper Marlboro façade improvement program, including new funding application to the state; and Westphalia development support. Staff continued to support all six Transforming Neighborhoods Initiative areas.

Providing Planning Support for Public Facilities and Services: Staff members provided public facility technical support for all active master plans. Staff also presented 13 full mandatory referral requests to the Prince George's Planning Board and 11 administrative mandatory referrals that were signed by the Planning Director. Staff also assisted in the development and review of the Board of Education's Annual Educational Facilities Master Plan and the Department of the Environment's Water and Sewer Plan, and coordinated the Planning Department's analysis of water and sewer category changes.

Developing Efficient Transportation Systems: Staff members continued work toward replacing the current traffic forecasting model with a new model that meets national best practice standards.

Preserving and Protecting the Environment and Historic Properties: The Woodland and Wildlife Habitat Conservation ordinance was implemented by requiring forest conservation and reforestation in all new development. Staff supported the work of the Historic Preservation Commission, including the issuance of grants to rehabilitate historic structures, and recommendations for development review referrals and Historic Area Work Permits. A draft Resource Conservation Plan was prepared for Prince George's County Council consideration and proposes new policies for environmental, historic and rural character preservation.

Advancing Information Technology: The Department implemented its Geographic Information System (GIS) Open Data Initiative that now provides access to more than 250 GIS data layers in multiple formats. More than 20,000 file downloads were supported in FY16. The GIS Section responded to approximately 160 internal and external requests for digital maps, data reports, account numbers for mail-outs, image data, and technical services. External customers included municipalities, county agencies, council offices, developers, engineers and educational institutions.

The Department provided the State Department of Assessments and Taxation with access to cell tower sites by tax account and Pictometry online, and completed development of a GIS building address layer which supports the County Public Safety and permitting applications and easement layer. Multiple (more than 10) easy-to-use ArcGIS Online applications were developed and publicly released to allow access to geographic data and demographic information. Our PGAtlas application, which supports 10,000 page views monthly, was enhanced and upgraded to work on mobile, tablet and other devices and browsers. Major upgrades were completed to our Development Activity Monitoring System (DAMS) and Person of Record Database. A security awareness program was also implemented and the Department is actively supporting Commission-wide IT initiatives.

Promoting Responsible Development: Approximately 330 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, departures, alternative compliance and preliminary plans and final plats

of subdivision were analyzed for conformance with County plans, policies and development regulations. Approximately 13,200 permits were processed and the Planning Information Center responded to more than 10,000 inquiries from the general public. Several major development proposals were evaluated for conformance to adopted and approved public plans and policies. The evaluations were documented in technical staff reports and the Planning Board conducted public hearings for many cases. Major applications approved included the following:

- National Harbor Beltway Tract: A detailed site plan was approved for development in association with the previously approved MGM complex. The 79.6-acre property will now have 1,127,810 square feet of additional development that will include a 500-room hotel, 891 multifamily/timeshare residential units, retail, entertainment, a gas station, food and beverage store, and a helipad.
- Suitland Town Center: A preliminary plan of subdivision and a special permit were approved on this 25.16-acre property located on the north side of Suitland Road, just south of Lacey Avenue. The development will consist of 700 multifamily dwelling units, of which 137 will be for the elderly; 219 townhouses; 2 two-family dwellings; 80,331 square feet of retail space; a 45,000-square-foot performing arts center; a 33,000-square-foot plaza; and a 36,000-square-foot park.
- One Town Center: A detailed site plan was approved for this 10.71-acre site. Located on the east side of Auth Way across from the Branch Avenue Metro station, this site is planned for the U.S. Citizenship and Immigration Service, which is a component of the Department of Homeland Security. The 581,244-square-foot building will be adjacent to a 990-space parking garage.
- Glenn Dale Commons: A conceptual site plan was approved for the 74.56-acre mixed-use development in the M-X-T Zone. This project proposes the future development of 200-300 multifamily dwelling units, 150-200 townhouses, 50-100 two-family dwellings, 65-70 single family detached dwelling units and 1.4 to 1.7 million square feet of office/retail uses, including a major grocery store.

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 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 new initiatives and notable updates to agency-wide programs and policies to strengthen internal controls, contain costs, address organizational development concerns, promote a workplace of excellence, and enhance public accountability.

National Recognition for Workplace of Excellence: Achieved again, national recognition for innovative policies and programs, awarded by 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: 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; Diversity Champion Award; and EcoLeadership Award for visionary leadership and commitment to environmentally sustainable workplace practices.

Workforce Planning/Development: Continued implementing multi-year recommendations from comprehensive compensation/classification study to support the ability to recruit/retain a highly skilled work force. Conducted management review of succession planning and workforce readiness. Began implementing succession planning initiatives to encourage employee skill enhancement and leadership development; developed and launched agency-wide literacy and language proficiency program. Development of web-based training for all supervisors and employees is underway. Implemented internal salary equity and employee retention policies. Implemented current strategic plan and programs to encourage agency wide support of diversity initiatives with the Diversity Council.

Collective Bargaining/Labor Relations: Led the management negotiating team in collective bargaining with the Fraternal Order of Police Lodge # 30 (FOP) for the FY17 wage reopener. Implemented contract changes for Municipal and County Government Employees Organization/UFCWU Local 1994 (MCGEO) Union and the FOP Union in

accordance with current contracts. Other activities included advising departments on complex labor issues, conducting special investigations, responding to grievances, and adopting changes to the FMLA program and smoking policies.

Benefits Restructuring/Health Care Reform: Through major efforts, Affordable HealthCare Act (ACA) compliance was achieved resulting in medical health benefits for eligible seasonal employees and complex reporting requirements. Obtained Medicare Part D (Prescription) subsidy program payments of \$457,000. As a result of Collective Bargaining with MCGEO, the Group Insurance Fund Reserve was adjusted from 7.5% to 8.0%. Enhanced wellness program initiatives to improve employee and family health.

Fiscal Responsibility and Budget Management: Received the Distinguished Budget Presentation Award from the Government Finance Officers' Association (GFOA) for the 30th consecutive year. The Corporate Budget Office is responsible for salary projections, long range planning, labor cost modeling, and cost allocations and serves as the main point of contact for administration of the agency budgets. Departmental budget activities are streamlined to strengthen tracking, cost containment, oversight, and increase transparency. Updated the FY17 long-term fiscal plan by building upon the major revisions adopted for the FY16 fiscal plan for the Commission's Prince George's operations.

Risk Management/Workplace Safety: This function provides oversight and protection of Commission assets through insurance, transfer of risk, program and operational analysis, and loss prevention. This Office also is charged with developing and implementing the agency's safety and health programs to reduce accidents and injuries through extensive training, inspections, testing, and regulatory compliance with state and federal workplace safety laws. Completed initiatives include: comprehensive review of risk management and workplace safety policies; on-site emergency preparedness plan assessments for more than 130 facilities; monthly claim audits of worker's compensation and liability claims; environmental investigation to assess indoor air quality; enhancements in insurance to protect agency assets against flood and cyber exposures; Occupational Safety and Health Administration (OSHA)-based certification training for maintenance/construction supervisors; emergency protocols to prepare for ZIKA exposure; and safety and liability awareness training for more than 1200 participants.

Enterprise Resource Planning System (ERP): In partnership with the Department of Finance, DHRM continued implementation of the Human Resources Information System to include, training of operating departments, and revamping of internal processes and addressing system issues. ERP allows integration of multiple functions such as Human Resources, Payroll, Budget and other components to create greater data consistency, greater efficiencies, and provide better information for decision making purposes.

Corporate Policy/Operational Standards: Conducted research and analysis of organizational policies/programs to address operational concerns, enhance efficiencies, strengthen internal controls, and address regulatory changes. Continued comprehensive review of employment regulations pertaining to contractual employees, initiated comprehensive review of gift policies, and organizational functions. Some key policy work included: enhanced benefit plan eligibility stemming from the Affordable Care Act; broadened smoking bans/e-cigarette restrictions; updated Tuition Assistance Program, authorization; enhanced Telework program; agency standards for the use of bathrooms by transgender employees and patrons; updates to the administration of the Family and Medical Leave Act; clearer standards on the eligibility, and accountability of business expenses for travel/conferences/meetings; updated/clarified guidance on the required disclosure of outside employment and non-Commission business; and updated guidance on the handling of agency emergencies.

Department of Finance

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

Corporate Financial Management: The Department provided financial guidance to operating departments on proposed and existing public, private partnerships, funding approaches for various projects, and long-term fiscal strategy. During FY16, the Department coordinated the sales of \$19,195,000 million for Montgomery County and \$24,820,000 for Prince

George's County Park Acquisition and Development Bonds and Refunding Bonds. The proceeds will be used to finance certain capital park acquisition and development projects in both counties.

Automating/Streamlining Efforts: Efforts continued on the Enterprise Resource Planning (ERP) system with focus being on the Human Capital Management system. We are also embarking on an upgrade to the Infor Cloud Suite v10, which will take significant effort the last half of FY17.

Information Systems Support: Provides management and support to all departments within Central Administration Services (CAS- Finance, DHRM, Budget, and Legal) and (ERS). Support provided includes: the hosting of the ERP system supporting Finance, Central Purchasing, Human Resources, and Budgeting; Kronos (timekeeping system), Alliance (security system) and other critical systems that contain financial and personal data. Management of web and internally hosted applications that enable the management of INSITE, EnergyCap, MNCPPC.org, Automated Records management system (ARMS), Safety shoe program, Training calendar, and the Accounting Online System among the most important. Also supported is the Secure File Transfer system which enables users to send large secure documents to select individuals outside of the Commission as well as managing a disaster recovery site. The IT division provides security governance and administration to ensure the protection of Commission data, security administration, accountability and maintenance. Major IT efforts included: Implemented data standards for the control and protection of SSN within the email system while working with key teams of security and Active Directory administrators to cleanup and standardize processes, Installed fiber wire trays in computer room; Replaced the network core switch to ensure 10G connections, upgraded wiring to all 3rd floor users to ensure optimal desktop performance; upgraded all floor switches to ensure data prioritization; expanded virtualized architecture which reduced the cost for new apps, services and recurring maintenance. This support ensures business continuity, secure integration and optimal performance.

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 20.1% which equated to \$20 million of procurement with MFD firms.

Financial Reporting: For the 42th consecutive year, the Commission received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the FY 2015 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

Office of General Counsel

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

Protecting the Public Interest in Litigation: During FY 2016, the OGC handled 39 new cases and closed 37 cases – ending the Fiscal Year with 37 cases still pending in the state and federal courts. In addition to the more conventional disputes that involve various tort claims, workers compensation laws or judicial review of Commission land use decisions, OGC's litigation portfolio during the year included successfully defending one federal lawsuit seeking the destruction or removal of the Bladensburg Peace Cross historic monument at the Federal District Court level, defending a challenge to the Commission's wildlife management program, and continuing to defend another unmeritorious, high-profile case lodged by a disappointed real estate speculator in Montgomery County. The Legal Department also continued working through complex regulatory issues associated with transitioning to a new business model to provide recreational instructional services.

Proactive Legal Support for Commission Policy Makers: The Legal Department continued its tradition of delivering real-time, preventive counsel to support sound business and public policy decisions. Examples of challenging issues encountered during FY 2016 include: the ongoing development of a new zoning ordinance in Prince George's County; spearheading the initiative to update the Commission's park rules and regulations for the first time in over a decade;

and supporting our park and recreation managers in their transition to a new business model for delivering instruction programs in a recreation context.

Building Quality of Life – One Transaction at a Time: Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements, memoranda of understanding, and policies related to the Commission’s park and recreation functions. Examples of important projects initiated or completed during FY 2016 include a multi-party technology agreement empowering citizens to register for programs offered by the Commission, the Montgomery County Recreation Department and a number of other area agencies with one-stop-shopping. Other projects ongoing or completed during the year include: agreements related to the Purple Line light rail project in Montgomery and Prince George’s counties; a commercial real estate acquisition to support development of a new Park Police headquarters and communication facility; the construction of a highly anticipated aquatic and recreation complex in southern Prince George’s County; and a co-location agreement for a new recreation center, library and park in Wheaton at one location.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 250 bills during the 2016 Session of the Maryland General Assembly; 7 of which either were local or “bi-county” bills for Prince George’s or Montgomery County.

Office of the Chief Information Officer

The Office of the Chief Information Officer develops the Information Technology architecture and recommends information technology policies for the Commission. Policies are authorized by the Information Technology Council. The Information Technology Council and the Chief Information Officer provide the Commission governance for enterprise-wide project efforts. The Bi-County Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

Fiscal year 2016 (FY16) has seen continued success in policy creation in the face of increased information technology security threats and breaches. Working with the Office of Internal Audit, efforts were increased in the review of the information technology environment and the policies that govern it. The focus has been to ensure the confidentiality, security, integrity, and availability of Commission data. This work will continue as the threats continually change.

Another FY16 area of focus in the Office of the Chief Information Officer is the governance model of enterprise wide information technology projects. Working with the Information Technology Council we are evaluating how projects are prioritized and authorized with the expectation of improving our efficiency.

The challenge areas for the Office of the Chief Information Officer include the volume of projects requiring information technology project leadership, and numerous opportunities to improve and optimize the information architecture and its efficiency in comparison to our size. These two challenges require the Office of the Chief Information Officer and the Information Technology Council to triage the many opportunities presented.

Office of Internal Audit

The primary focus of the Commission’s Office of Internal Audit 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 2015 more than 52 audits and reviews were performed and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

Merit System Board

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY16, 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 \$776 million. For the year ending June 30, 2016, the ERS posted a negative 0.3% net of fees return, but for the three, and five year periods ending June 30, 2016, the ERS posted net of fee returns of 4.9% and 5.7%, respectively. The Board of Trustees actions for the year included approval of a \$90 million custom real assets strategy; approval of a \$45 million private equity commitment; approval of the addition of a 10% global infrastructure allocation to the State Street Global Advisors Custom Real Asset Strategy; and the search and selection of a new auditor, SB& Company, LLC. An asset liability analysis was conducted; however, the Board approved maintaining the current asset allocation policy (51% equity, 29% fixed income and 20% real assets). The ERS has continued comprehensive communications to all members via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and educational on-site workshops and counseling for participants.

◆ PART II A ◆

FINANCIAL SECTION

Basic Financial Statements



Historic Cabins located in Montgomery County



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules related to the defined benefit pension plans, and the schedule of funding progress for other postemployment benefit plans, as referenced in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Supplementary and Other Information

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

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



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The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Hunt Valley, Maryland
October 19, 2016

SB & Company, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of The Maryland-National Capital Park and Planning Commission ("the Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities for the Commission for the fiscal year ended June 30, 2016.

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

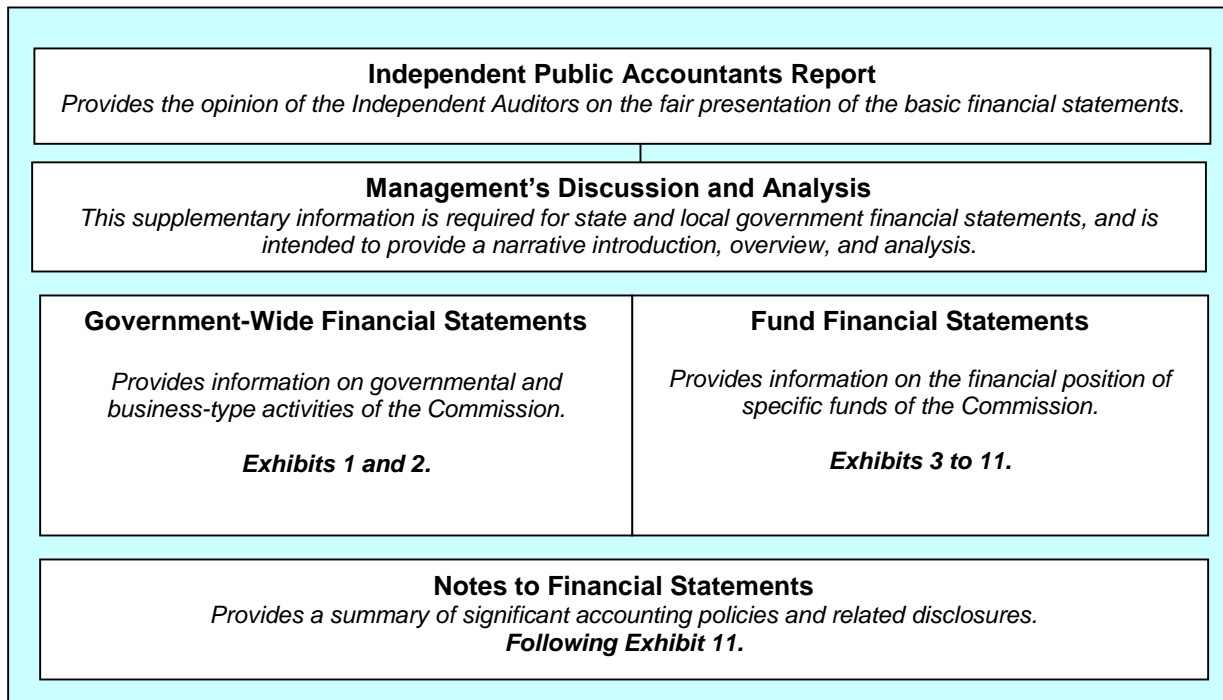
- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflow of resources at June 30, 2016 by \$995.6 million (net position). Of this amount, \$164.5 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$41.6 million during fiscal year 2016. This is largely a result of: an increase in capital assets of \$54.8 million. These are offset by an increase in accounts payable of \$5.4 million, debt principal payments of \$10.4 million, an increase in the OPEB liability of \$2.3 million and an increase in the Pension Liability of \$17.4 million.
- As of June 30, 2016, the Commission's governmental funds reported combined ending fund balances of \$305.7 million, an increase of \$21.0 million. Of this amount, \$137.7 million is unassigned, \$20.8 million is assigned, \$135.0 million is committed, \$11.5 million of fund balance is restricted and \$0.7 million is non-spendable.
- The Commission's General Fund balance at June 30, 2016 was \$225.0 million, an increase of \$35.8 million during the year. The unassigned fund balance of \$173.4 million is approximately 48.3% of fiscal year 2016 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance as of June 30, 2016 was \$9.5 million, an increase of \$5.2 million. The unassigned fund deficit of \$13.9 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements from Montgomery County Government or by reimbursable grants.

- The Prince George’s County Capital Projects Fund balance as of June 30, 2016 was \$56.2 million, a decrease of \$20.4 million. The fund balance has decreased due to the transfer of \$21.4 million to the Prince George’s County Park Account.
- The assets plus deferred outflows of the enterprise funds exceeded liabilities and deferred inflows by \$67.2 million, an increase of \$0.6 million. The Prince George’s Enterprise Fund had a slight decrease in net position of \$0.1 million and the Montgomery Enterprise Fund had an increase in net position of \$0.7 million.
- The Commission’s bonds and notes payable decreased by \$10.4 million due to scheduled principal payments. Also, the Commission issued general obligation bonds for Montgomery County in the amount of \$12 million and Prince George’s in the amount of \$19.5 million.

Overview of the Financial Statements

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

Organization and Flow of Financial Section Information



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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. The Commission maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for certain Recreational and Cultural Facilities in both Montgomery and Prince George's Counties.

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

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's progress in funding its obligation to provide pension benefits and other 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 \$995.6 million at the close of the most recent fiscal year.

A summary of the Commission's net position follows:

Summary of Net Position (in millions) June 30, 2016 and 2015							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2015-2016
	2016	2015	2016	2015	2016	2015	
<u>Assets</u>							
Current and Other Assets	\$ 423.5	\$ 394.7	\$ 14.6	\$ 13.9	\$ 438.1	\$ 408.6	7.2%
Capital Assets	879.9	825.6	62.8	62.3	942.7	887.9	6.2%
Total Assets	<u>1,303.4</u>	<u>1,220.3</u>	<u>77.4</u>	<u>76.2</u>	<u>1,380.8</u>	<u>1,296.5</u>	<u>6.5%</u>
Deferred Outflows	<u>87.3</u>	<u>50.9</u>	<u>3.2</u>	<u>1.8</u>	<u>90.5</u>	<u>52.7</u>	<u>0.0%</u>
<u>Liabilities/Deferred Inflows</u>							
Current Portion of Long-term							
Liabilities	27.4	27.4	0.3	0.4	27.7	27.8	-0.4%
Long-term Liabilities	352.8	308.8	9.1	8.3	361.9	317.1	14.1%
Other Liabilities/Deferred Inflows	<u>82.1</u>	<u>47.6</u>	<u>4.0</u>	<u>2.7</u>	<u>86.1</u>	<u>50.3</u>	<u>71.2%</u>
Total Liabilities/Deferred Inflows	<u>462.3</u>	<u>383.8</u>	<u>13.4</u>	<u>11.4</u>	<u>475.7</u>	<u>395.2</u>	<u>20.4%</u>
<u>Net Position</u>							
Net investment in Capital							
Assets	768.3	736.5	62.8	62.3	831.1	798.8	4.0%
Unrestricted	<u>160.1</u>	<u>150.9</u>	<u>4.4</u>	<u>4.3</u>	<u>164.5</u>	<u>155.2</u>	<u>6.0%</u>
Total Net Position	<u>\$ 928.4</u>	<u>\$ 887.4</u>	<u>\$ 67.2</u>	<u>\$ 66.6</u>	<u>\$ 995.6</u>	<u>\$ 954.0</u>	<u>4.4%</u>

Current and other assets increased by 7.2% mainly due to the issuance of general obligation bonds. Also, long-term liabilities increased by 14.1 % due to the issuance of general obligation bonds and other liabilities/deferred inflows increased by 71.2%, which is mainly due to increases in changes in pension plan assumptions and the difference between expected and actual experience. Changes in net position are discussed later.

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

The remaining balance of \$164.5 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:

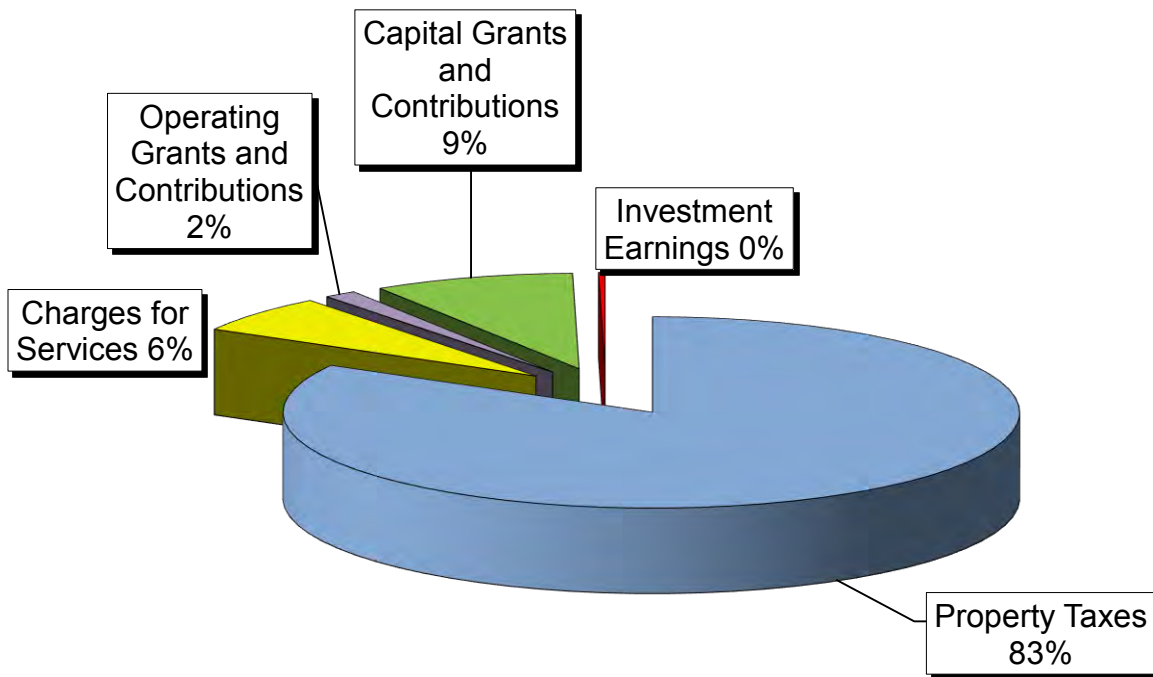
Summary of Changes in Net Position (in millions)
For the Fiscal Years Ended June 30, 2016 and 2015

	Governmental		Business-type		Total		Total Percentage Change 2015-2016
	Activities		Activities		Total		
	2016	2015	2016	2015	2016	2015	
Program Revenues:							
Charges for Services	\$ 26.9	\$ 26.0	\$ 20.0	\$ 19.4	\$ 46.9	\$ 45.4	3.3%
Operating Grants and Contributions	6.0	5.4	-	-	6.0	5.4	11.1%
Capital Grants and Contributions	37.2	39.5	1.9	-	39.1	39.5	-1.0%
General Revenues:							
Property Taxes	352.3	326.4	-	-	352.3	326.4	7.9%
Investment Earnings	1.2	1.2	0.1	0.1	1.3	1.3	0.0%
Total Revenues	<u>423.6</u>	<u>398.5</u>	<u>22.0</u>	<u>19.5</u>	<u>445.6</u>	<u>418.0</u>	<u>6.6%</u>
Expenses:							
General Government	18.9	21.1	-	-	18.9	21.1	-10.4%
County Planning and Zoning	57.3	49.2	-	-	57.3	49.2	16.5%
Park Operations and Maintenance	243.0	227.9	-	-	243.0	227.9	6.6%
Recreation Programs	50.3	65.2	-	-	50.3	65.2	-22.9%
Recreational and Cultural Facilities	-	-	30.5	31.0	30.5	31.0	-1.6%
Interest on Long-term Debt	4.0	3.9	-	-	4.0	3.9	2.6%
Total Expenses	<u>373.5</u>	<u>367.3</u>	<u>30.5</u>	<u>31.0</u>	<u>404.0</u>	<u>398.3</u>	<u>1.4%</u>
Increase (Decrease) in Net Position Before Transfers	50.1	31.2	(8.5)	(11.5)	41.6	19.7	<u>111.2%</u>
Transfers	(9.1)	(9.7)	9.1	9.7	-	-	
Increase (Decrease) in Net Position	41.0	21.5	0.6	(1.8)	41.6	19.7	
Net Position - beginning	887.4	865.9	66.6	68.4	954.0	934.3	
Net Position - ending	<u>\$ 928.4</u>	<u>\$ 887.4</u>	<u>\$ 67.2</u>	<u>\$ 66.6</u>	<u>\$ 995.6</u>	<u>\$ 954.0</u>	

During the current fiscal year the Commission's net position increased by \$41.6 million. This is largely a result of an increase in capital assets of \$54.8 million, and the issuance of bonds in the amount of \$31.5 million. These are offset by an increase in accounts payable of \$5.4 million, debt principal payments of \$10.4 million, an increase in the OPEB liability of \$2.3 million and an increase in the Pension Liability of \$17.4 million.

Governmental activities. Governmental activities increased the Commission's net position by \$41.0 million, thereby accounting for 98.3% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of \$37.2 million, offset by a surplus of ongoing revenues over ongoing expenses of \$12.9 million and by the transfers to business-type activities of \$9.1 million.

Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 83% 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 8.8% of governmental activities expenses.

The overall total cost of services and net cost of services increased by 1.7% and 2.4% for FY 2016 compared to FY 2015, respectively.

Net Cost of Governmental Activities (000's)
For the Fiscal Years Ended June 30, 2016 and 2015

	2016		2015		Percentage Change 2015 - 2016	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 18,944	\$ 18,944	\$ 21,133	\$ 21,133	-10.4%	-10.4%
County Planning and Zoning	57,309	52,643	49,148	44,138	16.6%	19.3%
Park Operations and Maintenance	243,036	192,906	227,850	176,588	6.7%	9.2%
Recreation Programs	50,263	34,955	65,247	50,653	-23.0%	-31.0%
Interest on Long-term Debt	4,048	4,048	3,900	3,900	3.8%	3.8%
Total	\$ 373,600	\$ 303,496	\$ 367,278	\$ 296,412	1.7%	2.4%

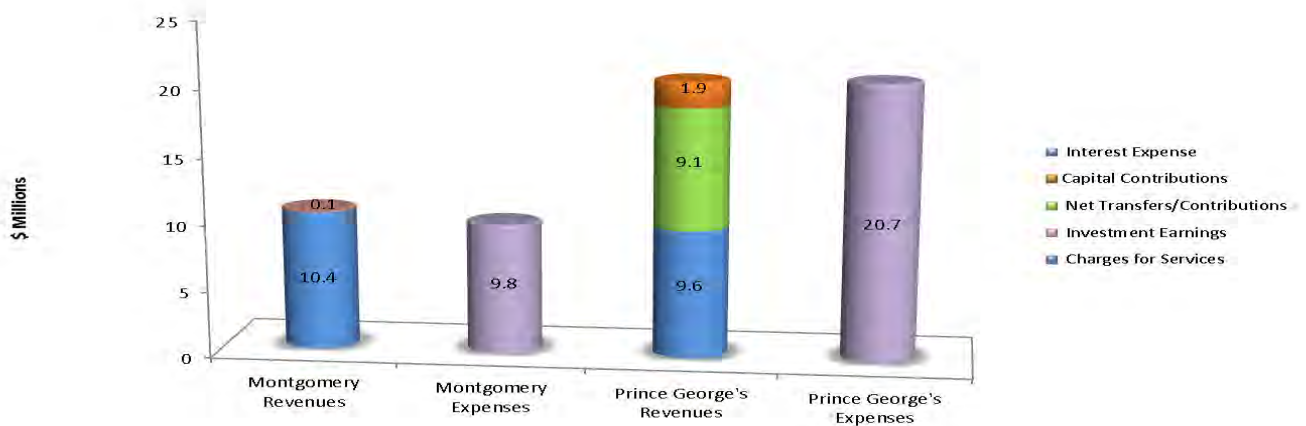
Net Cost by Function - General Government



Business-type Activities. Business-type activities expenses in excess of revenues led to an increase in the Commission's net position of \$0.6 million.

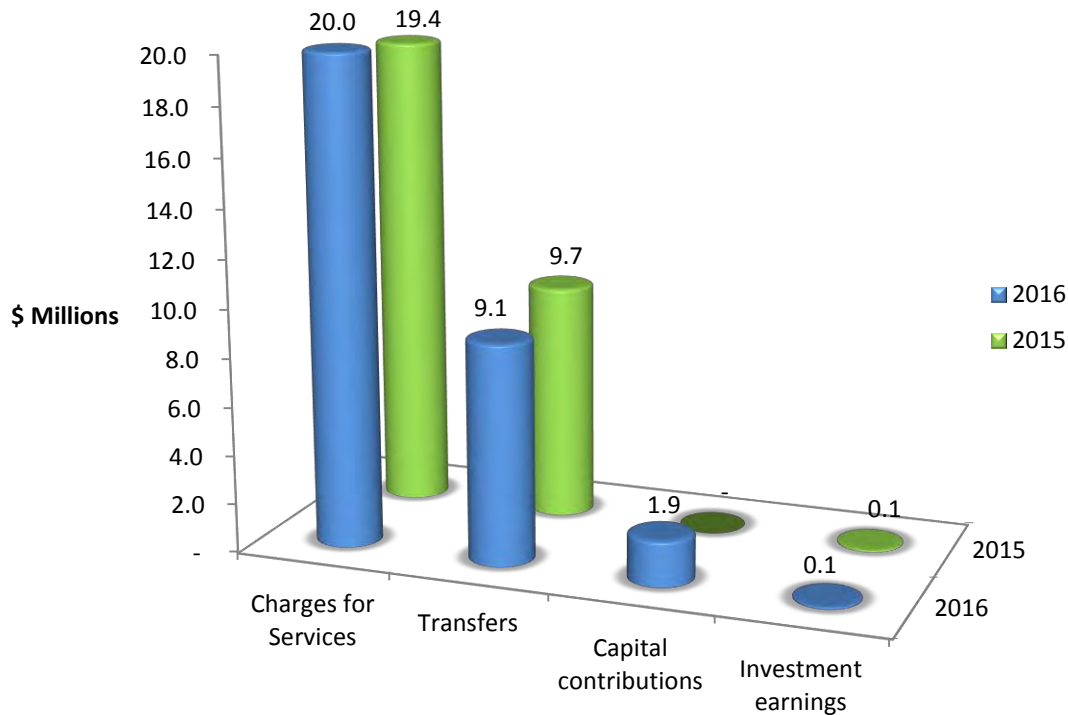
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$8.5 million.
- Governmental activities contributed \$9.1 million to support the enterprise activities. The funding is primarily for the Prince George's County business-type activities.

Changes in Net Position - Business-type Activities



More detail regarding these funds 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 \$305.7 million, an increase of \$21.0 million in comparison with the prior year. Approximately 45.0% of this total amount, or \$137.7 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. The remaining fund balances are non-spendable, restricted, committed or assigned to indicate that they are not available for new spending as \$0.7 million is non-spendable, \$135.0 million has been committed for contracts and purchase orders, \$11.5 million is restricted and \$20.8 million is assigned to fund fiscal year 2017 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 \$173.4 million, while total fund balance was \$225.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 48.3% of the total general fund expenditures and transfers out, while total fund balance represents 62.7% of the same amount.

The fund balance of the Commission's General Fund has increased by \$35.8 million during the current fiscal year. Key factors that generated this increase are as follows:

- Savings of \$2.7 million due to delaying of the bond issues until later in the fiscal year.
- Property tax revenues were \$10.6 million higher than budgeted.
- Control of expenditures generated \$14.5 million in savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$9.5 million and Prince George's County has a fund balance of \$56.2 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 an increase of \$5.2 million in Montgomery County, and a decrease of \$20.4 million in Prince George's County, primarily due to the transfer of \$21.4 million to the Prince George's County Park Account, offset by the \$6.3 million transfer from the general fund to the capital projects fund for Prince George's County, construction grants realized of \$26.4 million in Montgomery County and \$4.3 million in Prince George's County and the issuance of General Obligation Bonds in the amount of \$12.0 million in Montgomery County and \$19.5 million in Prince George's County. Expenditures for the fiscal year were \$35.8 million in Montgomery County and \$31.6 million in Prince George's County.

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

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

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

Unrestricted net position of the Montgomery County fund at the end of the year amounted to \$4.8 million and the unrestricted net position for the Prince George's County fund amounted to \$(0.4) million. The total changes in net position for the funds were an increase in the Montgomery County fund of \$0.7 million and a decrease of \$0.1 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, 2016 and 2015				
	Montgomery County		Prince George's County	
	FY2016	FY2015	FY2016	FY2015
Operating Revenues	\$ 10,411	\$ 9,868	\$ 9,607	\$ 9,536
Operating Expenses, Excluding Depreciation	8,605	8,159	18,746	18,898
Operating Income (Loss), Excluding Depreciation	1,806	1,709	(9,139)	(9,362)
Depreciation	1,154	1,242	1,924	2,663
Operating Income (Loss)	652	467	(11,063)	(12,025)
Nonoperating Revenue (Expense)	64	58	1,935	38
Transfers/Contributions	-	-	9,071	9,726
Change in Net Position	\$ 716	\$ 525	\$ (57)	\$ (2,261)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's)						
For the Fiscal Years Ended June 30, 2016 and 2015						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2016	FY2015	Change	FY2016	FY2015	Change
Event Centers	\$ 633	\$ 775	\$ (142)	\$ (75)	\$ 18	\$ (93)
Golf Courses	13	21	(8)	12	21	(9)
Ice Rinks	4,600	4,812	(212)	640	862	(222)
Indoor Tennis	1,688	1,794	(106)	362	424	(62)
Park Facilities	3,477	2,466	1,011	867	384	483
Total	<u>\$ 10,411</u>	<u>\$ 9,868</u>	<u>\$ 543</u>	<u>\$ 1,806</u>	<u>\$ 1,709</u>	<u>\$ 97</u>

The Montgomery County Enterprise Fund revenues increased by \$543,000 and operating income increased by \$97,000. Operating revenues and income were down at the event centers mainly due to the 6 week closure of Seneca Lodge for maintenance. The Wheaton Sports Center was reclassified as a Park Facility which resulted in the decrease in both revenue and operating income at the Ice Rinks and an increase to the Park Facilities. The Pauline Betz Addie Tennis Center was closed for 6 weeks during FY 2016 for the installation of a new HVAC system which caused a decrease in both revenue and operating income. This loss of revenue was offset by savings in maintenance and utility costs. In addition to the reclassification of the Wheaton Sports Center, the re-opening of Brookside Gardens after major renovations in FY 2015 contributed to the increase in revenue and operating income at the Park Facilities.

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, 2016 and 2015						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2016	FY2015	Change	FY2016	FY2015	Change
Airport	\$ 196	\$ 250	\$ (54)	\$ (176)	\$ (140)	\$ (36)
Equestrian Center/ShowplaceArena	1,369	1,348	21	(1,502)	(1,611)	109
Golf Courses	2,199	2,207	(8)	(1,527)	(1,397)	(130)
Ice Rinks	559	512	47	(711)	(817)	106
Tennis Bubbles/Administration	344	296	48	(654)	(850)	196
Trap and Skeet Center	1,633	1,702	(69)	(26)	96	(122)
Sports and Learning Complex	3,167	3,105	62	(4,459)	(4,392)	(67)
Bladensburg Marina	140	116	24	(84)	(251)	167
Total	<u>\$ 9,607</u>	<u>\$ 9,536</u>	<u>\$ 71</u>	<u>\$ (9,139)</u>	<u>\$ (9,362)</u>	<u>\$ 223</u>

The Prince George's County Enterprise Fund revenues increased by \$71,000 and the operating loss, excluding depreciation, decreased by \$223,000. There were fewer sales of jet fuel at the College Park Airport leading to the decrease in revenue and operating income. In FY 2016, Rental and Concessions were higher at the Equestrian Center/Showplace Arena and Supplies and Materials expenses were lower which led to the increases in revenues and operating income. The decrease in operating income at the Golf Courses is due to increased expenses for supplies and materials and for maintenance costs at Henson Creek and Enterprise Golf Courses. Charges for Services and Rental and Concessions revenue at Tucker Road Ice Rink were higher and Personnel Services costs were lower in FY 2016, which resulted in an increase in both revenues and operating income. Increased revenue at the Watkins Tennis Bubble is due to more class registrations in FY 2016. A decrease in sales at the Trap and Skeet Center led to a decrease in revenue and expenses for equipment repair and replacement contributed to the decrease in operating income. The Sports and Learning Complex earned more Rental income in FY 2016. This was offset by an increase in expenses for the purchase of a scoreboard and facility repairs which resulted in a decrease in operating income.

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, 2016		
	Administration Account	Park Account
Favorable property tax collections	\$ 36.4	\$ 72.0
Favorable charges for services	253.4	187.5
(Unfavorable) intergovernmental revenue	(146.8)	(87.6)
Favorable (Unfavorable) investment revenue	33.0	(27.8)
Favorable other revenue	6.9	24.3
Total favorable/(unfavorable) revenue variance	182.9	168.4
Expenditure savings	2,084.5	1,591.2
Favorable other financing sources (uses)	-	313.5
Total favorable budgetary variance	\$ 2,267.4	\$ 2,073.1

Property tax collections were higher than budgeted due to a higher than projected actual assessable base for personal property tax. Charges for Services exceeded the budget for both the Administration and Park Accounts. The Administration Fund had higher than anticipated forest conservation plan submissions and the Park Account had higher than expected ball field rentals. Intergovernmental Revenue was down in both the Administration and Park Accounts due to fewer grants than anticipated. Investment Revenue fluctuates as the interest revenue is allocated based upon account balances. Other Revenues for both funds was up due to higher than anticipated collections of donations, fines and other miscellaneous revenue. Expenditure savings for both funds was primarily a result of delays in filling vacant positions. The delay of the bond sale resulted in debt service savings.

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

Montgomery County Budgetary Fund Balances (000's) June 30, 2016		
	Administration Account	Park Account
Fund balance, budget basis		
Assigned	\$ 2,093.8	\$ 1,453.4
Unassigned	3,310.3	6,775.3
Total Budgetary Fund Balance	\$ 5,404.1	\$ 8,228.7

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, 2016			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 1,944.2	\$ 5,952.3	\$ 2,680.7
Favorable (unfavorable) charges for services	(114.1)	156.6	(180.7)
(Unfavorable) intergovernmental revenue	(42.9)	-	-
Favorable (unfavorable) investment revenue	26.8	(29.6)	35.5
Favorable other revenue	33.2	25.7	69.4
Total (unfavorable) revenue variance	1,847.2	6,105.0	2,604.9
Expenditure savings	5,123.7	2,991.9	2,750.8
Favorable other financing sources	-	2,330.8	-
Total favorable budgetary variance	\$ 6,970.9	\$ 11,427.7	\$ 5,355.7

Property tax collections in the Administration, Park and Recreation Accounts were higher than budgeted due to higher than anticipated assessable base growth and prior year tax collections. Charges for services were down in the Administration Account as a result of lower than anticipated revenues generated from urban design site plan fees and sales of maps and publications. Charges for Services increased in the Park Account primarily due to increased rental fees at the historic properties. Revenue in the Recreation Account is lower mainly due to lower than budgeted collections for classes offset by increased rentals for franchised clinics and tournaments. Intergovernmental Revenue decreased in the Administration Account due to lower than anticipated collections from commercial and residential building permits. The favorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to higher than anticipated interest than budgeted. Other Revenue in the Administration Account was higher than budgeted due to the receipt of an unanticipated grant. Other Revenue in the Park Account was higher than expected mainly due to increased measures to collect outstanding fees for infractions, civil citations and parking fees. The Recreation Account had higher than anticipated Other Revenue from increased donations and contributions. The expenditure savings were primarily the result of vacant positions in all of the Accounts. Additional savings in the Administration Account were the result of savings in the Development Review and Information Technology Divisions for professional services, maintenance and printing. Additional Park Account savings were the result of decreases in construction and maintenance supplies and utility and fuel savings. The Recreation Account also generated expenditure savings from lower than budgeted expenditures for minor equipment and miscellaneous supplies. The delay of the bond sale resulted in savings in other financing sources.

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, 2016			
	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ 701.5	\$ 3,368.9	\$ -
Unassigned	22,826.1	115,428.0	25,058.5
Total Budgetary Fund Balance	\$ 23,527.6	\$ 118,796.9	\$ 25,058.5

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, 2016 amounts to \$942.7 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 6.2% (a 6.6% increase for governmental activities and a 0.8% increase for business-type activities). The most significant increase is \$21.5 million for construction in progress for the governmental activities. The only significant capital asset change in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Position. During fiscal year 2016, projects totaling \$34.2 million were completed.

Expenditures on Montgomery County projects totaled \$37.1 million in fiscal year 2016, of which \$3.4 million was for land acquisition and \$33.7 million was for development. The land purchases represented the acquisition of about 33.7 acres of land. Major Park Development expenditures included \$5.0 million for the Rock Creek Maintenance Facility upgrades, \$4.5 million for Laytonia Regional Park, \$3.5 million for Brookside Master Plan Improvements, \$1.7 million for Greenbriar Local Park, and \$1.7 million for Kemp Mill Urban Park. In addition, \$3.1 million was expended for play equipment and minor park renovations.

Prince George's County projects totaled \$31.6 million in fiscal year 2016, of which \$1.5 million was for land acquisition and \$30.1 million was for development. Land Acquisition included \$1.4 million Regional Park Acquisitions. Major Park Development expenditures include Improvements for Infrastructure with construction costs to date of \$11.5 million of which \$3.7 million was in fiscal year 2016, College Park Airport with construction costs to date of \$5.4 million of which \$2.1 million was in fiscal year 2016, Largo Town Center with construction costs to date of \$1.4 million, of which \$1.3 million was in fiscal year 2016, Kentland Community Center with construction costs to date of \$13.7 million, of which \$9.3 million was in fiscal year 2016, Westphalia Neighborhood Park with construction costs to date of \$4.8 million of which \$2.9 million was in fiscal year 2016, William Beanes Community Center with construction costs to date of \$5.0 million of which \$2.4 million was in fiscal year 2016. Colmar Manor with construction costs to date of \$1.0 million of which \$700 thousand was in fiscal year 2016. In addition, expenditures totaling \$1.5 million was spent for Play equipment replacement and in The Public Safety Fund.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2016 and 2015

	June 30, 2016			June 30, 2015			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 378,645	\$ 19,364	\$ 398,009	\$ 369,637	\$ 19,364	\$ 389,001	2.3%
Buildings and improvements	81,109	39,132	120,241	65,962	39,986	105,948	13.5%
Infrastructure	111,862	169	112,031	106,189	19	106,208	5.5%
Machinery, equip. & intangibles	32,482	1,970	34,452	29,611	2,062	31,673	8.8%
Construction in progress	275,743	2,198	277,941	254,197	884	255,081	9.0%
Total	\$ 879,841	\$ 62,833	\$ 942,674	\$ 825,596	\$ 62,315	\$ 887,911	6.2%

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

Long-term debt. Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$119.3 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 \$13.7 million (Montgomery - \$4.2 million; Prince George's - \$9.5 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$118.2 million (Montgomery County - \$49.1 million and Prince George's County - \$69.1 million) at June 30, 2016. Park Bonds debt service expenditures totaled \$13.6 million (Montgomery - \$4.1 million, Prince George's - \$9.5 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.26 cents per \$100 of assessed valuation for real property and .65 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.21 cents per \$100 of assessed valuation for real property and 3.03 cents per \$100 of assessed valuation for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for park operation and maintenance expenditures in the respective counties.

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

Commission General Obligation Bond Ratings June 30, 2016			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aaa	AAA	AAA

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) as of June 30, 2016 (\$000's):

Commission's Outstanding Debt June 30, 2016 and 2015			
	Governmental Activities		Change
	2016	2015	
General obligation bonds	\$ 124,658	\$ 101,524	22.8%
Total	\$ 124,658	\$ 101,524	22.8%

Montgomery County Outstanding Debt June 30, 2016 and 2015			
	Governmental Activities		Change
	2016	2015	
General obligation bonds	\$ 52,474	\$ 42,664	23.0%
Sub-Total	\$ 52,474	\$ 42,664	23.0%

Prince George's County Outstanding Debt June 30, 2016 and 2015			
	Governmental Activities		Change
	2016	2015	
General obligation bonds	\$ 72,184	\$ 58,860	22.6%
Sub-Total	\$ 72,184	\$ 58,860	22.6%

The Commission's bonds and notes payable increased by \$23.1 million due to the issuance of general obligation bonds in the amount of \$31.5 million offset by scheduled principal payments. State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,620.6 million of debt service for Montgomery County and \$851.1 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$62.5 million and \$90.1 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

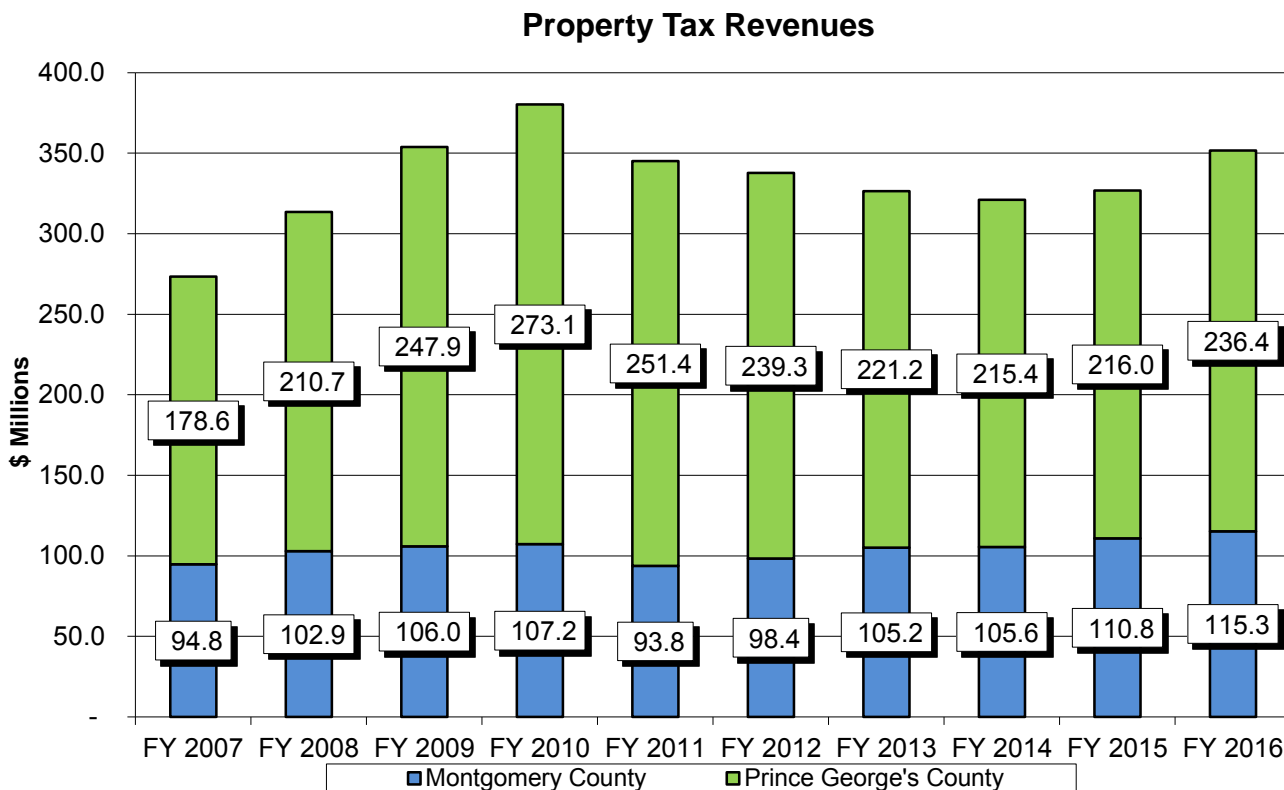
The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 84.0% of the Governmental Funds revenues in FY 2016. Strong fiscal policies including fund balance reserves, interim financial 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 2017 tax rates and adopting the FY 2017 Budget.

The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates. In FY 2017 the Commission's total Montgomery County real property tax rate was decreased by 0.14 cents and the personal property tax rate was decreased by 0.35 cents and the taxable real property assessable base is projected to increase by 4.54%. Commission property tax revenue is budgeted to increase by 2.77% and budgeted expenditures are budgeted to increase 2.72% in the tax supported funds.

In Prince George's County, there was no change to the real property and the personal property tax rates in FY 2017. In FY 2017 the real property assessable base is projected to increase by 7.37%. With the strong assessable base growth in prior years, property tax revenues increased at a greater rate than expenditures, enabling the Commission to budget a large amount of current revenue to fund the capital improvement program keeping debt levels relatively low and providing capacity to assist the Prince George's County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. The project charges decreased slightly from \$14.6 million in FY 2015 to \$14.5 million in FY 2016, and for FY 2017 they are budgeted at \$14.1 million.

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

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



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$181.0 million. Of this amount, \$7.6 million is assigned fund balance and \$173.4 million is unassigned as of June 30, 2016. Of the unassigned portion, \$163.3 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

Requests for Information

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

**Statement of Net Position
June 30, 2016**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Equity in Pooled Cash and Investments	\$ 367,305,892	\$ 13,480,651	\$ 380,786,543
Receivables - Taxes, net of allowance for uncollectibles	4,690,591	-	4,690,591
Receivables - Other	1,344,159	1,683	1,345,842
Due from County Governments	17,849,445	218,848	18,068,293
Due from Other Governments	17,800,188	-	17,800,188
Inventories	709,067	912,099	1,621,166
Deposits and Other	2,301,172	-	2,301,172
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	11,511,920	-	11,511,920
Capital Assets:			
Land and Construction in Progress	654,388,187	21,561,285	675,949,472
Other Capital Assets, Net of Accumulated Depreciation	225,452,490	41,271,225	266,723,715
Total Assets	<u>1,303,353,111</u>	<u>77,445,791</u>	<u>1,380,798,902</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in pension plan assumptions	6,303,779	230,287	6,534,066
Difference between projected and actual earnings on pension plan investments	80,547,700	2,988,047	83,535,747
Difference between expected and actual experience	420,914	14,939	435,853
Total Deferred Outflows of Resources	<u>87,272,393</u>	<u>3,233,273</u>	<u>90,505,666</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	42,847,052	1,785,821	44,632,873
Accrued Interest Payable	1,489,007	-	1,489,007
Due to Other Governments	90	-	90
Deposits and Fees Collected in-Advance	9,278,464	1,037,536	10,316,000
Claims Payable:			
Due within One Year	6,232,002	-	6,232,002
Due in more than One Year	12,372,053	-	12,372,053
Compensated Absences:			
Due within One Year	10,045,374	327,945	10,373,319
Due in more than One Year	10,475,690	642,713	11,118,403
Bonds and Notes Payable:			
Due within One Year	11,126,946	-	11,126,946
Due in more than One Year	113,531,298	-	113,531,298
Net Other Post Employment Benefit Obligations			
Due in more than One Year	71,854,994	3,218,136	75,073,130
Net Pension Liability			
Due in more than One Year	144,515,440	5,317,981	149,833,421
Total Liabilities	<u>433,768,410</u>	<u>12,330,132</u>	<u>446,098,542</u>
DEFERRED INFLOW OF RESOURCES			
Changes in pension plan assumptions	11,416,020	428,511	11,844,531
Difference between expected and actual experience	17,101,976	641,937	17,743,913
Total Deferred Inflow of Resources	<u>28,517,996</u>	<u>1,070,448</u>	<u>29,588,444</u>
NET POSITION			
Net Investment in Capital Assets	768,265,017	62,832,510	831,097,527
Unrestricted	160,074,081	4,445,974	164,520,055
Total Net Position	<u>\$ 928,339,098</u>	<u>\$ 67,278,484</u>	<u>\$ 995,617,582</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, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 18,943,664	\$ -	\$ -	\$ -	(18,943,664)	\$ -	(18,943,664)
County Planning and Zoning	57,308,580	3,846,984	818,254	-	(52,643,342)	-	(52,643,342)
Park Operations and Maintenance	243,036,037	8,075,175	4,837,912	37,217,217	(192,905,733)	-	(192,905,733)
Recreation Programs	50,263,579	14,986,083	322,223	-	(34,955,273)	-	(34,955,273)
Interest on Long-term Debt	4,048,509	-	-	-	(4,048,509)	-	(4,048,509)
Total Governmental Activities	373,600,369	26,908,242	5,978,389	37,217,217	(303,496,521)	-	(303,496,521)
Business-type Activities:							
Recreational and Cultural Facilities	30,424,060	20,018,525	-	1,894,980	-	(8,510,555)	(8,510,555)
Total Business-type Activities	30,424,060	20,018,525	-	1,894,980	-	(8,510,555)	(8,510,555)
Total Primary Government	\$ 404,024,429	\$ 46,926,767	\$ 5,978,389	\$ 39,112,197	\$ (303,496,521)	\$ (8,510,555)	\$ (312,007,076)
General Revenues:							
Property Taxes					352,283,467	-	352,283,467
Unrestricted Investment Earnings					1,208,287	98,547	1,306,834
Transfers					(9,071,347)	9,071,347	-
Net General Revenues and Transfers					344,420,407	9,169,894	353,590,301
Change in Net Position					40,923,886	659,339	41,583,225
Net Position - Beginning					887,415,212	66,619,145	954,034,357
Net Position - Ending					\$ 928,339,098	\$ 67,278,484	\$ 995,617,582

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, 2016

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 239,919,001	\$ -	\$ 51,900,287	\$ 14,749,700	\$ 306,568,988
Receivables - Taxes (net of allowance for uncollectibles)	4,667,017	-	-	23,574	4,690,591
Receivables - Other (net of allowance for uncollectibles)	140,998	-	-	-	140,998
Due from Other Funds	14,192,430	-	-	-	14,192,430
Due from County Governments	98,058	17,187,700	-	63,687	17,349,445
Due from Other Governments	443,311	9,740,021	7,154,840	462,016	17,800,188
Inventories	-	-	-	709,067	709,067
Restricted Cash - Unspent Debt Proceeds	-	3,631,544	7,880,376	-	11,511,920
Other	22,580	-	106,568	-	129,148
Total Assets	<u>\$ 259,483,395</u>	<u>\$ 30,559,265</u>	<u>\$ 67,042,071</u>	<u>\$ 16,008,044</u>	<u>\$ 373,092,775</u>
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 9,274,818	\$ 5,105,226	\$ 7,478,132	\$ 303,078	\$ 22,161,254
Accrued Liabilities	14,755,980	-	-	412,335	15,168,315
Retainage Payable	-	1,805,765	2,370,702	-	4,176,467
Due to Other Funds	-	14,192,430	-	-	14,192,430
Due to County Governments	60	-	-	30	90
Deposits and Fees Collected in-Advance	6,992,261	-	1,014,392	287,407	8,294,060
Total Liabilities	<u>31,023,119</u>	<u>21,103,421</u>	<u>10,863,226</u>	<u>1,002,850</u>	<u>63,992,616</u>
DEFERRED INFLOW OF RESOURCES					
Property Taxes Collected in-advance	3,423,769	-	-	-	3,423,769
Total Deferred Inflow of Resources	<u>3,423,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,423,769</u>
Fund Balance:					
Nonspendable to:					
Recreation	-	-	-	709,067	709,067
Restricted for:					
Parks	-	3,631,544	7,880,376	8,174	11,520,094
Committed to:					
Planning	20,251,237	-	-	81,451	20,332,688
Parks	15,037,161	19,688,581	70,135,240	621,403	105,482,385
Recreation	8,732,285	-	-	405,261	9,137,546
Assigned to:					
Planning	2,795,248	-	-	4,611,221	7,406,469
Parks	4,822,270	-	-	2,360,164	7,182,434
Recreation	-	-	-	6,208,453	6,208,453
Unassigned:					
	173,398,306	(13,864,281)	(21,836,771)	-	137,697,254
Total Fund Balances	<u>225,036,507</u>	<u>9,455,844</u>	<u>56,178,845</u>	<u>15,005,194</u>	<u>305,676,390</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 259,483,395</u>	<u>\$ 30,559,265</u>	<u>\$ 67,042,071</u>	<u>\$ 16,008,044</u>	

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.	865,564,703
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	87,272,393
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,616,744
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.	54,768,087
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	3,423,769
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(28,517,996)
Long-term liabilities, including bonds payable, net pension liability and net other post employment benefits obligations are not due and payable in the current period and therefore are not reported in the funds.	(361,464,992)
Net Position of Governmental Activities	<u>\$ 928,339,098</u>

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, 2016

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 349,897,752	\$ -	\$ -	\$ 1,795,305	\$ 351,693,057
Intergovernmental -					
Federal	406,662	-	-	-	406,662
State	278,919	7,829,190	4,336,032	-	12,444,141
County	3,478,911	18,587,734	-	1,375,878	23,442,523
Charges for Services	10,278,945	-	-	3,961,737	14,240,682
Rentals and Concessions	5,924,427	-	-	5,949,013	11,873,440
Interest	685,914	12,187	258,232	44,261	1,000,594
Contributions	-	1,516,289	862,739	222,784	2,601,812
Miscellaneous	678,596	2,251	156	113,117	794,120
Total Revenues	<u>371,630,126</u>	<u>27,947,651</u>	<u>5,457,159</u>	<u>13,462,095</u>	<u>418,497,031</u>
EXPENDITURES					
Current -					
General Government	18,269,180	-	-	-	18,269,180
Planning and Zoning	52,213,797	-	-	3,285,436	55,499,233
Park Operations and Maintenance	199,787,966	-	-	2,350,073	202,138,039
Recreation	58,362,003	-	-	5,682,031	64,044,034
Contributions	-	-	-	1,664,641	1,664,641
Debt Service -					
Principal	-	-	-	10,433,171	10,433,171
Interest	-	-	-	3,252,466	3,252,466
Other Debt Service Costs	-	-	-	435,015	435,015
Capital Outlay -					
Park Acquisition	-	3,430,100	1,493,422	-	4,923,522
Park Development	-	32,409,998	30,142,743	-	62,552,741
Total Expenditures	<u>328,632,946</u>	<u>35,840,098</u>	<u>31,636,165</u>	<u>27,102,833</u>	<u>423,212,042</u>
Excess (Deficiency) of Revenues over Expenditures	<u>42,997,180</u>	<u>(7,892,447)</u>	<u>(26,179,006)</u>	<u>(13,640,738)</u>	<u>(4,715,011)</u>
OTHER FINANCING SOURCES (USES)					
General Obligation Bonds Issued	-	12,000,000	19,500,000	-	31,500,000
Refunding Bonds Issued	-	-	-	12,515,000	12,515,000
Premiums on Bonds Issued	-	701,657	1,592,643	1,660,902	3,955,202
Deposit of Bond Proceeds with Escrow Agent	-	-	-	(14,041,382)	(14,041,382)
Transfers In	23,119,430	366,891	6,300,000	13,946,796	43,733,117
Transfers Out	(30,338,143)	-	(21,623,232)	(37,539)	(51,998,914)
Total Other Financing Sources (Uses)	<u>(7,218,713)</u>	<u>13,068,548</u>	<u>5,769,411</u>	<u>14,043,777</u>	<u>25,663,023</u>
Net Change in Fund Balances	35,778,467	5,176,101	(20,409,595)	403,039	20,948,012
Fund Balances - Beginning	<u>189,258,040</u>	<u>4,279,743</u>	<u>76,588,440</u>	<u>14,602,155</u>	<u>284,728,378</u>
Fund Balances - Ending	<u>\$ 225,036,507</u>	<u>\$ 9,455,844</u>	<u>\$ 56,178,845</u>	<u>\$ 15,005,194</u>	<u>\$ 305,676,390</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, 2016**

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)	\$	20,948,012
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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	61,950,004	
Depreciation Expense	<u>(14,458,408)</u>	
Net adjustment		47,491,596

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>4,085,233</u>	
Net adjustment		4,085,233

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.

590,410

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

General Obligation Debt incurred	(47,970,202)	
Repayments of Principal	10,899,567	
Payment to Refunding Bond Escrow Account	<u>14,041,382</u>	
Net adjustment		(23,029,253)

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 liability, compensated absences and other expenses.

(11,583,860)

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.

(1,026,536)

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>3,448,284</u></u>
		<u><u>40,923,886</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, 2016**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 339,212,079	\$ 339,212,079	\$ 349,897,752	\$ 10,685,673
Intergovernmental	3,899,782	4,441,792	4,164,492	(277,300)
Charges for Services	10,408,668	10,408,668	10,278,945	(129,723)
Rentals and Concessions	5,492,075	5,492,075	5,924,427	432,352
Interest	648,000	648,000	685,914	37,914
Miscellaneous	519,100	519,100	678,596	159,496
Total Revenues	360,179,704	360,721,714	371,630,126	10,908,412
Expenditures/Encumbrances:				
Current -				
General Government	20,419,435	20,419,435	19,623,455	795,980
County Planning and Zoning	58,249,874	58,346,099	51,933,869	6,412,230
Park Operation and Maintenance	205,808,330	206,531,149	201,948,141	4,583,008
Recreation Programs	63,445,459	63,804,081	61,053,278	2,750,803
Total Expenditures/Encumbrances	347,923,098	349,100,764	334,558,743	14,542,021
Excess of Revenues over Expenditures/Encumbrances	12,256,606	11,620,950	37,071,383	25,450,433
Other Financing Sources (Uses):				
Transfers In	23,095,550	22,290,000	23,111,891	821,891
Transfers Out	(33,358,669)	(32,958,669)	(30,330,606)	2,628,063
Total Other Financing Sources (Uses)	(10,263,119)	(10,668,669)	(7,218,715)	3,449,954
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	\$ 1,993,487	\$ 952,281	29,852,668	\$ 28,900,387
Fund Balances - Budget Basis, Beginning			151,163,156	
Fund Balances - Budget Basis, Ending			\$ 181,015,824	

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, 2016**

	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	\$ 8,080,992	\$ 5,399,659	\$ 13,480,651	\$ 59,714,464
Accounts Receivable	314	1,369	1,683	1,203,161
Due from County Government	209,408	9,440	218,848	500,000
Deposits and Other	-	-	-	601,360
Inventories	175,148	736,951	912,099	-
Total Current Assets	<u>8,465,862</u>	<u>6,147,419</u>	<u>14,613,281</u>	<u>62,018,985</u>
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,216,080	74,108,617	101,324,697	3,286,613
Infrastructure	35,510	134,686	170,196	15,657
Machinery, Equipment and Intangibles	2,610,895	4,718,533	7,329,428	38,350,344
Construction in Progress	2,197,686	-	2,197,686	-
	43,644,639	86,740,967	130,385,606	42,401,111
Less - Accumulated Depreciation	(23,765,441)	(43,787,655)	(67,553,096)	(28,125,137)
Total Capital Assets, Net of Depreciation	<u>19,879,198</u>	<u>42,953,312</u>	<u>62,832,510</u>	<u>14,275,974</u>
Total Noncurrent Assets	<u>19,879,198</u>	<u>42,953,312</u>	<u>62,832,510</u>	<u>14,275,974</u>
Total Assets	<u>28,345,060</u>	<u>49,100,731</u>	<u>77,445,791</u>	<u>76,294,959</u>
DEFERRED OUTFLOWS OF RESOURCES				
Changes in pension plan assumptions	72,149	158,138	230,287	44,197
Difference between projected and actual earnings on pension plan investments	994,473	1,993,574	2,988,047	603,016
Difference between expected and actual experience	4,818	10,121	14,939	2,951
Total Deferred Outflows of Resources	<u>1,071,440</u>	<u>2,161,833</u>	<u>3,233,273</u>	<u>650,164</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	293,137	430,197	723,334	1,291,359
Claims Payable	-	-	-	6,232,002
Accrued Salaries and Benefits	349,414	713,073	1,062,487	49,657
Compensated Absences	65,940	262,005	327,945	52,475
Revenue Collected in Advance	1,014,463	23,073	1,037,536	8,042
Total Current Liabilities	<u>1,722,954</u>	<u>1,428,348</u>	<u>3,151,302</u>	<u>7,633,535</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	12,372,053
Compensated Absences	223,718	418,995	642,713	26,644
Net Other Post Employment Benefit Obligations	686,957	2,531,179	3,218,136	526,164
Net Pension Liability	1,688,586	3,629,395	5,317,981	968,476
Total Noncurrent Liabilities	<u>2,599,261</u>	<u>6,579,569</u>	<u>9,178,830</u>	<u>13,893,337</u>
Total Liabilities	<u>4,322,215</u>	<u>8,007,917</u>	<u>12,330,132</u>	<u>21,526,872</u>
DEFERRED INFLOWS OF RESOURCES				
Changes in pension plan assumptions	149,128	279,383	428,511	89,777
Difference between expected and actual experience	223,401	418,536	641,937	134,495
Total Deferred Inflows of Resources	<u>372,529</u>	<u>697,919</u>	<u>1,070,448</u>	<u>224,272</u>
NET POSITION				
Net Investment in Capital Assets	19,879,198	42,953,312	62,832,510	14,275,974
Unrestricted	4,842,558	(396,584)	4,445,974	40,918,005
Total Net Position	\$ <u>24,721,756</u>	\$ <u>42,556,728</u>	\$ <u>67,278,484</u>	\$ <u>55,193,979</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, 2016**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Sales	\$ 552,860	\$ 2,063,089	\$ 2,615,949	\$ -
Charges for Services	6,638,154	4,484,990	11,123,144	47,767,854
Claim Recoveries	-	-	-	936,721
Rentals and Concessions	3,220,579	3,058,853	6,279,432	-
Total Operating Revenues	<u>10,411,593</u>	<u>9,606,932</u>	<u>20,018,525</u>	<u>48,704,575</u>
Operating Expenses:				
Cost of Goods Sold	348,488	1,251,366	1,599,854	-
Personal Services	5,070,507	11,391,306	16,461,813	1,796,253
Supplies and Materials	764,192	1,485,453	2,249,645	205,580
Claims Incurred	-	-	-	28,055,812
Insurance	-	-	-	8,061,660
Communications	48,675	470,762	519,437	-
Utilities	1,103,551	1,842,878	2,946,429	-
Maintenance	288,385	955,682	1,244,067	-
Contractual Services	613,806	692,264	1,306,070	1,221,042
Other Services and Charges	367,618	340,575	708,193	2,462,366
Administrative Services	-	315,300	315,300	-
Depreciation	1,153,949	1,924,328	3,078,277	2,894,911
Total Operating Expenses	<u>9,759,171</u>	<u>20,669,914</u>	<u>30,429,085</u>	<u>44,697,624</u>
Operating Income (Loss)	<u>652,422</u>	<u>(11,062,982)</u>	<u>(10,410,560)</u>	<u>4,006,951</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	58,618	39,929	98,547	207,693
Loss on Disposal of Asset	5,025	-	5,025	39,191
Total Nonoperating Revenue (Expense)	<u>63,643</u>	<u>39,929</u>	<u>103,572</u>	<u>246,884</u>
Income (Loss) before Contributions and Transfers	716,065	(11,023,053)	(10,306,988)	4,253,835
Contribution from General Government Assets	-	1,894,980	1,894,980	-
Transfers In	-	9,071,347	9,071,347	-
Transfers Out	-	-	-	(805,550)
Total Contributions and Transfers	<u>-</u>	<u>10,966,327</u>	<u>10,966,327</u>	<u>(805,550)</u>
Change in Net Position	716,065	(56,726)	659,339	3,448,285
Total Net Position - Beginning	24,005,691	42,613,454	66,619,145	51,745,694
Total Net Position - Ending	\$ <u>24,721,756</u>	\$ <u>42,556,728</u>	\$ <u>67,278,484</u>	\$ <u>55,193,979</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, 2016**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 10,321,255	\$ 9,476,910	\$ 19,798,165	\$ 48,575,351
Payments to Suppliers	(1,758,216)	(7,022,985)	(8,781,201)	(37,494,122)
Payments to Employees	(4,654,821)	(10,989,507)	(15,644,328)	(1,740,378)
Payments for Interfund Services Used	(248,512)	-	(248,512)	(913,833)
Payments for Administrative Charges	(1,742,005)	(315,300)	(2,057,305)	-
Net Cash Provided (Used) by Operating Activities	<u>1,917,701</u>	<u>(8,850,882)</u>	<u>(6,933,181)</u>	<u>8,427,018</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	10,966,327	10,966,327	-
Transfers Out to Other Funds	-	-	-	(805,550)
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>10,966,327</u>	<u>10,966,327</u>	<u>(805,550)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(1,601,193)	(1,989,113)	(3,590,306)	(5,523,776)
Net Cash Used by Capital and Related Financing Activities	<u>(1,601,193)</u>	<u>(1,989,113)</u>	<u>(3,590,306)</u>	<u>(5,523,776)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>58,618</u>	<u>39,929</u>	<u>98,547</u>	<u>207,693</u>
Net Increase (Decrease) in Cash and Cash Equivalents	375,126	166,261	541,387	2,305,385
Cash and Cash Equivalents, July 1	<u>7,705,866</u>	<u>5,233,398</u>	<u>12,939,264</u>	<u>57,409,079</u>
Cash and Cash Equivalents, June 30	<u>\$ 8,080,992</u>	<u>\$ 5,399,659</u>	<u>\$ 13,480,651</u>	<u>\$ 59,714,464</u>

**Exhibit 9
continued**

	<u>Business-type Activities- Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Recreational and Cultural Activities</u>			
	<u>Montgomery County</u>	<u>Prince George's County</u>	<u>Totals</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 652,422	\$ (11,062,982)	\$ (10,410,560)	\$ 4,006,951
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,153,949	1,924,328	3,078,277	2,894,911
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	956	(10)	946	(20,628)
Due from Other Government	(209,408)	-	(209,408)	-
Inventories, at Cost	(16,259)	17,297	1,038	-
Accounts Payable	50,753	(1,305)	49,448	64,887
Claims Payable	-	-	-	1,533,617
Accrued Salaries and Benefits	19,822	93,125	112,947	1,210
Compensated Absences	-	16,229	16,229	(37,541)
Net Pension Obligation	121,412	227,469	348,881	73,094
Net Other Post Employment Obligations	25,940	64,979	90,919	19,112
Revenue Collected in Advance	118,114	(130,012)	(11,898)	(108,595)
Total Adjustments	<u>1,265,279</u>	<u>2,212,100</u>	<u>3,477,379</u>	<u>4,420,067</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,917,701</u>	<u>\$ (8,850,882)</u>	<u>\$ (6,933,181)</u>	<u>\$ 8,427,018</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, 2016**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,220,333	\$ 19,283,087	\$ 1,164,770
Cash	22,229	-	-
Fixed Income Securities	219,501,039	-	-
International Fixed Income Securities	3,560,907	-	-
Venture Capital/Alternative Investments	73,242,760	-	-
Corporate Stock	323,720,189	-	-
International Corporate Stock	74,839,195	-	-
Real Estate Investments	68,582,294	-	-
Short Term Investments	29,510,641	-	-
Mutual Funds	33,358,534	-	-
Collateral for Securities Lending Transactions	38,265,355	-	-
Accounts Receivable	297,449	-	-
Accrued Income on Investments	717,403	-	-
Land Held for Other Governments	-	65,419,425	-
Other	51,800	-	-
Total Assets	<u>866,890,128</u>	<u>84,702,512</u>	<u>1,164,770</u>
LIABILITIES			
Investment Payable	1,397,489	-	-
Accounts Payable	1,689,222	83	-
Claims Payable	620,022	-	-
Obligation for Collateral Received under Securities Lending Transactions	38,870,542	-	-
Deposits	-	-	1,164,770
Total Liabilities	<u>42,577,275</u>	<u>83</u>	<u>1,164,770</u>
NET POSITION			
Assets Held in Trust for:			
Land Held for Other Governments	-	65,435,985	-
Pension Benefits	776,338,424	-	-
Other Postemployment Benefits	47,974,429	-	-
Other Purposes	-	19,266,444	-
Total Net Position	<u>\$ 824,312,853</u>	<u>\$ 84,702,429</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, 2016**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 43,003,958	\$ -
Plan Members	6,418,154	-
Plan Members for Current Benefits	2,522,481	-
Private Donations	-	17,087
Total Contributions	<u>51,944,593</u>	<u>17,087</u>
Receipts from Commission Debt Service Funds	-	1,664,641
Federal Grants - Medicare	1,034,165	-
Investment Earnings:		
Interest	7,105,939	57,912
Dividends	2,617,841	-
Net decrease in the Fair Value of Investments	<u>(13,133,139)</u>	<u>-</u>
Total Investment Earnings	<u>(3,409,359)</u>	<u>57,912</u>
Less Investment Advisory and Management Fees	<u>(3,344,453)</u>	<u>-</u>
Net Income from Investing Activities	<u>(6,753,812)</u>	<u>57,912</u>
Securities Lending Activity		
Securities Lending Income	204,993	-
Securities Lending Fees	<u>(75,963)</u>	<u>-</u>
Net Income from Securities Lending Activity	<u>129,030</u>	<u>-</u>
Total Net Investment Income	<u>(6,624,782)</u>	<u>57,912</u>
Total Additions and Investment Income	<u>46,353,976</u>	<u>1,739,640</u>
DEDUCTIONS		
Benefits	56,547,052	-
Refunds of Contributions	461,116	-
Administrative Expenses	1,696,334	-
Other	-	(41,265)
Total Deductions	<u>58,704,502</u>	<u>(41,265)</u>
Change in Net Position	<u>(12,350,526)</u>	<u>1,780,905</u>
Net Position - Beginning	<u>836,663,379</u>	<u>82,921,524</u>
Net Position - Ending	<u>\$ 824,312,853</u>	<u>\$ 84,702,429</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, 2016

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) The Commission and Its Services

Background

The Maryland-National Capital Park and Planning Commission (the "Commission") is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. The Commission is a bi-county agency. It is empowered to acquire, develop, maintain and administer a regional system of parks in the defined Metropolitan District in Montgomery and Prince George's Counties and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County. The express powers of the Commission are provided in the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. As a body corporate of the State of Maryland, the Commission is not generally subject to local county legislation such as the Tax Reform Initiative by Marylanders ("TRIM"), a Prince George's County Charter Amendment originally enacted in November 1978.

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

The provisions of Sections 15-115 and 15-116 of the Land Use Article of the Annotated Code of Maryland require that the Commission publish an annual financial report and that its financial statements be audited by independent certified public accountants. The accompanying financial statements have been presented to meet the financial reporting needs of the Commission and the requirements of Maryland law.

Financial Reporting Entity

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

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

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

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

(B) Government-wide and Fund Financial Statements

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

The reporting requirements established by GASB include:

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

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

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

Statement of Net Position – The Statement of Net Position is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Position and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. Net position is the excess of assets and deferred outflows over liabilities and deferred inflows. The net position of the Commission is presented in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are available. The Commission may defer the use of restricted net position based on a review of the specific transaction. The Commission has no restricted net position as of June 30, 2016.

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

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

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

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

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

Since the Commission adopts its General Fund budget by accounts within each county, each of which has a dedicated tax levy, budgetary comparison summaries are presented for each account in Note 7. These accounts are as follows: Montgomery County Administration, Montgomery County Park, Prince George's County Administration, Prince George's County Park, and Prince George's County Recreation.

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

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

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

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

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

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

The Commission reports the following fiduciary fund types:

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

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission.

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

Agency Funds – The agency funds are used to account for certain deposits held by the Commission.

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

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

funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(D) Assets, Liabilities, Deferred Outflow/Inflow of Resources and Net Position

Cash and Cash Equivalents – Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature within three months of the date acquired by the Commission.

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

Property Taxes Receivable – All property tax receivables are shown net of an allowance for uncollectible accounts of \$1,489,393 as of June 30, 2016. 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 value at the date of donation.

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

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

Deferred Outflows/Inflows of Resources – A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures) until the future period. The Commission recognizes deferred outflows for the difference between the projected and actual investment earnings related to pensions. The Commission also recognizes deferred outflows for changes in assumption as well as for the difference between expected and actual experience.

A deferred inflow of resources represents an acquisition of net position that applies to a future period so will not be recognized as an inflow of resources (revenue) until the future period. The Commission recognizes deferred inflows for property taxes collected in advance.

Compensated Absences – Commission employees earn annual leave and sick leave in varying amounts, and are granted three days of personal leave annually. Some employees may also earn compensatory leave in lieu of overtime

pay. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service.

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

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

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

Pensions – For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about fiduciary net position of The Maryland-National Capital Park and Planning Commission Employee's Retirement System (the System) and additions to /deductions from the System's fiduciary net pension have been determined on the same basis as they are reported in the System's financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances - The Commission's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn and this policy is an important part of sound fiscal management. The Commission has adopted Resolution No. 06-21, a financial standard to maintain a minimum unrestricted fund balance of the General Fund so that at each fiscal year end this balance shall not be less than 3% to 5% of the current year's expenditures.

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

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

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

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

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Committed	\$ 4,840,083	\$ 3,939,706	\$ 15,411,154	\$ 11,097,455	\$ 8,732,285	\$ 44,020,683
Assigned	2,093,752	1,453,388	701,496	3,368,882	-	7,617,518
Unassigned	3,310,332	6,775,347	22,826,089	115,428,005	25,058,533	173,398,306
Total Fund Balance	<u>\$ 10,244,167</u>	<u>\$ 12,168,441</u>	<u>\$ 38,938,739</u>	<u>\$ 129,894,342</u>	<u>\$ 33,790,818</u>	<u>\$ 225,036,507</u>

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

General Fund - Montgomery County	\$	8,779,789
General Fund - Prince George's County		35,240,894
Capital Projects Fund - Montgomery County		3,631,544
Capital Projects Fund - Prince George's County		70,135,240
Non-Major Governmental Funds		1,108,115

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

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

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

Land	\$	377,896,990
Buildings and improvements		225,928,214
Infrastructure		259,238,667
Machinery, Equipment and Intangibles		63,999,903
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles		(337,241,771)
Construction in Progress		275,742,700
Total	<u>\$</u>	<u>865,564,703</u>

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

Bonds and Notes Payable:	
Due Within One Year	\$ 11,126,946
Due in More than One Year	113,531,298
Net Other Post Employment Benefit	
Obligations	71,328,830
Net Pension Obligations	143,546,964
Compensated Absences	
Due Within One Year	9,992,900
Due in More than One Year	10,449,047
Accrued Interest Payable	1,489,007
Totals	<u>\$ 361,464,992</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 2016 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, 2016, 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, 2015	\$ 4,610,771	\$ 3,972,636	\$ 14,566,119	\$ 8,904,348	\$ 6,041,010	\$ 38,094,884
To Decrease -						
Encumbrances -						
June 30, 2016	(4,840,083)	(3,939,706)	(15,411,154)	(11,097,455)	(8,732,285)	(44,020,683)
Total Adjustment	(229,312)	32,930	(845,035)	(2,193,107)	(2,691,275)	(5,925,799)
Net Change in Fund Balance:						
GAAP Basis	397,670	1,395,973	4,018,954	22,923,772	7,042,098	35,778,467
Budget Basis	\$ 168,358	\$ 1,428,903	\$ 3,173,919	\$ 20,730,665	\$ 4,350,823	\$ 29,852,668

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2016, totaled \$1,278,569,796. The Commission's unrestricted pool of deposits and investments (\$383,553,694) 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 \$3,139,509 and the bank balance was \$5,114,806. In addition, the Commission held cash at various locations totaling \$239,994. Of the bank balance, \$250,000 was covered by Federal depository insurance and the remainder was collateralized by \$4,302,558 of securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank. Deposits of \$303,354 were uninsured and uncollateralized at June 30, 2016.

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, 2016 except for one account on June 30, 2016 due to an underestimation of requested collateral. 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 \$58,098,625. Of these deposits \$65,267 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 \$11,511,920 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, 2016 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Municipal Bonds	\$ 345,479	11.00
Federal National Mortgage Association Notes	1,074,331	81.00
Federal Farm Credit Bank	20,013,403	210.50
Federal Home Loan Bank Notes	24,843,844	117.15
Commercial Paper	41,368,418	54.34
Maryland Local Government Investment Pool (MLGIP)	45,327,797	46.00
U.S. Treasury Bills	63,830,357	405.37
Federal Home Loan Mortgage Association Notes	75,484,474	498.56
Federal Agricultural Mortgage Corporation Notes	80,205,462	227.44
Total Fair Value	\$ 352,493,565	
Portfolio Weighted Average Maturity		264.44

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 Pittsburgh-based financial institution, PNC Bank. The pool has a AAAM rating from Standard and Poor's and maintains a \$1.00 per share value. A MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the fund and to provide suggestions to enhance the pool. The fair market value of the pool is the same as the value of the pool shares.

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$60,235 (0.52%) 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:

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

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

* At time of purchase

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

The Commission is currently in compliance with this policy.

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

Cash and Short Term Investments - 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.

The amount of ERS's total cash and short term investments at June 30, 2016, was \$29,532,870. Cash deposits that were insured and collateralized in the bank account totaled \$22,229 at June 30, 2016. At June 30, 2016, the ERS held \$29,510,641 of short term investments in its custodial investment accounts.

As of June 30, 2016, the ERS held \$5,738 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.

Trust Fund assets should be invested to obtain an appropriate long-term total return consistent with prudent risk taking. The Trust Fund shall be diversified across investment classes and among investment managers in order to achieve return as compensation for investment risk. The Board established target allocations for each asset class, as well as ranges of expected exposure as follows:

<u>Asset Class</u>	<u>Target Exposure</u>	<u>Expected Range</u>
U.S. Equities	23.00%	18%-28%
International Equities	23.00%	18%-28%
Private Equities	5.00%	0%-8%
Total Equities	51.00%	46%-56%
U.S. Core Fixed Income	10.00%	7%-13%
High Yield Fixed Income	7.50%	5%-10%
Global Opportunistic Fixed Income	7.50%	5%-10%
Bank Loans	4.00%	2%-6%
Total Fixed Income	29.00%	24%-34%
Public Real Assets	5.00%	0%-15%
Private Real Assets	15.00%	5%-20%
Total Real Assets	20.00%	10%-25%

The Board approved revisions to the Statement of Investment Policy ("Policy") on February 3, 2015. The Policy was revised to address the Board's responsibilities in connection with the use of swap agreements by investment managers.

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

pooled vehicles. In such circumstances, the ERS may not have control with respect to the investment guidelines and objectives as they are written broadly for multiple investors. The Trust Fund has guidelines, which apply broadly to each asset class as follows:

Public Equity Guidelines (U.S. and International)

- Under normal conditions no more than 5% of the value of the U.S. and International composites should be held in cash equivalents at any time.
- The U.S. and International equity composites are expected to remain broadly diversified by economic sector, industry and individual securities at all times.
- The composites should match the asset class benchmark in terms of capitalization and growth characteristics; and be similar to the asset class benchmark in terms of risk.

Private Equity Guidelines

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

Fixed Income Guidelines

- The fixed income portfolio is structured to include exposures to the following sub-classes: core fixed income, high yield fixed income, global opportunistic fixed income and bank loans.
- The fixed income composite may have up to 20% of its value in cash equivalents at any time.
- Except for securities issued by the US Government and/or its Agencies, any single issuer is not expected to exceed 5% of the market value of the fixed income composite at any time.
- Duration of each fixed income sub-class should typically remain within +/- 1.5 years of the sub-class benchmark.
- Credit quality for each sub-class is expected to be similar to that of the designated sub-class benchmark, as measured by a recognized rating agency (Standard & Poor's or Moody's).
- Build America Bonds issued by Montgomery County and Prince George's County are prohibited.
- Flexible global opportunistic fixed income guidelines allow manager to invest globally, seeking to add value through duration management, yield curve positioning, sector/issue selection, country market selection and currency.

Real Assets Guidelines

- The real assets portfolio includes private real assets and public real assets.
- Any un-invested portion of the private real assets allocation should remain invested in public real assets.

Private Real Assets Guidelines

- Investments will be structured privately in the form of commingled or pooled vehicles such as limited partnerships and diversified among the following investment types: real estate, energy, mining, timber, agriculture, and infrastructure.
- The private real assets portfolio is expected to be diversified by geographic location with a minimum of 50% invested in the United States and no more than 30% invested in emerging markets.
- Investments should also be diversified by vintage year. No single partnership commitment is expected to be more than 20% of the real assets portfolio or more than 20% of the portfolio of a fund-of-funds manager.

Public Real Assets Guidelines

- Investments structured in public real assets include natural resource stocks, real estate securities (including REITs), commodities 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.

Derivatives Policy Statement- A Derivatives Policy Statement identifies and allows common derivative investments and strategies, which are consistent with the Statement of Investment Policy. The guidelines identify transaction-level and portfolio-level risk control procedures and documentation requirements. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not "plain vanilla" are restricted to 5% of a manager's portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board. At June 30, 2016, the ERS did not hold any derivatives. Gains and losses are determined based on quoted market values and recorded in the Statement of Changes in Net Position. The objective of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

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

Typically, investment advisors enter into foreign exchange contracts to make 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 position and represents the fair value of the contracts on June 30, 2016. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2016:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Brazilian real	\$ -	\$ -	\$ (603,923)	\$ 734
British pound sterling	-	-	(503,602)	(230)
Canadian dollar	1,790,467	973	-	-
Czech koruna	-	-	(36,120)	38
Euro	4,365,035	(2,258)	(1,455,973)	(3,470)
Hong Kong dollar	70,319	(14)	(820,412)	(67)
Indonesian rupiah	-	-	(14,592)	(2)
Japanese yen	-	-	(1,064,870)	(5,084)
Mexican peso	1,192,561	(1,904)	-	-
New Taiwan dollar	1,739,347	(717)	(231,001)	(193)
Norwegian krone	-	-	(905,800)	(4,079)
Singapore dollar	-	-	(47,115)	(22)
South Korean won	-	-	(783,054)	(143)
Swedish krona	-	-	(26,162))	(75)
Swiss franc	-	-	(68,093)	(349)
Turkish lira	159,969	1,821	(795,876)	(6,077)

Foreign Exchange Contracts Pending as of June 30, 2016:

There were no foreign exchange contracts pending as of June 30, 2016.

Fair Value Measurements - The fair value of all invested assets is based on the fair value hierarchy, and categorized based upon the lowest level of input that was significant to the fair value measurement, as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets for identical assets or liabilities. Fair values of stocks are determined by utilizing quoted market prices.

Level 2 - Reflects measurements based on other observable inputs. Quoted prices for similar instruments in active markets; identical or similar instruments in markets that are not active; and models in which all significant inputs are observable.

Level 3 - Valuations are based on methods in which significant inputs are unobservable.

The carrying value of cash equivalents and short-term investments approximates fair value due to the short maturities of these investments.

Investments and Derivative Instruments Measured at Fair Value
(\$ in thousands)

	Fair Value Measurements Using				
	Fair Value 6/30/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Undetermined
Investments by fair value level					
Cash and invested cash	\$ 2,092	\$ 2,092	\$ -	\$ -	\$ -
Short-term investment funds	2,384	2,384	-	-	-
Debt securities					
Asset backed securities	3,980	-	3,980	-	-
Commercial mortgage-backed	3,379	-	3,379	-	-
Corporate bonds	26,825	-	26,825	-	-
Government agencies	6,567	-	6,567	-	-
Government bonds	12,633	-	12,633	-	-
Government mortgage-backed securities	15,175	-	15,175	-	-
Other fixed income-funds	2,733	-	2,733	-	-
Index linked government bonds	2,642	-	2,642	-	-
Municipal bonds/provincial Bonds	386	-	386	-	-
Total debt securities	<u>74,320</u>	<u>-</u>	<u>74,320</u>	<u>-</u>	<u>-</u>
Equity investments					
Common stock	91,934	91,904	30	-	-
Funds-common stock	16,515	-	16,515	-	-
Equity exchange traded fund	3	3	-	-	-
Total equity investments	<u>108,452</u>	<u>91,907</u>	<u>16,545</u>	<u>-</u>	<u>-</u>
Securities lending short term collateral investment pool	38,265	38,265	-	-	-
Total investments by fair value level	<u>\$ 225,513</u>	<u>\$ 134,648</u>	<u>\$ 90,865</u>	<u>\$ -</u>	<u>\$ -</u>

ERS's investments at June 30, 2016 were as follows:

Investments Measured at the NAV

(\$ in thousands)

	2016	Unfunded	Redemption Frequency	Redemption Notice
	Fair Value	Commitments	(If Currently Eligible)	Period
Short-term investment funds	\$ 25,035	None	Monthly	1-6 days
Funds-corporate bonds	30,579	None	Monthly	7-15 days
Other fixed income-funds	104,376	None	Monthly	7-15 days
Funds-common stock	290,107	None	Monthly	7-15 days
Venture capital and partnerships	73,243	None	Monthly, Quarterly	Frequent Changes
Real estate	67,750	None	Monthly	1-15 days
Total investments measured at NAV	\$ 591,090			

Money-Weighted Rate of Return

For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Custodial Credit Risk - 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' \$816.6 million in investments at June 30, 2016, \$38.3 million was cash collateral reinvestment securities acquired by the custodian, who is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

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, 2016, the ERS had the following fixed income investments and short term investments with the following maturities:

Investment Type	Fair Value	Weighted Average Maturity-Years
Asset-backed securities	\$ 3,979,745	5.45209
Commercial mortgage-backed	3,379,044	26.830198
Corporate bonds	57,404,283	9.422818
Government agencies	6,566,595	8.620073
Government bonds	12,632,531	9.174464
Government mortgage-backed securities	15,174,589	22.18421
Index linked government bonds	2,642,178	11.515365
Provincial bonds	386,368	23.939
Fixed income mutual funds	107,109,051	N/A
Short term investment funds	27,418,782	N/A
TOTAL	\$ 236,693,166	12.464861

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, 2016.

Asset-backed Securities – Asset-backed securities (ABS) are bond or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Brokerage firms underwrite the securities and reoffer them to the public. ERS held \$3,979,745 in ABS at June 30, 2016.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by a nationally recognized statistical rating agency such as Standard & Poor's Services. Individual manager guidelines require investment managers to follow certain controls, documentation and risk management procedures. Managers are required to measure and monitor exposure to counterparty credit risk; however, there is no formal policy relating to specific investment-related risk. All counterparties must have commercial paper credit ratings of at least A1 or 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, 2016:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	AGY	3.55%
Government Agencies	AA	0.80%
Government Bonds	A	0.02%
Government Bonds	BBB	0.03%
Government Bonds	NR	0.09%
Government Mortgage Backed Securities	NR	0.05%
Asset Backed Securities	AAA	0.19%
Asset Backed Securities	AA	0.04%
Asset Backed Securities	A	0.03%
Asset Backed Securities	BBB	0.04%
Asset Backed Securities	NR	0.19%
Commercial Mortgage-Backed	AAA	0.12%
Commercial Mortgage-Backed	A	0.04%
Commercial Mortgage-Backed	NR	0.26%
Corporate Bonds	AAA	0.05%
Corporate Bonds	AA	0.40%
Corporate Bonds	A	1.34%
Corporate Bonds	BBB	1.36%
Corporate Bonds	BB	0.02%
Corporate Bonds	NR	0.12%
Municipal/Provincial Bonds	AA	0.05%
Other Fixed Income	NR	0.34%
Funds - Corporate Bond	NR	3.75%
Funds - Other Fixed Income	NR	12.78%
Funds - Short Term Investment	NR	3.36%

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, 2016, was as follows:

<u>Investment Type</u>	<u>Currency</u>	<u>Fair Value</u>
Common stock	Brazilian real	\$ 949,161
Common stock	British pound sterling	8,126,444
Common stock	Canadian dollar	1,198,788
Common stock	Czech koruna	793,990
Common stock	Euro	13,888,062
Common stock	Hong Kong dollar	935,740
Common stock	Indonesian rupiah	784,125
Common stock	Japanese yen	5,155,895
Common stock	Mexican peso	1,285,859
Common stock	New Taiwan dollar	4,063,726
Common stock	Norwegian krone	2,733,978
Common stock	Singapore dollar	1,264,641
Common stock	South Korean won	2,509,983
Common stock	Swedish krona	1,560,878
Common stock	Swiss franc	2,331,767
Common stock	Turkish lira	1,330,025
Cash	Mexican peso	5,738
Total		\$ 48,918,800

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

Cash Received as Securities Lending Collateral

The following table details the net income from securities lending for the period ending June 30, 2016:

Securities lending	\$ 204,993
Plus security lending Income	<u>(75,963)</u>
Net securities lending income	<u>\$ 129,030</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, 2016.

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 Net Position. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 161 days in 2016.

Cash open collateral is invested in a short term investment pool, the Northern Trust Collective Securities Lending Core Short Term Investment Fund, which had an interest sensitivity of 30 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 custodial bank's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. Loss indemnification is provided when securities are not returned due to the insolvency of a borrower and the trustee bank fails to fulfill its contractual responsibilities relating to the lending of those securities to that borrower.

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2016:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>
Fixed income securities	\$ 11,940,812	\$ 12,152,930
Domestic equities	26,080,240	26,457,216
Global equities	244,303	260,396
Total	<u>\$ 38,265,355</u>	<u>\$ 38,870,542</u>

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

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

The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$1,220,333. Investments in mutual funds totaled \$47,978,152.

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 2016 are as follows:

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

The Trust's investments at June 30, 2016 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Equity Index Fund	\$ 33,358,534
Fixed Income	13,787,563
Real Estate	832,055
Total Investments	<u>\$ 47,978,152</u>

The Trust's fixed income investments at June 30, 2016 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Duration)</u>
Fixed Allocation Funds	\$ 4,873,389	1.09
Fixed Bond Fund	8,914,174	(0.36)
Total Fair Value	<u>\$ 13,787,563</u>	
Portfolio Weighted Average Maturity		0.23

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

Statement of Net Position

Equity in Pooled Cash and Investments	\$ 380,786,543
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	11,511,920

Statement of Net Position - Fiduciary Funds

Equity in Pooled Cash and Investments - Pension Trust Funds	1,220,333
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	19,283,087
Equity in Pooled Cash and Investments - Agency Funds	1,164,770
Cash and Marketable Securities - Pension Trust Funds	826,337,788
Collateral for Securities Lending Transactions - Pension Trust Funds	38,265,355

Total	<u>\$ 1,278,569,796</u>
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They are composed of:

Cash in Banks of Commission	\$ 3,139,509
Cash of Employees' Retirement System Pension Trust Fund	22,229
Cash in Other Locations - Commission	239,994
Money Market Deposits of Commission	58,098,585
Fixed Income Securities In Commission's Investment Pool *	352,488,565
Mutual funds in Other Post Employment Benefits Fund *	47,978,152
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	398,559,384
Fixed Income Securities	209,274,383
Real Estate	67,750,239
Venture Capital and Partnerships	73,242,760
Cash & Cash Equivalents	29,510,641
Collateral for Securities Lending Transactions	38,265,355
Total	<u>\$ 1,278,569,796</u>

* The fair value measurement of the fixed income securities of the Commission, and the mutual funds in the Trust, are at Level 1 categories.

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2016 is as follows:

	July 1, 2015	Increases	Decreases	Transfers/ Contributions	June 30, 2016
Capital assets not being depreciated					
Land	\$ 369,636,732	\$ 9,008,755	\$ -	\$ -	\$ 378,645,487
Construction in progress	254,197,124	21,545,576	-	-	275,742,700
Total capital assets not being depreciated	<u>623,833,856</u>	<u>30,554,331</u>	<u>-</u>	<u>-</u>	<u>654,388,187</u>
Other capital assets, being depreciated					
Buildings and improvements	210,961,573	19,982,050	(1,728,796)	-	229,214,827
Infrastructure	248,651,587	10,934,695	(331,958)	-	259,254,324
Machinery, equipment and intangibles	98,955,328	10,399,835	(7,004,916)	-	102,350,247
Total other capital assets	<u>558,568,488</u>	<u>41,316,580</u>	<u>(9,065,670)</u>	<u>-</u>	<u>590,819,398</u>
Less accumulated depreciation for:					
Buildings and improvements	(145,000,107)	(4,835,063)	1,728,796	-	(148,106,374)
Infrastructure	(142,462,567)	(5,260,888)	331,958	-	(147,391,497)
Machinery, equipment and intangibles	(69,343,878)	(7,257,369)	6,732,210	-	(69,869,037)
Total accumulated depreciation	<u>(356,806,552)</u>	<u>(17,353,320)</u>	<u>8,792,964</u>	<u>-</u>	<u>(365,366,908)</u>
Total other capital asset, net	<u>201,761,936</u>	<u>23,963,260</u>	<u>(272,706)</u>	<u>-</u>	<u>225,452,490</u>
Governmental activities capital assets, net	<u>\$ 825,595,792</u>	<u>\$ 54,517,591</u>	<u>\$ (272,706)</u>	<u>\$ -</u>	<u>\$ 879,840,677</u>

Summaries of business-type activities capital assets at June 30, 2016, made up of two major enterprise funds, are as follows:

	July 1, 2015	Increases	Decreases	Transfers	June 30, 2016
Montgomery County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 11,584,468	\$ -	\$ -	\$ -	\$ 11,584,468
Construction in progress	884,458	1,516,548	(203,320)	-	2,197,686
Total capital assets not being depreciated	<u>12,468,926</u>	<u>1,516,548</u>	<u>(203,320)</u>	<u>-</u>	<u>13,782,154</u>
Capital assets being depreciated					
Buildings and improvements	27,162,168	53,912	-	-	27,216,080
Infrastructure	19,535	15,975	-	-	35,510
Machinery, equipment and intangibles	2,472,401	234,414	(95,920)	-	2,610,895
Total capital assets being depreciated	<u>29,654,104</u>	<u>304,301</u>	<u>(95,920)</u>	<u>-</u>	<u>29,862,485</u>
Less accumulated depreciation for:					
Buildings and improvements	(21,068,311)	(1,013,623)	-	-	(22,081,934)
Infrastructure	(488)	(1,376)	-	-	(1,864)
Machinery, equipment and intangibles	(1,627,301)	(138,950)	84,608	-	(1,681,643)
Total accumulated depreciation	<u>(22,696,100)</u>	<u>(1,153,949)</u>	<u>84,608</u>	<u>-</u>	<u>(23,765,441)</u>
Total capital assets being depreciated, net	<u>6,958,004</u>	<u>(849,648)</u>	<u>(11,312)</u>	<u>-</u>	<u>6,097,044</u>
Capital assets, net	<u>\$ 19,426,930</u>	<u>\$ 666,900</u>	<u>\$ (214,632)</u>	<u>\$ -</u>	<u>\$ 19,879,198</u>
Prince George's County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 7,779,131	\$ -	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:					
Buildings and improvements	72,348,323	1,760,294	-	-	74,108,617
Infrastructure	-	134,686	-	-	134,686
Machinery, equipment and intangibles	4,954,034	94,133	(329,634)	-	4,718,533
Total capital assets being depreciated	<u>77,302,357</u>	<u>1,989,113</u>	<u>(329,634)</u>	<u>-</u>	<u>78,961,836</u>
Less accumulated depreciation for:					
Buildings and improvements	(38,410,031)	(1,700,892)	-	-	(40,110,923)
Machinery, equipment and intangibles	(3,782,927)	(223,436)	329,631	-	(3,676,732)
Total accumulated depreciation	<u>(42,192,958)</u>	<u>(1,924,328)</u>	<u>329,631</u>	<u>-</u>	<u>(43,787,655)</u>
Total capital assets being depreciated, net	<u>35,109,399</u>	<u>64,785</u>	<u>(3)</u>	<u>-</u>	<u>35,174,181</u>
Capital assets, net	<u>\$ 42,888,530</u>	<u>\$ 64,785</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ 42,953,312</u>
Total Business-type activities	<u>\$ 62,315,460</u>	<u>\$ 731,685</u>	<u>\$ (214,635)</u>	<u>\$ -</u>	<u>\$ 62,832,510</u>

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

Governmental Activities:	
General Government	\$ 388,643
County Planning and Zoning	499,030
Park Operations and Maintenance	14,359,635
Recreation Programs	2,106,012
Total depreciation expense - governmental activities	<u>\$ 17,353,320</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 3,078,277</u>

Construction Commitments - The Commission is committed to \$89,823,821 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, 2016. The Montgomery County Capital Projects Fund has a payable balance of \$14,192,430 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 2016:

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	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
General Fund - Park Account	700,000	366,891	6,270,000	13,916,796	-	21,253,687
General Fund - Recreation Account	-	-	-	-	9,071,347	9,071,347
Special Revenue Fund	7,539	-	30,000	-	-	37,539
Capital Projects	21,606,341	-	-	-	-	21,606,341
Internal Service Fund-Capital Equipment	805,550	-	-	-	-	805,550
Total Transfers In	\$ 23,119,430	\$ 366,891	\$ 6,300,000	\$ 13,946,796	\$ 9,071,347	\$ 52,804,464
Transfers Out						
General Fund - Administration Account	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ 700,000
General Fund - Park Account	(16,891)	-	21,623,232	7,539	-	21,613,880
Debt Service Fund	13,854,476	-	-	-	-	13,854,476
Capital Projects	6,636,891	-	-	30,000	-	6,666,891
Special Revenue Fund	92,320	-	-	-	-	92,320
Enterprise Fund	9,071,347	-	-	-	-	9,071,347
Internal Service Fund	-	-	-	-	805,550	805,550
Total Transfers Out	\$ 30,338,143	\$ -	\$ 21,623,232	\$ 37,539	\$ 805,550	\$ 52,804,464

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$13,854,476) and current funding for Capital Projects (\$6,620,000)

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund	Total Proprietary Funds
Transfers In		
General Fund - Recreation Account	\$ 9,071,347	\$ 9,071,347
Total Transfers In	\$ 9,071,347	\$ 9,071,347

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 \$1,663,867 not needed to pay current debt service were contributed by the Montgomery County Advanced Land Acquisition Debt Service Fund to the Montgomery County Advanced Land Acquisition Account in the Private Purpose Trust Funds and \$774 was contributed by the Prince George's County Advanced Land Acquisition Debt Service Fund to the Prince George's County Advanced Land Acquisition Account in the Private Purpose Trust Funds.

(D) Operating Leases

The Commission is committed under several operating leases for office space and office equipment expiring at various dates through 2021. Each agreement provides for termination in the event of non-appropriation of funds.

Future minimum commitments under operating leases at June 30, 2016 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2017	\$ 3,309	\$ 345	\$ 2,964
2018	2,451	345	2,106
2019	2,386	345	2,041
2020	1,284	345	939
2021	1,274	345	929
Total minimum lease payments	<u>\$ 10,704</u>	<u>\$ 1,725</u>	<u>\$ 8,979</u>

In fiscal year 2016, expenditures in the General Fund included \$1,743,787 relating to the rental of office space and \$1,159,832 relating to rental and other charges for rented equipment.

(E) Long-Term Obligations

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

Mandatory taxes of 3.6 cents per \$100 of real property assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of real property assessed valuation (10 cents for personal property) in Prince George's County are required by the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116 to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2016, debt service payments approximated 0.26 cents per \$100 of real property and 0.65 cents per \$100 of personal property for Montgomery County and 1.21 cents for real property and 3.03 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

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

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

Montgomery County General Obligation Bonds

Fiscal Year	Governmental Activities					
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA
	Principal	Interest	Payments	Principal	Interest	Payments
2017	\$ 3,050	\$ 1,633	\$ 4,683	\$ 55	\$ 21	\$ 76
2018	3,260	1,521	4,781	135	19	154
2019	3,455	1,394	4,849	135	16	151
2020	3,135	1,260	4,395	130	14	144
2021	3,200	1,134	4,334	130	11	141
2022-2026	13,540	3,983	17,523	490	20	510
2027-2031	11,680	1,999	13,679	-	-	-
2032-2036	7,835	464	8,299	-	-	-
Totals	<u>\$ 49,155</u>	<u>\$ 13,388</u>	<u>\$ 62,543</u>	<u>\$ 1,075</u>	<u>\$ 101</u>	<u>\$ 1,176</u>

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities			Total Commission General Obligation Bonds Principal & Interest
	Total Park	Total Park	Total Park	
	Principal	Interest	Payments	
2017	\$ 8,022	\$ 2,805	\$ 10,827	\$ 15,586
2018	6,231	2,280	8,511	13,446
2019	4,500	2,068	6,568	11,568
2020	4,530	1,884	6,414	10,953
2021	4,575	1,693	6,268	10,743
2022-2026	15,855	5,998	21,853	39,886
2027-2031	13,630	3,241	16,871	30,550
2032-2036	11,740	1,038	12,778	21,077
Totals	<u>\$ 69,083</u>	<u>\$ 21,007</u>	<u>\$ 90,090</u>	<u>\$ 153,809</u>

Outstanding General Obligation Bonds - General obligation bonds outstanding as of June 30, 2016, 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 2017 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding as of June 30, 2016</u>
Montgomery County						
Park Acquisition and Development Bonds						
Series LL-2 Advance and Current Refunc	2.4059	05/21/09	11/01/20	\$ 930	\$ 8,405	\$ 3,555
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	945
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	855	12,505	10,900
Series MC-2012B	3.5622	04/05/12	12/01/32	125	3,000	2,630
Series MC-2014A	2.8633	06/17/14	12/01/33	510	14,000	13,005
Series MC-2016A	2.3634	04/14/16	11/01/35	420	12,000	12,000
Series MC-2016B Advance Refunding	1.6866	04/14/16	11/01/28	-	6,120	6,120
				<u>3,050</u>	<u>61,280</u>	<u>49,155</u>
Advance Land Acquisition Bonds						
MC 2016C- Advanced Land Acquisition	1.2475	04/14/16	11/01/24	55	1,075	1,075
				<u>55</u>	<u>1,075</u>	<u>1,075</u>
Total Montgomery County General Obligation Bonds				<u>\$ 3,105</u>	<u>\$ 62,355</u>	<u>\$ 50,230</u>
Prince George's County						
Park Acquisition and Development Bonds						
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	\$ 2,305	\$ 37,525	\$ 2,305
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,827	17,300	3,683
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,400	14,080	6,865
Series PGC-2012A Advance and Current	1.8735	06/21/12	01/15/24	925	11,420	7,060
Series PGC-2014A	3.0409	05/01/14	01/15/34	965	26,565	24,350
Series PGC-2015A (Note 1)	2.7254	10/15/15	01/15/36	600	24,820	24,820
Total Prince George's County General Obligation Bonds				<u>\$ 8,022</u>	<u>\$ 131,710</u>	<u>\$ 69,083</u>

Notes: (1) The EE-2, MC-2012A and PGC-2015A Bonds include Advance Refunding and Park Acquisition and Development Project Bonds.

New Bond Issues –

New Bond Issues – On October 15, 2015, the Commission issued \$24,820,000 of Prince George's County Park Acquisition and Development General Obligation Bonds and Advance Refunding Bonds Series PGC-2015A. Proceeds of \$19,500,000 are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until January 15, 2036 at a net interest cost of 2.848037%. The balance of \$5,320,000 provided the resources to defease the callable portion of the Prince George's County Park Acquisition and Development Bonds, Series JJ-2. The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until January 15, 2027 at a net interest cost of 1.920833%.

On April 14, 2016, the Commission issued \$12,000,000 of Montgomery County Park Acquisition and Development General Obligation Project Bonds Series MC-2016A. These proceeds are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until November 1, 2035. Semiannual payments of interest and annual principal payments are due until November 1, 2035 at a net interest cost of 2.363439%.

On April 14, 2016, the Commission issued \$6,120,000 of Montgomery County Park Acquisition and Development Advance Refunding Bonds Series MC-2016B. These proceeds provided the resources to defease the callable portion of the Montgomery County Park Acquisition and Development Project Bonds, Series FF-2, Series II-2 and Series MM-2. The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until November 1, 2028 at a net interest cost of 1.686561%.

On April 14, 2016, the Commission issued \$1,075,000 of Montgomery County Advance Land Acquisition Advance Refunding Bonds Series MC-2016C. These proceeds provided the resources to defease the callable portion of the Montgomery County Advance Land Acquisition Bonds of 2004. The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until November 1, 2024 at a net interest cost of 1.247498%.

Information related to the refunding bond issues follows:

Montgomery County					
	FF-2	II-2	MM-2	Advance Land Acquisition Bonds of 2004	Total
Amount of refunding bonds issued	\$ 462,600	\$ 2,925,100	\$ 2,732,300	\$ 1,075,000	\$ 7,195,000
Premium	56,102	354,731	331,355	42,094	784,282
Amount refunded	(480,000)	(3,035,000)	(2,835,000)	(1,080,000)	(7,430,000)
Bond Issuance costs	(3,536)	(22,360)	(20,886)	(4,195)	(50,977)
Underwriters discount	(2,451)	(15,498)	(14,477)	(8,218)	(40,644)
Economic Gain	<u>\$ 32,715</u>	<u>\$ 206,973</u>	<u>\$ 193,292</u>	<u>\$ 24,681</u>	<u>\$ 457,661</u>

Prince George's County	
	JJ-2
Amount of refunding bonds issued	\$ 5,320,000
Premium	876,620
Amount refunded	(5,705,000)
Bond Issuance costs	(30,008)
Underwriters discount	(7,026)
Economic Gain	<u>\$ 454,586</u>

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

Series	Redemption Date	Montgomery County	Prince George's County
Series II-2	04/01/17	\$ 3,035,000	\$ -
Series JJ-2	05/01/17	-	5,705,000
Series MM-2	11/01/19	2,835,000	-

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2016, were as follows:

Governmental activities:	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Amount Due in One Year
Montgomery County					
General Obligation Park Bonds Payable	\$ 40,130,000	\$ 18,120,000	\$ 9,095,000	\$ 49,155,000	\$ 3,050,000
General Obligation ALA Bonds Payable	1,200,000	1,075,000	1,200,000	1,075,000	55,000
Premiums on Bonds Issued	1,333,946	1,155,317	244,772	2,244,491	-
Accrued Compensated Absences	8,344,719	4,774,403	4,495,414	8,623,708	4,495,413
Net Other Post Employment Benefit Obligations	29,323,135	959,084	-	30,282,219	-
Net Pension Liability	54,760,913	7,312,342	220,734	61,852,521	-
Long-term Liabilities	135,092,713	33,396,146	15,255,920	153,232,939	7,600,413
Prince George's County					
General Obligation Park Bonds Payable	57,536,298	24,820,000	13,273,171	69,083,127	8,021,946
Premiums on Bonds Issued	1,324,135	2,045,365	268,874	3,100,626	-
Accrued Compensated Absences	11,871,409	5,575,911	5,549,964	11,897,356	5,549,961
Net Other Post Employment Benefit Obligations	40,277,595	1,295,180	-	41,572,775	-
Net Pension Liability	73,021,702	9,861,952	220,735	82,662,919	-
Long-term Liabilities	184,031,139	43,598,408	19,312,744	208,316,803	13,571,907
Total Long-term Liabilities	\$ 319,123,852	\$ 76,994,554	\$ 34,568,664	\$ 361,549,742	\$ 21,172,320
Business-type activities:					
	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Amount Due in One Year
Montgomery County					
Accrued Compensated Absences	\$ 289,659	\$ 65,939	\$ 65,939	\$ 289,659	\$ 65,939
Net Other Post Employment Benefit Obligations	661,017	25,940	-	686,957	-
Net Pension Liability	1,464,243	224,343	-	1,688,586	-
Long-term Liabilities	2,414,919	316,222	65,939	2,665,202	65,939
Prince George's County					
Accrued Compensated Absences	664,771	278,234	262,005	681,000	262,005
Net Other Post Employment Benefit Obligations	2,466,200	64,979	-	2,531,179	-
Net Pension Liability	3,209,089	420,306	-	3,629,395	-
Long-term Liabilities	6,340,060	763,519	262,005	6,841,574	262,005
Total Long-term Liabilities	\$ 8,754,979	\$ 1,079,741	\$ 327,944	\$ 9,506,776	\$ 327,944

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 10,045,374	\$ 327,944	\$ 10,373,318
Due in more than One Year	10,475,690	642,715	11,118,405
Bonds and Notes Payable:			
Due within One Year	11,126,946	-	11,126,946
Due in more than One Year	113,531,298	-	113,531,298
Net Other Post employment Benefit Obligations			
Due in more than One Year	71,854,994	3,218,136	75,073,130
Net Pension Liability	144,515,440	5,317,981	149,833,421
Total Long-term Liabilities	\$ 361,549,742	\$ 9,506,776	\$ 371,056,518

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

(5) – OTHER INFORMATION

(A) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000, excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claim settlements in excess of \$250,000 in fiscal years 2014, 2015 or 2016. No insurance coverages were reduced in fiscal year 2016.

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 and employees on long term disability with Medicare only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2016. 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 2016 totaled \$3,844,943. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Medical</u>	<u>Risk Management</u>
Unpaid Claims, June 30, 2014	\$ 1,278,604	\$ 12,919,365
Incurred Claims, Fiscal Year 2015	23,140,585	6,308,425
Claims Paid, Fiscal Year 2015	<u>(22,832,379)</u>	<u>(3,744,162)</u>
Unpaid Claims, June 30, 2015	1,586,810	15,483,628
Incurred Claims, Fiscal Year 2016	22,768,631	4,899,542
Claims Paid, Fiscal Year 2016	<u>(22,289,612)</u>	<u>(3,844,943)</u>
Unpaid Claims, June 30, 2016	<u>\$ 2,065,829</u>	<u>\$ 16,538,227</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	\$ 2,065,828	\$ 4,166,174	\$ 6,232,002
Due in more than One Year	-	12,372,053	12,372,053
Total	<u>\$ 2,065,828</u>	<u>\$ 16,538,227</u>	<u>\$ 18,604,055</u>

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2016:

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 (Comm. Ofc)	\$ 1,137,300
Dept. of Environ. Resources Zoning Enforcement and Inspection of New Construct.	1,761,900
Property Tax Collection Fees	78,500
Office Space Rental at the County Administrative Building	864,452
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel (Stan Derwin Brown)	250,000
Department of Environmental Resources - Water and Sewer Planning	155,300
Economic Development for Enterprise Zone	65,000
EDC - General Plan Goals	316,800
Permits & Inspection for M-NCPPC-DER	1,816,200
Permits & Inspection & Permitting - DPW&T	929,800
Redevelopment Authority	844,500
Property Tax Collection Fees (Parks & Recreation)	344,900
Clean Up, Green Up Program {Green to Greatness}- Tree Planting	225,000
Prince George's Community College -Park Police Security	300,000
Prince George's Community College -Outreach Facilities	300,000
Prince George's Community College -Team Building Program	100,000
Prince George's County - Police Department	36,800
Prince George's County - Library Recreation Program	2,712,770
Total (1)	<u>\$ 12,579,722</u>

(1) Of this amount, \$11,399,372 is in Accounts Payable at June 30, 2016.

(C) Contingencies

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

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

(D) Employees' Retirement System and Pension Plans

Defined Benefit Pension Plan

General Information about the Plan

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

Benefits Provided – Benefit payments for Plans A, B, C, and D are determined by the application of a benefit formula considering the average of an employee's annual base pay during the three consecutive years that produce the highest total earnings prior to retirement, and the number of years of credited service, up to 40 years for members of Plan A, 35 years for members of Plan B, 30 years for members of Plan C and 32 years for members of Plan D. Benefit payments in Plan E are determined by application of a benefit formula considering the average of an employee's annual base pay during the five consecutive years that produce the highest total earnings prior to retirement and credited service up to 35 years. Under certain conditions, participants may elect to take early retirement at a reduced benefit level. Joint and survivor options are also available under all the plans.

Prior to August 1, 1982, disability benefits were available under the plans. Effective August 1, 1982, applications for disability retirement benefits were discontinued. All members who were receiving disability benefits, or who applied for disability benefits prior to August 1, 1982, continue to be covered under the terms of Plans A, B, and C. All applications for disability benefits subsequent to August 1, 1982, are covered under the Commission's Long-Term Disability Insurance Plan, which is not part of the System.

On July 1 of each year, retirement income for participants retired at least six months is adjusted for changes in the cost-of-living as determined by the Consumer Price Index-All Items Annual Average, Urban Index for Major U. S. Cities (CPI). Plans A, B, C and D provide COLAS at 100% of the change in the CPI up to 3%, plus half of the change in the CPI in excess of 3%, up to a 5% maximum COLA for the portion of a member's benefit attributable to credited service earned prior to July 1, 2012, including earned and unused sick leave prior to January 1, 2013. The portion of a member's benefit attributable to credited service earned after July 1, 2012, including earned and unused sick leave on and after January 1, 2013, will be subject to a maximum COLA of 2.5%. Plan E provides COLAs at 100% of the change in the CPI up to a maximum COLA of 2.5%.

Effective July 9, 1986, the plans were amended to provide a \$10,000 post-retirement death benefit to beneficiaries of current and future retired members.

Effective September 1, 1988, the plans were amended to permit members to use up to a maximum of 301 days of earned and unused sick leave to meet the length of service requirements for retirement qualification.

Although the Commission has not expressed any intent to terminate the Plans, it may do so at any time. In the event that the Plans are terminated, beneficiaries receiving benefits at the date of termination shall be entitled to an allocation of the remaining assets based upon the relationship of each individual's actuarial reserve to total actuarial reserves, the balance to be allocated (pro rata) to the remaining members or beneficiaries.

Employees Covered by Benefit Terms – As of July 1, 2015, membership in the System was as follows:

Active	2,104
Retired	1,324
Terminated Vested	<u>260</u>
Total Participants	<u>3,688</u>

Contributions – The Commission has agreed to make actuarially determined periodic contributions sufficient to provide the ERS with assets for payment of pension benefits. The rate for the Commission’s employee group as a whole is expected to remain level as a percentage of annual covered payroll. The contribution rate is based on current service cost plus amortization of the unfunded actuarial accrued liability.

Active plan members in Plan A are required to contribute 7% of their base pay. Plan B members contribute 4% of their base pay up to the maximum Social Security Wage Base and 7% in excess of the maximum Social Security Wage Base for the calendar year. Plan C members contribute 9% of their base pay and Plan D members contribute 8% of their base pay. Plan E members contribute 4% of their base pay up to the maximum Social Security Wage Base and 8% in excess of the maximum Social Security Wage Base for the calendar year.

Net Pension Liability

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015.

Actuarial Assumptions – The total pension liability of the Defined Benefit Pension Plan was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.75%
- Salary Increases: 2.75% plus service based increases
- Investment Return: 7.25%, net of investment expense and including inflation

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality table projected to 2010, with generational adjustments for mortality improvements based on Scale AA factors. An alternative table was used for the valuation of disabled members.

A Post Retirement Cost of Living Adjustment of 2.75% was made for benefits based on credited service accrued until July 1, 2012, and sick leave accrued until January 1, 2013; a 2.5% adjustment for benefits accrued thereafter.

The total pension liability as of June 30, 2016 is equal to the July 1, 2015 Entry Age actuarial accrued liability, adjusted for total normal cost, one year of interest, and reduced by benefits paid during the year, adjusted by one half year of interest.

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

1. The investment return assumption was changed from 7.3% to 7.25% with a corresponding decrease in the salary scale assumption by .05%
2. The post retirement cost of living adjustment was changed from 3.0% to 2.75% for benefits based on credited service accrued until July 1, 2012 and sick leave accrued as of January 1, 2013.

An experience study was completed for the Retirement system in April 2016. The recommended assumption changes were approved by the Board and will be reflected in the next fiscal year GASB Report.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class, based on inputs from a survey of investment professionals. These allocations are combined to produce a long-term expected rate of return by weighting the expected future real rates of

return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carl simulation process, by which returns are simulated over a 30 year period, and a risk adjustment is applied to the baseline expected return. This method accounts for not only expected returns, but adjusts for volatility of returns by asset class as well as correlations between the different classes.

Best estimates of long-term real rates of return for each major asset class included in the System's target asset allocation and the final investment return assumption, are summarized in the table below:

Asset Class	Long-Term Expected Real Return - Portfolio	Target Allocation
Domestic Equity	5.80%	23.00%
International Equity - Developed	5.90%	13.00%
International Equity - Emerging	6.70%	10.00%
Fixed Income & Bank Loans - U.S.	2.10%	14.00%
Fixed Income - U.S. High Yield	4.00%	7.50%
Fixed Income - International	2.50%	7.50%
Public Real Assets	2.40%	5.00%
Private Equity	7.80%	5.00%
Private Real Assets	4.10%	15.00%
Cash	0.80%	0.00%
Total Weighted Average Real Return	4.68%	100.00%
Plus Inflation	2.75%	
Total Return without Adjustment	7.43%	
Risk Adjustment	-0.18%	
Total Expected Investment Return	7.25%	

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2015	\$ 922,012,171	\$ 791,995,626	\$ 130,016,545
Changes for the year:			
Service cost	18,125,110	-	18,125,110
Interest	61,280,153	-	61,280,153
Changes in benefit terms*	(4,863)	-	(4,863)
Differences between expected and actual experience	(20,701,234)	-	(20,701,234)
Changes in assumptions	(13,818,623)	-	(13,818,623)
Benefit Payment, including refunds	(42,718,801)	(42,718,801)	-
Contributions - Employer	-	27,191,305	(27,191,305)
Contributions - Employee	-	6,418,154	(6,418,154)
Net Investment Income	-	(4,851,526)	4,851,526
Administrative expenses	-	(1,696,334)	1,696,334
Net changes	<u>2,161,742</u>	<u>(15,657,202)</u>	<u>17,818,944</u>
Balances at June 30, 2016	<u>\$ 924,173,913</u>	<u>\$ 776,338,424</u>	<u>\$ 147,835,489</u>

* Effective March 1, 2015, employee contributions for Plan C were changed from 8.00% of base pay to 8.5% of base pay and for Plan D were changed from 7.00% of base pay to 7.50% of base pay.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following table presents the net pension liability of the Commission, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease <u>6.25%</u>	Current Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
Net Pension Liability	\$ 267,820,652	\$ 147,835,489	\$ 40,926,609

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions – For the year ended June 30, 2016, the Commission recognized pension expense of \$36,834,744. As of June 30, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 83,535,747	\$ -
Differences between expected and actual experience	435,853	(17,743,913)
Changes in assumptions	6,534,066	(11,844,531)
	<u>\$ 90,505,666</u>	<u>\$ (29,588,444)</u>

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

<u>Year Ended June 30</u>	<u>Net Amount of Outflow/(Inflow)</u>
2017	\$ 20,120,071
2018	20,120,071
2019	20,120,071
2020	9,025,748
2021	(3,537,335)
After 2021	(4,931,409)

Maryland State Retirement and Pension System

Certain employees/retirees of the Commission elected to remain in the Maryland State Retirement and Pension System (MSRS) which is a cost sharing employer public employee retirement system. The Commission entered into an agreement to reimburse the State for the unfunded present value of benefits as of June 30, 1985 over a period of 35 years. The Commission made its contractually required contribution of \$441,470 in FY 2016. The balance due to the State as of June 30, 2016 is \$1,997,932 of which \$1,022,440 of cash is reflected in Exhibit 1. The final payment is scheduled to be made in fiscal year 2020.

Deferred Compensation Plans

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

(E) Other 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 1,023 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 80 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. 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)	\$ 18,044
Interest on net OPEB obligation	5,168
Adjustment to annual required contribution	(4,020)
Annual OPEB cost (Expense)	<u>19,192</u>
Contribution made	<u>16,847</u>
Increase in Net OPEB obligation	<u>2,345</u>
Net OPEB obligation, beginning of year	<u>72,728</u>
Net OPEB obligation, end of year	<u>\$ 75,073</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 2014, 2015 and 2016 is presented below (\$000):

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Annual OPEB Cost	\$ 19,943	\$ 20,585	\$ 19,192
Percentage of Annual OPEB Cost Contributed	93%	77%	88%
Net OPEB Obligation	\$ 68,044	\$ 72,728	\$ 75,073

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, 2015 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, 2015. 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 at 7.25% a year compounded annually.

Salary Increases - Salary increases of 3.00% per year are projected for calculating the level percentage of pay.

Healthcare Cost Trend Rates – The expected rate of increase for healthcare costs in 2016 was estimated at 6.25% for prescription drugs and medical costs, 4.00% for dental and 3.50% for vision. Declining rates of increase were used, with 2022 and later rates at 4.00% for prescription drugs, medical and dental, and 3.50% for vision.

The funded status of the plan as of the most recent actuarial date, July 1, 2015, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	44,668
Actuarial Accrued Liability		274,045
Funded Ratio		16.30%
Unfunded Actuarial Accrued Liability		229,377
Annual Covered Payroll		134,536
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		170.5%

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, 2016

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ -	\$ 1,220,333	\$ 1,220,333
Cash	22,229	-	22,229
Fixed Income Securities	205,713,476	13,787,563	219,501,039
International Fixed Income Securities	3,560,907	-	3,560,907
Venture Capital/Alternative Investments	73,242,760	-	73,242,760
Corporate Stock	323,720,189	-	323,720,189
International Corporate Stock	74,839,195	-	74,839,195
Real Estate Investments	67,750,239	832,055	68,582,294
Short Term Investments	29,510,641	-	29,510,641
Mutual Funds	-	33,358,534	33,358,534
Collateral for Securities Lending Transactions	38,265,355	-	38,265,355
Accrued Income on Investments	717,403	-	717,403
Accounts Receivable	297,449	-	297,449
Other	51,800	-	51,800
Total Assets	<u>817,691,643</u>	<u>49,198,485</u>	<u>866,890,128</u>
LIABILITIES			
Investments Payable	1,397,489	-	1,397,489
Accounts Payable	1,085,188	604,034	1,689,222
Claims Payable	-	620,022	620,022
Obligation for Collateral Received under Securities Lending Transactions	38,870,542	-	38,870,542
Total Liabilities	<u>41,353,219</u>	<u>1,224,056</u>	<u>42,577,275</u>
NET POSITION			
Assets Held in Trust for:			
Pension Benefits	776,338,424	-	776,338,424
Other Postemployment Benefits	-	47,974,429	47,974,429
Total Net Position	<u>\$ 776,338,424</u>	<u>\$ 47,974,429</u>	<u>\$ 824,312,853</u>

Combining Schedules of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2016

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 27,191,305	\$ 15,812,653	\$ 43,003,958
Plan Members	6,418,154	-	6,418,154
Plan Members for Current Benefits	-	2,522,481	2,522,481
Total Contributions	<u>33,609,459</u>	<u>18,335,134</u>	<u>51,944,593</u>
Federal Grants - Medicare	-	1,034,165	1,034,165
Investment Earnings:			
Interest	7,105,900	39	7,105,939
Dividends	2,144,205	473,636	2,617,841
Net increase in the Fair Value of Investments	(10,886,208)	(2,246,931)	(13,133,139)
Total Investment Earnings	<u>(1,636,103)</u>	<u>(1,773,256)</u>	<u>(3,409,359)</u>
Less Investment Advisory and Management Fees	(3,344,453)	-	(3,344,453)
Net Income from Investing Activities	<u>(4,980,556)</u>	<u>(1,773,256)</u>	<u>(6,753,812)</u>
Securities Lending Activity			
Securities Lending Income	204,993	-	204,993
Securities Lending Fees	(75,963)	-	(75,963)
Net Income from Securities Lending Activity	<u>129,030</u>	<u>-</u>	<u>129,030</u>
Total Net Investment Earnings	<u>(4,851,526)</u>	<u>(1,773,256)</u>	<u>(6,624,782)</u>
Total Additions and Investment Earnings	<u>28,757,933</u>	<u>17,596,043</u>	<u>46,353,976</u>
DEDUCTIONS:			
Benefits	42,257,685	14,289,367	56,547,052
Refunds of Contributions	461,116	-	461,116
Administrative expenses	1,696,334	-	1,696,334
Total Deductions	<u>44,415,135</u>	<u>14,289,367</u>	<u>58,704,502</u>
Change in Net Position	(15,657,202)	3,306,676	(12,350,526)
Net Position - Beginning	791,995,626	44,667,753	836,663,379
Net Position - Ending	<u>\$ 776,338,424</u>	<u>\$ 47,974,429</u>	<u>\$ 824,312,853</u>

6) – COUNTY FINANCIAL DATA

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

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MONTGOMERY COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2016

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
ASSETS						
Equity in Pooled Cash and Investments	\$ 14,917,659	\$ 2,917,640	\$ 17,835,299	\$ -	\$ 6,443,618	\$ 24,278,917
Receivables - Taxes (net of allowance for uncollectibles)	252,443	721,975	974,418	-	23,574	997,992
Receivables - Other	9,348	38,297	47,645	-	-	47,645
Due from Other Funds	-	14,192,430	14,192,430	-	-	14,192,430
Due from County Government	-	78,407	78,407	17,187,700	63,687	17,329,794
Due from Other Governments	-	267,775	267,775	9,740,021	6,000	10,013,796
Restricted Cash - Unspent Debt Proceeds	-	-	-	3,631,544	-	3,631,544
Other	12,389	-	12,389	-	-	12,389
Total Assets	\$ 15,191,839	\$ 18,216,524	\$ 33,408,363	\$ 30,559,265	\$ 6,536,879	\$ 70,504,507
LIABILITIES						
Liabilities:						
Accounts Payable	\$ 1,167,190	\$ 1,138,495	\$ 2,305,685	\$ 5,105,226	\$ 113,488	\$ 7,524,399
Accrued Liabilities	1,568,737	4,202,852	5,771,589	-	27,612	5,799,201
Retainage Payable	-	-	-	1,805,765	-	1,805,765
Due to Other Funds	-	-	-	14,192,430	-	14,192,430
Due to County Government	60	-	60	-	30	90
Deposits and Fees Collected in-Advance	2,075,246	316,016	2,391,262	-	263,107	2,654,369
Total Liabilities	4,811,233	5,657,363	10,468,596	21,103,421	404,237	31,976,254
DEFERRED INFLOW OF RESOURCES						
Property Taxes Collected in-advance	136,439	390,720	527,159	-	-	527,159
Total Deferred Inflow of Resources	136,439	390,720	527,159	-	-	527,159
Fund Balance:						
Restricted for:						
Parks	-	-	-	3,631,544	8,174	3,639,718
Committed to:						
Planning	4,840,083	-	4,840,083	-	81,451	4,921,534
Parks	-	3,939,706	3,939,706	19,688,581	591,477	24,219,764
Assigned to:						
Planning	2,093,752	-	2,093,752	-	4,608,535	6,702,287
Parks	-	1,453,388	1,453,388	-	843,005	2,296,393
Unassigned:	3,310,332	6,775,347	10,085,679	(13,864,281)	-	(3,778,602)
Total Fund Balances	10,244,167	12,168,441	22,412,608	9,455,844	6,132,642	38,001,094
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 15,191,839	\$ 18,216,524	\$ 33,408,363	\$ 30,559,265	\$ 6,536,879	\$ 70,504,507

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2016

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
REVENUES						
Property Taxes	\$ 27,931,521	\$ 85,610,387	\$ 113,541,908	\$ -	\$ 1,794,531	\$ 115,336,439
Intergovernmental:						
Federal	-	272,792	272,792	-	-	272,792
State	-	8,877	8,877	7,829,190	-	7,838,067
County	403,617	2,770,489	3,174,106	18,587,734	919,862	22,681,702
Charges for Services	397,401	1,875,472	2,272,873	-	2,930,203	5,203,076
Rentals and Concessions	-	1,860,236	1,860,236	-	371,438	2,231,674
Interest	68,041	(19,835)	48,206	12,187	16,796	77,189
Contributions	-	-	-	1,516,289	164,583	1,680,872
Miscellaneous	6,854	150,631	157,485	2,251	66,014	225,750
Total Revenues	<u>28,807,434</u>	<u>92,529,049</u>	<u>121,336,483</u>	<u>27,947,651</u>	<u>6,263,427</u>	<u>155,547,561</u>
EXPENDITURES						
Current:						
General Government	7,469,148	-	7,469,148	-	-	7,469,148
Planning and Zoning	20,240,616	-	20,240,616	-	3,285,436	23,526,052
Park Operations and Maintenance	-	87,953,100	87,953,100	-	1,433,488	89,386,588
Contributions	-	-	-	-	1,663,867	1,663,867
Debt Service:						
Principal	-	-	-	-	2,865,000	2,865,000
Interest	-	-	-	-	1,349,880	1,349,880
Other Debt Service Costs	-	-	-	-	268,713	268,713
Capital Outlay:						
Park Acquisition	-	-	-	3,430,100	-	3,430,100
Park Development	-	-	-	32,409,998	-	32,409,998
Total Expenditures	<u>27,709,764</u>	<u>87,953,100</u>	<u>115,662,864</u>	<u>35,840,098</u>	<u>10,866,384</u>	<u>162,369,346</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,097,670</u>	<u>4,575,949</u>	<u>5,673,619</u>	<u>(7,892,447)</u>	<u>(4,602,957)</u>	<u>(6,821,785)</u>
OTHER FINANCING SOURCES (USES)						
General Obligation Bonds Issued	-	-	-	12,000,000	-	12,000,000
Refunding Bonds Issued	-	-	-	-	7,195,000	7,195,000
Premiums on Bonds Issued	-	-	-	701,657	784,282	1,485,939
Payment to Refunding Bond Escrow Account	-	-	-	-	(7,883,660)	(7,883,660)
Transfers In	-	1,488,659	1,488,659	366,891	4,318,635	6,174,185
Transfer Out	(700,000)	(4,668,635)	(5,368,635)	-	-	(5,368,635)
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(3,179,976)</u>	<u>(3,879,976)</u>	<u>13,068,548</u>	<u>4,414,257</u>	<u>13,602,829</u>
Net Change in Fund Balances	397,670	1,395,973	1,793,643	5,176,101	(188,700)	6,781,044
Fund Balances - Beginning	<u>9,846,497</u>	<u>10,772,468</u>	<u>20,618,965</u>	<u>4,279,743</u>	<u>6,321,342</u>	<u>31,220,050</u>
Fund Balances - Ending	<u>\$ 10,244,167</u>	<u>\$ 12,168,441</u>	<u>\$ 22,412,608</u>	<u>\$ 9,455,844</u>	<u>\$ 6,132,642</u>	<u>\$ 38,001,094</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 27,895,118	\$ 27,895,118	\$ 27,931,521	\$ 36,403
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	400,400	400,400	403,617	3,217
Charges for Services	144,000	144,000	397,401	253,401
Interest	35,000	35,000	68,041	33,041
Miscellaneous	-	-	6,854	6,854
Total Revenues	<u>28,624,518</u>	<u>28,624,518</u>	<u>28,807,434</u>	<u>182,916</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,277,509	1,277,509	1,146,609	130,900
Central Administrative Services -				
Department of Human Resources and Management	2,009,626	2,009,626	1,901,251	108,375
Department of Finance	3,176,734	3,176,734	3,176,505	229
Internal Audit Division	200,933	200,933	194,567	6,366
Legal Department	1,467,883	1,467,883	1,439,845	28,038
Support Services	623,857	623,857	566,351	57,506
Merit System Board	70,780	70,780	66,958	3,822
Total Central Administrative Services	<u>7,549,813</u>	<u>7,549,813</u>	<u>7,345,477</u>	<u>204,336</u>
Planning Department -				
Office of the Planning Director	947,780	927,780	966,725	(38,945)
Management and Technology Services	2,264,227	2,284,227	2,255,297	28,930
Functional Planning and Policy	2,909,732	2,754,732	2,587,549	167,183
Area 1	1,496,107	1,486,107	1,457,174	28,933
Area 2	2,225,852	2,210,852	2,021,749	189,103
Area 3	2,124,532	2,034,532	1,953,446	81,086
Dev. Applications and Regulatory Coordination	979,655	962,655	825,997	136,658
Information Technology and Innovation	3,324,914	3,496,914	3,473,924	22,990
Support Services	1,821,504	1,936,504	1,849,757	86,747
Research and Special Projects	1,250,489	1,250,489	1,063,288	187,201
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>19,494,792</u>	<u>19,494,792</u>	<u>18,454,906</u>	<u>1,039,886</u>
Non-Departmental	1,701,483	1,701,483	992,084	709,399
Total Expenditures/Encumbrances	<u>30,023,597</u>	<u>30,023,597</u>	<u>27,939,076</u>	<u>2,084,521</u>
Excess of Revenues over Expenditures/Encumbrances	<u>(1,399,079)</u>	<u>(1,399,079)</u>	<u>868,358</u>	<u>2,267,437</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Park Fund	(700,000)	(700,000)	(700,000)	-
Total Other Financing Sources (Uses)	<u>(700,000)</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (2,099,079)</u>	<u>\$ (2,099,079)</u>	<u>168,358</u>	<u>\$ 2,267,437</u>
Fund Balance - Budget Basis, Beginning			<u>5,235,726</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 5,404,084</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, 2016**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 85,538,361	\$ 85,538,361	\$ 85,610,387	\$ 72,026
Intergovernmental -				
Federal	-	-	272,792	272,792
State	400,000	400,000	8,877	(391,123)
County	2,739,782	2,739,782	2,770,489	30,707
Charges for Services	1,791,168	1,791,168	1,875,472	84,304
Rentals and Concessions	1,757,075	1,757,075	1,860,236	103,161
Interest	8,000	8,000	(19,835)	(27,835)
Miscellaneous	126,300	126,300	150,631	24,331
Total Revenues	<u>92,360,686</u>	<u>92,360,686</u>	<u>92,529,049</u>	<u>168,363</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	1,337,666	1,337,666	1,329,509	8,157
Management Services	1,577,278	1,577,278	1,611,923	(34,645)
Information Technology & Innovation	2,189,818	2,192,318	2,141,019	51,299
Facilities Management	11,533,316	11,608,848	11,517,350	91,498
Park Planning and Stewardship	4,313,004	4,385,356	3,815,672	569,684
Park Development	3,432,987	3,432,987	3,192,238	240,749
Park Police	14,057,738	14,063,338	14,467,666	(404,328)
Horticulture, Forestry & Environmental Education	8,280,827	9,071,837	9,485,432	(413,595)
Public Affairs and Community Service	2,428,748	2,260,617	2,316,133	(55,516)
Northern Parks	9,671,007	9,671,583	9,246,887	424,696
Southern Region	13,077,629	13,127,628	12,892,188	235,440
Support Services	10,262,238	10,300,541	10,959,305	(658,764)
Grants	400,000	400,000	282,761	117,239
Property Management	1,126,800	1,126,800	1,059,506	67,294
Non-Departmental	5,337,546	4,954,536	3,602,579	1,351,957
Total Expenditures/Encumbrances	<u>89,026,602</u>	<u>89,511,333</u>	<u>87,920,168</u>	<u>1,591,165</u>
Excess of Revenues over Expenditures/Encumbrances	<u>3,334,084</u>	<u>2,849,353</u>	<u>4,608,881</u>	<u>1,759,528</u>
Other Financing Sources (Uses):				
Transfers In/(Out)-				
Capital Projects Funds	10,000	10,000	(16,891)	(26,891)
Capital Equipment Fund	805,550	805,550	805,550	-
Administration Fund	700,000	700,000	700,000	-
Debt Service Fund	(5,059,085)	(4,659,085)	(4,256,316)	402,769
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Special Revenue	-	-	(62,321)	(62,321)
Total Other Financing Sources (Uses)	<u>(3,893,535)</u>	<u>(3,493,535)</u>	<u>(3,179,978)</u>	<u>313,557</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (559,451)</u>	<u>\$ (644,182)</u>	<u>1,428,903</u>	<u>\$ 2,073,085</u>
Fund Balance - Budget Basis, Beginning			<u>6,799,832</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 8,228,735</u>	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2016

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	\$ 42,208,079	\$ 136,755,034	\$ 43,120,589	\$ 222,083,702	\$ 51,900,287	\$ 8,306,082	\$ 282,290,071
Receivables - Taxes (net of allowance for uncollectibles)	712,647	1,658,871	1,321,081	3,692,599	-	-	3,692,599
Receivables - Other	61,706	4,538	27,109	93,353	-	-	93,353
Due from County Government	9,806	9,845	-	19,651	-	-	19,651
Due from Other Governments	4,213	153,148	18,175	175,536	7,154,840	456,016	7,786,392
Inventories	-	-	-	-	-	709,067	709,067
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	7,880,376	-	7,880,376
Other	10,191	-	-	10,191	106,588	-	116,759
Total Assets	\$ 43,006,642	\$ 138,581,436	\$ 44,486,954	\$ 226,075,032	\$ 67,042,071	\$ 9,471,165	\$ 302,588,268
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 1,719,099	\$ 3,547,646	\$ 1,702,388	\$ 6,969,133	\$ 7,478,132	\$ 189,590	\$ 14,636,855
Accrued Liabilities	1,904,374	4,418,277	2,661,740	8,984,391	-	384,723	9,369,114
Retainage Payable	-	-	-	-	2,370,702	-	2,370,702
Deposits and Fees Collected in-Advance	65,020	(907,729)	5,443,708	4,600,999	1,014,392	24,300	5,639,691
Total Liabilities	3,688,493	7,058,194	9,807,836	20,554,523	10,863,226	598,613	32,016,362
DEFERRED INFLOW OF RESOURCES							
Property Taxes Collected in-advance	379,410	1,628,900	888,300	2,896,610	-	-	2,896,610
Total Deferred Inflow of Resources	379,410	1,628,900	888,300	2,896,610	-	-	2,896,610
Fund Balance:							
Nonspendable to:							
Recreation	-	-	-	-	-	709,067	709,067
Restricted for:							
Parks	-	-	-	-	7,880,376	-	7,880,376
Committed to:							
Planning	15,411,154	-	-	15,411,154	-	-	15,411,154
Parks	-	11,097,455	-	11,097,455	70,135,240	29,926	81,262,621
Recreation	-	-	8,732,285	8,732,285	-	405,261	9,137,546
Assigned to:							
Planning	701,496	-	-	701,496	-	2,686	704,182
Parks	-	3,368,882	-	3,368,882	-	1,517,159	4,886,041
Recreation	-	-	-	-	-	6,208,453	6,208,453
Unassigned:	22,826,089	115,428,005	25,058,533	163,312,627	(21,836,771)	-	141,475,856
Total Fund Balances	38,938,739	129,894,342	33,790,818	202,623,899	56,178,845	8,872,552	267,675,296
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 43,006,642	\$ 138,581,436	\$ 44,486,954	\$ 226,075,032	\$ 67,042,071	\$ 9,471,165	\$ 302,588,268

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2016

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
REVENUES							
Property Taxes	\$ 45,830,924	\$ 125,218,112	\$ 65,306,808	\$ 236,355,844	\$ -	\$ 774	\$ 236,356,618
Intergovernmental:							
Federal	85,631	48,239	-	133,870	-	-	133,870
State	-	-	270,042	270,042	4,336,032	-	4,606,074
County	166,707	137,198	900	304,805	-	456,016	760,821
Charges for Services	538,876	183,551	7,283,645	8,006,072	-	1,031,534	9,037,606
Rentals and Concessions	-	2,762,833	1,301,358	4,064,191	-	5,577,575	9,641,766
Interest	156,768	320,405	160,535	637,708	258,232	27,465	923,405
Contributions	-	-	-	-	862,739	58,201	920,940
Miscellaneous	43,261	325,690	152,160	521,111	156	47,103	568,370
Total Revenues	<u>46,822,167</u>	<u>128,996,028</u>	<u>74,475,448</u>	<u>250,293,643</u>	<u>5,457,159</u>	<u>7,198,668</u>	<u>262,949,470</u>
EXPENDITURES							
Current:							
General Government	10,800,032	-	-	10,800,032	-	-	10,800,032
Planning and Zoning	31,973,181	-	-	31,973,181	-	-	31,973,181
Park Operations and Maintenance	-	111,834,866	-	111,834,866	-	916,585	112,751,451
Recreation	-	-	58,362,003	58,362,003	-	5,682,031	64,044,034
Contributions	-	-	-	-	-	774	774
Debt Service:							
Principal	-	-	-	-	-	7,568,171	7,568,171
Interest	-	-	-	-	-	1,902,586	1,902,586
Other Debt Service Costs	-	-	-	-	-	166,302	166,302
Capital Outlay:							
Park Acquisition	-	-	-	-	1,493,422	-	1,493,422
Park Development	-	-	-	-	30,142,743	-	30,142,743
Total Expenditures	<u>42,773,213</u>	<u>111,834,866</u>	<u>58,362,003</u>	<u>212,970,082</u>	<u>31,636,165</u>	<u>16,236,449</u>	<u>260,842,696</u>
Excess (deficiency) of Revenues over Expenditures	<u>4,048,954</u>	<u>17,161,162</u>	<u>16,113,445</u>	<u>37,323,561</u>	<u>(26,179,006)</u>	<u>(9,037,781)</u>	<u>2,106,774</u>
OTHER FINANCING SOURCES (USES)							
General Obligation Bonds Issued	-	-	-	-	19,500,000	-	19,500,000
Refunding Bonds Issued	-	-	-	-	-	5,320,000	5,320,000
Premiums on Bonds Issued	-	-	-	-	1,592,643	876,620	2,469,263
Deposit of Bond Proceeds with Escrow Agent	-	-	-	-	-	(6,157,722)	(6,157,722)
Transfers In	-	21,630,771	-	21,630,771	6,300,000	9,628,161	37,558,932
Transfer Out	(30,000)	(15,868,161)	(9,071,347)	(24,969,508)	(21,623,232)	(37,539)	(46,630,279)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>5,762,610</u>	<u>(9,071,347)</u>	<u>(3,338,737)</u>	<u>5,769,411</u>	<u>9,629,520</u>	<u>12,060,194</u>
Net Change in Fund Balances	4,018,954	22,923,772	7,042,098	33,984,824	(20,409,595)	591,739	14,166,968
Fund Balances - Beginning	34,919,785	106,970,570	26,748,720	168,639,075	76,588,440	8,280,813	253,508,328
Fund Balances - Ending	<u>\$ 38,938,739</u>	<u>\$ 129,894,342</u>	<u>\$ 33,790,818</u>	<u>\$ 202,623,899</u>	<u>\$ 56,178,845</u>	<u>\$ 8,872,552</u>	<u>\$ 267,675,296</u>

**PRINCE GEORGE'S COUNTY
ADMINISTRATION ACCOUNT- GENERAL FUND
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2016**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 43,886,700	\$ 43,886,700	\$ 45,830,924	\$ 1,944,224
Intergovernmental -				
Federal	-	85,631	85,631	-
County	209,600	209,600	166,707	(42,893)
Charges for Services	653,000	653,000	538,876	(114,124)
Interest	130,000	130,000	156,768	26,768
Miscellaneous	10,000	10,000	43,261	33,261
Total Revenues	44,889,300	44,974,931	46,822,167	1,847,236
Expenditures/Encumbrances:				
Commissioners' Office	3,156,299	3,156,299	2,953,958	202,341
Central Administrative Services -				
Department of Human Resources and Management	2,468,422	2,468,422	2,324,264	144,158
Department of Finance	3,750,789	3,750,789	3,749,970	819
Internal Audit Division	354,986	354,986	340,713	14,273
Legal Department	1,019,042	1,019,042	994,852	24,190
Support Services	771,795	771,795	700,654	71,141
Merit System Board	70,780	70,780	66,958	3,822
Total Central Administrative Services	8,435,814	8,435,814	8,177,411	258,403
Planning Department -				
Director's Office	4,440,445	3,904,983	4,058,475	(153,492)
Development Review	6,058,982	6,058,982	5,192,528	866,454
Community Planning	5,151,753	4,127,370	3,254,760	872,610
Information Management	5,749,892	5,190,572	3,993,206	1,197,366
Countywide Planning	7,271,636	6,957,780	6,486,693	471,087
Support Services	8,493,833	8,493,833	7,551,410	942,423
Grants	144,600	240,825	240,825	-
Total Planning Department	37,311,141	34,974,345	30,777,897	4,196,448
Non-Departmental	(257,542)	2,175,479	1,708,982	466,497
Total Expenditures/Encumbrances	48,645,712	48,741,937	43,618,248	5,123,689
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	(3,756,412)	(3,767,006)	3,203,919	6,970,925
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	(30,000)	(30,000)	(30,000)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (3,786,412)	\$ (3,797,006)	3,173,919	\$ 6,970,925
Fund Balance - Budget Basis, Beginning			20,353,666	
Fund Balance - Budget Basis, Ending			\$ 23,527,585	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 119,265,800	\$ 119,265,800	\$ 125,218,112	\$ 5,952,312
Intergovernmental -				
Federal	-	48,239	48,239	-
County	-	137,198	137,198	-
Charges for Services	148,500	148,500	183,551	35,051
Rentals and Concessions	2,641,300	2,641,300	2,762,833	121,533
Interest	350,000	350,000	320,405	(29,595)
Miscellaneous	300,000	300,000	325,690	25,690
Total Revenues	<u>122,705,600</u>	<u>122,891,037</u>	<u>128,996,028</u>	<u>6,104,991</u>
Expenditures/Encumbrances:				
Office of The Director -				
Office of the Director	2,438,574	2,373,574	2,060,854	312,720
Park Police	18,797,353	18,484,853	18,833,720	(348,867)
Administration and Development -				
Administrative Services	5,161,592	5,141,592	4,817,350	324,242
Administration and Development	341,414	336,414	306,055	30,359
Support Services	13,688,200	13,634,200	14,527,250	(893,050)
Park Planning and Development	6,490,194	6,400,559	6,211,573	188,986
Info Tech and Communications	5,321,318	5,229,162	5,091,434	137,728
Facility Operations -				
Deputy Director	664,816	664,816	465,900	198,916
Public Affairs & Marketing	2,212,089	2,212,089	1,979,175	232,914
Maintenance and Development	27,879,174	27,746,174	27,517,841	228,333
Natural and Historical Resources	6,128,683	6,008,673	6,071,138	(62,465)
Arts and Cultural Heritage	1,998,593	1,968,593	1,934,888	33,705
Total Facility Operations	<u>38,883,355</u>	<u>38,600,345</u>	<u>37,968,942</u>	<u>631,403</u>
Area Operations -				
Deputy Director	342,038	333,438	356,556	(23,118)
Northern Area Operations	6,726,489	6,666,030	6,621,092	44,938
Central Area Operations	6,665,715	6,553,257	5,931,736	621,521
Southern Area Operations	6,383,477	6,286,019	6,020,203	265,816
Total Area Operations	<u>20,117,719</u>	<u>19,838,744</u>	<u>18,929,587</u>	<u>909,157</u>
Grants	-	238,088	238,088	-
Non-Departmental	5,542,009	6,742,285	5,043,120	1,699,165
Total Expenditures/Encumbrances	<u>116,781,728</u>	<u>117,019,816</u>	<u>114,027,973</u>	<u>2,991,843</u>
Excess of Revenues over Expenditures/Encumbrances	<u>5,923,872</u>	<u>5,871,221</u>	<u>14,968,055</u>	<u>9,096,834</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	215,000	215,000	258,232	43,232
Capital Projects Funds - Transfer In	21,365,000	21,365,000	21,365,000	-
Special Revenue Fund	-	-	7,539	7,539
Debt Service - Park Fund	(11,853,237)	(11,853,237)	(9,598,161)	2,255,076
Capital Projects Funds - Development	(6,295,000)	(6,295,000)	(6,270,000)	25,000
Total Other Financing Sources (Uses)	<u>3,431,763</u>	<u>3,431,763</u>	<u>5,762,610</u>	<u>2,330,847</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 9,355,635</u>	<u>\$ 9,302,984</u>	<u>20,730,665</u>	<u>\$ 11,427,681</u>
Fund Balance - Budget Basis, Beginning			<u>98,066,222</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 118,796,887</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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$ 62,626,100	\$ 62,626,100	\$ 65,306,808	\$ 2,680,708
Intergovernmental -				
State	-	270,042	270,042	-
County	-	900	900	-
Charges for Services	7,672,000	7,672,000	7,283,645	(388,355)
Rentals and Concessions	1,093,700	1,093,700	1,301,358	207,658
Interest	125,000	125,000	160,535	35,535
Miscellaneous	82,800	82,800	152,160	69,360
Total Revenues	<u>71,599,600</u>	<u>71,870,542</u>	<u>74,475,448</u>	<u>2,604,906</u>
Expenditures/Encumbrances:				
Administration and Development-				
Support Services	7,169,365	7,016,951	8,297,703	(1,280,752)
Total Director's Office	<u>7,169,365</u>	<u>7,016,951</u>	<u>8,297,703</u>	<u>(1,280,752)</u>
Facility Operations:				
Public Affairs & Marketing	924,039	910,589	722,223	188,366
Sports, Health and Wellness	11,277,997	11,108,091	11,250,317	(142,226)
Natural and Historical Resources	1,361,674	1,361,674	1,161,702	199,972
Arts and Cultural Heritage	4,031,203	3,985,423	3,601,118	384,305
Grants	-	358,622	358,622	-
Total Facility Operations	<u>17,594,913</u>	<u>17,724,399</u>	<u>17,093,982</u>	<u>630,417</u>
Area Operations:				
Deputy Director	65,727	65,727	39,132	26,595
Northern Area Operations	7,653,790	7,569,315	6,587,124	982,191
Central Area Operations	7,593,727	7,478,993	6,588,935	890,058
Southern Area Operations	8,491,522	8,346,588	7,487,785	858,803
Special Programs	8,539,156	8,464,156	8,603,281	(139,125)
Total Area Operations	<u>32,343,922</u>	<u>31,924,779</u>	<u>29,306,257</u>	<u>2,618,522</u>
Non-Departmental	6,337,259	7,137,952	6,355,336	782,616
Total Operating Expenditures/Encumbrances	<u>63,445,459</u>	<u>63,804,081</u>	<u>61,053,278</u>	<u>2,750,803</u>
Excess of Revenues over Expenditures/Encumbrances	<u>8,154,141</u>	<u>8,066,461</u>	<u>13,422,170</u>	<u>5,355,709</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Enterprise	(9,071,347)	(9,071,347)	(9,071,347)	-
Total Other Financing Sources (Uses)	<u>(9,071,347)</u>	<u>(9,071,347)</u>	<u>(9,071,347)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (917,206)</u>	<u>\$ (1,004,886)</u>	<u>4,350,823</u>	<u>\$ 5,355,709</u>
Fund Balance - Budget Basis, Beginning			<u>20,707,710</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 25,058,533</u>	

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Total Pension Liability</u>			
Service Cost	\$ 18,125,110	\$ 19,015,744	\$ 16,635,683
Interest	61,280,153	64,188,829	60,003,715
Changes in benefit terms	(4,863)	-	-
Difference between expected and actual experience	(20,701,234)	610,807	-
Changes in assumptions	(13,818,623)	9,147,692	-
Benefit payments including refunds	<u>(42,718,801)</u>	<u>(40,382,818)</u>	<u>(38,407,073)</u>
Net change in total pension liability	2,161,742	52,580,254	38,232,325
Total pension liability - beginning	<u>922,012,171</u>	<u>869,431,917</u>	<u>831,199,592</u>
Total pension liability - ending (a)	<u>\$ 924,173,913</u>	<u>\$ 922,012,171</u>	<u>\$ 869,431,917</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	\$ 27,191,305	\$ 28,149,976	\$ 28,750,323
Contributions - employee	6,418,154	6,339,732	5,413,595
Net investment income	(4,851,526)	3,340,520	107,897,795
Benefit payments, including refunds	(42,718,801)	(40,382,818)	(38,407,073)
Administrative expenses	<u>(1,696,334)</u>	<u>(1,587,371)</u>	<u>(1,487,210)</u>
Net change in plan fiduciary net position	(15,657,202)	(4,139,961)	102,167,430
Plan fiduciary net position - beginning	<u>791,995,626</u>	<u>796,135,587</u>	<u>693,968,157</u>
Plan fiduciary net position - ending (b)	<u>\$ 776,338,424</u>	<u>\$ 791,995,626</u>	<u>\$ 796,135,587</u>
Net pension liability - ending (a-b)	<u>\$ 147,835,489</u>	<u>\$ 130,016,545</u>	<u>\$ 73,296,330</u>
Plan fiduciary net position as a percentage of total pension liability	84.0%	85.9%	91.6%
Covered employee payroll	135,041,803	129,134,125	129,911,593
Net pension liability as a percentage of covered payroll	109.5%	100.7%	56.4%

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

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

(continued)

Employees' Retirement System

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2007	\$ 9,824,590	\$ 9,824,590	\$ -	\$ 109,579,279	9.0%
2008	10,561,434	10,561,434	-	109,579,279	9.6%
2009	13,983,669	14,933,506	(949,837)	122,825,271	12.2%
2010	17,614,908	17,614,908	-	132,240,949	13.3%
2011	35,206,700	25,633,000	9,573,700	142,590,713	18.0%
2012	32,182,287	32,182,287	-	140,407,414	22.9%
2013	23,806,058	23,806,058	-	132,490,722	18.0%
2014	28,750,323	28,750,323	-	129,911,593	22.1%
2015	28,149,976	28,149,976	-	129,134,125	21.8%
2016	27,191,305	27,191,305	-	135,041,803	20.1%

Notes to Required Supplementary Information

(1) Changes in Actuarial Assumptions

The investment rate of return was changed from 7.3% to 7.25% with a corresponding decrease in the salary scale assumption by 0.05%.

The post retirement cost of living adjustment was changed from 3.0% to 2.75% for benefits based on credited service accrued until July 1, 2012 and sick leave accrued as of January 1, 2013.

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

Actuarial	Entry Age
Amortization Method	Prior to July 1, 2013 - Amortize July 1, 2005 unfunded actuarial accrued liability in equal payments to January 1, 2016. Amortize subsequent changes in unfunded actuarial accrued liability in equal payments over 15 years. After July 1, 2013 – Open 15 year amortization of the unfunded actuarial accrued liability.
Remaining Amortization Period	15 years
Asset Valuation Method	5 year asset smoothing
Inflation	2.75%
Salary Increases	2.75% plus service based increases
Investment Rate of Return	7.25%, net of investment expense and including inflation
Mortality	RP-2000 Healthy Annuitant Mortality table projected to 2010, with generational adjustments for mortality improvements based on Scale AA factors. An alternate table was used for the valuation of disabled members.

Required Supplementary Information for Other Postemployment Benefits
(Unaudited)

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)			
	July 1, 2013	July 1, 2014	July 1, 2015
Actuarial Valuation of Plan Assets	\$ 28,069	\$ 40,465	\$ 44,668
Actuarial Accrued Liability	275,804	296,498	274,045
Funded Ratio	10.18%	13.65%	16.30%
Unfunded Actuarial Accrued Liability	247,735	256,033	229,377
Annual Covered Payroll	119,966	126,868	134,536
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	206.5%	201.8%	170.5%

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



King and Queen Playground in Cheverly-Euclid Neighborhood 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, 2016

	MONTGOMERY COUNTY						PRINCE GEORGES COUNTY					
	Special Revenue Funds			Advance Land Acquisition Debt Service			Special Revenue Funds			Advance Land Acquisition Debt Service		
	Planning	Parks	Total	Special Revenue	Park Debt Service	Total	Special Revenue	Park Debt Service	Total	Special Revenue	Park Debt Service	Total
ASSETS												
Equity in Pooled Cash and Investments	\$ 4,936,878	\$ 1,471,740	\$ 6,408,618	\$ 2,686	\$ 35,000	\$ 6,443,618	\$ 8,303,396	\$ 2,686	\$ 35,000	\$ 8,306,082	\$ 8,306,082	\$ 14,749,700
Taxes Receivable	-	-	23,574	-	-	23,574	-	-	-	-	-	23,574
Due from County Government	-	63,687	63,687	-	-	63,687	-	-	-	-	-	63,687
Due from Other Government	6,000	-	6,000	-	-	6,000	456,016	-	-	456,016	-	462,016
Inventories	-	-	-	-	-	-	709,067	-	-	709,067	-	709,067
Total Assets	\$ 4,942,878	\$ 1,535,427	\$ 6,478,305	\$ 2,686	\$ 35,000	\$ 6,536,879	\$ 9,468,479	\$ 2,686	\$ 35,000	\$ 9,471,165	\$ 9,471,165	\$ 16,008,044
LIABILITIES												
Accounts Payable	\$ 14,508	\$ 63,980	\$ 78,488	\$ -	\$ 35,000	\$ 113,488	\$ 189,590	\$ -	\$ 35,000	\$ 189,590	\$ -	\$ 303,078
Accrued Liabilities	-	27,612	27,612	-	-	27,612	384,723	-	-	384,723	-	412,335
Due to County Government	30	-	30	-	-	30	-	-	-	-	-	30
Deposits and Deferred Revenue	238,354	9,353	247,707	-	-	263,107	24,300	-	-	24,300	-	287,407
Total Liabilities	252,892	100,945	353,837	-	35,000	404,237	598,613	-	-	598,613	-	1,002,850
FUND BALANCES												
Fund Balance:												
Nonspendable to:												
Recreation	-	-	-	-	-	-	709,067	-	-	709,067	-	709,067
Restricted for:												
Parks	-	-	-	-	-	-	-	-	-	-	-	8,174
Committed to:												
Planning	81,451	-	81,451	-	-	81,451	-	-	-	-	-	81,451
Parks	-	591,477	591,477	-	-	591,477	29,926	-	-	29,926	-	621,403
Recreation	-	-	-	-	-	-	405,261	-	-	405,261	-	405,261
Assigned to:												
Planning	4,608,535	-	4,608,535	2,686	-	4,608,535	-	2,686	-	2,686	-	4,611,221
Parks	-	843,005	843,005	-	-	843,005	1,517,159	-	-	1,517,159	-	2,360,164
Recreation	-	-	-	-	-	-	6,208,453	-	-	6,208,453	-	6,208,453
Total Fund Balances	4,689,986	1,434,482	6,124,468	2,686	35,000	6,132,642	8,869,866	2,686	35,000	8,872,552	8,872,552	15,005,194
Total Liabilities and Fund Balances	\$ 4,942,878	\$ 1,535,427	\$ 6,478,305	\$ 2,686	\$ 35,000	\$ 6,536,879	\$ 9,468,479	\$ 2,686	\$ 35,000	\$ 9,471,165	\$ 9,471,165	\$ 16,008,044

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 3

**Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual - Special Revenue Funds
For the Year Ended June 30, 2016**

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 866,500	\$ 866,500	\$ 919,862	\$ 53,362	\$ 800,000	\$ 800,000	\$ 456,016	\$ (343,984)
Charges for Services	1,882,000	1,882,000	2,930,203	1,048,203	1,370,700	1,370,700	1,031,534	(339,166)
Recreation Activities	291,000	291,000	371,438	80,438	6,341,571	6,341,571	5,577,575	(763,996)
Interest	6,300	6,300	16,796	10,496	20,005	20,005	27,465	7,460
Contributions	474,000	474,000	164,583	(309,417)	102,600	102,600	58,201	(44,399)
Miscellaneous	58,498	58,498	66,014	7,516	50,900	50,900	47,103	(3,797)
Total Revenues	3,578,298	3,578,298	4,468,896	890,598	8,685,776	8,685,776	7,197,894	(1,487,882)
Expenditures/Encumbrances:								
Current -								
County Planning and Zoning	3,822,033	3,822,033	3,218,080	603,953	-	-	-	-
Park Operations and Maintenance	1,834,794	1,834,794	1,242,009	592,785	1,822,506	1,822,506	883,653	938,853
Recreation	-	-	-	-	7,604,771	7,604,771	5,520,543	2,084,228
Total Expenditures/Encumbrances	5,656,827	5,656,827	4,460,089	1,196,738	9,427,277	9,427,277	6,404,196	3,023,081
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	(2,078,529)	(2,078,529)	8,807	2,087,336	(741,501)	(741,501)	793,698	1,535,199
Other Financing Sources (Uses):								
Operating Transfers In	-	-	62,320	62,320	30,000	30,000	30,000	-
Transfers Out	-	-	-	-	(30,000)	(30,000)	(37,539)	(7,539)
Total Other Financing (Uses)	-	-	62,320	62,320	-	-	(7,539)	(7,539)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	\$ (2,078,529)	\$ (2,078,529)	\$ 71,127	\$ 2,149,656	\$ (741,501)	\$ (741,501)	\$ 786,159	\$ 1,527,660
Fund Balances - Budget Basis, July 1			5,380,411				7,656,464	
Fund Balances - Budget Basis, June 30			\$ 5,451,538				\$ 8,442,623	

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



Visitors enjoying puppet show at the Cabin John Amphitheater

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, 2016 and 2015

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 8,080,992	\$ 7,705,866	\$ 5,399,659	\$ 5,233,398	\$ 13,480,651	\$ 12,939,264
Restricted Cash, Cash Equivalents and Investments:						
Accounts Receivable	314	1,270	1,369	1,359	1,683	2,629
Due from County Government	209,408	-	9,440	9,440	218,848	9,440
Inventories	175,148	158,889	736,951	754,248	912,099	913,137
Total Current Assets	<u>8,465,862</u>	<u>7,866,025</u>	<u>6,147,419</u>	<u>5,998,445</u>	<u>14,613,281</u>	<u>13,864,470</u>
Noncurrent Assets:						
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	27,216,080	27,181,703	74,108,617	72,348,323	101,324,697	99,530,026
Infrastructure	35,510	-	134,686	-	170,196	-
Machinery, Equipment and Intangibles	2,610,895	2,472,401	4,718,533	4,954,034	7,329,428	7,426,435
Construction in Progress	2,197,686	884,458	-	-	2,197,686	884,458
	43,644,639	42,123,030	86,740,967	85,081,488	130,385,606	127,204,518
Less - Accumulated Depreciation	(23,765,441)	(22,696,100)	(43,787,655)	(42,192,958)	(67,553,096)	(64,889,058)
Total Capital Assets (net of depreciation)	<u>19,879,198</u>	<u>19,426,930</u>	<u>42,953,312</u>	<u>42,888,530</u>	<u>62,832,510</u>	<u>62,315,460</u>
Total Noncurrent Assets	<u>19,879,198</u>	<u>19,426,930</u>	<u>42,953,312</u>	<u>42,888,530</u>	<u>62,832,510</u>	<u>62,315,460</u>
Total Assets	<u>28,345,060</u>	<u>27,292,955</u>	<u>49,100,731</u>	<u>48,886,975</u>	<u>77,445,791</u>	<u>76,179,930</u>
DEFERRED OUTFLOWS OF RESOURCES						
Changes in pension plan assumptions	72,149	88,602	158,138	188,963	230,287	277,565
Difference between projected and actual earnings on pension plan investments	994,473	501,462	1,993,574	1,069,494	2,988,047	1,570,956
Difference between expected and actual experience	4,818	5,916	10,121	12,617	14,939	18,533
Total Deferred Outflows of Resources	<u>1,071,440</u>	<u>595,980</u>	<u>2,161,833</u>	<u>1,271,074</u>	<u>3,233,273</u>	<u>1,867,054</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	293,137	242,384	430,197	431,502	723,334	673,886
Accrued Salaries and Benefits	349,414	329,592	713,073	619,948	1,062,487	949,540
Compensated Absences	65,940	156,353	262,005	274,118	327,945	430,471
Revenue Collected in Advance	1,014,463	896,349	23,073	153,085	1,037,536	1,049,434
Total Current Liabilities	<u>1,722,954</u>	<u>1,624,678</u>	<u>1,428,348</u>	<u>1,478,653</u>	<u>3,151,302</u>	<u>3,103,331</u>
Noncurrent Liabilities:						
Compensated Absences	223,718	133,306	418,995	390,653	642,713	523,959
Net Other Post Employment Benefit Obligations	686,957	661,017	2,531,179	2,466,200	3,218,136	3,127,217
Net Pension Liability	1,688,586	1,464,243	3,629,395	3,209,089	5,317,981	4,673,332
Total Noncurrent Liabilities	<u>2,599,261</u>	<u>2,258,566</u>	<u>6,579,569</u>	<u>6,065,942</u>	<u>9,178,830</u>	<u>8,324,508</u>
Total Liabilities	<u>4,322,215</u>	<u>3,883,244</u>	<u>8,007,917</u>	<u>7,544,595</u>	<u>12,330,132</u>	<u>11,427,839</u>
DEFERRED INFLOWS OF RESOURCES						
Changes in pension plan assumptions	149,128	-	279,383	-	428,511	-
Difference between expected and actual experience	223,401	-	418,536	-	641,937	-
Total Deferred Inflows of Resources	<u>372,529</u>	<u>-</u>	<u>697,919</u>	<u>-</u>	<u>1,070,448</u>	<u>-</u>
NET POSITION						
Net Investment in Capital Assets	19,879,198	19,426,930	42,953,312	42,888,530	62,832,510	62,315,460
Unrestricted	4,842,558	4,578,761	(396,584)	(275,076)	4,445,974	4,303,685
Total Net Position	<u>\$ 24,721,756</u>	<u>\$ 24,005,691</u>	<u>\$ 42,556,728</u>	<u>\$ 42,613,454</u>	<u>\$ 67,278,484</u>	<u>\$ 66,619,145</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, 2016 and 2015

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2016	2015	2016	2015	2016	2015
Operating Revenues:						
Sales	\$ 552,860	\$ 567,467	\$ 2,063,089	\$ 2,133,192	\$ 2,615,949	\$ 2,700,659
Charges for Services	6,638,154	6,039,974	4,484,990	4,455,258	11,123,144	10,495,232
Rentals and Concessions	3,220,579	3,260,550	3,058,853	2,947,675	6,279,432	6,208,225
Total Operating Revenues	<u>10,411,593</u>	<u>9,867,991</u>	<u>9,606,932</u>	<u>9,536,125</u>	<u>20,018,525</u>	<u>19,404,116</u>
Operating Expenses:						
Cost of Goods Sold	348,488	375,685	1,251,366	1,335,438	1,599,854	1,711,123
Personnel Services	5,070,507	4,697,737	11,391,306	11,290,923	16,461,813	15,988,660
Supplies and Materials	764,192	653,247	1,485,453	1,749,886	2,249,645	2,403,133
Communications	48,675	47,928	470,762	542,324	519,437	590,252
Utilities	1,103,551	1,081,880	1,842,878	1,708,981	2,946,429	2,790,861
Maintenance	288,385	282,070	955,682	719,704	1,244,067	1,001,774
Contractual Services	613,806	830,338	692,264	703,209	1,306,070	1,533,547
Other Services and Charges	367,618	190,269	340,575	556,846	708,193	747,115
Administrative Services	-	-	315,300	290,700	315,300	290,700
Depreciation	1,153,949	1,241,603	1,924,328	2,662,796	3,078,277	3,904,399
Total Operating Expenses	<u>9,759,171</u>	<u>9,400,757</u>	<u>20,669,914</u>	<u>21,560,807</u>	<u>30,429,085</u>	<u>30,961,564</u>
Operating Income (Loss)	<u>652,422</u>	<u>467,234</u>	<u>(11,062,982)</u>	<u>(12,024,682)</u>	<u>(10,410,560)</u>	<u>(11,557,448)</u>
Non-Operating Revenues (Expenses):						
Investment Earnings	58,618	59,900	39,929	38,404	98,547	98,304
Loss on Disposal of Asset	5,025	(2,047)	-	-	5,025	(2,047)
Total Non-Operating Revenue (Expense)	<u>63,643</u>	<u>57,853</u>	<u>39,929</u>	<u>38,404</u>	<u>103,572</u>	<u>96,257</u>
Loss before Transfers	<u>716,065</u>	<u>525,087</u>	<u>(11,023,053)</u>	<u>(11,986,278)</u>	<u>(10,306,988)</u>	<u>(11,461,191)</u>
Contribution from General Government Assets	-	-	1,894,980	-	1,894,980	-
Transfers In	-	-	9,071,347	9,725,804	9,071,347	9,725,804
Total Contributions and Transfers	<u>-</u>	<u>-</u>	<u>10,966,327</u>	<u>9,725,804</u>	<u>10,966,327</u>	<u>9,725,804</u>
Change in Net Position	<u>716,065</u>	<u>525,087</u>	<u>(56,726)</u>	<u>(2,260,474)</u>	<u>659,339</u>	<u>(1,735,387)</u>
Total Net Position - Beginning	<u>24,005,691</u>	<u>23,480,604</u>	<u>42,613,454</u>	<u>44,873,928</u>	<u>66,619,145</u>	<u>68,354,532</u>
Total Net Position - Ending	<u>\$ 24,721,756</u>	<u>\$ 24,005,691</u>	<u>\$ 42,556,728</u>	<u>\$ 42,613,454</u>	<u>\$ 67,278,484</u>	<u>\$ 66,619,145</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

**Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2016 and 2015**

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,	
	2016	2015	2016	2015	2016	2015
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 10,321,255	\$ 9,496,086	\$ 9,476,910	\$ 9,649,936	\$ 19,798,165	\$ 19,146,022
Payments to Suppliers	(1,758,216)	(1,699,184)	(7,022,985)	(7,191,330)	(8,781,201)	(8,890,514)
Payments to Employees	(4,654,821)	(4,203,081)	(10,989,507)	(11,035,585)	(15,644,328)	(15,238,666)
Payments for Interfund Services Used	(248,512)	(323,601)	-	-	(248,512)	(323,601)
Payments for Administrative Charges	(1,742,005)	(1,697,555)	(315,300)	(290,700)	(2,057,305)	(1,988,255)
Net Cash Provided (Used) by Operating Activities	<u>1,917,701</u>	<u>1,572,665</u>	<u>(8,850,882)</u>	<u>(8,867,679)</u>	<u>(6,933,181)</u>	<u>(7,295,014)</u>
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	-	10,966,327	9,725,804	10,966,327	9,725,804
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>10,966,327</u>	<u>9,725,804</u>	<u>10,966,327</u>	<u>9,725,804</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(1,601,193)	(1,003,523)	(1,989,113)	(192,642)	(3,590,306)	(1,196,165)
Net Cash Used by Capital and Related Financing Activities	<u>(1,601,193)</u>	<u>(1,003,523)</u>	<u>(1,989,113)</u>	<u>(192,642)</u>	<u>(3,590,306)</u>	<u>(1,196,165)</u>
Cash Flows from Investing Activities:						
Interest on Investments	58,618	59,900	39,929	38,404	98,547	98,304
Net Increase in Cash and Cash Equivalents	375,126	629,042	166,261	703,887	541,387	1,332,929
Cash, Cash Equivalents and Restricted Cash, July 1	7,705,866	7,076,824	5,233,398	4,529,511	12,939,264	11,606,335
Cash, Cash Equivalents and Restricted Cash, June 30	<u>\$ 8,080,992</u>	<u>\$ 7,705,866</u>	<u>\$ 5,399,659</u>	<u>\$ 5,233,398</u>	<u>\$ 13,480,651</u>	<u>\$ 12,939,264</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 652,422	\$ 467,234	\$ (11,062,982)	\$ (12,024,682)	(10,410,560)	\$ (11,557,448)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,153,949	1,241,603	1,924,328	2,662,796	3,078,277	3,904,399
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	956	6,594	(10)	(1,209)	946	5,385
Due from County Government	(209,408)	2,333	-	-	(209,408)	2,333
Inventories, at Cost	(16,259)	(12,287)	17,297	(9,168)	1,038	(21,455)
Accounts Payable	50,753	76,965	(1,305)	134,228	49,448	211,193
Accrued Salaries and Benefits	19,822	64,852	93,125	33,756	112,947	98,608
Compensated Absences	-	16,627	16,229	(15,985)	16,229	642
Net Pension Obligation	121,412	44,957	227,469	95,881	348,881	140,838
Net Other Post Employment Obligations	25,940	44,619	64,979	141,686	90,919	186,305
Revenue Collected in Advance	118,114	(380,832)	(130,012)	115,018	(11,898)	(265,814)
Total Adjustments	<u>1,265,279</u>	<u>1,105,431</u>	<u>2,212,100</u>	<u>3,157,003</u>	<u>3,477,379</u>	<u>4,262,434</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,917,701</u>	<u>\$ 1,572,665</u>	<u>\$ (8,850,882)</u>	<u>\$ (8,867,679)</u>	<u>\$ (6,933,181)</u>	<u>\$ (7,295,014)</u>



Tucker Road Playground

INTERNAL SERVICE FUNDS

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

Capital Equipment Funds

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

Executive Building Fund

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

Employee Benefits Funds

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

Risk Management Fund

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

Commission Wide Initiatives Fund

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Internal Service Funds
Combining Statement of Net Position
For the Year Ended June 30, 2016

	MONTGOMERY COUNTY				PRINCE GEORGE'S COUNTY				COMMISSION WIDE FUNDS				Total June 30, 2016		
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Capital Equipment	Risk Management	Capital Equipment	Risk Management		Executive Building	Employee Benefits
ASSETS															
Current Assets:															
Equity in Pooled Cash and Investments	\$ 1,668,755	\$ 12,230,312	\$ 1,716,092	\$ 22,338,902	\$ 122,619	\$ 2,242,128	\$ 15,738,958	\$ 3,656,698	\$ 59,714,464						
Accounts Receivable	-	27,663	-	56,496	-	-	1,119,002	-	1,203,161						
Due from County Government	-	250,000	-	250,000	-	-	-	-	500,000						
Deposits and Other	-	-	-	-	-	-	601,360	-	601,360						
Total Current Assets	1,668,755	12,507,975	1,716,092	22,645,398	122,619	2,242,128	17,459,320	3,656,698	62,018,985						
Noncurrent Assets:															
Capital Assets:															
Land	-	-	-	-	-	748,497	-	-	748,497						
Buildings and Improvements	81,000	-	36,748	-	-	3,168,865	-	-	3,286,613						
Infrastructure	-	-	-	-	-	15,657	-	-	15,657						
Machinery, Equipment and Intangibles	27,898,807	123,590	5,500,232	738,713	1,633,900	415,227	-	2,039,875	38,350,344						
Less-Accumulated Depreciation	(20,652,028)	(122,963)	(1,897,199)	(738,713)	(979,106)	(2,582,721)	-	(1,152,407)	(28,125,137)						
Total Capital Assets (net of accumulated depreciation)	7,327,779	627	3,635,781	654,784	654,784	1,765,525	-	887,468	14,275,974						
Total Assets	8,996,534	12,508,602	5,355,873	22,645,398	777,413	4,007,653	17,459,320	4,544,166	76,294,959						
DEFERRED OUTFLOWS OF RESOURCES															
Changes in pension plan assumptions Difference between projected and actual earnings on pension plan investments	-	8,267	-	8,267	-	4,584	14,552	8,527	44,197						
Difference between expected and actual experience	-	115,407	-	115,407	-	58,186	206,418	107,598	603,016						
Total Deferred Outflows of Resources	-	124,226	-	124,226	-	306	221,941	116,695	650,164						
LIABILITIES															
Current Liabilities:															
Accounts Payable	211,115	219,598	95,503	219,599	1,950	45,140	262,170	236,284	1,291,359						
Current Portion of Claims Payable	-	1,583,455	-	2,582,719	-	-	2,065,828	3,025	6,232,002						
Accrued Salaries and Benefits	-	-	-	-	-	11,360	35,272	3,025	49,657						
Current Portion of Compensated Absences	-	14,319	-	14,318	-	3,047	20,791	-	52,475						
Revenue Collected in Advance	-	-	-	8,042	-	-	-	-	8,042						
Total Current Liabilities	211,115	1,817,372	95,503	2,824,678	1,950	59,547	2,384,061	239,309	7,633,535						
Noncurrent Liabilities:															
Claims Payable - Net of Current Portion	-	4,687,129	-	7,684,924	-	-	-	-	12,372,053						
Compensated Absences - Net of Current Portion	-	5,093	-	5,092	-	10,027	6,432	-	26,644						
Net Other Post Employment Benefit Obligations	-	212,029	-	212,029	-	52,455	30,546	19,105	526,164						
Net Pension Liability	-	183,283	-	183,284	-	96,891	325,288	179,730	968,476						
Total Noncurrent Liabilities	-	5,087,534	-	8,085,329	-	159,373	362,266	198,835	13,893,337						
Total Liabilities	211,115	6,904,906	95,503	10,910,007	1,950	218,920	2,746,327	438,144	21,526,872						
DEFERRED INFLOWS OF RESOURCES															
Changes in pension plan assumptions Difference between expected and actual experience	-	17,458	-	17,458	-	8,201	31,564	15,096	89,777						
Total Deferred Inflows of Resources	-	26,152	-	26,153	-	12,290	47,285	22,615	134,495						
NET POSITION															
Net Investment in Capital Assets	7,327,779	627	3,639,781	-	654,794	1,765,525	14,856,085	887,468	14,275,974						
Unrestricted	1,457,640	5,683,685	1,620,589	11,816,006	120,669	2,065,793	2,065,793	3,297,538	40,918,005						
Total Net Position	8,785,419	5,684,312	5,260,370	11,816,006	775,463	3,831,318	14,856,085	4,185,006	55,193,979						

Schedule 8

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Internal Service Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2016

	MONTGOMERY COUNTY				PRINCE GEORGE'S COUNTY				COMMISSION WIDE FUNDS				Total June 30, 2016			
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Capital Equipment	Risk Management	Capital Equipment	Risk Management		Executive Building	Employee Benefits	Commission Wide IT Initiatives
Operating Revenues:																
Charges for Services	2,778,329	2,770,200	2,584,000	4,189,600	148,300	1,187,247	33,436,474	673,704								47,767,854
Claim Recoveries	-	544,877	-	391,844	-	-	-	-	-	-	-	-	-	-	-	936,721
Total Operating Revenues	2,778,329	3,315,077	2,584,000	4,581,444	148,300	1,187,247	33,436,474	673,704								48,704,575
Operating Expenses:																
Personal Services	-	399,798	-	399,798	-	186,748	715,052	94,857								1,796,253
Supplies and Materials	-	31,052	15,023	31,053	57,775	36,012	-	34,665								205,580
Other Contractual Services	-	340,097	-	533,515	-	-	347,430	-								1,221,042
Claims Incurred	-	1,855,096	-	3,044,440	-	-	23,156,276	-								28,055,812
Insurance	-	122,746	-	192,552	-	-	7,746,362	-								8,061,660
Other Services and Charges	31,500	408,447	89,757	376,277	63,454	344,347	323,740	824,844								2,462,366
Depreciation	1,664,879	1,252	703,042	-	171,737	165,984	-	188,017								2,894,911
Total Operating Expenses	1,696,379	3,158,488	807,822	4,577,635	292,966	733,091	32,288,860	1,142,383								44,697,624
Operating Income (Loss)	1,081,950	156,589	1,776,178	3,809	(144,666)	454,156	1,147,614	(468,679)								4,006,951
Nonoperating Revenues (Expenses):																
Interest Income	4,253	42,451	4,793	74,759	293	7,181	60,266	13,697								207,693
Gain (Loss) on Disposal of Asset	136,583	-	-	-	(81,200)	-	-	(16,192)								39,191
Total Nonoperating Revenues (Expenses)	140,836	42,451	4,793	74,759	(80,907)	7,181	60,266	(2,495)								246,884
Income (Loss) Before Contributions and Transfers	1,222,786	199,040	1,780,971	78,568	(225,573)	461,337	1,207,880	(471,174)								4,253,835
Contributions and Transfers In (Out) :																
Transfers	200,342	-	-	-	-	-	-	(200,342)								-
Transfers (Out)	(805,550)	-	-	-	-	-	-	-								(805,550)
Net Operating Transfers	(605,208)	-	-	-	-	-	-	(200,342)								(805,550)
Change in Net Position	617,578	199,040	1,780,971	78,568	(225,573)	461,337	1,207,880	(671,516)								3,448,285
Total Net Position, July 1, as restated	8,167,841	5,485,272	3,479,399	11,737,438	1,001,036	3,369,981	13,648,205	4,856,522								51,745,694
Total Net Position, June 30	8,785,419	5,694,312	5,260,370	11,816,006	775,463	3,831,318	14,856,085	4,185,006								55,193,979

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 9

**Combining Statement of Cash Flows - Internal Service Funds
For the Year Ended June 30, 2016**

	MONTGOMERY COUNTY		PRINCE GEORGE'S COUNTY		COMMISSION WIDE FUNDS					
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	TOTAL	
Cash Flows from Operating Activities:										
Receipts from Customers and Users	\$ 2,778,329	\$ 3,287,412	\$ 2,584,000	\$ 4,523,430	\$ 148,300	\$ 1,187,247	\$ 33,392,929	\$ 673,704	\$ 48,575,351	
Payments to Suppliers	207,294	(2,154,574)	4,335	(2,795,931)	(121,562)	(328,972)	(31,299,397)	(1,005,315)	(37,494,122)	
Payments to Employees	-	(379,821)	-	(379,820)	-	(195,713)	(703,148)	(81,876)	(1,740,378)	
Payments for Interfund Services Used	(31,500)	(269,446)	(19,700)	(269,447)	-	-	(323,740)	-	(913,833)	
Net Cash Provided (Used) by Operating Activities	2,954,123	483,571	2,568,635	1,078,232	26,738	662,562	1,066,644	(413,487)	8,427,018	
Cash Flows from Noncapital Financing Activities:										
Transfers Out to Other Funds	(605,208)	-	-	-	-	-	-	(200,342)	(805,550)	
Net Cash Flows from Noncapital Financing Activities	(605,208)	-	-	-	-	-	-	(200,342)	(805,550)	
Cash Flows from Capital and Related Financing Activities:										
Acquisition of Capital Assets	(2,927,609)	-	(2,437,622)	-	(142,888)	(15,657)	-	-	(5,523,776)	
Net Cash Used by Capital and Related Financing Activities	(2,927,609)	-	(2,437,622)	-	(142,888)	(15,657)	-	-	(5,523,776)	
Cash Flows from Investing Activities:										
Interest on Investments	4,253	42,451	4,793	74,759	293	7,181	60,266	13,697	207,693	
Net Increase (Decrease) in Cash and Cash Equivalents	(574,441)	526,022	135,806	1,152,991	(115,857)	654,086	1,126,910	(600,132)	2,305,385	
Cash and Cash Equivalents, July 1	2,243,196	11,704,290	1,580,286	21,185,911	238,476	1,588,042	14,612,048	4,256,830	57,409,079	
Cash and Cash Equivalents, June 30	<u>\$ 1,668,755</u>	<u>\$ 12,230,312</u>	<u>\$ 1,716,092</u>	<u>\$ 22,338,902</u>	<u>\$ 122,619</u>	<u>\$ 2,242,128</u>	<u>\$ 15,738,958</u>	<u>\$ 3,656,698</u>	<u>\$ 59,714,464</u>	
Operating Income (Loss)	\$ 1,081,950	\$ 156,589	\$ 1,776,178	\$ 3,809	\$ (144,666)	\$ 454,156	\$ 1,147,614	\$ (468,679)	\$ 4,006,951	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:										
Depreciation	1,664,879	1,252	703,042	-	171,737	165,984	-	188,017	2,894,911	
Effect of Changes in Assets and Liabilities in:										
Accounts Receivable	-	(27,664)	-	50,581	-	-	(43,545)	-	(20,628)	
Accounts Payable	207,294	195,639	89,415	195,639	(333)	51,387	(528,348)	(145,806)	64,887	
Claims Payable	-	137,778	-	916,820	-	-	479,019	-	1,533,617	
Accrued Salaries and Benefits	-	-	-	-	-	1,591	(917)	536	1,210	
Compensated Absences	-	534	-	536	-	(18,964)	(19,647)	-	(37,541)	
Revenue Collected in Advance	-	-	-	(108,595)	-	6,676	25,700	-	(108,595)	
Net Pension Liability	-	14,213	-	14,214	-	6,676	25,700	12,291	73,094	
Net Other Post Employment Obligations	-	5,230	-	5,228	-	1,732	6,768	154	19,112	
Total Adjustments	1,872,173	326,982	792,457	1,074,423	171,404	208,406	(80,970)	55,192	4,420,067	
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,954,123</u>	<u>\$ 483,571</u>	<u>\$ 2,568,635</u>	<u>\$ 1,078,232</u>	<u>\$ 26,738</u>	<u>\$ 662,562</u>	<u>\$ 1,066,644</u>	<u>\$ (413,487)</u>	<u>\$ 8,427,018</u>	



Young men playing chess at Festival Day in Burtonsville

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, 2016

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Montgomery County	Prince George's County	Total Private Purpose Trust Funds	Montgomery	Prince George's	Total Agency Funds	
ASSETS										
Equity in Pooled Cash and Investments	\$ -	\$ 1,220,333	\$ 1,220,333	\$ 9,876,876	\$ 9,406,211	\$ 19,283,087	\$ 1,157,183	\$ 7,587	\$ 1,164,770	
Cash	22,229	-	22,229	-	-	-	-	-	-	
Fixed Income Securities	205,713,476	13,787,563	219,501,039	-	-	-	-	-	-	
International Fixed Income Securities	3,560,907	-	3,560,907	-	-	-	-	-	-	
Venture Capital/Alternative Investments	73,242,760	-	73,242,760	-	-	-	-	-	-	
Corporate Stock	323,720,189	-	323,720,189	-	-	-	-	-	-	
International Corporate Stock	74,839,195	-	74,839,195	-	-	-	-	-	-	
Real Estate Investments	67,750,239	832,055	68,582,294	-	-	-	-	-	-	
Short Term Investments	29,510,641	-	29,510,641	-	-	-	-	-	-	
Mutual Funds	-	33,358,534	33,358,534	-	-	-	-	-	-	
Collateral for Securities Lending	-	-	-	-	-	-	-	-	-	
Transactions	38,265,355	-	38,265,355	-	-	-	-	-	-	
Accounts Receivable	297,449	-	297,449	-	-	-	-	-	-	
Accrued Income on Investments	717,403	-	717,403	-	-	-	-	-	-	
Land Held for Other Governments	-	-	-	47,498,083	17,921,342	65,419,425	-	-	-	
Other	51,800	-	51,800	-	-	-	-	-	-	
Total Assets	817,691,643	49,198,485	866,890,128	57,374,959	27,327,553	84,702,512	1,157,183	7,587	1,164,770	
LIABILITIES										
Investments Payable	1,397,489	-	1,397,489	-	-	-	-	-	-	
Accounts Payable	1,085,188	604,034	1,689,222	-	83	83	-	-	-	
Claims Payable	-	620,022	620,022	-	-	-	-	-	-	
Obligation for Collateral Received under Securities Lending Transactions	38,870,542	-	38,870,542	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	-	-	-	
Total Liabilities	41,353,219	1,224,056	42,577,275	-	83	83	1,157,183	7,587	1,164,770	
NET POSITION										
Assets Held in Trust for:										
Land Held for Transfer	-	-	-	47,514,643	17,921,342	65,435,985	-	-	-	
Pension Benefits	776,338,424	-	776,338,424	-	-	-	-	-	-	
Other Postemployment Benefits	-	47,974,429	47,974,429	-	-	-	-	-	-	
Other Purposes	-	-	-	9,860,316	9,406,128	19,266,444	-	-	-	
Total Net Position	\$ 776,338,424	\$ 47,974,429	\$ 824,312,853	\$ 57,374,959	\$ 27,327,470	\$ 84,702,429	\$ -	\$ -	\$ -	

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, 2016

	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	\$ 27,191,305	\$ 15,812,653	\$ 43,003,958	\$ -	\$ -	\$ -	\$ -
Plan Members	6,418,154	-	6,418,154	-	-	-	-
Plan Members for Current Benefits	-	2,522,481	2,522,481	-	-	-	-
Private Donations	-	-	-	3,578	3,578	13,509	17,087
Total Contributions	33,609,459	18,335,134	51,944,593	3,578	13,509	17,087	17,087
Contributions from Commission Debt Service Funds	-	-	-	1,663,867	774	1,664,641	-
Federal Grants - Medicare	-	1,034,165	1,034,165	-	-	-	-
Investment Earnings:							
Interest	7,105,900	39	7,105,939	28,868	29,044	57,912	-
Dividends	2,144,205	473,636	2,617,841	-	-	-	-
Net Increase/(decrease) in the Fair Value of Investments	(10,886,208)	(2,246,931)	(13,133,139)	-	-	-	-
Total Investment Earnings	(1,636,103)	(1,773,256)	(3,409,359)	28,868	29,044	57,912	-
Less Investment Advisory and Management Fees	(3,344,453)	-	(3,344,453)	-	-	-	-
Net Income from Investing Activities	(4,980,556)	(1,773,256)	(6,753,812)	28,868	29,044	57,912	-
Securities Lending Activity							
Securities Lending Income	204,993	-	204,993	-	-	-	-
Securities Lending Fees	(75,963)	-	(75,963)	-	-	-	-
Net Income from Securities Lending Activity	129,030	-	129,030	-	-	-	-
Total Net Investment Income	(4,851,526)	(1,773,256)	(6,624,782)	28,868	29,044	57,912	-
Total Additions and Investment Income	28,757,933	17,596,043	46,353,976	1,696,313	43,327	1,739,640	-
DEDUCTIONS:							
Benefits	42,257,685	14,289,367	56,547,052	-	-	-	-
Refunds of Contributions	461,116	-	461,116	-	-	-	-
Administrative expenses	1,696,334	-	1,696,334	-	-	-	-
Other	-	-	-	37,043	(78,308)	(41,265)	-
Total Deductions	44,415,135	14,289,367	58,704,502	37,043	(78,308)	(41,265)	-
Change in Net Position	(15,657,202)	3,306,676	(12,350,526)	1,659,270	121,635	1,780,905	-
Net Position - Beginning	791,995,626	44,667,753	836,663,379	55,715,689	27,205,835	82,921,524	-
Net Position - Ending	776,338,424	47,974,429	824,312,853	57,374,959	27,327,470	84,702,429	-

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, 2016

	July 1, 2015	Additions	Deductions	June 30, 2016
MONTGOMERY COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,016,968	\$ 140,215	\$ -	\$ 1,157,183
Total Current Assets	\$ 1,016,968	\$ 140,215	\$ -	\$ 1,157,183
LIABILITIES				
Deposits	\$ 1,016,968	\$ 140,215	\$ -	\$ 1,157,183
Total Current Liabilities	\$ 1,016,968	\$ 140,215	\$ -	\$ 1,157,183
PRINCE GEORGE'S COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 3,336	\$ 4,251	\$ -	\$ 7,587
Total Current Assets	\$ 3,336	\$ 4,251	\$ -	\$ 7,587
LIABILITIES				
Deposits	\$ 3,336	\$ 4,251	\$ -	\$ 7,587
Total Current Liabilities	\$ 3,336	\$ 4,251	\$ -	\$ 7,587
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,020,304	\$ 144,466	\$ -	\$ 1,164,770
Total Current Assets	\$ 1,020,304	\$ 144,466	\$ -	\$ 1,164,770
LIABILITIES				
Deposits	\$ 1,020,304	\$ 144,466	\$ -	\$ 1,164,770
Total Current Liabilities	\$ 1,020,304	\$ 144,466	\$ -	\$ 1,164,770

◆ PART III ◆

STATISTICAL SECTION



Montpelier Historic Landmark



STATISTICAL SECTION

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

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

	Net Position by Category (1) Last Ten Fiscal Years Entity-wide Basis									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 416,140,797	\$ 456,767,669	\$ 492,930,779	\$ 536,147,424	\$ 569,890,944	\$ 611,517,276	\$ 653,877,083	\$ 693,097,777	\$ 736,481,893	\$ 788,265,017
Unrestricted	201,822,613	253,129,079	282,047,368	282,484,768	257,331,391	246,549,209	255,869,413	235,827,877	150,941,241	160,074,081
Subtotal Governmental Activities Net Position	617,963,410	709,896,748	774,978,147	818,632,192	827,222,335	858,066,485	909,746,496	928,925,654	887,423,134	928,339,098
Business-type Activities:										
Net Investment in Capital Assets	81,455,721	79,384,327	77,400,952	75,033,816	72,823,330	70,761,443	68,756,299	65,025,744	62,315,460	62,832,510
Unrestricted	3,881,454	2,763,707	1,855,610	1,754,184	1,781,166	2,835,118	4,105,493	5,596,649	4,303,685	4,445,974
Subtotal Business-type Activities Net Position	85,337,175	82,148,034	79,256,562	76,788,000	74,604,496	73,596,561	72,861,792	70,622,393	66,619,145	67,278,484
Primary Government:										
Net Investment in Capital Assets	497,596,518	536,151,996	570,331,731	611,181,240	642,714,274	682,278,719	722,633,382	758,123,521	798,797,353	831,097,527
Unrestricted	205,704,067	255,892,786	283,902,978	284,238,952	259,112,557	249,384,327	259,974,906	241,424,526	155,244,926	164,520,055
Total Government Net Position	\$ 703,300,585	\$ 792,044,782	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831	\$ 931,663,046	\$ 982,608,288	\$ 999,548,047	\$ 954,042,279	\$ 995,617,582

(1) Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net positions are considered restricted only when an external party places a restriction on how the resources may be used. FY14 was not restated per GASB 68.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-2

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Government	\$ 15,062,982	\$ 17,397,550	\$ 18,875,258	\$ 19,765,804	\$ 18,965,709	\$ 18,141,138	\$ 16,859,031	\$ 17,923,030	\$ 21,133,262	\$ 18,943,664
County Planning and Zoning	39,150,300	48,649,825	60,370,641	58,695,074	55,915,753	56,148,279	45,516,295	58,969,504	49,147,835	57,308,580
Park Operations and Maintenance	145,957,331	165,753,521	181,359,243	224,848,872	232,698,656	200,435,112	199,288,578	204,795,846	227,849,560	243,036,037
Recreation Programs	46,907,997	52,688,859	68,011,470	68,427,714	68,827,893	65,883,047	55,799,559	66,430,209	65,247,292	50,263,579
Interest on Long-term Debt	5,693,542	5,902,190	5,211,728	4,295,266	3,830,828	3,403,501	3,097,948	3,413,225	3,899,873	4,048,509
Subtotal Governmental Activities	292,772,152	290,391,945	333,828,340	376,032,730	380,238,839	344,011,077	320,561,411	351,131,814	367,277,822	373,600,369
Business-type Activities:										
Recreational and Cultural Facilities	28,861,349	30,626,723	30,899,133	30,924,994	30,999,452	31,821,425	29,529,919	31,055,261	30,963,611	30,424,060
Total Government Expenses	281,633,501	321,018,668	364,727,473	406,957,724	411,238,291	375,832,502	350,091,330	382,187,075	398,241,433	404,024,429
Program Revenues										
Governmental Activities:										
County Planning and Zoning	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,665,238
Park Operations and Maintenance	29,863,255	46,784,968	26,817,062	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304
Recreation Programs	12,445,128	12,452,371	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306
Subtotal Governmental Activities	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848
Business-type Activities:										
Recreational and Cultural Facilities	19,705,376	18,078,627	18,269,548	18,722,911	18,984,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505
Total Government Program Revenues	68,486,379	82,053,633	63,297,588	65,943,963	70,100,693	67,329,865	72,981,295	77,420,064	90,269,919	92,017,353
Net Government Expenses	(213,147,122)	(238,965,035)	(301,429,885)	(341,013,761)	(341,137,598)	(308,502,637)	(277,110,035)	(304,767,011)	(307,971,514)	(312,007,076)
General Revenues and Other Changes in Net Position										
Governmental Activities	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407
Business-type Activities	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951	8,640,090	8,958,644	9,824,108	9,169,894
Total Primary Government	286,608,722	327,709,232	363,619,812	382,199,244	347,544,236	338,338,851	328,055,277	321,706,770	327,720,309	353,590,301
Change in Net Position	74,544,040	91,933,338	65,081,399	43,654,045	8,590,142	30,844,149	51,680,011	19,179,158	21,484,182	40,923,886
Governmental Activities	(1,082,440)	(3,189,141)	(2,891,472)	(2,468,562)	(2,163,504)	(1,007,935)	(734,769)	(2,239,399)	(1,735,387)	659,339
Business-type Activities	73,461,600	88,744,197	62,189,927	41,185,483	6,406,638	29,836,214	50,945,242	16,939,759	19,748,795	41,583,225
Total Primary Government	72,379,160	85,555,056	59,298,455	38,716,921	4,243,134	28,828,279	49,910,473	14,700,410	18,013,408	42,166,614

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues										
Governmental Activities:										
County Planning and Zoning										
Charges for services	\$ 5,703,337	\$ 3,612,794	\$ 3,257,841	\$ 2,851,449	\$ 3,127,500	\$ 5,283,065	\$ 4,684,322	\$ 2,798,897	\$ 4,031,622	\$ 3,846,984
Operating grants and contributions	749,283	1,124,883	1,419,179	638,868	890,692	1,437,007	1,743,452	885,853	978,321	818,254
Total County Planning and Zoning	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,665,238
Park Operations and Maintenance										
Charges for services	5,553,868	5,473,310	5,381,156	5,048,728	5,830,735	6,475,293	6,627,653	7,467,087	7,670,790	8,075,175
Operating grants and contributions	1,122,332	1,272,686	891,923	1,894,538	1,286,151	2,469,032	3,891,896	4,091,322	4,078,663	4,837,912
Capital grants and contributions	23,207,955	40,038,962	20,544,003	23,662,201	26,190,310	16,656,522	21,825,501	26,872,184	39,512,128	37,217,217
Total Park Operations and Maintenance	29,883,255	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304
Recreation Programs										
Charges for services	12,052,358	11,916,298	12,725,930	12,819,658	13,388,956	14,035,495	13,807,912	14,624,585	14,259,526	14,986,083
Operating grants and contributions	392,770	536,073	808,008	305,610	389,580	357,912	445,499	822,918	334,753	322,223
Total Recreation Programs	12,445,128	12,452,371	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306
Total Governmental Activities	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848
Business-type Activities:										
Recreational and Cultural Facilities										
Charges for services	19,286,008	17,926,991	18,177,611	18,572,911	18,992,169	20,284,112	19,943,177	19,790,531	19,404,116	20,018,525
Operating grants and contributions	146,596	151,636	91,937	150,000	2,600	-	11,883	66,687	-	-
Capital grants and contributions	272,172	-	-	-	-	331,427	-	-	-	1,894,980
Total Recreational and Cultural Facilities	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505
Total Government Program Revenues	\$ 68,486,379	\$ 82,053,633	\$ 63,297,588	\$ 65,943,963	\$ 70,100,693	\$ 67,329,865	\$ 72,981,295	\$ 77,420,064	\$ 90,269,919	\$ 92,017,353
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 272,927,451	\$ 313,813,140	\$ 354,329,623	\$ 380,067,118	\$ 345,841,894	\$ 336,318,601	\$ 327,652,882	\$ 320,703,674	\$ 326,435,823	\$ 352,283,467
Unrestricted Investment Earnings	13,361,838	13,601,237	9,152,076	2,097,505	1,670,713	1,971,299	388,205	966,672	1,186,182	1,208,287
Transfers	(7,754,100)	(9,064,100)	(9,599,900)	(9,698,900)	(9,789,500)	(10,149,000)	(8,825,900)	(8,922,220)	(9,725,804)	(9,071,347)
Total Governmental Activities	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407
Business-type Activities										
Unrestricted Investment Earnings	319,433	294,855	138,213	34,621	31,629	48,951	14,190	36,424	96,304	98,547
Transfers	7,754,100	9,064,100	9,599,900	9,698,900	9,789,500	10,149,000	8,825,900	8,922,220	9,725,804	9,071,347
Total Business-type Activities	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894
Total Primary Government	\$ 286,608,722	\$ 327,709,232	\$ 363,619,812	\$ 382,199,244	\$ 347,544,236	\$ 338,338,851	\$ 328,055,277	\$ 321,706,770	\$ 327,720,309	\$ 353,590,301

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (1)
General Fund										
Reserved	\$ 19,064,712	\$ 21,618,725	\$ 31,406,415							
Unreserved, reported in:										
Montgomery Administration Account	2,870,039	2,149,543	3,133,034							
Montgomery Park Account	7,240,864	10,702,580	7,548,971							
Prince George's Administration Account	15,888,797	18,658,565	14,420,070							
Prince George's Park Account	54,213,314	64,078,004	56,642,003							
Prince George's Recreation Account	23,875,520	33,487,704	30,404,917							
Total General Fund	123,153,246	150,695,121	143,555,410							
All Other Governmental Funds										
Reserved	27,311,293	25,013,746	29,845,493							
Unreserved (deficit), reported in:										
Special Revenue Funds	9,421,909	6,992,786	5,340,039							
Capital Projects Funds	40,535,220	69,407,232	110,264,080							
Total All Other Governmental Funds	77,268,422	101,413,764	145,449,612							
Total All Governmental Funds	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022							
General Fund										
Committed	\$ 20,087,780	\$ 24,964,873	\$ 22,569,621	\$ 40,161,623	\$ 34,526,773	\$ 38,094,884	\$ 44,020,683			
Assigned	16,343,650	19,271,830	4,539,255	45,483,383	43,892,210	10,096,236	7,617,518			
Unassigned	99,092,516	92,831,681	135,512,477	157,066,229	131,532,584	141,069,582	173,398,306			
Total General Fund	135,523,946	137,068,384	162,621,353	242,711,235	209,951,567	189,260,702	225,036,507			
All Other Governmental Funds										
Nonspendable										
Restricted	23,712	6,372,978	4,721,415	3,012,510	441,934	441,934	709,067			
Committed	46,032,175	47,780,344	41,712,327	44,051,299	58,578,026	73,077,026	11,520,094			
Assigned	131,465,297	129,601,078	121,437,924	53,920,956	39,895,940	39,895,940	90,931,936			
Unassigned	(11,055,627)	(17,525,176)	(20,735,656)	(21,738,490)	(28,741,034)	(28,741,034)	(35,701,052)			
Total All Other Governmental Funds	166,465,557	166,229,224	147,136,010	79,246,275	117,985,320	95,475,598	80,639,883			
Total All Governmental Funds	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363	\$ 321,957,510	\$ 327,936,887	\$ 284,736,300	\$ 305,676,390			

(1) The increase in 2016 total governmental fund balance in comparison with the prior year is explained in Management's Discussion and Analysis.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-5

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$ 273,443,221	\$ 313,628,421	\$ 353,966,263	\$ 380,292,455	\$ 345,254,763	\$ 337,691,448	\$ 326,432,203	\$ 320,991,095	\$ 326,780,905	\$ 351,693,057
Intergovernmental	20,395,468	38,609,800	17,411,704	20,281,231	27,617,494	18,123,050	23,361,183	24,926,111	29,264,973	36,293,326
Charges for Services	13,302,886	11,457,579	11,572,219	11,024,346	11,614,064	14,395,378	13,876,989	12,690,918	13,785,655	14,240,682
Rentals and Concessions	8,872,522	8,977,209	9,017,218	8,929,138	9,759,475	10,102,872	10,381,093	11,274,636	11,118,577	11,873,440
Interest	10,582,784	10,996,141	7,565,096	1,816,538	1,421,095	1,723,915	312,015	845,032	985,395	1,000,594
Miscellaneous	2,004,402	1,749,098	3,666,197	3,260,261	1,321,762	2,239,456	1,665,051	2,029,981	2,049,264	3,395,932
Total Revenues	328,601,283	385,418,248	403,198,697	425,603,965	396,988,653	384,282,119	376,028,534	372,757,773	383,984,769	418,497,031
Expenditures										
General Government	15,307,979	16,809,827	18,355,098	18,760,282	16,900,334	17,286,400	16,888,747	17,915,857	20,711,512	18,269,180
Planning and Zoning	39,453,463	47,993,136	57,139,743	56,761,092	51,677,578	53,490,374	45,431,143	59,145,520	48,366,254	55,499,233
Park Operations and Maintenance	131,788,561	148,113,743	162,803,732	201,163,727	185,124,386	168,990,977	176,450,186	191,014,322	201,201,932	202,138,039
Recreation	45,466,125	51,245,007	66,011,514	66,071,567	64,079,717	63,824,544	55,118,442	68,442,367	64,802,563	64,044,034
Contributions	1,269,884	662,451	899,223	1,012,532	943,482	21,125	-	-	1,465,716	1,664,641
Debt Service										
Principal	11,630,000	13,131,800	13,705,849	13,181,597	14,172,757	11,999,335	11,719,539	10,741,975	12,094,850	10,433,171
Interest	5,321,528	5,504,890	5,065,685	4,223,697	3,888,860	3,361,761	3,218,877	2,984,223	3,687,985	3,252,466
Other Debt Service Costs	258,155	87,937	178,835	113,412	(95,874)	427,602	10,860	539,209	30,197	435,015
Capital Projects	39,382,789	40,868,140	37,968,742	41,632,678	49,199,758	59,679,383	46,159,542	49,513,661	65,106,465	67,476,263
Total Expenditures	289,878,484	324,416,931	362,088,421	402,920,584	385,890,998	379,081,501	354,997,336	400,297,134	417,467,474	423,212,042
Other Financing Sources (Uses)										
Proceeds from General Obligation Bonds	13,600,000	17,300,000	5,250,000	-	-	10,500,000	-	40,565,000	-	31,500,000
Refunding Bonds Issued	-	(17,300,000)	8,405,000	14,080,000	-	16,425,000	-	-	-	12,515,000
Loan Issued	284,000	-	-	-	-	-	-	-	-	-
Premiums on Bonds Issued	93,709	-	381,617	769,574	-	2,614,073	-	1,870,807	-	3,955,202
Payment to Refunding Bond Escrow Account	-	-	(8,650,856)	(14,849,574)	-	(18,130,936)	-	-	-	(14,041,382)
Transfers In	46,882,822	54,409,188	84,117,596	62,185,114	41,616,423	28,262,071	66,307,473	38,972,506	33,406,016	43,733,117
Transfers Out	(54,636,922)	(63,723,288)	(93,717,496)	(71,884,014)	(51,405,973)	(38,411,071)	(75,133,373)	(47,894,726)	(43,131,820)	(51,998,914)
Total Other Financing Sources (Uses)	6,223,609	(9,314,100)	(4,214,139)	(9,698,900)	(9,789,550)	1,259,137	(8,825,900)	33,513,587	(9,725,804)	25,663,023
Net Change in Fund Balances	44,946,408	51,667,217	36,896,137	12,984,481	1,308,105	6,459,755	12,205,298	5,974,226	(43,208,509)	20,948,012
Beginning Fund Balance	155,475,260	200,421,668	252,108,885	289,005,022	301,989,503	303,297,608	309,757,363	321,962,661	327,936,887	284,728,378
Ending Fund Balance	200,421,668	252,108,885	289,005,022	301,989,503	303,297,608	309,757,363	321,962,661	327,936,887	284,728,378	305,676,390
Debt Service as a Percentage of Noncapital Expenditures	6.77%	6.56%	5.86%	4.84%	5.20%	4.72%	4.79%	3.89%	4.43%	3.79%

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		
2007	\$ 125,710,776	\$ 131,634,320	0.902	\$ 3,948,950	2.244	\$ 129,659,726	\$ 135,583,270	95.63	
2008	142,306,436	145,210,649	0.902	3,970,547	2.241	146,276,983	149,181,196	98.05	
2009	158,133,491	164,038,892	0.902	3,920,171	2.241	162,053,662	167,959,063	96.48	
2010	167,096,844	175,153,924	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	171,646,985	193,664,781	88.63	
2012	162,197,150	174,593,272	0.947	3,718,946	2.357	165,916,096	178,312,218	93.05	
2013	158,272,831	170,369,032	0.981	3,604,479	2.463	161,877,310	173,973,511	93.05	
2014	159,891,865	174,554,438	1.008	3,709,328	2.509	163,601,193	178,263,766	91.77	
2015	163,656,758	177,117,704	0.995	3,655,133	2.477	167,311,891	180,772,837	92.55	
2016	170,176,446	184,173,643	0.986	3,884,349	2.450	174,060,795	188,057,992	92.56	

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		
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	
2014	73,012,715	74,563,618	0.897	2,731,340	2.268	75,744,055	77,294,958	97.99	
2015	73,863,286	76,307,098	0.902	2,884,495	2.278	76,747,781	79,191,593	96.91	
2016	76,419,813	80,392,826	0.945	2,966,106	2.372	79,385,919	83,358,932	95.23	

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

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

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

M-NCPPC TAXES

MONTGOMERY COUNTY (1)

Fiscal Year	Administration		Park Operations	Advance Land Acquisition	Total	County-wide Property Taxes	
						Within County	Total
2007	\$	0.0200/0.0500	\$ 0.0570/0.1430	\$ 0.0010/0.0030	\$ 0.0780/0.1960	\$ 0.8240/2.0480	\$ 0.9020/2.2440
2008		0.0190/0.0470	0.0580/0.1450	0.0010/0.0030	0.0780/0.1950	0.8240/2.0460	0.9020/2.2410
2009		0.0190/0.0470	0.0530/0.1320	0.0010/0.0030	0.0730/0.1820	0.8290/2.0590	0.9020/2.2410
2010		0.0180/0.0450	0.0500/0.1250	0.0010/0.0030	0.0690/0.1730	0.8350/2.0740	0.9040/2.2470
2011		0.0150/0.0380	0.0450/0.1120	0.0010/0.0030	0.0610/0.1530	0.8430/2.0940	0.9040/2.2470
2012		0.0170/0.0430	0.0480/0.1200	0.0010/0.0030	0.0660/0.1660	0.8810/2.1910	0.9470/2.3570
2013		0.0180/0.0450	0.0540/0.1350	0.0010/0.0030	0.0730/0.1830	0.9170/2.2800	0.9900/2.4630
2014		0.0180/0.0450	0.0530/0.1330	0.0010/0.0030	0.0720/0.1810	0.9360/2.3280	1.0080/2.5090
2015		0.0170/0.0430	0.0560/0.1400	0.0010/0.0030	0.0740/0.1860	0.9207/2.2873	0.9947/2.4733
2016		0.0180/0.0450	0.0552/0.1380	0.0010/0.0025	0.0742/0.1855	0.9116/2.2643	0.9858/2.4498

PRINCE GEORGE'S COUNTY (1)

Fiscal Year	Administration		Park Operations	Recreation	Advance Land Acquisition	Total	County-wide Property Taxes	
							Within County	Total
2007	\$	0.0466/0.1165	\$ 0.1719/0.4298	\$ 0.0592/0.1480	\$ 0.0013/0.0032	\$ 1.1165/2.7916	\$ 1.3955/3.4891	
2008		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	1.1069/2.8069	1.3859/3.5044	
2009		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	1.0986/2.7740	1.3776/3.4715	
2010		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	1.0915/2.7524	1.3705/3.4499	
2011		0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	1.0918/2.4800	1.3708/3.1775	
2012		0.0466/0.1165	0.1719/0.4298	0.0605/0.1512	0.0000/0.0000	1.0974/2.4800	1.3764/3.1775	
2013		0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	1.0948/2.7630	1.3738/3.4605	
2014		0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	1.0891/2.7484	1.3681/3.4459	
2015		0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	1.0939/2.7580	1.3729/3.4555	
2016		0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	1.3711/2.8523	1.6651/3.5873	

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	2016			2007		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Potomac Electric Power Company	\$ 825,783,493	1	0.47 %	\$ 705,060,996	1	0.54 %
Federal Realty Investment Trust	577,517,398	2	0.33	-	-	-
Washington Metropolitan Area Transit Authority	352,330,267	3	0.20	-	-	-
Verizon - Maryland	336,926,560	4	0.19	670,608,660	2	0.52
Montgomery Mall LLC	335,389,300	5	0.19	335,367,236	3	0.26
Street Retail Inc.	299,542,445	6	0.17	-	-	-
Chevy Chase Land Co	298,395,235	7	0.17	213,530,560	5	0.16
Washington Gas Light Company	277,048,240	8	0.16	229,028,830	4	0.18
WP Project Developer LLC	254,225,902	9	0.15	-	-	-
Wheaton Plaza Reg Shopping Center	226,272,500	10	0.14	174,942,430	8	0.13
Mirant Mid-Atlantic LLC	-	-	-	198,571,702	6	0.15
7501 Wisconsin Ave LLC	-	-	-	198,508,332	7	0.15
Bryant F. Foulger, Trustee	-	-	-	174,503,400	9	0.13
Camalier, Anne D et al, Trustee	-	-	-	172,456,415	10	0.13
Total	\$ 3,783,431,340		2.17 %	\$ 3,072,578,561		2.37 %
Total Assessable Base	\$ 174,060,795,069		100.00 %	\$ 129,659,725,668		100.00 %

PRINCE GEORGE'S COUNTY

Taxpayer	2016			2007		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Potomac Electric Power Company	\$ 605,735,180	1	0.77 %	\$ 410,699,262	2	0.65 %
Gaylord National, LLC	568,000,000	2	0.72	-	-	-
Verizon Maryland	281,655,140	3	0.35	386,977,640	3	0.61
Empirian Village of Maryland, LLC	271,389,670	4	0.34	-	-	-
Washington Gas Light Company	255,900,780	5	0.32	199,172,318	4	0.31
JKC Stadium (FedEx Field)	208,927,300	6	0.26	181,825,166	5	0.29
Greenbelt Homes, Incorporated	177,279,700	7	0.22	91,519,960	10	0.14
Baltimore Gas and Electric Company	169,648,240	8	0.21	127,904,490	6	0.20
Summerfield Housing LTD Partnership	150,929,700	9	0.19	101,661,399	8	0.16
PR Prince George's Plaza, LLC	147,685,050	10	0.19	-	-	-
Mirant Chalk Point, LLC	-	-	-	483,708,600	1	0.76
Silver Oaks Campus, LLC	-	-	-	115,463,500	7	0.18
Samuel Zeli TRS	-	-	-	97,583,750	9	0.15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
Total	\$ 2,837,150,760		3.57 %	\$ 2,196,516,085		3.46 %
Total Assessable Base	\$ 79,385,918,996		100.00 %	\$ 63,544,194,607		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
2007 \$	91,903,957 \$	91,347,333	99.4 %	(8,170) \$	91,339,163	99.4 %
2008	102,981,734	102,582,155	99.6	(142,417)	102,439,738	99.5
2009	106,450,471	105,976,302	99.6	310,681	106,286,983	99.8
2010	106,745,211	106,602,322	99.9	(671,003)	105,931,319	99.2
2011	94,042,259	93,678,737	99.6	35,845	93,714,582	99.7
2012	98,068,320	98,064,266	100.0	4,054	98,068,320	100.0
2013	106,088,181	105,178,075	99.1	415,355	105,593,430	99.5
2014	105,671,395	105,042,397	99.4	145,071	105,187,468	99.5
2015	111,224,664	110,366,064	99.2	207,002	110,573,066	99.4
2016	115,877,295	114,942,121	99.2	-	114,942,121	99.2

PRINCE GEORGE'S COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2007 \$	178,448,928 \$	177,139,126	99.3 %	590,703 \$	177,729,829	99.6 %
2008	210,271,715	208,168,095	99.0	1,173,740	209,341,835	99.6
2009	247,780,995	244,957,183	98.9	374,773	245,331,956	99.0
2010	275,536,417	271,182,300	98.4	(508,155)	270,674,145	98.2
2011	254,998,038	250,411,969	98.2	(384,899)	250,027,070	98.1
2012	237,755,078	234,227,123	98.5	(483,139)	233,743,984	98.3
2013	220,093,844	218,774,290	99.4	(323,927)	218,450,363	99.3
2014	219,461,895	211,642,952	96.4	1,757,158	213,400,110	97.2
2015	215,646,159	215,367,043	99.9	(812,190)	214,554,853	99.5
2016	235,659,561	234,870,980	99.7	-	234,870,980	99.7

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Notes Payable	Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)	Total Debt (1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable			Percentage Of Personal Income	Outstanding Debt Per Capita			Percentage Of Personal Income	Outstanding Debt Per Capita
2007	\$ 32,025	\$ 5,259	\$ 6,715	\$ 27	-	\$ 44,026	0.07	%	\$ 4,290	\$ 48,316	0.08	%
2008	29,465	3,522	5,630	-	-	38,617	0.06		3,745	42,362	0.06	
2009	32,290	2,301	4,523	-	-	39,114	0.06		3,210	42,324	0.06	
2010	29,680	1,041	3,393	-	-	34,114	0.05		2,680	36,794	0.05	
2011	26,710	368	2,241	-	-	29,319	0.04		2,145	31,464	0.04	
2012	34,590	-	1,064	-	-	35,654	0.05		1,905	37,559	0.05	
2013	32,240	-	222	-	-	32,462	0.04		1,665	34,127	0.05	
2014	44,616	-	-	-	-	44,616	0.06		1,430	46,046	0.06	
2015	41,464	-	-	-	-	41,464	0.05		1,200	42,664	0.05	
2016	51,399	-	-	-	-	51,399	0.06		1,075	52,474	0.06	

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Notes Payable	Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)	Total Debt (1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2007	\$ 105,400	\$ 1,806	\$ -	\$ -	-	\$ 107,206	0.34	%	\$ 1,190	\$ 108,396	0.34	%
2008	95,735	1,438	-	-	-	97,173	0.29		885	98,058	0.30	
2009	85,501	1,054	-	-	-	86,555	0.26		585	87,140	0.26	
2010	76,246	653	-	-	-	76,899	0.22		290	77,189	0.23	
2011	65,925	369	-	-	-	66,294	0.19		-	66,294	0.19	
2012	56,363	120	-	-	-	56,483	0.15		-	56,483	0.15	
2013	47,086	-	-	-	-	47,086	0.12		-	47,086	0.12	
2014	67,280	-	-	-	-	67,280	0.17		-	67,280	0.17	
2015	58,860	-	-	-	-	58,860	na		-	58,860	na	
2016	72,184	-	-	-	-	72,184	na		-	72,184	na	

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

(2) See Table 14 for personal income and population data. Data are not available for Prince George's County for FY 2015 and FY 2016.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-11

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

MONTGOMERY COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value		
2007	931,694	\$ 112,335,704	\$ 44,026	0.04 %	\$ 4,290	0.00 %	\$ 4.60	
2008	942,748	126,613,148	38,617	0.03	3,745	0.00	3.97	
2009	959,013	140,254,264	39,114	0.03	3,210	0.00	3.35	
2010	976,006	149,161,911	34,114	0.02	2,680	0.00	2.75	
2011	991,645	149,284,865	29,319	0.02	2,145	0.00	2.16	
2012	1,004,476	143,754,415	35,654	0.02	1,905	0.00	1.90	
2013	1,016,677	140,577,467	32,462	0.02	1,665	0.00	1.64	
2014	1,018,000	141,899,535	44,616	0.03	1,430	0.00	1.40	
2015	1,020,000	142,418,524	41,464	0.03	1,200	0.00	1.18	
2016	1,050,118	151,113,059	51,399	0.03	1,075	0.00	1.02	

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value		
2007	832,699	\$ 59,177,385	\$ 105,400	0.18 %	\$ 1,190	0.00 %	\$ 1.43	
2008	830,514	70,615,992	95,735	0.14	885	0.00	1.07	
2009	834,560	82,671,572	85,501	0.10	585	0.00	0.70	
2010	865,705	91,889,365	76,246	0.08	290	0.00	0.33	
2011	874,045	84,718,780	65,925	0.08	-	0.00	n.a.	
2012	881,138	79,043,657	56,363	0.07	-	0.00	n.a.	
2013	890,081	73,123,809	47,086	0.06	-	0.00	n.a.	
2014	904,430	70,551,044	67,280	0.10	-	0.00	n.a.	
2015	909,535	71,578,363	58,860	0.08	-	0.00	n.a.	
2016	n.a.	74,240,911	72,184	0.10	-	0.00	n.a.	

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

Source: Assessed Value is from Montgomery County and Prince George's County Governments. Population estimates are from the U.S. Bureau of the Census, Population Estimates Branch 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, 2016

	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	\$ 3,843,880,821	100.00%	\$ 3,843,880,821	\$ -	\$ 3,843,880,821
MCPS - capital leases	58,807,911	100.00%	58,807,911	-	58,807,911
MCC - capital leases	48,155,000	100.00%	48,155,000	-	48,155,000
Kingsview Village Center - bonds	1,112,999	100.00%	1,112,999	-	1,112,999
West Germantown - bonds	11,440,000	100.00%	11,440,000	-	11,440,000
Towns, Cities and Villages	143,475,470	100.00%	143,475,470	-	143,475,470
Prince George's County:					
Prince George's County Direct Debt	1,394,548,405	100.00%	-	1,394,548,405	1,394,548,405
IDA of Prince George's County - lease revenue bonds	45,555,000	100.00%	-	45,555,000	45,555,000
Towns, Cities and Villages (2)	34,807,812	100.00%	-	34,807,812	34,807,812
Total Overlapping Debt			<u>4,106,872,201</u>	<u>1,474,911,217</u>	<u>5,581,783,418</u>
M-NCPPC Direct Debt Outstanding (1)			<u>52,474,491</u>	<u>72,183,753</u>	<u>124,658,244</u>
Total Direct and Overlapping Debt			<u>\$ 4,159,346,692</u>	<u>\$ 1,547,094,970</u>	<u>\$ 5,706,441,662</u>

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2016 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	\$ 109,087,997,868	\$ 123,349,223,504	\$ 137,037,338,727	\$ 145,753,018,621	\$ 146,152,672,587	\$ 140,655,277,104	\$ 137,631,593,595	\$ 138,896,759,800	\$ 142,418,523,986	\$ 147,958,535,731
Personal Property	3,247,705,861	3,263,924,271	3,216,925,627	3,408,892,008	3,132,192,188	3,014,605,290	2,945,872,990	3,002,675,420	2,963,935,430	3,154,519,664
Total Assessed Value	112,335,703,729	126,613,147,775	140,254,264,354	149,161,910,629	149,284,864,775	143,669,882,394	140,577,466,585	141,899,435,220	145,382,459,416	151,113,055,395
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)	39,271,679	44,405,720	49,333,442	52,471,087	52,614,962	50,635,900	49,547,374	50,002,834	51,270,669	53,265,074
Personal Property at 9 cents	2,927,935	2,937,532	2,895,233	3,068,003	2,818,973	2,713,145	2,651,286	2,702,408	2,667,542	2,639,068
	42,199,614	47,343,252	52,228,675	55,539,090	55,433,935	53,349,045	52,198,660	52,705,242	53,938,211	56,104,142
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	1,265,838,420	1,420,297,960	1,566,860,250	1,666,172,700	1,663,018,050	1,600,471,350	1,585,959,800	1,581,157,260	1,618,146,330	1,683,124,260
Debt Service Applicable to Limit	41,883,976	38,059,329	40,869,590	37,198,245	33,237,288	44,791,154	37,422,603	56,282,000	51,568,000	62,543,000
Legal Debt Margin	\$ 1,223,954,444	\$ 1,382,238,231	\$ 1,525,990,660	\$ 1,628,974,455	\$ 1,629,780,762	\$ 1,555,680,196	\$ 1,528,537,197	\$ 1,524,875,260	\$ 1,566,578,330	\$ 1,620,581,260
Debt Service Applicable to Limit as a Percentage of the Limit	3.31%	2.68%	2.61%	2.23%	2.00%	2.80%	2.39%	3.56%	3.19%	3.72%

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Computation of Legal Debt Margin										
Park Acquisition and Development Bonds										
Last Ten Fiscal Years										
Park Acquisition and Development Bonds										
Guaranteed by Prince George's County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 56,538,661,889	\$ 67,906,380,950	\$ 79,863,728,005	\$ 89,287,524,163	\$ 82,153,036,056	\$ 76,465,608,181	\$ 70,552,234,135	\$ 67,989,278,067	\$ 68,858,615,833	\$ 71,447,943,979
Personal Property	2,638,722,757	2,709,610,652	2,807,843,667	2,801,841,179	2,565,743,870	2,578,049,126	2,571,574,560	2,561,766,520	2,719,747,118	2,792,967,386
Total Assessed Value	59,177,384,646	70,615,991,602	82,671,571,672	91,889,365,342	84,718,779,926	79,043,657,307	73,123,808,695	70,551,044,587	71,578,362,951	74,240,911,365
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)	22,615,465	27,162,552	31,945,491	35,715,010	32,861,214	30,586,243	28,220,894	27,195,711	27,543,446	28,579,178
Personal Property at 10 cents	2,638,723	2,709,611	2,807,844	2,801,841	2,565,744	2,578,049	2,571,575	2,561,767	2,719,747	2,792,967
	25,254,188	29,872,163	34,753,335	38,516,851	35,426,958	33,164,292	30,792,469	29,757,478	30,263,193	31,372,145
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	757,625,640	896,164,890	1,042,600,050	1,149,505,530	1,062,808,740	994,928,760	923,774,070	892,724,340	907,895,790	941,164,350
Debt Service Applicable to Limit	135,698,883	119,846,031	105,933,668	92,328,755	79,212,624	66,636,492	54,054,273	83,126,000	72,384,000	90,091,000
Legal Debt Margin	\$ 621,926,757	\$ 776,318,859	\$ 936,666,382	\$ 1,057,176,775	\$ 983,596,116	\$ 928,292,268	\$ 869,719,797	\$ 809,598,340	\$ 835,511,790	\$ 851,073,350
Debt Service Applicable to Limit as a Percentage of the Limit	17.91%	13.37%	10.16%	8.03%	7.45%	6.70%	5.85%	9.31%	7.97%	9.57%

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

Demographic Statistics
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Population (1)	Total Personal Income 000's omitted (2,3)	Per Capita Income (4)	Labor Force (5)	Unemployment Rate (6)	Registered Pupils (7)
2007	931,694	\$ 64,365,237	\$ 69,084	509,769	2.6 %	137,798
2008	942,748	67,279,968	71,366	515,987	3.2	137,745
2009	959,013	65,858,231	68,673	522,421	5.3	137,763
2010	976,006	67,890,159	69,559	532,549	5.6	140,500
2011	991,645	71,081,967	71,681	536,636	5.2	143,309
2012	1,004,476	73,467,234	73,140	540,444	5.2	146,497
2013	1,016,677	73,958,785	72,746	542,029	5.0	149,018
2014	1,018,000	75,940,000	74,597	540,128	4.4	151,289
2015	1,020,000	79,300,000	77,745	544,313	4.0	154,230
2016	1,050,118	82,490,000	78,553	549,900	3.4	156,447

PRINCE GEORGE'S COUNTY

Year	Population (8)	Total Personal Income 000's omitted (2)	Per Capita Income (2) (4)	Labor Force (9)	Unemployment Rate (6)	Registered Pupils (10)
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	38,481,250	43,672	469,150	6.8	123,833
2013	890,081	38,595,921	43,362	467,318	6.9	123,737
2014	904,430	40,215,913	44,465	469,359	6.2	125,136
2015	909,535	n. a.	n. a.	495,449	4.7	127,576
2016	n. a.	n. a.	n. a.	495,234	4.6	n.a.

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

- (1) Source: Data for 2007-2009 from the U.S. Bureau of the Census, data for 2010-2015 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2015-2016 is not currently available for Prince George's County)
- (3) Source: Data for 2010 - 2016 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 2010-2015 are estimates derived by the Prince George's County Department of Finance from the U.S. Bureau of the Census. Estimates for 2016 are not available
Data for 2007-2009 estimates are provided by the U.S. Bureau of the Census, Population Estimates Branch.
- (9) Source: Maryland Department of Labor, Career and Workforce Information, updated June 2016. Prince George's County data for 2016 is an estimate
- (10) Source: www.mdreportcard.org, updated 2016 for Prince George's County

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Total Government Employees by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
General Government:	81.00	83.45	78.75	76.35	74.05	67.55	64.00	62.55	64.30	65.74
County Planning and Zoning:										
Office of the Planning Director	3.30	3.77	3.82	3.00	3.00	6.00	6.00	6.00	4.00	4.00
Management Services	9.30	7.60	25.57	28.35	29.02	22.39	21.60	21.65	15.45	16.75
Functional Planning and Policy	-	-	-	-	-	14.50	14.40	15.18	18.40	18.50
Area 1	-	-	-	-	-	11.49	12.75	11.95	12.00	11.00
Area 2	-	-	-	-	-	15.49	16.25	16.15	15.50	15.15
Area 3	-	-	-	-	-	16.19	15.50	15.95	16.20	16.20
Strategic Planning	3.30	4.30	-	-	-	-	-	-	-	-
Community-Based Planning	38.00	38.77	22.22	24.17	21.20	-	-	-	-	-
County-Wide Planning	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	35.60	35.00	32.32	31.48	15.60	-	-	-	-	-
Development Applications and Regulatory Coordination	-	-	-	-	-	12.60	10.85	10.10	9.85	10.70
Center for Research and Information Systems	26.90	31.30	28.55	24.84	23.18	12.64	13.95	15.00	15.90	16.00
Information Technology and Innovation	-	-	-	-	-	-	-	-	8.00	8.00
Research and Special Projects	-	-	-	-	-	-	-	-	-	-
Total County Planning and Zoning	157.40	169.31	171.05	170.65	142.92	111.30	111.30	111.98	115.30	116.30
Park Operations and Maintenance:										
Director of Parks	24.20	23.65	21.57	5.55	5.55	5.00	6.00	7.80	7.80	10.20
Superintendent of Parks	-	-	-	-	-	-	-	-	-	-
Special Programs	-	-	-	6.00	6.00	-	-	-	-	-
Park Information and Customer Service	-	-	-	10.30	10.30	18.00	18.20	19.10	-	-
Public Affairs and Community Partnerships	-	-	-	-	-	-	-	-	19.60	20.40
Management Services	-	7.22	7.13	7.67	7.50	20.60	20.10	20.20	12.00	11.10
Facilities Management	-	6.90	6.83	6.00	6.00	-	-	-	-	-
Technology Center	10.10	11.50	10.74	10.90	11.15	-	-	-	-	-
Information Technology and Innovation	-	-	-	-	-	-	-	-	8.10	8.10
Park Planning and Stewardship	18.85	28.88	33.43	31.96	31.62	25.70	24.80	26.60	29.50	38.30
Park Development	26.50	28.50	28.43	28.50	28.55	24.80	23.80	23.80	25.80	25.40
Park Police	117.50	112.85	114.72	115.56	115.61	104.90	109.40	109.40	111.30	110.90
Horticultural, Forestry, and Environmental Ed	65.65	62.65	63.84	63.40	63.50	73.20	79.40	80.60	84.00	88.70
Facilities Management (formerly Central Maintenance)	101.30	102.77	104.76	102.90	102.65	91.10	89.80	89.80	95.20	95.90
Northern Region	115.10	114.71	116.25	116.52	116.52	101.00	100.00	103.20	107.90	115.00
Southern Region	174.22	179.11	180.51	182.14	181.84	153.90	151.20	153.50	154.20	156.40
Support Services	-	-	-	1.10	1.10	1.10	2.90	1.10	2.60	2.60
Property Management	3.00	3.50	3.50	3.50	3.50	2.50	5.00	6.00	7.00	7.00
Total Park Operations and Maintenance	656.42	683.24	691.71	692.00	691.39	621.80	630.60	641.10	665.00	690.00
Business-Type Activities										
Recreational and Cultural Facilities	109.70	110.30	104.60	113.10	110.90	117.20	118.90	116.00	110.30	110.00
Total Workyears	1,004.52	1,046.30	1,046.11	1,052.10	1,019.26	917.85	924.80	931.63	954.90	982.04

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

(continued)

Total Government Employees by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Commissioners Office	13.90	14.30	14.30	14.30	14.30	14.00	13.50	13.50	13.50	13.50
Department of Human Resources and Management	27.50	28.50	29.75	24.75	24.25	25.25	23.15	23.65	24.90	24.20
Department of Finance	29.20	29.60	31.60	34.60	33.30	29.80	28.50	31.70	31.70	32.81
Internal Audit	0.00	0.00	0.00	0.00	0.00	2.50	2.50	2.50	3.00	3.00
Legal Department	8.50	10.00	11.00	11.50	11.65	9.75	9.75	10.00	10.00	10.00
Merit System Board	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
General Government:	<u>79.35</u>	<u>82.65</u>	<u>86.90</u>	<u>85.40</u>	<u>83.75</u>	<u>81.55</u>	<u>77.65</u>	<u>81.60</u>	<u>83.35</u>	<u>83.76</u>
County Planning and Zoning:										
Director's Office	14.00	14.00	16.00	27.00	28.00	28.00	28.50	32.50	35.50	27.50
Development Review	48.40	49.70	52.70	60.00	59.00	56.00	53.00	53.00	53.00	55.00
Community Planning	33.63	43.80	43.80	43.60	43.60	42.60	39.60	37.75	33.75	26.63
Information Management	23.50	24.60	25.60	27.60	27.80	28.00	28.00	28.00	27.00	25.00
County-Wide Planning	35.50	42.00	39.50	46.00	46.00	45.00	40.00	40.00	42.00	43.00
Information Center	23.50	25.00	27.00	-	-	-	-	-	-	-
Total County Planning and Zoning	<u>178.53</u>	<u>201.10</u>	<u>204.60</u>	<u>204.20</u>	<u>204.40</u>	<u>199.60</u>	<u>189.10</u>	<u>191.25</u>	<u>191.25</u>	<u>177.13</u>
Park Operations and Maintenance:										
Office of the Director	39.70	25.10	27.50	4.00	4.00	3.00	3.00	3.00	13.00	19.00
Administrative Services	-	-	-	16.10	15.10	15.50	38.50	38.50	39.50	52.00
Administration and Development	-	-	-	-	-	2.00	6.00	6.00	2.00	2.00
Public Affairs and Marketing	-	-	-	-	-	14.00	14.00	14.00	-	-
IT & Communications	-	15.20	16.20	12.00	15.00	14.00	28.20	30.20	32.20	31.20
Park Police	130.80	137.60	143.50	16.20	27.20	29.20	28.20	30.20	32.20	31.20
Park Planning and Development	51.00	52.00	61.00	146.50	151.50	146.50	146.50	150.50	150.50	155.50
Facility Operations	243.50	250.50	271.60	269.50	266.50	291.90	285.60	293.10	310.60	315.10
Area Operations	219.60	228.10	240.10	240.10	249.10	241.50	247.50	255.50	262.50	263.00
Total Park Operations and Maintenance	<u>684.60</u>	<u>708.50</u>	<u>759.90</u>	<u>765.40</u>	<u>789.40</u>	<u>800.10</u>	<u>824.30</u>	<u>845.80</u>	<u>865.30</u>	<u>892.80</u>
Recreation Programs:										
Director's Office	9.50	9.50	19.50	-	-	-	-	-	-	-
Administrative Services	-	-	-	20.50	18.50	18.00	-	-	-	-
Public Affairs and Marketing	-	-	-	3.00	2.00	2.00	2.00	3.00	-	-
Administration and Development	-	-	2.00	2.00	2.00	3.00	-	-	-	-
IT & Communications	-	9.00	9.00	-	-	-	-	-	-	-
Facility Operations	161.10	160.70	164.70	217.30	226.50	179.40	212.40	215.40	222.40	250.90
Area Operations	654.60	670.60	718.30	700.30	733.30	723.70	689.20	713.20	722.20	792.20
Total Recreation Programs	<u>825.20</u>	<u>849.80</u>	<u>913.50</u>	<u>952.10</u>	<u>982.30</u>	<u>926.10</u>	<u>903.60</u>	<u>931.60</u>	<u>944.60</u>	<u>1,043.10</u>
Business-Type Activities										
Recreational and Cultural Facilities	215.50	218.00	213.00	202.00	200.50	193.00	188.00	180.00	181.00	202.00
Total Workyears	<u>1,983.18</u>	<u>2,060.05</u>	<u>2,177.90</u>	<u>2,209.10</u>	<u>2,260.35</u>	<u>2,200.35</u>	<u>2,182.65</u>	<u>2,230.25</u>	<u>2,265.50</u>	<u>2,398.79</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Operating Indicators by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	400	350	376	109	60	147	109	109	285	442
Number of Vendors in Directory	18,481	19,514	20,593	14,048	14,974	15,926	10,226	10,552	10,552	10,552
Number of MFD Vendors in Directory	3,028	3,383	3,747	3,830	4,182	4,547	4,957	5,238	5,238	5,238
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed	7	-	4	4	2	3	2	8	4	4
Number of Regulatory Planning Reviews	38	120	124	220	254	352	284	294	234	256
Number of Transportation Studies	40	39	40	26	29	47	40	23	24	21
Number of Site Plan and Project Plans Reviews	160	na	na	na	76	81	99	85	90	72
Number of Daily Website Visits	3,000	3,080	3,624	3,439	4,190	3,225	5,521	4,181	5,242	5,455
Number of GIS Updates	2,400	5,697	14,576	23,602	18,537	69,237	22,017	93,116	28,899	126,197
Park Operations and Maintenance:										
Number of Playground Renovations Completed	6	10	12	10	6	8	7	5	5	5
Total Acres of Parkland Acquired	480	297	140	877	59	355	75	665	432	314
Trees Planted for Reforestation Projects	1,295	1,100	1,581	1,642	1,797	6,300	34,942	2,076	414	646
Major Maintenance Requests Completed	184	240	84	172	85	98	94	87	90	117
Service Requests Completed	6,830	7,104	7,798	8,556	6,432	6,453	6,801	6,583	9,117	8,491
Number of Customers Attending Nature Programs	45,808	46,700	37,877	45,248	34,533	27,274	32,183	39,157	40,985	41,226
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	449,007	408,746	390,336	424,638	427,854	402,438	432,154	375,912	520,388	532,732
Number of Indoor Tennis Customers	132,801	58,510	96,103	121,715	122,049	106,435	110,826	124,713	117,283	115,777
Number of Park Facilities Customers	569,315	490,220	422,565	500,679	588,464	626,243	519,704	333,689	404,885	662,538
Number of Conference Center Customers	29,964	30,359	27,729	31,834	28,455	40,943	50,509	47,347	58,373	54,376

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16
continued

Operating Indicators by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	70	152	50	90	98	120	120	169	200	200
Number of New Zoning Applications	59	53	42	54	34	61	60	34	64	64
Number of Help Desk Requests Completed	2,450	2,900	3,843	3,714	3,213	4,332	4,000	2,769	3,100	3,100
Number of GIS Requests Delivered	200	211	228	213	200	200	210	201	217	217
Number of Transportation Referrals Received	346	282	192	151	107	113	128	126	141	106
Number of Environmental Referrals Received	1,923	1,323	944	550	359	342	350	424	392	400
Number of Walk-in Customers Served	7,000	7,289	6,417	7,000	5,256	4,580	5,000	4,812	5,100	5,100
Number of Telephone Calls Responded to	11,000	8,128	4,440	5,000	4,162	4,562	5,000	4,919	4,800	4,800
Park Operations and Maintenance:										
Number of Park acres	n/a	26,776	26,998	27,188	27,528	27,628	27,000	27,625	28,290	28,804
Number of completed Capital Improvement projects	n/a	36	32	49	34	30	45	28	37	17
Number of picnic shelters rentals	n/a	972	936	928	924	929	599	621	640	660
Number of ADA Accommodations	n/a	1,400	1,500	1,600	2,600	2,800	2,633	3,056	3,100	3,150
Number of Community Sponsored Events	n/a	112	131	262	313	322	452	447	469	469
Number of Community Outreach events	n/a	112	131	262	313	322	452	447	469	469
Number of Historic Property Rentals	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	280
Recreation Programs:										
Number of permits for Recreation building use	n/a	n/a	n/a	n/a	n/a	n/a	676	668	665	660
Total SMARTlink Accounts portal for programs	n/a	n/a	n/a	n/a	n/a	n/a	294,414	323,727	335,345	355,000
Total Youth registered for recreation programs	n/a	n/a	n/a	n/a	214,422	214,400	205,999	205,999	205,999	n/a
Total Seniors registered for recreation programs	n/a	n/a	n/a	n/a	90,662	90,000	125,382	125,382	125,382	n/a
Number of program youth volunteers	n/a	1,400	1,500	2,900	7,800	1,500	1,500	n/a	n/a	n/a
Number of youth volunteer hours served	n/a	n/a	n/a	n/a	n/a	425	461	470	466	480
Number of Art class registrants	n/a	n/a	2,700	2,900	6,900	7,000	2,576	2,967	3,060	3,267
Number of Therapeutic Recreation programs	n/a	362	375	425	408	405	453	460	465	465
Business-Type Activities										
Recreational and Cultural Facilities										
Number of Rounds of Golf	81,274	84,558	94,000	n/a	n/a	n/a	78,006	74,923	76,848	78,000
Number of Fitness center memberships	n/a	3,725	4,046	4,000	5,198	5,600	12,654	12,636	12,930	13,000
Number of swimming classes	n/a	12,843	13,700	14,385	16,188	17,806	12,017	12,619	14,659	15,000
Number of instructional tennis class participants	n/a	n/a	n/a	n/a	222	n/a	2,625	2,950	2,758	2,850
Number of event days at Show Place Arena	n/a	204	175	184	222	208	332	291	299	300

Source: The Park and Planning Commission Proposed Annual Budget, various years - FY 14 estimated data
n/a - not available

The Maryland-National Capital Park and Planning Commission

TABLE T-17

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>COMMISSION-WIDE</u>										
Governmental Activities										
General Government:										
Office Building	1	1	1	1	1	1	1	1	1	1
<u>MONTGOMERY COUNTY</u>										
Governmental Activities										
County Planning and Zoning:										
Office Building	1	1	1	1	1	1	1	1	1	1
Park Operations and Maintenance:										
Athletic Fields	360	361	359	363	363	347	350	350	350	367
Basketball Courts	173	208	208	207	207	207	207	207	207	214
Campsites	102	102	102	102	102	108	107	107	107	102
Dog Parks	4	4	4	4	5	5	5	5	5	6
Historic Buildings	27	27	27	27	45	43	117	117	117	117
Office Building	13	13	13	13	13	13	13	13	13	13
Picnic Shelters	190	191	194	193	132	129	130	130	130	134
Playgrounds	284	290	291	291	291	290	291	291	291	285
Recreation Buildings	32	32	31	31	31	29	25	25	25	28
Rental Buildings	61	61	61	61	49	49	53	53	53	52
Skateboard Park	1	1	1	1	1	2	3	3	3	3
Tennis Courts	153	305	305	305	305	317	315	315	315	304
Business-Type Activities										
Recreational and Cultural Facilities:										
Antique Carousel	1	1	1	1	1	1	1	1	1	1
Conference Centers	3	3	3	3	5	5	5	5	5	5
Equestrian Centers	5	5	5	5	5	6	6	6	6	6
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Indoor Tennis Facilities	2	2	2	2	2	2	2	2	2	2
Miniature Trains	2	2	2	2	2	2	2	2	2	2
Miniature Golf Course	1	1	1	2	1	1	1	1	1	1
Splash Park	1	1	1	1	1	1	1	1	1	1
<u>PRINCE GEORGE'S COUNTY</u>										
Governmental Activities										
Park Operations and Maintenance:										
Office Building	14	14	14	14	14	14	14	14	14	14
Recreation Buildings	24	25	25	25	26	28	34	34	34	34
Picnic Shelters	87	88	88	88	88	88	88	88	91	92
Playgrounds	223	227	227	227	228	229	240	240	252	254
Athletic Fields	383	389	390	390	390	390	392	392	392	392
Tennis Courts	161	163	163	163	163	163	163	163	164	165
Basketball Courts	211	213	214	214	214	214	215	215	218	219
Recreation Programs:										
Historic Buildings	15	15	15	15	15	15	15	15	15	16
Community Centers	30	30	30	30	31	31	31	31	31	36
Swimming Pools	10	10	10	10	11	11	11	11	11	13
Business-Type Activities										
Recreational and Cultural Facilities:										
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Golf Courses	3	3	3	3	3	3	3	3	3	4
Tennis Bubbles	2	2	2	2	2	2	2	2	2	2
Equestrian Center	1	1	1	1	1	1	1	1	1	1
Sports and Learning Complex	1	1	1	1	1	1	1	1	1	1
Trap and Skeet Range	1	1	1	1	1	2	2	2	2	2
Marina	1	1	1	1	1	1	1	1	1	1
Airport	1	1	1	1	1	1	1	1	1	1

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-18

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	29,040	1	6.25 %	41,250	1	8.87 %
Montgomery County Public Schools	25,480	2	5.48	20,875	2	4.49
Montgomery County Government	11,790	4	2.54	8,675	4	1.87
U.S. Department of Commerce	5,420	5	1.17	6,721	6	1.45
U.S. Department of Defense	5,340	3	1.15	14,709	3	3.16
Adventist Healthcare	4,800	6	1.03	8,134	5	1.75
Marriott International, Inc (Headquarters)	4,500	7	0.97	3,000	9	0.65
Holy Cross Hospital of Silver Spring	3,860	8	0.83	-	-	-
Montgomery College	3,550	9	0.76	-	-	-
Lockheed Martin Corporation	3,100	10	0.67	3,832	8	0.82
Giant Food Corporation	-	-	-	3,896	7	0.84
U. S. Nuclear Regulatory Commission	-	-	-	2,712	10	0.58
Total	96,880		20.85 %	113,804		24.48 %

PRINCE GEORGE'S COUNTY

<u>Employer</u>	<u>2015 (1)</u>			<u>2007(1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University System of Maryland (2)	18,726	1	0.86 %	12,454	3	2.54 %
Joint Base Andrews Naval Air Facility Washington*	17,500	2	0.61	-	-	-
U.S. Internal Revenue Service *	5,539	3	0.56	5,539	5	1.13
United States Census Bureau *	4,414	4	0.53	4,158	8	0.85
United Parcel Service	4,220	5	0.53	4,220	7	0.86
NASA/Goddard Space Flight Center *	3,397	6	0.47	3,083	9	0.63
Giant Food	3,000	7	0.47	5,394	6	1.10
Prince George's Community College	2,785	8	0.40	-	-	-
Dimensions Healthcare System	2,738	9	0.33	-	-	-
Marriott International	2,500	10	0.29	-	-	-
Prince George's County Public Schools	-	-	-	18,888	1	3.85
Andrew's Airforce Base *	-	-	-	15,000	2	3.06
Prince George's County Government	-	-	-	6,889	4	1.40
Verizon	-	-	-	2,738	10	0.56
Total	64,819		5.05 %	78,363		15.98 %

Note:

- (1) In 2016, Information is not yet available.
- (2) Includes UMPC, UMUC and Bowie State University
- (*) Employee counts for federal and military facilities exclude contractors.

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, 2016

Recreational Facilities

MONTGOMERY COUNTY

	Ice Rinks	Golf Courses	Park Facilities	Indoor Tennis	Conference Centers	MC Ent Admin	Totals
Operating Revenues	\$ 4,600,112	\$ 12,568	\$ 3,477,126	\$ 1,688,557	\$ 633,230	\$ -	\$ 10,411,593
Operating Expenses Before Depreciation	3,960,003	448	2,619,366	1,326,632	708,309	(9,536)	8,605,222
Operating Income (Loss) Before Depreciation	640,109	12,120	857,760	361,925	(75,079)	9,536	1,806,371
Depreciation	753,875	198,829	115,578	45,202	30,929	9,536	1,153,949
Operating Income (Loss)	(113,766)	(186,709)	742,182	316,723	(106,008)	-	652,422
Nonoperating Revenues (Expenses)	2,100	-	32,456	28,185	902	-	63,643
Net Income (Loss)	\$ (111,666)	\$ (186,709)	\$ 774,638	\$ 344,908	\$ (105,106)	\$ -	\$ 716,065

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	\$ 196,096	\$ 1,369,291	\$ 2,199,065	\$ 558,414	\$ 344,376	\$ 1,633,235	\$ 3,166,906	\$ 139,549	\$ 9,606,932
Operating Expenses Before Depreciation	372,106	2,871,928	3,725,592	1,268,654	998,594	1,658,797	7,626,097	223,818	18,745,586
Operating Income (Loss) Before Depreciation	(176,010)	(1,502,637)	(1,526,527)	(710,240)	(654,218)	(25,562)	(4,459,191)	(84,269)	(9,138,654)
Depreciation	11,458	518,817	118,353	109,443	45,610	25,141	1,095,506	-	1,924,328
Operating Income (Loss)	(187,468)	(2,021,454)	(1,644,880)	(819,683)	(699,828)	(50,703)	(5,554,697)	(84,269)	(11,062,982)
Nonoperating Revenues (Expenses)	2,277	9,914	1,908,163	1,654	5,465	1,526	1,385	4,525	1,934,909
Transfers In (Out)	220,888	2,244,065	1,043,300	768,279	369,421	35,649	4,143,050	246,695	9,071,347
Net Income (Loss)	\$ 35,697	\$ 232,525	\$ 1,306,583	\$ (49,750)	\$ (324,942)	\$ (13,528)	\$ (1,410,262)	\$ 166,951	\$ (56,726)

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

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Photo Index

Cover:

The newly restored Woodlawn Barn new visitor center at Woodlawn Manor Cultural Park in Sandy Spring, MD. Built in 1832, the historic barn tells the story of the Underground Railroad in Maryland. Short videos are displayed on the rough stone walls in which costumed actors talk about the Quakers, slavery and the risks associated with trying to escape on the Underground Railroad. The large “bank” barn is built into the hillside which is unique in Montgomery County.

Page 1: Inside view of the various types of airplanes in the newly renovated College Park Airport Museum located in College Park, MD.

Page 9: Collage

Learning about monarch butterflies at Monarch Fiesta Day at Black Hill Regional Park; Children enjoying a summer day at the Germantown Splash Park; Young ladies traditional Indian dance at the Annual Friendship Picnic at Wheaton Regional Park; Children participating in summer tennis camp at Wheaton Indoor Tennis Center; Observers with park police at Park Police Day; Active Aging week doing yoga in the park; Wheelchair basketball; Family Science night at Southern Regional and Technical Center

Photo Credits:

Various staff members (Montgomery County): Cover, pages 8, 18, 107, and 115.

Cassi Hayden (Prince George’s County): pages 1, 8, 103, 111, and 119.