OFFICIAL STATEMENT DATED OCTOBER 15, 2015

NEW ISSUE - Book-Entry Only

In the opinion of McGuireWoods LLP, Bond Counsel, based on existing law and subject to the conditions described in the section herein entitled "TAX MATTERS," interest on the Bonds (including any accrued "original issue discount" properly allocable to the owners of the Bonds) is excludable from the gross income of the owners of the Bonds for federal income tax purposes and interest on the Bonds is not treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that for purposes of the alternative minimum tax on corporations, interest on the Bonds is included in computing adjusted current earnings. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the principal amount of the Bonds, the interest thereon, their transfer, and any income derived therefrom, including any profit from the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon. See the information contained herein under the caption "TAX MATTERS."

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

$24,820,000
Prince George's County
General Obligation
Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A

Dated: Date of Delivery **Due: January 15, as shown inside this cover**

Bond Ratings..........................	Moody's Investors Service, Inc.: Aaa Standard & Poor's Rating Services: AAA Fitch Ratings: AAA
Redemption	Bonds maturing on or after January 15, 2026 are subject to redemption on or after January 15, 2025, in whole or in part at par – Page 3
Security..................................	General obligations of The Maryland-National Capital Park and Planning Commission and of Prince George's County, Maryland
Purpose..................................	Proceeds of the Bonds will be used (i) to refund certain outstanding Prince George's County Park Acquisition and Development Bonds, (ii) to pay the costs of certain capital park acquisition and development projects in Prince George's County and (iii) to pay all or a portion of the costs of issuance of the Bonds. – Page 3
Interest Payment Dates.........	January 15 and July 15, beginning July 15, 2016
Closing/Settlement	On or about October 29, 2015
Denominations.......................	$5,000 or integral multiples thereof
Book-Entry Only Form..........	The Depository Trust Company, New York, NY
Registrar/Paying Agent	The Maryland-National Capital Park and Planning Commission
Bond Counsel.........................	McGuireWoods, LLP
Financial Advisor...................	Davenport & Company LLC, Towson, MD
Issuer Contact........................	Secretary-Treasurer: (301) 454-1540

FOR MATURITY SCHEDULE SEE INSIDE COVER

The Bonds are offered for delivery when, as and if issued, subject to the approving legal opinion of McGuireWoods, LLP, Baltimore, Maryland, Bond Counsel.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

Maturity Schedule

$24,820,000
Prince George's County
General Obligation
Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A

Maturing January 15	Principal Amount	Interest Rate*	Price or Yield*	CUSIP	Maturing January 15	Principal Amount	Interest Rate*	Price or Yield*	CUSIP
2017	$600,000	5.00%	0.34%	5741572D4	2027	$1,555,000	3.00%	2.25%†	5741572P7
2018	1,085,000	5.00	0.60	5741572E2	2028	1,045,000	2.375	2.47	5741572Q5
2019	1,220,000	5.00	0.80	5741572F9	2029	1,070,000	3.00	2.78†	5741572R3
2020	1,255,000	5.00	1.00	5741572G7	2030	1,105,000	3.00	2.92†	5741572S1
2021	1,300,000	5.00	1.21	5741572H5	2031	1,140,000	3.25	2.99†	5741572T9
2022	1,340,000	5.00	1.43	5741572J1	2032	1,175,000	3.25	3.05†	5741572U6
2023	1,390,000	5.00	1.65	5741572K8	2033	1,215,000	3.25	3.10†	5741572V4
2024	1,430,000	5.00	1.83	5741572L6	2034	1,250,000	3.50	3.10†	5741572W2
2025	1,480,000	5.00	1.94	5741572M4	2035	1,295,000	3.50	3.15†	5741572X0
2026	1,530,000	3.00	2.10†	5741572N2	2036	1,340,000	3.50	3.20†	5741572Y8

† Priced to call date.

* The interest rates and prices or yields shown above are the interest rates payable by The Maryland-National Capital Park and Planning Commission resulting from the successful bid for the Bonds on October 15, 2015. The interest rates and prices or yields shown above are furnished by Morgan Stanley & Co. (the "Successful Bidder"). Other information concerning the terms of reoffering of the Bonds, if any, should be obtained from the Successful Bidder and not from The Maryland-National Capital Park and Planning Commission (see "SALE AT COMPETITIVE BIDDING" herein).

[Remainder of page intentionally left blank]

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
6611 Kenilworth Avenue
Riverdale, Maryland 20737

COMMISSIONERS

Elizabeth M. Hewlett, Chairman
Casey Anderson, Vice Chairman

Dorothy F. Baily	Amy Presley
Norman Dreyfuss	John P. Shoaff
Manuel R. Geraldo	A. Shuanise Washington
Natali Fani-Gonzalez	Marye Wells-Harley

OFFICERS

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

DEPARTMENT DIRECTORS

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

Mike F. Riley, Montgomery County Parks Director
Gwen Wright, Montgomery County Planning Director

BOND COUNSEL	**INDEPENDENT AUDITORS**
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Baltimore, Maryland	Timonium, Maryland

FINANCIAL ADVISOR	**ESCROW AGENT**
Davenport & Company LLC	Manufacturers and Traders Trust Company
Towson, Maryland	Baltimore, Maryland/Buffalo, New York

VERIFICATION AGENT

The Arbitrage Group, Inc.
Tuscaloosa, Alabama

Additional copies of the Official Statement can be obtained from Joseph C. Zimmerman Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, 6611 Kenilworth Avenue, Suite 204, Riverdale, Maryland 20737 (301-454-1540) or from Davenport & Company LLC, Maryland Executive Park, The Chester Building, 8600 LaSalle Road, Suite 324, Baltimore, Maryland 21286-2011 (410-296-9426).

No dealer, broker, salesman or other person has been authorized by The Maryland-National Capital Park and Planning Commission (the "Commission") or Prince George's County, Maryland (the "County"), to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is not to be construed as a contract or agreement between the Commission and the purchasers or holders of any of the Bonds.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. All statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of facts. The information set forth herein has been provided by the Commission and the County. The Commission believes that the information contained in this Official Statement is correct and complete and has no knowledge of any inaccuracy or incompleteness as to any of the information herein contained.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such Act. In making an investment decision, investors must rely on their own examination of the Commission and the County and terms of the offering, including the merits and the risks involved. The Bonds have not been recommended by any Federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary may be a criminal offense.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or the County since the respective dates as of which information is given herein.

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OFFICIAL STATEMENT
OF
THE MARYLAND-NATIONAL CAPITAL PARK AND
PLANNING COMMISSION

$24,820,000
Prince George's County
General Obligation
Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices hereto, is to set forth certain information concerning the $24,820,000 Prince George's County General Obligation Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A (the "Bonds") to be issued by The Maryland-National Capital Park and Planning Commission (the "Commission").

The Commission is a body corporate of, and an agency created by, the State of Maryland. The Commission is governed by Division II of the Land Use Article of the Annotated Code of Maryland, as amended (the "Land Use Article"). It is composed of ten members, five from Prince George's County, Maryland ("Prince George's County" or the "County") and five from Montgomery County, Maryland ("Montgomery County"). The members from each county comprise the Planning Board for the respective county.

The Commission owns approximately 64,000 acres of parkland, 37,000 of which are located in Montgomery County and 28,000 of which are located in Prince George's County. The Commission develops and operates a variety of parks and recreational facilities in both counties and administers the recreation program in Prince George's County, which includes a diverse array of cultural activities. The Commission provides facilities at the neighborhood, community, regional, and county-wide level. Within these categories are playgrounds and picnic areas; baseball and miscellaneous other athletic fields; neighborhood parks; community centers; regional and stream valley parks; park school facilities; historic sites and museums; golf courses; ice skating, tennis and swimming facilities; senior centers; nature centers; an equestrian center; a multi-purpose arena and several cultural arts facilities; a sports and learning complex; and several public/private endeavors including a soccer complex, a champion junior tennis center, and a baseball stadium.

The Capital Budget is supported by bonds sold by the Commission. Other funding sources include State aid, developer contributions, grant funds, and current revenues from the Commission.

Proceeds of the Bonds will be used to fund park acquisition and development projects and the refinancing of certain outstanding bonds issued by the Commission for the benefit of Prince George's County, as described herein under "THE BONDS - Application of Proceeds."

Figures herein relating to the Commission's tax collections and the Commission's financial position have been taken from official records of the Commission. All estimates and assumptions herein have been based upon information believed to be reliable and correct; however, statements made involving estimates and assumptions, whether or not expressly so stated, are intended merely as such and not as representations of facts.

This introduction is not a summary of this Official Statement. It is only a brief description of, and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

THE BONDS

Authorization

The Bonds are being issued under the authority of (i) Sections 18-201 through 18-211, inclusive, of the Land Use Article, and (ii) a Resolution of the Commission adopted on September 16, 2015 (the "Resolution").

Security for the Bonds

The Bonds are general obligations of the Commission and Prince George's County, to which the full faith and credit of both are pledged.

The principal of and interest on the Bonds are payable from annual ad valorem property taxes which Prince George's County is required by law (i) to levy against all property assessed for the purposes of county taxation in the portion of the Maryland-Washington Metropolitan District (the "Metropolitan District"), as established by Title 19 of the Land Use Article, in Prince George's County which includes all of Prince George's County except for certain incorporated municipalities, a portion of Election District No. 10, and all of Election Districts No. 4 and No. 8, and (ii) to remit to the Commission.

Section 18-304(b) of the Land Use Article requires Prince George's County to levy against all property in the portion of the Metropolitan District in Prince George's County assessed for the purposes of county taxation an annual tax of at least four cents for each $100 of assessed value of all real property and at least ten cents on each $100 of assessed value of all personal property, notwithstanding the fact that no interest may be due on bonds of the Commission or that no bonds of the Commission have been issued. Section 18-304(b) of the Land Use Article provides that the Commission shall use revenues from the tax primarily to pay debt service on all Commission bonds issued for Prince George's County pursuant to the provisions of Section 18-203 of the Land Use Article (and all bonds issued to refund such bonds pursuant to Section 18-207 of the Land Use Article). Any portion of such proceeds not required for such debt service may be used by the Commission for its authorized purposes.

Section 18-204 of the Land Use Article provides that bonds issued by the Commission under Section 18-203 of the Land Use Article are to be issued on its full faith and credit and on the full faith and credit of the county or counties guaranteeing them. Section 18-204(d) of the Land Use Article requires Prince George's County to guarantee the payment of the principal of and interest on the Bonds, since the proceeds of the sale of the Bonds are to be expended only in Prince George's County. Section 18-209 of the Land Use Article provides that, if the revenues from the taxes authorized to be levied for the benefit of the Commission are not adequate to pay the principal of and interest on Commission bonds issued pursuant to Title 18 of the Land Use Article, the county guaranteeing the bonds shall levy, in each year that an inadequacy exists, an additional tax on all assessable property in the portion of the Metropolitan District in such county (or the entire county, if necessary) sufficient to make up the inadequacy.

Application of Proceeds

Proceeds of the Bonds will be used (i) to refund certain outstanding Prince George's County Park Acquisition and Development Bonds, (ii) to pay the costs of certain capital park acquisition and development projects in Prince George's County and (iii) to pay all or a portion of the costs of issuance of the Bonds. The bond issue, maturities and principal amounts to be refunded are described in Appendix E and are hereinafter referred to as the "Refunded Bonds."

Description of the Bonds

The Bonds will be dated the date of their delivery, will bear interest from their dated date, payable semiannually on each January 15 and July 15, commencing July 15, 2016, until maturity or earlier redemption. The Bonds will mature on January 15 in each of the years, in the principal amounts and will bear interest at the interest rates, all as set forth on the inside cover of this Official Statement. The Bonds will be issued as fully registered bonds in the denomination of $5,000 each or any integral multiple thereof. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds initially will be maintained under a book-entry system, under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Bonds will be in book-entry form only. Beneficial Owners (as defined herein) shall have no right to receive physical possession of the Bonds, and payments of the principal or redemption price of and interest on the Bonds will be made as described below under "Book-Entry Only System." If the book-entry system is discontinued, interest on the Bonds will be payable by wire transfer or check mailed by the Registrar and Paying Agent, or any other registrar and paying agent designated by the Commission, to the persons in whose names the Bonds are registered as of the 1st day of the month in which such interest payment date occurs at the address shown on the registration books maintained by the Registrar and Paying Agent, and the principal or redemption price of the Bonds will be payable only upon presentation and surrender of such Bonds at the office of the Registrar and Paying Agent.

Redemption Provisions

The Bonds which mature on or after January 15, 2026, are subject to redemption prior to their respective maturities at any time on or after January 15, 2025 at the option of the Commission, in whole or in part, in any order of maturities, at par, together with interest accrued thereon to the date fixed for redemption.

If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds to be redeemed shall be selected by the Commission. So long as the Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Bonds to be credited with any partial redemption shall be made as described below under "Book-Entry Only System." At any other time, if fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds to be redeemed shall be selected by lot or other random means as the Registrar and Paying Agent in its discretion may determine.

Refunding

A portion of the proceeds of the Bonds will be held in cash or applied to the purchase of non-callable direct obligations of or obligations the principal of and interest on which are guaranteed by the United States of America ("Government Obligations") for the purpose of paying the Refunded Bonds. Such un-invested cash and Government Obligations will be held in trust in the Escrow Deposit Fund created under an escrow deposit agreement (the "Escrow Deposit Agreement") and held by the Escrow Deposit Agent pursuant to the Escrow Deposit Agreement. The Government Obligations will mature at such times and in such amounts, and will bear interest payable at such times and in such amounts so that the sums so received and such un-invested cash will be sufficient (i) to pay when due all interest on the Refunded Bonds coming due prior to the respective dates of maturity or redemption, as applicable, (ii) to pay on the respective maturity dates the principal of and accrued interest on the Refunded Bonds that are not subject to redemption prior to their maturities, and (iii) to redeem at the earliest practicable date, and to pay the redemption price and accrued interest on the Refunded Bonds to be redeemed prior to their stated maturity dates on such redemption date. (See "VERIFICATION OF MATHEMATICAL COMPUTATIONS"). The Escrow Deposit Agent will apply such cash and maturing principal of and the interest on the Government Obligations to the payment of the amounts described in the preceding sentence and has been irrevocably instructed to redeem the Refunded Bonds that are subject to redemption at the earliest redemption date at a price equal to the principal amount thereof plus accrued interest. See Appendix E for a list of the Refunded Bonds and their respective dates of maturity or redemption. The cash and Government Obligations held in the Escrow Deposit Fund will be pledged only to the payment of the principal of and interest on the Refunded Bonds and are not available for the payment of principal of or interest on the Bonds.

Notice of Redemption

So long as the Bonds are maintained under a book-entry system, notice of the call for any redemption of the Bonds shall be given as described below under "Book-Entry Only System." At any other time, the Registrar and Paying Agent shall mail notice of the call for any redemption at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Registrar and Paying Agent, but failure to mail any such notice, or any defect in the notice so mailed or in the mailing thereof, shall not affect the validity of the redemption proceedings. Such notice shall include the information required by the Bonds, including any conditions to such redemption. The Bonds so called for redemption will cease to bear interest on the specified redemption date, provided that funds for such redemption are on deposit at that time with the Registrar and Paying Agent or an escrow deposit agent.

Registration and Exchange of Bonds

So long as the Bonds are maintained under a book-entry system, transfers of ownership interests in the Bonds will be made as described above under "Book-Entry Only System." If the book-entry system is discontinued, any Bond may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and bearing interest at the same rate of other authorized denominations, and the transfer of any Bond may be registered, upon presentation and surrender of such Bond at the office of the Commission or the registrar and paying agent, if any, designated by the Commission, together with an assignment duly executed by the registered owner or his attorney or legal representative. The Commission may require the person requesting any such exchange or transfer to reimburse the Commission for any tax or other governmental charge payable in connection therewith. The Commission shall not be required to register the transfer of any Bond or make any such exchange of any Bond after such Bond or any portion thereof has been selected for redemption.

Book-Entry Only System

The information in this section has been obtained from sources that the Commission believes to be reliable, but the Commission takes no responsibility for the accuracy thereof.

The Depository Trust Company

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds in the principal amount equal to the aggregate principal amount of the Bonds of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Ownership of Bonds

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds except in the event that use of the book-entry system for the Bonds is discontinued under the circumstances described below under "Discontinuance of Book-Entry Only System."

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds of any maturity are selected for redemption, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The Commission will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal or redemption price of and interest on the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders. Any failure of DTC to advise any Direct Participant or of any Direct Participant to notify any Indirect Participant or any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption of the Bonds or of any other action premised on such notice. The Commission will not have any responsibility or obligation to Participants or Beneficial Owners with respect to: 1) the accuracy of any records maintained by DTC or by any Participant; 2) the payment by DTC or by any Participant of any amount with respect to the principal of, premium, if any, or interest on the Bonds; 3) any notice which is permitted or required to be given to bondholders; 4) any consent given by DTC or other action taken by DTC as bondholder; or 5) the selection by DTC or any Participant of any Beneficial Owner to receive payment in the event of partial redemption of the Bonds.

Payments on Bonds

So long as the Bonds are held by DTC under a book-entry system, principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission on the date on which such principal or interest is payable in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The Commission cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement. DTC may charge the Participants a sum sufficient to cover any tax, fee or other governmental charge that may be imposed for every transfer and exchange of a beneficial interest in the Bonds, and the Participants may seek reimbursement therefor from the Beneficial Owners.

Discontinuance of Book-Entry Only System

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Commission or to the registrar and paying agent, if any, designated by the Commission. DTC (or a successor securities depository) may be discharged by the Commission as a securities depository for the Bonds. In either such event, the Commission may discontinue the maintenance of the Bonds under a book-entry system or replace its former securities depository with another qualified securities depository. Unless the Commission appoints a successor securities depository, the Bonds held by its former securities depository will be canceled, and the Commission will execute and the registrar and paying agent, if any, designated by the Commission will authenticate and deliver Bonds in fully certificated form to the Participants shown on the records of DTC provided to the Commission or, to the extent requested by any Participant, to the Beneficial Owners of the Bonds shown on the records of such Participant provided to the Commission.

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

The Commission

The Commission, established by the General Assembly of Maryland in 1927, is a body corporate of, and an agency created by, the State of Maryland. The Commission is empowered to (i) acquire, develop, maintain and administer a regional system of parks in a defined Metropolitan District within the Maryland Counties (Prince George's and Montgomery) adjacent to the District of Columbia, and (ii) prepare and administer a general plan for the physical development of a larger Regional District ("Regional District") in the same area. The Commission also conducts the recreation program for Prince George's County. The Metropolitan District now embraces nearly all of Maryland's Prince George's and Montgomery Counties. Areas within the counties that are not part of the Metropolitan District include certain incorporated municipalities: the cities of Laurel, Greenbelt, and District Heights, and all of Election Districts No. 4 and, No. 8, and a portion of Election District No. 10 in Prince George's County; the cities of Rockville and Gaithersburg, and the towns of Washington Grove, Poolesville, Barnesville, Brookeville, and Laytonsville in Montgomery County.

Upon its creation, the Commission was designated by State law and by an Act of Congress as the agency of the State of Maryland to cooperate with a similar federal agency. This designation was for the purpose of carrying out the federal program for extension of the Washington, D.C. stream-valley park system into the surrounding Maryland counties. The program was implemented by appropriate federal legislation, and by a general park acquisition plan adopted by the Commission with the approval of the federal agency. As Congressional appropriations became available, the Commission acquired portions of the parks approved by said plan, one-third of the cost of such acquisitions being paid from federal appropriations and two-thirds from the proceeds of Commission bonds. Also, as part of this program, the Commission issued bonds for the purpose of sharing with the federal government one-half of the cost of the Maryland portion of the George Washington Memorial Parkway. The latter project represents land acquired and developed by the federal government along the north bank of the Potomac River. Since 1959, the Commission has received no earmarked federal funds for its acquisition program, but has continued an extensive acquisition program on its own with some assistance from federal and State open space and outdoor recreation programs.

The Commission administers a park system, which currently contains approximately 64,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its current staff consists of over 2,000 year-round career employees. In addition, it employs in its numerous park and recreation programs more than 5,278 seasonal workers and 64 contactual employees. Two regional offices are maintained, one in each county. The Commission meets regularly, once each month, the site of the meetings alternating between the two regional offices.

The administration, planning, park and recreation functions affecting each county are directed by the respective Planning Board. General administration of the Commission and other matters pertinent to both counties are acted upon by the full Commission or, by delegation, the Executive Committee or the Finance Committee.

The Executive Committee consists of the Chairman, Vice Chairman and the Executive Director. The Finance Committee consists of two Commissioners, currently the Chairman and Vice Chairman of the Commission, the Executive Director and the Secretary-Treasurer, who is a non-voting member.

Duties and Functions of the Commission

- Preparation and periodic review of a general plan for the entire Regional District;
- Management of the physical growth and planned communities;
- Protection and stewardship of natural, cultural and historic resources;
- Preparation and revision of functional master plans for activities such as transportation, parks and open spaces, public facilities, etc.;
- Preparation and revision of local area master plans for each county;
- Review of all plans for capital improvements by any federal, state or local agency;
- Study and make recommendations with respect to all requested zoning applications and text amendments;
- Preparation, administration and revision of county subdivision regulations and approval of subdivision plats;
- Acquisition of land in either county in advance of need for other public bodies upon request;
- Acquisition, maintenance, development, administration and improvement of the stream-valley park system;
- Acquisition, maintenance, development, administration and improvement of the related system of regional and neighborhood parks, recreation areas, and playgrounds;
- Administration of leisure and recreational experiences;
- Development, construction, improvement, maintenance and operation of numerous recreational facilities in the parks, including golf courses; ice rinks; tennis and racquetball courts; athletic fields; swimming, boating, camping and fishing areas; youth centers; community buildings; recreation centers; conference centers; equestrian centers; a multipurpose arena; a sports and learning complex; and an airport; and
- Operation of a complete recreation program in Prince George's County.

The full Commission coordinates and acts on matters of interest to both counties. The members of the Commission from each county serve as a separate Planning Board to facilitate, review and administer the matters affecting only their respective county. To carry out their functions, each county's Planning Board meets at least once a week.

Commission Management

The Commission is composed of ten Commissioners who serve overlapping four-year terms. Five Commissioners are appointed by each county and serve as that county's Planning Board and Parks Commission. Terms of office are staggered, and no more than three members on each Planning Board may be affiliated with the same political party. In Prince George's County, the Commissioners are appointed by the County Executive and confirmed by the County Council and may be removed by the County Executive with the approval of the County Council. In Montgomery County, Commissioners are appointed by the County Council subject to the approval of the County Executive. In Montgomery County, the Council may over-ride the disapproval of an appointment by an affirmative vote of seven Council members, and the Council can remove Commissioners. No Montgomery County Commissioner may be appointed for more than two consecutive, full terms. Each county designates one of its Commissioners for the position of Chairman or Vice Chairman of the Commission. The Commission elects one of such designees as its Chairman and the other as its Vice Chairman. The designee of each county also serves as the Chairman of that county's Planning Board. Under the Commission's rules of procedure, the Chairmanship and Vice Chairmanship of the full Commission rotate annually, on January 1, between the two designees, unless the Vice Chairman has served for less than four months as of January 1, and then the Chairman shall continue in that office until the next January 1.

Prince George's County Commissioners

Elizabeth M. Hewlett, Esq. was appointed Chairman of the Prince George's County Planning Board in June, 2011 and reappointed in June, 2013. She previously served as Chairman of the Planning Board from 1995 to 2006. A former principal in the law firm of Shipley, Horne and Hewlett, P.A., Ms. Hewlett has an extensive legal background in both the public and private sectors, including serving as Associate General Counsel to M-NCPPC, Staff Counsel to the Legal Aid Bureau, an attorney in private practice, and a member of the Prince George's County Attorney's Office and the Prince George's County Council legislative staff. Recognized as one of the Region's "100 Most Powerful Women" by the Washingtonian Magazine and "Top 100 Women in Maryland" and "Most Influential Marylanders" by The Daily Record. She earned a bachelor's degree from Tufts University and juris doctorate degree from Boston College Law School. She also completed the post-graduate program for senior executives in state and local government offered by the John F. Kennedy School of Government at Harvard University. She has served on the Metropolitan Washington Council of Governments' Metropolitan Development Policy Committee, and regional Washington Metropolitan Area Transit Authority, where she completed a four-year tenure, including a term as Chairman.

Dorothy F. Bailey was appointed to the Prince George's County Planning Board in June, 2011 and serves as Vice Chair of the Board. In December 1994, Ms. Bailey was elected to represent the Seventh Councilmanic District of Prince George's County on the Prince George's County Council. Ms. Bailey served two terms as Chair, and three terms as Vice Chair of the Council, where she presided over matters related to land use planning and participated in key decisions affecting development policy. Prior to her election to the Council, Commissioner Bailey worked for the Executive Branch of Prince George's County Government, serving as a senior-level official at several agencies, including Executive Director of the Consumer Protection Commission, the Commission for Families, and Community Partnerships Director at the Department of Family Services. She earned a bachelor's degree in sociology from North Carolina Central University, completed further graduate study in both education and gerontology, and was awarded an honorary doctorate degree from Riverside Baptist College and Seminary.

Manuel R. Geraldo, Esq. was appointed to the Prince George's County Planning Board in July, 2012. Mr. Geraldo is an accomplished legal professional and principal in the law firm of Robinson & Geraldo, which he organized in 1979. His prior professional positions include Director and General Counsel for the District of Columbia Private Industry Council, litigation and legislative Counsel in the Office of the General Counsel for the U.S. Department of Housing and Urban Development, membership on the Newark Commission on Human Rights, and Executive Director for the Congress of Portuguese Speaking People. Mr. Geraldo was appointed to the Maryland Board of Airport Zoning Appeals in 2010 and as Chair of the Board in 2012. He also previously served as a Commissioner and as Chair of the Washington Suburban Sanitary Commission. Mr. Geraldo has received numerous awards and recognition as a long-time, committed community activist and volunteer and serves as a Director on the Board of the Prince George's County Community Foundation, a Director for the Portuguese American Leadership Council, and Director and Secretary of the Pro Bono Resource Center. Mr. Geraldo was appointed by Governor Martin O'Malley to the Board of Airport Zoning Appeals in 2010 and as Chair of the Board in 2012. He also previously served as a Commissioner on the Washington Suburban Sanitary Commission, including a term as Chair of the Commission. He earned a bachelor's degree from Seton Hall University, a juris doctorate from Rutgers School of Law, and a master's degree in International and Comparative Law from Georgetown University.

John P. Shoaff, Esq. was appointed as a Commissioner to the Prince George's County Planning Board in June, 2011. Mr. Shoaff currently leads the Air Policy Support Group for the United States Environmental Protection Agency's Office of Air and Radiation. In this capacity he helps direct and coordinate cross-office air quality policy, economic, science, research and international issues. Prior to this role, Mr. Shoaff served in several capacities in the Office of Chemical Safety and Pollution Prevention, as Deputy Director for the Environmental Assistance Division, Chief of the Liaison and Outreach Branches and International Team Leader. Locally, Mr. Shoaff served as a member of the East Campus Redevelopment Community Review Steering Committee, contributing his expertise on environmental stewardship and sustainability, as well as smart growth, transportation, and parking. He previously worked on air quality issues for the governor of California and the California Air Resources Board. Commissioner Shoaff earned a Juris doctorate degree from the University of Maryland School of Law and a bachelor's degree from the University of Notre Dame.

A. Shuanise Washington was appointed to the Prince George's County Planning Board in 2011 and reappointed in 2012. She is the President and Chief Executive Officer of the Congressional Black Caucus Foundation, Inc. (CBCF). Prior to her appointment as CBCF President, she was the Founder and Principal of Washington Solutions, LLC which provided strategic counsel to businesses, governments and non-profit organizations. Ms. Washington's previous corporate positions include Vice President of Government Affairs Policy & Outreach, and Vice President for External Affairs for Altria Corporate Services. She also held several high-level positions with Philip Morris Management Corp., including Director of Washington Relations, with responsibility for outreach to Capitol Hill caucuses, and District Director of State Government Affairs. Commissioner Washington holds leadership positions in a number of national and local community organizations, has received numerous awards, and has been featured in various national and local publications. She holds a bachelor's degree from the University of South Carolina, and a cognate in mathematics.

Montgomery County Commissioners

Casey Anderson, Esq. a Silver Spring resident, was appointed to the Montgomery County Planning Board in June 2011 and has served as its chair since August of 2014. An attorney and community activist, Mr. Anderson served on the boards of the Washington Area Bicyclist Association, the Coalition to Stop Gun Violence, and the Committee for Montgomery. He is former Vice President of the Woodside Civic Association and Executive Vice Chairman of the Silver Spring Citizens Advisory Board. Mr. Anderson worked as chief of staff and legislative director to former U.S. Rep. Martin Meehan, as law clerk to Justice Gregory Scott of the Supreme Court of Colorado, and as a government relations executive for AOL Time Warner before co-founding a litigation consulting firm. He holds undergraduate and law degrees from Georgetown University, where he served on the editorial board of the law review, and a graduate degree in journalism from Columbia University.

Norman Dreyfuss, Esq. was appointed to the Montgomery County Planning Board in February 2010. Mr. Dreyfuss is Executive Vice President of IDI MD, the developer of Leisure World and many other developments throughout the Washington, D.C. region. He has worked in all aspects of community development, is a champion of affordable housing and serves as Commissioner on the Montgomery County Housing Opportunities Commission and co-chairs the County's Annual Affordable Housing Conference. A resident of Potomac, MD, Mr. Dreyfuss holds a J.D. from American University, a B.S. in Mechanical Engineering, and a B.A. in Fine Arts from Rutgers University.

Natali Fani-Gonzalez was appointed to the Montgomery County Planning Board in October 2014; she is the first Latino and first millennial to serve on the five-member Planning Board. Mrs. Gonzales is the founder and principal of the Rockville based public relations firm, The Matea Group. A human and civil rights activist and entrepreneur, she has been recognized as the Montgomery Women 2015 Rising Star and the 2013 “Leading Women” honoree by The Daily Record . She started her career as a lobbyist for CASA de Maryland, the largest Latino and immigrant organization in the state, and then joined the communications team of the Service Employee International Union Local 32BJ before starting her own public relations firm. Mrs. Fani-Gonzalez graduated from Goucher College with a bachelor’s degree in political science and international relations.

Amy Presley was appointed to the Montgomery County Planning Board in June 2008 and re-appointed in June 2012. Ms. Presley has expertise in the areas of marketing, strategic planning, and business development. A founding member of the Clarksburg Town Center Advisory Committee (CTCAC), she has been involved in numerous planning-related initiatives, including helping draft the Commission’s Development Review manual and serving on an M-NCPPC-hosted growth policy panel.

Marye Wells-Harley*,* Vice Chairman of the Planning Board was appointed in July 2009. She was reappointed for a second term in June, 2013. She worked for many years at the Prince George’s County Department of Parks and Recreation, part of the Maryland-National Capital Park and Planning Commission. For the last six of those years, she was director of Parks and Recreation, and, as such was instrumental in the agency receiving an unprecedented five top awards from the National Recreation and Park Association. Before serving as parks and recreation director, Commissioner Wells-Harley worked in several top-level management positions for the Commission. During that time, she was appointed to the Maryland State Arts Council and the Prince George’s County Advisory Committee on Aging. Ms. Wells-Harley’s long tenure of public service brought her the distinction of being named one of Maryland’s Top 100 Women by the Daily Record newspaper in 2004. Ms. Wells-Harley holds a bachelor’s degree from Winston-Salem State University and is a graduate of the Executive Leadership Institute and Leadership Washington. She is active in numerous professional organizations, including the National Recreation and Park Association and the National Forum for Black Public Administrators, and Roundtable Associates. She serves on the board of Eastern National and is a past board member of the Accokeek Foundation and the Prince George’s County Arts in Public Places Panel. Commissioner Wells-Harley, a Silver Spring resident, is the first African-American woman appointed to the Montgomery County Planning Board.

Officers

Patricia Colihan Barney was appointed Executive Director on February 25, 2010. Prior to her appointment, she served as the Commission’s Secretary-Treasurer for 10 years and held other positions in the Finance Department for 15 years. Before her career in the public sector, Ms. Barney was Assistant Controller for Loyola Federal Savings and Loan Association and an auditor with Deloitte Haskins & Sells. Ms. Barney received her Bachelor of Arts Degree in Accounting from Frostburg State College, and Master’s Degree in Management from the University of Maryland University College. She is a member of the American Institute of Certified Public Accountants, the Government Finance Officers Association, and the Honor Society of Phi Kappa Phi. She is a graduate of Leadership Montgomery and is a past President of the Maryland Government Finance Officers Association. She also serves as Trustee for the Commission’s Employees’ Retirement System and the Commission’s Other Post-Employment Benefits Trust Fund.

Joseph C. Zimmerman was appointed by the Commission as its Secretary-Treasurer in August 2010. Mr. Zimmerman has over thirty years’ experience in public administration and financial management. He served for over ten years as an assistant controller and controller in higher education, fifteen years as a county finance director, and five years as director of finance for an independent State agency. He is a past President of the Maryland Government Finance Officers Association. Mr. Zimmerman is a Certified Public Accountant and holds a Bachelor’s degree in Accounting from Frostburg State College and a Master’s of Business Administration from the University of Baltimore. He is a member of AICPA, MACPA, and GFOA. He also serves as a trustee for the Commission’s Employees’ Retirement System and Other Post-Employment Benefits Trust Fund.

Adrian Robert Gardner was appointed as the Commission’s General Counsel in April of 2000. Before joining the Commission, Mr. Gardner engaged in private legal practice for more than ten years, including his terms as general counsel for a construction material supply company operating in several markets along the eastern seaboard, and principal of regional law and lobbying firms. During 2005, Mr. Gardner was appointed by the Georgetown University Law Center as an Adjunct Professor in Local Government Law. He is also distinguished as one of the youngest department heads in the history of Prince George's County, Maryland, where he was appointed in 1990 as Executive Director for the local government's Minority Business Opportunities Commission. Mr. Gardner is a member of civic, charitable and professional organizations, including the American Bar Association, the Maryland State Bar Association, and the voluntary bar associations of Prince George's and Montgomery Counties, Maryland and the J. Franklyn Bourne Bar Association. He earned a bachelor's degree with high academic honors from Northeastern University in Boston, Massachusetts; a master's in Public Policy from The John F. Kennedy School at Harvard University; and a juris doctorate from Harvard Law School, which was also conferred with academic honors. Mr. Gardner is currently admitted to practice before the United States Fourth Circuit Court of Appeals, the United States District Court for Maryland, the Court of Appeals for the State of Maryland, and the District of Columbia Court of Appeals.

Department Directors

Ronnie Gathers was appointed Director of the Prince George's County Department of Parks and Recreation in November 2007. Mr. Gathers has been affiliated with the Commission for 22 years in the parks and recreation fields. During this time he has served in progressively responsible positions within the Commission and the Department, including Acting Director of the Department of Parks and Recreation and Deputy Director of Facility Operations for the Department as well as 18 years managing parks and facilities for the Commission's Montgomery County Parks Department. He also served active duty in the military, and served four years as a civilian with the U.S. Army's Recreation Department. Mr. Gathers holds a Bachelor's Degree in Physical Education and Recreation from South Carolina State University and earned a Master's Degree in Administrative Management from Bowie State University. Mr. Gathers has connected with Prince George's County communities to develop strategic partnerships, and has worked with staff to emphasize customer service, community engagement, health and wellness programs, and services for youth and seniors.

Fern V. Piret is the Director of the Prince George's County Planning Department. Dr. Piret joined the Commission in December 1989, after more than 15 years of experience in Prince George's County government, where she served as senior advisor for Economic Development and Transportation in the Office of the County Executive. Dr. Piret earned her master's and doctorate degrees in Government and Politics from the University of Maryland and her bachelor's degree from Texas Technological College. Her professional affiliations include membership on the Council of Governments' Planning Directors Technical Committee and Metropolitan Development Policy Committee, the International Economic Development Council and Leadership Washington.

Michael F. Riley was appointed as Director of the Montgomery County Department of Parks in July 2014. He previously served in several progressively responsible positions with the department for over 30 years, including Deputy Director of Administration and Chief of Park Development. He has a degree in civil and environmental engineering from Clarkson University and is a licensed professional engineer in the State of Maryland. Mr. Riley is an active member of several professional organizations including the National Recreation and Park Association, the Maryland Recreation and Park Association, and the Maryland Association of Counties. He is credited with the execution of several successful multi-million dollar public-private partnerships including the Maryland SoccerPlex, Montgomery TennisPlex, and Miracle League of Montgomery County. He also championed the Department's long range strategic plan for parks and recreation: Vision 2030.

Gwen Wright is the Director of the Montgomery County Planning Department. She was appointed to this position in July, 2013. Ms. Wright also worked for the Montgomery County Planning Department from 1987 to 2008. During this period, she served as the Chief of Countywide Planning, including supervising the Environmental Planning, Transportation Planning and Historic Preservation Sections, as well as serving as Acting Planning Director. Prior to her appointment, Ms. Wright was Chief of the Development Division for the City of Alexandria Department of Planning and Zoning for five years. Ms. Wright began her career in Texas as the Director of Architectural Design and Redevelopment for the Galveston Historical

Foundation in Galveston, Texas. She has degrees in Architecture and Architectural History from Yale University and has spoken at numerous national and regional conferences on a wide variety of planning issues. Ms. Wright is co-chair of the Cleveland Park Historical Society Architectural Review Committee. She is a member of Lambda Alpha and a graduate of ULI Washington's Regional Leadership Institute.

COMMISSION FINANCIAL DATA

Basic Accounting System

The Commission's accounting system is based on fund accounting. The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The financial position and operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate, for the purpose of carrying on specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations.

Fund Structure

The revenues and receipts of the Commission are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. The various funds are summarized for each county and for the Commission as a whole in the accompanying financial statements of the Commission.

The fund types used by the Commission are: Governmental Funds, which include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds; Proprietary Funds, which include the Enterprise and Internal Service Funds; and Fiduciary Funds. Details of the Commission's fund structure are set forth in "Notes to Financial Statements" in Appendix A of this Official Statement.

Basis of Accounting

Governmental Accounting Standards currently effective require reporting governmental operations on a full accrual basis in addition to the modified accrual information discussed below. The financial report includes a Statement of Net Assets and a Statement of Activities, which present Commission-wide information, including all governmental and business-type funds, on a full accrual basis.

The financial operations of the Governmental Funds are maintained on the modified accrual basis of accounting. Under this method of accounting, revenues are recorded only when received in cash, except for revenues considered both measurable and available to finance appropriations for the current year, which are recognized as revenue when earned. Expenditures are recorded at the time liabilities are incurred. Exceptions to this rule are that principal and interest on long-term debt are considered expenditures when due. Accumulated unpaid annual and compensatory leave is reported in the Employee Benefits Internal Service Fund and is funded by charges to the General Fund. In addition, an encumbrance system is employed in the Governmental Funds to account for expenditure commitments resulting from approved purchase orders and contracts.

The financial operations of the Proprietary Funds and the Fiduciary Funds are maintained on the accrual basis of accounting in which all revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, without regard to receipt or payment of cash.

Certificate of Achievement

For the 41st consecutive year, the Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year 2014. The Commission intends to continue to submit its CAFR for review and believes that its CAFR for the fiscal year 2015 will conform to the Certificate of Achievement Program requirements.

Financial Information

The financial statements included herein reflect the functions under the direct jurisdiction of the Commission and the functions of the Retirement System. The data have been prepared in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board ("GASB"), and the guidelines recommended by the Government Finance Officers Association of the United States and Canada.

Revenues and Expenditures

The major sources of revenues of the Commission include property taxes; Federal and State grants; interest earnings; user fees and charges for leisure and public service facilities; charges for services, licenses and permits; rental income on Commission-owned property; and concessions and contributions.

In accordance with the general practice of governmental units, the Commission classifies its expenditures as follows: Personal Services, Supplies and Materials, Other Services and Charges, Capital Outlay, Debt Service, and Other. Through its various departments and offices, the Commission supplies an array of services by function. The principal services are General Government, Planning and Zoning, Park Operations, Recreation, and Park Acquisition and Development. See "THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION – Commission Management."

The following tables show the general revenues and expenditures of the Commission for Prince George's County activities for five most recent fiscal years:

Governmental Revenues by Source (1)

Fiscal Year	Property Taxes	Inter-Governmental	Charges for Services	Interest Earnings	Other	Total
2010...........	$273,054,978	$8,374,089	$15,682,840	$1,694,356	$2,061,194	$300,867,457
2011...........	251,407,155	9,471,805	16,302,817	1,366,721	770,217	279,318,715
2012...........	239,308,803	3,054,708	17,037,080	1,651,536	1,157,408	262,209,535
2013...........	221,174,223	4,464,103	17,199,632	359,904	629,924	243,827,786
2014...........	215,367,591	5,123,203	18,149,059	819,552	984,749	240,444,154

(1) Includes General, Capital Projects, Debt Service, and Special Revenue Funds. Excludes proceeds from bond sales.
Source: The Maryland-National Capital Park and Planning Commission.

Governmental Expenditures and Net Transfers by Function (1) (2)

Fiscal Year	General Governmental	Planning and Zoning	Park Operations(2)	Recreation (2)	Park Acquisition and Development	Debt Service	Total
2010........	$10,304,182	$35,496,067	$120,442,951	$74,560,524	$27,276,872	$13,152,950	$281,233,546
2011........	9,349,172	33,593,366	117,481,346	72,711,853	30,706,294	13,315,596	277,157,627
2012........	9,849,026	33,473,162	96,975,338	72,373,975	38,901,341	11,857,512	263,430,354
2013........	9,476,422	25,187,057	99,894,806	62,577,523	26,247,030	10,761,728	234,144,566
2014........	9,950,696	38,410,377	109,162,173	75,960,043	28,728,254	10,087,606	244,486,945

(1) Includes General, Capital Projects, Debt Service, and Special Revenue Funds.
(2) Contributions to Enterprise Funds are included in Recreation.
Source: The Maryland-National Capital Park and Planning Commission.

General Fund

Description

The Commission's park operations, planning, recreation, and general administrative functions are financed primarily by legally designated property taxes and are accounted for in the General Fund, which includes the Administration, Park and Recreation Accounts in Prince George's County and the Administration and Park Accounts in Montgomery County. Property taxes levied in the Metropolitan District in each county include a mandatory tax primarily for the payment of debt service on park acquisition and development bonds. Proceeds of that tax are recorded in the respective Park Accounts and transferred to the Debt Service Funds, as needed, to pay debt service.

Park Account Revenues and Expenditures

The following table summarizes the actual revenues and expenditures including encumbrances, of the Commission for the Prince George's County General Fund - Park Account for the fiscal years 2011 through 2014. Also shown are the preliminary results for fiscal year 2015 and the budgeted revenues and expenditures for the fiscal year 2016.

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Prince George's County General Fund – Park Account
Summary of Revenues and Expenditures Including
Encumbrances and Changes in Fund Balance – Budget Basis
Fiscal Year Ended June 30

					Preliminary	Budget
	2011	**2012**	**2013**	**2014**	**2015**	**2016**
Revenues:						
Taxes	$151,616,903	$144,460,008	$119,484,069	$116,298,076	$116,608,140	$119,265,800
Interest	266,855	401,316	93,217	343,215	389,359	350,000
Fees, Charges and Other	2,482,786	2,532,833	2,740,343	2,837,854	2,957,668	3,089,800
Total Revenues	$154,366,544	$147,394,157	$122,317,629	$119,479,145	$119,955,167	$122,705,600
Expenditures and Encumbrances:						
Park Management and Design	14,400,258	14,343,765	16,971,064	19,100,372	18,754,560	21,965,181
Park Police	16,440,243	15,939,854	17,433,935	18,106,459	181,119,649	18,797,353
Maintenance & Development	24,239,413	24,563,772	23,878,135	26,619,949	26,856,127	27,879,174
Park and Facility Operations	23,160,981	30,061,266	29,746,565	31,767,582	31,632,543	34,451,820
Support Services	10,945,141	11,363,773	14,238,559	13,927,853	14,102,110	13,688,200
Contributions	30,000,000	-	-	-	-	-
Total Expenditures and Encumbrances	119,186,036	96,272,430	102,268,258	109,522,215	272,464,989	116,781,728
Other Financing Sources (Uses):						
Debt Service Fund	(13,018,165)	(11,662,559)	(12,204,186)	(10,087,606)	(10,741,849)	(11,853,237)
Other, Net	(20,602,634)	(9,900,757)	45,541,303	(24,225,000)	(16,155,000)	15,285,000
Total	(33,620,799)	(21,563,316)	33,337,117	(34,312,606)	(26,896,849)	3,431,763
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses	1,559,709	29,558,411	53,386,488	(24,143,787)	(16,980,113)	9,355,635
Beginning Fund Balance	54,673,633	56,233,342	85,791,753	139,178,241	115,034,454	97,873,889
Ending Fund Balance	$ 56,233,342	$ 85,791,753	$ 139,178,241	$ 115,034,454	$ 98,054,341	$ 107,229,524

Source: The Maryland-National Capital Park and Planning Commission

Fiscal Year 2015 Operating Results and 2016 Fiscal Outlook

The Commission's Finance Department provides on-line financial information and prepares and distributes periodic estimates of revenues and expenditures and fund balances for the current fiscal year, and the Budget Division prepares six-year projections to assist management with fiscal planning. Periodic reviews of these reports and estimates, coupled with overall stringent financial management, have consistently resulted in the Commission spending less than the budgeted amounts.

The fiscal 2016 budget was adopted with a total tax rate that was increased by 1.5 cents for real property and 3.75 cents for personal property. The County Council took this action to ensure continued service to the public and implementation of the revised capital improvement program.

For the preliminary fiscal year 2015, the aggregate of the General Fund-Park Account revenues (including transfers) were $1,506,048 more than the budgeted amount and expenditures (including transfers) were $6,065,334 less than the budgeted amount for Prince George's County. The Prince George's County General Fund-Park Account preliminary Total Budgetary Fund Balance was $98,054,341 at June 30, 2015. The preliminary Fund Balance consists of uncommitted funds totaling $92,215,241 and assigned for contingencies of $5,839,100.

The Commission's fund balance policy requires a contingency reserve of between 3 to 5% of expenditures. The fiscal year 2015 adopted budget complies with this policy.

Property Taxes

Property taxes are levied and collected for the Commission by Prince George's County and remitted monthly to the Commission. Real property taxes are levied on July 1 each year and become delinquent on October 1, at which time interest and penalties commence. Effective July 1, 2000, semiannual tax payment plans are automatic for homeowners living in their properties unless they request to remain on an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half are due by December 31. 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 May in Prince George's County for taxes that are delinquent. The Commission periodically reviews property tax assessments to ensure proper receipt of such taxes. From time to time, the Commission may determine that additional taxes are due or refunds are required. Only after such amounts are measurable will the Commission record the appropriate receivable or reserve for the entire amounts.

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Rates and Levies

The following table sets forth the Prince George's County tax rates and tax levies allocated to the Commission for each of the six most recent fiscal years through June 30, 2016.

Property Tax Rates and Levies Allocated to the Commission (1)(3)

Fiscal Year	Administration	Park Operations	Recreation	Land Acquisition	Total	Total Tax Levy
2011…..	$ 0.0466/0.1165	$ 0.1719/0.4298	$ 0.0592/0.1480	$ 0.0013/0.0032	$ 0.2790/0.6975	$ 254,998,038
2012…..	0.0466/0.1165	0.1719/0.4298	0.0605/0.1512	0.0000/0.0000	0.2790/0.6975	237,755,078
2013…..	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	220,093,844
2014…..	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	219,461,895
2015…..	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	215,646,159
2016…..	0.0566/0.1416	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	N/A (4)

(1) Rates are per $100 of assessed valuation.

(2) All taxes except the Advance Land Acquisition tax are accounted for in the General Fund.

(3) Rates are for Real/Personal Property

(4) Total tax levy as of September 2015 Park & Planning Assessments and Tax Report.

Tax Collections

The following table sets forth certain pertinent information regarding Prince George's County's tax levies and tax collections allocated to the Commission for the fiscal years ending 2010 through 2015:

Property Tax Levies and Collections Allocated to the Commission

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections
2010	$275,536,417	$271,182,300	99%	$2,197,893	$273,380,193
2011	254,998,038	250,411,969	99	2,539,249	252,951,218
2012	237,755,078	234,227,123	99	2,765,609	236,992,732
2013	220,093,844	218,774,290	99	1,319,554	220,093,844
2014	211,901,386	211,642,952	99	1,241,717	212,884,669
2015	215,646,159 (1)	215,367,043	99	-	215,367,043

Note: Includes Advance Land Acquisition taxes which are not accounted for in the General Fund.

(1) Total tax levy as of June 30, 2015 Park & Planning Assessments & Tax Report.

Assessments

The assessment of all real and tangible personal property for purposes of property taxation by State and local governmental units is the sole responsibility of the State Department of Assessments and Taxation. Assessment records and tax rolls are maintained in each county seat and in Baltimore City. Real property is valued at market value ("full cash value") and assessed in each year at a percentage of market value. In the 2000 legislative session, the Maryland State Legislature enacted a law providing that beginning July 1, 2001 property tax rates shall be applied to 100% instead of 40% of the value of real property, and that the real property tax rate shall be adjusted to make the impact revenue neutral. One-third of the real property is physically 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. Any increase in market value arising from such inspection and revaluation is phased in over the ensuing three taxable years in equal annual installments.

Exemptions

Exemptions from property taxes are granted pursuant to State law by the State Department of Assessments and Taxation.

Budget

Title 18 of the Land Use Article requires the Commission to prepare an annual operating and an annual capital budget on or before January 15 of each year for the ensuing fiscal year. The budget shall allocate separately to each county proposed expenditures and revenue estimates that are so allocable. The budget is prepared to reflect the total funding and staffing requirements of the Commission as well as its individual programs and organizational components. The budget process begins with the submission of departmental requests to the respective Planning Boards of each county. Each Planning Board approves its own departmental budgets, and the proposed budgets then are reviewed and acted upon by the Commission.

The Commission must submit the budget to the County Executives of Prince George's and Montgomery County on or before each January 15. The budget is transmitted by the County Executives, with recommendations, to their respective County Councils. The deadline for transmittal in Montgomery County is March 1. In Prince George's County, County Executive transmittal must be made to the County Council by April 1. Each County Council must conduct public hearings on the budget and may add to, delete from, increase or decrease any item of the budget allocable solely to that county. The Montgomery County Council and the Prince George's County Council shall approve the portion of the budget allocable to their respective county by June 1 of each year. In each case, the respective County Council must impose taxes in such amounts as the County Council determines to be necessary to finance the portion of the budget allocable to that county. Budget items allocable to both counties must have the concurrence of both County Councils. If the County Councils do not concur by June 15 on an item allocable to both counties, the item shall stand approved as submitted by the Commission.

After each County Council has approved the budget, it must be submitted to the respective County Executive within three calendar days. If the respective County Executive disapproves, reduces, or modifies any budget item within ten days thereafter, the budget is returned to the respective County Council with written explanation. Within 30 days after the respective County Executive returns the budget, each County Council may reapprove or restore any budget item over the disapproval of the County Executive. In both Montgomery County and Prince George's County, such re-approval or restoration requires the affirmative votes of six members of its County Council.

After the budget has been duly adopted by each County Council, the Commission is authorized to transfer appropriations within certain limits, but it may not alter total appropriations without County Council approval by budget amendment. Budget amendments may be made by each County Council on its own initiative or at the request of the Commission after the County Council has received recommendations from the County Executive and after public hearing upon reasonable notice to the public. With respect to budget items applicable to both counties, an amendment is not effective unless it has received the concurrence of both County Councils.

Capital Improvements Program - Legal Requirements

Title 18 of the Land Use Article requires the Commission to prepare a six-year projection of capital expenditures called the Capital Improvements Program (the "CIP"). The CIP must include a statement of the objectives of the capital programs and the relationship of these programs to each county's adopted long-range development plans; shall recommend capital projects and a construction schedule; and must provide an estimate of cost and a statement of all funding sources. The CIP must include all programmed parkland acquisition and all major parkland improvement and development and major acquisitions of equipment. The CIP must be submitted to the governing body of Prince George's County prior to January 15 of each year. The CIP must be submitted to the County Executive and County Council of Montgomery County prior to November 1 of each odd-numbered year.

Each county governing body must, on or before adoption of its budget and appropriations resolution, adopt the CIP. Such adoption may occur only after public hearings thereon which may be conducted in conjunction with public hearings on the six-year programs or capital budgets of the county and other units. Each county governing body may amend, revise or modify the CIP. Any such amendment, revision or modification may not become final until at least 30 days after it is submitted to the Commission for written comment.

The capital budget of the Commission for each fiscal year shall include only projects that fully conform with the part of the CIP applicable to that year. No capital project may be undertaken, in whole or in part, which is not in conformity with the part of the CIP applicable to that year unless the CIP has been amended by the county governing body on its own initiative or at the request of the Commission and after public hearing upon reasonable notice to the public.

Capital Budget

The Commission's Prince George's County capital plan for fiscal years 2016 through 2021 is summarized below (in thousands of dollars):

	2016	2017	2018	2019	2020	2021
Expenditures:						
Land Acquisition	$4,740	$1,842	$3,432	$3,000	$3,000	$3,000
Development	19,215	14,715	10,275	12,950	6,500	6,900
Total*	$23,955	$16,557	$13,707	$15,950	$9,500	$9,900
Funding Sources:						
M-NCPPC Bonds	$8,320	$8,896	$8,407	$10,600	$5,000	$5,400
State of Maryland	3,355	0	0	0	0	0
Developer Contributions	6,000	1,000	1,000	2,000	0	0
Pay-as-you-go	6,280	6,661	4,300	3,350	4,500	4,500
Total*	$23,955	$16,557	$13,707	$15,950	$9,500	$9,900

* Excludes Funding Sources and Expenditures for the Advance Land Acquisition Fund which is supported by its own taxing authority and tax rate.

Plans for Future Debt

The Commission has no plans to incur additional general obligation debt during calendar year 2015 for Prince George's County.

Insurance

The Commission liability insurance programs are handled through self-insured and commercial insured products, as well as internal risk transfer programs such as the requiring of certificates of insurance and Indemnity and Hold Harmless clauses for vendor contracts. These programs are managed through the Commission's Risk and Safety Management Office. This Office is also charged with developing and implementing the Commission's internal loss control program to reduce accidents and injuries through training, inspections and regulatory compliance, programmatic risk assessments and insurance review of vendor contracts.

For its self-insured products, the Commission participates in the Montgomery County Self-Insurance Program (the "Program") for the purpose of economic pooling of risks and resources. There are over 12 entities which participate in the Program including the Commission, Montgomery County Government, Montgomery County Public School System, Montgomery Community College, the City of Rockville, the Montgomery County Revenue Authority, the Housing Opportunities Commission of Montgomery County, the Housing Authority of the City of Rockville, the Town of Somerset, the City of Gaithersburg, the Village of Martin's Addition and the City of Takoma Park. The Program is administered by an Inter-Agency Insurance Panel, comprised of representatives of each of the participating entities. This panel formulates insurance policy, reviews claims for settlement and evaluates the effectiveness of the loss control program, and develops recommendations for minimizing potential losses. The Program provides substantial savings in commercial insurance costs and the benefit of claims management systems including a third-party claims management firm, Gallagher Bassett Services, Inc., and the Montgomery County Attorney's Office to administer the legal requirements of the Program.

The Program provides the Commission with insurance coverage for workers' compensation (Maryland State mandatory limits), comprehensive general liability, automobile coverage (first and third-party claims), professional liability, property and fire damage, boiler and machinery damage, data processing systems breakdown and blanket crime coverage.

By State law effective October 1, 2015, local government entities, including the Commission, are protected by the Local Government Tort Claims Act. Under this legislation, the liability of the Commission for common law torts, such as negligence, is limited to $400,000 for an individual claim, and $800,000 for all claims arising from one occurrence. This act significantly decreases the exposure of the Commission to large losses.

Each year, the Commission pays to the Program Fund an amount for Montgomery County and Prince George's County, individually, equal to the estimated claims for that county for the ensuing year, as well as the estimated share of the operating costs of the Program Fund for each county for that year.

At June 30, 2015, the Commission's Risk Management Fund had preliminary net assets of $17,405,611 of which $5,576,725 was for Montgomery County and $11,828,886 was for Prince George's County. The Commission's approved budget for fiscal year 2016 includes an appropriation of $2,518,883 for Montgomery County risk management costs and $4,185,867 for Prince George's County for a total of $6,704,750 designated for risk management costs.

The Commission has, in addition to the self-insurance coverage, further liability and property loss coverage through the direct purchase of commercial policies for claims arising out of the operation of a public airport, and loss or damage to antiques and other specific items of personal property. The Commission also has public official bond coverage for its public officials.

Labor/Employee Relations

As of August 2015 the Commission had approximately 7,403 employees, which included 2,038 full and part-time merit employees and 5,278 seasonal employees, 64 contractual (temporary employees), and 23 appointed officers and officials.

The Commission's merit system employees attain "career" status once they have completed a 12-month new hire probationary period. Merit system employees function under a personnel system known as the "Merit System", which is established by State statute. This system is overseen by a Merit System Board. Contractual employees and appointed officials are governed by the terms and conditions of their individual contract agreements.

The Merit System Board is composed of three residents of the bi-county area who serve overlapping four-year terms. The Board is responsible for making recommendations and decisions on the Merit System including changes and improvements to the compensation and classification plans, working conditions, and the personnel rules and regulations. The Board serves as the final internal appellate body on merit system employee grievances and appeals of adverse actions (except for those employees represented by collective bargaining).

State statute also provides for collective bargaining representation for non-managerial park police officers and for some general service employees (i.e., those who are not managers, supervisors or confidential employees). The statute defines five collective bargaining units of which four have elected to be represented by a labor organization. This accounts for approximately 37% of the Commission's merit system workforce, as follows:

- Park Police Officers at the rank of sergeant and below are represented by the Fraternal Order of Police ("FOP"), Lodge #30. The Commission is operating under a three-year collective bargaining agreement with the FOP in effect until January 31, 2017; Merit System employees in Service/Labor, Trades, and Office/Clerical bargaining units are represented by the Municipal and County Government Employees Organization ("MCGEO"), Local 1994 UFCW. A three-year collective bargaining agreement with MCGEO is in effect until June 30, 2018

- Merit System employees in the Professional/Technical/Paraprofessional/Administrative unit elected not to be represented by a labor organization.

Other Post-Employment Benefits

The Commission provides postretirement health care benefits to all full-time and part-time merit system employees, directors appointed by Montgomery County and Prince George's County Planning Boards, Merit System Board Members, Commissioners and appointed officials who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan 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. Employees that separate from employment before retirement are not eligible to participate. Currently 787 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.

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.

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The following table shows the preliminary components of the Commission's annual OPEB cost for fiscal year ended June 30, 2015, 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)	$ 19,143
Interest on net OPEB obligation	5,035
Adjustment to annual required contribution	(3,593)
Annual OPEB cost (Expense)	20,585
Contribution made	15,901
Increase in Net OPEB obligation	4,684
Net OPEB obligation, beginning of year	68,044
Net OPEB obligation, end of year	$ 72,728

The Commission's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation to the System for fiscal years 2012, 2013 and 2014, preliminary for fiscal year 2015 and estimates for fiscal year 2016 are presented below ($000):

	2012	2013	2014	Prel. 2015	Est. 2016
Annual OPEB Cost	$ 28,213	$ 21,429	$ 19,943	$ 20,585	$ 21,404
Percentage of Annual OPEB Cost Contributed	58%	83%	93%	77%	88%
Net OPEB Obligation	62,927	66,610	68,044	72,728	71,354

An actuarial valuation of the plan was performed as of July 1, 2014. Due to changes the Commission adopted to the benefit as well as timing of eligibility for the benefit, plus the adoption of the EGWP&Wrap Plan, the Commission reached full funding of the ARC prior to the end of an original eight year phase-in plan. The fiscal year 2015 annual required contribution (ARC) for the Commission is $19,143,000 and the related unfunded actuarial liability (UAL) is $256,033,000. The budgetary impact in fiscal year 2016 after considering the amounts needed to make current benefit payments is $4,600,000.

Employees' Retirement System

The Commission has a contributory retirement system (the "System") for its employees that consist of five defined benefit Plans: A, B, C, D, and E. The majority of Commission full-time and part-time career employees participate in one of these Plans. The Internal Revenue Service issued a favorable determination letter regarding the qualified status of the System under Section 401(a) of the Internal Revenue Code, as amended, and on the status of the trust fund holding the assets of the Plans as exempt from federal income tax under Section 501(a) of the Code.

Plan A, established when the Commission withdrew from the State Retirement System as of July 1, 1972, was applicable to all full-time employees on a voluntary basis until December 31, 1978, when membership was closed. Effective July 1, 2014, Plan A participants contribute 7% of base pay.

Plan B is mandatory for all new full-time career employees hired on or after January 1, 1979, excluding Park Police Officers, and all appointed officials and part-time employees effective January 1, 2009. Effective July 1, 2014, Plan B participants contribute 4% of base wages up to the Social Security Wage Base and 7% of base wages in excess of the Social Security Wage Base.. Retirement benefits are integrated with the Social Security and members fully vest after five years of credited service with the exception of Commissioners and Appointed Officials who receive full and immediate vesting. Membership in Plan B closed effective December 31, 2012. Plan C was mandatory for Park Police Officers hired between January 1, 1979 and June 30, 1990. Effective July 1, 1990, all Plan C members were transferred to Plan D, and Plan C was closed to new members. Plan C was subsequently amended and reopened for all Park Police Officers hired after July 1, 1993 and for those who chose to transfer from Plan D to Plan C effective November 1, 2002. Effective for pay periods beginning on or after March 1, 2015, participants of Plan C contribute 8.5% of base pay for each pay period. Effective for pay periods beginning on or after January 1, 2016, participants of Plan C shall contribute 9% of base pay each pay period.

Plan D was mandatory for all Park Police Officers hired between July 1, 1990 and June 30, 1993 and for all Plan C participants transferred effective July 1, 1990. Effective for pay periods beginning on or after March 1, 2015, participants of Plan D contribute 7.5% of base pay for each pay period. Effective for pay periods beginning on or after January 1, 2016, participants of Plan D shall contribute 8% of base pay for each pay period.

Plan E is mandatory for all full-time and part-time general career employees, Commissioners and Appointed Officials hired on or after January 1, 2013. Plan E participants contribute 4% of base wages up to the Social Security Wage Base, and 8% of base wages in excess of the Social Security Wage Base. Plan E is integrated with Social Security and members fully vest after ten years of credited service with the exception of Commissioners and Appointed Officials who receive full and immediate vesting.

The investments of Plans A, B, C, D and E are commingled and held in a single trust fund (the "Trust") which is separate from the assets of the Commission. The Trust is administered by a Board of Trustees solely for the benefit of the members and beneficiaries of the Employees' Retirement System. The portfolio of the trust fund currently is managed by nineteen professional investment managers Blackrock Institutional Trust Company of New York, New York; Capital Group of New York, New York; C.S. McKee, L.P. of Pittsburg, Pennsylvania; Earnest Partners International of Atlanta, Georgia; Eaton Vance Management of Boston, Massachusetts; FLAG Capital Management of Stamford, Connecticut; JP Morgan Asset Management of New York; Loomis Sayles & Company of Boston, Massachusetts; Neuberger Berman of Chicago, Illinois; Oaktree Capital Management of New York, New York; Principal Global Investors of Des Moines, Iowa; RhumbLine Advisors of Boston, Massachusetts; State Street Global Advisors of Boston, Massachusetts; Wilshire Associates Incorporated of Pittsburgh, Pennsylvania; The Northern Trust Company of Chicago, Illinois; VOYA Investment Management of New York, New York; and Western Asset Management of Pasadena, California, Golub Capital of New York, New York and Chicago Equity Partners of Chicago, Illinois. The Northern Trust Company of Chicago, Illinois is retained by the Board of Trustees as master custodian. Wilshire Associates of Pittsburgh, Pennsylvania provides investment performance analysis services for the investment managers and provides a quarterly report of such evaluation to the Board of Trustees.

The financial statements of the Commission's Employees' Retirement System for fiscal year 2015 were audited by CliftonLarsonAllen, LLP of Baltimore, Maryland.

The Retirement System's actuarial valuation as of July 1, 2014 was performed by Boomershine Consulting Group of Ellicott City, Maryland. As of that date, there was an unfunded actuarial accrued liability of $112,658,875 and a funded ratio of 87.2% (as a percentage of actuarial value of assets).

The Commission has agreed to contribute such amounts as are actuarially determined to be required to provide for the benefits to be paid to the members and beneficiaries. The methodology for amortizing unfunded actuarial liability (or surplus), UAAL as of 7/1/2013 is to amortize over a closed 15 year period (through 6/30/2028). Open 15 year amortization will be used for any remaining UAAL.

The following table presents the Commission's actual contributions for the four most recent fiscal years as well as the contribution made July 1, 2015 for fiscal year 2016.

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
2012..	$32,182,287	100.0
2013..	23,806,058	100.0
2014..	28,750,323	100.0
2015..	28,149,976	100.0
2016..	27,191,305	100.0

A few present and former employees of the Commission remain in the Maryland State Retirement System. For these employees, the Commission contributes to that system annually for current cost and for past service cost which is being amortized over a 40-year period ending June 30, 2020. Pension costs for these employees/retirees were $142,230 in 2012, $200,000 in 2013, $200,000 in 2014 and $200,072 in 2015.

For more detailed information refer to Note 5(D) of "Notes to Financial Statements" in Appendix A of this Official Statement.

DEBT OF THE COMMISSION

Bonded Debt

The Commission's primary authority to issue bonds is found in Section 18-203 of the Land Use Article, authorizing issuance by the Commission of bonds, notes or other obligations ("bonds") to provide funds for the acquisition, development or improvement of land for parks, forests, roads, and other public ways, grounds and spaces, and for the purposes of public recreation, including the construction of public recreation centers, community buildings or other public buildings necessary to house a public recreation program. The Commission is not required to obtain the approval of either county before issuing bonds under Section 18-203. Such bonds may be in the form and denominations determined by the Commission, and must mature within 50 years from the date of issue. The bonds may be sold by competitive or negotiated sale in the manner, for a price and at rates the Commission determines to be in its best interests. Bonds may be redeemable prior to maturity at prices in excess of their par value.

Bonds issued for park acquisition and development under Section 18-203 of the Land Use Article are subject to a statutory debt limit. The total amount of such bonds outstanding at any time may not exceed an amount that can be redeemed within 30 years from the date of issue by the tax authorized to be imposed in the respective county and pledged to pay the bonds. In calculating the limit, the Commission may assume (i) continued future imposition of the tax or taxes at the rate established, (ii) 100% collection of the tax in each fiscal year, and (iii) that the assessed value of property at the time the bonds are issued will remain constant.

The Commission is authorized by Section 18-401 of the Land Use Article to issue bonds to provide a continuing land acquisition revolving fund in each county. These funds are to be used to acquire land in the respective county needed by for public uses, including State highways, streets and roads, mass transit facilities, including bus-ways and light rail facilities, schools, libraries, parks and recreation centers, government buildings, health service facilities, elder care facilities and other public uses, subject to certain required approvals, including that of the county in which the land is located. Such bonds may be issued for land acquisitions in Prince George's County only after the approval of such issuance by the County Council of Prince George's County. The total amount of such bonds (designated by the Commission as "Advance Land Acquisition Bonds") outstanding at any time may not exceed an amount which can be redeemed within 30 years of the date of issue by means of a tax of 3.0 cents on each $100 assessed valuation of personal property and 1.2 cents on each $100 assessed valuation of real property in the respective county. The provisions of Section 18-203 of the Land Use Article, already described, concerning the making of such calculation and Section 18-202 of the Land Use Article, relating to form, interest rate, sale, redemption, guaranty, and liability, are applicable to the Advance Land Acquisition Bonds. The County Council of Montgomery County shall impose an annual tax on all property assessed for county taxation a tax of not less than 0.4 cents or more than 1.2 cents on each $100 assessed valuation on real property, or not less than 1 cent or more than 3 cents on each $100 assessed valuation on personal property, for debt service on Advance Land Acquisition Bonds. If a tax is imposed in any year, then the County Council of Montgomery County shall continue to impose a tax sufficient to pay the debt service on Advance Land Acquisition Bonds applicable to that county, subject to limitations above. The tax need not be imposed to the extent that funds are available to make the payments in any year and have been applied to or authorized for payment by the Commission. The County Council of Prince George's County shall impose an annual tax on all property assessed for county taxation in an amount sufficient to pay debt service on Advance Land Acquisition Bonds applicable to that county which have been approved by its County Council. Land acquired out of these funds may be sold by the Commission to the public body needing such land upon repayment to the fund of the cost of such land plus interest. If the land is not needed for the purpose for which it was acquired, it may be used by the Commission, as part of its park system, or may be disposed of by the Commission.

Section 18-207 of the Land Use Article authorizes the Commission to issue refunding bonds.

The Commission may also issue revenue bonds to finance park and recreation system facilities in Prince George's County and Montgomery County. Such revenue bonds are limited obligations of the Commission, payable solely out of project revenues.

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Statement of Outstanding Bonded Debt

The following table sets forth the debt service on the Commission's outstanding bonded debt allocable to Montgomery County and Prince George's County as of June 30, 2015.

The Maryland-National Capital Park and Planning Commission
Bonded Debt as of June 30, 2015

	Montgomery County (1)			Prince George's County (1)(2)		
Fiscal Years Ending June 30	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2016	2,865,000	1,433,845	4,298,845	$ 7,568,171	$ 2,150,386	9,718,557
2017	2,935,000	1,337,445	4,272,445	7,776,946	1,855,962	9,632,908
2018	3,045,000	1,239,645	4,284,645	5,681,181	1,551,793	7,232,974
2019	3,110,000	1,125,258	4,235,258	3,815,000	1,366,938	5,181,938
2020	2,765,000	1,005,645	3,770,645	3,810,000	1,221,744	5,031,744
2021	2,805,000	896,504	3,701,504	3,810,000	1,071,775	4,881,775
2022	2,445,000	795,776	3,240,776	2,515,000	920,638	3,435,638
2023	2,485,000	698,691	3,183,691	2,560,000	807,550	3,367,550
2024	2,155,000	605,875	2,760,875	2,615,000	706,763	3,321,763
2025	2,205,000	522,240	2,727,240	1,805,000	604,225	2,409,225
2026	1,895,000	448,638	2,343,638	1,865,000	530,688	2,395,688
2027	1,950,000	383,956	2,333,956	1,935,000	454,750	2,389,750
2028	1,710,000	319,543	2,029,543	1,470,000	376,013	1,846,013
2029	1,755,000	262,792	2,017,792	1,540,000	331,913	1,871,913
2030	1,490,000	210,093	1,700,093	1,620,000	285,713	1,905,713
2031	1,535,000	161,744	1,696,744	1,685,000	237,113	1,922,113
2032	1,585,000	111,838	1,696,838	1,750,000	182,350	1,932,350
2033	1,640,000	58,763	1,698,763	1,820,000	125,475	1,945,475
2034	955,000	15,519	970,519	1,895,000	66,325	1,961,325
Total	$ 41,330,000	$ 11,633,810	$ 52,963,810	$ 57,536,298	$ 14,848,114	$ 72,384,412

(1) Includes Debt Service for the Advance Land Acquisition which is supported by its own taxing authority and rate.
(2) Prince George's County has no outstanding ALA bonds.

The Maryland-National Capital Park and Planning Commission
Prince George's County Bonded Debt
As Adjusted for the Issuance of the Bonds

Fiscal Year	Total Commission Debt Service	LESS: Refunded Bonds Debt Service	Park Acquisition and Development Project and Refunding Bonds, Series PGC – 2015A Principal	Interest (1)	Adjusted Total Debt Service (2)
2015	$ 10,741,849	$ 0	$ 0	$ 0	$ 10,741,849
2016	9,718,557	0	0	0	9,718,557
2017	9,632,908	850,600	600,000	1,196,964	10,619,238
2018	7,232,974	765,050	1,085,000	958,319	8,649,799
2019	5,181,938	738,300	1,220,000	904,069	6,598,713
2020	5,031,744	716,231	1,255,000	843,069	6,451,088
2021	4,881,775	694,163	1,300,000	780,319	6,296,688
2022	3,435,638	671,425	1,340,000	715,319	4,855,038
2023	3,367,550	648,688	1,390,000	648,319	4,784,188
2024	3,321,763	625,950	1,430,000	578,819	4,738,638
2025	2,409,225	603,213	1,480,000	507,319	3,829,088
2026	2,395,688	580,475	1,530,000	433,319	3,816,038
2027	2,389,750	557,738	1,555,000	387,419	3,803,088
2028	1,846,013	0	1,045,000	340,769	3,260,488
2029	1,871,913	0	1,070,000	315,950	3,289,588
2030	1,905,713	0	1,105,000	283,850	3,324,788
2031	1,922,113	0	1,140,000	250,700	3,337,138
2032	1,932,350	0	1,175,000	213,650	3,350,969
2033	1,945,475	0	1,215,000	175,463	3,359,931
2034	1,961,325	0	1,250,000	135,975	3,375,481
2035	0	0	1,295,000	92,225	1,415,956
2036	0	0	1,340,000	46,900	1,416,238
Total	$83,126,261	$7,451,831	$24,820,000	$9,808,733	$110,303,162

(1) Interest rates range from 2.375% to 5.0%
(2) Totals may not add due to rounding

The following table sets forth for each of the five most recent fiscal years ended June 30 (i) the ratio of Prince George's County bonded debt of the Commission to the assessed value of all real and tangible personal property subject to county taxation by Prince George's County, (ii) the ratio of Prince George's County bonded debt of the Commission to the market value of all real and tangible personal property subject to county taxation by Prince George's County and (iii) the bonded debt per capita.

General Bonded Debt Ratios

Fiscal Year	Population (1)	Assessed Value (Thousands) (1)	Actual Value (Thousands) (1)	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Ratio of Bonded Debt to Actual Value	Bonded Debt per Capita
2011…………	874,045	$ 84,718,780	$ 105,284,234	$ 65,925,197	0.08%	0.07%	75.43
2012…………	881,138	79,043,657	98,933,553	56,482,662	0.08%	0.07%	64.10
2013…………	890,081	73,123,809	86,147,960	47,085,551	0.07%	0.06%	52.90
2014…………	N/A	70,551,044	79,374,539	67,280,147	0.06%	0.09%	N/A
2015…………	N/A	71,578,363	77,294,958	58,860,433	0.08%	0.08%	N/A

(1) Population, Assessed Value and Actual Value are from the Prince George's County fiscal year 2014 Comprehensive Annual Financial Report.

The following table sets forth the Commission's annual debt service expenditures for Prince George's County as a percent of total expenditures for five most recent fiscal years ended June 30.

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures

Fiscal Year	Total Debt Service (1)	Total General Expenditures(2)	Ratio of Debt Service to General Expenditures
2011..............................	$13,413,562	$267,368,077	5.02%
2012..............................	11,672,957	253,476,307	4.61
2013..............................	10,751,253	225,318,666	4.77
2014..............................	9,792,941	263,376,929	3.72
2015(3)...........................	10,741,849	275,911,315	3.89

(1) Does not include paying agent fees or debt issuance costs.
(2) Includes General, Special Revenue, Capital Projects and Debt Service Funds.
(3) Fiscal Year 2015 preliminary results.

Record of No Default

The Commission has never defaulted on any indebtedness.

PRINCE GEORGE'S COUNTY

General

The information contained under the heading "Prince George's County" has been provided by Prince George's County Government.

Prince George's County has 27 incorporated municipalities and occupies an area of 487 square miles located between Washington, D.C. and Baltimore, Maryland. The County borders Howard, Anne Arundel and Calvert Counties to the north and east, Montgomery County and Washington, D.C. to the west and Charles County to the south. The County is located east of Arlington and Fairfax Counties in Virginia, separated by the Potomac River. The County Administration Building is located in the County seat of Upper Marlboro, which is 13 miles from the Washington, D.C. border, 17 miles from downtown Washington, D.C., 25 miles from the State Capitol building in Annapolis, and 33 miles from the City of Baltimore. The County is part of the Washington DC-MD-VA-WV, Primary Metropolitan Statistical Area.

Named for Prince George of Denmark, the County was founded in 1696. The many towns in the County have numerous landmarks and historic sites testifying to the County's history, which spans over three centuries. Strategically poised along the Baltimore-Washington corridor, Prince George's County reaps benefits from the relatively stable economy of the Federal Government's presence in the nation's capital and draws strength from industry in Baltimore. It is a community of neighborhoods. The County's centralized location and its rich diversity attracts residents and businesses from around the globe. It is a blend of the old and the new, urban and rural, historic and modern, large enclaves and small towns.

Prince George's County government operates under a County Charter which was adopted in 1970. The powers of the County government are provided in the County Charter of Prince George's and in the Constitution and the laws of the State of Maryland (see Title 10 of the Local Government Article of the Annotated Code of Maryland, as amended). Under the County Charter, the County government is composed of an executive and a legislative branch. The executive branch implements and enforces the laws and administers the day-to-day affairs of the County government. It consists of a County Executive (who is elected by the qualified voters of the entire County) and all other officers, agents and employees under the County Executive's supervision and authority, including the Chief Administrative Officer who is responsible for the day-to-day administration of County government. The legislative branch of the County government consists of a nine-member County Council (elected from Councilmanic Districts) and its staff. The County Executive and members of the County Council are elected for coterminous four-year terms by qualified voters of the County and are limited by the County Charter to two consecutive four-year terms in office.

Each member of the County Council has one vote. Five votes are generally required to pass legislation and six votes are needed to enact emergency bills and to override a veto by the County Executive. The County Council customarily elects from among its members a Chairman and a Vice Chairman to serve one-year terms.

The court system for the County was established by and is operated under the authority of the State. District and Circuit Court judges are appointed by the Governor, but Circuit Court judges must thereafter run for election. Other State court officials are directly elected for various terms.

The 27 incorporated municipalities in Prince George's County levy taxes on their own authority and are not subject to the limitations as set forth in Sections 812 and 813 of the Charter of Prince George's County, Maryland. Property in these areas is subject to County taxation and the County provides certain public services to the residents of the incorporated municipalities. County ordinances and regulations are also applicable to them. These municipalities may incur general obligation bonded indebtedness and levy taxes without the prior approval of the County. Bonds issued by these municipalities are the legal responsibility of each municipality and are not guaranteed in any way by the County.

Population

From 1980 to 2010 the County has grown at an average rate of approximately 66,116 people every 10 years. Between 2000 and 2010 the population growth in the County increased 7.7%. The County's growth has been slightly slower than the population growth in Maryland (9.0%) and the United States (9.7%) between 2000 and 2010. The population for 2014 is estimated to be 904,430, an increase of 1.1% from the 2013 population of 894,199.

In 2014, 66.1% of the County's residents were between the ages of 18 and 64 years old, which was slightly higher than the State of Maryland (63.6%) and the United States (62.4%). The share of the County's population that was 65 years and older (11.2%) was lower compared to the State of Maryland (13.8%) and the United States (14.5%).

Population Growth
1980 – 2014

Year	County	State of Maryland	United States
2014 (Estimate)............................	904,430	5,976,407	318,857,056
2010 (Census).............................	863,420	5,773,552	308,745,538
2000	801,515	5,296,486	281,421,906
1990	729,268	4,798,000	248,769,873
1980	665,071	4,216,000	226,505,000
Percent Change (2000-2010)	7.7%	9.0%	9.70%

Source: Decennial Census, Bureau of the Census, Department of Commerce. (As of July 2015).

Employment

A comparison between the employment distribution of the County and the State of Maryland is shown in the following chart.

Comparative Distributions of Non-Agricultural Employment by Industry
2010 - 2014

Industry	Prince George's County (2010) Sectoral Employment	% of Total	Prince George's County (2014)[1] Sectoral Employment	% of Total	Maryland (2014)[1] Sectoral Employment	% of Total
Government Employment	86,791	29%	87,236	29%	485,989	19%
Private Employment	212,436	71%	215,953	71%	2,067,344	81%
Natural Resources and Mining	140	0%	158	0%	6,435	0%
Construction	25,365	8%	24,853	8%	149,622	6%
Manufacturing	9,114	3%	6,638	2%	103,562	4%
Trade, Transportation and Utilities	57,386	19%	59,287	20%	449,318	18%
Information	3,197	1%	4,418	1%	38,801	2%
Real Estate and Financial Activities	11,816	4%	11,217	4%	137,176	5%
Professional, Business & Administrative Services	39,549	13%	37,594	12%	424,517	17%
Education and Health Services	29,159	10%	31,729	10%	408,350	16%
Leisure and Hospitality	27,188	9%	30,467	10%	260,369	10%
Other Services	9,522	3%	9,592	3%	89,184	3%
Unclassified	0	0%	0	0%	0	0%
Total	299,227	100%	303,189	100%	2,553,333	100%

[1]As of July 2015

Source: Maryland Department of Labor, Licensing and Regulations Employment and Payroll - County Industry Series

Principal Employers

The County's diversity in employment is shown in the following table reflecting the 10 largest private and 10 largest public sector employers in the County.

Prince George's County Principal Employers

Employer	Product or Service	Number of Employees
LARGEST PRIVATE SECTOR EMPLOYERS		
United Parcel Service	Package Delivery (Regional Headquarters)	4,220
Giant Food, Inc.	Retail Grocery Chain	3,600
Verizon	Communications Services	2,738
Dimensions Healthcare System	Health Services/Nursing Homes	2,500
Gaylord National Resort	Resort and Conference Center	2,000
Shoppers Food Warehouse	Retail Grocery Chain (National Headquarters)	1,975
Safeway Store, Inc.	Retail Grocery Chain (Regional Headquarters)	1,605
Chevy Chase Bank/Capital One	Banking Services	1,456
Target	Consumer Goods (Retail)	1,400
Doctors Community Hospital	Medical Services	1,300
LARGEST PUBLIC SECTOR EMPLOYERS		
Prince George's County Public Schools	Education	18,455
University of Maryland, College Park	Higher Education (Flagship Campus)	17,334
Joint Base Andrews Naval Air Facility Washington	Defense Installation (civilian and military emplo:	13,500
Prince George's County	Local Government	6,396
Internal Revenue Service	Revenue Collection/Data Processing	5,539
United States Bureau of the Census	Demographic and Economic Surveys	4,414
NASA/Goddard Space Flight Center*	Space Satellite Design and Tracking	3,171
Prince George's Community College	Education	2,631
USDA Research Center/National Agriculture Library*	USDA Library/Agricultural Research	1,850
National Maritime Intelligence Center*	Maritime Intelligence Analysis	1,724

*Excludes contractors

Source: MD Dept. Business and Economic Development; Prince George's County Economic Development Corporation, November 2012. Accessed July 2013.

Between 2006 and 2015, the unemployment rate for the County generally remained close to the State of Maryland's unemployment rate and below that of the United States as shown in the following table.

Labor Market Characteristics
2006-2015

	County Residents		Unemployment Rate		
Year	Civilian Labor Force	Resident Employment	Prince George's County	State of Maryland	United States
2006	444,907	426,421	4.2	3.9	4.6
2007	445,492	429,521	3.6	3.5	4.6
2008	450,361	430,909	4.3	4.2	5.8
2009	457,576	425,799	6.9	7.0	9.3
2010	479,606	443,635	7.5	7.7	9.6
2011	481,902	446,839	7.3	7.2	8.9
2012	483,956	449,798	7.1	7.0	8.1
2013	484,066	451,466	6.7	6.6	7.4
2014	482,279	453,982	5.9	5.8	6.2
2015[1]	482,675	456,675	5.2	5.6	5.8

[1]Estimated as of July 2015

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics Program.*Not seasonally adjusted. (as of July 2015)

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Income

In 2013, the County's aggregate personal income totaled $38.6 billion. The per capita personal income in the County during 2013 was $43,362. The County's per capita personal income increased 4.0% between 2009 and 2013. This percentage increase was lower than in the United States (13.7%) and the State of Maryland (9.2%).

The County's median household income in 2013 was $72,052 compared to $69,947 in 2009, an increase of 3.0% in the 5-year period. Jurisdictional comparisons are shown below:

Median Household Income

2009 and 2013

	Median Household Income		
Metro Jurisdiction	2009	2013	% Change
State of Maryland	$69,272	$72,483	5%
Washington Metro Area:			
Prince George's County	**69,947**	**72,052**	**3.0%**
Calvert County	89,289	94,196	**5.5%**
Charles County	89,115	88,797	**-0.4%**
Frederick County	83,229	84,308	**1.3%**
Montgomery County	94,420	98,326	**4.1%**
Baltimore Metro Area:			
Anne Arundel County	80,300	86,230	**7.4%**
Baltimore City	38,772	42,266	**9.0%**
Baltimore County	64,906	64,795	**-0.2%**
Carroll County	79,227	82,955	**4.7%**
Harford County	76,187	77,765	**2.1%**
Howard County	101,940	109,476	**7.4%**

Source: U.S. Census Bureau, American Community Survey 1 Year Estimates (as of July 2015).
*Inflation-adjusted.

Retail Sales

The Maryland sales and use tax rate is 6% on all taxable sales other than certain vehicle rentals and sales of mobile homes. Beginning July 1, 2011, the tax rate for alcoholic beverages, including mixtures, increased from 6% to 9%. Most sales of food by substantial grocery or market businesses are not subject to the sales tax. Other exemptions include medicine, energy for residential use, manufacturing machinery and equipment, and certain agricultural equipment and supplies. In fiscal year 2014, the County generated an estimated $489.7 million in sales taxes. From fiscal year 2010 to fiscal year 2014 the sales taxes generated by the County increased 11.0%.

Housing

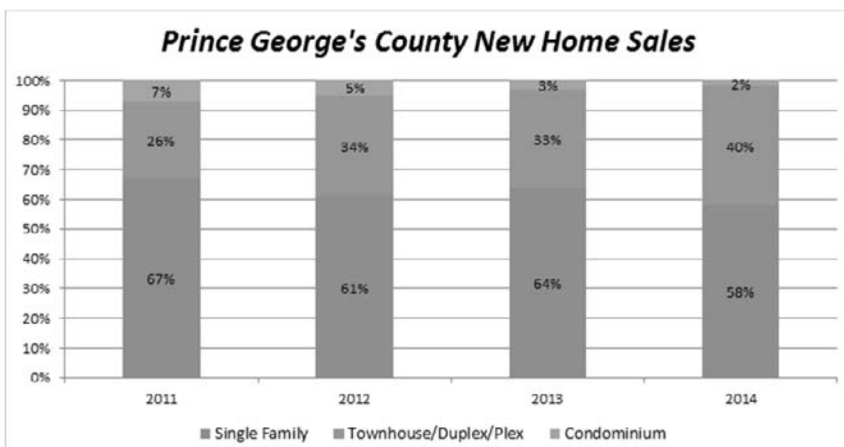
The composition of the County's housing market is displayed in the following table. Between 2009 and 2013, total housing units increased by 2.3% (an increase of approximately 7,278 units). During this time period, single family homes increased by 4.6% while multi- family homes decreased by 2.3%.

Housing Units by Type of Structure

	2009	2010	2011	2012	2013
Single Family					
Number of Units	211,793	221,898	224,870	222,668	221,589
Percent of Market	65.8%	67.6%	68.2%	67.7%	67.3%
Multi-Family					
Number of Units	110,296	106,499	104,985	106,376	107,778
Percent of Market	34.2%	32.4%	31.8%	32.3%	32.7%
Total Units	322,089	328,397	329,855	329,044	329,367

Source: U.S. Census Bureau, American Community Survey 1 Year Estimates (as of July 2015).

Historically, single family detached homes have made up a majority of new home sales in the County. Single family detached homes have averaged 62.5% of new home sales from 2011 to 2014.



Source: Metro Study (Accessed July, 2015)

Median residential sales in the County have increased by an average of 23.6% comparing the third quarter of Fiscal Year 2014 to 2015. The median sales price of owner-occupied residential properties in the County has also increased during this time period from an average of $250,967 in 2014 to $284,833 in 2015.

The following table shows the number of residences distributed within certain housing value ranges. During 2013, the majority of residences were valued between $200,000 and $499,999.

Estimated Market Value of Owner-Occupied Residential Property

	2012		2013		Increase (Decrease)
Value Range	Number of Residences	Share of Residences	Number of Residences	Share of Residences	Number of Residences
Less than $50,000	4,478	2.4%	10,345	5.5%	5,867
$50,000 to $99,999	6,526	3.5%	7,091	3.8%	565
$100,000 to $149,999	14,343	7.8%	13,663	7.3%	(680)
$150,000 to $199,999	31,109	16.8%	30,716	16.4%	(393)
$200,000 to $299,999	69,463	37.6%	64,864	34.6%	(4,599)
$300,000 to $499,999	47,279	25.6%	51,389	27.4%	4,110
$500,000 to $999,999	10,086	5.5%	7,812	4.2%	(2,274)
$1,000,000 or more	1,591	0.9%	1,444	0.8%	(147)
Total Owner-Occupied Units	184,875		187,324		2,449

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (July 2015).

Note: Due to rounding, percentages may not total 100 percent.

Commercial and Industrial Growth

A summary of building permit activity, including residential as well as commercial and industrial (non-residential) projects, is provided in the following table.

Between 2005 and 2014, the value of new residential construction within the County has averaged approximately $345.8 million annually. Non-residential construction has averaged approximately $178.6 million per year. The value of new residential construction within the County in 2014 was $288.9 million as compared to $231.2 million in 2013. The value of new non-residential construction within the County in 2014 was $96.3 million as compared to $121.1 million in 2013.

Building Permits

	Residential Construction			Non-Residential Construction			Total	
Calendar Year	Permits Issued	Total Valuation (1)	Annual Valuation (1)	Permits Issued	Total Valuation (1)	Average Valuation (1)	Total Permits Issued	Total Valuation (1)
2005	3,647	$ 636,860	$ 175	39	$ 161,359	$ 4,137	3,686	$ 798,219
2006	3,625	700,079	193	59	178,648	3,028	3,684	878,727
2007	2,987	487,868	163	105	477,541	4,548	3,092	965,409
2008	1,879	231,129	123	77	103,904	1,463	1,956	335,033
2009	2,058	260,898	127	40	187,584	4,690	2,098	448,482
2010	1,405	205,443	146	398	112,701	283	1,803	318,144
2011	1,412	223,875	159	301	107,905	358	1,713	331,780
2012	1,255	191,489	153	321	239,357	746	1,576	430,846
2013	1,452	231,219	173	304	121,100	812	1,756	352,319
2014	1,037	288,927	279	259	96,263	372	1,296	385,190
Total	20,757	3,457,787	1,691	1,903	1,786,362	20,437	22,660	5,244,149
Annual Average	2,076	345,779	169	190	178,636	2,044	2,266	524,415
2015 (Jan.-June)	660	$ 122,498	$ 186	156	$ 76,381	$ 489	816	$ 198,879

(1) Amounts in thousands of dollars of permit-stated construction costs.

Source: Bureau of the Census, Construction Statistics Division, Building Permits Branch and Prince George's County Department of Permitting, Inspections and Enforcement.

During 2014, approximately 715,983 square feet of new commercial space was delivered to the market in Prince George's County. This represents a significant reduction in delivered commercial space from 2010 to 2013, but is still 9.5% of total delivered commercial space in the Washington D.C. metropolitan market. The total square footage of commercial space delivered by type during the calendar years 2010 through 2014 is shown below:

Commercial Square Feet Delivered, by Type

Type	2010	2011	2012	2013	2014
Office	626,918	357,469	374,102	58,994	0
Retail	771,789	555,830	582,143	370,724	541,994
Flex	152,767	36,120	81,848	99,974	0
Industrial	776,890	377,240	392,998	622,489	173,989
Total Square Footage	2,328,364	1,326,659	1,431,091	1,152,181	715,983
Metropolitan Area	11.69%	6.10%	6.98%	13.30%	9.41%

Source: CoStar (Accessed August 2015).

Nearly three quarters of a million square feet of industrial and retail space was delivered in 2014. The vacancy rate of the overall commercial real estate sector was at approximately 11%, down 1.5% from 2013, with retail space showing the strongest absorption rate. Also, the industrial sector delivered 173,989 square feet in calendar year 2014.

Economic Activity

Contracting opportunities with government, research, technology, and defense industry anchors contributed to the maintenance of a relatively stable market. The federal government and the County's mixed commercial base cushion the impact of economic downturns, but also moderate the rate of recovery.

There are nearly a dozen federal agencies mostly with research-focused activities within the County. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, the Army Research Laboratory, the Institute for Defense Analysis, the Internal Revenue Service, and the U.S. Census Bureau Supercomputer Center support the local technology business base. The University of Maryland at College Park is building several new facilities, some for national security-related tenants, on its 100-acre Enterprise Campus research park. The completion of the NOAA Center for Weather and Climate Control at the Enterprise Campus was delivered in mid-2012 and involved a $76.5 million capital expenditure.

Below is additional information about certain significant retail, commercial, and/or entertainment projects that are pending or have been completed recently:

Prince George's County negotiated a $30 million grant from the Maryland Department of Transportation for the construction of the major access road serving the proposed Konterra Development, a major economic development project in the northern portion of the County that is expected to create jobs and strengthen the County's commercial tax base. The access road connects Konterra to the new Contee Road Interchange at I-95, as well as to the new Intercounty Connector (MD Route 200) interchange at Virginia Manor Road. The realignment and reconstruction of the roadway provides access to undeveloped and previously inaccessible areas in northern Prince George's County. The proposed Konterra Town Center development adjacent to the new road has the ability to accommodate about two million square feet of commercial space and 2,000 residential units, where construction is scheduled to begin in 2018.

During 2012-2013, Solar City relocated 12 jobs and added another 88 new positions in the consolidation of locations formerly in Montgomery and Anne Arundel Counties and now has 260 employees at the Beltsville facility, where it is continuing to expand with the addition of 8,173 square feet of leased space for a new solar panel installation training center.

Aquilent of Laurel, which provides cloud computing services to the federal government, has increased its workforce to 400 employees and has leased an additional 34,000 square feet of office space in adjacent buildings in the 95 Office Center Business Park in 2015 to accommodate future job growth of 200 information technology professionals by mid-2018.

Westphalia Town Center is a planned mixed-use town center in Upper Marlboro that will offer 347 townhomes, over 400 apartments, a 150-room hotel and 500,000 square feet of retail shopping on 479 acres during phase one. The project broke ground in June 2013. Infrastructure development is in process. At completion, the development will have 15,000 homes, one million square feet of retail, four million square feet of office space and three hotels -- making it one of the largest developments in Prince George's County.

Maryland Department of Housing and Community Development relocated its headquarters from Crownsville, Maryland to New Carrollton. The Department, employing 400 individuals, will be the anchor tenant of a mixed use, transit-oriented development at the New Carrollton Metro Station. During phase one of the project, 550 residential units and 65,000 square feet of retail space will be constructed.

The Federal Bureau of Investigation (FBI) through the United States General Services Administration ("GSA") solicited proposals throughout the Region for the relocation of the agency, now in downtown Washington, D.C. Two of the three finalist sites are located in Prince George's County; one at Greenbelt Metro Station and the other at Landover Mall. The project will consist of the construction of a 2.1 million square foot security level five office complex with 11,000 employees.

Thompson Creek is a window manufacturing company in the process of consolidating its facilities in Prince George's County into an expanded build-to-suit facility in Upper Marlboro to retain more than 400 employees.

MGM Resorts is constructing the MGM National Harbor Casino on 23 acres. The $1.3 billion casino is scheduled to open in mid-2016 and create 3,600 jobs.

Susan Gage Catering, a commercial caterer, relocated from Oxon Hill to a new location in Landover, with 110 employees.

Echo-UTC, LLC will redevelop and construct a mixed-use development project consisting of a 52,105 square foot Safeway grocery store and commercial/retail, restaurant and office space totaling another 33,419 square feet. The project will create 282 new jobs over the next three years. With an investment of $23.5 million, the project has the potential to revitalize and stabilize the existing University Town Center development.

Construction of a 117-room Hampton Inn hotel was completed in Camp Springs in 2014. Located near the Branch Avenue Metro Station, the hotel features a conference center with 150-person occupancy and created 16 full-time positions. Total project cost was $15.6 million.

The Kane Company is consolidating their operations to a 100,000 square foot facility currently being constructed in Lanham. The property will serve as the company's headquarters and is expected to cost approximately $13 million and house 200-300 employees.

Relay Foods, an on-line grocery store, relocated from Washington, D.C. to Landover with 35 employees.

Famous Dave's Restaurant opened a new location at the Boulevard at the Capital Centre shopping center in Largo creating 50 jobs.

Well Dunn Catering is in the process of relocating from Washington, D.C. to Hyattsville with 40 employees.

Metropolitan Meat and Seafood is in the process of consolidating the company's Washington, D.C. operation into the company's Landover facility that will add 85 employees.

EBA Engineering is consolidating its Baltimore and Laurel operations into a new location in Laurel that will add 109 employees to the company's Prince George's County workforce.

Alsco, a commercial laundry business with 180 facilities worldwide, is in the process of relocating its Washington, D.C. operation to Lanham with a workforce of 250 employees at the company's new 84,000 square foot facility.

FlexEl, a developer and manufacturer of ultra-high capacity flexible thin-film batteries, graduated from the University of Maryland's business incubator and has leased commercial space to remain in College Park with 32 employees.

Panda Power Funds is scheduled to begin construction of the $1.7 billion 884 Mega-Watt Mattawoman natural gas electric power plant in Brandywine in the fall of 2015.

UPS acquired an additional seven acres of land adjacent to the company's distribution facility in Laurel to accommodate future growth beginning with 25 new jobs in addition to the current 1,019 full-time employees.

Economic Development

In fiscal year 2016, the County continues its investment in three economic development-related agencies that attract and retain businesses; promote the County's tourism activities; and provide financial assistance to businesses. The approved fiscal year 2016 budget provides the Economic Development Corporation (EDC) with $2.9 million to continue its marketing and public relations efforts, small business initiatives, job training and travel program to leverage resources and promote the County abroad. The Financial Services Corporation First (FSC First) will use $0.7 million of County contribution to continue its work in assisting local businesses in finding the financing resources necessary to make sound business decisions. The Prince George's County Conference and Visitors Bureau will spend $0.7 million in county contribution to support its one-stop service function for businesses hosting conferences and events in the County.

Economic Development Program Initiatives

The following initiatives support economic development in the County:

Economic Development Incentive Fund (EDIF). This is a $50 million, one-time appropriation to support expansion of the County's commercial tax base, job retention and attraction, support for small and local businesses, promotion of development and redevelopment opportunities, transit-oriented development and growth of key industry sectors. The EDIF, which launched in March 2012, has a fiscal year appropriation of $7-11 million annually. As of June 2015, twenty-five applications for funding have been approved, with a value in excess of $20.3 million. An additional 22 projects are at various stages in the review and underwriting process; these projects have a value of over $16.2 million. See Economic Development Incentive Fund chart of this Official Statement – under heading "Description of Services."

The Transforming Neighborhood Initiative (TNI). TNI is an effort by Prince George's County to focus on uplifting six neighborhoods in the County that face significant economic, health, public safety, and educational challenges. Through this initiative, the County seeks to improve the quality of life in these neighborhoods while identifying ways to improve service delivery throughout the County to all residents. The communities are East Riverdale/Bladensburg, Hillcrest Heights/Marlow Heights, Langley Park, Glassmanor/Oxon Hill, Kentland/Palmer Park, and Suitland/Coral Hills.

Enterprise Zone. The County's Enterprise Zone continues to provide incentives for new investment and new job creation in targeted areas of the County. The existing Enterprise Zones were expanded in 2014 by an additional 152.86 acres. The Focus Areas within the Enterprise Zones were also expanded and re-designated in eligible areas.

Gaming. The Maryland General Assembly approved Governor O'Malley's Gaming Bill in August 2012. This bill, which received favorable County and statewide referendum votes in November 2012, authorized the construction of a sixth casino in Prince George's County. MGM Resorts was selected among the contenders by the Maryland Gaming Commission to be the operator of the casino that will be located at National Harbor. Construction of the new casino is expected to be complete in mid-2016.

New County Department of Permits, Inspections and Enforcement. The new Department of Permits, Inspections and Enforcement opened July 1, 2013. The goal of this new department is to increase efficiency and improve consistency, predictability, and streamlined communications to both commercial and residential stakeholders with respect to permitting, inspections, and code enforcement, thereby resulting in a more customer-friendly process for businesses and residents. Developers have frequently cited the current lengthy, repetitive and costly permitting and review system as an impediment to investment in the County.

International Trade. The international trade objectives for the county shifted in 2015 from BRICS nations (Brazil, Russia, India, China, and South Africa) to a global market strategy. Regions interested in doing business in the United States in terms of import-export trade or foreign direct investment are of interest to Prince George's County. The EDC has joined the State of Maryland in business missions to India (2012) and Brazil (2013). County Executive Rushern L. Baker, III led a county mission to China in 2014, and will lead another county mission China in September 2015. The county also opened the India Business Center at the EDC.

Foreign-Trade Zone 63. Companies that import components and products from overseas will find hundreds of thousands of dollars in savings by participating in the County's foreign-trade zone. Originally designated to the Collington Industrial Business Park, companies can now determine where they want to warehouse inventory, or set-up light manufacturing in the County near Washington, D.C., Baltimore, or south near Charles County. Foreign-Trade Zones eliminate or defer duties on imports and provide cash flow management protections; eliminate tariffs on exports; reduce record of entry payments; and speed processing through the port.

Hospital Memorandum of Understanding. Under this multi-party agreement, the County, the University of Maryland Medical System Corporation, and the University System of Maryland worked with Dimensions Health Corporation and State of Maryland health officials to establish an analysis of the County's health facility needs to determine the scale, cost and feasibility of constructing a new regional medical center and health sciences campus. In late August 2013, the Board of Directors of Dimensions Health Corporation approved the selection of the Largo Town Center site as the location of the new campus. A certificate of need application for the selected site has been submitted to the State of Maryland, which is the next step in the process prior to final approval of the regional medical center site.

Strengthened Minority Business and Local/Small Business Outreach and Certification. Driven in part by procurement opportunities in professional services, such as architectural and engineering services, as well as information technology and construction, the number of participants currently certified as Minority Business Enterprises in Prince George's County has reached 900 firms, the highest number of minority-owned firms that have been certified in the County since the Minority Business Program was created more than 25 years ago. This program is designed to give access to procurement opportunities to the minority business community and expand competition in the procurement process. It was renamed the Supplier Development and Diversity Division (SDDD) Program in early 2013. Effective January 1, 2013, the County began certifying local/small County-based businesses and effective July 1, 2013; SDDD began implementing the provisions of CB-17-2011 (the Jobs First Act) that gives preference for County contracts to County-based businesses.

Economic Development Strategy. The Maryland-National Capital Park and Planning Commission, and its consultant, Battelle Technology Partnership Practice, completed work on a targeted economic development strategy for Prince George's County in May 2013. The strategy focuses on identifying and targeting key high-growth industries that have the greatest potential to contribute to economic growth and development in Prince George's County; leveraging the County's unique assets to capture economic development opportunities; and setting forth targeted strategies and actions to maximize economic development. The high-growth industry sectors are Healthcare and Life Sciences, Business Services, ICE (Information, Communications and Electronics) and the Federal Government.

Transit Oriented Development (TOD). In March 2014, County Executive Rushern L. Baker, III kicked-off the Jump Start TOD initiative to focus attention on attracting commercial and residential development at five of the County's 15 Metro Stations – Largo, New Carrollton, Prince George's Plaza, Branch Avenue, and Suitland. These high priority TOD locations will receive needed public infrastructure improvements, and development projects will be fast-tracked through regulatory approval processes and given priority consideration for County incentives; each of the five high priority TOD locations will receive market branding and the County government will take a leadership role in working with local, state, regional and federal partners to implement Transit Oriented Development.

Major Economic Development Projects

Several projects, reflecting a range of commercial development in the County, are listed in the following chart.

Major Commercial Projects Recently Completed, Under Construction, or in Development Stage

As of August 2015

	Project Name	Location Number in Map	New or Expansion	Expected Occupancy	Capital Investment ($ Millions)	Size (Square Feet) at Full Build-Out
A.	Projects Completed or Under Construction					
	Enterprise Campus (UMCP) 2 Office Buildings	6	New	Completed	25.0	120,000
	Woodmore Town Center (Retail Phase I) Wegman, Costco, others	12	New	Completed	171.0	684,000
	Ritchie Station (BJ's Warehouse)	14	New	Completed	23.8	119,000
	Ritchie Station (Phase I)	14	New	2017	76.2	381,000
	Steeplechase 95 International Business Park (Retail Phase I)	13	New	Completed	11.5	10,000
	Steeplechase 95 International Business Park (Retail Phase II)	13	New	N/A	13.8	46,000
	Melford (formerly MD Science and Tech Center)	11	New	Completed	18.0	40,000
	NOAA	8	New	Completed	81.0	270,000
	New Carrollton Metro Area (Mixed-Use) - Phase 1	10	New	2017	N/A	2,000,000
	Westphalia Town Center (Phase I)	22	New	2018	N/A	5,900,000
	The Brickyard (Residential, Retail)	3	New	Completed	N/A	1,300,000
	Arts District Hyattsville (Retail Only)	9	New	Completed	10.8	36,000
	National Harbor Tanger Outlets	16	New	Completed	100.0	350,000
	Brandywine Crossing (phase 2)	17	New	Completed	14.2	71,000
	Sub-Total A				545.3	11,327,000
B.	Projects in Development Stage					
	Regional Medical Center	20	New	2017	650.0	150,000
	MGM National Harbor, LLC	16	New	2016	1,300.0	1,079,000
	College Park Metro (Mixed-Use)	7	New	N/A	N/A	N/A
	UMD East Campus (All Phases)	5	New	N/A	N/A	1,000,000
	Enterprise Campus (UMCP)	6	New	N/A	N/A	2,000,000
	Greenbelt Metro Area (Mixed-Use)	4	New	N/A	N/A	3,000,000
	Walmart (Duvall Village)	23	New	N/A	N/A	110,000
	Branch Ave. Metro (Office and Residential)	15	New	N/A	N/A	400,000
	Konterra (Town Center)	1	New	N/A	N/A	5,300,000
	Brandywine Village	21	New	N/A	N/A	218,500
	Laurel Commons	2	Expansion	July 2016	N/A	665,000
	Cafritz Property (retail)	19	New	March 2015	N/A	370,000
	Andrews Federal Campus	18	New	N/A	N/A	1,000,000
	Sub-Total B				$1,950.00	15,292,500
	Total (A+B)				$2,495.30	26,619,500

Source: Prince George's County Economic Development Corporation

Transportation

The County is located near three major airports: Baltimore Washington International Thurgood Marshall Airport; Washington Dulles International Airport; and Ronald Reagan Washington National Airport. Interstate 95 provides the County with access to the nation's eastern seaboard, including the major commercial centers in Baltimore, Philadelphia and New York City. Interstate 495 (the Capital Beltway) circles Washington, D.C. and provides access both to that city and to nearby suburban jurisdictions. Other major highways in the County include the Baltimore-Washington Parkway (Route 295), U.S. Route 50 (access to Maryland's eastern shore) and U.S. Route 3/301 (access to Baltimore and Virginia). The Washington Metropolitan Area Transit Authority (WMATA) Metrorail system operates a 117 mile subway system. The system serves Washington, D.C. and nearby suburban areas, including five lines and 15 stations that serve the County. WMATA's local bus system has more than 70 routes serving County residents. The County supplements WMATA's bus service with "The Bus."

The County is served by CSX Transportation, Norfolk Southern, Amtrak (including a station at New Carrollton on Amtrak's Northeast Corridor service), and the MARC (Maryland Area Regional Commuter) rail system which has two lines that run through the County, both of which provide service between Baltimore City (and surrounding areas) and Washington, D.C.'s Union Station, with 9 stations in the County. More than 90 freight lines serve the County. Most of the County lines lie within the Washington commercial zone as defined by the Interstate Commerce Commission

Utilities

Baltimore Gas & Electric Company (BGE), Potomac Electric Power Company (PEPCO), Southern Maryland Electric Cooperative, Inc. (SMECO), and Allegheny Power provide the County with electricity services. County residents have the option of choosing their electric supplier. Natural gas is supplied by Washington Gas or BGE; however, County residents have the option of buying natural gas directly from natural gas suppliers. BGE is owned by Exelon Corporation and Exelon is in the process of acquiring PEPCO which would make both entities subsidiaries of Exelon Corporation. Washington Suburban Sanitary Commission provides the water supply to the entire County and wastewater treatment services for part of the County. The District of Columbia Water and Sewer Authority also provides wastewater treatment services for parts of the County. Storm drainage for the County is provided by the County Department of Environmental Resources.

Telecommunication

Verizon, Comcast, Level 3 Communications and others have significant fiber throughout Prince George's County. AT&T, Sprint Nextel, Cavalier, Cox, and other carriers and resellers also offer services on proprietary and leased lines.

Statutory Debt Limit

Pursuant to Section 10-203 of the Local Government Article, the statutory debt limit of the County is a total of 6% of the assessable base of real property of the County and 15% of the County's assessable base of personal property and operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated Code of MD, as amended. State law authorizes certain exclusions. Obligations issued by the Revenue Authority, the Industrial Development Authority and the Local Government Insurance Trust are excluded from the County's statutory limit. The current debt limit of the County is shown in the following table.

Statutory Debt Limit [1]

June 30, 2015

County General Obligation Bonds	$	1,458,930,000
Maryland Development Debt		49,867
Maryland CDA Infrastructure Financing Bonds		33,900
County Solid Waste Revenue Bonds		-
Total Debt of the County		$1,459,318,867
Less: Portion of Debt Excludable by State Law:		
County General Obligation Bonds for:		
Mass Transit Facilities	$	9,025,576
Stormwater Facilities		153,060,000
Solid Waste Projects		36,923,000
School Facilities Surcharge-Supported		291,880,000
School Facility Supported by Telecommunication Tax		23,115,000
Maryland Development Debt		49,867
Maryland CDA Infrastructure Financing Bonds		339,000
County Solid Waste Revenue Bonds		-
Total Excludable Debt	$	514,392,443
County Debt Subject to Statutory Debt Limitation		$944,926,424
Assessable Base of Real Property Taxation (FY2012)	$	73,425,415,435
Assessable Base of Personal Property and Operating Real Property Taxation (FY2012)		2,755,349,219
Debt Limit (a total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property) (FY2012)		4,818,827,309
Less: County Debt Subject to Debt Limitation		$944,926,424
County Debt Margin	$	3,873,900,885

[1] Unaudited

Source: Prince George's County Office of Finance.

Short Term Debt

The County has no short term debt.

Tax-Supported General Fund Debt

Net tax-supported General Fund debt is gross debt less (i) gross debt payable primarily from user charges or other identified debt-supporting revenue streams and (ii) gross debt reimbursable from the State of Maryland. Net tax-supported General Fund debt represents a less conservative treatment of the estimated direct exposure to the County's property tax base than gross debt.

The debt service payments on the debt issued by overlapping entities of the County and the towns and cities within the County are made in their entirety from distinct and separately chargeable revenue sources and are treated as self-supporting except those payments which are made from the County General Fund revenue sources. The debt issued by the WSSC for water, sewer and general construction is paid from separate charges and benefit assessments and the debt issued for stormwater drainage is paid from a separate and unlimited ad valorem tax. The debt issued by the M-NCPPC for facilities located in the County is paid from a separate unlimited ad valorem tax levied by the M-NCPPC. The debt service payments on the revenue bonds issued by the IDA are paid from the lease payments by the State of Maryland and the County. Since the lease payments made by the County are paid from the County General Fund revenue sources, the debt service allocable to the County leases is not self-supporting; however, the lease payments made by the State of Maryland are treated as self-supporting. Debt issued by the towns and cities within the County is supported by the revenue sources of the respective towns and cities.

The following schedule shows the gross direct debt, net direct tax-supported General Fund debt, overlapping and underlying debt of the County and various entities incurred for capital purposes and outstanding as of June 30, 2015.

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Direct, Overlapping and Underlying Debt Statement[1]

($ millions)

June 30, 2015

	Gross Debt Principal Amount	Self-Supporting Debt	Net Tax-Supported General Fund Debt Principal Amount
Direct Debt			
County General Obligation Bonds:			
General Purpose	944.9	-	944.9
Mass Transit	9.0	9.0	-
Stormwater Management	153.0	153.0	-
Solid Waste Management	36.9	36.9	-
School Facilities Surcharge-Supported	276.4	276.4	-
School Facilities Supported by Telecommunication Tax	23.1	23.1	-
County Solid Waste Revenue Bonds	-	-	-
Maryland CDA Development Debt	-	-	-
Maryland CDA Infrastructure Financing Bonds	0.3	0.3	-
Maryland Local Government Insurance Trust Obligations Issued for County Account	-	-	-
Total Direct Debt	1,443.6	498.7	944.9
Overlapping and Underlying Debt			
Washington Suburban Sanitary Commission			-
Maryland-National Capital Park and Planning Commission			-
Industrial Development Authority of Prince George's County Lease Revenue Bonds	50.8	-	55.8
Underlying Towns and Cities Within County	n/a	n/a	-
Total Overlapping and Underlying Debt	50.8	-	55.8
Total Direct, Overlapping Debt and Underlying Debt	1,494.4	498.7	1,000.7

[1] Unaudited

Source: Office of Finance

Levies and Tax Collections

The total General Fund property tax revenues included in the County's approved operating budget for fiscal year 2016 are $770.3 million (adjusted for tax credits, assessment abatements and deletions, allowance for municipal tax differential and uncollectible taxes). As of June 30, 2015, total property tax revenues in fiscal year 2015 were $725.1 million. The tax rates shown in the next table represent a weighted average of the unincorporated and incorporated area rates.

Real and Personal Property Taxes

(Levies and Collections)

Fiscal Year	Assessed Value ($ millions)	Tax Rate per $100 Assessed Value	Tax Levy Excluding Adjustments	Collected During Fiscal Year	Percent Collected during Fiscal Year	Percent Collected as of June 30
2015……	$77,078.0	$0.96	$725,142,829	$721,581,559	99.5%	99.5
2014……	76,132.6	0.96	704,812,592	700,445,480	99.4	99.4
2013……	78,746.2	0.96	703,826,505	699,837,546	99.4	99.6
2012……	84,933.9	0.96	711,565,650	708,645,489	99.6	99.6
2011……	97,888.0	0.96	987,400,083	981,984,336	99.5	99.8
2010……	98,837.5	0.96	1,001,271,795	995,260,491	99.4	99.8

Source: Office of Finance.

The following table provides a breakdown of the property tax rate into its component parts. The "General" rate is the only listed component that is subject to the limitations of Section 812 of the County Charter. Pursuant to Section 812, the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979." Section 812 further provides that "the County may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed two dollars and forty cents ($2.40) for each One Hundred Dollars ($100.00) of assessed value." Pursuant to Chapter 80 of the Laws of Maryland of 2000, this maximum rate is to be construed as 40% of the stated rate or $0.96 for each $100 of assessed value of real property. The "Stormwater Management" component pays debt service on bonds issued to provide funds for, and other expenses pertaining to, stormwater management facilities. The Washington Suburban Transit Commission (WSTC) component pays for the County's contribution to WSTC and other related mass transit costs. The Maryland State and the Maryland-National Capital Park and Planning Commission (M-NCPPC) components identify taxes collected by the County on behalf of those entities.

FY 2014 Property Tax Rates in Dollars/$100 of Assessed Value

PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
General	Stormwater Management	WSTC	Maryland State	M-NCPPC
$0.96	$0.054	$0.026	$0.112	$0.279

Source: Office of Finance

STATISTICAL SYNOPSIS

Statistical Synopsis

Selected County Statistics	2014	2013	2012
Financial Statistics & Ratios			
Total General Fund Revenues ($ millions)	$ 1,556.9	$ 1,573.3	$ 1,534.7
Total General Fund Expenditures and Other Uses ($ millions)	$ 1,615.2	$ 1,597.6	$ 1,529.3
Total General Fund Balance ($ millions)	$ 301.1	$ 359.4	$ 383.7
Total Unassigned General Fund Balance ($ millions)	$ 30.9	$ 82.8	$ 76.7
General Fund Balance as % of Revenues	19.3%	22.8%	25.0%
Unassigned General Fund Balance as % of Revenues	2.0%	5.3%	5.0%
General Fund Balance as % of Expenditures and Other Uses	18.6%	22.5%	25.1%
Unassigned General Fund Balance as % of Expenditures and Other Uses	1.9%	5.2%	5.0%
Cash & Investments – General Fund ($ millions)	$ 93.8	$ 269.3	$ 276.1
Debt Statistics & Ratios			
Gross Direct Debt Outstanding ($ millions)	$ 1,332.7	$ 1,414.6	$ 1,133.2
Net Direct General Fund Debt ($ millions)	$ 844.3	$ 899.5	$ 714.7
Net Direct and Overlapping General Fund Debt ($ millions)	$ 900.1	$ 960.2	$ 780.0
Gross Direct Debt as % of Assessed Value	1.8%	1.8%	1.3%
Gross Direct Debt per Capita	$ 1,473.5	$ 1,589.3	$ 1,285.7
Net Direct General Fund Debt as % of Assessed Value	1.1%	1.1%	0.8%
Net Direct General Fund Debt per Capita	$ 933.5	$ 1,010.6	$ 811.1
Net Direct and Overlapping General Fund Debt as % of Assessed Value	1.2%	1.2%	0.9%
Net Direct and Overlapping General Fund Debt per Capita	$ 995.2	$ 1,078.8	$ 885.2
Debt Service as % of General Fund Revenues	4.9%	4.2%	5.9%
Debt Service as % of General Fund Expenditures and Other Uses	4.7%	4.2%	5.6%
% Payout, 5 Years, Net Direct General Fund Debt	37.9%	34.5%	38.4%
% Payout, 10 Years, Net Direct General Fund Debt	75.1%	70.7%	74.9%
Legal Debt Margin ($ millions)	$ 4,042.8	$ 4,179.2	$ 4,698.1
Financial Data: Tax Base Statistics and Ratios			
Total Assessed Value ($ millions)	$ 76,132.6	$ 78,746.2	$ 84,933.9
Assessed Value per Capita	$ 84,177.4	$ 88,470.8	$ 96,391.1
Average Annual Increase in Assessed Value over Past 5 Years	-1.8%	1.4%	6.7%
County Tax Rate per $100 of Assessed Value	$ 0.96	$ 0.96	$ 0.96
Tax Rate Collection	99.4%	99.6%	99.6%
Top Ten Taxpayers as % of Total	3.6%	3.4%	3.2%
Financial Data: Demographic Statistics			
Population	904,430	890,081	881,138
Per Capita Income	N/A*	$ 43,362.0	$ 43,672.0
Per Capita Income as % of State	N/A*	80.6%	81.2%
Per Capita Income as % of U.S.	N/A*	96.9%	99.9%
Median Household Income	N/A*	$ 72,052.0	$ 69,879.0
Median Household Income as % of State	N/A*	99.4%	98.3%
Median Household Income as % of U.S.	N/A*	137.9%	136.0%
Population Change Past 10 Years (%)	7.3%	7.8%	7.3%
Median Home Value	$ 255,000.0	$ 224,000.0	$ 210,000.0
County Annual Unemployment Rate	5.9	6.7	7.1

*U.S. Census Bureau, American Community Survey, 1-Year Estimates not yet available for 2014

TRIM Amendment – Not Applicable to the Commission

The Attorney General of Maryland has opined that real property taxes levied and collected by the County for The Maryland-National Capital Park and Planning Commission are not subject to the limitation imposed by TRIM (described below). Although the Attorney General of Maryland has not ruled on the impact of the TRIM Amendment, the County Attorney is of the opinion that limitations imposed by the TRIM Amendment are not applicable to The Maryland-National Capital Park and Planning Commission.

Section 18-303 of the Land Use Article states that notwithstanding any provision of charter or law, the taxes authorized by Title 18 are not subject to any limitation on the tax rate or tax revenues of Prince George's County.

At the November 1978 General Election, the voters of Prince George's County adopted an amendment to the County Charter limiting future collection of real property taxes. The amendment, which became effective in December 1978, added Section 817B to the Charter. It is generally referred to in the County as "TRIM" (TRIM is an acronym for Tax Reform Initiative by Marylanders). TRIM, as enacted in November 1978, provides that the County Council shall not levy "a real property tax that would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979" ($143.9 million; the "amount limitation"). At the November 1984 General Election, an amendment to TRIM (the "TRIM Amendment") was approved by the voters of the County authorizing the County Council to levy taxes on a maximum rate basis as an alternative to the maximum amount basis. The maximum rate authorized was $2.40 for each $100.00 of assessed value. Under the TRIM Amendment, the County's tax collections are limited to the greater of (1) an amount equal to the 1979 collection or (2) an amount produced by a tax levied at $2.40 per $100.00 of assessed value. If the tax collection in fact produces an excess, the excess must be placed in the contingency fund and, if not used during that fiscal year, must be included in the budget estimated for real property taxes in the following fiscal year.

In order to make real property tax bills simpler and easier to understand, the State legislature enacted a law under Chapter 80 of the Acts of 2000 providing that, beginning in tax year 2001 (fiscal year 2002) property tax for real property shall be applied to 100%, instead of 40% of the value of real property and that the real property tax shall be adjusted to make the impact revenue neutral. The new State law also provides that any limit on real property tax rate in a local law or charter provision shall be construed to mean a rate equal to 40% times the rate stated in the local law or charter provision.

Since fiscal year 1986, the County Council has elected to levy real property taxes calculated on the basis of the maximum rate.

By law, the annual taxable assessment growth of owner-occupied residential property is capped at the lessor of the percentage of increase in the Consumer Price Index for the previous 12 months or 5% of the prior year's taxable assessment.

1996 Charter Amendment - Not Applicable to the Commission

On November 8, 1996, the voters of Prince George's County approved a Charter amendment (currently renumbered as Section 813) which provides that "the County Council shall refer to a referendum of the qualified voters of the County, at the ensuing regular general election for members of the House of Representatives of the United States, any ordinance or resolution levying or charging the amount of any tax or fee in excess of the amount levied in the preceding fiscal year."

The Attorney General of Maryland has issued an opinion that Section 813 does not apply to any taxes and fees levied and collected in Prince George's County for the Commission.

ABSENCE OF MATERIAL LITIGATION

The Commission is currently defending various suits involving claims for damages arising out of the exercise of its functions, including injuries sustained by patrons, employer/employee relations, violation of civil rights, worker's compensation, etc. In the opinion of the Commission's General Counsel, none of the claims being defended by the Commission will materially affect the Commission's ability to perform its obligations to the holders of its bonds and notes.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary-Treasurer of the Commission to the effect that, to the best of his knowledge and belief, the Official Statement and any amendment or supplement thereto (except for pricing and other information with respect to the reoffering of the Bonds by the purchasers and information regarding DTC and DTC's book-entry system, as to which no view will be expressed) does not contain, as of the date of sale and as of the date of delivery of the Bonds, any untrue statement of a material fact or omit any statement of a material fact, required to be stated or necessary to be stated in order to make such statements, in light of the circumstances under which they were made, not misleading.

SALE AT COMPETITIVE BIDDING

The Bonds will be offered by the Commission at competitive bidding on October 15, 2015 in accordance with the Notice of Sale, the form of which is attached to this Official Statement as Appendix C.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

This Official Statement does not include information concerning the nature and terms of any reoffering.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance and sale of the Bonds will be subject to the final approving opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel. Such opinion will be available at the time of delivery of the Bonds and will be to the effect that the Bonds are valid and legally binding general obligations of the Commission and of Prince George's County, Maryland, to the payment of which the Commission and Prince George's County, Maryland, have validly pledged their full faith and credit. Such opinion will be substantially in the form of the draft opinion included in this Official Statement (See Appendix B).

TAX MATTERS

Opinion of Bond Counsel – Federal Income Tax Status of Interest. Bond Counsel's opinion will state that, under current law, (i) interest on the Bonds (including any accrued "original issue discount" properly allocable to the owners of the Bonds) is excludable from gross income for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Bonds is not a specific item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations; provided, however, for purposes of the alternative minimum tax imposed on corporations (as defined for Federal income tax purposes under Section 56 of the Code), interest on the Bonds is included in computing adjusted current earnings.

Bond Counsel will express no opinion regarding other Federal tax consequences arising with respect to the Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for Federal income tax purposes under Section 103 of the Code. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the Commission or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS"). The Commission has covenanted, however, to comply with the requirements of the Code.

Reliance and Assumptions; Effect of Certain Changes. In delivering its opinion regarding the tax treatment of interest on the Bonds, Bond Counsel is relying upon certifications of representatives of the Commission, the underwriters of the Bonds and other persons as to facts material to the opinion, which Bond Counsel has not independently verified. In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the Commission. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of Federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the U.S. Department of the Treasury (the "Treasury"). The Non-Arbitrage Certificate and Tax Covenants executed and delivered by the Commission on the date of delivery of the Bonds (the "Tax Agreement") contains covenants (the "Covenants") under which the Commission has agreed to comply with such requirements. Failure by the Commission to comply with the Covenants could cause interest on the Bonds to become includable in gross income for Federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes. Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Agreement, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Tax Agreement. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Bonds from gross income for Federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning or disposing of the Bonds.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on Federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for Federal tax purposes or any other Federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Original Issue Discount. The "original issue discount" ("OID") on any Bond is the excess of such Bond's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such Bond. The "issue price" of a Bond is the initial offering price to the public at which price a substantial amount of the Bonds of the same maturity was sold. The "public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The issue price for each maturity of the Bonds is expected to be the initial public offering price set forth on the inside front cover of this Official Statement (or, in the case of Bonds sold on a yield basis, the initial offering price derived from such yield), but is subject to change based on actual sales. OID on the Bonds with OID (the "OID Bonds") represents interest that is excludable from gross income for purposes of Federal income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax and the distribution requirements of certain investment companies and may result in some of the collateral Federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral Federal income tax consequences although the owner may not have received cash in such year.

Interest in the form of OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for Federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner's cost basis in determining, for Federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for Federal income tax purposes. The accrual of OID and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for Federal income tax purposes of interest accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

Bond Premium. In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a

Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and the amortization of bond premium on, Premium Bonds.

Possible Legislative or Regulatory Action. Legislation and regulations affecting tax-exempt bonds are continually being considered by the United States Congress, the Treasury, and the IRS. In addition, the IRS has established an expanded audit and enforcement program for tax-exempt bonds. There can be no assurance that legislation enacted or proposed after the date of issue of the Bonds or an audit initiated or other enforcement or regulatory action taken by the Treasury or the IRS involving the Bonds or other tax-exempt bonds will not have an adverse effect on the tax status or the market price of the Bonds or on the economic value of the tax-exempt status of the interest thereon.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel – State Tax Exemption. In the opinion of Bond Counsel, under existing law of the State of Maryland, the principal amount of the Bonds, the interest thereon, their transfer, and any income derived therefrom, including any profit from the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

Interest on the Bonds may be subject to state and local taxes in jurisdictions other than the State of Maryland under applicable state or local laws. Prospective purchasers of the Bonds should consult their own tax advisors regarding the taxable status of the Bonds in a particular state or local jurisdiction other than the State of Maryland.

INDEPENDENT AUDITOR

The basic financial statements as of June 30, 2014 and for the year then ended included in Appendix A have been audited by CliftonLarsenAllen LLP, independent public accountants, as stated in their report appearing herein. The independent auditors were not requested to review or update their report in connection with the issuance of the Bonds, and the Commission did not request such independent auditors' consent to the inclusion of their report in this Official Statement. Such report speaks only as of its indicated date.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Arbitrage Group, Inc., Tuscaloosa, Alabama, a firm of independent arbitrage agents, upon delivery of the Bonds, will deliver to the Commission its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of the computations performed by Davenport & Company LLC relating to (a) the sufficiency of the anticipated receipts from the Government Obligations, together with the initial cash deposit, if any, to pay, when due, the principal of, the redemption premium, if any, and interest due on the Refunded Bonds to and including the date on which such bonds mature or are redeemed, as applicable, and (b) the "yield" on the Government Obligations and on the Bonds.

FINANCIAL ADVISOR

Davenport & Company LLC has rendered financial advice to the Commission regarding issuance of the Bonds and preparation of this Official Statement.

RATINGS

Moody's Investors Service; Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc.; and Fitch Ratings have assigned ratings to the Bonds as shown on the cover of this Official Statement. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Services, A Division of The McGraw-Hill Companies, Inc., 55 Water Street, New York, New York 10041; Fitch Ratings, One State Street Plaza, New York, New York 10004. Generally, rating agencies base their ratings on the materials and information furnished to them, as well as investigations, studies and assumptions of the rating agencies. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward or withdrawn by one or more of the rating agencies if, in the judgment of one or more such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of one or more such ratings could have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the participating underwriters (as defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule")) of the Bonds in complying with the requirements of paragraph (b)(5) of the Rule, the Commission and the County will execute and deliver, on or before the date of issuance and delivery of the Bonds, separate Continuing Disclosure Certificates, the forms of which are attached to this Official Statement as Appendix D. The Commission and the County will provide annually certain financial information and operating data related to the Commission and the County, respectively, updated as of June 30 of the immediately preceding fiscal year (the "Report"), not later than March 31 in each year, commencing March 31, 2016 and the Commission will provide notices of the occurrence of certain listed events. Potential purchasers should note that certain of the fourteen listed events listed Section 5(a) in the Commission's Continuing Disclosure Certificate have been included for purposes of compliance with the Rule but are not relevant for the Bonds.

In the previous five years, the Commission has not failed to comply in any material respect with any prior continuing disclosure undertaking made pursuant to Rule 15c2-12. Failure by the Commission to comply with its continuing disclosure obligations will not constitute a default with respect to the Bonds.

MISCELLANEOUS

The execution of this Official Statement and its delivery have been duly approved and authorized by the Secretary-Treasurer of the Commission for use in connection with the sale of the Bonds.

The Notice of Sale for the Bonds, which constitutes Appendix C to this Official Statement, sets forth the terms and conditions of the public sale and delivery of, and payment for, the Bonds.

Additional information may be obtained upon request from the office of the Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, Executive Office Building, 6611 Kenilworth Avenue, Riverdale, Maryland 20737, Telephone (301) 454-1540.

The successful bidder will receive a reasonable number of copies of the Official Statement without charge.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

BY:/S/ JOSEPH C. ZIMMERMAN
Joseph C. Zimmerman
Secretary-Treasurer

Appendix A

THE MARYLAND – NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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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, 2013

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information and budgetary comparison for the general fund of The Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Montgomery County Parks Foundation, Inc., a discretely presented component unit, which represents 100% percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montgomery County Parks Foundation, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Montgomery County Parks Foundation, Inc. were not audited in accordance with Government Auditing Standards.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Maryland-National Capital Park and Planning Commission as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Calverton, Maryland
January 14, 2015

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, 2014.

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

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

- Montgomery County
  - Administration tax - general administration and planning
  - Park tax - park operations and debt service for park acquisition and development bonds

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

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

Financial Highlights

- The assets of the Commission exceeded its liabilities and deferred inflow of resources at June 30, 2014 by $999.5 million (net position). Of this amount, $241.4 million may be used to meet the Commission's ongoing obligations.

- The Commission's net position grew by $16.9 million during fiscal year 2014. This is largely a result of: an increase in capital assets of $34.8 million, $32.7 million of grants and contributions, debt principal payments of $10.7 million, offset by the increase in the OPEB liability of $1.4 million.

- In fiscal year 2008 the Commission implemented GASB statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Implementing this statement required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. Because the Commission is phasing into full funding of the actuarially calculated contribution for these benefits, which contribution must be recorded as an expense, a liability of $68.0 million has been recognized on the Commission's Statement of Net Position, including $2.9 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.

- As of June 30, 2014, the Commission's governmental funds reported combined ending fund balances of $327.9 million, an increase of $6.0 million. Of this amount, $110.0 million is unassigned, $88.9 million is assigned, $93.1 million is committed and $35.9 million of fund balance is restricted.

- The Commission's General Fund balance at June 30, 2014 was $210.0 million, a decrease of $32.8 million during the year. The unassigned fund balance of $131.5 million is approximately 35.4% of fiscal year 2014 expenditures and transfers out.

- The Montgomery County Capital Projects Fund balance at June 30, 2014 was $8.1 million, an increase of $11.1 million. The unassigned fund deficit of $21.5 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.

- The Prince George's County Capital Projects Fund balance at June 30, 2014 was $96.2 million, an increase of $27.0 million. The fund balance has increased due to general obligation bonds being issued in the amount of $26.6 million.

- The assets of the enterprise funds exceeded liabilities by $70.6 million, a decrease of $2.3 million. The Prince George's Enterprise Fund had a decrease in net position of $2.8 million and the Montgomery Enterprise Fund had an increase in net position of $0.6 million.

- The Commission's bonds and notes payable decreased by $10.9 million due to scheduled principal payments. Also, the Commission issued general obligation bonds for Montgomery County in the amount of $14.0 million and Prince George's in the amount of $26.6 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

Independent Auditors' Report
Provides the opinion of the Independent Auditors on the fair presentation of the basic financial statements.

Management's Discussion and Analysis
This supplementary information is required for state and local government financial statements, and is intended to provide a narrative introduction, overview, and analysis.

Government-Wide Financial Statements	Fund Financial Statements
Provides information on governmental and business-type activities of the Commission.	*Provides information on the financial position of specific funds of the Commission.*
Exhibits 1 and 2.	***Exhibits 3 to 11.***

Notes to Financial Statements
Provides a summary of significant accounting policies and related disclosures.
Following Exhibit 11.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by $999.5 million at the close of the most recent fiscal year. A summary of the Commission's net position follows:

Summary of Net Position (millions)
June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Assets							
Current and Other Assets	$ 433.7	$ 410.8	$ 12.5	$ 11.0	$ 446.2	$ 421.8	5.8%
Capital Assets	768.9	730.1	65.0	69.0	833.9	799.1	4.4%
Total Assets	1,202.6	1,140.9	77.5	80.0	1,280.1	1,220.9	4.8%
Liabilities/Deferred Inflows							
Current Portion of Long-term Liabilities	26.7	26.4	0.4	0.6	27.1	27.0	0.4%
Long-term Liabilities	194.2	164.0	3.9	3.9	198.1	167.9	18.0%
Other Liabilities/Deferred Inflows	52.8	40.8	2.6	2.6	55.4	43.4	27.6%
Total Liabilities	273.7	231.2	6.9	7.1	280.6	238.3	17.8%
Net Position							
Net investment in Capital Assets	693.1	653.8	65.0	68.8	758.1	722.6	4.9%
Unrestricted	235.8	255.9	5.6	4.1	241.4	260.0	-7.2%
Total Net Position	$ 928.9	$ 909.7	$ 70.6	$ 72.9	$ 999.5	$ 982.6	1.7%

Current and other assets increased by 5.8% and long-term liabilities increased by 18.0% both due to bonds being issued during FY14. Changes in other liabilities and deferred inflows were primarily a result of an increase in accounts payable. Changes in net position are discussed later.

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

The remaining balance of $241.4 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.

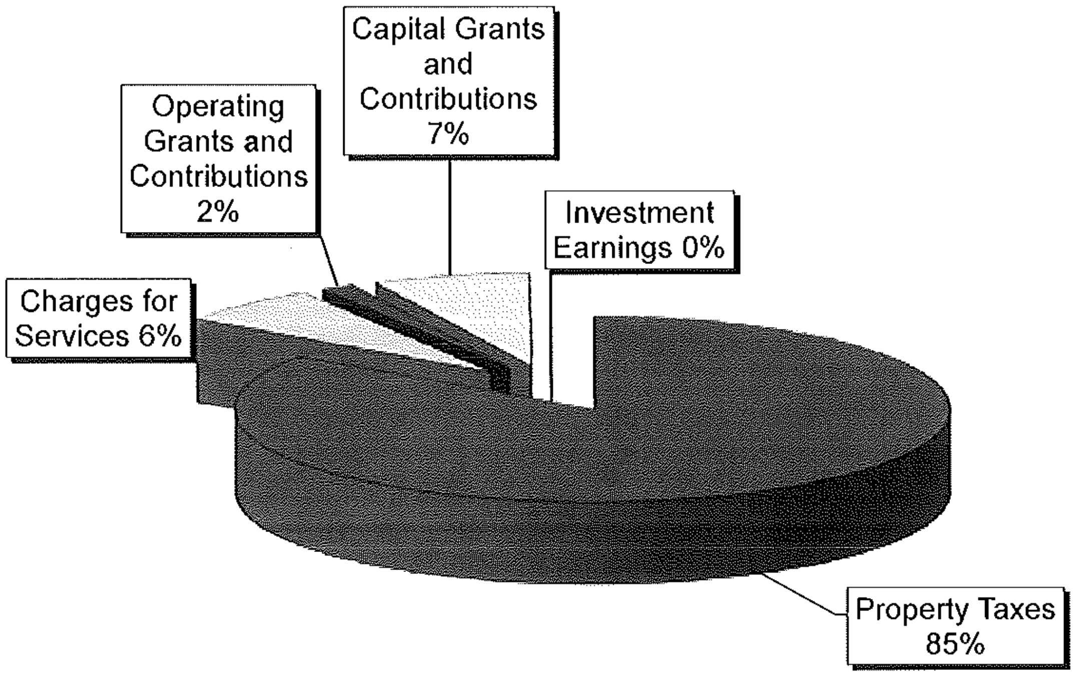
A summary of changes in net position follows:

Summary of Changes in Net Position (in millions) For the Fiscal Years Ended June 30, 2014 and 2013	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Program Revenues:							
Charges for Services	$ 24.9	$ 25.1	$ 19.8	$ 20.0	$ 44.7	$ 45.1	-0.9%
Operating Grants and Contributions	5.8	6.1	0.1	-	5.9	6.1	-3.3%
Capital Grants and Contributions	26.9	21.8	-	-	26.9	21.8	23.4%
General Revenues:							
Property Taxes	320.7	327.6	-	-	320.7	327.6	-2.1%
Investment Earnings	0.9	0.4	-	-	0.9	0.4	125.0%
Total Revenues	379.2	381.0	19.9	20.0	399.1	401.0	-0.5%
Expenses:							
General Government	17.9	16.9	-	-	17.9	16.9	5.9%
County Planning and Zoning	58.6	45.5	-	-	58.6	45.5	28.8%
Park Operations and Maintenance	204.8	199.3	-	-	204.8	199.3	2.8%
Recreation Programs	66.4	55.8	-	-	66.4	55.8	19.0%
Recreational and Cultural Facilities	-	-	31.1	29.5	31.1	29.5	5.4%
Interest on Long-term Debt	3.4	3.1	-	-	3.4	3.1	9.7%
Total Expenses	351.1	320.6	31.1	29.5	382.2	350.1	9.2%
Increase (Decrease) in Net Position Before Transfers	28.1	60.4	(11.2)	(9.5)	16.9	50.9	-66.8%
Transfers	(8.9)	(8.8)	8.9	8.8	-	-	
Increase (Decrease) in Net Position	19.2	51.6	(2.3)	(0.7)	16.9	50.9	
Net Position - beginning	909.7	858.1	72.9	73.6	982.6	931.7	
Net Position - ending	$ 928.9	$ 909.7	$ 70.6	$ 72.9	$ 999.5	$ 982.6	

During the current fiscal year the Commission's net position increased by $16.9 million. This is largely a result of an increase in capital assets of $34.8 million, $32.7 million of grants and contributions, debt principal payments of $10.7 million, offset by the increase in the OPEB liability of $1.4 million and the Commission issued general obligation bonds for Montgomery County in the amount of $14.0 million and Prince George's in the amount of $26.6 million Charges for services increased in the Park Operations and Maintenance Activities and for Recreation Programs. Also, the Commission had a reduction in property taxes of $ 6.9 million.

Governmental activities. Governmental activities increased the Commission's net position by $19.2 million, thereby accounting for 114% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of $26.9 million, added to an excess of ongoing revenues over ongoing expenses of $1.2 million, which were offset by the transfers to business-type activities of $8.9 million.

Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 85% of Commission governmental revenues.

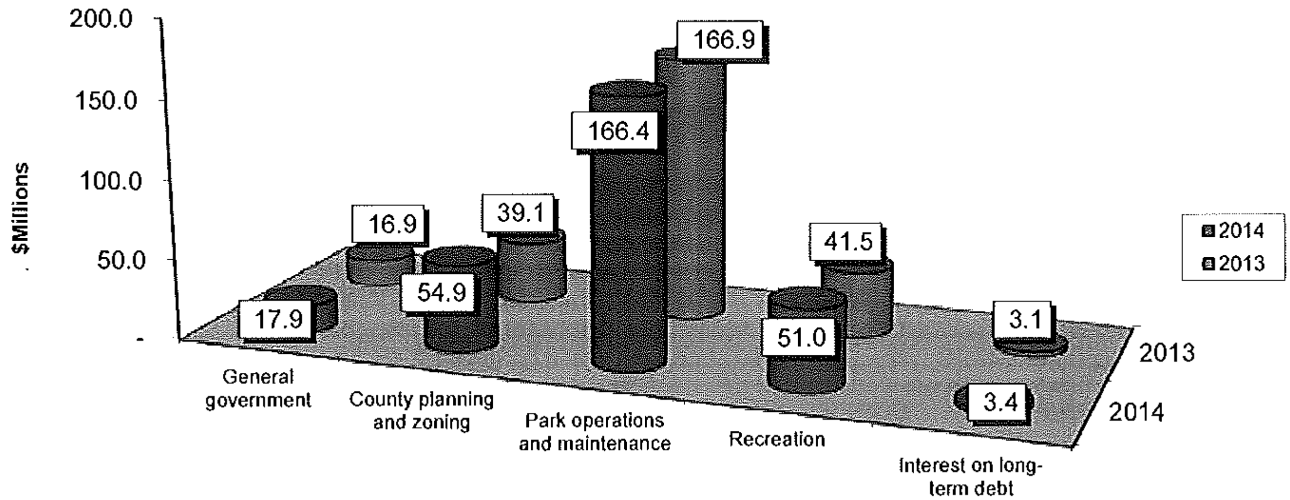
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 8.7% of governmental activities expenses.

The overall total cost of services and net cost of services increased by 9.5% and 9.7% respectively for FY 2014 compared to FY 2013.

Net Cost of Governmental Activities (000's)
For the Fiscal Years Ended June 30, 2014 and 2013

	2014		2013		Percentage Change 2013 - 2014	
	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	$ 17,923	$ 17,923	$ 16,859	$ 16,859	6.3%	6.3%
County Planning and Zoning	58,570	54,885	45,516	39,088	28.7%	40.4%
Park Operations and Maintenance	204,796	166,365	199,288	166,944	2.8%	-0.3%
Recreation Programs	66,430	50,983	55,800	41,546	19.1%	22.7%
Interest on Long-term Debt	3,413	3,413	3,098	3,098	10.2%	10.2%
Total	$ 351,132	$ 293,569	$ 320,561	$ 267,535	9.5%	9.7%

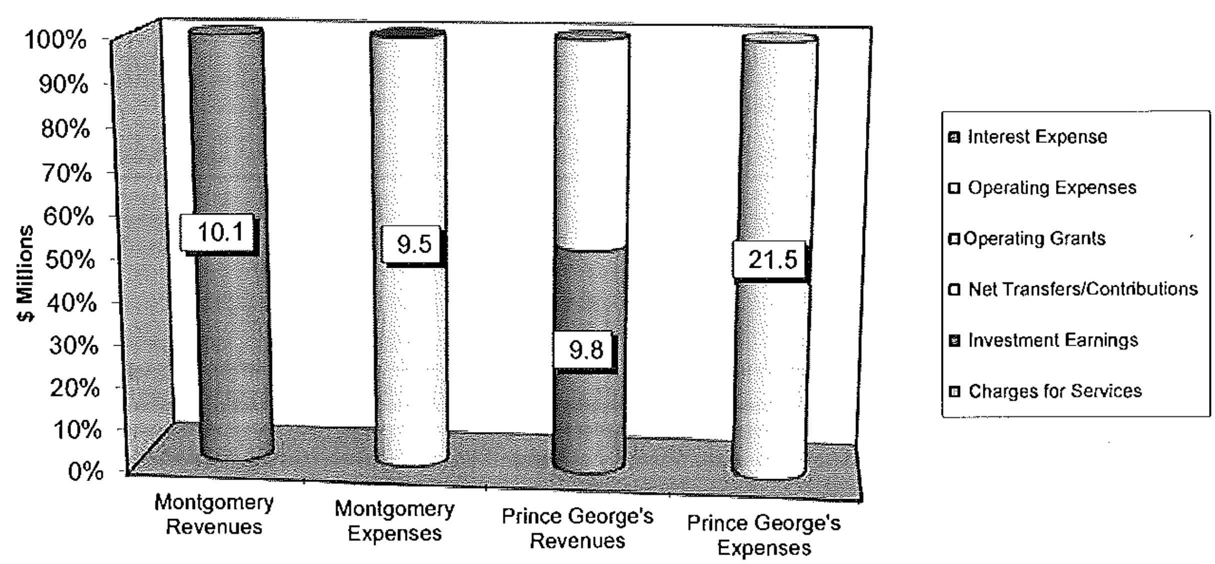
Net Cost by Function - General Government



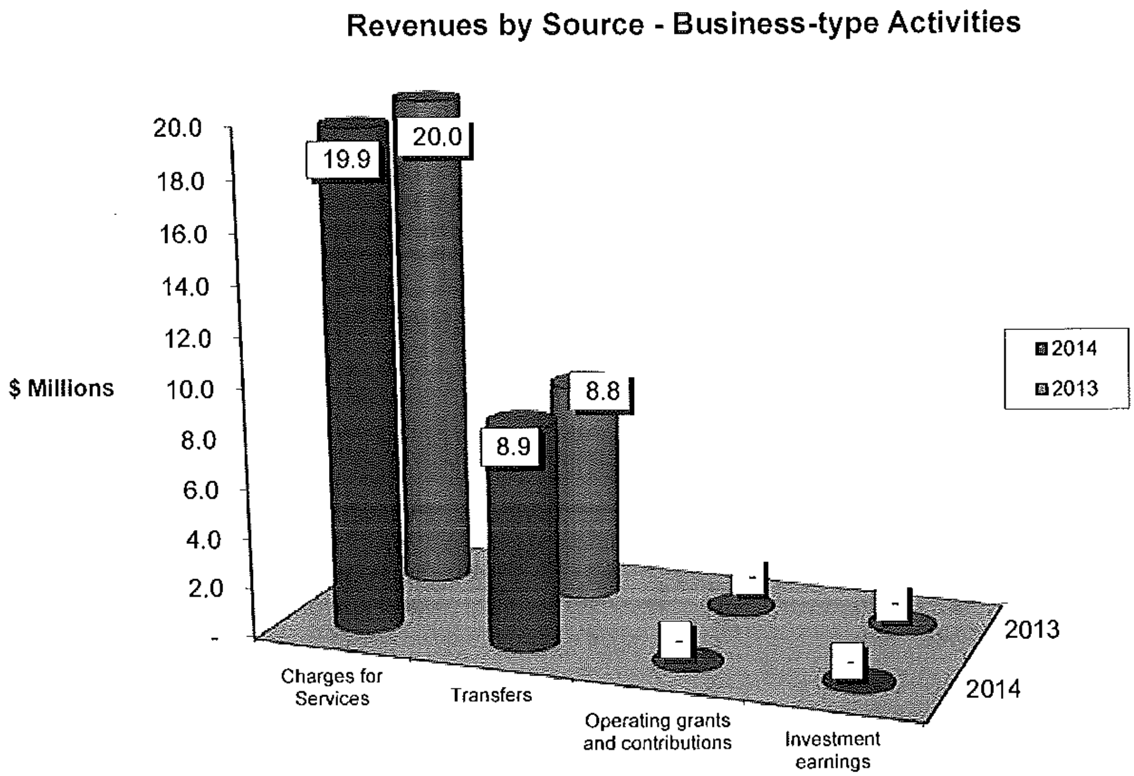
Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission's net position by $2.3 million.

- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by $11.2 million.
- Governmental activities contributed $8.9 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



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



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 $327.9 million, an increase of $6.0 million in comparison with the prior year. Approximately 33.6% of this total amount, or $110.0 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. $104.4 million of this balance is in the capital project funds. The remaining fund balances are restricted, committed or assigned to indicate that they are not available for new spending as $93.1 million has been committed for contracts and purchase orders, $35.9 million is restricted and $88.9 million is assigned to fund fiscal year 2015 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 $131.5 million, while total fund balance was $210.0 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 35.4% 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 decreased by $32.8 million during the current fiscal year. Key factors that generated this decrease are as follows:

- A decrease of $45.5 million was planned in the final budget for fiscal year 2014.

- Receipts from Charges for Services and Rentals and Concessions were $.9 million higher than anticipated due to a slight increase the general economic conditions.

- Interest revenues were $.7 million lower than anticipated in the general fund due to lower than budgeted interest rates.

- Control of expenditures generated $15.6 million savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of $8.1 million and Prince George's County has a fund balance of $96.2 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 $11.1 million in Montgomery County, and an increase of $27.0 million in Prince George's County primarily due to the $14.0 million general obligation bonds issued for Montgomery County and $26.6 million general obligation bonds issued for Prince George's County, $24.3 million transfer from the general fund to the capital projects fund for Prince George's County and construction grants realized of $16.3 million in Montgomery County and $3.3 million in Prince George's County. Expenditures for the fiscal year were $20.8 million in Montgomery County and $28.7 million in Prince George's County.

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

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

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

Unrestricted net position of the Montgomery County fund at the end of the year amounted to $4.5 million and those for the Prince George's County fund amounted to $1.1 million. The total changes in net position for the funds were an increase in the Montgomery County fund of $0.5 million and a decrease of $2.8 million in the Prince George's County fund.

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

Financial Operations of the Enterprise Funds (000's)
For the Fiscal Years Ended June 30, 2014 and 2013

	Montgomery County		Prince George's County	
	FY2014	FY2013	FY2014	FY2013
Operating Revenues	$ 10,079	$ 9,833	$ 9,779	$ 10,122
Operating Expenses, Excluding Depreciation	8,010	8,049	18,437	18,085
Operating Income (Loss), Excluding Depreciation	2,069	1,784	(8,658)	(7,963)
Depreciation	1,495	1,174	3,085	2,192
Operating Income (Loss)	574	610	(11,743)	(10,155)
Nonoperating Revenue (Expense)	14	(21)	(7)	6
Transfers/Contributions	-	-	8,922	8,826
Change in Net Position	$ 588	$ 589	$ (2,828)	$ (1,323)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's)
For the Fiscal Years Ended June 30, 2014 and 2013

	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2014	FY2013	Change	FY2014	FY2013	Change
Event Centers	$ 713	$ 653	$ 60	$ 19	$ (141)	$ 160
Golf Courses	24	238	(214)	24	76	(52)
Ice Rinks	4,601	4,298	303	1,097	591	506
Indoor Tennis	1,809	1,610	199	510	495	15
Park Facilities	2,932	3,034	(102)	419	763	(344)
Total	$ 10,079	$ 9,833	$ 246	$ 2,069	$ 1,784	$ 285

The Montgomery County Enterprise Fund revenues increased by $246,000. The Golf Courses received $24,000 from the Montgomery County Revenue Authority (MCRA). The Department of Parks has a long-term lease agreement with the MCRA for operating three of its golf courses. The Ice Rinks operating revenue rose due to increased participation in group lessons and facility rentals. Whereas the Park Facilities revenue decreased due to limited programs and merchandise sales at Brookside Gardens, because of the parking lot construction reduced the number of parking spaces. Operating income, excluding depreciation, increased by $285,000. This increase is mainly due to the Ice Rinks cost decreasing due to the final debt service payment of $227,961 being paid this fiscal year, also administration and chargebacks were lower.

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, 2014 and 2013	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2014	FY2013	Change	FY2014	FY2013	Change
Airport	$ 204	$ 249	$ (45)	$ (200)	$ (212)	$ 12
Equestrian Center/Arena	1,245	1,408	(163)	(1,457)	(1,367)	(90)
Golf Courses	2,190	2,323	(133)	(1,006)	(1,011)	5
Ice Rinks	501	546	(45)	(838)	(707)	(131)
Tennis Bubbles/Administration	355	319	36	(1,133)	(1,077)	(56)
Trap and Skeet Center	1,911	1,919	(8)	42	111	(69)
Sports and Learning Complex	3,249	3,292	(43)	(3,806)	(3,290)	(516)
Bladensburg Marina	124	66	58	(260)	(410)	150
Total	$ 9,779	$ 10,122	$ (343)	$ (8,658)	$ (7,963)	$ (695)

The Prince George's County Enterprise Fund revenues decreased by $343,000 and the operating loss, excluding depreciation, increased by $695,000. The major changes occurred in the Equestrian Center, Golf Courses, Ice Rinks and Sports and Learning Complex, which were due to decrease in sales, rentals and event bookings for all facilities. The operating loss increase of $695,000 is largely due to the Sports and Learning Complex upgrades to broad band, and overall facilities increases of utility cost of $96,000 and personnel costs increased by $355,000. By policy, the goal of the Enterprise Fund programs is to provide specialized fee-based recreation facilities and services, managed to control costs to match revenue and/or subsidies and marketed to enhance the County's tourism efforts. Also, the fee structures at all facilities are designed for maximum participation with General Fund support.

General Fund Budgetary Highlights

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

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

Montgomery County Budget to Actual Variances (000's) For the Year Ended June 30, 2014	Administration Account	Park Account
Favorable property tax collections	$ 296.0	$ 789.0
(Unfavorable) Favorable charges for services	(55.0)	487.0
(Unfavorable) intergovernmental revenue	(141.0)	(350.0)
(Unfavorable) investment revenue	(18.0)	(44.0)
Favorable other revenue	-	66.0
Total favorable/(unfavorable) revenue variance	82.0	948.0
Expenditure savings	2,150.0	599.0
Favorable other financing sources (uses)	-	(142.0)
Total favorable budgetary variance	$ 2,232.0	$ 1,405.0

Property tax collections were higher than budgeted due to increases in the Real Property assessable base. Charges for Services were down in the Administration Account and up in the Park Account. The Administration Account experienced decreased receipts from Forest Conservation fees which were fewer and smaller than anticipated while the Park Account came in over budget primarily due to increased Ballfield fees from local parks. Unfavorable variances in investment revenue in the Administration and Park Accounts was due to low interest rates applied to cash balances. Intergovernmental revenue was down in both the Administration Account and the Park Account due to fewer grants received but was slightly offset by increased receipts from the County related to the Water Quality Protection Project. Other Revenue was over budget in the Park Account due to higher than budgeted Park Development fees and an increase in tree sales. Expenditure savings for both accounts were primarily a result of delays in filling vacant positions. The Park Account had additional savings from lower than budgeted gasoline expenses.

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, 2014

	Administration Account	Park Account
Fund balance, budget basis		
Assigned	$ 3,652.5	$ 469.0
Unassigned	3,332.7	5,844.2
Total Budgetary Fund Balance	$ 6,985.2	$ 6,313.2

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

Prince George's County Budget to Actual Variances (000's)
For the Year Ended June 30, 2014

	Administration Account	Park Account	Recreation Account
Favorable (unfavorable) property tax collections	$ (115.0)	$ 627.0	$ 142.0
Favorable (unfavorable) charges for services	15.0	168.0	310.0
Favorable (unfavorable) intergovernmental revenue	(81.0)	-	-
(Unfavorable) investment revenue	(100.0)	(457.0)	(111.0)
Favorable (unfavorable) other revenue	(48.0)	29.0	(52.0)
Total (unfavorable) revenue variance	(329.0)	367.0	289.0
Expenditure savings	4,799.0	4,069.0	3,960.0
Favorable other financing sources	-	1,567.0	-
Total favorable budgetary variance	$ 4,470.0	$ 6,003.0	$ 4,249.0

Property tax collections in the Administration Account were below budget due to decreases in the assessable base. Although the assessable base was lower in the Park and Recreation accounts, property tax collections increased, due to the collections of penalties, interest and prior year taxes that were higher than budgeted. Charges for services increased in the Administration Account as a result of increased revenue generated from sales of maps and publications Charges for Services increased in the Park Account due to increased camp registrations and special event fees. Rentals and Concessions had increased program participation for the agricultural lease program along with overall increased facility bookings in the account. The Recreation Account is higher than budgeted from increased program registrations, bus trip revenue and admission fees. Intergovernmental Revenue decreased in the Administration Account due to lower than anticipated commercial and building permit fees and less revenue collected than anticipated for the County Swim Grant. The unfavorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to low interest rates applied to cash balances. The expenditure savings were primarily the result of vacant positions in all of the Accounts. Additional savings in the Administration Account are the result of savings from professional service contracts.

The Recreation Account also generated expenditure savings from delays in CIP Projects for the Palmer Park Community Center and College Park Aviation Museum, which were deferred until FY15. Savings were also generated from negotiating a contract with lower rates for electricity expenses. Other Financing Sources were favorable in the Park Account due to savings in Debt Service from new bonds budgeted in FY14 but the expenditures will not be incurred until FY15.

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, 2014

	Administration Account	Park Account	Recreation Account
Fund balance, budget basis			
Assigned	$ 6,475.2	$ 24,557.1	$ 8,738.4
Unassigned	15,836.9	90,477.4	16,041.4
Total Budgetary Fund Balance	$ 22,312.1	$ 115,034.5	$ 24,779.8

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, 2014 amounts to $833.9 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 4.4% (a 5.3% increase for governmental activities and a 5.7% decrease for business-type activities). The most significant increase is $38.7 million for construction in progress for the governmental activities. The only significant capital asset changes in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Position. During fiscal year 2014 work continued on many projects, however, none were completed prior to the end of the fiscal year.

Expenditures on Montgomery County projects totaled $20.8 million in fiscal year 2014, of which $2.6 million was for land acquisition and $18.2 million was for development. The land purchases represented the acquisition of about 40 acres of land. Major Park Development expenditures included $1.8 million in expenditures for ball field initiatives, Germantown Town Center with construction costs to date of $5.1 million of which $1.7 million was in fiscal year 2014, $1.5 million spent during fiscal year 2014 for Evans Parkway Neighborhood Park, and $0.5 expended for restoration of historic structures. In addition, $2.9 million was expended for play equipment and minor park renovations.

Prince George's County projects totaled $28.7 million in fiscal year 2014, of which $3.7 million was for land acquisition and $25.0 million was for development. Land Acquisition included $1.8 million for Land Preservation and $1.8 million for County-Wide Local Park Acquisitions. Major Park Development expenditures include Improvements for Infrastructure with construction costs to date of $4.5 million of which $4.3 million was in fiscal year 2014, Palmer Park Community Center with construction costs to date of $2.7 million of which $2.2 million was in fiscal year 2014, Wells-Linson Complex with construction costs to date of $4.2 million of which $3.6 million was in fiscal year 2014, Walker Mill Regional Park with $7.4 million in construction costs to date, of which $1 million was in fiscal year 2014 and The Southern Regional Technology Recreation Complex with construction costs to date of $16.1 million of which $1.5 million was in fiscal year 2014. In addition, expenditures totaling $2.2 million was spent for Play equipment replacement.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) ($000's) June 30, 2014 and 2013	June 30, 2014			June 30, 2013			
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Percent Change Total
Land	$ 354,989	$ 19,364	$ 374,353	$ 348,348	$ 19,364	$ 367,712	1.8%
Buildings and improvements	70,488	43,184	113,672	78,607	47,282	125,889	-9.7%
Infrastructure	104,715	-	104,715	106,846	-	106,846	-2.0%
Machinery, equip. & intangibles	26,276	2,231	28,507	22,619	2,086	24,705	15.4%
Construction in progress	212,416	247	212,663	173,730	247	173,977	22.2%
Total	$ 768,884	$ 65,026	$ 833,910	$ 730,150	$ 68,979	$ 799,129	4.4%

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

Long-term debt. Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling $113.3 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 $14.3 million (Montgomery - $4.2 million; Prince George's - $10.1 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled $113.3 million (Montgomery County - $46.0 million and Prince George's County - $67.3 million) at June 30, 2014. Park Bonds debt service expenditures totaled $14.0 million (Montgomery - $3.9 million, Prince George's - $10.1 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 0.22 cents per $100 of assessed valuation for real property and.0.55 cents per $100 of assessed valuation for personal property for Montgomery County and 1.32 cents per $100 of assessed valuation for real property and 3.30 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, 2014	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aa1	AAA	AA+

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2014 follow ($000's):

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

Commission's Outstanding Debt
June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
General obligation bonds	$ 113,326	$ 80,991	$ -	$ -	$ 113,326	$ 80,991	39.9%
Revenue bonds and notes	-	-	-	222	-	222	-100.0%
Total	$ 113,326	$ 80,991	$ -	$ 222	$ 113,326	$ 81,213	39.5%

Montgomery County Outstanding Debt
June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
General obligation bonds	$ 46,046	$ 33,905	$ -	$ -	$ 46,046	$ 33,905	35.8%
Revenue bonds and notes	-	-	-	222	-	222	-100.0%
Total	$ 46,046	$ 33,905	$ -	$ 222	$ 46,046	$ 34,127	34.9%

Prince George's County Outstanding Debt
June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
General obligation bonds	$ 67,280	$ 47,086	$ -	$ -	$ 67,280	$ 47,086	42.9%
Total	$ 67,280	$ 47,086	$ -	$ -	$ 67,280	$ 47,086	42.9%

The Commission's bonds and notes payable decreased by $10.9 million due to scheduled principal payments. Also, the Commission issued general obligation bonds for Montgomery County in the amount of $14.0 million and Prince George's in the amount of $26.6 million.

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 $1,536.3 million of debt service for Montgomery County and $892.0 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of $44.9 million and $66.1 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

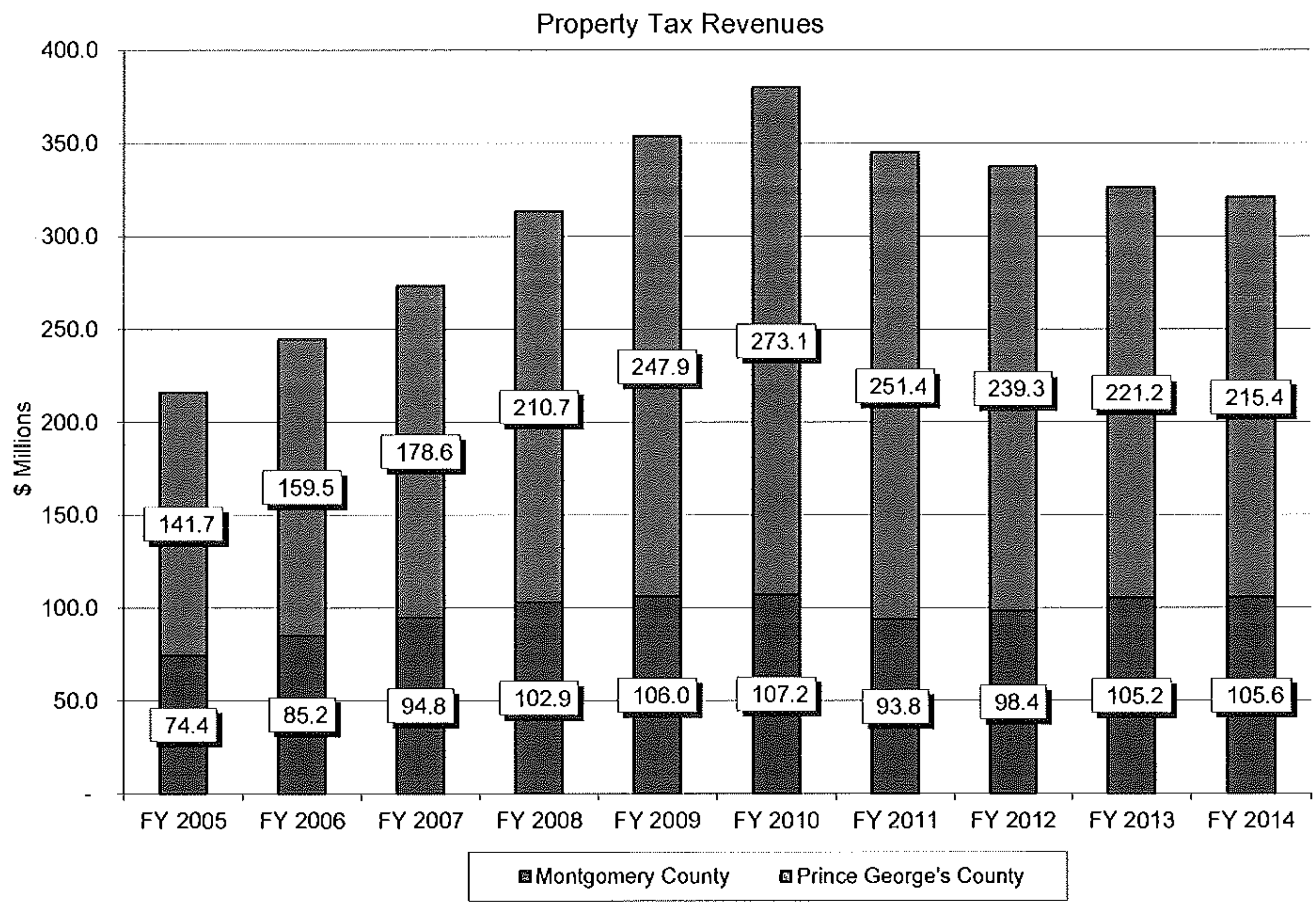
The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 85% of the Governmental Funds revenues in FY 2014. Strong fiscal policies including fund balance reserves, interim financial 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 2015 tax rates and adopting the FY 2015 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 2015 the Commission's total Montgomery County real property tax rate was increased by 0.30 cents and the personal property tax rate was increased by 0.75 cents and the taxable real property assessable base is projected to increase by 3.78%. Commission property tax revenue is budgeted to increase by 6.4% and budgeted expenditures are budgeted to increase 5.4% in the tax supported funds.

In Prince George's County, tax rates for the Commission remain unchanged between FY 2014 and FY 2015. In FY 2015 the real property assessable base is projected to increase by .84%. 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. These project charges have been decreasing due to a declining assessable base in the county even though overall tax rates for the Commission have been held constant. The project charges decreased from $17.2 million in FY 2013 to $14.9 million in FY 2014 and for FY 2015, they are budgeted at $13.7 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 $175.6 million. Of this amount, $43.9 million is assigned fund balance and $131.7 million is unassigned as of June 30, 2014. Of the unassigned portion, $122.4 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

Requests for Information

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Total
ASSETS				
Equity in Pooled Cash and Investments	$ 370,852,807	$ 11,606,335	$ 382,459,142	$ 551,487
Receivables - Taxes, net of allowance for uncollectibles	5,995,989	-	5,995,989	-
Receivables - Other	1,657,300	8,014	1,665,314	66,623
Due from County Governments	7,226,163	11,773	7,237,936	-
Due from Other Governments	9,251,546	-	9,251,546	-
Inventories	450,724	891,682	1,342,406	-
Deposits and Other	2,395,671	-	2,395,671	939
Restricted Cash, Cash Equivalents and Investments:				
Unspent Debt Proceeds	35,874,767	-	35,874,767	-
Investments	-	-	-	59,851
Capital Assets:				
Land and Construction in Progress	567,405,110	19,610,635	587,015,745	-
Other Capital Assets, Net of Accumulated Depreciation	201,478,696	45,415,109	246,893,805	2,061
Total Assets	1,202,588,773	77,543,548	1,280,132,321	680,961
LIABILITIES				
Accounts Payable and Other Current Liabilities	45,839,771	1,313,627	47,153,398	19,544
Accrued Interest Payable	725,911	-	725,911	-
Due to Other Governments	90	-	90	-
Deposits and Fees Collected in-Advance	6,187,952	1,315,249	7,503,201	-
Claims Payable:				
Due within One Year	4,535,265	-	4,535,265	-
Due in more than One Year	9,662,704	-	9,662,704	-
Compensated Absences:				
Due within One Year	10,049,297	429,238	10,478,535	-
Due in more than One Year	9,384,978	524,550	9,909,528	-
Bonds and Notes Payable:				
Due within One Year	12,094,850	-	12,094,850	-
Due in more than One Year	101,231,110	-	101,231,110	-
Net Other Post Employment Benefit Obligations				
Due in more than One Year	65,102,768	2,940,912	68,043,680	-
Net Pension Obligations				
Due in more than One Year	8,834,923	397,579	9,232,502	-
Total Liabilities	273,649,619	6,921,155	280,570,774	19,544
DEFERRED INFLOW OF RESOURCES				
Property Taxes Collected in-advance	13,500	-	13,500	-
Total Deferred Inflow of Resources	13,500	-	13,500	-
NET POSITION				
Net Investment in Capital Assets	693,097,777	65,025,744	758,123,521	-
Temporarily Restricted	-	-	-	471,349
Unrestricted	235,827,877	5,596,649	241,424,526	190,068
Total Net Position	$ 928,925,654	$ 70,622,393	$ 999,548,047	$ 661,417

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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
Primary Government:								
Governmental Activities:								
General Government	$ 17,923,030	$ -	$ -	$ -	$ (17,923,030)	$ -	$ (17,923,030)	$ -
County Planning and Zoning	58,569,504	2,798,897	885,853	-	(54,884,754)	-	(54,884,754)	-
Park Operations and Maintenance	204,795,846	7,467,087	4,091,322	26,872,184	(166,365,253)	-	(166,365,253)	-
Recreation Programs	66,430,209	14,624,585	822,918	-	(50,982,706)	-	(50,982,706)	-
Interest on Long-term Debt	3,413,225	-	-	-	(3,413,225)	-	(3,413,225)	-
Total Governmental Activities	351,131,814	24,890,569	5,800,093	26,872,184	(293,568,968)	-	(293,568,968)	-
Business-type Activities:								
Recreational and Cultural Facilities	31,055,261	19,790,531	66,687	-	-	(11,198,043)	(11,198,043)	-
Total Business-type Activities	31,055,261	19,790,531	66,687	-	-	(11,198,043)	(11,198,043)	-
Total Primary Government	$ 382,187,075	$ 44,681,100	$ 5,866,780	$ 26,872,184	$ (293,568,968)	$ (11,198,043)	$ (304,767,011)	$ -
Component Unit:								
Park Operations and Maintenance	$ 517,261	$ 30	$ 752,521	$ -	$ -	$ -	$ -	$ 235,290
General Revenues:								
Property Taxes					320,703,674	-	320,703,674	-
Unrestricted Investment Earnings					966,672	36,424	1,003,096	-
Transfers					(8,922,220)	8,922,220	-	-
Net General Revenues and Transfers					312,748,126	8,958,644	321,706,770	-
Change in Net Position					19,179,158	(2,239,399)	16,939,759	235,290
Net Position - Beginning					909,746,496	72,861,792	982,608,288	426,127
Net Position - Ending					$ 928,925,654	$ 70,622,393	$ 999,548,047	$ 661,417

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, 2014

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	$ 234,724,641	$ -	$ 74,776,497	$ 11,922,200	$ 321,423,338
Receivables - Taxes (net of allowance for uncollectibles)	5,964,139	-	-	31,850	5,995,989
Receivables - Other (net of allowance for uncollectibles)	368,046	-	-	-	368,046
Due from Other Funds	5,466,476	-	-	-	5,466,476
Due from County Governments	481,192	4,291,379	-	2,453,058	7,225,629
Due from Other Governments	55,021	6,817,759	2,332,217	46,549	9,251,546
Inventories	-	-	-	450,724	450,724
Restricted Cash - Unspent Debt Proceeds	-	8,390,167	27,484,600	-	35,874,767
Other	22,579	-	106,568	-	129,147
Total Assets	$ 247,082,094	$ 19,499,305	$ 104,699,882	$ 14,904,381	$ 386,185,662
LIABILITIES					
Liabilities:					
Accounts Payable	$ 16,427,098	$ 3,663,752	$ 6,351,154	$ 598,846	$ 27,040,650
Accrued Liabilities	12,685,108	-	-	302,167	12,987,275
Retainage Payable	-	2,248,001	2,102,752	-	4,350,753
Due to Other Funds	-	5,466,476	-	-	5,466,476
Due to County Governments	60	-	-	30	90
Deposits and Fees Collected in-Advance	5,816,182	-	-	371,770	6,187,952
Total Liabilities	34,928,448	11,378,229	8,453,906	1,272,613	58,033,196
DEFERRED INFLOW OF RESOURCES					
Property Taxes Collected in-advance	2,202,079	-	-	13,500	2,215,579
Total Deferred Inflow of Resources	2,202,079	-	-	13,500	2,215,579
FUND BALANCES:					
Restricted for:					
Parks	-	8,390,167	27,484,600	17,145	35,891,912
Committed to:					
Planning	12,985,881	-	-	49,751	13,035,632
Parks	16,431,810	21,268,913	36,118,379	677,027	74,496,129
Recreation	5,109,082	-	-	463,985	5,573,067
Assigned to:					
Planning	10,127,682	-	-	4,570,658	14,698,340
Parks	25,026,135	-	32,642,997	2,005,820	59,674,952
Recreation	8,738,393	-	-	5,833,882	14,572,275
Unassigned:	131,532,584	(21,538,004)	-	-	109,994,580
Total Fund Balances	209,951,567	8,121,076	96,245,978	13,618,268	327,936,887
Total Liabilities and Fund Balances	$ 247,082,094	$ 19,499,305	$ 104,699,882	$ 14,904,381	

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.	758,970,009
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,665,164
Internal service funds are used by management to charge the costs of capital equipment financing, risk management, group insurance and the Executive Office Building. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	44,963,783
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	2,202,079
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(206,812,268)
Net Position of Governmental Activities	$ 928,925,654

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, 2014

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	$ 319,285,321	$ -	$ -	$ 1,705,774	$ 320,991,095
Intergovernmental -					
Federal	184,462	-	-	-	184,462
State	478,453	7,634,874	3,256,611	2,871	11,372,809
County	2,730,797	8,640,047	-	1,997,996	13,368,840
Charges for Services	9,542,777	-	-	3,148,141	12,690,918
Rentals and Concessions	5,314,010	-	-	5,960,626	11,274,636
Interest	592,913	6,370	211,889	33,860	845,032
Contributions	196,462	699,452	-	209,052	1,104,966
Miscellaneous	415,007	60	410,068	99,860	925,015
Total Revenues	338,740,202	16,980,803	3,878,568	13,158,200	372,757,773
EXPENDITURES					
Current -					
General Government	17,915,857	-	-	-	17,915,857
Planning and Zoning	55,858,863	-	-	3,286,657	59,145,520
Park Operations and Maintenance	188,543,149	-	-	2,471,173	191,014,322
Recreation	61,753,793	-	-	5,284,030	67,037,823
Contributions	-	-	-	1,404,544	1,404,544
Debt Service -					
Principal	-	-	-	10,741,975	10,741,975
Interest	-	-	-	2,984,223	2,984,223
Other Debt Service Costs	-	-	-	539,209	539,209
Capital Outlay -					
Park Acquisition	-	2,616,500	3,714,098	-	6,330,598
Park Development	-	18,168,907	25,014,156	-	43,183,063
Total Expenditures	324,071,662	20,785,407	28,728,254	26,711,811	400,297,134
Excess (Deficiency) of Revenues over Expenditures	14,668,540	(3,804,604)	(24,849,686)	(13,553,611)	(27,539,361)
OTHER FINANCING SOURCES (USES)					
General Obligation Bonds Issued	-	14,000,000	26,565,000	-	40,565,000
Premiums on Bonds Issued	-	623,603	1,247,204	-	1,870,807
Transfers In	218,259	350,000	24,255,000	14,149,247	38,972,506
Transfers Out	(47,646,467)	(6,370)	(211,889)	(30,000)	(47,894,726)
Total Other Financing Sources (Uses)	(47,428,208)	14,967,233	51,855,315	14,119,247	33,513,587
Net Change in Fund Balances	(32,759,668)	11,162,629	27,005,629	565,636	5,974,226
Fund Balances - Beginning	242,711,235	(3,041,553)	69,240,347	13,052,632	321,962,661
Fund Balances - Ending	$ 209,951,567	$ 8,121,076	$ 96,245,976	$ 13,618,268	$ 327,936,887

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, 2014

Amounts reported for governmental activities in the Statement of Activites (Exhibit 2) are different because:		
Net change in fund balances -- total governmental funds (Exhibit 4)		$ 5,974,226
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	47,008,437	
Depreciation Expense	(14,342,761)	
Net adjustment		32,665,676
In the Statement of Activities, donated land activity that has no impact on financial resources is also included in the Statement of Activities.		
Donations	6,641,200	
Net adjustment		6,641,200
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.		(287,421)
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	(42,108,803)	
Repayments of Principal	10,694,483	
Net adjustment		(31,414,320)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is the unfunded cost of other post employment benefits, pension obligation, compensated absences and other expenses.		(1,820,063)
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.		(1,199,939)
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.		8,619,799
Change in net position of governmental activities (Exhibit 2)		$ 19,179,158

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, 2014

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues:				
Property Taxes	$ 317,546,179	$ 317,546,179	$ 319,285,321	$ 1,739,142
Intergovernmental	3,193,262	3,966,380	3,393,712	(572,668)
Charges for Services	9,125,639	9,125,639	9,542,777	417,138
Rentals and Concessions	4,805,900	4,805,900	5,314,010	508,110
Interest	1,323,600	1,323,600	592,913	(730,687)
Miscellaneous	439,500	615,333	611,469	(3,864)
Total Revenues	336,434,080	337,383,031	338,740,202	1,357,171
Expenditures/Encumbrances:				
Current -				
General Government	18,698,950	18,698,950	17,977,824	721,126
County Planning and Zoning	56,988,608	57,202,768	50,975,069	6,227,699
Park Operation and Maintenance	194,983,841	194,998,831	190,331,109	4,667,722
Recreation Programs	62,393,002	63,112,803	59,152,810	3,959,993
Total Expenditures/Encumbrances	333,064,401	334,013,352	318,436,812	15,576,540
Excess of Revenues over Expenditures/Encumbrances	3,369,679	3,369,679	20,303,390	16,933,711
Other Financing Sources (Uses):				
Transfers In	353,400	353,400	218,259	(135,141)
Transfers Out	(49,207,320)	(49,207,320)	(47,646,467)	1,560,853
Total Other Financing Sources (Uses)	(48,853,920)	(48,853,920)	(47,428,208)	1,425,712
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	$ (45,484,241)	$ (45,484,241)	(27,124,818)	$ 18,359,423
Fund Balances - Budget Basis, Beginning			202,549,612	
Fund Balances - Budget Basis, Ending			$ 175,424,794	

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, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	$ 7,076,824	$ 4,529,511	$ 11,606,335	$ 49,429,469
Accounts Receivable	7,864	150	8,014	1,289,254
Due from County Government	2,333	9,440	11,773	534
Deposits and Other	-	-	-	601,360
Inventories	146,602	745,080	891,682	-
Total Current Assets	7,233,623	5,284,181	12,517,804	51,320,617
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,135,692	72,340,644	99,476,336	2,767,613
Machinery, Equipment and Intangibles	2,167,709	5,827,817	7,995,526	33,316,247
Construction in Progress	247,036	-	247,036	-
	41,134,905	85,947,592	127,082,497	36,832,357
Less - Accumulated Depreciation	(21,467,847)	(40,588,906)	(62,056,753)	(26,918,560)
Total Capital Assets, Net of Depreciation	19,667,058	45,358,686	65,025,744	9,913,797
Total Noncurrent Assets	19,667,058	45,358,686	65,025,744	9,913,797
Total Assets	26,900,681	50,642,867	77,543,548	61,234,414
LIABILITIES				
Current Liabilities:				
Accounts Payable	165,419	297,276	462,695	1,412,189
Claims Payable	-	-	-	4,535,265
Accrued Salaries and Benefits	264,740	586,192	850,932	48,904
Compensated Absences	120,706	308,532	429,238	55,498
Deposits and Fees Collected In-Advance	1,277,182	38,067	1,315,249	-
Total Current Liabilities	1,828,047	1,230,067	3,058,114	6,051,856
Noncurrent Liabilities:				
Claims Payable	-	-	-	9,662,704
Compensated Absences	152,328	372,224	524,550	91,933
Net Other Post Employment Benefit Obligations	616,398	2,324,514	2,940,912	464,138
Net Pension Obligation	99,384	298,195	397,579	-
Total Noncurrent Liabilities	868,108	2,994,933	3,863,041	10,218,775
Total Liabilities	2,696,155	4,225,000	6,921,155	16,270,631
NET POSITION				
Net Investment in Capital Assets	19,667,058	45,358,686	85,025,744	9,913,797
Unrestricted	4,537,468	1,059,181	5,596,649	35,049,986
Total Net Position	$ 24,204,526	$ 46,417,867	$ 70,622,393	$ 44,963,783

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, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Intergovernmental	$ 66,687	$ -	$ 66,687	$ -
Sales	618,549	2,296,251	2,914,800	-
Charges for Services	6,241,021	4,530,002	10,771,023	42,993,059
Claim Recoveries	-	-	-	775,443
Rentals and Concessions	3,152,468	2,952,240	6,104,708	-
Total Operating Revenues	10,078,725	9,778,493	19,857,218	43,768,502
Operating Expenses:				
Cost of Goods Sold	378,017	1,473,069	1,851,086	-
Personal Services	4,588,570	10,728,799	15,313,369	1,617,791
Supplies and Materials	577,404	1,712,416	2,289,820	103,638
Claims Incurred	-	-	-	19,153,300
Insurance	-	-	-	7,108,876
Communications	37,945	364,095	402,040	-
Utilities	1,004,916	1,816,400	2,821,316	-
Maintenance	409,426	783,219	1,192,645	-
Contractual Services	775,502	924,826	1,700,328	1,032,259
Other Services and Charges	240,035	349,721	589,756	3,888,328
Administrative Services	-	286,300	286,300	-
Depreciation	1,494,953	3,085,036	4,579,989	2,318,075
Total Operating Expenses	9,504,768	21,521,881	31,026,649	35,222,267
Operating Income (Loss)	573,957	(11,743,388)	(11,169,431)	8,546,235
Nonoperating Revenues (Expenses):				
Investment Earnings	18,197	18,227	36,424	121,640
Interest Expense, net of Amortization	(3,825)	-	(3,825)	-
Loss on Disposal of Asset	-	(24,787)	(24,787)	(48,076)
Total Nonoperating Revenue (Expense)	14,372	(6,560)	7,812	73,564
Income (Loss) before Contributions and Transfers	588,329	(11,749,948)	(11,161,619)	8,619,799
Transfers	-	8,922,220	8,922,220	-
Total Contributions and Transfers	-	8,922,220	8,922,220	-
Change In Net Position	588,329	(2,827,728)	(2,239,399)	8,619,799
Total Net Position - Beginning	23,616,197	49,245,595	72,861,792	36,343,984
Total Net Position - Ending	$ 24,204,526	$ 46,417,867	$ 70,622,393	$ 44,963,783

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, 2014

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Cash Flows from Operating Activities:				
Receipts from Customers and Users	$ 9,994,976	$ 9,773,176	$ 19,768,152	$ 43,665,366
Payments to Suppliers	(2,020,360)	(7,461,463)	(9,481,823)	(33,827,335)
Payments to Employees	(4,260,194)	(10,636,508)	(14,896,702)	(1,621,008)
Payments for Interfund Services Used	(310,800)	-	(310,800)	(751,873)
Payments for Administrative Charges	(1,429,841)	(286,300)	(1,716,141)	-
Net Cash Provided (Used) by Operating Activities	1,973,781	(8,611,095)	(6,637,314)	7,465,150
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	8,922,220	8,922,220	-
Transfers Out to Other Funds	-	-	-	-
Net Cash Flows from Noncapital Financing Activities	-	8,922,220	8,922,220	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(363,948)	(288,044)	(651,992)	(1,793,525)
Principal Paid on Bonds and Notes Payable	(222,228)	-	(222,228)	-
Interest Paid	(3,824)	-	(3,824)	-
Net Cash Used by Capital and Related Financing Activities	(590,000)	(288,044)	(878,044)	(1,793,525)
Cash Flows from Investing Activities:				
Interest on Investments	18,197	18,227	36,424	121,640
Net Increase (Decrease) in Cash and Cash Equivalents	1,401,978	41,308	1,443,286	5,793,265
Cash and Cash Equivalents, July 1	5,674,846	4,488,203	10,163,049	43,636,204
Cash and Cash Equivalents, Juna 30	$ 7,076,824	$ 4,529,511	$ 11,606,335	$ 49,429,469

Exhibit 9
continued

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	$ 573,957	$ (11,743,388)	$ (11,169,431)	$ 8,546,235
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,494,953	3,085,036	4,579,989	2,318,075
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	(7,850)	(150)	(8,000)	(335,078)
Due from Other Government	-	-	-	232,184
Inventories, at Cost	(22,005)	(45,658)	(67,663)	-
Accounts Payable	(3,041)	7,941	4,900	699,884
Claims Payable	-	-	-	(3,745,241)
Accrued Salaries and Benefits	14,963	75,983	90,946	(14,778)
Compensated Absences	570	14,701	15,271	10,662
Interest Payable	(1,910)	-	(1,910)	-
Net Pension Obligation	999	(3,572)	(2,573)	(247,692)
Net Other Post Employment Obligations	(956)	3,179	2,223	899
Revenue Collected in Advance	(75,899)	(5,167)	(81,066)	-
Total Adjustments	1,399,824	3,132,293	4,532,117	(1,081,085)
Net Cash Provided (Used) by Operating Activities	$ 1,973,781	$ (8,611,095)	$ (6,637,314)	$ 7,465,150

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 10

Statement of Net Position
Fiduciary Funds
June 30, 2013

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 468,947	$ 19,930,141	$ 2,423,505
Cash	176,766	-	-
Fixed Income Securities	176,929,222	-	-
International Fixed Income Securities	8,978,006	-	-
Venture Capital/Alternative Investments	56,777,040	-	-
Corporate Stock	385,730,896	-	-
International Corporate Stock	90,880,351	-	-
Real Estate Investments	54,261,714	-	-
Short Term Investments	39,539,970	-	-
Mutual Funds	24,772,158	-	-
Collateral for Securities Lending Transactions	47,700,258	-	-
Accounts Receivable	1,351,263	727	-
Land Held for Other Governments	-	61,586,352	-
Other	21,905	-	-
Total Assets	887,588,494	81,517,220	2,423,505
LIABILITIES			
Investment Payable	760,563	-	-
Accounts Payable	1,020,134	13,530	1,464,579
Claims Payable	466,487	-	-
Obligation for Collateral Received under Securities Lending Transactions	48,740,548	-	-
Deposits	-	-	958,926
Total Liabilities	50,987,732	13,530	2,423,505
NET POSITION			
Assets Held in Trust for:			
Land Held for Other Governments	-	61,586,352	-
Pension Benefits	796,135,587	-	-
Other Postemployment Benefits	40,465,175	-	-
Other Purposes	-	19,917,338	-
Total Net Position	$ 836,600,762	$ 81,503,690	$ -

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, 2014

	Pension Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	$ 46,778,834	$ -
Plan Members	5,413,595	-
Plan Members for Current Benefits	2,067,287	-
Private Donations	-	23,028
Total Contributions	54,259,716	23,028
Receipts from Commission Debt Service Funds	-	1,404,544
Federal Grants - Medicare	449,576	-
Investment Earnings:		
Interest	9,253,244	46,182
Dividends	694,863	-
Net Increase in the Fair Value of Investments	105,136,646	-
Total Investment Earnings	115,084,753	46,182
Less Investment Advisory and Management Fees	(2,875,363)	-
Net Income from Investing Activities	112,209,390	46,182
Securities Lending Activity		
Securities Lending Income	193,474	-
Securities Lending Fees	77,413	-
Net Income from Securities Lending Activity	270,887	-
Total Net Investment Income	112,480,277	46,182
Total Additions and Investment Income	167,189,569	1,473,754
DEDUCTIONS		
Benefits	50,896,048	-
Refunds of Contributions	237,399	-
Administrative Expenses	1,492,340	-
Contribution of Land	-	(78,321)
Other	-	24,334
Total Deductions	52,625,787	(53,987)
Change in Net Position	114,563,782	1,527,741
Net Position - Beginning	722,036,980	79,975,949
Net Position - Ending	$ 836,600,762	$ 81,503,690

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

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

The provisions of Sections 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 ERS and the 115 Trust and discretely presented component unit, the Montgomery County Parks Foundation, Inc. (The Foundation). A blended component unit, although a legally separate entity, is, in substance, part of the Commission's operations and therefore data from these units are combined with data of the Commission. Accordingly, the financial statements of these component units are included as pension trust funds in the accompanying financial statements. The discretely presented component unit is included in the reporting unit because the Primary Government provides a significant amount of funding to the unit and appoints the governing board.

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

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

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

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

(B) Government-wide and Fund Financial Statements

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

The reporting requirements established by GASB include:

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

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

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

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

Statement of Net Position – The Statement of Net Position is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Position and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. Net position is the excess of assets and deferred outflows over liabilities and deferred inflows. The net position of the Commission are presented in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are available. The Commission may defer the use of restricted net position based on a review of the specific transaction. The Commission has no restricted net position as of June 30, 2014.

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

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

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

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

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

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

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

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

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

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

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

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

Building Fund, Prince George's County Employee Benefits Fund, Prince George's County Risk Management Fund, and Commission Wide Initiatives Fund.

The Commission reports the following fiduciary fund types:

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

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission. The Commission is not required to make additional contributions unless obligated to do so by resolution. In fiscal years 2010 and 2011, the Commission suspended the 8 year phase-in of the actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The Commission has resumed the phase-in during FY 2012, FY 2013 and FY 2014.

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

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

In the process of aggregating data for the Government-wide financial statements, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements. The effect of the interfund 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 Prince George's County Executive Office Building Fund are allocated to general government. The funds are so unique that a single allocation method was not appropriate.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(D) Assets, Liabilities, Deferred 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 $1,272,571 at June 30, 2014. 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:

Assets	Years
Buildings and Improvements	20 – 40
Infrastructure	15 – 60
Machinery and Equipment	5 – 10

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

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, compensated absences are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

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 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			
	Administration	Park	Administration	Park	Recreation	Total
Committed	$ 4,102,082	$ 4,337,676	$ 8,883,799	$ 12,094,134	$ 5,109,082	$ 34,526,773
Assigned	3,652,516	469,008	6,475,166	24,557,127	8,738,393	43,892,210
Unassigned	3,332,694	5,844,242	15,836,933	90,477,328	16,041,387	131,532,584
Total Fund Balance	$ 11,087,292	$ 10,650,926	$ 31,195,898	$ 127,128,589	$ 29,888,862	$ 209,951,567

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	8,439,758
General Fund - Prince George's County	26,087,015
Capital Projects Fund - Montgomery County	21,268,913
Capital Projects Fund - Prince George's County	36,118,379
Non-Major Governmental Funds	1,190,763

(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	$	354,240,901
Buildings and improvements		207,785,191
Infrastructure		241,902,933
Machinery, Equipment and Intangibles		61,688,287
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles		(319,063,015)
Construction in Progress		212,415,712
Total	$	758,970,009

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	$	12,094,850
Due in More than One Year		101,231,110
Net Other Post Employment Benefit Obligations		64,638,630
Net Pension Obligations		8,834,923
Compensated Absences		
Due Within One Year		9,993,799
Due in More than One Year		9,293,045
Accrued Interest Payable		725,911
Totals	$	206,812,268

(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 2014 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, 2014, as noted in Note 6 as follows:

	Montgomery County		Prince George's County			Total
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	General Fund
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2013	$ 3,764,974	$ 4,247,753	$ 14,042,734	$ 10,396,097	$ 7,710,065	$ 40,161,623
To Decrease -						
Encumbrances -						
June 30, 2014	(4,102,082)	(4,337,676)	(8,883,799)	(12,094,134)	(5,109,082)	(34,526,773)
Total Adjustment	(337,108)	(89,923)	5,158,935	(1,698,037)	2,600,983	5,634,850
Net Change in Fund Balance:						
GAAP Basis	1,643,210	(1,874,035)	(5,146,893)	(22,445,749)	(4,936,201)	(32,759,668)
Budget Basis	$ 1,306,102	$ (1,963,958)	$ 12,042	$ (24,143,786)	$ (2,335,218)	$ (27,124,818)

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2014, totaled $1,326,902,881. The Commission's unrestricted pool of deposits and investments ($405,281,735) 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 $3,048,333 and the bank balance was $6,462,512. In addition, the Commission held cash at various locations totaling $273,212. Of the bank balance, $250,000 was covered by Federal depository insurance and the remainder was collateralized by $6,212,512 securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank.

In addition, the Commission had Certificates of Deposit with a carrying value (including accrued interest) of $67,081,418 at June 30, 2014. The certificates, with an average life of 105.97 days, were covered by collateral of $85,265,346, which is greater than bank balances for all applicable banks.

The Commission requires collateral for the bank balances of deposits and investments to be held in the Commission's name by the trust department of a bank other than the pledging bank. The Commission's policy was complied with throughout the year ended June 30, 2014. 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 $46,675,822. Of these deposits $29,623 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 $35,874,767 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, 2014 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Federal National Mortgage Association Notes	$ 3,398,479	188.50
Municipal Bonds	6,470,430	5.66
Commercial Paper	14,998,500	28.33
U.S. Treasury Bills	18,380,217	219.83
U.S Treasury Notes	20,029,235	335.00
Federal Agricultural Mortgage Corporation Notes	39,531,253	227.24
Federal Home Loan Mortgage Association Notes	43,615,304	636.98
Federal Farm Credit Bank	45,388,785	443.14
Maryland Local Government Investment Pool (MLGIP)	48,637,970	46.00
Federal Home Loan Bank Notes	83,627,544	373.47
Total Fair Value	**$ 324,077,717**	
Portfolio Weighted Average Maturity		315.40

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 AAA rating from Standard and Poor's and maintains a $1.00 per share value. A MLGIP Advisory Committee of current participants was formed to review, on a quarterly basis, the activities of the fund and to provide suggestions to enhance the pool. The fair market value of the pool is the same as the value of the pool shares.

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for $29,623 (0.08%) 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

Diversification by Institution	Maximum Percent of Portfolio*
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 to it.

The amount of ERS's total cash and short term investments at June 30, 2014, was $39,716,729. Cash deposits that were insured and collateralized in the bank account totaled $176,759 at June 30, 2014. At June 30, 2014, the ERS held $39,539,970 of short term investments in its custodial investment accounts.

As of June 30, 2014, the ERS held $48,047 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:

Asset Class	Target Exposure	Expected Range
U.S. Equities	23.0%	18%-28%
International Equities	23.0%	18%-28%
Private Equities	5.0%	0%-8%
Total Equities	**51.0%**	**46%-56%**
Core Fixed Income	10.0%	7%-13%
High Yield Fixed Income	7.5%	5%-10%
Global Opportunistic Fixed Income	7.5%	5%-10%
Bank Loans	4.0%	2%-6%
Total Fixed Income	**29.0%**	**24%-34%**
Public Real Assets	5.0%	0%-15%
Private Real Assets	15.0%	5%-20%
Total Real Assets	**20.0%**	**10%-25%**

The Board approved revisions to the Statement of Investment Policy ("Policy") on May 6, 2014. The Policy was revised to introduce greater clarity and reestablish the Policy as a broad governance document. Significant revisions included reduction of the core fixed income allocation by 4% to account for a new 4% allocation to bank loans and revision of the long-term assumptions used as a proxy for the return and risk expectations of each asset class.

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 with +/- 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, 2014, 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, 2014. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2014:

Currency	Purchases	Realized Gain/(Loss)	Sells	Realized Gain/(Loss)
Australian dollar	$ -	$ -	$ (16,605)	$ (6)
Brazilian real	144,253	0	(257,703)	(1415)
British pound sterling	-	-	(1,048,291)	(1,232)
Czech koruna	-	-	(100,219)	(142)
Euro	6,519,039	(2,053)	(6,291,711)	(85,948)
Hong Kong dollar	231,611	24	(1,683,588)	88
Japanese yen	377,137	(2,410)	(360,592)	515
Mexican peso	542,953	3,306	(283,384)	(1,122)
Norwegian krone	504,644	4,232	(262,429)	(620)
South Korean won	1,456,548	(760)	(177,543)	(45)
Swedish krona	-	-	(61,808)	94
Swiss franc	2	-	(147,674)	(178)
Turkish lira	2,241,182	(6,818)	(115,440)	(81)

Foreign Exchange Contracts Pending June 30, 2014:

Currency	Purchases	Unrealized Gain/(Loss)	Sells	Unrealized Gain/(Loss)
British pound sterling	$ 0	$ 0	$ (173,614)	$ 150
Euro	41,079	315	(236,889)	2,616
Hong Kong dollar	0	0	(40,777)	(4)
Indonesian rupiah	545,973	8,318-	0	0
	-	-		

ERS's investments at June 30, 2014 were as follows:

Investments		Fair Value
Common stock	$	472,791,644
Preferred stock		495,819
Convertible equity		364,518
Venture Capital and Private Equity Partnerships		56,777,040
Government bonds		17,060,617
Government agencies		6,401,194
Provincial bonds		1,229,116
Corporate bonds		74,701,119
Corporate convertible bonds		2,952,414
Equity exchange traded fund		0
Unit trust equity		6,852
Government mortgage-backed securities		10,913,824
Government-issued commercial mortgage-backed		59,328
Commercial mortgage-backed		5,718,687
Asset-backed securities		4,114,107
Index linked government bonds		2,079,681
Index linked corporate bonds		0
Fixed income mutual funds		47,926,663
Real estate		54,261,714
Short term investment funds		39,539,970
Securities lending short term collateral investment pool		47,700,258
Total Investments	$	845,094,565

Money-Weighted Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.30%. 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' $845.1 million in investments at June 30, 2014, $47.7 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

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

As of June 30, 2014, the ERS had the following fixed income investments and short term investments with the following maturities:

	Fair Value	Weighted Average
Asset-backed securities	$ 4,114,107	5.488222
Commercial mortgage-backed	5,718,687	28.603932
Corporate bonds	74,701,119	10.083925
Corporate convertible bonds	2,952,414	11.000145
Government agencies	6,401,194	5.183715
Government bonds	17,060,617	6.568612
Government mortgage-backed securities	10,913,824	23.114863
Gov't-issued commercial mortgage-backed securities	59,328	6.339000
Index linked government bonds	2,079,681	5.534220
Provincial bonds	1,229,116	12.883457
Fixed income mutual funds	47,926,663	N/A
Short term investment funds	34,173,069	N/A
TOTAL	$ 207,329,819	10.931997

<u>Collateralized Mortgage Obligations</u> - 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, 2014.

<u>Asset-backed Securities</u> – 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 $4,114,407 in ABS at June 30, 2014.

<u>Credit Risk</u> – 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, 2014:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	AGY	3.318%
Government Agencies	AAA	0.032%
Government Agencies	AA	0.623%
Government Agencies	A	0.038%
Government Agencies	NR	0.064%
Government Bonds	AA	0.014%
Government Bonds	A	0.102%
Government Bonds	NR	0.046%
Government Mortgage Backed Securities	AA	0.002%
Government Mortgage Backed Securities	NR	0.075%
Gov't-issued Commercial Mortgage-Backed	AA	0.007%
Asset Backed Securities	AAA	0.158%
Asset Backed Securities	AA	0.050%
Asset Backed Securities	A	0.024%
Asset Backed Securities	NR	0.254%
Commercial Mortgage-Backed	AAA	0.380%
Commercial Mortgage-Backed	AA	0.032%
Commercial Mortgage-Backed	BBB	0.084%
Commercial Mortgage-Backed	NR	0.180%
Corporate Bonds	AAA	0.035%
Corporate Bonds	AA	0.468%
Corporate Bonds	A	1.491%
Corporate Bonds	BBB	1.502%
Corporate Bonds	BB	0.781%
Corporate Bonds	B	0.660%
Corporate Bonds	CCC	0.235%
Corporate Bonds	D	0.002%
Corporate Bonds	NR	0.098%
Corporate Convertible Bonds	A	0.031%
Corporate Convertible Bonds	BBB	0.051%
Corporate Convertible Bonds	BB	0.170%
Corporate Convertible Bonds	B	0.073%
Corporate Convertible Bonds	NR	0.023%
Municipal/Provincial Bonds	AA	0.076%
Municipal/Provincial Bonds	A	0.049%
Municipal/Provincial Bonds	BBB	0.017%
Municipal/Provincial Bonds	BB	0.005%
Other Fixed Income	NR	0.801%
Funds - Corporate Bond	NR	3.568%
Funds - Other Fixed Income	NR	4.857%
Funds - Short Term Investment	NR	4.044%

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, 2014, was as follows:

Investment Type	Currency		Fair Value
Government Bonds	Mexican peso	$	1,092,127
Government Agencies	Brazilian real		397,728
Government Agencies	Chilean peso		146,463
Government Agencies	Philippine peso		322,651
Corporate Bonds	Australian dollar		236,671
Corporate Bonds	Brazilian real		118,075
Corporate Bonds	Euro		33,570
Corporate Bonds	Mexican peso		152,481
Common Stock	Brazilian real		1,266,120
Common Stock	British pound sterling		8,766,593
Common Stock	Czech koruna		1,048,744
Common Stock	Euro		14,198,099
Common Stock	Hong Kong dollar		4,045,327
Common Stock	Indonesian rupiah		866,111
Common Stock	Japanese yen		8,544,183
Common Stock	Norwegian krone		5,709,010
Common Stock	South Korean won		4,606,098
Common Stock	Swedish krona		2,156,864
Common Stock	Swiss franc		2,836,783
Common Stock	Turkish lira		2,861,148
Municipal/Provincial Bonds	Euro		179,529
Cash	Hong Kong dollar		40,777
Cash	Swiss franc		7,271
Total		$	59,632,423

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, 2014:

Securities lending	$	193,474
Plus security lending Income		77,413
Net securities lending income	$	270,887

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, 2014.

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 113 days in 2014.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 37 days as of this statement date. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2014:

Securities Lent	Fair Value	Cash Collateral Received*
Fixed income securities	$ 25,747,270	$ 26,273,232
Domestic equities	20,342,350	20,768,127
Global equities	1,610,638	1,699,189
Total	$ 47,700,258	$ 48,740,548

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

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

The Trust had $7 in money market funds at June 30, 2014. The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of $468,947. Investments in mutual funds totaled $40,075,048.

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 2014 are as follows:

Asset Class	Maximum
Equity Index Funds	60%
Fixed Income	40%
Cash and Equivalents	10%

The Trust's investments in mutual funds at June 30, 2014 were as follows:

Investment Type	Fair Value
Fixed Income	$ 24,772,156
Equity Index Fund	15,702,892
Total Investments	$ 40,475,048

The Trust's fixed income investments at June 30, 2014 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Duration)
Fixed Allocation Funds	$ 8,001,695	1.80
Fixed Bond Fund	7,701,197	1.06
Total Fair Value	**$ 15,702,892**	
Portfolio Weighted Average Maturity		1.19

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

Statement of Net Position		
Equity in Pooled Cash and Investments	$	382,459,142
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds		35,874,767
Statement of Net Position - Fiduciary Funds		
Equity in Pooled Cash and Investments - Pension Trust Funds		468,947
Equity in Pooled Cash and Investments - Private Purpose Trust Funds		19,930,141
Equity in Pooled Cash and Investments - Agency Funds		2,423,505
Cash and Marketable Securities - Pension Trust Funds		838,046,121
Collateral for Securities Lending Transactions - Pension Trust Funds		47,700,258
Total	$	1,326,902,881
They are composed of:		
Cash in Banks of Commission	$	3,048,333
Cash of Employees' Retirement System Pension Trust Fund		176,759
Cash in Other Post Employment Benefits Fund		-
Cash in Other Locations - Commission		273,212
Money Market Deposits of Commission		46,675,822
Money Market Deposits in Other Post Employment Benefits Fund		7
Certificates of Deposit of Commission		67,081,418
Fixed Income Securities In Commission's Investment Pool		324,077,717
Mutual funds in Other Post Employment Benefits Fund		40,475,048
Investments of Employees' Retirement System Pension Trust Fund		
Equity Investments		476,611,247
Fixed Income Securities		170,204,336
Real Estate		54,261,714
Venture Capital and Partnerships		56,777,040
Cash & Cash Equivalents		39,539,970
Collateral for Securities Lending Transactions		47,700,258
Total	$	1,326,902,881

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2014 is as follows:

	July 1, 2013	Increases	Decreases	Transfers/ Contributions	June 30, 2014
Capital assets not being depreciated					
Land	$ 348,348,198	$ 6,641,200	$ -	$ -	$ 354,989,398
Construction in progress	173,729,943	38,685,769	-	-	212,415,712
Total capital assets not being depreciated	522,078,141	45,326,969	-	-	567,405,110
Other capital assets, being depreciated					
Buildings and improvements	214,014,798	-	(688,038)	(2,773,956)	210,552,804
Infrastructure	238,470,117	658,860	-	2,773,956	241,902,933
Machinery, equipment and intangibles	100,942,108	10,891,574	(16,829,148)	-	95,004,534
Total other capital assets	553,427,023	11,550,434	(17,517,186)	-	547,460,271
Less accumulated depreciation for:					
Buildings and improvements	(135,408,100)	(5,076,144)	173,250	245,860	(140,065,134)
Infrastructure	(131,623,798)	(5,317,814)	-	(245,860)	(137,187,472)
Machinery, equipment and intangibles	(78,323,710)	(6,266,878)	15,861,619	-	(68,728,969)
Total accumulated depreciation	(345,355,608)	(16,660,836)	16,034,869	-	(345,981,575)
Total other capital asset, net	208,071,415	(5,110,402)	(1,482,317)	-	201,478,696
Governmental activities capital assets, net	$ 730,149,556	$ 40,216,567	$ (1,482,317)	$ -	$ 768,883,806

Summaries of business-type activities capital assets at June 30, 2014, made up of two major enterprise funds, are as follows:

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Montgomery County Enterprise Fund					
Capital assets not being depreciated:					
Land	$ 11,584,468	$ -	$ -	$ -	$ 11,584,468
Construction in progress	247,036	-	-	-	247,036
Total capital assets not being depreciated	11,831,504	-	-	-	11,831,504
Capital assets being depreciated					
Buildings and improvements	27,135,692	-	-	-	27,135,692
Machinery, equipment and intangibles	1,946,813	363,946	(143,050)	-	2,167,709
Total capital assets being depreciated	29,082,505	363,946	(143,050)	-	29,303,401
Less accumulated depreciation for:					
Buildings and improvements	(18,607,200)	(1,328,163)	3	-	(19,935,360)
Machinery, equipment and intangibles	(1,508,745)	(166,792)	143,050	-	(1,532,487)
Total accumulated depreciation	(20,115,945)	(1,494,955)	143,053	-	(21,467,847)
Total capital assets being depreciated, net	8,966,560	(1,131,009)	3	-	7,835,554
Capital assets, net	$ 20,798,064	$ (1,131,009)	$ 3	$ -	$ 19,667,058
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	72,340,644	-	-	-	72,340,644
Machinery, equipment and intangibles	5,871,787	296,345	(340,315)	-	5,827,817
Total capital assets being depreciated	78,212,431	296,345	(340,315)	-	78,168,461
Less accumulated depreciation for:					
Buildings and improvements	(33,587,055)	(2,770,326)	-	-	(36,357,381)
Machinery, equipment and intangibles	(4,224,044)	(314,708)	307,227	-	(4,231,525)
Total accumulated depreciation	(37,811,099)	(3,085,034)	307,227	-	(40,588,906)
Total capital assets being depreciated, net	40,401,332	(2,788,689)	(33,088)	-	37,579,555
Capital assets, net	$ 48,180,463	$ (2,788,689)	$ (33,088)	$ -	$ 45,358,686
Total Business-type activities	$ 68,978,527	$ (3,919,698)	$ (33,085)	$ -	$ 65,025,744

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

Governmental Activities:	
General Government	$ 422,627
County Planning and Zoning	618,513
Park Operations and Maintenance	13,386,117
Recreation Programs	2,233,579
Total depreciation expense - governmental activities	$ 16,660,836
Total depreciation expense - business-type actvities:	
Recreational and Cultural Facilities	$ 4,579,989

<u>**Construction Commitments**</u> - The Commission is committed to $57,387,292 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, 2014. The Montgomery County Capital Projects Fund has a payable balance of $5,466,476 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 2014:

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	-	350,000	24,225,000	14,119,247	-	38,694,247
General Fund - Recreation Account	-	-	-	-	8,922,220	8,922,220
Special Revenue Fund	-	-	30,000	-	-	30,000
Capital Projects	218,259	-	-	-	-	218,259
Total Transfers In	$ 218,259	$ 350,000	$ 24,255,000	$ 14,149,247	$ 8,922,220	$ 47,894,726
Transfers Out						
General Fund - Park Account	$ -	$ 6,370	$ 211,889	$ -	$ -	$ 218,259
Debt Service Fund	13,969,247	-	-	-	-	13,969,247
Capital Projects	24,575,000	-	-	30,000	-	24,605,000
Special Revenue Fund	180,000	-	-	-	-	180,000
Enterprise Fund	8,922,220	-	-	-	-	8,922,220
Total Transfers Out	$ 47,646,467	$ 6,370	$ 211,889	$ 30,000	$ -	$ 47,894,726

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds ($13,969,247) and current funding for Capital Projects ($24,575,000)

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	8,922,220	8,922,220
Total Transfers In	$ 8,922,220	$ 8,922,220

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 $1,404,544 not needed to pay current debt service were contributed by the Montgomery County Advanced Land Acquisition Debt Service Fund to the Montgomery County Advanced Land Acquisition Account in the Private Purpose Trust Funds.

(D) Operating Leases

The Commission is committed under several operating leases for office space and office equipment expiring at various dates through 2016. Each agreement provides for termination in the event of nonappropriation of funds.

Future minimum commitments under operating leases at June 30, 2014 are as follows ($000's):

	Operating Leases		
Year Ending June 30	Total	Montgomery County	Prince George's County
2015	2,967	273	2,694
2016	2,155	273	1,882
2017	2,182	273	1,909
2018	2,209	273	1,936
2019	2,009	273	1,736
Total minimum lease payments	$ 11,522	$ 1,365	$ 10,157

In fiscal year 2014, expenditures in the General Fund included $1,511,141 relating to the rental of office space and $1,066,769 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 2014, debt service payments approximated 0.22 cents per $100 of real property and 0.55 cents per $100 of personal property for Montgomery County and 1.32 cents for real property and 3.30 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

	Governmental Activities					
Fiscal Year	Total Park Principal	Total Park Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments
2015	3,295	1,465	4,760	230	51	281
2016	2,745	1,389	4,134	120	45	165
2017	2,815	1,297	4,112	120	40	160
2018	2,925	1,204	4,129	120	36	156
2019	2,990	1,094	4,084	120	31	151
2020-2024	12,055	3,915	15,970	600	87	687
2025-2029	9,395	1,935	11,330	120	3	123
2030-2034	7,205	558	7,763	-	-	-
Totals	$ 43,425	$ 12,857	$ 56,282	$ 1,430	$ 293	$ 1,723

Prince George's County General Obligation Bonds

	Governmental Activities			Total Commission
Fiscal Year	Total Park Principal	Total Park Interest	Total Park Payments	General Obligation Bonds Principal & Interest
2015	8,570	2,172	10,742	15,783
2016	7,568	2,150	9,718	14,017
2017	7,777	1,856	9,633	13,905
2018	5,681	1,552	7,233	11,518
2019	3,815	1,367	5,182	9,417
2020-2024	15,310	4,730	20,040	36,697
2025-2029	8,615	2,298	10,913	22,366
2030-2034	8,770	895	9,665	17,428
Totals	$ 66,106	$ 17,020	$ 83,126	$ 141,131

Outstanding General Obligation Bonds - General obligation bonds outstanding at June 30, 2014, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY 2015 Serial Payment	Original Issue	Outstanding at June 30, 2014
Montgomery County						
Park Acquisition and Development Bonds						
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	$ 275	$ 12,155	$ 275
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	880
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	335	5,445	335
Series II-2	3.9651	03/15/07	04/01/27	185	4,700	3,405
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	900	8,405	5,340
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	4,200
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	605	12,505	12,110
Series MC-2012B	3.5622	04/05/12	12/01/32	125	3,000	2,880
Series MC-2014A	2.8633	06/17/14	12/01/33	500	14,000	14,000
				3,295	69,460	43,425
Advance Land Acquisition Bonds						
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	150	1,550	150
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,280
				230	3,550	1,430
Total Montgomery County General Obligation Bonds				$ 3,525	$ 73,010	$ 44,855
Prince George's County						
Park Acquisition and Development Bonds						
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	$ 2,320	$ 37,525	$ 6,940
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	6,415
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,770	17,300	7,251
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,205	14,080	9,285
Series PG2012A Advance and Current Refun	1.8735	06/21/12	01/15/24	1,650	11,420	9,650
Series PG2014A	3.0409	05/01/14	01/15/34	1,270	26,565	26,565
Total Prince George's County General Obligation Bonds				$ 8,570	$ 115,790	$ 66,106

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

Revenue Bonds and Revenue Notes Payable - The Commission is authorized to issue revenue bonds and notes to finance the cost of revenue producing facilities and to refund outstanding bonds. The revenue bonds and notes are not general obligations of the Commission or county for which they are issued and are payable solely from revenues generated from revenue producing facilities. The Commission's revenue bonds and revenue notes payable, which were paid in full at June 30, 2014, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled $227,957 for the fiscal year. There were no revenue bonds or revenue notes payable for Prince George's County.

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

Series	Redemption Date	Montgomery County	Prince George's County
Series FF-2	12/01/14	1,680,000	-

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2014, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
General Obligation Park Bonds Payable	$ 31,970,000	$ 14,000,000	$ 2,545,000	$ 43,425,000	$ 3,295,000
General Obligation ALA Bonds Payable	1,665,000	-	235,000	1,430,000	230,000
Deferred charges, net of premiums, on General Bonds	269,922	460,035	(460,856)	1,190,813	-
Accrued Compensated Absences	7,819,340	4,744,624	4,648,603	7,915,361	4,649,737
Net Other Post Employment Benefit Obligations	26,806,840	598,619	-	27,405,459	-
Net Pension Obligations	3,853,025	-	59,137	3,793,888	-
Long-term Liabilities	72,384,127	19,803,278	7,026,884	85,160,521	8,174,737
Prince George's County					
General Obligation Park Bonds Payable	47,503,123	26,565,000	7,961,975	66,106,148	8,569,850
Deferred charges, net of premiums, on General Bonds	(417,572)	1,083,768	(507,803)	1,173,999	-
Accrued Compensated Absences	11,064,965	5,854,643	5,400,694	11,518,914	5,399,560
Net Other Post Employment Benefit Obligations	36,866,274	831,035	-	37,697,309	-
Net Pension Obligations	5,121,868	-	80,833	5,041,035	-
Long-term Liabilities	100,138,658	34,334,446	12,935,699	121,537,405	13,969,410
Total Long-term Liabilities	$ 172,522,785	$ 54,137,724	$ 19,962,583	$ 206,697,926	$ 22,144,147

Business type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
Revenue Bonds and Notes Payable	$ 222,228	$ -	$ 222,228	$ -	$ -
Accrued Compensated Absences	272,463	121,569	121,000	273,032	120,706
Net Other Post Employment Benefit Obligations	615,399	999	-	616,398	-
Net Pension Obligations	100,340	-	956	99,384	-
Long-term Liabilities	1,210,430	122,568	344,184	988,814	120,706
Prince George's County					
Accrued Compensated Absences	666,054	323,702	309,000	680,756	308,532
Net Other Post Employment Benefit Obligations	2,321,335	3,179	-	2,324,514	-
Net Pension Obligations	301,767	-	3,572	298,195	-
Long-term Liabilities	3,289,156	326,881	312,572	3,303,465	308,532
Total Long-term Liabilities	$ 4,499,586	$ 449,449	$ 656,756	$ 4,292,279	$ 429,238

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

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	$ 10,049,297	$ 429,238	$ 10,478,535
Due in more than One Year	9,384,978	524,550	9,909,528
Bonds and Notes Payable:			
Due within One Year	12,094,850	-	12,094,850
Due in more than One Year	101,231,110	-	101,231,110
Net Other Post employment Benefit Obligations			
Due in more than One Year	65,102,768	2,940,912	68,043,680
Net Pension Obligations	8,834,923	397,579	9,232,502
Total Long-term Liabilities	$ 206,697,926	$ 4,292,279	$ 210,990,205

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

(5) – OTHER INFORMATION

(A) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to $250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above $250,000, excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to $250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claim settlements in excess of $250,000 in fiscal years 2012, 2013 or 2014. No insurance coverages were reduced in fiscal year 2014.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: two exclusive provider organizations (EPO) which is a Health Maintenance Organization (HMO) without a PCP as a gatekeeper, a point of service (POS), and a Medicare complement plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2014. 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 2014 totaled $3,617,181. 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:

		Medical		Risk Management
Unpaid Claims, June 30, 2012	$	1,362,619	$	12,600,441
Incurred Claims, Fiscal Year 2013		18,642,038		7,322,794
Claims Paid, Fiscal Year 2013		(18,765,116)		(3,219,566)
Unpaid Claims, June 30, 2013		1,239,541		16,703,669
Incurred Claims, Fiscal Year 2014		18,892,682		(173,335)
Claims Paid, Fiscal Year 2014		(18,853,619)		(3,610,969)
Unpaid Claims, June 30, 2014	$	1,278,604	$	12,919,365

The medical column excludes expenses that are fully insured.

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

		Medical		Risk Management		Total
Due within One Year	$	1,278,604	$	3,256,661	$	4,535,265
Due in more than One Year		-		9,662,704		9,662,704
Total	$	1,278,604	$	12,919,365	$	14,197,969

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2014:

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

Reimbursements to County Council for planning, zoning, and audio/visual	$	1,137,300
Dept. of Environ. Resources Zoning Enforcement and Inspection		1,761,900
Property Tax Collection Fees (Administration)		78,500
Office Space Rental at the County Administrative Building		795,121
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		1,160,000
Redevelopment Authority		844,500
DPW&T - Director's Office		169,800
Property Tax Collection Fees (Parks & Recreation)		344,900
Gorgeous Prince George's - Green to Greatness Day		225,000
Prince George's Community College		1,500,000
Prince George's County - Police Department		36,800
Prince George's County - Library Recreation Program		2,712,770
Total (1)	$	13,710,391

(1) Of this amount, $11,525,919 is in Accounts Payable at June 30, 2014.

(C) Contingencies

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

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

(D) Employees' Retirement System and Pension Plans

Defined Benefit Pension Plan

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

Active plan members in Plan A are required to contribute 6.5% of their base pay. Plan B members contribute 3.5% of their base pay up to the maximum Social Security Wage Base and 6.5% in excess of the maximum Social Security Wage Base for the calendar year. Plan C members contribute 8% of their base pay and Plan D members contribute 7% of their base pay. Plan E members contribute 4% of their base pay up to the maximum Social Security Wage Base and 8% in excess of the maximum Social Security Wage Base for the calendar year.

Actuarial Methods for Defined Benefit Pension Plan - The actuarial value of assets calculates gains or losses on the basis of the actuarially assumed interest rate and recognizes one-fifth of the cumulative gains or losses not yet recognized. This year's asset value is based on the July 1, 2013 actuarial valuation.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2013. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.4% a year compounded annually, (b) projected salary increases of 2.9% a year plus variable merit increases, (c) The assumed post-retirement cost of living adjustment is 3% compounded annually for benefits accrued until July 1, 2012, and 2.5% compounded annually thereafter.

The July 1, 2013 actuarial valuation was performed using the Entry-Age Normal Actuarial Cost Method.

The funded status of the plan as of the most recent actuarial date, July 1, 2013, is as follows ($000's):

Actuarial Valuation of Plan Assets	$ 690,540
Actuarial Accrued Liability	831,200
Funded Ratio	83.1%
Unfunded Actuarial Accrued Liability	140,660
Annual Covered Payroll	129,134
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	108.9%

The net position available for benefits at June 30, 2014 totaled $796,135,587.

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

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

Annual required contribution (expense)	$ 28,750,323
Interest on net Pension obligation	703,302
Adjustment to annual required contribution	(847,800)
Annual Pension cost (Expense)	28,605,825
Contribution made	28,750,323
Decrease in Net Pension obligation	(144,498)
Net Pension obligation, beginning of year	9,377,000
Net Pension obligation, end of year	$ 9,232,502

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years, 2012, 2013 and 2014 are presented below ($000):

	2012	2013	2014
Annual Pension Cost (APC)	$ 32,182	$ 23,806	$ 28,750
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation (NPO)	9,477	9,377	9,233

In FY 2014 the Commission contributed 100% of the adjusted annual required contribution and has an NPO of $9,232,502 at year-end.

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

<u>Deferred Compensation Plans</u>

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 942 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)	$ 18,611
Interest on net OPEB obligation	4,637
Adjustment to annual required contribution	(3,305)
Annual OPEB cost (Expense)	19,943
Contribution made	18,509
Increase in Net OPEB obligation	1,434
Net OPEB obligation, beginning of year	66,610
Net OPEB obligation, end of year	$ 68,044

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 2012, 2013 and 2014 is presented below ($000):

	2012	2013	2014
Annual Required Contribution (ARC)	$ 28,213	$ 21,429	$ 19,943
Percentage of ARC Contributed	58%	83%	93%
Net OPEB Obligation	62,927	66,610	68,044

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, 2013 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, 2013. 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 7.5% a year compounded annually.

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

Healthcare Cost Trend Rates – The expected rate of increase for healthcare costs in 2014 was estimated at 9% for prescription drugs and medical costs, and 5% for dental and vision. Declining rates of increase were used, with 2022 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2013, is as follows ($000's):

Actuarial Valuation of Plan Assets	$ 28,069
Actuarial Accrued Liability	275,804
Funded Ratio	10.18%
Unfunded Actuarial Accrued Liability	247,735
Annual Covered Payroll	119,966
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	206.5%

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, 2014

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	$ -	$ 468,947	$ 468,947
Cash	176,759	7	176,766
Fixed Income Securities	161,226,330	15,702,892	176,929,222
International Fixed Income Securities	8,978,006	-	8,978,006
Venture Capital/Alternative Investments	56,777,040	-	56,777,040
Corporate Stock	385,730,896	-	385,730,896
International Corporate Stock	90,880,351	-	90,880,351
Real Estate Investments	54,261,714	-	54,261,714
Short Term Investments	39,539,970	-	39,539,970
Mutual Funds	-	24,772,156	24,772,156
Collateral for Securities Lending Transactions	47,700,258	-	47,700,258
Accounts Receivable	1,351,263	-	1,351,263
Other	21,905	-	21,905
Total Assets	846,644,492	40,944,002	887,588,494
LIABILITIES			
Investments Payable	760,563	-	760,563
Accounts Payable	1,007,794	12,340	1,020,134
Claims Payable	-	466,487	466,487
Obligation for Collateral Received under Securities Lending Transactions	48,740,548	-	48,740,548
Total Liabilities	50,508,905	478,827	50,987,732
NET POSITION			
Assets Held in Trust for:			
Pension Benefits	796,135,587	-	796,135,587
Other Postemployment Benefits	-	40,465,175	40,465,175
Total Net Position	$ 796,135,587	$ 40,465,175	$ 836,600,762

Combining Schedules of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2014

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	$ 28,750,323	$ 18,028,511	$ 46,778,834
Plan Members	5,413,595	-	5,413,595
Plan Members for Current Benefits	-	2,067,287	2,067,287
Total Contributions	34,163,918	20,095,798	54,259,716
Federal Grants - Medicare	-	449,576	449,576
Investment Earnings:			
Interest	9,253,234	10	9,253,244
Dividends	519,833	175,030	694,863
Net increase in the Fair Value of Investments	100,729,204	4,407,442	105,136,646
Total Investment Earnings	110,502,271	4,582,482	115,084,753
Less Investment Advisory and Management Fees	(2,875,363)	-	(2,875,363)
Net Income from Investing Activities	107,626,908	4,582,482	112,209,390
Securities Lending Activity			
Securities Lending Income	193,474	-	193,474
Securities Lending Fees	77,413	-	77,413
Net Income from Securities Lending Activity	270,887	-	270,887
Total Net Investment Earnings	107,897,795	4,582,482	112,480,277
Total Additions and Investment Earnings	142,061,713	25,127,856	167,189,569
DEDUCTIONS:			
Benefits	38,169,674	12,726,374	50,896,048
Refunds of Contributions	237,399	-	237,399
Administrative expenses	1,487,210	5,130	1,492,340
Total Deductions	39,894,283	12,731,504	52,625,787
Change in Net Position	102,167,430	12,396,352	114,563,782
Net Position - Beginning	693,968,157	28,068,823	722,036,980
Net Position - Ending	$ 796,135,587	$ 40,465,175	$ 836,600,762

(6) – COUNTY FINANCIAL DATA

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

Note 6A – Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances, Governmental Funds and Accounts – Montgomery County A-74

Note 6B – Summary of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds and Accounts – Montgomery County A-75

Note 6C – Administration Account – General Fund
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual – Montgomery County A-76

Note 6D – Park Account – General Fund
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual – Montgomery County A-77

Note 6E – Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances, Governmental Funds and Accounts – Prince George's County A-78

Note 6F –Summary of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds and Accounts – Prince George's County A-79

Note 6G – Administration Account – General Fund
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual – Prince George's County A-80

Note 6H – Park Account – General Fund
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual – Prince George's County A-81

Note 6I – Recreation Account – General Fund
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual – Prince George's County A-82

MONTGOMERY COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2014

	General Fund Accounts Administration	General Fund Accounts Park	General Fund Accounts Total	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and Investments	$ 14,244,729	$ 9,190,134	$ 23,434,863	$ -	$ 5,668,761	$ 29,103,624
Receivables - Taxes (net of allowance for uncollectibles)	357,409	936,751	1,294,160	-	32,239	1,326,399
Receivables - Other	4,117	95,904	100,021	-	-	100,021
Due from Other Funds	-	5,466,476	5,466,476	-	-	5,466,476
Due from County Government	-	402,162	402,162	4,291,379	879,484	5,573,025
Due from Other Governments	6,104	909	7,013	6,817,759	6,000	6,830,772
Restricted Cash - Unspent Debt Proceeds	-	-	-	8,390,167	-	8,390,167
Other	12,388	-	12,388	-	-	12,388
Total Assets	$ 14,624,747	$ 16,092,336	$ 30,717,083	$ 19,499,305	$ 6,586,484	$ 56,802,872
LIABLITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 753,276	$ 1,431,581	$ 2,184,857	$ 3,663,752	$ 318,791	$ 6,165,400
Accrued Liabilities	1,525,223	3,185,241	4,710,464	-	15,404	4,725,868
Retainage Payable	-	-	-	2,248,001	-	2,248,001
Due to Other Funds	-	-	-	5,466,476	-	5,466,476
Due to County Government	60	-	60	-	30	90
Deposits and Fees Collected in-Advance	1,184,922	714,117	1,899,039	-	347,770	2,246,809
Total Liabilities	3,463,481	5,330,939	8,794,420	11,378,229	679,995	20,852,644
DEFERRED INFLOW OF RESOURCES						
Property Taxes Collected in-advance	73,974	110,471	184,445	-	13,500	197,945
Total Deferred Inflow of Resources	73,974	110,471	184,445	-	13,500	197,945
FUND BALANCES:						
Restricted for::						
Parks	-	-	-	8,390,167	18,739	8,408,906
Committed to:						
Planning	4,102,082	-	4,102,082	-	49,751	4,151,833
Parks	-	4,337,676	4,337,676	21,268,913	630,103	26,236,782
Assigned to:						
Planning	3,652,516	-	3,652,516	-	4,568,002	8,220,518
Parks	-	469,008	469,008	-	626,304	1,095,312
Unassigned:	3,332,694	5,844,242	9,176,936	(21,538,004)	-	(12,361,068)
Total Fund Balances	11,087,292	10,650,926	21,738,218	8,121,076	5,892,989	35,752,283
Total Liabilities and Fund Balances	$ 14,624,747	$ 16,092,336	$ 30,717,083	$ 19,499,305	$ 6,586,484	$ 56,802,872

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2014

	General Fund Accounts			Capital	Other Governmental	Total Governmental
	Administration	Park	Total	Projects	Funds	Funds
REVENUES						
Property Taxes	$ 26,360,981	$ 77,558,047	$ 103,919,028	$ -	$ 1,704,476	$ 105,623,504
Intergovernmental:						
Federal	-	21,510	21,510	-	-	21,510
State	-	28,113	28,113	7,634,874	2,871	7,665,858
County	479,595	2,037,862	2,517,457	8,640,047	958,036	12,115,540
Charges for Services	180,366	1,725,744	1,906,110	-	2,003,053	3,909,163
Rentals and Concessions	-	1,709,802	1,709,802	-	197,530	1,907,332
Interest	35,915	(33,762)	2,153	6,370	16,957	25,480
Contributions	-	-	-	699,452	123,614	823,066
Miscellaneous	-	172,892	172,892	60	49,214	222,166
Total Revenues	27,056,857	83,220,208	110,277,065	16,980,803	5,055,751	132,313,619
EXPENDITURES						
Current:						
General Government	7,965,161	-	7,965,161	-	-	7,965,161
Planning and Zoning	17,448,486	-	17,448,486	-	3,286,657	20,735,143
Park Operations and Maintenance	-	80,718,972	80,718,972	-	1,133,177	81,852,149
Contributions	-	-	-		1,404,544	1,404,544
Debt Service:						
Principal	-	-	-	-	2,780,000	2,780,000
Interest	-	-	-	-	1,153,257	1,153,257
Other Debt Service Costs	-	-	-	-	244,544	244,544
Capital Outlay:						
Park Acquisition	-	-	-	2,616,500	-	2,616,500
Park Development	-	-	-	18,168,907	-	18,168,907
Total Expenditures	25,413,647	80,718,972	106,132,619	20,785,407	10,002,179	136,920,205
Excess (Deficiency) of Revenues over Expenditures	1,643,210	2,501,236	4,144,446	(3,804,604)	(4,946,428)	(4,606,586)
OTHER FINANCING SOURCES (USES)						
General Obligation Bonds Issued	-	-	-	14,000,000	-	14,000,000
Premiums on Bonds Issued	-	-	-	623,603	-	623,603
Transfers In	-	6,370	6,370	350,000	4,031,641	4,388,011
Transfer Out	-	(4,381,641)	(4,381,641)	(6,370)	-	(4,388,011)
Total Other Financing Sources (Uses)	-	(4,375,271)	(4,375,271)	14,967,233	4,031,641	14,623,603
Net Change in Fund Balances	1,643,210	(1,874,035)	(230,825)	11,162,629	(914,787)	10,017,017
Fund Balances - Beginning	9,444,082	12,524,961	21,969,043	(3,041,553)	6,807,776	25,735,266
Fund Balances - Ending	$ 11,087,292	$ 10,650,926	$ 21,738,218	$ 8,121,076	$ 5,892,989	$ 35,752,283

Note 6C

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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property Taxes	$ 26,065,553	$ 26,065,553	$ 26,360,981	$ 295,428
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	400,400	470,400	479,695	9,195
Charges for Services	235,000	235,000	180,366	(54,634)
Interest	54,000	54,000	35,915	(18,085)
Miscellaneous	-	-	-	-
Total Revenues	26,904,953	26,974,953	27,056,857	81,904
Expenditures/Encumbrances:				
Commissioners' Office	1,142,601	1,142,601	1,092,919	49,682
Central Administrative Services -				
Department of Human Resources and Management	1,911,431	1,911,431	1,729,834	181,597
Department of Finance	2,918,359	2,918,359	2,914,251	4,108
Internal Audit Division	155,839	155,839	153,304	2,535
Legal Department	1,466,216	1,466,216	1,466,192	24
Support Services	559,550	559,550	486,482	73,068
Merit System Board	79,396	79,396	68,761	10,635
Total Central Administrative Services	7,090,791	7,090,791	6,818,824	271,967
Planning Department -				
Office of the Planning Director	1,071,804	1,071,804	1,000,185	71,619
Management and Technology Services	3,756,982	3,780,682	3,552,604	228,078
Functional Planning and Policy	2,746,447	2,749,447	2,691,541	57,906
Area 1	1,690,117	1,549,617	1,291,066	258,551
Area 2	1,997,601	1,997,601	1,812,834	184,767
Area 3	1,968,882	1,968,882	1,745,092	223,790
Dev. Applications and Regulatory Coordination	822,084	822,084	465,524	356,560
Center for Research and Information Systems	1,976,988	2,046,988	1,865,393	181,595
Support Services	1,852,700	1,966,500	1,872,569	93,931
Grants	150,000	150,000	-	150,000
Total Planning Department	18,033,605	18,103,605	16,296,808	1,806,797
Non-Departmental	1,563,997	1,563,997	1,542,204	21,793
Total Expenditures/Encumbrances	27,830,994	27,900,994	25,750,755	2,150,239
Excess of Revenues over Expenditures/Encumbrances	(926,041)	(926,041)	1,306,102	2,232,143
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ (926,041)	$ (926,041)	1,306,102	$ 2,232,143
Fund Balance - Budget Basis, Beginning			5,679,108	
Fund Balance - Budget Basis, Ending			$ 6,985,210	

Note 6D

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, 2014

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Property Taxes	$ 76,768,661	$ 76,768,661	$ 77,558,047	$ 789,386
Intergovernmental -				
Federal	-	-	21,510	21,510
State	400,000	400,000	28,113	(371,887)
County	2,037,862	2,037,862	2,037,862	-
Charges for Services	1,334,439	1,334,439	1,725,744	391,305
Rentals and Concessions	1,614,500	1,614,500	1,709,802	95,302
Interest	10,600	10,600	(33,762)	(44,362)
Miscellaneous	106,500	106,500	172,892	66,392
Total Revenues	82,272,562	82,272,662	83,220,208	947,646
Expenditures/Encumbrances:				
Director of Montgomery Parks	1,113,426	1,113,426	1,131,047	(17,621)
Management Services	3,526,604	3,526,604	3,394,599	132,005
Facilities Management	10,666,122	10,666,122	11,005,020	(338,898)
Park Planning and Stewardship	3,248,871	3,248,871	3,324,563	(75,692)
Park Development	2,999,984	2,999,984	2,887,465	112,519
Park Police	13,373,460	13,207,760	13,073,713	134,047
Horticultural Resources	7,483,867	7,483,867	7,670,251	(186,384)
Public Affairs and Community Service	2,101,299	2,101,299	2,141,450	(40,151)
Northern Region	8,788,659	8,788,659	8,879,585	(90,926)
Southern Region	12,361,497	12,361,497	12,438,706	(77,209)
Support Services	9,426,980	9,592,680	9,072,077	520,603
Grants	400,000	400,000	53,086	346,914
Property Management	906,458	906,458	872,655	33,803
Non-Departmental	5,010,698	5,010,698	4,864,678	146,020
Total Expenditures/Encumbrances	81,407,925	81,407,925	80,808,895	599,030
Excess of Revenues over Expenditures/Encumbrances	864,637	864,637	2,411,313	1,546,676
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	3,400	3,400	6,370	2,970
Debt Service Fund	(3,887,100)	(3,887,100)	(3,881,641)	5,459
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Special Revenue	-	-	(150,000)	(150,000)
Total Other Financing Sources (Uses)	(4,233,700)	(4,233,700)	(4,375,271)	(141,571)
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	$ (3,369,063)	$ (3,369,063)	(1,963,958)	$ 1,405,105
Fund Balance - Budget Basis, Beginning			8,277,208	
Fund Balance - Budget Basis, Ending			$ 6,313,250	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2014

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	$ 38,721,268	$ 132,068,080	$ 40,499,530	$ 211,289,778	$ 74,776,497	$ 6,253,439	$ 292,319,714
Receivables - Taxes (net of allowance for uncollectibles)	910,030	2,274,158	1,485,791	4,669,979	-	(389)	4,669,590
Receivables - Other	101,263	(4,908)	171,670	268,025	-	-	268,025
Due from County Government	79,030	-	-	79,030	-	1,573,574	1,652,604
Due from Other Governments	13,023	10,040	24,945	48,008	2,332,217	40,549	2,420,774
Inventories	-	-	-	-	-	450,724	450,724
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	27,484,600	-	27,484,600
Other	10,191	-	-	10,191	106,568	-	116,759
Total Assets	$ 39,834,805	$ 134,348,270	$ 42,181,936	$ 216,365,011	$ 104,699,882	$ 8,317,897	$ 329,382,790
LIABLITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	$ 6,652,087	$ 2,881,684	$ 4,708,470	$ 14,242,241	$ 6,351,154	$ 281,855	$ 20,875,250
Accrued Liabilities	1,527,960	3,448,542	2,998,142	7,974,644	-	286,763	8,261,407
Retainage Payable	-	-	-	-	2,102,752	-	2,102,752
Deposits and Fees Collected in-Advance	65,383	76,598	3,776,162	3,917,143	-	24,000	3,941,143
Total Liabilities	8,245,430	6,406,824	11,481,774	26,134,028	8,453,906	592,618	35,180,552
DEFERRED INFLOW OF RESOURCES							
Property Taxes Collected in-advance	393,477	812,857	811,300	2,017,634	-	-	2,017,634
Total Deferred Inflow of Resources	393,477	812,857	811,300	2,017,634	-	-	2,017,634
FUND BALANCES:							
Restricted for::							
Parks	-	-	-	-	27,484,600	(1,594)	27,483,006
Committed to:							
Planning	8,883,799	-	-	8,883,799	-	-	8,883,799
Parks	-	12,094,134	-	12,094,134	36,118,379	46,834	48,259,347
Recreation	-	-	5,109,082	5,109,082	-	463,985	5,573,067
Assigned to:							
Planning	6,475,166	-	-	6,475,166	-	2,656	6,477,822
Parks	-	24,557,127	-	24,657,127	32,642,997	1,379,616	58,579,640
Recreation	-	-	8,738,393	8,738,393	-	5,833,882	14,572,275
Unassigned:	15,836,933	90,477,328	16,041,387	122,355,648	-	-	122,355,648
Total Fund Balances	31,195,898	127,128,589	29,888,862	188,213,349	96,245,976	7,725,279	292,184,604
Total Liabilities and Fund Balances	$ 39,834,805	$ 134,348,270	$ 42,181,936	$ 216,365,011	$ 104,699,882	$ 8,317,897	$ 329,382,790

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2014

	General Fund Accounts				Capital	Other Governmental	Total Governmental
	Administration	Park	Recreation	Total	Projects	Funds	Funds
REVENUES							
Property Taxes	$ 42,195,517	$ 116,298,076	$ 56,872,700	$ 215,366,293	$ -	$ 1,298	$ 215,367,591
Intergovernmental:							
Federal	144,160	14,990	3,802	162,952	-	-	162,952
State	-	-	450,340	450,340	3,256,611	-	3,706,951
County	123,514	-	89,826	213,340	-	1,039,960	1,253,300
Charges for Services	652,574	157,320	6,826,773	7,636,667	-	1,145,088	8,781,755
Rentals and Concessions	-	2,441,780	1,162,428	3,604,208	-	5,763,096	9,367,304
Interest	126,087	343,215	121,458	590,760	211,889	16,903	819,552
Contributions	-	-	196,462	196,462	-	85,438	281,900
Miscellaneous	2,328	223,764	16,023	242,115	410,068	50,666	702,849
Total Revenues	43,244,180	119,479,145	65,739,812	228,463,137	3,878,568	8,102,449	240,444,154
EXPENDITURES							
Current:							
General Government	9,950,696	-	-	9,950,696	-	-	9,950,696
Planning and Zoning	38,410,377	-	-	38,410,377	-	-	38,410,377
Park Operations and Maintenance	-	107,824,177	-	107,824,177	-	1,337,996	109,162,173
Recreation	-	-	61,753,793	61,753,793	-	5,284,030	67,037,823
Debt Service:							
Principal	-	-	-	-	-	7,961,975	7,961,975
Interest	-	-	-	-	-	1,630,966	1,630,966
Other Debt Service Costs	-	-	-	-	-	294,665	294,665
Capital Outlay:							
Park Acquisition	-	-	-	-	3,714,098	-	3,714,098
Park Development	-	-	-	-	25,014,156	-	25,014,156
Total Expenditures	48,361,073	107,824,177	61,763,793	217,939,043	28,728,254	16,709,632	263,376,929
Excess (deficiency) of Revenues over Expenditures	(5,116,893)	11,654,968	3,986,019	10,524,094	(24,849,686)	(8,607,183)	(22,932,775)
OTHER FINANCING SOURCES (USES)							
General Obligation Bonds Issued	-	-	-	-	26,565,000	-	26,565,000
Premiums on Bonds Issued	-	-	-	-	1,247,204	-	1,247,204
Transfers In	-	211,889	-	211,889	24,255,000	10,117,606	34,584,495
Transfer Out	(30,000)	(34,312,606)	(8,922,220)	(43,264,826)	(211,889)	(30,000)	(43,506,715)
Total Other Financing Sources (Uses)	(30,000)	(34,100,717)	(8,922,220)	(43,052,937)	51,855,315	10,087,606	18,889,984
Net Change in Fund Balances	(5,146,893)	(22,445,749)	(4,936,201)	(32,528,843)	27,005,629	1,480,423	(4,042,791)
Fund Balances - Beginning	36,342,791	149,574,338	34,826,063	220,742,192	69,240,347	6,244,856	296,227,395
Fund Balances - Ending	$ 31,195,898	$ 127,128,589	$ 29,888,862	$ 188,213,349	$ 96,245,976	$ 7,725,279	$ 292,184,604

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, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Property Taxes	$ 42,310,279	$ 42,310,279	$ 42,195,517	$ (114,762)
Intergovernmental -				
Federal	-	144,160	144,160	-
State	-	-	-	-
County	205,000	205,000	123,514	(81,486)
Local	-	-	-	-
Charges for Services	637,000	637,000	652,574	15,574
Interest	226,300	226,300	126,087	(100,213)
Miscellaneous	50,000	50,000	2,328	(47,672)
Total Revenues	43,428,579	43,572,739	43,244,180	(328,559)
Expenditures/Encumbrances:				
Commissioners' Office	3,023,808	3,023,808	2,945,179	78,629
Central Administrative Services -				
Department of Human Resources and Management	2,400,333	2,400,333	2,172,340	227,993
Department of Finance	3,330,906	3,330,906	3,326,115	4,791
Internal Audit Division	264,869	264,869	260,583	4,286
Legal Department	806,696	806,696	806,621	75
Support Services	559,550	559,550	486,482	73,068
Merit System Board	79,396	79,396	68,761	10,635
Total Central Administrative Services	7,441,750	7,441,750	7,120,902	320,848
Planning Department -				
Director's Office	4,484,412	4,484,412	4,318,325	166,087
Development Review	5,794,102	5,794,102	4,973,992	820,110
Community Planning	5,479,757	5,479,757	3,847,056	1,632,701
Community Planning South	-	-	-	-
Information Management	4,752,171	4,752,171	4,271,174	480,997
Countywide Planning	5,960,112	5,960,112	5,415,373	544,739
Support Services	8,770,800	8,770,800	8,236,633	534,167
Grants	138,000	282,160	212,734	69,426
Total Planning Department	35,379,354	35,523,514	31,275,287	4,248,227
Non-Departmental	2,011,652	2,011,652	1,860,770	150,882
Total Expenditures/Encumbrances	47,856,564	48,000,724	43,202,138	4,798,586
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	(4,427,985)	(4,427,985)	42,042	4,470,027
Other Financing Sources (Uses):				
Transfers In (Out) -				
Internal Service Fund - Group Insurance	-	-	-	-
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	$ (4,457,985)	$ (4,457,985)	12,042	$ 4,470,027
Fund Balance - Budget Basis, Beginning			22,300,057	
Fund Balance - Budget Basis, Ending			$ 22,312,099	

Note 6H

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, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 115,671,086	$ 115,671,086	$ 116,298,076	$ 626,990
Intergovernmental -				
Federal	-	14,990	14,990	-
Charges for Services	120,800	120,800	157,320	36,520
Rentals and Concessions	2,310,500	2,310,500	2,441,780	131,280
Interest	800,000	800,000	343,215	(456,785)
Miscellaneous	194,500	194,500	223,764	29,264
Total Revenues	119,096,886	119,111,876	119,479,145	367,269
Expenditures/Encumbrances:				
Office of The Director -				
Office of the Director	768,804	768,804	834,218	(65,414)
Park Police	17,963,681	17,963,681	18,106,458	(142,777)
Administration and Development -				
Administrative Services	4,376,540	4,376,540	3,834,181	542,379
Administration and Development	809,864	809,864	912,396	(102,532)
Public Affairs & Marketing	1,955,561	1,955,561	1,655,879	299,682
Support Services	13,386,798	13,386,798	13,927,853	(541,055)
Park Planning and Development	6,356,405	6,356,405	5,764,689	591,716
Info Tech and Communications	6,058,696	6,058,696	6,099,030	(40,334)
Facility Operations -				
Deputy Director	431,496	431,496	350,116	81,380
Maintenance and Development	27,715,666	27,715,666	26,619,949	1,095,717
Natural and Historical Resources	5,838,539	5,838,539	5,417,948	420,591
Arts and Cultural Heritage	1,963,311	1,963,311	1,846,441	116,870
Park Permits and Aquatics Maintenance	-	-	-	-
Total Facility Operations	35,949,012	35,949,012	34,234,454	1,714,558
Area Operations -				
Deputy Director	414,055	414,055	413,596	459
Northern Area Operations	6,289,403	6,289,403	6,238,400	51,003
Central Area Operations	6,716,798	6,716,798	5,903,591	813,207
Southern Area Operations	6,109,899	6,109,899	5,805,601	304,298
Total Area Operations	19,530,155	19,530,155	18,361,188	1,168,967
Grants	-	14,990	14,990	-
Non-Departmental	6,420,400	6,420,400	5,776,898	643,502
Total Expenditures/Encumbrances	113,575,916	113,590,906	109,522,214	4,068,692
Excess of Revenues over Expenditures/Encumbrances	5,520,970	5,520,970	9,956,931	4,435,961
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	350,000	350,000	211,889	(138,111)
Debt Service - Park Fund	(11,793,000)	(11,793,000)	(10,087,606)	1,705,394
Capital Projects Funds - Development	(24,225,000)	(24,225,000)	(24,225,000)	-
Total Other Financing Sources (Uses)	(35,668,000)	(35,668,000)	(34,100,717)	1,567,283
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (30,147,030)	$ (30,147,030)	(24,143,786)	$ 6,003,244
Fund Balance - Budget Basis, Beginning			139,178,241	
Fund Balance - Budget Basis, Ending			$ 115,034,455	

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, 2014

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property Taxes	$ 56,730,600	$ 56,730,600	$ 56,872,700	$ 142,100
Intergovernmental -				
Federal	-	3,802	3,802	-
State	-	450,340	450,340	-
County	-	89,826	89,826	-
Other Local Munis/Gov	-	-	-	-
Charges for Services	6,798,400	6,798,400	6,826,773	28,373
Rentals and Concessions	880,900	880,900	1,162,428	281,528
Interest	232,700	232,700	121,458	(111,242)
Miscellaneous	68,500	264,333	212,485	(51,848)
Total Revenues	64,731,100	65,450,901	65,739,812	288,911
Expenditures/Encumbrances:				
Administration and Development-				
Administrative Services	-	-	-	-
Deputy Director	-	-	-	-
Public Affairs & Marketing	899,468	899,468	808,736	90,732
Support Services	7,253,030	7,253,030	6,935,606	317,424
Information Technology Communications	-	-	-	-
Total Director's Office	8,152,498	8,152,498	7,744,342	408,156
Facility Operations:				
Sports, Health and Wellness	10,247,745	10,247,745	10,233,804	13,941
Natural and Historical Resources	1,710,422	1,710,422	1,356,091	354,331
Arts and Cultural Heritage	3,496,595	3,496,595	3,467,134	29,461
Grants	-	719,801	663,593	56,208
Total Facility Operations	15,454,762	16,174,563	15,720,622	453,941
Area Operations:				
Deputy Director	-	-	-	-
Northern Area Operations	6,987,166	6,987,166	6,564,911	422,255
Central Area Operations	7,110,642	7,110,642	6,331,153	779,489
Southern Area Operations	8,382,562	8,382,562	7,461,664	920,898
Special Programs	8,439,398	8,439,398	7,673,072	766,326
Total Area Operations	30,919,768	30,919,768	28,030,800	2,888,968
Non-Departmental	7,865,974	7,865,974	7,657,046	208,928
Total Operating Expenditures/Encumbrances	62,393,002	63,112,803	59,152,810	3,959,993
Excess of Revenues over Expenditures/Encumbrances	2,338,098	2,338,098	6,587,002	4,248,904
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund	-	-	-	-
Enterprise	(8,922,220)	(8,922,220)	(8,922,220)	-
Total Other Financing Sources (Uses)	(8,922,220)	(8,922,220)	(8,922,220)	-
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	$ (6,584,122)	$ (6,584,122)	(2,335,218)	$ 4,248,904
Fund Balance - Budget Basis, Beginning			27,114,998	
Fund Balance - Budget Basis, Ending			$ 24,779,780	

Required Supplementary Information for Defined Benefit Pension Plan (Unaudited)

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)

	July 1, 2011	July 1, 2012	July 1, 2013
Actuarial Valuation of Plan Assets	$ 659,362	$ 660,232	$ 690,540
Actuarial Accrued Liability	761,343	802,077	831,200
Funded Ratio	86.6%	82.3%	83.1%
Actuarial Value of Assets in Excess of Actuarial Accrued Liability	101,981	141,845	140,660
Annual Covered Payroll	132,491	129,912	129,134
Actuarial Value of Assets in Excess of Actuarial Accrued Liability as a Percentage of Covered Payroll	77.0%	109.2%	108.9%

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

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

Required Supplementary Information for Other Postemployment Benefits (Unaudited)

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)

	July 1, 2011	July 1, 2012	July 1, 2013
Actuarial Valuation of Plan Assets	$ 11,170	$ 17,800	$ 28,069
Actuarial Accrued Liability	333,171	311,710	275,804
Funded Ratio	3.35%	5.71%	10.18%
Unfunded Actuarial Accrued Liability	322,001	293,910	247,735
Annual Covered Payroll	135,062	123,684	119,966
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	238.4%	237.6%	206.5%

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.

FORM OF OPINION OF BOND COUNSEL
[Letterhead of McGuireWoods LLP]

(closing date)

The Maryland-National Capital
Park and Planning Commission
Executive Office Building
6611 Kenilworth Avenue
Riverdale, Maryland 20737

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Maryland-National Capital Park and Planning Commission (the "Commission") of its $24,820,000 Prince George's County General Obligation Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A (the "Bonds"), which are described as follows:

Dated the date of initial delivery, interest payable semiannually on each January 15 and July 15, commencing July 15, 2016 until maturity or earlier redemption; fully registered in form in the denomination of $5,000 each or any integral multiple thereof; issued under the provisions of Sections 18-201 through 18-211, inclusive, of the Land Use Article of the Annotated Code of Maryland (the "Act"); authorized to be issued and awarded by a Resolution adopted by the Commission on September 16, 2015 (the "Resolution"); and maturing, subject to prior redemption, on January 15 in each of the years 2017 to 2036, inclusive, in such amounts, and bearing interest at such rates, as set forth in the Bonds.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

With respect to an executed and authenticated Bond which we have examined and Bonds similarly executed and authenticated, it is our opinion under existing law that:

(a) The Commission is a validly created and existing public body of the State of Maryland, and Prince George's County, Maryland (the "County") is a validly created and existing body politic and corporate of the State of Maryland.

(b) The Bonds are valid and legally binding general obligations of the Commission, issued on the full faith and credit of the County. The Bonds are payable in the first instance from proceeds of limited annual ad valorem property taxes that the County is required by Section 18-304(b) of the Land Use Article of the Annotated Code of Maryland to impose and collect in the Maryland-Washington Metropolitan District in the County (the "District") and to remit to the Commission. If the revenues from these taxes are inadequate to pay the principal of and interest on the Bonds, the County shall impose, in each year that the taxes are inadequate, an additional tax on all assessable property with the District. If the revenues from the additional tax are inadequate, the County has guaranteed the payment of the interest when due and of the principal at maturity of the Bonds and, to provide for such payments, shall impose a tax on all assessable property within the corporate limits of the County sufficient to pay such deficiency.

(c) Under current law, (i) interest on the Bonds (including any accrued "original issue discount" properly allocable to the owners of the Bonds) is excludable from gross income for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Bonds is not a specific item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations; provided, however, for purposes of the alternative minimum tax imposed on corporations (as defined for Federal income tax purposes under Section 56 of the Code), interest on the Bonds is included in computing adjusted current earnings.

In rendering the opinion expressed above in paragraph (c), we have assumed continuing compliance with the covenants and agreements set forth in the Non-Arbitrage Certificate and Tax Covenants of even date herewith executed and delivered by the Commission, which covenants and agreements are designed to satisfy the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code and the income tax regulations issued thereunder. Failure by the Commission to comply with such covenants and agreements could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their issue date.

(d) Under existing law of the State of Maryland, the principal amount of the Bonds, the interest thereon, their transfer, and any income derived therefrom, including any profit from the sale or transfer thereof, are exempt from state and local taxes in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

This opinion is given as of its date and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

It is to be understood that the rights of any holder of the Bonds and the enforceability of Bonds may be subject to (a) any applicable bankruptcy, insolvency (including, without limitation, laws relating to preferences and fraudulent transfers or conveyances), reorganization, moratorium and other similar laws affecting creditors' rights generally, (b) the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and (c) the valid exercise of constitutional powers of the United States of America and of the sovereign police and taxing powers of the State of Maryland or other governmental units having jurisdiction.

Very truly yours,

McGuireWoods, LLP

NOTICE OF SALE

$24,835,000*
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
Prince George's County
General Obligation
Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A

Electronic Bids only will be received until 11:00 A.M.,
Local Baltimore, Maryland Time, on October 15, 2015

by The Maryland-National Capital Park and Planning Commission (the "Commission"), for the purchase of the above-named issue of bonds (the "Bonds") of the Commission, to be dated as of the date of their delivery and to be issued pursuant to the authority of the laws of the State of Maryland governing the Commission as the same appear in Sections 18-201 through 18-211, inclusive, of the Land Use Article of the Annotated Code of Maryland (2012 Replacement Volume and 2015 Supplement) (the "Land Use Article") and a Resolution of the Commission adopted on September 16, 2015. The Bonds will bear interest from date of delivery, payable on each January 15 and July 15, commencing July 15, 2016, until maturity or prior redemption.

The payment of the principal of and interest on all of the Bonds will be unconditionally guaranteed by Prince George's County, Maryland (the "County").

Book-Entry System: The Bonds shall be issued only in fully registered form without coupons. One bond certificate representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each bond certificate shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

Maturities: The Bonds will be separately numbered from No. R-1 upward, and will mature subject to prior redemption, in consecutive annual installments beginning on January 15, 2017 in the amounts and years set forth in the following table:

Year of Maturity	Principal Amount*	Year of Maturity	Principal Amount*
2017	$590,000	2027	$1,540,000
2018	1,170,000	2028	1,045,000
2019	1,190,000	2029	1,090,000
2020	1,230,000	2030	1,135,000
2021	1,265,000	2031	1,165,000
2022	1,310,000	2032	1,205,000
2023	1,350,000	2033	1,240,000
2024	1,395,000	2034	1,280,000
2025	1,445,000	2035	1,325,000
2026	1,495,000	2036	1,370,000

*Preliminary, subject to adjustment as provided herein.

The Maryland-National Capital Park and Planning Commission
will act as Registrar and Paying Agent.

As promptly as reasonably possible after the bids are received, the Chairman, the Vice Chairman or Secretary-Treasurer of the Commission will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the Chairman or the Vice Chairman or the Secretary-Treasurer of the Commission of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL OFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW.

Adjustments. The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the Commission, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be through TM3 News Service not later than 9:30 a.m. local time on the date of sale (or as soon thereafter as is reasonably practical) and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. local time on the date of the sale, will be made only as necessary to effect the refunding, and will not reduce or increase the aggregate principal amount of the Bonds by more than 25% from the amount bid upon. The dollar amount bid for principal and any amount bid for premium by the successful bidder will be adjusted proportionately to reflect any reduction or increase in the aggregate principal amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Electronic Bids: Notice is hereby given that electronic proposals will be received via ***PARITY®***, in the manner described below, until 11:00 A.M., local Baltimore, Maryland time, on October 15, 2015.

Bids may be submitted electronically pursuant to this Notice until 11:00 A.M., local Baltimore, Maryland time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in ***PARITY®*** conflict with this Notice, the terms of this Notice shall control. For further information about ***PARITY®***, potential bidders may contact ***PARITY®*** at (212) 849-5021.

Disclaimer: Each prospective electronic bidder shall be solely responsible to submit its bid via ***PARITY®*** as described above. Each prospective electronic bidder shall be solely responsible to make necessary arrangements to access ***PARITY®*** for the purpose of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the Commission nor ***PARITY®*** shall have any duty or obligation to provide or assure access to ***PARITY®*** to any prospective bidder, and neither the Commission nor ***PARITY®*** shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, ***PARITY®***. The Commission is using ***PARITY®*** as a communication mechanism, and not as the Commission's agent, to conduct the electronic bidding for the Bonds. The Commission is not bound by any advice and determination of ***PARITY®*** to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their submission of bids via ***PARITY®*** are the sole responsibility of the bidders; and the Commission is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, the prospective bidder should telephone ***PARITY®*** at (212) 849-5021 and notify the Commission's Financial Advisor, Davenport & Company LLC, by facsimile at (866) 932-6660.

Electronic Bidding Procedures: Electronic bids must be submitted for the purchase of the Bonds (all or none) via ***PARITY®***. Bids will be communicated electronically to the Commission at 11:00 A.M. local Baltimore, Maryland time, on October 15, 2015. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via ***PARITY®***, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed bid. Once the bids are communicated electronically via ***PARITY®*** to the Commission, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on ***PARITY®*** shall constitute the official time.

Security: All of the Bonds will be general obligations of the Commission and of the County for the payment, in accordance with their terms, of the principal of and interest on which the Commission and the County will each pledge their respective full faith and credit and taxing power. The Bonds will be payable as to both principal and interest first from limited ad valorem property taxes which the County is required by law to impose in the portion of the Maryland-Washington Metropolitan District (the "District") established by Title 19 of the Land Use Article located in the County and remit to the Commission. By its guarantee of the Bonds, the full faith and credit of the County is pledged, as required by law, for the payment of the principal thereof and interest thereon. To the extent that the aforesaid taxes imposed for the benefit of the Commission are inadequate in any year to pay such principal and interest, Section 18-209 of the Land Use Article provides that the County shall impose an additional tax upon all assessable property within the portion of the District in the County, and if the proceeds of such additional tax are still inadequate for such purposes, upon all assessable property within the corporate limits of the County to pay such deficiency.

Redemption: The Bonds which mature on or after January 15, 2026, are subject to redemption prior to their respective maturities at any time on or after January 15, 2025, at the option of the Commission, in whole or in part, in any order of maturities, at a redemption price of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Bid Specifications: Proposals for purchase of the Bonds must be for all of the Bonds herein described and must be submitted electronically pursuant to this Notice of Sale until 11:00 A.M., local Baltimore, Maryland time on October 15, 2015. Bidders must pay not less than par and not more than 115% of par. In their proposals, bidders are requested to specify the annual rate or rates of interest to be borne by the Bonds. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%. Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate. Bonds on successive maturity dates may bear the same interest rate. No Bond shall bear more than one rate of interest, which rate shall be uniform for the life of the Bond and no interest rate may be named that exceeds 5.00%. The difference between the highest and lowest interest rates may not exceed 3.0%.

Award of Bid: The successful bidder will be determined based on the lowest interest cost to the Commission. The lowest interest cost shall be determined in accordance with the true interest cost ("TIC") method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the date of the Bonds, and to the price bid. Where the proposals of two or more bidders result in the same lowest interest cost, the Bonds may be apportioned between such bidders, but if this shall not be acceptable, the Commission shall have the right to award all of the Bonds to one bidder. The Commission reserves the right to reject any or all proposals and to waive any irregularities in any of the proposals. The Secretary-Treasurer's judgment shall be final and binding upon all bidders with respect to the form and adequacy of any proposal received and as to its conformity to the terms of this Notice of Sale. Any award of the Bonds may be made as late as 4:00 P.M. on the sale date. All bids shall remain firm until an award is made.

Good Faith Deposit: A good faith deposit in the amount of $248,350 (the "Good Faith Deposit") is required of the successful bidder. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the Commission in the form of a wire transfer in federal funds as instructed by the Commission. The successful bidder shall submit the Good Faith Deposit not more than two hours after the verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the Commission the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the Commission may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Commission the sum of $248,350 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the Commission until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the Good Faith Deposit will be retained by the Commission as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of this Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the Commission. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

CUSIP Numbers; Expenses of the Bidder: It is anticipated that CUSIP numbers will be assigned to each maturity of the Bonds, but neither the failure to type or print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. The successful bidder will be responsible for applying for and obtaining, subject to the CUSIP Service Bureau policy and procedures, CUSIP numbers for the Bonds promptly upon award of the bid. All expenses of typing or printing CUSIP numbers for the Bonds will be paid for by the Commission; provided the CUSIP Service Bureau charges for the assignment of the numbers shall be the responsibility of and shall be paid for by the successful bidder.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Bonds.

Official Statement: Not later than seven (7) business days after the date of sale, the Commission will deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. If so requested by the successful bidder for the Bonds, at or before the close of business on the date of the sale, the Commission will include in the Official Statement such pricing and other information with respect to the terms of the reoffering of the Bonds of such issue by the successful bidder therefor, if any, as may be specified and furnished in writing by such bidder (the "Reoffering Information"). If no such information is specified and furnished by the successful bidder, the Official Statement will include the interest rate or rates on the Bonds resulting from the bid of such successful bidder. The successful bidder shall be responsible to the Commission and its officials for such Reoffering Information furnished by such bidder, and for all decisions made by such bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds. The successful bidder will also be furnished, without cost, with a reasonable number of copies of the Official Statement as determined by the Secretary-Treasurer (and any amendments or supplements thereto).

Legal Opinion: The Bonds described above will be issued and sold subject to approval as to legality by McGuireWoods LLP, Bond Counsel, whose approving opinion will be delivered, upon request, to the successful bidder for the Bonds without charge. Such opinion will be substantially in the form included in Appendix B to the Preliminary Official Statement referred to below.

Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, the Commission will execute and deliver a continuing disclosure certificate on or before the date of issuance of the Bonds pursuant to which the Commission will undertake to provide certain information annually and notices of certain events. A description of this certificate is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

Delivery and Payment: It shall be a condition of the obligation of the successful bidder to accept delivery of and pay for the Bonds, that, simultaneously with or before delivery and payment for the Bonds, said bidder shall be furnished, without cost, with a certificate of the Secretary-Treasurer of the Commission to the effect that, to the best of his knowledge, the Official Statement and any amendment or supplement thereto (except for the Reoffering Information provided by the successful bidder, as to which no view will be expressed) does not contain, as of the date of sale and as of the date of delivery of the Bonds, any untrue statement of a material fact, required to be stated or necessary to be stated, to make such statements, in light of the circumstances under which they were made, not misleading.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE COMMISSION A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF EACH MATURITY OF THE BONDS AT THE APPLICABLE INITIAL REOFFERING PRICES, AND (III) A SUBSTANTIAL PORTION OF EACH MATURITY OF THE BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES. Bond Counsel advises that (i) such certifications shall be made based on actual facts known to the successful bidder as of the sale date and (ii) a substantial portion of the Bonds is at least 10% in par amount of each maturity of the Bonds. If the successful bidder cannot deliver the certificate as described above, the County's bond counsel will be required to evaluate the facts and circumstances of the offering and sale of the Bonds to confirm compliance with statutory requirements of avoiding the establishment of an artificial price for the Bonds.

Delivery of the Bonds, without expense, will be made by the Commission to the purchaser within thirty (30) days from the date of sale, or as soon as practicable thereafter, through the facilities of DTC in New York, New York, and, thereupon, said purchaser will be required to accept delivery of the Bonds purchased and pay the balance of the purchase price thereon in federal or other immediately available funds. The Bonds will be accompanied by the customary closing documents including a no-litigation certificate effective as of the date of delivery.

Contacts: A preliminary official statement, which is in form "deemed final" as of its date by the Commission for purposes of SEC Rule 15c2-12 (the "Preliminary Official Statement") but is subject to revision, amendment and completion in the final official statement (the "Official Statement"), together with this Notice of Sale, may be obtained from Joseph C. Zimmerman, Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, 6611 Kenilworth Avenue, Riverdale, Maryland 20737, (301) 454-1540 or Davenport & Company LLC, 8600 LaSalle Road, Suite 324, Towson, Maryland 21286-2011, (410) 296-9426.

Right to Change Notice of Sale and Postpone Offering: The Commission reserves the right to change the Notice of Sale and to postpone, from time to time, the date established for the receipt of bids. In the event of a postponement, the new date and time of sale will be announced via TM3-News Service at least 24 hours prior to the time proposals are to be submitted. On any such alternative sale date, bidders may submit electronic bids for the purchase of the Bonds in conformity with the provisions of this

Notice of Sale, except for any changes to this Notice of Sale, the change of the date of sale and the changes described in the next sentence. If the date fixed for receipt of bids is postponed, the expected date of delivery of the Bonds also may be postponed. Such changes, if any, will be announced via TM3-News Service at the time any alternative sale date is announced.

THE MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION

By: Elizabeth M. Hewlett
Chairman

FORM OF COMMISSION CONTINUING DISCLOSURE CERTIFICATE

With respect to the $24,820,000 Prince George's County General Obligation Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A (the "Bonds"), issued by The Maryland-National Capital Park and Planning Commission (the "Commission" or "Issuer"), pursuant to the resolution adopted by the Commission on September 16, 2015 (the "Resolution"), the Issuer covenants in this Continuing Disclosure Certificate (this "Disclosure Certificate") as follows:

1. This Disclosure Certificate is being executed and delivered by the Commission for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Section (b)(5) of Securities and Exchange Commission Rule 15c2-12.

2. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person treated as the owner of any Bonds for federal income tax purposes.

"County" shall mean Prince George's County, Maryland.

"Dissemination Agent" shall mean any person designated by the Commission to act as its agent hereunder.

"EMMA" shall mean the Electronic Municipal Market Access system of the MSRB as provided at http://www.emma.msrb.org, or any similar system that is acceptable to or as may be specified by the Securities and Exchange Commission from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)1 of the Securities Exchange Act of 1934, as amended, or any successor organization.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, any successor provisions of similar import promulgated by the Securities and Exchange Commission in the future, and any applicable no-action letters and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission.

"State" shall mean the State of Maryland.

3. (a) The Issuer shall, or shall cause the Dissemination Agent to, no later than March 31 of each year, commencing March 31, 2016, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate, provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

If audited financial statements are not available on the date specified above, unaudited financial statements shall be provided on such date, and audited financial statements shall be provided when available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall, or shall cause the Dissemination Agent to, send a notice to the MSRB in substantially the form attached as Exhibit A.

4. (a) The Issuer's Annual Report shall contain or include by reference the Issuer's audited financial statements for the prior fiscal year, prepared in accordance with generally accepted accounting principles, and financial information and operating data of the Issuer (as of June 30 of each year) including but not limited to:

(i) information regarding revenues and expenditures of the Issuer for County activities (including information regarding the General Fund and property taxes);

(ii) information regarding the outstanding debt of the Issuer and, to the extent such information was included in the Official Statement, the outstanding bonded debt of the County; and

(iii) information regarding the capital budget of the Issuer for the County.

(b) The Issuer's Annual Report shall contain or include by reference the most recent audited financial statements, and financial information and operating data for the County (as of June 30 of each year) as set forth in Schedule 1 to the extent such information was included in the Official Statement.

(c) Any or all of the items listed in subsection (a) and (b) of this Section 4 may be included by specific reference to other documents, including official statements of debt issues of the Issuer or the County which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

(d) (1) Except as otherwise provided in this paragraph (d), the presentation of the financial information referred to above shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Bonds.

(2) The Commission may make changes to the presentation of such financial information necessitated by changes in Generally Accepted Accounting Principles.

(3) The Commission may otherwise modify the presentation of the financial information required herein, provided that this Disclosure Certificate is amended in accordance with Section 9 hereof.

5. (a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) modifications to rights of owners of the Bonds; if material;

(iv) bond calls, if material, and tender offers;

(v) defeasances;

(vi) rating changes;

(vii) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(viii) unscheduled draws on debt service reserves reflecting financial difficulties;

(ix) unscheduled draws on credit enhancements reflecting financial difficulties;

(x) substitution of credit or liquidity providers, or their failure to perform;

(xi) release, substitution or sale of property securing repayment of the Bonds, if material;

(xii) bankruptcy, insolvency, receivership or similar event of the obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Certain of the above-enumerated events do not, and are not expected to, apply to the Bonds.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall, or shall cause the Dissemination Agent to, in a timely manner, not in excess of ten (10) business days after the occurrence of such Listed Event, promptly file a notice with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(iv) and (v) need not be given under this subsection any earlier than the notice (if any) of the underlying event that is given to Holders of affected Bonds.

(c) The Issuer will cease providing the information and notice described herein upon the prior redemption or payment in full of all of the Bonds. If the Issuer ceases providing information, the Issuer may give notice of such termination in the same manner as for a Listed Event under Section 5(b).

(d) For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

6. All materials provided to the MSRB pursuant to this Disclosure Certificate shall be submitted to EMMA in an electronic format and accompanied by identifying information as prescribed by the MSRB.

7. The Issuer's obligations under this Disclosure Certificate shall terminate upon the prior redemption or payment in full of all of the Bonds. In addition, the Issuer may terminate its obligations under this Disclosure Certificate if and when the Issuer would no longer remain an obligated person with respect to the Bonds within the meaning of the Rule.

8. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

9. The Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided, however, there will be no amendment or waiver unless the following conditions are satisfied:

(i) (A) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted; (B) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel selected by the Issuer, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (C) the amendment or waiver does not, in the opinion of nationally recognized bond counsel selected by the Issuer, materially impair the interests of the Holders or Beneficial Owners of the Bonds; or

(ii) the Issuer receives an opinion of nationally recognized bond counsel selected by the Issuer to the effect that such amendment is permitted or required by the Rule.

In the event of any amendment or waiver of a covenant contained herein, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, notice of such change shall be given in the same manner as for a Listed Event under Section 5(b).

10. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. The Issuer shall be given written notice at the address set forth below of any claimed failure by the Issuer to perform its obligations and covenants herein, and the Issuer shall be given 45 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the Issuer shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action and must be filed in the Circuit Court for Prince George's County, Maryland. Written notice to the Issuer shall be given to the Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, 6611 Kenilworth Avenue, Suite 304, Riverdale, Maryland 20737.

12. The Disclosure Certificate constitutes an undertaking by the Issuer that is independent of the issuer's obligations with respect to the Bonds; and any failure of the Issuer to fulfill a covenant in the Disclosure Certificate shall not constitute or give rise to a breach or default under the Bonds.

13. This Disclosure Certificate, and any claim made with respect to the performance by the Issuer of its obligations hereunder, shall be governed by, subject to, and construed according to the Federal securities laws, where applicable, and the laws of the State of Maryland, without reference to the choice of law principles thereof.

14. This Disclosure Certificate shall inure solely to the benefit of the owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. The Issuer's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

IN WITNESS WHEREOF, I have hereto set my hand this ____ day of ____, 2015.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

By:______________________________________
Secretary-Treasurer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Maryland-National Capital Park and Planning Commission
Name of Bond Issue:	$24,820,000 Prince George's County General Obligation Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A
Date of Issuance:	October 29, 2015

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated October 29, 2015. The Issuer anticipates that the Annual Report will be filed by ___________________.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Date: ______________

By:_______________________________________
Secretary-Treasurer

SCHEDULE 1

Prince George's County, Maryland Annual Report

a. Summary of revenue, expenditures and changes in fund balance/retained earnings of all County Funds
b. Information regarding tax revenues of all County funds
c. Information regarding assessed and estimated actual value of taxable property
d. Information regarding direct and overlapping debt
e. Information regarding real and personal property taxes, assessments, levies and collections
f. Summary of gross and direct debt service requirements
g. Description of material litigation, if any

FORM OF COUNTY CERTIFICATE
REGARDING CONTINUING DISCLOSURE

I, _______________, the Director of Finance of Prince George's County, Maryland (the "County") do hereby certify that, upon the reasonable advance request of The Maryland-National Capital Park and Planning Commission (the "Commission"), the County, within 275 days of the end of each of its fiscal years, will provide to the Commission: (i) the most recent audited financial statements of the County, if prepared, and (ii) financial information and operating data set forth in Schedule I regarding the County generally of the type included in the final Official Statement of the Commission relating to the Bonds (hereinafter defined) in order to assist the Commission in complying with its obligations under the Continuing Disclosure Certificate executed by the Commission in connection with its issuance of the $24, 835,000 Prince George's County General Obligation Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A (the "Bonds"). The County may provide such requested information by notifying the Commission, upon the reasonable advance request by the Commission for such information, that the information has previously been supplied to the Securities and Exchange Commission, or the Municipal Securities Rulemaking Board.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of Prince George's County, Maryland, as of this 29th day of October, 2015.

(SEAL)

____
Director of Finance
Prince George's County, Maryland

SCHEDULE 1

Prince George's County, Maryland Annual Report

a. Summary of revenue, expenditures and changes in fund balance/retained earnings of all County Funds.
b. Information regarding tax revenues of all County funds.
c. Information regarding assessed and estimated actual value of taxable property.
d. Information regarding direct and overlapping debt
e. Information regarding real and personal property taxes, assessments, levies and collections.
f. Summary of gross and direct debt service requirements.
g. Description of material litigation, if any.

IDENTIFICATION OF REFUNDED BONDS AS OF OCTOBER 15, 2015

$5,705,000
Prince George's County
General Obligation
Park Acquisition and Development Bonds, Series JJ-2

Redemption Date: May 1, 2017

Maturing May 1	Principal	Rate of Interest	Call Price	CUSIP
2017*	$355,000	5.00%	N/A	574157S46
2018	535,000	5.00	100%	574157S53
2019	535,000	4.125	100	574157S61
2020	535,000	4.125	100	574157S79
2021	535,000	4.250	100	574157S87
2022	535,000	4.250	100	574157S95
2023	535,000	4.250	100	574157T29
2024	535,000	4.250	100	574157T37
2025	535,000	4.250	100	574157T45
2026	535,000	4.250	100	574157T52
2027	535,000	4.250	100	574157T60

* Escrowed to maturity.

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION • Prince George's County General Obligation Park Acquisition and Development Project and Refunding Bonds, Series PGC-2015A

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