

**NEW ISSUE - Book-Entry Only**

*In the opinion of McGuireWoods LLP, Bond Counsel, based on existing law and subject to conditions described in the section herein entitled "TAX MATTERS," interest on the Bonds (i) is excludable from the gross income of the owners of the Bonds for Federal income tax purposes and (ii) is not treated as a specific item of tax preference for purposes of the Federal alternative minimum tax. 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**

**\$25,100,000**

**Prince George's County  
General Obligation**

**Park Acquisition and Development Project Bonds, Series PGC-2021A**

**Dated: Date of Delivery**

**Due: November 1, as shown inside this cover**

Bond Ratings.....	Moody's Investors Service, Inc.: Aaa S&P Global Ratings: AAA Fitch Ratings: AAA
Redemption .....	Bonds maturing on or after November 1, 2032 are subject to redemption on or after November 1, 2031, 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 pay the costs of certain capital park acquisition and development projects in Prince George's County and (ii) to pay all or a portion of the costs of issuance of the Bonds. -- Page 3
Interest Payment Dates..	May 1 and November 1, beginning May 1, 2022
Closing/Settlement .....	On or about November 4, 2021
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

**\$25,100,000**

**Prince George's County  
General Obligation**

**Park Acquisition and Development Project Bonds, Series PGC-2021A**

<u>Maturing November 1</u>	<u>Principal Amount</u>	<u>Interest Rate*</u>	<u>Price or Yield*</u>	<u>CUSIP**</u>	<u>Maturing November 1</u>	<u>Principal Amount</u>	<u>Interest Rate*</u>	<u>Price or Yield*</u>	<u>CUSIP**</u>
2022.....	\$1,255,000	5.000%	0.140%	5741574R1	2032 .....	\$1,255,000	5.000%	1.330%†	5741575B5
2023.....	1,255,000	5.000	0.200	5741574S9	2033 .....	1,255,000	5.000	1.350†	5741575C3
2024.....	1,255,000	5.000	0.290	5741574T7	2034 .....	1,255,000	5.000	1.390†	5741575D1
2025.....	1,255,000	5.000	0.440	5741574U4	2035 .....	1,255,000	2.000	2.060	5741575E9
2026.....	1,255,000	5.000	0.620	5741574V2	2036 .....	1,255,000	2.000	2.120	5741575F6
2027.....	1,255,000	5.000	0.820	5741574W0	2037 .....	1,255,000	2.125	2.170	5741575G4
2028.....	1,255,000	5.000	0.980	5741574X8	2038 .....	1,255,000	2.125	2.220	5741575H2
2029.....	1,255,000	5.000	1.120	5741574Y6	2039 .....	1,255,000	2.250	2.260	5741575J8
2030.....	1,255,000	5.000	1.200	5741574Z3	2040 .....	1,255,000	2.250	2.300	5741575K5
2031.....	1,255,000	5.000	1.300	5741575A7	2041 .....	1,255,000	2.250	2.330	5741575L3

† 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 21, 2021 by Citigroup Global Markets Inc. The interest rates and prices or yields shown above are furnished by the successful bidder for the bonds. 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).

\*\* CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence. "CUSIP" is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Bonds. Neither the Commission nor the successful bidder takes any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change after the issuance of the Bonds in certain circumstances. The Commission has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth herein. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services.

[Remainder of page intentionally left blank]

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

**COMMISSIONERS**

Elizabeth M. Hewlett, Chair  
Casey Anderson, Vice-Chair

Dorothy F. Bailey	Gerald R. Cichy
William M. Doerner	Manuel R. Geraldo
Partap Verma	Tina E. Patterson
A. Shuanise Washington	

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**OFFICERS**

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Joseph C. Zimmerman, Secretary-Treasurer  
Adrian Robert Gardner, General Counsel

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

Bill Tyler, Prince George's County Parks and Recreation Director  
M. Andree Checkley, Prince George's County Planning Director

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**BOND COUNSEL**

McGuireWoods LLP  
Baltimore, Maryland

**INDEPENDENT AUDITORS**

SB & Company, LLC  
Owings Mills, Maryland

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**FINANCIAL ADVISOR**

Davenport & Company LLC  
Towson, Maryland

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, 8600 LaSalle Road, The Oxford Building, Suite 618, 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**

**\$25,100,000  
Prince George's County  
General Obligation  
Park Acquisition and Development Project Bonds, Series PGC-2021A**

**INTRODUCTION**

The purpose of this Official Statement, including the cover page and appendices hereto, is to set forth certain information concerning the \$25,100,000 Prince George's County General Obligation Park Acquisition and Development Project Bonds, Series PGC-2021A (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 66,000 acres of parkland, 37,000 of which are located in Montgomery County and 29,000 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 in Prince George's County and to pay, at the discretion of the Secretary-Treasurer, all or a portion of the costs of issuance of the Bonds, 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 15, 2021 (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 pay the costs of certain capital park acquisition and development projects in Prince George's County and (ii) to pay, at the discretion of the Secretary-Treasurer, all or a portion of the costs of issuance of the 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 May 1 and November 1 commencing May 1, 2022, until maturity or earlier redemption. The Bonds will mature on November 1 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 Commission or any other registrar and paying agent designated by the Commission (the "Registrar and Paying Agent"), to the persons in whose names the Bonds are registered as of the fifteenth day of the month immediately preceding such interest payment date 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 November 1, 2032, are subject to redemption prior to their respective maturities at any time on or after November 1, 2031 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.

## **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](http://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 66,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its current staff consists of over 2,200 year-round career employees. In addition, it employs in its numerous park and recreation programs approximately 3,680 seasonal workers and 23 contractual 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**

The major duties and functions of the Commission are:

- 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 Chair of the Prince George's County Planning Board in June 2011 and reappointed in June 2015. She previously served as Chair 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 the Commission, 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. She was 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 the 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. She was reappointed to a second term in October 2015. 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. Ms. Bailey is active in numerous local, regional and national organizations and in 2014, was inducted into the Maryland Women's Hall of Fame.

**William M. Doerner, Ph.D.** was appointed to the Prince George's County Planning Board on November 1, 2016. Mr. Doerner brings a combination of practical and academic experiences in local planning issues to the Commission. He has served the past two years on the Hyattsville Planning Committee and has worked in property appraisal and valuation for both state and county agencies in Florida. While earning his doctoral degree, he designed and taught classes on housing markets and land use regulations. Currently, he works at the Federal Housing Finance Agency (FHFA) where one of his main responsibilities is to produce nationwide house price measures; he also conducts applied research to help inform policy decision making in housing finance. Dr. Doerner has published over a dozen articles in academic journals on a range of topics like finance, housing, property taxation, and policy, and has presented at a number of national and regional conferences. He earned a Ph.D. and M.S. in Economics from Florida State University, and a B.S. in Mathematics-Economics

and Urban Studies from Furman University. He spent a year as a Rotary Ambassadorial Scholar in Guatemala where he took master classes in Development and worked on humanitarian community projects. Dr. Doerner has traveled throughout Central America and is fluent in Spanish. He resides in a mixed-use, walkable development in Hyattsville, Maryland and enjoys working together with the community to develop a sense of place and appreciates diverse, active citizenship.

***Manuel R. Geraldo, Esq.*** was appointed to the Prince George's County Planning Board in July 2012 and was reappointed in October 2015. 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 by Maryland Governor Martin O'Malley 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, board member of the Maryland Legal Aid Bureau and a member of the Maryland Court of Appeals Standing Committee on Pro Bono Service. 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 and is fluent in Portuguese and Spanish.

***A. Shuanise Washington*** was appointed to the Prince George's County Planning Board in 2011 and reappointed in 2012 and 2016. She is the President and Chief Executive Officer of National Association for Multi-ethnicity in Communications (NAMIC). Previously, Ms. Washington served as the President and Chief Executive Officer for the Congressional Black Caucus Foundation, Incorporated. (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 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.

**Gerald R. Cichy**, was appointed to the Montgomery County Planning Board in June 2016. Mr. Cichy worked at the Maryland Transit Administration/ Maryland Department of Transportation on projects such as the Corridor Cities Transitway, Purple Line light rail system and regional transit-oriented developments. From 1979 to 1984, he was director of transportation for Montgomery County and collaborated with federal, state and county agencies as well as developer and citizen groups to solve mutual problems. During his tenure, Cichy worked with Planning Department staff to coordinate implementation of master plan transportation projects. Among Cichy's achievements is a patent for a bus rapid transit vehicle with doors directly opening to transit platforms. He is a recipient of the Federal Transit Administration's "Innovative Idea Award" for a 200-mile bus rapid transit system supplementing the Metrorail system in the Washington, DC region. In 2016, he graduated from the Senior Leadership Montgomery program. Mr. Cichy holds master's degrees in both city and regional planning, and civil engineering from Catholic University. He has been a resident of Rockville in Montgomery County for nearly 50 years.

**Tina E. Patterson** was appointed to the Montgomery County Planning Board on July 28, 2017. Ms. Patterson served on the Montgomery County Human Rights Commission from 2008 to 2014 and on the Board of Trustees for the Black Rock Center for the Arts and Leadership Montgomery. She is the owner of Jade Solutions, LLC, a management consulting firm headquartered in Germantown, Maryland. She received a bachelor's degree from Brown University and a graduate certificate in Alternative Dispute Resolution from Southern Methodist University.

**Partap Verma** was appointed to the Montgomery County Planning Board in July 26, 2019. An attorney who currently works at the United States Department of Homeland Security, Mr. Verma has a proven record of civic engagement in leading community planning and advocacy efforts. He has advocated for transit infrastructure and helped start a grassroots group in Forest Glen and Montgomery Hills. He holds the land use chair position on the Mid-County Citizens Advisory Board and serves as a mediator and panel attorney for the Montgomery County Department of Housing and Community Affairs. He received a law degree with honors from the Pennsylvania State University School of Law in 2005 along with certificates in transnational law from Duke University and comparative law from the University of London. In 2001, he received a bachelor of arts degree from the University of Maryland.

## **Officers**

**Asuntha Chiang-Smith** was appointed the Commission's Executive Director in November 2019. Ms. Chiang-Smith has extensive professional experience that spans across Montgomery and Prince George's Counties as well as the State of Maryland. Most recently, she was the Chief Innovation Officer, and before then, the Chief of Staff, for the Maryland Department of Housing and Community Development (DHCD). Before joining DHCD, Ms. Chiang-Smith worked at the State House for five years as the Executive Director of Maryland's Sub-cabinet on Base Realignment and Closure, better known as BRAC. In that role, she assumed front-line responsibility for managing Maryland's \$3.5 Billion BRAC initiative. She also worked as former Governor Parris Glendening's Special Assistant for Economic Development, and former Senator Barbara Mikulski's Special Assistant on projects that include White Oak in Montgomery County and Joint Base Andrews in Prince George's County. Ms. Chiang-Smith earned her bachelor's degree from Catholic University, master's degree in public affairs and communications from American University, and an MBA from the University of Maryland. She also completed the Senior Executives Program at Harvard's Kennedy School of Government. In addition, she has experience working in IT management and holds the certification as a Project Management Professional from the PMI. Ms. Chiang-Smith serves Ex-Officio on the Board of Trustees of M-NCPPC. She is a member of the Investment Monitoring Group and the Administration and Personnel Oversight Committee.

**Joseph C. Zimmerman** was appointed by the Commission as its Secretary-Treasurer in August 2010. Mr. Zimmerman has over forty 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 American Institute of Certified Public Accountants (AICPA), Maryland Association of Certified Public Accountants (MACPA), and Government Finance Officers Associations (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. He recently launched an initiative in his law department that integrates legal project management principles with CRM tools and automated work flow elements for a new enterprise matter management technology. 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 Supreme Court, 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**

**Bill Tyler** was named Director of the Department of Parks and Recreation in Prince George's County in January 2020. A native of North Carolina, Mr. Tyler has 33 years of work experience and 26 years in the leisure services, fitness and recreation management field. Prior to joining the Department of Parks and Recreation, Mr. Tyler served as Division Chief of the Parks Department in Montgomery County. His career includes serving as the Director of Health Promotion Services for the YWCA; Executive Director of the Bowie (Maryland) YMCA of the Metropolitan Area; Regional Supervisor and Division Chief of Montgomery County (Maryland) Department of Recreation; Division Manager of the City of Las Vegas, Nevada, Department of Leisure Services; and Bureau Chief/Assistant Director for the City of Baltimore, Maryland. Mr. Tyler received certifications in Diversity Training from the Multicultural Institute of Washington and City of Las Vegas Diversity Champions training program. He has graduated and received certificates of completion from the National Recreation & Parks Executive Development School and Montgomery County Leadership Development Institute. Mr. Tyler earned his Bachelor of Science Degree in Counseling Psychology with a minor in Physical Education and Recreation Management from the University of North Carolina, Pembroke.

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**M. Andree Checkley, Esq.** was named Director of the Prince George's County Planning Department in January 2017. Ms. Checkley brings to the Planning Director position more than twenty years of specialized experience in the practice of land use law and policy development, as well as considerable management experience that includes six years as County Attorney for Prince George's County. Prior to her appointment as County Attorney, Ms. Checkley served eleven years as the Commission's Supervising Attorney and lead counsel for its Prince George's County legal team, presiding over a specialized unit dealing primarily with the administrative process and litigation related to zoning, planning and the regulation of real estate development. Her extensive experience also includes private sector practice and litigating land use cases in Maryland's trial and appellate courts. Ms. Checkley earned her Juris Doctorate degree from The American University, Washington College of Law and is a member of the National Bar Association, the American Bar Association, the Maryland State Bar Association, the J. Franklyn Bourne Bar Association, the Prince George's County Bar Association, and the District of Columbia Bar Association. She is a 2014 Graduate of Leadership Greater Washington, holds membership in the Urban Land Institute (ULI), and is active in several community organizations.

**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*, and a master plan to assure vibrant, walkable parks in areas of high population density: *Energized Public Spaces Functional Master Plan*.

**Gwen Wright** was appointed Director of the Montgomery County Planning Department 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.

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## 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. 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 47<sup>th</sup> 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 2019. The Commission intends to continue to submit its CAFR for review and believes that its CAFR for the fiscal year 2020 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 the fiscal years ending June 30, 2016 through 2020:

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**Governmental Revenues by Source (1)**

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Inter-Governmental</b>	<b>Charges for Services</b>	<b>Interest Earnings</b>	<b>Other</b>	<b>Total</b>
2016	\$236,356,618	\$5,500,765	\$18,679,372	\$923,405	\$1,489,310	\$262,949,470
2017	254,236,665	3,001,515	19,529,808	1,773,205	3,477,126	282,018,319
2018	267,943,955	5,429,927	19,648,121	4,200,497	2,656,582	299,879,082
2019	281,765,271	4,224,706	17,087,229	10,226,362	969,827	314,273,395
2020	295,548,510	15,508,615	12,840,732	7,913,872	1,742,278	333,554,007

(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)**

<b>Fiscal Year</b>	<b>General Governmental</b>	<b>Planning and Zoning</b>	<b>Park Operations (2)</b>	<b>Recreation (2)</b>	<b>Park Acquisition and Development</b>	<b>Debt Service</b>	<b>Total</b>
2016	\$ 10,800,032	\$ 31,973,181	\$ 112,751,451	\$ 51,983,840	\$ 31,636,939	\$ 9,637,059	\$ 248,782,502
2017	9,021,008	31,803,505	109,717,904	75,944,110	24,454,975	10,830,748	261,772,250
2018	11,784,748	29,997,460	120,936,493	42,187,690	41,816,723	11,031,799	257,754,913
2019	11,847,891	36,631,836	120,434,288	47,574,098	36,738,974	10,390,139	263,617,226
2020	12,290,754	26,578,182	123,731,848	77,468,185	36,441,735	12,120,269	288,630,973

(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 2017 through 2021. Also shown are the budgeted revenues and expenditures for the fiscal year 2022.

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

	2017	2018	2019	2020	Preliminary 2021	Budget 2022
<b>Revenues:</b>						
Taxes	\$134,653,737	\$141,907,359	\$149,216,218	\$156,510,766	\$167,755,438	\$170,880,500
Interest	745,836	1,683,268	3,846,245	3,105,723	36,120	2,000,000
Fees, Charges and Other	4,450,099	4,107,089	3,776,837	3,866,002	2,130,689	3,232,912
Total Revenues	<u>\$139,849,672</u>	<u>\$147,697,716</u>	<u>\$156,839,300</u>	<u>\$163,482,491</u>	<u>\$169,922,247</u>	<u>\$176,113,412</u>
<b>Expenditures and Encumbrances:</b>						
Park Management and Design	19,411,113	20,633,499	21,532,623	20,935,641	24,365,347	24,911,606
Park Police	19,272,483	21,141,910	20,767,278	21,197,596	21,908,150	21,247,862
Maintenance & Development	26,695,474	29,658,506	28,091,179	30,320,732	33,439,713	28,964,827
Park and Facility Operations	28,483,079	28,768,163	31,299,019	32,830,388	32,146,028	34,604,417
Support Services	13,842,239	11,602,195	14,821,575	13,563,461	14,723,944	13,246,757
Grants/Non-Dept	<u>6,152,199</u>	<u>5,543,553</u>	<u>6,130,724</u>	<u>6,883,170</u>	<u>6,363,726</u>	<u>9,048,375</u>
Total Expenditures and Encumbrances	<u>113,856,587</u>	<u>117,347,826</u>	<u>122,642,398</u>	<u>125,730,988</u>	<u>132,946,908</u>	<u>132,023,844</u>
<b>Other Financing Sources (Uses):</b>						
Debt Service Fund	(10,830,748)	(11,031,799)	(10,390,139)	(12,120,269)	(11,707,810)	(13,063,277)
Other, Net	<u>(6,312,413)</u>	<u>(10,744,021)</u>	<u>(20,500,375)</u>	<u>(37,473,463)</u>	<u>(35,980,948)</u>	<u>(27,550,000)</u>
Total	<u>(17,143,161)</u>	<u>(21,775,820)</u>	<u>(30,890,514)</u>	<u>(49,593,732)</u>	<u>(47,688,758)</u>	<u>(40,613,277)</u>
Excess (deficiency) of revenues and other sources over expenditures, encumbrances and other uses	8,849,924	8,574,070	3,306,388	(11,842,229)	(10,713,419)	3,476,291
Beginning Fund Balance	<u>118,796,887</u>	<u>127,646,811</u>	<u>136,220,881</u>	<u>139,527,269</u>	<u>127,685,040</u>	<u>116,971,621</u>
Ending Fund Balance	<u>\$127,646,811</u>	<u>\$136,220,881</u>	<u>\$ 139,527,269</u>	<u>\$ 127,685,040</u>	<u>\$ 116,971,621</u>	<u>\$ 120,447,912</u>

Source: The Maryland-National Capital Park and Planning Commission.

## **Fiscal Year 2021 Operating Results and 2022 Fiscal Outlook**

The Commission's Finance Department 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 2021 budget was adopted with the same total tax rate as in fiscal year 2020 and is unchanged from the levels established in fiscal year 2016. The tax rate in fiscal year 2016 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 fiscal year 2021, the aggregate of the General Fund-Park Account revenues (including transfers) were \$1,290,957 more than the budgeted amount and expenditures (including transfers) were \$597,076 more than the budgeted amount for Prince George's County. The Prince George's County General Fund-Park Account Total Budgetary Fund Balance (unaudited) is \$116,971,621 at June 30, 2021. The Fund Balance consists of unassigned funds totaling \$110,370,421 and assigned for contingencies of \$6,601,200.

For fiscal year 2022, the aggregate of the General Fund-Park Account revenues (including transfers) are \$3,476,291 greater than the budgeted amount for Prince George's County. The Prince George's County General Fund-Park Account Adopted Total Budgetary Fund Balance is projected to be \$120,140,208 at June 30, 2022. The Fund Balance consists of uncommitted funds totaling \$113,539,008 and assigned for contingencies of \$6,601,200.

The Commission's fund balance policy requires a contingency reserve of between 3 to 5% of expenditures. The fiscal year 2022 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.

## Property Tax Rates and Levies

The following table sets forth the Prince George’s County tax rates and tax levies allocated to the Commission for the fiscal years ending June 30, 2017 through 2021.

### **Property Tax Rates and Levies Allocated to the Commission (1)(2)(3)**

<b>Fiscal Year</b>	<b>Administration(1)(3)</b>	<b>Park Operations (1)(3)</b>	<b>Recreation</b>	<b>Advance Land Acquisition(2)</b>	<b>Total(1)(2)(3)</b>	<b>Tax Levy</b>
2017	\$ 0.0566/0.1415	\$ 0.1594/0.3985	\$ 0.0780/0.1950	\$ 0.0000/0.0000	\$ 0.2940/0.7350	\$ 249,913,802
2018	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	268,697,483
2019	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	282,499,972
2020	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	296,981,830
2021	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	314,185,664

(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.

## Property 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 June 30, 2017 through 2021.

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections (1)</b>	<b>of Levy Collected</b>	<b>Subsequent Years (1)</b>	<b>Total Collections</b>
2017	\$ 249,913,802	\$ 249,903,802	99.9%	\$ (229,623)	\$ 249,674,179
2018	268,697,483	267,943,624	99.7%	14,032	267,957,656
2019	282,499,972	281,764,984	100.0%	734,988	282,499,972
2020	296,981,830	294,224,035	100.0%	2,757,795	296,981,830
2021	314,185,664	313,167,413	99.7%	-	313,167,413

(1) Prince George’s County Government.

## 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”). 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 2022 through 2027 is summarized below (in thousands of dollars):

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
DEPARTMENT OF FINANCE**

**THE PRINCE GEORGE'S COUNTY DEPARTMENT OF PARKS AND RECREATION  
APPROVED CAPITAL BUDGET AND PROGRAM  
FOR FISCAL YEARS 2022 - 2027**

	<u>TOTAL</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
REVENUE SOURCES (\$000s)							
Bonds - Commission	\$ 38,100	\$ 15,600	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500
Contributions - Developer	2,030	2,030	-	-	-	-	-
Current Revenue - Commission	177,150	38,550	33,350	25,750	26,500	26,500	26,500
Program Open Space (POS)	32,423	32,423	-	-	-	-	-
<b>TOTAL REVENUE SOURCES</b>	<b><u>\$ 249,703</u></b>	<b><u>\$ 88,603</u></b>	<b><u>\$ 37,850</u></b>	<b><u>\$ 30,250</u></b>	<b><u>\$ 31,000</u></b>	<b><u>\$ 31,000</u></b>	<b><u>\$ 31,000</u></b>
EXPENDITURE CATEGORIES (\$000s)							
Acquisition	\$ 24,803	\$ 9,803	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
Development	224,900	78,800	34,850	27,250	28,000	28,000	28,000
<b>TOTAL EXPENDITURE CATEGORIES</b>	<b><u>\$ 249,703</u></b>	<b><u>\$ 88,603</u></b>	<b><u>\$ 37,850</u></b>	<b><u>\$ 30,250</u></b>	<b><u>\$ 31,000</u></b>	<b><u>\$ 31,000</u></b>	<b><u>\$ 31,000</u></b>

Source: The Maryland-National Capital Park & Planning Adopted Budget.

## **COVID-19 Impact on the Commission**

In response to the ongoing COVID-19 Pandemic, the Governor of the State of Maryland proclaimed a state of emergency and catastrophic health emergency within the State of Maryland on March 5, 2020, which was renewed several times. During the state of emergency, the Governor issued a series of executive orders, among other things prohibiting large gatherings and events, requiring closure of nonessential and certain other businesses and authorizing emergency healthcare delivery. As a result of these orders, many businesses and retail establishments in Maryland, including the Commission, closed or materially reduced business activity. The state of emergency was ended by the Governor on June 15, 2021 although the pandemic continues to affect the State.

The Commission's principal source of revenue is property taxes, which constitute approximately 85% of revenue. To date, the levy and collection of property tax has not been negatively affected by the pandemic. Revenues remain strong and the assessable base is growing, as a result of increased housing prices. The Commission did experience an increase in cost in response the pandemic, estimated at \$4.6 million through June 30, 2021. Those costs were partially offset by CARES and FEMA grants in the amount of \$2.2 million. The balance was absorbed in the operating budgets of the various Commission funds.

The COVID-19 pandemic's long-term impact on the Commission pension funding and contribution requirements cannot be currently determined. Further the ongoing COVID-19 pandemic may cause additional economic and health challenges that cannot be anticipated at this time.

## **Plans for Future Debt**

The Commission has no plans to incur additional general obligation debt during fiscal year 2022 for Prince George's County.

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## 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, CorVel Corporation, 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 July 1, 1987, local government entities, including the Commission, are protected by the Local Government Tort Claims Act. The State law was amended effective October 2015 to modify the liability of the Commission for common law torts, such as negligence. Liability 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, 2021, the Commission's Risk Management Fund had net assets of \$17,303,578 of which \$5,982,778 was for Montgomery County and \$11,320,800 was for Prince George's County. The Commission's approved budget for fiscal year 2022 includes an appropriation of \$3,503,512 for Montgomery County risk management costs and \$5,081,313 for Prince George's County for a total of \$8,584,825 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 2021, the Commission had approximately 5,950 employees, which included 2,224 full and part-time merit employees and 3,680 seasonal employees, 23 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 38% 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 has a three-year contract with the FOP from February 1, 2020 through January 31, 2023. 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 which was scheduled to terminate on June 3, 2021 remains in effect until the newly negotiated collective bargaining agreement was ratified on September 15, 2021. The new agreement will cover a 3 year period from July 1, 2021 through June 30, 2024 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 1,264 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 Commission’s annual Other Postemployment Benefit (“OPEB”) cost (Expense) is calculated based on the Actuarially Determined Contribution (“ADC”) of the employer an amount actuarially determined in accordance with parameters established in current Governmental Accounting Standards Board (“GASB:”) accounting standards. The ADC 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 components of the net OPEB Liability as of June 30, 2021, are as follows:

Total OPEB Liability	\$ 419,642,104
Plan Fiduciary Net Position	<u>128,764,522</u>
Net OPEB Liability	<u>\$ 290,877,582</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	30.7%

An actuarial valuation of the plan was performed as of July 1, 2020. Based on the assumptions and qualifications stated therein, the OPEB report concluded that the fiscal year 2021 ADC for the Commission is \$29,465,000 and the related unfunded actuarial liability (UAL) is \$321,335,583. The budgetary impact in fiscal year 2022 to meet the OPEB obligation after considering the amounts needed to make current benefit payments is \$21,372,000.

### **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 was 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 twenty-two professional investment managers: Aberdeen Asset Management, Inc. of Stamford, Connecticut; Blackrock Institutional Trust Company of New York, New York; Capital Group of New York, New York; CSM Advisors (was C.S. McKee, L.P.) of Pittsburg, Pennsylvania; Earnest Partners International of Atlanta, Georgia; Eaton Vance Management of Boston, Massachusetts; Golub Capital of New York, New York; Grosvenor Capital Management, LP, New York; HarbourVest of Boston, Massachusetts; JP Morgan Asset Management of New York; Loomis Sayles & Company L.P. of Boston, Massachusetts; Neuberger Berman of Chicago, Illinois; Oaktree Capital Management of New York, New York; PGIM of Newark, New Jersey; 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 (was ING Investment), New York; and Western Asset Management of Pasadena, California; White Oak Global Advisors of New York. 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 2020 were audited by SB & Company, LLC of Owings Mills, Maryland.

The Retirement System’s actuarial valuation as of July 1, 2020 was performed by Cheiron, Virginia. As of that date, there was an unfunded actuarial accrued liability of \$96,194,953 and a funded ratio of 91.18% (as a percentage of actuarial value of assets).

The following table presents the Commission’s actual contributions for the four most recent fiscal years for which audited financial statements are available and the unaudited contribution made July 1, 2020 for fiscal year 2021.

<b><u>Fiscal Year Ended June 30</u></b>	<b><u>Annual Required Contribution(1)</u></b>	<b><u>Percentage Contributed</u></b>
2017.....	\$20,268,189	100.0%
2018.....	24,822,301	100.0
2019.....	24,792,093	100.0
2020.....	24,792,093	100.0
2021*.....	22,312,947	100.0

\*Unaudited.

(1) Fiscal year 2018 originally determined contribution by the prior Actuary was \$19,422,872 and later changed by the new Actuary \$24,822,301. Fiscal year 2019 originally determined contribution by the prior Actuary was \$17,514,943 and later changed by the new Actuary \$24,792,093.

Prior to the establishment of the Maryland-National Capital Park and Planning Commission Employee's Retirement System (ERS) in 1972, employees of the Commission were members of the Maryland State Retirement and Pension System (MSRS). There are no active employees of the Commission currently members of the Maryland State Retirement System. The Commission contributed to that system annually for past service cost which was amortized over a 40-year period ending June 30, 2020. Pension costs paid were \$240,000 each year in fiscal year 2018 to 2020. The Commission has no further obligation to the Maryland State Retirement System

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

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## **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 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.

### 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, 2021.

#### The Maryland-National Capital Park and Planning Commission Bonded Debt as of June 30, 2021

Fiscal Years Ending June 30	Montgomery County (1)			Prince George's County (2)		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2022	\$ 5,085,000	\$ 1,757,108	6,842,108	\$ 6,708,629	\$ 3,354,649	10,063,278
2023	5,145,000	1,556,558	6,701,558	6,806,364	3,034,564	9,840,928
2024	4,935,154	1,373,667	6,308,821	6,886,159	2,742,219	9,628,378
2025	4,486,880	1,223,260	5,710,140	6,109,958	2,447,120	8,557,078
2026	4,211,269	1,093,288	5,304,557	6,189,893	2,192,386	8,382,279
2027	4,252,507	977,928	5,230,435	6,252,861	1,965,317	8,218,178
2028	3,999,800	870,972	4,870,772	5,778,580	1,736,948	7,515,528
2029	4,028,737	770,385	4,799,122	5,851,717	1,562,892	7,414,609
2030	3,760,801	675,909	4,436,710	5,943,452	1,380,858	7,324,310
2031	3,796,267	583,459	4,379,726	6,018,609	1,180,450	7,199,059
2032	3,835,508	492,497	4,328,005	6,088,187	999,810	7,087,997
2033	3,881,953	400,682	4,282,635	6,166,153	827,344	6,993,497
2034	3,193,294	313,300	3,506,594	6,242,395	657,746	6,900,141
2035	2,250,000	239,550	2,489,550	4,495,000	489,100	4,984,100
2036	2,275,000	171,600	2,446,600	4,540,000	340,869	4,880,869
2037	1,500,000	114,525	1,614,525	3,200,000	189,125	3,389,125
2038	1,100,000	75,075	1,175,075	1,550,000	83,313	1,633,313
2039	1,100,000	41,625	1,141,625	1,550,000	28,094	1,578,094
2040	500,000	18,675	518,675	-	-	-
2041	500,000	6,225	506,225	-	-	-
Total	<u>\$63,837,170</u>	<u>\$12,756,287</u>	<u>\$76,593,457</u>	<u>\$96,377,957</u>	<u>\$ 25,212,803</u>	<u>\$ 121,590,760</u>

(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 Debt Service (1)	General Obligation Park Acquisition and Development Project Bonds, Series PGC-2021A		Adjusted Total Debt Service (1)
		Principal	Interest (2)	
2022	\$10,063,278	\$0	\$493,633	\$10,556,911
2023	9,840,928	\$1,255,000	972,625	12,068,553
2024	9,628,378	1,255,000	909,875	11,793,253
2025	8,557,078	1,255,000	847,125	10,659,203
2026	8,382,279	1,255,000	784,375	10,421,654
2027	8,218,178	1,255,000	721,625	10,194,803
2028	7,515,528	1,255,000	658,875	9,429,403
2029	7,414,609	1,255,000	596,125	9,265,734
2030	7,324,310	1,255,000	533,375	9,112,685
2031	7,199,059	1,255,000	470,625	8,924,684
2032	7,087,997	1,255,000	407,875	8,750,872
2033	6,993,497	1,255,000	345,125	8,593,622
2034	6,900,141	1,255,000	282,375	8,437,516
2035	4,984,100	1,255,000	219,625	6,458,725
2036	4,880,869	1,255,000	175,700	6,311,569
2037	3,389,125	1,255,000	150,600	4,794,725
2038	1,633,313	1,255,000	124,716	3,013,028
2039	1,578,094	1,255,000	98,047	2,931,141
2040	0	1,255,000	70,594	1,325,594
2041	0	1,255,000	42,356	1,297,356
2042	0	1,255,000	14,119	1,269,119
<b>Total</b>	<b><u>\$121,590,760</u></b>	<b><u>\$25,100,000</u></b>	<b><u>\$8,919,390</u></b>	<b><u>\$155,610,150</u></b>

(1) Totals may not add due to rounding.

(2) Interest rates range between 2.000% and 5.000%.

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The following table sets forth the fiscal years ending 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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Assessed Value (Thousands) (1)</u>	<u>Actual Value (Thousands) (1)</u>	<u>Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Ratio of Bonded Debt to Actual Value</u>	<u>Bonded Debt per Capita</u>
2016.....	908,049	\$ 79,385,919	\$ 83,358,932	\$ 72,183,753	0.11%	0.12%	79.49
2017.....	912,756	83,863,174	90,132,616	64,533,624	0.13%	0.14%	70.70
2018.....	909,308	90,065,188	95,968,711	92,162,041	0.10%	0.10%	101.35
2019.....	909,327	95,038,631	100,803,829	119,226,732	0.08%	0.08%	131.12
2020.....	N/A	100,289,916	105,754,105	110,946,300	0.09%	0.10%	N/A

(1) Population U.S. Census Bureau. Assessed Value and Actual Value are from the Prince George’s County fiscal year 2020 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 the fiscal years ending June 30, 2016 through 2020.

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

<u>Fiscal Year</u>	<u>Total Debt Service(1)</u>	<u>Total General Governmental Expenditures(2)</u>	<u>Ratio of Debt Service to General Expenditures</u>
2016	\$ 9,470,757	\$ 260,842,696	3.63 %
2017	10,827,072	252,701,903	4.28
2018	10,786,867	285,001,390	3.78
2019	10,000,926	288,874,467	3.46
2020	12,120,269	280,473,381	4.32

(1) Does not include paying agent fees or debt issuance costs.

(2) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

Source: Prince George’s County Fiscal Year 2020 Comprehensive Annual Financial Report.

### 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 2000 to 2010 the County grew by approximately 61,905 people. Between 2010 and 2020 the population growth in the County increased 20.7%. The County's growth has been slightly faster than the population growth in Maryland (16.4%) and the United States (17.8%) between 2010 and 2020.

In 2019, 65.8% of the County's residents were between the ages of 18 and 64 years old, which was slightly higher than the State of Maryland (59.2%) and the United States (61.6%). The share of the County's population that was 65 years and older (13.9%) was higher compared to the State of Maryland (7.2%) and lower compared to the United States (16.5%).

Year	County	State of Maryland	United States
2020	967,201	6,166,224	331,449,281
2010	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 (2000-2020)	20.7%	16.4%	17.8%

*Source: 2020 Census, Bureau of the Census, Department of Commerce (as of April 1, 2021)*

## Employment

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

Industry	Prince George's County				Maryland	
	(2015)		(2019)		(2019)	
	Sectoral Employment	% of Total	Sectoral Employment	% of Total	Sectoral Employment	% of Total
Government Employment	88,433	29%	90,186	28%	245,253	10%
Private Employment	217,684	71%	234,408	72%	2,210,301	90%
Natural Resources and Mining	144	0%	102	0%	7,189	0%
Construction	25,061	8%	28,295	9%	165,865	7%
Manufacturing	6,990	2%	7,657	2%	112,287	5%
Trade, Transportation and Utilities	59,368	19%	60,370	19%	463,519	19%
Information	3,861	1%	2,936	1%	35,309	1%
Financial Activities	11,095	4%	11,686	4%	135,150	6%
Professional and Business Services	38,577	13%	39,726	12%	462,824	19%
Education and Health Services	32,318	11%	35,327	11%	450,492	18%
Leisure and Hospitality	30,444	10%	36,199	11%	282,793	12%
Other Services	9,826	3%	12,108	4%	94,842	4%
Unclassified	0	0%	0	0%	30	0%
<b>Total</b>	<b>306,117</b>	<b>100%</b>	<b>324,594</b>	<b>100%</b>	<b>2,455,554</b>	<b>100%</b>

*Source: Maryland Department of Labor, Licensing and Regulations Employment and Payroll - County Industry Series (as of February 2021).*

## Principal Employers

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

<b>Prince George's County Principal Employers 2019</b>		
<b>Employer</b>	<b>Product or Service</b>	<b>Number of Employees</b>
<b>LARGEST PRIVATE SECTOR EMPLOYERS</b>		
United Parcel Service	Package Delivery (Regional Headquarters)	3,000
MGM National Harbor	Casino Gaming	2,785
Marriott International/Gaylord Resort and Convention Center	Hotels and Motels	2,200
University of Maryland Capital Region Health	Health Services/Nursing Homes	1,800
Verizon	Communications Services	1,800
Melwood	Social Services	1,400
Doctors Community Hospital	Medical Services	1,300
MedStar Southern Maryland Hospital Center	Medical Services	1,240
<b>LARGEST PUBLIC SECTOR EMPLOYERS</b>		
University System of Maryland <sup>1</sup>	Higher Education	20,250
Prince George's County Public Schools	Education	19,441
Joint Base Andrews Naval Air Facility Washington <sup>2</sup>	Defense Installation (civilian and military employees)	17,500
Prince George's County	Local Government	7,245
United States Internal Revenue Service <sup>2</sup>	Revenue Collection/Data Processing	4,735
United States Bureau of the Census <sup>2</sup>	Demographic and Economic Surveys	4,605
NASA/Goddard Space Flight Center <sup>2</sup>	Space Satellite Design and Tracking	3,000
Prince George's Community College	Education	2,120
National Maritime Intelligence-Integration Office <sup>2</sup>	Maritime Intelligence Analysis	1,890
United States Department of Agriculture <sup>2</sup>	USDA Library/Agricultural Research	1,725
National Oceanic and Atmospheric Administration <sup>2</sup>	Weather Analysis and Reporting	1,375
Adelphi Laboratory Center <sup>2</sup>	Military Installation	1,235
Note: Excludes post offices, state government, national retail and food service; includes higher education.		
<sup>1</sup> Includes University of Maryland College Park, University of Maryland University College and Bowie State University		
<sup>2</sup> Excludes contractors		

Source: Maryland Department of Commerce; Prince George's County Economic Development Corporation (as of February 2021).

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Between 2011 and 2020, the unemployment rate for the County generally remained close to the State of Maryland's unemployment rate and at or below that of the United States as shown in the following table.

<b>Labor Market Characteristics</b>					
<b>2011-2020</b>					
Year	<b>County Residents</b>		<b>Unemployment Rate</b>		
	Civilian Labor Force	Resident Employment	Prince George's County	State of Maryland	United States
2011	482,936	446,880	7.5	7.2	9.0
2012	484,976	449,677	7.3	7.0	8.1
2013	486,017	452,445	6.9	6.6	7.4
2014	485,869	456,453	6.1	5.8	6.2
2015	486,583	461,112	5.2	5.1	5.3
2016	501,485	479,096	4.5	4.5	4.9
2017	507,781	486,103	4.3	4.2	4.4
2018	507,208	486,413	4.1	3.9	3.9
2019	513,953	494,665	3.8	3.6	3.7
2020	511,743	470,375	8.2	6.8	8.1

*Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics Program. \*Not seasonally adjusted. (as of February 2021)*

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## Income

In 2019, the County's aggregate personal income totaled \$46 billion. The per capita personal income in the County during 2019 was \$50,625. The growth rate of the County's per capita personal income between 2009 and 2019 was 2.3%. This percentage was lower than in the United States (3.7%) and the State of Maryland (2.9%).

The County's median household income in 2019 was \$86,290 compared to \$76,741 in 2015, an increase of 12.4% in the 5-year period. Jurisdictional comparisons are shown below:

<b>Median Household Income</b>			
<i>2015 and 2019</i>			
<b>Metro Jurisdiction</b>	<b>Median Household Income</b>		
	2015	2019	% Change
State of Maryland	\$75,847	\$86,738	14%
Washington Metro Area:			
<b>Prince George's County</b>	<b>76,741</b>	<b>86,290</b>	<b>12.4%</b>
Calvert County	106,247	112,380	5.8%
Charles County	88,700	103,932	17.2%
Frederick County	83,819	103,516	23.5%
Montgomery County	98,917	110,389	11.6%
Baltimore Metro Area:			
Anne Arundel County	91,230	101,147	10.9%
Baltimore City	44,165	50,177	13.6%
Baltimore County	68,775	77,358	12.5%
Carroll County	84,887	103,014	21.4%
Harford County	78,050	92,331	18.3%
Howard County	110,892	121,618	9.7%

Source: U.S. Bureau, American Community Survey 1-Year Estimates (as of February 2021) 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.

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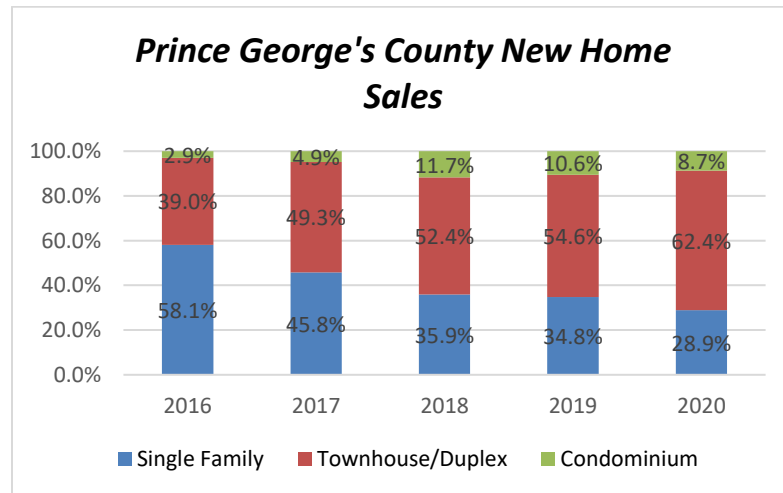
## Housing

The composition of the County’s housing market is displayed in the following table. Between 2015 and 2019, total housing units increased by 1.3% (an increase of approximately 4,484 units). During this time period, single family homes increased by 2.0% and multi-family homes remained relatively the same.

<b>Housing Units by Type of Structure</b>					
	2015	2016	2017	2018	2019
<b>Single Family</b>					
Number of Units	223,345	223,888	225,487	227,859	227,886
Percent of Market	67.4%	67.3%	67.9%	68.3%	67.9%
<b>Multi-Family</b>					
Number of Units	107,949	108,681	106,669	105,999	107,892
Percent of Market	32.6%	32.7%	32.1%	31.7%	32.1%
<b>Total Units</b>	<b>331,294</b>	<b>332,569</b>	<b>332,156</b>	<b>333,858</b>	<b>335,778</b>

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (as of February 2021)

Over the last several years, townhomes and duplexes have made up a majority of new home sales in the County, averaging 51.5% of total new home sales from 2016 to 2020. Single family detached homes have averaged 40.7% of new sales during this period.



Source: Zonda, March 15, 2021

According to the State Department of Assessments and Taxation, median residential sales of owner-occupied properties in the County have increased by 5.0% from fiscal year 2018 to fiscal year 2019. The median sales price of these properties has also increased during this time period from \$319,393 in 2018 to \$330,000 in 2019.

### **Median Residential Sales**

Improved, Owner-Occupied Properties

Fiscal Year	Number of Transactions	Annual Growth Rate	Median Sales Price	Annual Growth Rate
2020	8,617	-6.3%	355,000	7.6%
2019	9,200	5.0%	330,000	3.3%
2018	8,766	10.9%	319,393	5.6%
2017	7,904	15.4%	302,313	5.0%
2016	6,851	32.0%	288,000	3.2%
2015	5,192	13.9%	279,189	9.5%
2014	4,559	2.8%	255,000	13.8%
2013	4,435	16.0%	224,000	6.7%

*Source: Maryland Department of Assessments and Taxation (as of April 2021)*

The following table shows the number of residences distributed within certain housing value ranges. During 2019, the majority of residences were valued between \$300,000 and \$499,999.

### **Estimated Market Value of Owner-Occupied Residential Property**

Value Range	2018		2019		Increase (Decrease)
	Number of Residences	Share of Residences	Number of Residences	Share of Residences	Number of Residences
Less than \$50,000	4,408	2.2%	3,742	1.9%	(666)
\$50,000 to \$99,999	4,282	2.2%	2,041	1.0%	(2,241)
\$100,000 to \$149,999	5,770	2.9%	4,000	2.0%	(1,770)
\$150,000 to \$199,999	10,789	5.5%	9,674	4.9%	(1,115)
\$200,000 to \$299,999	60,383	30.6%	56,209	28.4%	(4,174)
\$300,000 to \$499,999	90,587	45.9%	99,116	50.0%	8,529
\$500,000 to \$999,999	19,292	9.8%	22,049	11.1%	2,757
\$1,000,000 or more	1,676	0.8%	1,253	0.6%	(423)
<b>Total Owner-Occupied Units</b>	<b>197,187</b>		<b>198,084</b>		<b>897</b>

*Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (as of February 2021).*

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

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## 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 2011 and 2020, the value of new residential construction within the County has averaged approximately \$379.2 million annually. Non-residential construction has averaged approximately \$462.0 million annually. The value of new residential construction within the County in 2020 was \$342.8 million as compared to \$368.7 million in 2019. The value of new non-residential construction within the County in 2020 was \$532.3 million as compared to \$398.3 million in 2019.

<b>Building Permits</b>									
Calendar Year	Residential			Commercial			Total		
	Permits Issued	Total Valuation (\$K)	Average Valuation (\$K)	Permits Issued	Total Valuation (\$K)	Average Valuation (\$K)	Total Permits Issued	Total Valuation (\$K)	Average Valuation (\$K)
2011	1,394	166,440	119	157	103,627	660	1,551	270,067	174
2012	1,247	190,332	153	178	235,578	1,323	1,425	425,910	299
2013 <sup>(1)</sup>	1,642	264,814	161	224	131,814	588	1,866	396,628	213
2014 <sup>(2)</sup>	1,727	264,638	153	359	364,466	1,015	2,086	629,104	302
2015 <sup>(3)</sup>	1,669	261,672	157	294	1,600,038	5,442	1,963	1,861,710	948
2016 <sup>(4)</sup>	1,745	801,888	460	203	199,938	985	1,948	1,001,826	514
2017	1,831	312,176	170	215	363,286	1,690	2,046	675,462	330
2018	1,405	358,368	255	145	291,947	2,013	1,550	650,315	420
2019	2,148	368,742	172	130	398,242	3,063	2,278	766,984	337
2020	2,112	342,820	162	180	532,297	2,957	2,292	875,117	382
Total CY 11-20	20,545	\$3,792,415	\$2,224	\$2,488	\$4,620,347	\$21,736	23,033	\$8,412,762	\$4,338
Average Annual	2,055	\$379,241	\$222	249	\$462,035	\$2,174	2,303	\$841,276	\$434

<sup>(1)</sup>Prince George's County Department of Permitting, Inspections and Enforcement (DPIE) Opened July 1, 2013

<sup>(2)</sup>First full year of DPIE Existence

<sup>(3)</sup>Major design-build commercial developments under construction in CY 2015: MGM Resort Casino \$1,300,000 and

<sup>(4)</sup>Recovery in residential market and increased construction of larger, more expensive homes and apartments

Source: Bureau of the Census and Prince George's County Department of Permitting, Inspections and Enforcement (Updated February 2021)

During 2020, approximately 597,677 square feet of new commercial space was delivered to the market in Prince George's County. In 2020, Prince George's County accounted for 7.3% of all the new commercial space delivered in the Washington Metropolitan Region. The total square footage of commercial space delivered by type during the calendar years 2016 through 2020 is shown below:

<b>Commercial Square Feet Delivered, by Type</b>					
Type	2016	2017	2018	2019	2020
Office	72,508	60,840	75,000	313,675	171,276
Retail	802,761	171,964	136,519	58,046	25,946
Flex	479,815	22,180	109,800	203,849	400,455
Industrial	0	439,199	167,146	104,973	0
Total Square Footage	1,355,084	748,183	488,465	680,543	597,677
% of Metropolitan Area	14.87%	8.21%	8.21%	6.87%	7.28%

Source: CoStar (Accessed March 15, 2021)

## Economic Activity

*The impact of the COVID-19 pandemic to the economy is not fully reflected below since it is still evolving.*

Contracting opportunities with government, research, technology and defense industry anchors contributed to a resilient County economy during the COVID-19 pandemic. The federal government and the County's mixed commercial base cushion the impact of economic downturns, but in recent years has also catapulted the County to lead the state in job growth.

- During the COVID-19 pandemic that began in March 2020, the County's unemployment rate increased from 3.6 percent pre-pandemic in February to a peak of 10.9 percent in May. Since May, as employment levels began to rebound with the addition of 15,967 net new jobs, the unemployment rate declined to 8.0 percent by the end of 2020.
- Residential values have risen 11.3 percent in the County during the past year (2020 over 2019) with a median sales price of \$345,000 in December 2020 versus \$310,000 in December 2019.

Economic Development Strategy. The M-NCPPC, and its consultant, Battelle Technology Partnership Practice, completed work on a targeted economic development strategy for the County in May 2013. The strategy continues to be employed to identify and target key high-growth industries that have the greatest potential to contribute to economic growth and development in the 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. The County has begun work on a new Strategic Plan, likely to be completed in 2021.

There are fifteen federal agencies located in the County, with many of them focused on research and development. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, USDA-APHIS, 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 has continuing construction of facilities, some identified for national security-related information technology tenants, on its 150-acre Discovery District.

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### ***Prince George's County Economic Development Corporation***

- Market the County as a great business location – regionally and globally
  - Retain, expand and grow existing businesses
  - Attract new businesses
  - Promote the growth and development of small, minority and disadvantaged businesses
  - Operate the "Innovation Station" to nurture entrepreneurs, innovators and small businesses to accelerate job creation and business growth
  - Promote strategic retail development, and attract new restaurants and dining concepts
  - Serve as the "front door" for applications to the \$50 million Economic Development Incentive Fund
  - Assist local companies' export to selected markets, attract foreign direct investment, and attract international companies to the County
  - Secure funds necessary to implement economic development strategies, promote the Foreign Trade Zone (FTZ), and expand incubator/accelerator programs
  - Connect County businesses, job seekers and residents to workforce services and training resources at Employ Prince George's
-

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

- The United States Citizenship & Immigration Services (USCIS) through a long-term lease agreement with One Town Center, LLC has recently constructed a 575,000 square foot, high-security, blast-resistant office building and 1,755 space parking structure at the Branch Avenue Metro Station. The construction was completed in 2020. This project is projected to spur additional transit-oriented development that includes retail, residential, and additional office space. In 2020, USCIS began relocating 3,200 full-time and 500 part-time employees from Washington, D.C. to its new headquarters at the property in Camp Springs.
- The 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, an 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 East 488-acre development adjacent to the new road has the ability to accommodate about two million square feet of commercial space and 2,000 residential units. Construction of residential units is scheduled to begin in 2021.
- The Towne Square at Suitland Federal Center is a \$402 million mixed-use development currently under construction adjacent to the Suitland Federal Center with six federal agencies and more than 7,000 employees. The project includes construction of 219 townhouses, 137 senior multi-family units, 87,000 square feet of retail space, 50,000 square feet of public space and a hotel with conference space.
- The EDC Innovation Station opened in February 2018 as a collaborative co-working space and an expansion of the EDC's former Technology Assistance Center (TAC) business incubator. It is located in Largo within a federal Opportunity Zone and Foreign Trade Zone to foster the success of small businesses, entrepreneurs and inventors, and provide a soft landing for international businesses entering the U.S. market.
- The new Homewood Suites by Hilton opened in May 2019 at the Inglewood Business Park, within the newly developing "Downtown Largo." The \$20 million extended stay all suites hotel has four-stories, 116 keys, 82,000 square feet with 3,000 square feet of flexible meeting space.
- The Shops at Iverson is a 600,000+ square foot retail and office center. The property sits on 20 acres and recently completed a \$10 million renovation project. Since 2018 the shopping center has welcomed several new tenants including Shopper's World and new to the renovated food court Quickway Hibachi, Chipotle, Tropical Smoothie Café and Wing Stop. Charley's Philly Steak & Wings and Hook & Reel will be new tenants along with Citi Trends and Town Hall Live that are currently going through the County's permit process.
- 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. Townhome construction began in 2016. At completion of the overall project, the development will have 15,000 homes, one million square feet of retail space, four million square feet of office space and three hotels, making it one of the largest developments in Prince George's County.

- Kaiser Permanente of the Mid-Atlantic, an affiliate of Kaiser Permanente, expanded in April 2019 to a 176,000 square foot build-to-suit class A office building adjacent to the New Carrollton Metro Station in Lanham for its administrative and information technology operation of 1,000 employees. Also, the healthcare provider has a \$38 million, 45,500 square foot medical office building under construction in the Greater Bowie area scheduled to open in August 2021 that will create 75 permanent full-time jobs.
- Children’s National Medical Center is expanded into the County to a 60,000 square foot build-to-suit class A medical office building in July 2020 at the Woodmore Towne Centre at Glenarden. The project will create 300 permanent full-time jobs, providing healthcare for children.
- With its US headquarters in Arlington, Virginia, Lidl, a global discount supermarket chain from Germany, has over 95 stores in 9 states along the East Coast. Lidl made an imprint here in Prince George’s County with 6 store locations; the first in 2018 in Bowie, followed by stores in District Heights, Lanham, College Park, Takoma Park and Oxon Hill. Lidl’s expansion will continue with a current location under construction in Camp Springs.
- Anchored by Prince George’s County’s first Whole Foods Market, The Station at Riverdale Park boasts over 120,000 square feet of occupied retail space. Tenants include Gold’s Gym, Starbucks, District Taco, Burton’s Grill & Bar, Jersey Mike’s Subs, MOD Pizza, Denizens Brewing Company and Habitat Burger, among others. Construction is also underway on the Hyatt House, a five-story hotel with approximately 120 rooms with street-level retail.
- The Discovery District is the University of Maryland - College Park's 150+ acre public-private research park with over \$2 billion in public and private development and more in the pipeline. Anchored by The Hotel at the University of Maryland, a four-diamond \$190 million hotel with 297 guest rooms and 43,000 square feet of conference space, the Discovery District is home to a combination of established national companies, start-up ventures, government agencies, university research centers and nonprofit organizations. Prominent projects in the Discovery District include Corporate Office Properties Trust's (COPT's) four existing class A office buildings, with plans for two additional class A office buildings at 4400 and 4500 River Road; three St. John Properties' flex R&D buildings that are home to College Park Academy (a charter school for middle and high school students), as well as light manufacturing maker space; WeWork College Park offering co-working and private office space, which is the first WeWork in the State of Maryland, as well as the first on a college campus; and the newly opened The Hall CP, an 8,000 square foot cafe, restaurant and event venue with a "beer garden" backyard. A TOD mixed-use residential development is coming - Gilbane’s Atworth at College Park Metro Station - on 6.4 acres of land that is planned for 451 multifamily residential units, 5,000 square feet of retail space and a 324-space parking garage at the College Park Metro Station. Additionally, a new \$300 million mixed-use development was announced in April 2021 for a five-acre site at Campus Drive and Baltimore Avenue to include new office, retail, research and housing space by the campus’ main gateway.
- Topgolf opened a new facility in Oxon Hill in June 2019 to provide a new entertainment venue near National Harbor that includes a golf range, space for parties and events, and a complete menu of food and drinks. With a cost estimate of \$18 million, the facility has a workforce of 600 employees.
- MedStar Southern Maryland Hospital in Clinton has several improvements recently completed or underway that include a new \$11 million, 25,000 square foot cancer center completed in 2020 and resulted in 120 net new jobs; a new \$41 million, 70,000 square foot emergency room was completed in March 2021; and a \$7.6 million, 13,400 square foot behavioral health unit renovation is under construction to be completed later this year with a combined addition of 80 net new jobs.
- Riverfront at West Hyattsville Metro Station development will include a new Kaiser Permanente 3-story 45,765 square foot build-to-suit Class A medical office building, 183 townhouses, 600 apartments and 10,000 square feet of retail space.

- Southern Gateway development in College Park broke ground in April 2020 on a mixed-use development that will include 393 multifamily housing units, 60,000 square feet of retail space and a 700-space structured parking facility.
- Carillon mixed-use development is situated on 38.7 acres of land adjacent to the Largo Metro Station and the new University of Maryland Capital Region Medical Center. The nearly \$1 billion project at full buildout as planned would include 1,493 multifamily residential housing units, 183 condominiums, a 300-room hotel, 248,500 square feet of retail space and 719,000 square feet of office space. The construction of the development was delayed in March 2020 following the COVID-19 outbreak.
- University of Maryland Capital Region Medical Center is a \$543 million state of the art teaching hospital under construction adjacent to the Largo Metro Station. The hospital will include 205 beds, plus centers devoted to cancer and stroke care, a self-contained pediatric hospital and programs in neuroscience and women’s health. Opening is scheduled for June 2021.
- U.S. Department of Labor Bureau of Labor Statistics has announced its intention to relocate its 1,800-employee headquarters from Washington, DC to the Suitland Federal Center.
- U.S. Bureau of Engraving and Printing has announced its intention and begun the process for the relocation of its production operation from Washington, DC to a new \$1.4 billion, one million square foot build-to-suit facility on a 100-acre site at the USDA Beltsville Agricultural Research Center. Construction is scheduled to begin in 2022 with four production lines transferring to the new facility from 2025 – 2029 with 1,600 employees.
- Hampton Park redevelopment is a \$250 million mixed-use project under development in Capitol Heights that will be anchored by the headquarters of the County’s health and human services’ agencies (Departments of Health, Family Services, and Social Services) in a new 100,000 square foot Class A office building. The project plans for 135,000 square feet of retail space, 600 multi-family residential units and a 250-room hotel.
- Metro City at Addison Road Metro Station in Capitol Heights is a \$327 million mixed-use development in the planning process that includes 1,100 multifamily residential units, a 75-unit senior housing facility and 100,000 square feet of retail space.
- Washington Metropolitan Area Transit Authority (WMATA) announced it will relocate its Washington, DC headquarters into a Virginia headquarters and a Maryland headquarters. The Maryland headquarters will be located adjacent to the New Carrollton Metro Station in a 14-story, 371,800 square foot build-to-suit Class A office building with 3,000 square feet of retail and 500-1,000 employees.

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## Economic Development Program Initiatives

The following initiatives support economic development in the County:

- Economic Development Incentive Fund (EDIF). This began with a \$50 million, one-time, appropriation to support the 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 2012, has a fiscal year appropriation of \$7-11 million annually. To date, 55 applications for funding have been approved, with a value of more than \$42.3 million and private capital investment of over \$1.1 billion.
- “Choose Prince George’s” Initiative. Retention, expansion of existing companies, and growth in jobs in the County, will remain the highest priority. Concurrent with that goal will be continued growth of the County’s commercial tax base and an increase in the percentage of County residents who both live and work in the County. The emphasis is on connecting with companies located in Prince George’s County and creating strong communication links. The business engagement strategy includes identifying hurdles and challenges facing County businesses and providing assistance to address those issues, providing high-quality, individual business services customized for companies’ changing needs, and creating dynamic group interactions among targeted business and industry clusters to build on common denominators, create synergies, and foster growth.
- Enterprise Zone. The County’s Enterprise Zone continues to provide incentives for new investment and job creation in targeted areas of the County. The existing Enterprise Zone is approximately 9,385 acres. The focus areas within the Enterprise Zone have been reduced from 430 acres to 389.43 acres.
- Revitalization Initiative. The focus of the initiative is on redeveloping older shopping centers to a higher quality. Major emphasis will be placed on revitalizing older shopping centers inside the Beltway that were identified by a 2017 retail study to be in need of improvements, redevelopment and/or revitalization. The County has prioritized 27 centers with a goal of improving retail diversity and quality while also improving safety and facades. The County is working with the ownership of these properties to consider best uses which could include redevelopment or repurposing of these centers and connecting potential investors and new owners to the targeted shopping centers. The Redevelopment Authority has announced its third round of funding for \$1 million for the façade improvement program targeted for shopping centers, bringing total funding to-date for the Revitalization Initiative to \$3.8 million.
- Opportunity Zones. The Tax Cuts and Jobs Act of 2017 established a new economic and community development program called Opportunity Zones designed to encourage long-term investments in low-income urban and rural communities nationwide. The program provides a federal tax incentive for reinvesting capital gains into “Opportunity Funds,” which are specialized vehicles dedicated to investing in low-income areas called Opportunity Zones. The County has 25 census tracts approved by the IRS for the Opportunity Zone designation. To date, five development projects in the County with a combined total project cost of \$900 million are using \$205 million of Opportunity Zone funds and an additional nine projects with a combined total project cost of \$1.2 billion plan to use \$198 million of Opportunity Zone funds.
- International Trade. The International Trade objectives for the County have focused on promoting exports, attracting Foreign Direct Investment and increasing awareness of the County as a great place for international business. In 2018, EDC led a trade mission to Nigeria where companies attended a networking event led by U.S. Commercial Services, attended vetted business-to-business meetings through the Gold Key Service provided by the U.S. Department of Commerce, and met Nigerian businesses for partnering and relationship building. The trade mission has resulted in County businesses exporting products and services and one County business participating in two construction projects in Delta State, Nigeria. More recently, in 2019, the County promoted Foreign Direct Investment and local



business export activities via participation at the USA FAIR in Nigeria, a trade mission to South Korea, a trade expo in Zimbabwe and the annual SelectUSA Investment Summit. A result of these initiatives has been the attraction of nearly a dozen foreign companies to the County.

- Foreign-Trade Zone 63. Companies that import components and products from overseas may realize significant 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, DC, 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.
- 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 the County is 681 firms. 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. The Jobs First Act was amended in 2015 to also give preference to County-located businesses to encourage those headquartered outside the County to establish facilities in the County and hire local County residents. More recently, in 2020, the County's Office of Central Services launched the Prince George's County Green Book, a digital guide for County-based Small Businesses and County-based Minority Business Enterprises that connects them to procurement opportunities within Prince George's County Government.
- Transit-Oriented Development (TOD). The County kicked off the TOD initiative in March 2014 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 are receiving needed public infrastructure improvements. The development projects are being fast-tracked through regulatory approval processes and given priority consideration for County incentives. Each of the five high-priority TOD locations are receiving market branding and the County government has taken a leadership role in working with local, state, regional and federal partners to implement the initiative.
- Purple Line Light Rail Transit System. In April 2016, the State of Maryland approved a \$5.6 billion contract to build and operate for 30 years a new light rail transit system that will connect New Carrollton in Prince George's County to Bethesda in Montgomery County. The construction of the 16.2-mile light rail line with 21 passenger stations began in August 2017. The operational date of the system is uncertain.
- The Green Energy Loan Program. In 2018, FSC First launched this initiative to provide loan guarantees to participating banks to advance public and private investment in clean energy and other innovative green technologies in Prince George's County. It offers multiple benefits to a broad range of stakeholders including building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors. The program can provide loan guarantees up to \$250,000 for a term up to 20 years.

Data Center Industry Initiative. The State and County have recently passed legislation that makes Prince George’s County more competitive for attracting data centers. The state bill waives the sales tax for data centers. County legislation waives all or part of personal property taxes, and expedites the County’s approval and permitting processes by making data centers a by-right use in several commercial, industrial and rural-residential zones. The overall goal is to create a 90-day by-right review and approval process.

## Major Economic Development Projects

Several projects, reflecting a range of commercial development in the County, are listed in the following chart. A map showing the location of the major economic development projects identified in this section follows the chart.

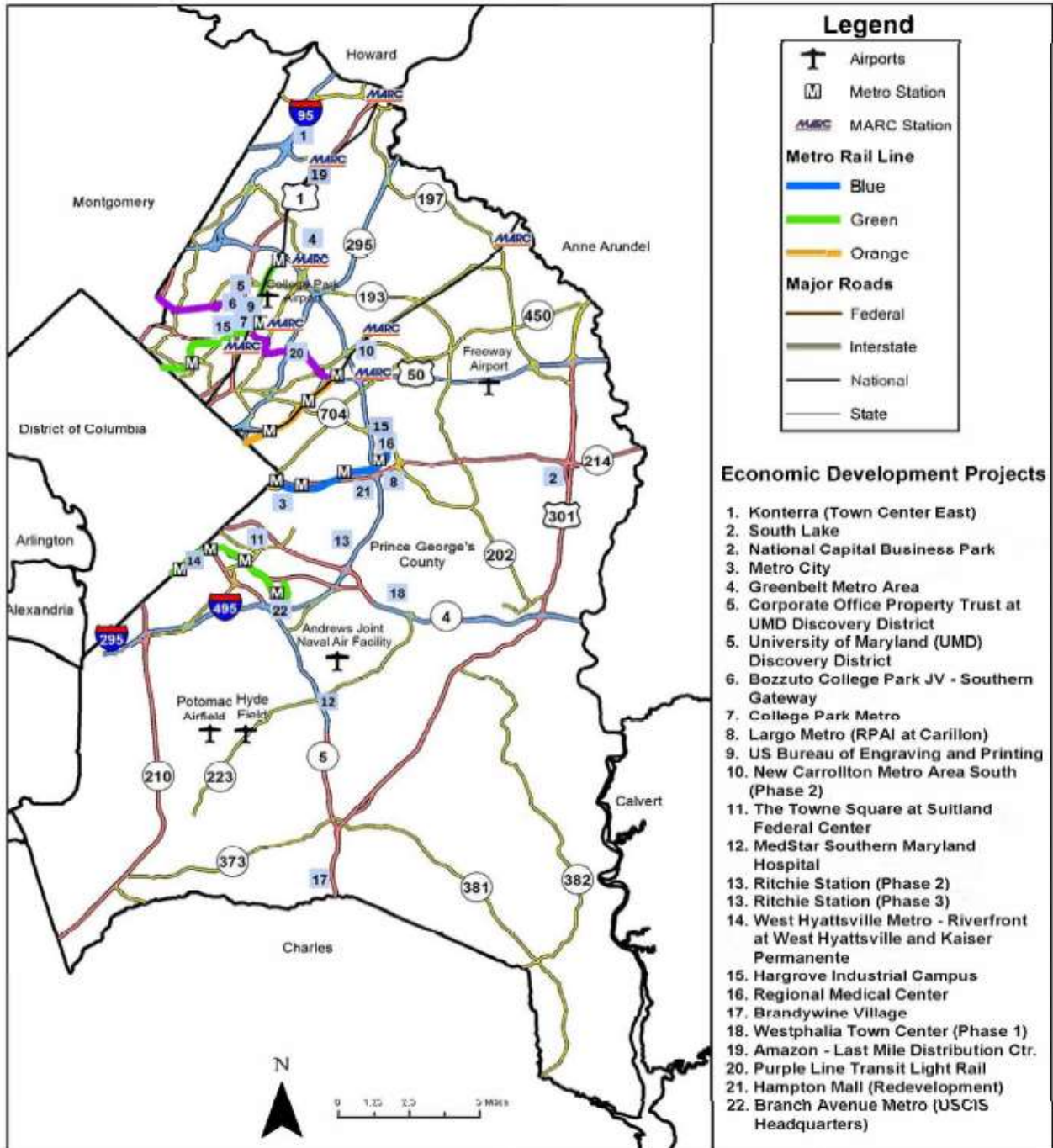
**Major Commercial Projects Recently Completed, Under Construction, or in Development Stage**  
As of April 2021

	<u>Project Name</u>	<u>Location Number in Map</u>	<u>New or Expansion</u>	<u>Occupancy</u>	<u>Capital Investment (\$ Millions)</u>	<u>Size (Square Feet) at Full Build-Out</u>
A.	<u>Projects Completed or Under Construction</u>					
	South Lake (Mixed-Use)	2	New	N/A	N/A	993,000
	Corporate Office Property Trust (COPT) at UMD Discovery District	5	New	2020	N/A	111,276
	Bozzuto College Park JV (Mixed-Use) - Southern Gateway	6	New	N/A	18.0	500,000
	New Carrollton Metro Area South (Mixed-Use) - (Phase 1)	10	New	2021-2022	N/A	628,500
	The Towne Square at Suitland Federal Center (Mixed-Use)	11	New	N/A	N/A	1,000,000
	MedStar Southern Maryland Hospital	12	Expansion	2020-2021	52.0	95,000
	Ritchie Station (Phase 2)	13	Expansion	2020-2021	37.0	180,000
	West Hyattsville Metro - Riverfront at West Hyattsville and Kaiser Permanente (Mixed-Use)	14	New	N/A	N/A	N/A
	Hargrove Industrial Campus	15	Expansion	2021	N/A	400,000
	Regional Medical Center	16	New	2021	543.0	595,744
	Westphalia Town Center (Phase 1)	18	New	N/A	N/A	5,900,000
	Amazon - Last Mile Distribution Center	19	New	N/A	N/A	265,429
	Purple Line Transit Light Rail (Prince George's County Section)	20	New	N/A	2,000.0	N/A
	Hampton Mall (Redevelopment) - (Mixed-Use)	21	New	2022	250.0	280,000
	Branch Avenue Metro (U.S.C.I.S. Headquarters)	22	New	2020	265.0	575,000
	Sub-Total A				3,147.0	9,919,673
B.	<u>Projects in Development Stage</u>					
	Konterra (Town Center East) (Mixed-Use)	1	New	N/A	N/A	5,300,000
	National Capital Business Park	2	New	2024-2029	N/A	3,000,000
	Metro City (Mixed-Use)	3	New	2022	200.0	N/A
	Greenbelt Metro Area (Mixed-Use)	4	New	N/A	N/A	3,000,000
	University of Maryland (UMD) Discovery District	5	New	N/A	N/A	4,804,000
	College Park Metro (Mixed-Use)	7	New	N/A	N/A	N/A
	Largo Metro (RPAL at Carillon)	8	New	N/A	1,000.0	1,200,000
	US Bureau of Engraving and Printing	9	New	2025-2029	1,400.0	1,000,000
	New Carrollton Metro Area South (Mixed-Use) - (Phase 2)	10	New	2023	N/A	986,000
	Ritchie Station (Phase 3)	13	Expansion	N/A	38.0	200,000
	Brandywine Village	17	New	N/A	N/A	218,500
	Sub-Total B				2,638.0	19,708,500
	Total (A+B)				5,785.0	29,628,173

Source: Prince George's County Economic Development Corporation

# Major Economic Development Projects (2021)

Prince George's County, Maryland



## **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 MD 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 "*TheBus*."

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 and PEPCO are both 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 the Environment.

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## Statutory Debt Limit

Pursuant to the the Express Powers Act, 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, as amended, replaced or recodified from time to time. State law authorizes certain exclusions. Obligations issued by the Revenue Authority and the IDA are excluded from the County's statutory limit. The current debt limit of the County is shown in the following table.

<b>Statutory Debt Limit</b>	
<i>June 30, 2020</i>	
County General Obligation Bonds	\$ 2,348,730,000
Maryland Water Quality Loan	\$ 46,499,998
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	-
<b>Total Debt of the County</b>	<b>2,395,229,998</b>
<b>Less: Portion of Debt Excludable by State Law :</b>	
County General Obligation Bonds for:	
Mass Transit Facilities	4,537,294
Stormwater Facilities	314,540,595
Solid Waste Projects	58,599,719
School Facilities Surcharge-Supported	428,670,883
School Facility Supported by Telecommunication Tax	12,194,250
Maryland Water Quality Loan	46,499,998
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	-
<b>Total Excludable Debt</b>	<b>865,042,739</b>
<b>County Debt Subject to Statutory Debt Limitation</b>	<b>1,530,187,259</b>
Assessable Base of Real Property Taxation (FY2020)	102,537,101,300
Assessable Base of Personal Property and Operating Real Property Taxation (FY2020)	3,197,630,490
Debt Limit (a total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property) (FY2020)	6,631,870,652
<b>Less: County Debt Subject to Debt Limitation</b>	<b>1,530,187,259</b>
<b>County Debt Margin</b>	<b>5,101,683,393</b>

Source: Office of Finance

## Short Term and Long 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 schedules show (1) 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; (2) a schedule of net tax supported debt service requirements paid from the County General Fund sources; and (3) the rapidity of net tax-supported General Fund principal payments in 5, 10, 15 and 21 years, as of June 30, 2017.

<b>Direct, Overlapping and Underlying Debt Statement</b>			
<i>(\$ millions)</i>			
<i>June 30, 2020</i>			
	Gross Debt Principal Amount	Self- Supporting Debt	Net Tax-Supported General Fund Debt Principal Amount
<b>Direct Debt</b>			
County General Obligation Bonds:			
General Purpose	1,530.2	-	1,530.2
Mass Transit	4.5	4.5	-
Stormwater Management	314.5	314.5	-
Solid Waste Management	58.6	58.6	-
School Facilities Surcharge-Supported	428.7	428.7	-
School Facilities Supported by			
Telecommunication Tax	12.2	12.2	-
Maryland Water Quality Loan	46.5	46.5	-
Maryland CDA Development Debt	-	-	-
Maryland CDA Infrastructure Financing Bonds	-	-	-
<b>Total Direct Debt</b>	<b>2,395.2</b>	<b>865.0</b>	<b>1,530.2</b>
<b>Overlapping and Underlying Debt</b>			
Washington Suburban Sanitary Commission	1,021.1	1,021.1	-
Maryland-National Capital Park and Planning Commission	103.3	103.3	-
Industrial Development Authority of Prince George's County Lease Revenue Bonds	-	-	-
Underlying Towns and Cities Within County	80.1	80.1	-
<b>Total Overlapping and Underlying Debt</b>	<b>1,204.5</b>	<b>1,204.5</b>	<b>-</b>
<b>Total Direct, Overlapping Debt and Underlying Debt</b>	<b>3,599.7</b>	<b>2,069.5</b>	<b>1,530.2</b>

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 2022 are \$985.7 million (adjusted for tax credits, assessment abatements and deletions, allowance for municipal tax differential and uncollectible taxes). Total property tax revenues in fiscal year 2021 are estimated to total \$975.9 million.

<b>Real and Personal Property Taxes</b>					
<i>(Levies and Collections)</i>					
Fiscal Year	Assessed Value (\$ millions)	Tax Rate per \$100 Assessed Value	Tax Levy Excluding Adjustments	Collected During Fiscal Year	Percent Collected as of June 30
2021 <sup>(1)</sup>	106,380.0	1.00	1,030,131,659	1,006,535,569	98.0
2020	101,067.0	1.00	983,364,273	975,246,357	98.0
2019	96,160.0	1.00	941,310,291	935,444,327	99.4
2018	89,167.2	1.00	971,598,769	967,523,822	99.6
2017	85,523.9	1.00	909,650,941	905,652,881	99.8
2016	79,760.3	1.00	853,046,726	852,874,411	99.8

<sup>(1)</sup>Fiscal Year 2021 collections are through March 31, 2021.

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. 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.” In 2012, the Maryland Senate passed Senate Bill 848 that provides for the property tax rate to be set higher than the rate authorized under the County Charter. Any additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. The fiscal year 2016 Budget set the County’s nominal real property rate at \$1.00/\$100 of assessed value. 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 M-NCPPC components identify taxes collected by the County on behalf of those entities.

***FY 2021 Property Tax Rates in Dollars/\$100 of Assessed Value***

PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
<u>General</u>	<u>Stormwater Management</u>	<u>WSTC</u>	<u>Maryland State</u>	<u>M-NCPPC</u>
\$1.00	\$0.054	\$0.026	\$0.112	\$0.294

Source: Office of Finance

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### Statistical Synopsis

Selected County Statistics	2018	2019	2020
<b>Financial Statistics &amp; Ratios <sup>1</sup></b>			
Total General Fund Revenues (\$ millions)	\$ 1,969.2	\$ 2,064.7	\$ 2,076.3
Total General Fund Expenditures and Other Uses (\$ millions)	\$ 1,951.3	\$ 2,022.5	\$ 1,969.7
Total General Fund Balance (\$ millions)	\$ 528.0	\$ 580.1	\$ 532.0
Total Unassigned General Fund Balance (\$ millions)	\$ 230.0	\$ 235.6	\$ 176.2
General Fund Balance as % of Revenues	26.8%	28.1%	25.6%
Unassigned General Fund Balance as % of Revenues	11.7%	11.4%	8.5%
General Fund Balance as % of Expenditures and Other Uses	27.1%	28.7%	27.0%
Unassigned General Fund Balance as % of Expenditures and Other Uses	11.8%	11.6%	8.9%
Cash & Investments – General Fund (\$ millions)	\$ 405.9	\$ 423.6	\$ 410.9
Cash & Investments as % of Revenues	20.6%	20.5%	19.8%
<b>Debt Statistics &amp; Ratios <sup>1</sup></b>			
Gross Direct Debt Outstanding (\$ millions)	\$ 2,029.4	\$ 2,239.9	\$ 2,395.2
Net Direct General Fund Debt (\$ millions)	\$ 1,384.7	\$ 1,500.1	\$ 1,530.2
Net Direct and Overlapping General Fund Debt (\$ millions)	\$ 1,384.7	\$ 1,500.1	\$ 1,530.2
Gross Direct Debt as % of Assessed Value	2.3%	2.3%	2.4%
Gross Direct Debt per Capita	\$ 2,231.8	\$ 2,463.3	N/A
Net Direct General Fund Debt as % of Assessed Value	1.6%	1.6%	1.5%
Net Direct General Fund Debt per Capita	\$ 1,522.8	\$ 1,649.7	N/A
Net Direct and Overlapping General Fund Debt as % of Assessed Value	1.6%	1.6%	1.5%
Net Direct and Overlapping General Fund Debt per Capita	\$ 1,522.8	\$ 1,649.7	N/A
General Fund Debt Service (\$ millions)	\$ 100.9	\$ 126.1	\$ 132.9
General Fund Debt Service as % of General Fund Expenditures and Other Uses	5.2%	6.2%	6.7%
% Payout, 5 Years, Net Direct General Fund Debt	34.4%	34.7%	35.9%
% Payout, 10 Years, Net Direct General Fund Debt	68.8%	69.6%	71.5%
Legal Debt Margin (\$ millions)	\$ 4,681.9	\$ 4,864.5	\$ 5,101.7
<b>Financial Data: Tax Base Statistics and Ratios <sup>1</sup></b>			
Total Assessed Value (\$ millions)	\$ 89,167.2	\$ 96,160.0	\$101,067.0
Assessed Value per Capita	98,060.5	105,748.5	N/A
Average Annual Increase in Assessed Value over Past 5 Years	2.5%	4.8%	5.6%
County Tax Rate per \$100 of Assessed Value	\$ 1.00	\$ 1.00	\$ 1.00
Tax Rate Collection	99.6%	99.4%	98.0%
Top Ten Taxpayers as % of Total	10.9%	10.7%	10.3%
<b>Financial Data: Demographic Statistics <sup>2</sup></b>			
Population	909,308	909,327	N/A
Per Capita Income	\$ 49,420.0	50,625	N/A
Per Capita Income as % of State	78.0%	78.3%	N/A
Per Capita Income as % of U.S.	90.6%	89.6%	N/A
Median Household Income	\$ 83,034.0	86,290	N/A
Median Household Income as % of State	99.8%	99.5%	N/A
Median Household Income as % of U.S.	134.1%	131.3%	N/A
Population Change Past 10 Years (%)	45161.7%	45140.1%	N/A
Median Home Value	\$ 320,500	\$334,200	N/A
County Annual Unemployment Rate	4.3	3.8	8.1

<sup>1</sup> Source: Prince George's County Office of Finance

<sup>2</sup> Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

As of April 2021



## **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 lesser 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.

## **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 21, 2021 in accordance with the Notice of Sale, the form of which is attached to this Official Statement as Appendix C.

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.

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## TAX MATTERS

*Opinion of Bond Counsel – Federal Income Tax Status of Interest.* Bond Counsel's opinion will state that, under current law, interest on the Bonds (i) is excludable from the gross income of the owners of the Bonds for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) is not a specific item of tax preference for purposes of the Federal alternative minimum tax.

Bond Counsel’s opinion speaks as of its date, is based on current provisions of the Code, and other current legal authority and precedent, and 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. 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”) or the courts. The Commission has covenanted, however, to comply with the requirements of the Code.

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for Federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the Federal tax liability of an owner of the Bonds. The nature and extent of these other Federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Bonds should consult their own tax advisors with respect thereto.

See Appendix B – Form of Opinion of Bond Counsel.

*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 such Bonds, the financial advisor to the Commission 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 by such Bonds, limitations on the source of the payment of and the security for such Bonds and the obligation to rebate certain excess earnings on the gross proceeds of such Bonds to the United States Treasury. The Non-Arbitrage Certificate and Tax Covenants to be entered into by the Commission (the “Tax Certificate”) with respect to the Bonds 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. If such a failure occurs, 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 Certificate, 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 Certificate. 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.

*Original Issue Discount.* “Original issue discount” is the excess, if any, of the amount payable at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) of any maturity of the Bonds purchased as part of the initial public offering over the issue price of the maturity. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Bonds with original issue discount (an “OID Bond”) will be excludable from gross income to the same extent as interest on the Bonds for Federal income tax purposes. In general, the “issue price” for each maturity of the Bonds is the first price at which a substantial amount of the Bonds of that maturity was sold to the public, which may differ from the price shown on the inside cover page hereof.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excluded from the gross income of the owner for Federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the issue price may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed below. Consequently, owners of any OID Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although the owner of such OID Bond has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for Federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial offering at their issue price) and with respect to state and local tax consequences of owning OID Bonds.

*Bond Premium.* In general, a Bond purchased at a price (excluding accrued interest) producing a tax basis in excess of the principal amount payable at maturity is a “Premium Bond” and the amount of the excess constitutes the “Bond Premium” on the Premium Bond. Under the Code, the Bond Premium is amortized based on the owner's yield over the remaining term of the Premium Bond (or, in the case of certain callable Premium Bonds, to an earlier call date that results in a lowest yield on the Premium Bond). The owner of a Premium Bond must amortize the Bond Premium by offsetting the qualified stated interest allocable to each interest accrual period against the Bond Premium allocable to that period. No deduction is allowed for such amortization of Bond Premium and the owner is required to decrease the adjusted basis in the Premium Bond by the amount of the amortizable Bond Premium properly allocable to the owner.

Prospective purchasers of any Premium Bond 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 amortization of Bond Premium on, such Premium Bond.

*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.

*Information Reporting and Backup Withholding.* Prospective purchasers should be aware that the interest on the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an “exempt recipient” and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on Federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Bonds from gross income for Federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner’s Federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

*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.

*Effects of Future Enforcement, Regulatory and Legislative Actions.* The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for Federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the Commission as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in Federal or state income tax rates and the application of Federal or state income tax laws (including the substitution of another type of tax) or may repeal or reduce the benefit of the excludability of interest on tax-exempt obligations from gross income for Federal or state income tax purposes.

The Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the Federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds’ Federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

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

### **INDEPENDENT AUDITOR**

The basic financial statements as of June 30, 2020 and for the year then ended included in Appendix A have been audited by SB & Company, LLC, 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.

### **FINANCIAL ADVISOR**

Davenport & Company LLC, Towson, Maryland (the "Financial Advisor") is a registered municipal advisor with the Municipal Securities Rulemaking Board and serves as financial advisor in connection with the issuance of the Bonds and other matters related to the Commission's finances. The Financial Advisor has not been engaged, nor has it undertaken, to audit, authenticate or otherwise verify the information set forth in this Official Statement, or any other related information available to the County, with respect to accuracy and completeness of disclosure of such information. The Financial Advisor makes no guaranty, warranty or other representation respecting the accuracy and completeness of this Official Statement or any other matter related to the Official Statement.

### **RATINGS**

Moody's Investors Service, S&P Global Ratings, 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; S&P Global Ratings, 55 Water Street, New York, New York 10041; Fitch Ratings, 33 Whitehall Street, 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.

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## **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, 2022 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.

The Commission’s annual report for fiscal year 2015 failed to contain or include by reference the most recent audited financial statements and other financial information for the County and Montgomery County, Maryland and the Commission failed to file a notice with EMMA regarding such failure. The required filings have been made. Except as described in this paragraph (to the extent that the foregoing constitutes a material failure), 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 disclosure covenants 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 MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT  
Of  
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
For the Fiscal Year Ended June 30, 2020**



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
Comprehensive Annual Financial Report



FOR THE FISCAL YEAR  
ENDED JUNE 30, 2020

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT**

**OF**

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

**For the Fiscal Year Ended June 30, 2020**

**Commissioners**

Casey Anderson, Chair of the Commission  
Elizabeth M. Hewlett, Vice-Chair of the Commission  
Dorothy F. Bailey  
Gerald R. Cichy  
William M. Doerner  
Manuel R. Geraldo  
Natali Fani-Gonzalez  
Tina E. Patterson  
Partap Verma  
A. Shuanise Washington

**Officers**

Asuntha Chiang-Smith, Executive Director  
Joseph C. Zimmerman, Secretary-Treasurer  
Adrian R. Gardner, General Counsel

**Department Directors**

Andree Checkley, Prince George's County Director of Planning  
Bill Tyler, Prince George's County Director of Parks and Recreation

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

Asuntha Chiang-Smith, Department of Human Resources and Management  
Joseph C. Zimmerman, Department of Finance  
Adrian R. Gardner, Legal Department

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

Joseph C. Zimmerman, Secretary-Treasurer

***Finance Directors***

Abbey Rodman, Accounting  
Chip S. Bennett, Administration  
Stacey Pearson, Purchasing

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PART I

# Introductory Section



Families enjoying a production of Shakespeare in the Park at Riverdale Mansion.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

January 26, 2021

**Commissioners:**

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2020 is hereby submitted. This Report was prepared by the Commission’s Finance Department, in accordance with the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission’s financial activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of SB & Company, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent public accountants concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Commission’s financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformance with GAAP. The independent public accountants report is presented as the first component of the Financial Section of this Report.

This year the Commission is required to undergo a Single Audit in conformity with the provisions of the Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Commission is required to file a Uniform Financial Report with the Maryland State Department of Legislative Services by January 1 of each year.

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

**The Commission**

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

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

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

### **Factors Affecting Financial Condition**

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both Prince George's and Montgomery Counties increased in FY 2020, and collections, including interest and penalties as a percent of the levy, are consistently above 99%. The Commission prepares quarterly financial projections to help guide current year expenditures based upon anticipated revenue sources. In addition, the Commission maintains a comprehensive fund balance policy to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. As of June 30, 2020, the Commission's General Fund budget basis ending fund balance was \$255.5 million.

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

Montgomery and Prince George's Counties are adjacent to Washington, D.C. and both counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the wealthiest state in the nation, according to the latest U. S. Census data. The state's median household income for 2019 was \$84,805, an increase of about \$2,935 from the previous year.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 30, 2020, the nation's unemployment rate was 11.1 percent, whereas Montgomery and Prince George's rates were 8.2 percent and 10.1 percent, respectively. These counties have maintained a combined population base of 2.0 million people and have over 1.1 million employed as of fiscal year 2020.

More detailed information on the financial outlook is provided in the Management's Discussion and Analysis section of this Report.

### **Long-term Financial Planning**

The Commission prepares a six-year projection of results for its Prince George's County operations, which is reviewed with the Prince George's County Spending Affordability Committee. A high-level long-term plan is prepared for its Montgomery County operations by Montgomery County government, with Commission input.

The Commission has an established fund balance policy of designating 3% to 5% of budgeted expenditures for contingencies. In Montgomery County a designation of 3% of budgeted FY2020 expenditures was made, while in Prince George's County this percentage was 5%. In both Counties there are undesignated fund balances, which could also be used to provide funding for unexpected needs.

There are significant unassigned fund balances in Prince George's County (\$238.9 million) which are planned to be used over the six-year period to maintain a stable tax rate for the Commission in that county.

### **Major Initiatives**

The Commission enjoyed a successful program year in fiscal year 2020, despite COVID-19-related closures in the last quarter. The major accomplishments of the Commission are set forth in the Program Highlights section of this Report.

### **Other Information**

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Commission has received this award continuously since fiscal year 1973. In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This Report satisfied both GAAP and applicable legal requirements.

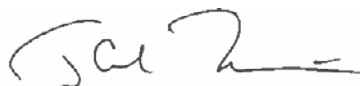
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2020. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

### **Acknowledgments**

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

Respectfully submitted,



Joseph C. Zimmerman, CPA  
Secretary-Treasurer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

## Commission Background and Organization

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

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

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

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

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

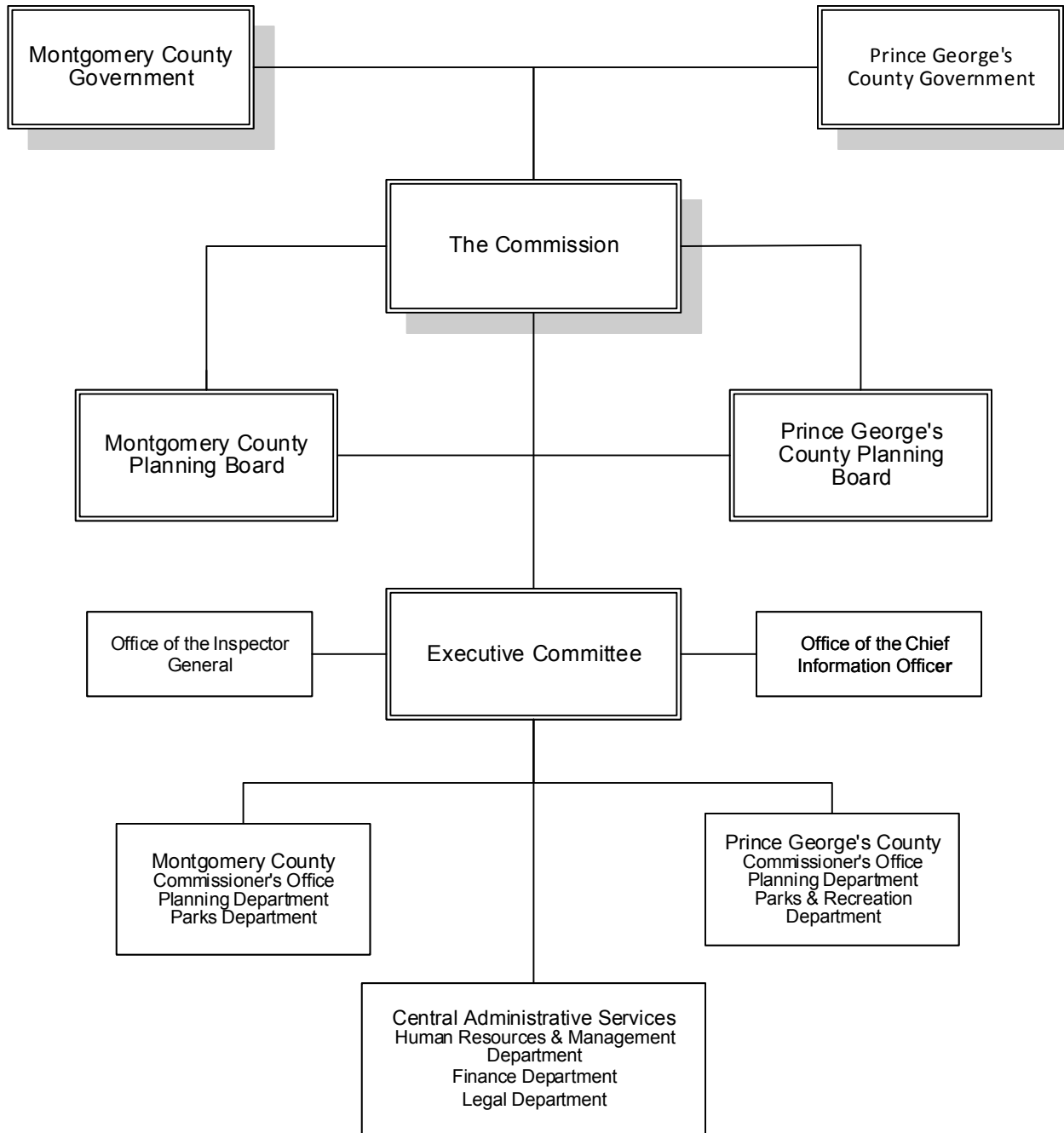
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 64,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. At June 30, its staff consisted of over 2,300 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately over 3,700 seasonal workers, primarily for its numerous park and recreation programs.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## ORGANIZATION CHART









# Fiscal Year 2020 PROGRAM HIGHLIGHTS

## SUMMARY

For nearly a century, The Maryland-National Parks and Planning Commission has delivered first-class programs and facilities to the bi-county region and remains committed to its mission of managing physical growth and planning great communities, protecting and preserving their natural, cultural and historic resources, and providing high-quality services for residents of all ages and abilities through leisure and recreational experiences. In fiscal year 2020, the Commission's commitment reflected the growing needs of the bi-county communities while responding to the COVID-19 pandemic. The Commission's departments were responsive, flexible and nimble to meet the needs of the bi-county community during this time while taking on new and innovative approaches to planning communities, aiding in economic development, protecting the open spaces and developing more ways to recreate. Parks and trails were kept open; technology was used in new ways to ensure that bi-county residents' voices were heard in the planning process; created innovative programming to keep thousands of kids active and safe at home and in the parks; provided grab-and-go meals for residents who would otherwise be hungry and created spaces for outdoor dining to help local restaurants stay in business. Over the past year, the Commission has expressed an ongoing commitment to diversity across the organization and steadfast opposition to racism and discrimination in any form. A resolution was introduced and passed to confirm the Commission's commitment to treat all people with fairness and respect for diversity. The Commission also focused on equitably engaging with the diverse audiences across the organization by leveraging state-of-the-art technology tools to reach community members with the work and programs while implementing physical distancing protocols. Prince George's Parks and Recreation changed their mantra to "Live More, Play More ... Indoors," which included transforming its traditional summer camps into virtual "Summer Clubhouses" on Microsoft Teams. Montgomery Parks saw record levels of park use and launched their "Opening Parkways to People" where three parkways were closed to cars on the weekends so patrons could exercise and be physically distant. Montgomery Planning hosted a major distance engagement effort for the Thrive Montgomery 2050 plan, which included a series of online live events that provided live language translation. Prince George's and Montgomery Planning Boards continued to keep residents engaged through the live streaming of Planning Board meetings.

### Montgomery County Department of Parks

**COVID-19 Response.** The first seven months of the fiscal year were exciting. However, on March 13, 2020, Montgomery Parks made the difficult but necessary decision to respond to the international pandemic, COVID-19, a novel coronavirus. Public-facing buildings and programs were closed through the end of the FY 2020 fiscal year. The public parks remained open and staff remained on the job. Daily park use rose to weekend-level park use during the remainder of the fiscal year. Patrons flocked to the parks and quickly came to view the Parks Department as an essential service for much needed respite, and a safe way to exercise and spend time outdoors during the pandemic. It was discovered that patrons came out to the parks every day during the spring and summer of 2020. In the early months of the pandemic, a new program was launched, "Opening Parkways to People", where three parkways were opened: Little Falls, Sligo Creek, and Beach Drive, to provide pedestrian access, so that patrons could exercise in a safe and physically distant manner on these car-free streets. "Car-free" parkways were opened Fridays through Sundays for use by county residents. Montgomery Parks also created various online programs that provided patrons with the opportunity to "Explore Parks from Home." Parents and children alike could now identify birds and insects from the comfort and safety of their own homes during the spring months of the pandemic. It was well-received and demonstrated that programs can succeed in a virtual environment.

**Trails are Always a Top Priority:** The Parks department has worked to create a world-class trail network that can be marketed as a destination experience. A plan has been developed to gain world-class trail status by focusing on the user experience, mastering the fundamentals of network connectivity and design features, and completing some signature projects over the next few years. The Department manages 190 miles of natural surface trails and 70 miles of paved trails that serve as a transportation option and a recreational amenity while providing access to some of the best natural areas in the county. Two of the trail projects of note are the Northwest Branch Trail Project and the Western Piedmont Trail Bridge Project. The Northwest Branch Trail Project was made possible through a partnership with WSSC and with the help of 189 volunteers. The stream trail was redesigned trail to accommodate multi-use and remediate silt deposition that had previously impeded trail use. For the second project with the Western Piedmont Trail Bridge, a 70-ft fiberglass bridge was installed, completed 450 feet of stream restoration, and restored fish passage in one of the most pristine and biologically unique

watersheds in the county. During the pandemic, the trails quickly became overpopulated, which made it difficult for patrons to physically distance, as required by the CDC. A campaign was launched called “Take the Trails Less Traveled” and encouraged users to explore the quieter trails in the county. Vision Zero projects on trails included Cycling in the Circle and park trail intersection improvements. There are 121 trail crossings of which 10 sights are being upgraded per year to bring them up to date with current best practices.

**Countywide Athletic Field Improvements:** A collaboration was with the staff at the Montgomery County Public School (MCPS) System to review 195 elementary and middle school sites, 114 of which the Parks Department maintains already. About 35 of the MCPS fields that are not currently maintained will be renovated into athletic fields. Eighteen of the spaces have small “play spaces” that provide sustainable solutions for kids during school hours and help us provide community use in the evenings and weekends. These plans were presented to the County Council in December 2019.

**Getting People Together and Making Them Active:** The Activation Program is new to Montgomery Parks and is an opportunity for the department to host its own events in the parks, in addition to those events that are produced by community partners. This year, the Activation Program staff hosted 77 community events down county before all events were cancelled due to COVID-19’s developing protocols in the spring.

**The Capital Improvements Program:** Great progress was made this year with a new CIP program called “Legacy Urban Space.” The program focuses on targeting acquisition dollars to address issues caused by population density in some areas of the county. Three properties were purchased through this program this year: Westbard Urban Recreational Park, Wheaton Urban Recreational Park, and Veteran’s Park Civic Green. This year, the Parks Department also developed the Maydale Nature Center as the first “net-zero” park building, which means that through its use of solar technology, it will generate more energy than it uses. A grand opening will take place in the coming year when it can be done in a safe way considering COVID-19. The Josiah Henson Museum is currently under construction with an anticipated grand opening for that facility later in 2020. The “Park Refresher Program” provides the opportunity to renovate local parks in need of minor updates and this year, the following parks were renovated: Kensington Cabin Local Park, Wheaton-Claridge Local Park, Pinecrest Local Park, and Battery Lane Urban Park. Other projects of note include the grand openings of the South Germantown Cricket Field and the Washington Capitals Rink at Ridge Road Recreational Park.

**Innovative Projects and Programs:** Parks staff developed an equity tool as a factor in prioritizing FY 21-26 CIP projects. Montgomery County Parks and Planning employees are collaborating to create a more nuanced equity analysis tool. Parks staff also developed the Energized Public Spaces’ Design Guidelines for urban parks. These guidelines are in follow-up to the Energized Public Spaces’ Functional Master Plan. The design guidelines focus on case studies of quality public spaces and programming. This document will be used by both public and private park planning teams as parks pop-up around the county.

**Brookside Gardens Turned 50:** During FY 2020, Brookside Gardens celebrated the 50th anniversary of the facilities and gardens. The gardens master plan is in its fifth stage now. Brookside Gardens served as an oasis for mental health rejuvenations especially during the spring months of COVID-19.

**Exceptional Volunteers:** Montgomery Parks received impressive donations of volunteer time during the seven good months of the year and during the five COVID-19 months of the fiscal year. Volunteer, Bonnie Bell, received the National American Trails Volunteer Award. Since 1999, Bonnie has volunteered at the Great Seneca Creek Watershed. She was instrumental in the construction of the Seneca Creek Greenway Trail. Bonnie has led 36 Volunteer Trail Workday Projects on this 8-mile trail, resulting in over 1,200 hours of volunteer service since 2009. FY 2020 was another busy year for volunteers in Montgomery Parks. Nearly 11,000 volunteers contributed over 71,000 hours in the parks during 2020.

## Montgomery County Planning Department

**Keeping Montgomery County Thriving for the Next 30 Years:** Montgomery County’s General Plan is the blueprint and guiding policy document for its future growth and development. Known as Thrive Montgomery 2050, the updated plan will include community-informed and data-driven recommendations and actions for land use, housing, transportation, environment, equity, design, arts and culture, parks and open spaces and the economy. The vision, which was created in collaboration with the community, sees a Montgomery County in 2050 that is a vibrant and welcoming place where all people thrive with equitable access to attainable housing, healthy food, opportunities for physical activity, parks and open spaces, employment, education, services and a variety of travel options. No longer a suburban bedroom community, the

Montgomery County of the future has diversity in population, in living and working experiences, in modes of travel, and in natural and built resources. People from all over the world choose to live, work, grow and age here. Thrive Montgomery 2050 is focused on three outcomes: 1) *Economic Health*: to ensure a vibrant, strong and competitive economy by attracting and maintaining major employers, continuing to enhance county federal campuses, supporting small businesses and innovation, attracting and retaining a high-quality, diverse workforce; 2) *Equity*: create a place where all residents have equal access to attainable housing, healthy foods, employment, transportation, education and more, 3) *Environmental Resilience*: use the best strategies to fight climate change and mitigate the impact of both planned changes and unexpected events and continue to preserve natural resources.

After extensive equitable community engagement throughout FY 2020, including a comprehensive distance engagement strategy to respond to the COVID-10 pandemic, staff presented the Thrive Montgomery 2050 recommendations to the Planning Board in October 2020. Next steps include a public hearing and work sessions before the plan is transmitted to the County Council in March 2021.

**Balancing Growth and Infrastructure:** The Subdivision Staging Policy (SSP) — one of the many ways that Montgomery Planning helps to preserve the excellent quality of life in Montgomery County — is based on having sufficient infrastructure to support growth. It includes criteria and guidance for the administration of Montgomery County’s Adequate Public Facility Ordinance, which matches the timing of private development with the availability of public infrastructure. Every four years, an effort to update the Subdivision Staging Policy originates with Montgomery Planning staff before working its way through the Planning Board and the County Council. The purpose is to ensure that the best available tools are used to test whether infrastructure like schools, transportation, water, and sewer services can support future growth. The 2020 update includes a focus on schools with a series of policy changes to calculations and tools to measure and address school capacity utilization, traffic congestion, transportation safety and funding sources for needed infrastructure. There has been a year’s worth of equitable community engagement, six Planning Board work sessions and an Urban Land Institute virtual advisory services panel review. Next steps include the review by the Montgomery County Council with final approval and adoption of the update to the policy by November 16, 2020.

**Equity Agenda in Planning:** Montgomery Planning’s Equity Agenda for Planning calls on us to question how residents who have been historically excluded from the planning processes will be authentically included in planning, implementing, and evaluating proposed policies or projects. Today Montgomery Planning is committed to systemically dismantling the institutional racism that exists in planning and land use work, acknowledging the inequities of the past and preventing it from occurring in the future. The department launched the Equity in Master Planning Framework in 2018 to create internal policies and trainings for staff to develop an approach and guidelines for considering racial equity and social justice goals in the master planning process. It now also includes an action plan to meet the requirements of Montgomery County’s Racial Equity and Social Justice Act, 27-19, which directs the “Planning Board to consider racial equity and social justice impact when preparing a Master Plan.” Going forward engaging equitably with the community will permeate all of Montgomery Planning’s communications, master planning, regulatory and policy work.

**Wheaton Headquarters:** Montgomery Planning and Montgomery Parks have begun operations from the new M-NCPPC Wheaton Headquarters at 2425 Reedy Drive, Wheaton, MD 20902. The 14-story building, owned by M-NCPPC, is one of the first LEED Platinum-certified, government-owned office buildings in Maryland. The building includes a 200-seat auditorium for Planning Board meetings, a new town square and an underground public parking garage. It is home to six Montgomery County departments. While the building is open for staff, many will continue to telework due to the COVID-19 pandemic.

**The Work Continues During COVID-19:** In March 2020, Montgomery Planning moved to a maximum telework environment for staff. Due to the Information Technology & Innovation Division, the work of the department continued seamlessly. This included continuing to accept and review regulatory items, hosting and streaming live Planning Board and Historic Preservation Commission meetings, conducting virtual community meetings for master plans such as Thrive Montgomery 2050 and providing equitable community engagement, including language access, in light of social distancing protocols.

**Managed Lanes Study Review:** The Maryland Department of Transportation State Highway Administration (MDOT SHA) is conducting the I-495 and I-270 Managed Lanes Study as part of Governor Hogan’s Traffic Relief Plan. As stewards of the natural and built environment, and as a cooperating agency on this project and major landowner of the study area, M-NCPPC is working to determine the best alternative that meets the goals, objectives and criteria of the project from a land use perspective. This has involved a tremendous amount of research, analysis, and outreach to try to provide feedback and

guidance to MDOT SHA. The M-NCPPC has reviewed the proposed alternatives for alignment with the National Environmental Policy Act (NEPA) requirements and best practices. If the project moves forward, M-NCPPC will have to review a mandatory referral.

**Master Plans:** During FY 2020 staff started and continued work on countywide and geographically-specific master and sector plans: Pedestrian Master Plan, Silver Spring Downtown and Adjacent Communities Plan, Corridor Forward: I270 Transit Plan, Shady Grove Minor Master Plan Amendment, Rustic Roads Functional Master Plan, Germantown Plan for the Town Sector Zone Master Plan, Ashton Village Sector Plan, Great Seneca Science Corridor Minor Master Plan Amendment and the Fairland/Briggs Chaney Minor Master Plan Amendment.

**Regulatory Reviews and Permits:** For FY 2020, Montgomery Planning received 223 regulatory plans for review and 96 site and sketch plans for review.

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

**Implementing Technology and Innovation:** In March of 2020, a pandemic forced the Department to reimagine what it does great: face-to-face interaction. It quickly shifted to transform dining rooms with tablets into rec rooms and play areas to re-engage with a community forced to stay home. The Department's "Live More, Play More" mantra became "Live More, Play More ... Indoors." The Department launched a "cloud" desktop to allow staff to work remotely and diminished the use of paper with the introduction of digital signatures and business process. It deployed CrowdStrike to improve the security of its tech spaces. The Department continued to utilize its website to maintain community engagement. From September 8, 2019, to September 9, 2020, the Department's website, pgparks.com, has had 1.9 million unique page views with 4.5 million total page views. Its most popular web pages were the home page (1), community centers (2), rentals (3) and COVID-19 information (4). The Department also transformed its traditional summer camps at the facilities into virtual "Summer Clubhouses" on Microsoft Teams. The Department offered 119 Clubhouses, with 1,508 youth and Therapeutic Recreation patrons registered. The Department also hosted virtual community meetings to engage with county residents about key projects while "social distancing." It launched a "Coffee and Chat" series with elected officials on the County Council and discussed core projects such as the tree trimming around the College Park Airport, the importance of the 2020 Census, and transformations at Walker Mill and Watkins Park.

**Expanding Health and Wellness:** The Formula 2040 Plan puts an emphasis on helping residents live healthier lives. A variety of events were hosted, initially in person and then virtually to educate and inform county residents of all ages, on techniques for getting healthy. The increased access reached over 6,510 participants across the Fitness in the Parks, Yoga in the Parks, and the Get Fit Mobile Unit programs. Fitness and wellness activities were provided at The Girl Scouts Expo (with 20,000 attendees) to promote healthy living. Online resources were provided in the form of virtual programming and educational tools through Mindful Mondays, Wellness Wednesdays, and Fitness Fridays. In-person Dine and Learn & Move partnership was done in conjunction with the Prince George's County Health Department, Suburban Hospital, and the University of Maryland Capital Region Health to a virtual platform. The Department received the Bronze Level American Heart Association Workplace Health Achievement recognition for 2020. The Department converted over 170 vending machines to comply with the Healthy Vending Resolution 17-02. The first hosted Wellness in the Woods festival had over 500 in attendance; partnered with WUSA9 to host IMPACT Health Matters, a free health expo offering health screenings and wellness workshops that drew 700 attendees. The Department also hosted two Healthy Trails 5Ks in support of the Kids to Camp Campaign (with 175 attendees) and Breast Cancer Awareness (with 300 attendees) in support of the Bosom Buddies aqua therapy class, at the Fairland Sports and Aquatics Complex.

**Supporting Youth Development:** The Department launched its Youth and Countywide Sports Division and attracted talent from DeMatha High School to lead the division. The Department also supported youth participation in the Jr. NBA Skills Challenge, completed winter lacrosse skills clinics for more than 300 participants and renovated the Sugar Ray Leonard Boxing Center, to expand its youth training program. In addition, the Department of Parks and Recreation remained committed to engaging youth in innovative and creative ways to promote health and wellness during this unprecedented time. Additionally, through a partnership with the County's Office of Community Relations, the Department provided a platform for youth to tell their stories and lift their voices regarding issues related to the pandemic, social injustices, and peaceful protests.



**Partnering with Community:** The Department is a key partner, coordinator and collaborator with the Prince George's County Public Schools; the Department of Health; the Department of Social Services; the Memorial Library System; the Prince George's County Boys and Girls Club; the University of Maryland; Bowie State University; the Prince George's Community College; Girl Scouts of America; First Tee of Greater Washington, DC; the USA Swimming Foundation and the United States Tennis Association. The relationships continue to grow and contribute towards building a culture throughout the communities, schools, and County and all service providers. This past year the Department supported Prince George's County Public Schools by hosting its 9th Annual Back-to-School Block Party which was the largest book bag give-away in the state.

**Cultivating Competitive Youth Sports:** In swimming, the Department invested in competitive youth swimming by expanding expertise and technical knowledge of instruction for all skill levels. The PGPR Sharks, the Department's Swim Team, doubled its registration from 45 to 107 participants between September 2019 – March 2020, as well as improved from zero swimmers qualifying for championship meets to nine. The Department is also home to two gymnasts who represented the United States in FY19: Khoi Young, at the Ricky Deci International Team Cup in January; and Jessica Stevens, the reigning US Women's Individual Trampoline Champion and a member of the 2020-2021 US Trampoline Team.

**Growing Youth Participation:** The years FY 2019 and FY 2020 were a time of new growth in participation, partnerships, and Junior Golf opportunities for the Department. As of September 2019, we partnered with the First Tee of Greater Washington to run the First Tee Jr. Golf program. First Tee provides affordable Jr. Golf opportunities, resources, golf equipment, and added visibility for instructional programming. The Department served 24 local juniors through First Tee in 2019 and had 150 junior golfers registered for spring 2020 before having to reschedule the session due to COVID-19. The Department ran its first ever High School Golf Prep Camp in 2019 with a full camp of 12 participants. Clinics were held with high school players and coaches, including 40 Prince George's County High School golf players and coaches. In the fall of 2019, the Department began a PGA Junior League program for youth ages 7-13. With a grant from the Professional Golfers Association of America (PGA), the Department was able to reduce the cost of the program from \$225 per player to \$50 a player, making it affordable for more participants.

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

**Modernizing Zoning and Subdivision Ordinances:** The Prince George's County Council initiated a Countywide Map Amendment on July 23, 2019. This effort will rezone approximately 320,000 properties to reflect the zones adopted in the new Zoning Ordinance passed by the Council on October 23, 2018. The Planning Department developed the proposed zoning map and released it to the public late summer 2019 for review and comment. Stakeholder meetings culminated with three county-wide forums held in November 2019 to inform residents, property owners, business owners, municipal elected officials, and other partners of the Countywide Map Amendment.

**Census 2020:** The Planning Department has taken a leadership role in planning and organizing activities to support the 2020 Census. The census project team coordinated activities for the Complete Count Committee, participated in and helped coordinate over 100 census related events and workshops, as well as maintaining a census website and strong social media presence. The project team also worked with the municipalities to help secure grants for census related activities.

**Planning for Quality Communities:** The Community Planning Division reorganized into three operational sections: The Neighborhood Revitalization Section, the Long-Range Planning Section, and the Placemaking Section. Community Planning's accomplishments during the year included approval of five new Planning Municipal Assistance to Communities (PMAC) projects and completion of the Business Improvement District (BID) Tool Kit study. The Planning Department continues to assist communities with preparing Sustainable Communities Designation applications for the Maryland Department of Housing and Community Development's Sustainable Communities Program. The Department is preparing updates to four sector plans and preparing numerous studies to enhance communities and the public realm.

**Providing Planning Support for Public Facilities and Services:** The Planning Department's Special Projects Section developed the 2019 update of the Annual Report for the Maryland Department of Planning; assisted with the development of the recently adopted 2018 Water and Sewer Plan; supported the County's analysis of water and sewer category changes; conducted a 5 county survey of Adequate Public Facility regulations; and participated in the 2020 Update of the Pupil Yield Factors and Public School Clusters study.

**Developing Efficient Transportation Systems:** The Department continues its work on replacing the current traffic forecasting model with a new model that meets national best practice standards, ensures transportation adequacy and sufficient circulation for ongoing development review cases, and assists the Maryland Department of Transportation. Additionally, the Transportation section initiated the implementation strategies for the Transportation Action Guide for Urban Communities.

**Preserving and Protecting Historic Properties:** The Planning Department continues to support the Historic Preservation Commission (HPC) through the review of Historic Area Work Permits, preservation tax credits, and ongoing property documentation. The Department also supported the HPC and the Planning Board through the review of development referrals affecting historic properties, and the review and issuance of grants to rehabilitate historic structures.

**Preserving and Protecting the Environment:** The Planning Department's Environmental Planning Section continues to oversee the woodland conservation program in compliance with the State's Forest Conservation Act. The Department also supports the Chesapeake Bay Critical Area program and plans for long-term environmental protections through the implementation of the Countywide Resource Conservation Plan (2017).

**Supporting Economic Growth:** An update of Prince George's County's Comprehensive Economic Development Strategic Action Plan was initiated. The Strategic Plan will guide the County's future land use decisions to attract investments, build its commercial tax base, fund critical services, grow its high-quality job base, and improve the quality of life of existing and future residents.

**Advancing Information Technology:** The Information Management Division completed major enhancements to its VPN (virtual private network) and the Development Activity and Monitoring System (DAMS) and provided vital support for Planning Board and community meetings. The Division also expanded and enhanced its GIS with 250 layers, supported approximately 30,000 downloads, and added a swipe tool used to support the Zoning Rewrite. Users viewed close to 60,000-pages of the mapping applications. PGAtlas functionality and data continued to grow with over 205,058 page-views and expanded to include a mobile version. The Division completed 200 data requests, continued to grow its 3D Building data, and initiated scan projects of microfilm and microfiche datasets and historic records.

**Promoting Responsible Development:** The Department received over 250 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, departures, alternative compliance and preliminary plans, and final plats of subdivision which were analyzed for conformance with County plans, policies and development regulations. Additionally, the Department processed 12,829 applications for permit review and the Planning Information Services processed a total of 6,306 telephone inquiries, 6,514 written inquiries and 3,525 office visitors.

## **Department of Human Resources and Management**

The Department of Human Resources and Management (DHRM) provides programs that support the talented and diverse workforce as they serve county residents and the agency's patrons. The Department is led by the Executive Director and includes the offices of Corporate Budget, Corporate Policy and Management Operations, and Corporate Human Resources. In addition to serving as the head of the Department, the Executive Director carries out corporate governance for the agency including implementation of the Merit System and serving as the public representative for the agency. The Department's expertise includes ensuring fair and transparent workplace practices, public accountability standards, fiscally responsible budgeting, and the protection of agency employees, patrons, and assets.

**Program and Service Improvements:** As detailed below, there were several new initiatives and notable updates to agency-wide programs and policies to strengthen internal controls, contain costs, address organizational development concerns, confront the COVID-19 pandemic, promote a workplace of excellence, and enhance public accountability.

**National Recognition:** For the 6<sup>th</sup> consecutive year, the agency was named one of the top places to work in the nation by the Alliance for Workplace Excellence, earning all four of the Alliance's awards: the Workplace Excellence Award/Seal of Approval, the Health and Wellness Seal of Approval, the Diversity Champion Award; and the EcoLeadership Award.

**Workforce Development:** The Department is continuing its comprehensive position classification and compensation study to ensure the agency attracts and retains a highly skilled workforce; promoting diversity and inclusion through workplace policies, initiatives, and the employee-led Diversity Council; and providing training for career development, compliance with agency policies and regulatory guidance, and workplace safety/wellbeing. Other examples of workforce for development

include the agency-wide Language and Literacy Program and the Apprenticeship Programs, which are both administered by the Department.

**Workplace Safety:** The agency-wide Risk Management and Workplace Safety Office is responsible for ensuring Commission facilities and programs are safe for employees and patrons, protecting agency assets, and ensuring compliance with federal and state safety regulations. These goals are met through proactive risk assessments, development and delivery of a safety training program, coordination of COOP plans and public health concerns, compliance reviews, administration of liability and workers' compensation programs, and management of agency wide safety programs. Throughout 2020, the Office implemented agency-wide protocols to address the pandemic, educate the workforce, and mitigate the spread of COVID-19.

**Labor Relations:** Administered labor agreements and conducted contract negotiations with two Unions representing approximately 800 positions. Negotiations included a 3-year contract negotiation with the Fraternal Order of Police (FOP) for contract effective date of February 2020, and wage reopeners with the FOP and Municipal and County Government Employees Organization/UFCWU Local 1994 (MCGEO) Union for the period of July 1, 2019 through June 30, 2020.

**Employee Benefits:** This team manages group health insurance and benefit plans for all full-time and part-time career employees, retirees, term-contract employees, and seasonal/intermittent employees who average 30+ hours per week. Benefit plans remained competitive and cost effective with emphasis on access and quality care. The agency's robust health and wellness program continued to be strengthened to support employees in prioritizing their health to reduce overall health care costs.

**Fiscal Responsibility:** The Corporate Budget Office provides salary projections, long range fiscal planning, labor cost modeling, and cost allocations. The office also streamlines budget activities across the agency to strengthen tracking, cost containment, oversight, and increase transparency. For the 34<sup>th</sup> consecutive year, we earned the Distinguished Budget Presentation Award from the Government Finance Officers' Association (GFOA) for the annual Budget publications.

## Department of Finance

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

**Corporate Financial Management:** The Department provided financial guidance to operating departments on proposed and existing public, private partnerships, funding approaches for various projects, and long-term fiscal strategy. During FY 2020, the Department coordinated the sale of a Ten million (\$10,000,000) bond issue for Montgomery County Park Acquisition and Development Bonds. The proceeds will be used to finance certain capital park acquisition and development projects in the county.

**Automating/Streamlining Efforts:** Efforts continue the Enterprise Resource Planning (ERP) system with a focus on improved reporting, automating accounts payable processing, automating seasonal staff timekeeping, contract management, and strategic sourcing.

**Outreach to Minority, Female and Disabled Vendors:** The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. These events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 15% which equated to \$15 million of procurement with MFD firms.

**Financial Reporting:** For the 47<sup>th</sup> consecutive year, the Commission received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the FY 2019 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

## Office of General Counsel

The Office of the General Counsel (OGC or Legal Department) provides a comprehensive program of legal services to the Commission, supporting almost every facet of the Commission's work program. The OGC guides the Commission's internal corporate operations; advises staff and the Planning Boards as they navigate their important quasi-judicial and regulatory

responsibilities; advocates on the Commission's behalf in litigation before the state and federal courts; and participates in cross-functional teams assembled periodically to develop creative solutions to new challenges facing the Commission.

**Protecting the Public Interest in Litigation:** During FY 2020, the OGC registered 11 new litigation cases and closed 12 cases – ending the year with 19 cases pending in state and federal courts. The cases closed during the year covered a variety of conventional disputes, including 1 ordinary tort claims, 1 employment claim, 7 workers compensation appeals, 8 administrative land use appeals, and 2 miscellaneous matters. The Commission litigation team consistently delivered successful results and handled a number of complex matters including construction, employment, and unique workers compensation and liability matters. The litigation team represented the Commission's interest to prevent the 6525 Belcrest Road, LLC plaintiffs from circumventing, through collateral litigation, the judicial-review process for challenging a Prince George's County Planning Board decision. The OGC provided advice for a myriad of novel legal and compliance issues arising in response to the novel coronavirus.

**Proactive Legal Support for Commission Policy Makers:** The Legal Department continued in its tradition of delivering real-time, preventive counsel to support sound business and public policy decisions. During FY 2020, the work included: drafting amendment to the Zoning Ordinance for a new "Small Cell Wireless Facilities" zoning use category to facilitate the expansion of 5G technology in Prince George's County; drafting a wholesale revision of the Subdivision Regulations in Montgomery County; developing effective strategies to assure continuation of operations by the Planning Boards and operating departments during the COVID-19 pandemic; and advising the agency's management on the implementation of the Maryland Healthy Working Families Act. In addition, each OGC Land Use team continued its history of legal support for staff working to review important area development projects, such as the Metro Tower/One Bethesda Center Preliminary Plan and Sketch Plan in Montgomery County and the Conceptual and Detailed Site Plans for Southlake, a mixed-use development project in Prince George's County.

**Building Quality of Life – One Transaction at a Time:** Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements, memoranda of understanding, and policies related to the Commission's park and recreation functions. Examples of important projects initiated or completed during FY 2020 include: Establishing a COVID19 Toolkit which is a suite of documents for use by Commission departments to address COVID19-related issues; successful negotiation of a new comprehensive pension software administration system for the Employee Retirement System; the acquisition of a property on Albion Road in College Park from WMATA; revisions to the Montgomery County Parks Department Commemorative Naming Policy; completion of complex agreements for the Wheaton Regional Headquarters which is the new location for various Commission Departments in Montgomery County; finalizing the Westbard Self Storage Project in which the Commission will own and develop a new park and memorial dedicated to African Americans who historically occupied the property.

**Legislative Support:** In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 160 bills during the 2020 Session of the Maryland General Assembly, including about 6 bills relating directly to agency operations in Prince George's or Montgomery County. In addition, the Commission's team in Annapolis engaged directly in advocating for a healthy bi-county share of the State's Program Open Space "Local Side" funding, resulting in near record-setting allocations for Montgomery County and Prince George's County of \$10 and \$17 million, respectively.

## **Office of the Chief Information Officer**

The Office of the Chief Information Officer develops the Information Technology architecture and recommends information technology policies for the Commission. Policies are reviewed by the Information Technology Council. The Information Technology Council and the Chief Information Officer provide Commission Governance for enterprise-wide project efforts. The CIO is responsible for strategic planning for the enterprise-wide IT systems in collaboration with the departments to meet business needs. The CIO also functions as the Commission's Chief Information Security Officer. The CIO has taken appropriate steps to advance Enterprise IT (EIT) infrastructure governance and in the development of the structure of how these steps relate to the IT responsibilities of the departments. The CIO is developing a comprehensive strategy to deliver EIT services to achieve benefits such as economies of scale, efficiencies, better service, stronger security, etc. The Departmental Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

**Business Process Re-engineering.** During FY 2020, several major projects commenced involving the digitization, business process re-engineering, and automation of paper-based personnel action forms (DPA) project achieved all of its objectives. The project is considered a game changer as it enabled the digitization of the personnel action forms, the design of efficient workflows using the ERP system functionality and tools. The workflows allowed for routing and sign off by designated supervisors in a full digital and automated environment. This was transformational as more 8,000 DPA's were completed online this year.

The Seasonal Payroll Automation project was a brilliant effort to transform and automate the paper-based time keeping on the time keeping system, Kronos, payroll process automation, and Integration with the ERP financial system.

**Fiscal year 2020 has seen continued success** in the establishing of new cyber security policies and enhancements to existing ones to ensure the agency stays up to date in the face of increased cyber security threats and breaches. The development of an industry standard based vulnerability management (VM) policy with the objective to detect and remediate vulnerabilities (weaknesses) in a timely manner. This policy defines how to secure agency's information assets through proper scanning, constraints on behaviors of users as well as roles and responsibilities to meet effective vulnerability management.

While cybersecurity related incidents may not be all preventable, proper planning and execution of an incident response plan makes a big difference relative to the occurrence, impact, efficient and timely remediation of an incident. The Department has developed a cybersecurity incident response plan (IRP) that would ensure a quick recognition and response to a cybersecurity related incident and assess, classify and efficiently contain the situation.

The Security Awareness Training program has been in place for several years and has showed improved employee awareness of current security threats; a must have for the first line of defense against intruders. This initiative has proven to be very effective in reducing the agency's IT security risks.

**The OCIO worked closely with the Office of the Inspector General** to review the information technology environment and the policies that govern it, identified gaps, and made recommendations. The focus of the department is to ensure that the integrity and confidentiality of the Commission's data is protected under all circumstances. Additionally, the OCIO will continue to work with the Information Technology Council to set project priorities and to ensure that projects are aligned with the Commission's goals and objectives.

## **Office of the Inspector General**

**The primary focus** of the Commission's Office of the Inspector General is to provide the Board and Department Heads with objective information to assist them in determining whether Commission operations are adequately controlled and whether the required high degree of public accountability is maintained over public funds and to improve the efficiency and effectiveness of the Commission. To accomplish this, in fiscal year 2020 more than 27 audits, investigations, and reviews were performed. In addition, a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

## **Merit System Board**

The Merit System Board is the agency's impartial Board responsible for overseeing the Commission's Merit System, upholding employee rights guaranteed under the Merit System, recommending employment and compensation policies, and serving as the final administrative appellate body for employment matters pertaining to non-represented career employees.

## **Employees' Retirement System**

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



ERS Trust Fund assets closed the year with a fair market value of \$942.6 million. For the one year ending June 30, 2020 the ERS posted 1.9% net of fee return, and for the three and five years ended June 30, 2020, the ERS posted net of fee return of 5.6% and 6.1%, respectively. The Board of Trustees actions for the year included approval of a reduction in the investment return assumption from 6.85% to 6.80% effective July 1, 2020; adoption of a revised asset allocation policy in July 2019 which included a 5% allocation to emerging market debt which resulted in the selection of the Prudential Trust Company's Emerging Markets Blend Debt Fund; approval of Wilshire's recommendation to select Northern Trust Collective Russell 2000 Index Fund as a replacement to the unexpected closure of Chicago Equity Partners; extension of the Investment Consulting Services Agreement with Wilshire Associates for two additional years through June 30, 2022; consent to assignment of the Investment Management Agreement from C.S. McKee to CSM Advisors, LLC; approval of revised investment guidelines for Eaton Vance to permit inclusion of a maximum of 5% in credit risk transfer securities; reductions in fees with Northern Trust Company, VOYA Investment Management and C.S. McKee (now CSM Advisors, LLC); and approval of a revised Securities Lending Authorization Agreement with Northern Trust Company.

The Board and Staff kicked off a project in January 2020 with Levi, Ray & Shoup, Inc. for a comprehensive pension administration system to handle key business line processes; to implement a document imaging solution with viewing, scanning and storing capabilities; and to establish an employee self-service portal for members to view account information and perform benefit estimate calculations.

The ERS has continued comprehensive communications to all members via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and a temporary adjustment to virtual access for counseling for participants.

PART IIA

# Financial Section

BASIC FINANCIAL STATEMENTS



Josiah Henson Museum and Park.



## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major funds, and the aggregate remaining fund information of the Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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





## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Commission, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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



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

Owings Mills, Maryland  
January 26, 2021

*SB & Company, LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of The Maryland-National Capital Park and Planning Commission ("the Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities for the Commission for the fiscal year ended June 30, 2020.

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

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

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

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

### Financial Highlights

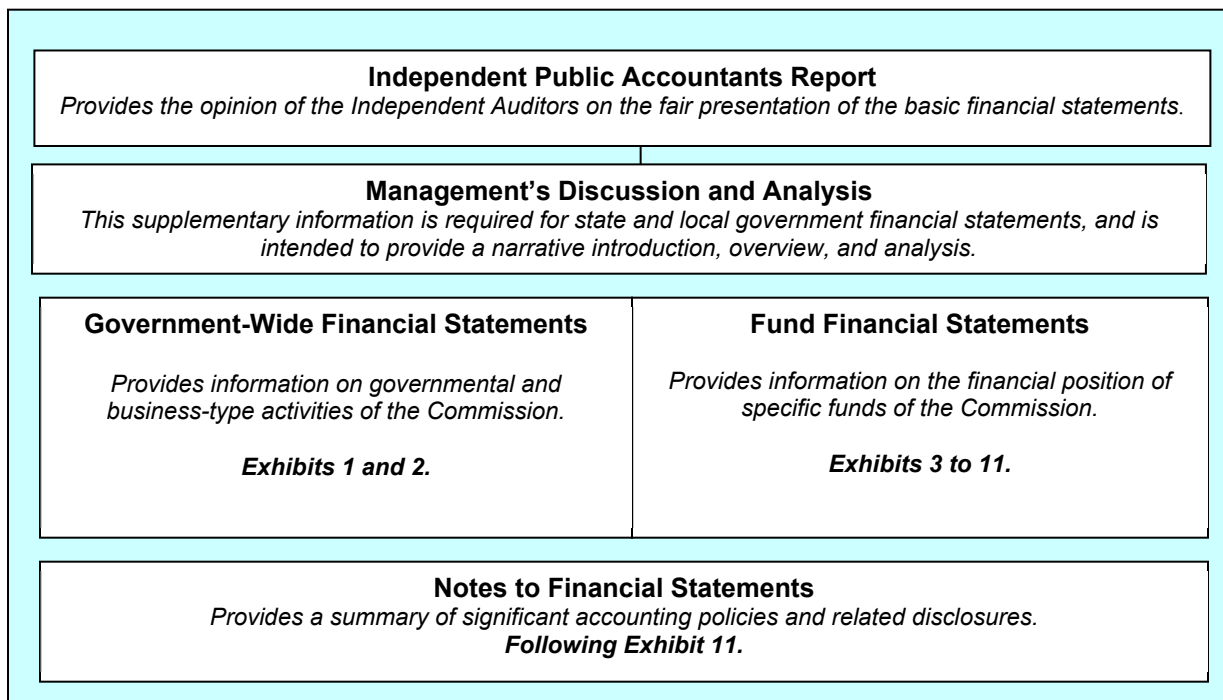
- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$1,049.6 million (net position). Of this amount, \$94.7 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$83.2 million during fiscal year 2020. This is a result of an increase in cash and other current assets of \$36.9 million, an increase in capital assets of \$48.2 million, and an increase in the deferred outflow of resources (mainly due to pension deferrals) of \$73.9 million. These are offset by an increase in liabilities of \$101.1 million (mainly due pension and other post-employment benefits ) and a decrease in the deferred inflow of resources (mainly due to pension deferrals) of \$25.3 million.
- As of June 30, 2020, the Commission's governmental funds reported combined ending fund balances of \$470.3 million, an increase of \$51.7 million. Of this amount, \$240.2 million is unassigned, \$86.7 million is assigned, \$118.3 million is committed, \$24.0 million is restricted, and \$1.1 million of fund balance is nonspendable.
- The Commission's General Fund balance at June 30, 2020, is \$320.2 million, an increase of \$16.2 million during the year. The unassigned fund balance of \$244.3 million is approximately 55.9% of fiscal year 2020 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance as of June 30, 2020 is \$20.3 million, an increase of \$7.3 million primarily due to the issuance of bonds.
- The Prince George's County Capital Projects Fund balance as of June 30, 2020, is \$111.8 million, an increase of \$29.1 million primarily due to transfers from other funds.

- The assets plus deferred outflows of the enterprise funds exceeded liabilities and deferred inflows by \$50.0 million, a decrease of \$4.6 million. The Prince George’s Enterprise Fund had a decrease in net position of \$4.6 million and the Montgomery Enterprise Fund had a small decrease in net position.
- The Commission’s bonds and notes payable decreased by \$3.6 million. General obligation bonds were issued for Montgomery County in the amount of \$10.0 million. The new general obligation bond issues combined with the scheduled payments of \$12.6 million and \$1.0 million of amortized bond premium resulted in the decrease of the bonds and notes payable.

**Overview of the Financial Statements**

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

**Organization and Flow of Financial Section Information**



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's progress in funding its obligation to provide pension benefits and other postemployment 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 \$1,049.6 million at the close of the most recent fiscal year.

A summary of the Commission's net position follows:

Summary of Net Position (in millions)  
June 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2019-2020
	2020	2019	2020	2019	2020	2019	
<b>Assets</b>							
Current and Other Assets	\$ 582.6	\$ 541.7	\$ 9.4	\$ 13.4	\$ 592.0	\$ 555.1	6.6%
Capital Assets	1,051.3	1,002.7	58.7	59.1	1,110.0	1,061.8	4.5%
Total Assets	<u>1,633.9</u>	<u>1,544.4</u>	<u>68.1</u>	<u>72.5</u>	<u>1,702.0</u>	<u>1,616.9</u>	<u>5.3%</u>
Deferred Outflows	<u>122.6</u>	<u>51.7</u>	<u>4.9</u>	<u>1.9</u>	<u>127.5</u>	<u>53.6</u>	<u>137.9%</u>
<b>Liabilities/Deferred Inflows</b>							
<b>Current Portion of Long-term</b>							
Liabilities	30.8	30.0	0.3	0.4	31.1	30.4	2.3%
Long-term Liabilities	632.8	526.3	19.2	14.6	652.0	540.9	20.5%
Other Liabilities	<u>48.5</u>	<u>58.8</u>	<u>1.9</u>	<u>2.3</u>	<u>50.4</u>	<u>61.1</u>	<u>-17.5%</u>
Total Liabilities	<u>712.1</u>	<u>615.1</u>	<u>21.4</u>	<u>17.3</u>	<u>733.5</u>	<u>632.4</u>	<u>16.0%</u>
Deferred Inflows	<u>44.8</u>	<u>69.2</u>	<u>1.6</u>	<u>2.5</u>	<u>46.4</u>	<u>71.7</u>	<u>-35.3%</u>
<b>Net Position</b>							
<b>Net Investment in Capital</b>							
Assets	896.2	843.3	58.7	59.1	954.9	902.4	5.8%
Unrestricted	<u>103.4</u>	<u>68.5</u>	<u>(8.7)</u>	<u>(4.5)</u>	<u>94.7</u>	<u>64.0</u>	<u>48.0%</u>
Total Net Position	<u>\$ 999.6</u>	<u>\$ 911.8</u>	<u>\$ 50.0</u>	<u>\$ 54.6</u>	<u>\$ 1,049.6</u>	<u>\$ 966.4</u>	<u>8.6%</u>

Current and other assets increased by 6.6% mainly due to the higher cash and accounts receivable balances at June 30. Long-term liabilities increased by 20.5% due to an increases in both pension and other post-employment benefit liability increases. Deferred Outflows increased by 137.9% mainly due to differences between expected and actual earnings and the difference between expected and actual experience. Changes in net position are discussed later.

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

The remaining balance of \$94.7 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, 2020 and 2019

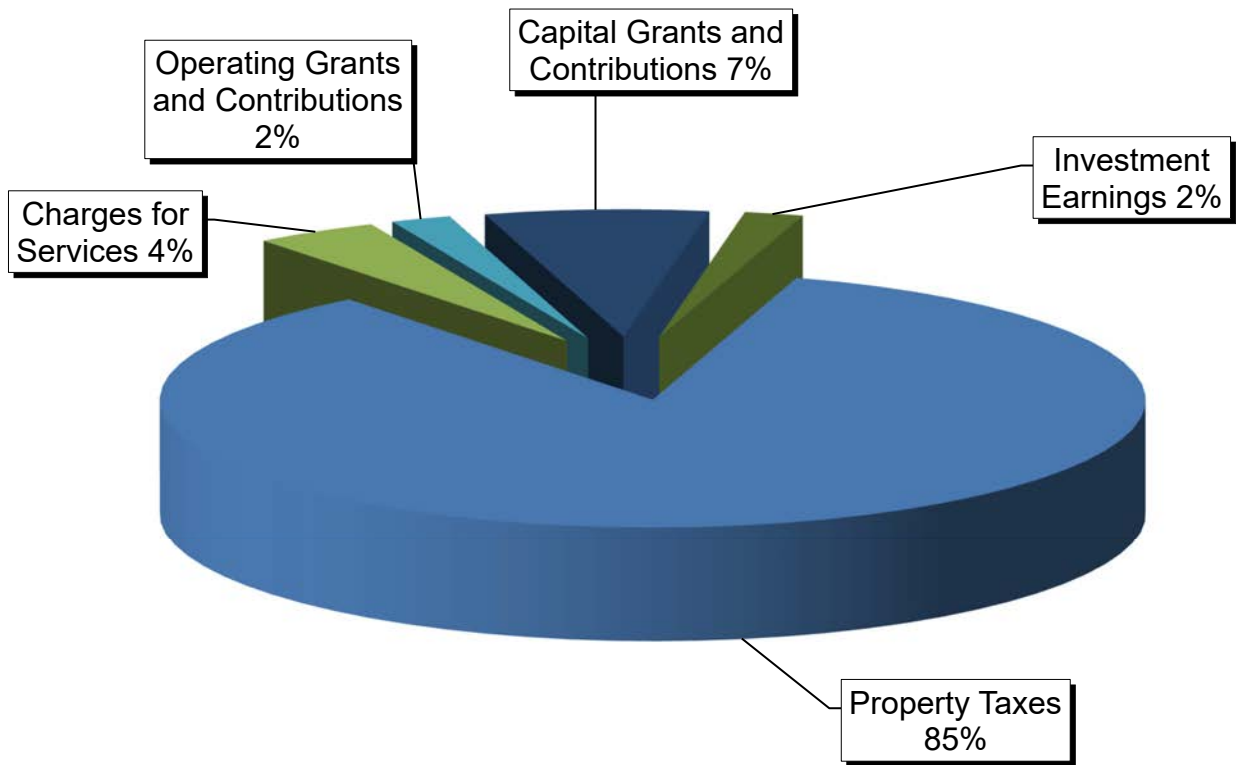
	Governmental		Business-type		Total		Total Percentage Change 2019-2020
	Activities		Activities				
	2020	2019	2020	2019	2020	2019	
Program Revenues:							
Charges for Services	\$ 20.4	\$ 27.3	\$ 15.5	\$ 20.4	\$ 35.9	\$ 47.7	-24.7%
Operating Grants and Contributions	9.9	8.5	-	-	9.9	8.5	16.5%
Capital Grants and Contributions	36.9	18.0	-	-	36.9	18.0	105.0%
General Revenues:							
Property Taxes	425.8	401.2	-	-	425.8	401.2	6.1%
Investment Earnings	9.7	13.0	0.7	0.9	10.4	13.9	-25.2%
Total Revenues	<u>502.7</u>	<u>468.0</u>	<u>16.2</u>	<u>21.3</u>	<u>518.9</u>	<u>489.3</u>	<u>6.0%</u>
Expenses:							
General Government	22.2	19.9	-	-	22.2	19.9	11.6%
County Planning and Zoning	54.0	61.3	-	-	54.0	61.3	-11.9%
Park Operations and Maintenance	252.0	237.1	-	-	252.0	237.1	6.3%
Recreation Programs	72.7	74.4	-	-	72.7	74.4	-2.3%
Recreational and Cultural Facilities	-	-	29.0	32.1	29.0	32.1	-9.7%
Interest on Long-term Debt	5.8	5.9	-	-	5.8	5.9	-1.7%
Total Expenses	<u>406.7</u>	<u>398.6</u>	<u>29.0</u>	<u>32.1</u>	<u>435.7</u>	<u>430.7</u>	<u>1.2%</u>
Increase (Decrease) in Net Position Before Transfers	96.0	69.4	(12.8)	(10.8)	83.2	58.6	<u>42.0%</u>
Transfers	(8.2)	(8.6)	8.2	8.6	-	-	
Increase (Decrease) in Net Position	87.8	60.8	(4.6)	(2.2)	83.2	58.6	
Net Position - beginning	911.8	851.0	54.6	56.8	966.4	907.8	
Net Position - ending	<u>\$ 999.6</u>	<u>\$ 911.8</u>	<u>\$ 50.0</u>	<u>\$ 54.6</u>	<u>\$ 1,049.6</u>	<u>\$ 966.4</u>	

During the current fiscal year, the Commission's net position grew by \$83.2 million. This is largely a result of an increase in cash and other current assets of \$36.9 million, an increase in capital assets of \$48.2 million, and a decrease in the deferred inflow of resources (mainly due to pension deferrals) of \$25.3 million. These are offset by an increase in liabilities of \$101.1 million (mainly due pension and other post-employment benefits) and an increase in the deferred outflow of resources (mainly due to pension deferrals) of \$25.3 million.

**Governmental activities.** Governmental activities increased the Commission's net position by \$87.8 million, thereby accounting for 106.0% of the total growth in the net position of the Commission. This increase is primarily attributable to capital and operating grant receipts of \$46.8 million and property tax revenue of \$425.8 million which exceeded ongoing expenses of \$406.7 million and by the transfers to business-type activities of \$8.2 million. Normal operating expenses due to facility closures were decreased due to coronavirus during the last quarter of the fiscal year.



## 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 7.5% of governmental activities expenses.

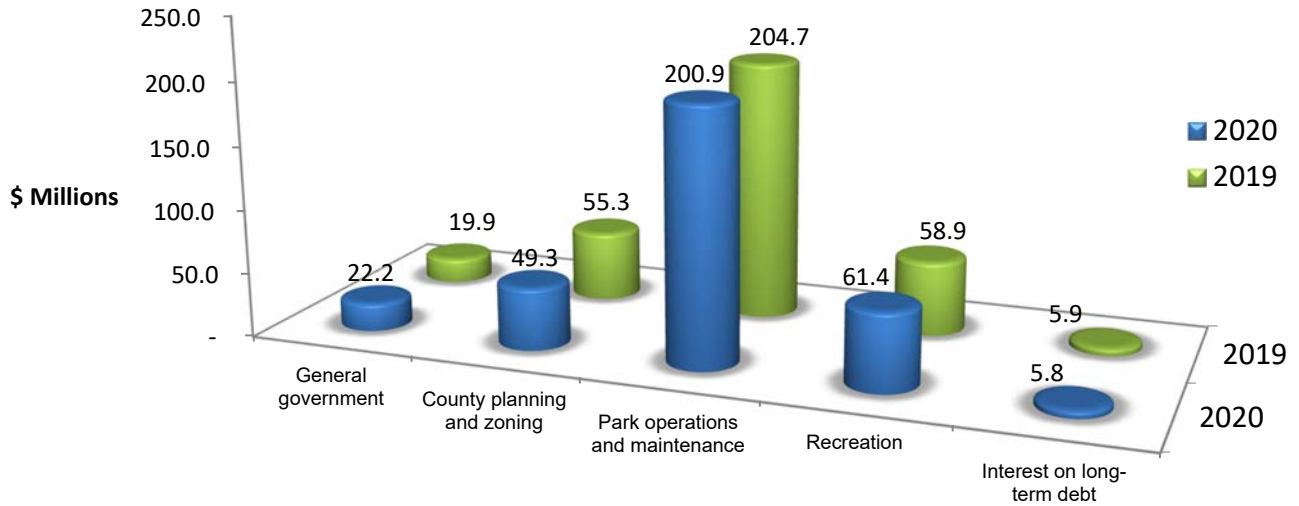
The overall total cost of services and net cost of services increased by 2.0% FY 2020 compared to FY 2019 and the net cost of services decreased by 1.5% for FY 2020 compared to FY 2019.

Net Cost of Governmental Activities (000's)  
For the Fiscal Years Ended June 30, 2020 and 2019

	2020		2019		Percentage Change 2019 - 2020	
	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	\$ 22,179	\$ 22,179	\$ 19,909	\$ 19,909	11.4%	11.4%
County Planning and Zoning	54,045	49,260	61,301	55,348	-11.8%	-11.0%
Park Operations and Maintenance	251,990	200,867	237,053	204,692	6.3%	-1.9%
Recreation Programs	72,667	61,367	74,366	58,908	-2.3%	4.2%
Interest on Long-term Debt	5,789	5,789	5,928	5,928	-2.3%	-2.3%
<b>Total</b>	<b>\$ 406,670</b>	<b>\$ 339,462</b>	<b>\$ 398,557</b>	<b>\$ 344,785</b>	<b>2.0%</b>	<b>-1.5%</b>



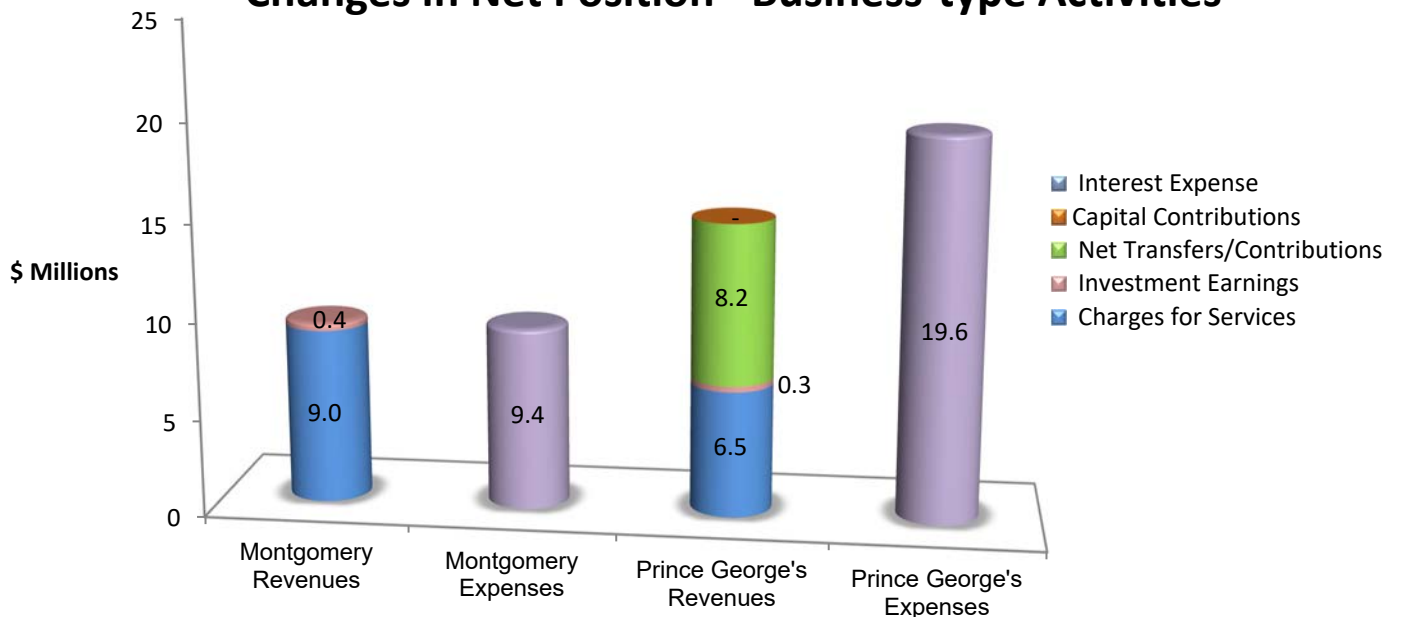
## Net Cost by Function - General Government



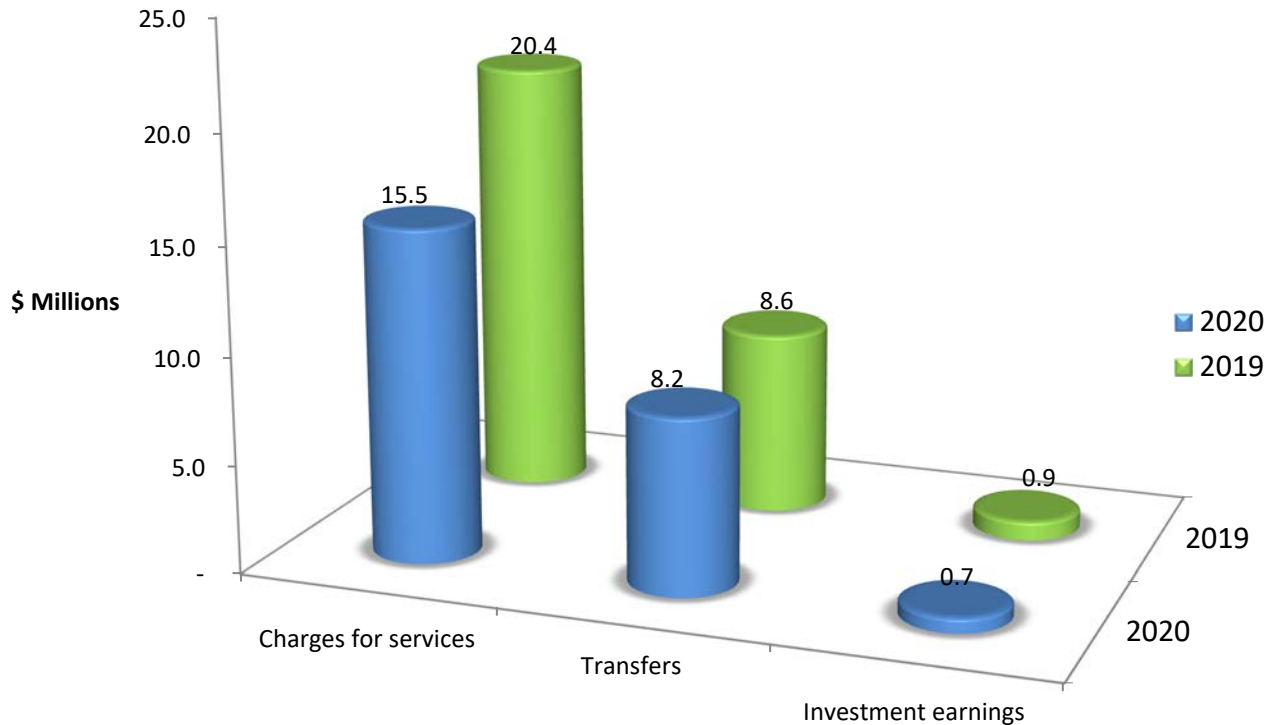
**Business-type Activities.** Business-type activities expenses in excess of revenues led to a decrease in the Commission's net position of \$4.6 million.

- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$13.4 million.
- Governmental activities contributed \$8.2 million to support the enterprise activities. The funding is for the Prince George's County business-type activities.

## Changes in Net Position - Business-type Activities



## Revenues by Source - Business-type Activities



More detail regarding these funds 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, unassigned 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 \$470.3 million, an increase of \$51.7 million in comparison with the prior year. Approximately 51.1% of this total amount, or \$240.2 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. The remaining fund balances are non-spendable, restricted, committed or assigned to indicate that they are not available for new spending as \$1.1 million is non-spendable, \$118.3 million has been committed for contracts and purchase orders, \$24.0 million is restricted and \$86.7 million is assigned to fund fiscal year 2021 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 \$244.3 million, while total fund balance was \$320.2 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 55.9% of the total general fund expenditures and transfers out, while total fund balance represents 73.2% of the same amount.

The fund balance of the Commission's General Fund has increased by \$16.2 million during the current fiscal year. Key factors that generated this increase are as follows:

- Savings of \$3.6 million due to delaying of the bond issues until later in the fiscal year.
- Interest revenue was \$3.0 million higher than budgeted.
- Control of expenditures generated \$9.6 million in savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$20.3 million and Prince George's County has a fund balance of \$111.8 million, both of which represent authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds increased \$7.3 million in Montgomery County, and increased \$29.1 million in Prince George's County, primarily due to the transfer of \$1.6 million to the Prince George's County Park Account, offset by the \$52.1 million transfer from the general fund to the capital projects fund for Prince George's County, construction grants realized of \$14.1 million in Montgomery County and \$12.7 million in Prince George's County and the issuance of General Obligation Bonds in the amount of \$10.0 million in Montgomery County. This is all offset by expenditures for the fiscal year which were \$26.8 million in Montgomery County and \$36.4 million in Prince George's County.

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

One enterprise fund has been established in each county to account for the various facilities. Separate cost centers are maintained for each major type of facility including a historical airport, four ice rinks, three golf courses, four enclosed tennis facilities, three conference centers, an equestrian center, a multipurpose arena, a trap and skeet center, certain regional park facilities, and a sports and learning complex. 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 \$2.7 million and the unrestricted net position for the Prince George's County fund amounted to \$(11.4) million. The total changes in net position for the funds were a minimal decrease in the Montgomery County fund and a decrease of \$4.6 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, 2020 and 2019

	Montgomery County		Prince George's County	
	FY2020	FY2019	FY2020	FY2019
Operating Revenues	\$ 9,030	\$ 11,951	\$ 6,500	\$ 8,469
Operating Expenses, Excluding Depreciation	8,604	9,490	17,633	18,183
Operating Income (Loss), Excluding Depreciation	426	2,461	(11,133)	(9,714)
Depreciation	803	1,097	1,945	2,014
Operating Income (Loss)	(377)	1,364	(13,078)	(11,728)
Nonoperating Revenue (Expense)	359	599	297	(968)
Transfers/Contributions	-	-	8,158	8,585
Change in Net Position	\$ (18)	\$ 1,963	\$ (4,623)	\$ (4,111)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's)  
For the Fiscal Years Ended June 30, 2020 and 2019

	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Event Centers	\$ 364	\$ 558	\$ (194)	\$ (185)	\$ 27	\$ (212)
Golf Courses	61	38	23	61	38	23
Ice Rinks	3,667	5,223	(1,556)	18	1,024	(1,006)
Indoor Tennis	1,589	2,102	(513)	243	562	(319)
Park Facilities	3,233	4,030	(797)	173	810	(637)
Commission Bldg	116	-	116	116	-	116
Total	\$ 9,030	\$ 11,951	\$ (2,921)	\$ 426	\$ 2,461	\$ (2,035)

The Montgomery County Enterprise Fund revenues decreased by \$2,921,000 and operating income, excluding depreciation decreased by \$2,035,000. Operating revenues and operating income for Event Centers, Ice Rinks, Indoor Tennis and Park Facilities were all less than the prior year due to closures for Coronavirus from March through June 2020. The Golf Courses received a higher lease payment than in previous years. Commission Building for the new Wheaton Headquarters facility is in start-up and received only a partial rental revenue for FY2020. The building will become fully operational during the first quarter of FY2021.

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, 2020 and 2019

	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2020	FY2019	Change	FY2020	FY2019	Change
Airport	\$ 310	\$ 296	\$ 14	\$ (394)	\$ (262)	\$ (132)
Equestrian Center/ShowplaceArena	935	1,474	(539)	(2,047)	(1,596)	(451)
Golf Courses	1,612	1,894	(282)	(2,101)	(1,750)	(351)
Ice Rinks	210	257	(47)	(388)	(307)	(81)
Tennis Bubbles/Administration	359	398	(39)	(812)	(661)	(151)
Trap and Skeet Center	991	1,293	(302)	(222)	18	(240)
Sports and Learning Complex	2,083	2,645	(562)	(5,169)	(5,368)	199
Bladensburg Marina	-	212	(212)	-	212	(212)
Total	<u>\$ 6,500</u>	<u>\$ 8,469</u>	<u>\$ (1,969)</u>	<u>\$ (11,133)</u>	<u>\$ (9,714)</u>	<u>\$ (1,419)</u>

The Prince George's County Enterprise Fund revenues decreased by \$1,969,000 and the operating loss, excluding depreciation, increased by \$1,419,000. There was an increase in sales at the College Park Airport; however, expenditures also increased for personnel and maintenance. Operating revenues and operating income for the other operating units were less than the prior year due to closures for Coronavirus from March through June 2020.

### 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, 2020

	Administration Account	Park Account
(Unfavorable) property tax collections	\$ (1,013.1)	\$ (3,298.8)
Favorable/(unfavorable) charges for services	287.0	(1,689.2)
(Unfavorable) intergovernmental revenue	(113.0)	(129.6)
Favorable investment revenue	136.7	171.9
Favorable/(unfavorable) other revenue	21.2	(24.8)
Total (unfavorable) revenue variance	<u>(681.2)</u>	<u>(4,970.5)</u>
Expenditure savings	481.3	3,609.1
Favorable other financing sources (uses)	-	515.9
Total (unfavorable) budgetary variance	<u>\$ (199.9)</u>	<u>\$ (845.5)</u>

Property tax collections were lower than budgeted due to the actual accessible base being lower than the estimate provided by the county government. Charges for Services exceeded the budget for the Administration Account due to higher than projected development fees. Charges for Services had a shortfall in the Park Account due to decreased rental revenue and closures due to the Coronavirus. Intergovernmental Revenue was down in both the Administration and Park Accounts due to fewer grants than anticipated. Investment Revenue fluctuates as the interest revenue is allocated based upon account balances and both accounts had favorable variances. Other Revenues exceeded the budget for the Administration Account and was lower than anticipated for the Park Account due to collections of donations, fines and other miscellaneous revenue. Expenditure savings for both funds was primarily a result of delays in filling vacant positions. Favorable other financing uses was due to debt service payments being less than budget due to bond issuance timing.

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, 2020

	Administration Account	Park Account
<u>Fund balance, budget basis</u>		
Assigned	\$ 202.2	\$ -
Unassigned, reserved Property Mgmt	-	699.1
Unassigned, reserved for contingencies	979.0	3,153.0
Unassigned, available for appropriation	522.4	70.0
Total Budgetary Fund Balance	<u>\$ 1,703.6</u>	<u>\$ 3,922.1</u>

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

Prince George's County Budget to Actual Variances (000's)  
For the Year Ended June 30, 2020

	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 447.3	\$ 1,312.0	\$ 599.3
Favorable Intergovernmental	189.0	1,565.2	796.4
Favorable/(unfavorable) charges for services	65.2	(1,192.9)	(5,129.3)
Favorable investment revenue	587.0	1,355.7	720.9
Favorable/(unfavorable) other revenue	34.2	(97.4)	233.5
Total favorable/(unfavorable) revenue variance	<u>1,322.7</u>	<u>2,942.6</u>	<u>(2,779.2)</u>
Expenditure savings/(loss)	5,862.4	(231.0)	10,799.5
Favorable other financing sources	-	4,232.5	-
Total favorable budgetary variance	<u>\$ 7,185.1</u>	<u>\$ 6,944.1</u>	<u>\$ 8,020.3</u>

Property tax collections in the Administration, Park and Recreation Accounts were higher than budgeted due to a higher than anticipated assessable base growth and prior year tax collections. Intergovernmental revenue increased in the Administration Account due to receipts from a PILOT (Payment in Lieu of Taxes) agreement for Special Tax collections. Charges for services increased in the Administration Account as a result of higher than anticipated revenues generated from Zoning and Urban Design application fees. Charges for Services decreased both the Park Account and the Recreation Account primarily due Coronavirus closures from March to June. The favorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to higher interest income than budgeted. Other Revenue in the Administration Account was higher than budgeted due to increased miscellaneous revenue. Other Revenue in the Park Account was lower than budgeted due to lower than anticipated rentals. The Recreation Account had higher than anticipated Other Revenue from increased developer contributions. The expenditure savings in the Administration and Recreation Accounts were mostly the result of vacant positions. Expenditures for the Park Account slightly exceeded budget due to grants that were not budgeted. Additional savings in the Park Account other financing sources are the result of lower than budgeted debt service costs resulting from delaying a bond sale.

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:

	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ -	\$ 11,021.1	\$ -
Unassigned, reserved for contingencies	2,696.5	6,441.6	4,268.5
Unassigned, available for appropriation	65,448.4	110,222.3	49,823.6
Total Budgetary Fund Balance	<u>\$ 68,144.9</u>	<u>\$ 127,685.0</u>	<u>\$ 54,092.1</u>

### Capital Asset and Debt Administration

**Capital assets.** The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$1,110.0 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 4.5% (a 4.8% increase for governmental activities and a 0.7% decrease for business-type activities). The most significant increase is \$42.5 million for construction in progress for the governmental activities. The most significant capital asset change in business-type activities was an increase of \$2.3 million in construction in progress and an increase of \$2.7 million for 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 2020, no projects were completed.

Expenditures on Montgomery County projects totaled \$26.8 million in fiscal year 2020, \$8.9 million for land acquisition and \$17.9 million for development. Land acquisition purchases included \$7.0 million for Veterans Park Civic Green and \$1.3 million for McCrillis Gardens Special Park. Major Park Development expenditures included: \$4.4 million for the Josiah Henson project, \$3.1 million for various park renovation projects, \$1.5 million for Ballfield Initiative projects, \$1.4 million for various ADA improvement projects, and \$1.1 million was expended for playgrounds with play equipment upgrades.

Prince George's County projects totaled \$36.4 million in fiscal year 2020, of which \$4.2 million was for land acquisition and \$32.2 million was for development. Land acquisition included \$2.5 million in Countywide Local Park acquisitions and \$1.4 million in Regional Park Acquisitions for Stream Valley Park Development. Major park development expenditures included South Clinton Community & Aquatic Centers with construction costs to date of \$40.7 million, of which \$2.9 million was in fiscal year 2020 for design and construction services for a multigenerational recreational facility with aquatic spaces, gymnasium in addition to multi-use spaces, Southern Regional Tech Rec Aquatic Center with construction costs to date of \$9.3 million of which \$7.1 million was in fiscal year 2020 for the construction of an aquatic center, Tucker Road Ice Skating with construction costs to date of \$13.0 million of which \$11.3 million was in fiscal year 2020 for replacement of the ice rink, and \$1.4 million related to play equipment replacement.



## Commission's Capital Assets

### Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2020 and 2019

	June 30, 2020			June 30, 2019			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 409,383	\$ 18,043	\$ 427,426	\$ 395,798	\$ 18,044	\$ 413,842	3.3%
Buildings and improvements	92,350	28,930	121,280	96,222	31,134	127,356	-4.8%
Infrastructure	104,246	139	104,385	108,701	154	108,855	-4.1%
Machinery, equip. & intangibles	37,948	2,548	40,496	37,197	2,658	39,855	1.6%
Construction in progress	407,339	9,043	416,382	364,798	7,115	371,913	12.0%
Total	\$ 1,051,266	\$ 58,703	\$ 1,109,969	\$ 1,002,716	\$ 59,105	\$ 1,061,821	4.5%

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

**Long-term debt.** Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$170.8 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$18.4 million (Montgomery - \$6.3 million; Prince George's - \$12.1 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$167.8 million (Montgomery County - \$64.5 million and Prince George's County - \$103.3 million) at June 30, 2020. Park Bonds debt service expenditures totaled \$18.3 million (Montgomery - \$6.2 million, Prince George's - \$12.1 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 0.35 cents per \$100 of assessed valuation for real property and 0.88 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.23 cents per \$100 of assessed valuation for real property and 3.08 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

<b>Commission General Obligation Bond Ratings</b>			
<b>June 30, 2020</b>			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aaa	AAA	AAA



Details of the Commission's outstanding debt (net of unamortized discounts and premiums) as of June 30, 2020, are as follows (\$000's):

**Commission's Outstanding Debt  
June 30, 2020 and 2019**

	Governmental Activities		Change
	2020	2019	
General obligation bonds	\$ 181,315	\$ 184,894	-1.9%
Total	\$ 181,315	\$ 184,894	-1.9%

**Montgomery County Outstanding Debt  
June 30, 2020 and 2019**

	Governmental Activities		Change
	2020	2019	
General obligation bonds	\$ 70,369	\$ 65,667	7.2%
Sub-Total	\$ 70,369	\$ 65,667	7.2%

**Prince George's County Outstanding Debt  
June 30, 2020 and 2019**

	Governmental Activities		Change
	2020	2019	
General obligation bonds	\$ 110,946	\$ 119,227	-6.9%
Sub-Total	\$ 110,946	\$ 119,227	-6.9%

The Commission's bonds and notes payable decreased by \$3.6 million for the fiscal year due to the issuance of general obligation bonds in the amount of \$10.0 million offset by scheduled principal payments. State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,820.3 million of debt service for Montgomery County and \$1,046.9 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$83.7 million and \$135.3 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 85.0% of the Governmental Funds revenues in FY 2020. 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 2021 tax rates and adopting the FY 2021 Budget.

During the last half of FY 2020, the Commission suffered program revenue losses due to closures required by the COVID-19 pandemic. These closures will continue through much of FY 2021, with full program offerings expected to occur in FY 2022. It is expected that these revenue losses will be offset by reduction in costs, use of fund balance, and retained earnings in the Enterprise Funds in the near term.

The long-term effect on property tax revenues is undetermined. Commission staff will work with the County budget offices to understand how changing work patterns and consumer behavior will affect commercial property valuations over time. The most recent assessable base estimates released by the State Department of Assessments reflect an overall growth in value as of December 2020.

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 2021 the Commission's total Montgomery County real property tax rate was increased by 0.46 cents and the personal property tax rate was increased by 1.15 cents and the taxable real property assessable base is projected to increase by 0.04%. Commission property tax revenue in Montgomery County is budgeted to increase by 5.80% and budgeted expenditures are budgeted to increase 3.56% in the tax supported funds.

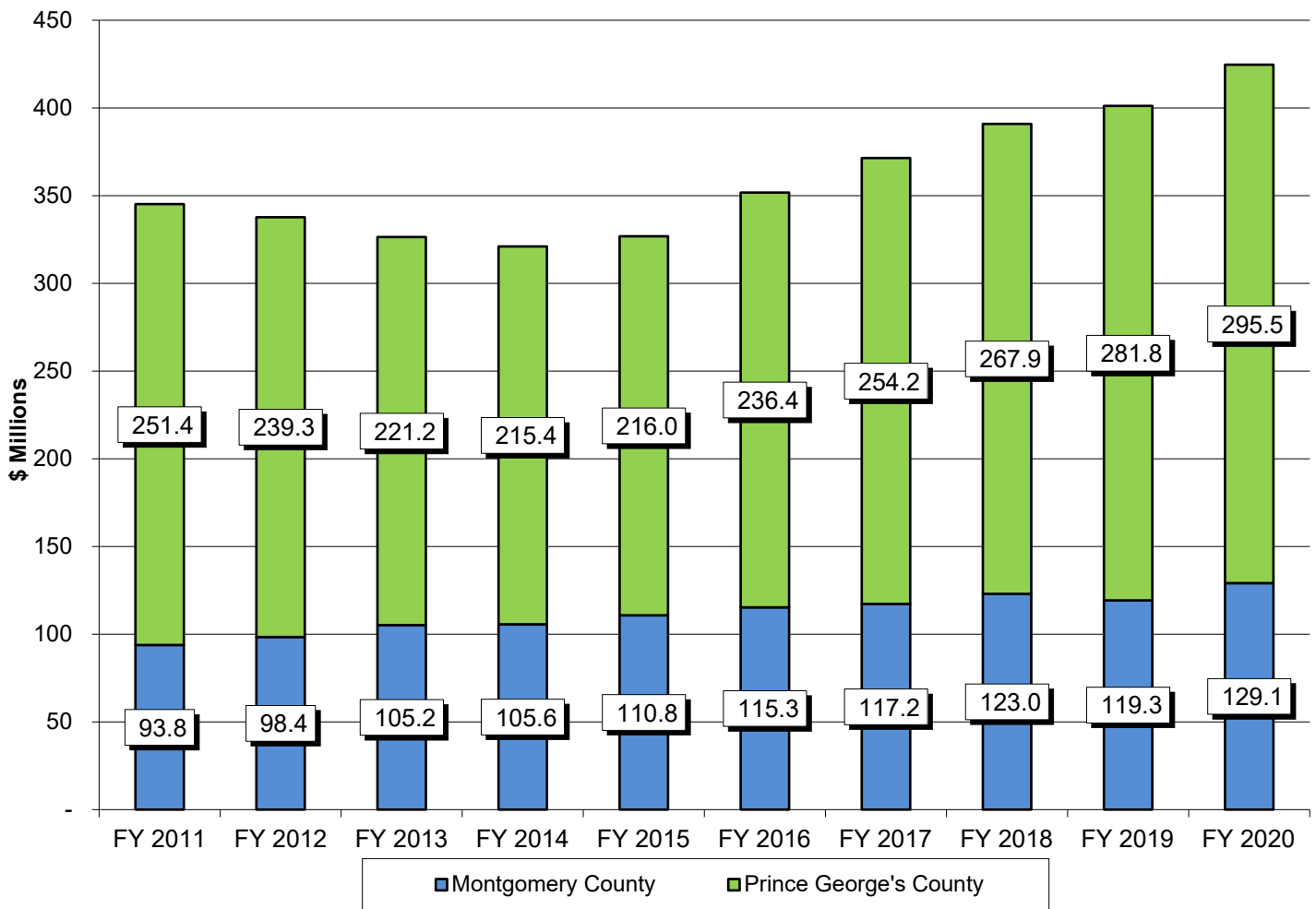
In Prince George's County, there was no change to the real property and the personal property tax rates in FY 2021. In FY 2021, the real property assessable base is projected to increase by 5.88%. With the strong assessable base growth in prior

years, property tax revenues increased at a greater rate than expenditures, enabling the Commission to budget a large amount of current revenue to fund the capital improvement program keeping debt levels relatively low and providing capacity to assist the Prince George’s County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. The project charges decreased from \$9.6 million in FY 2019 to \$8.9 million in FY 2020, and for FY 2021, they are budgeted at \$8.1 million.

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

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

**Property Tax Revenues**



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$255.5 million. Of this amount, \$11.2 million is assigned fund balance and \$244.3 million is unassigned as of June 30, 2020. Of the unassigned portion, \$238.9 million is from Prince George’s County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

### **Requests for Information**

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

Statement of Net Position  
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 520,493,432	\$ 8,501,598	\$ 528,995,030
Receivables - Taxes, net of allowance for uncollectibles	6,741,190	-	6,741,190
Receivables - Other	1,446,969	203,367	1,650,336
Due from County Governments	7,369,963	-	7,369,963
Due from Other Governments	18,133,775	22,793	18,156,568
Inventories	1,151,859	636,011	1,787,870
Deposits and Other	3,336,807	-	3,336,807
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	24,005,612	-	24,005,612
Capital Assets:			
Land and Construction in Progress	816,721,851	27,086,966	843,808,817
Other Capital Assets, Net of Accumulated Depreciation	234,543,864	31,616,307	266,160,171
Total Assets	<u>1,633,945,322</u>	<u>68,067,042</u>	<u>1,702,012,364</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding of debt	282,385	-	282,385
Pension Deferrals	63,832,041	2,277,055	66,109,096
OPEB Deferrals	58,466,077	2,607,691	61,073,768
Total Deferred Outflows of Resources	<u>122,580,503</u>	<u>4,884,746</u>	<u>127,465,249</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	33,695,787	1,072,994	34,768,781
Accrued Interest Payable	1,799,068	-	1,799,068
Deposits and Fees Collected in-Advance	13,015,256	819,407	13,834,663
Claims Payable:			
Due within One Year	5,856,253	-	5,856,253
Due in more than One Year	13,049,339	-	13,049,339
Compensated Absences:			
Due within One Year	12,224,169	322,608	12,546,777
Due in more than One Year	9,967,402	697,927	10,665,329
Bonds and Notes Payable:			
Due within One Year	12,705,000	-	12,705,000
Due in more than One Year	168,610,162	-	168,610,162
Net Other Post Employment Benefit Liability			
Due in more than One Year	311,164,626	13,657,051	324,821,677
Net Pension Liability			
Due in more than One Year	129,993,923	4,831,104	134,825,027
Total Liabilities	<u>712,080,985</u>	<u>21,401,091</u>	<u>733,482,076</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension Deferrals	38,045,687	1,280,249	39,325,936
OPEB Deferrals	6,776,815	301,547	7,078,362
Total Deferred Inflow of Resources	<u>44,822,502</u>	<u>1,581,796</u>	<u>46,404,298</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	896,148,855	58,703,273	954,852,128
Unrestricted	103,473,483	(8,734,372)	94,739,111
Total Net Position	<u>\$ 999,622,338</u>	<u>\$ 49,968,901</u>	<u>\$ 1,049,591,239</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 2

Statement of Activities  
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position	
					Governmental Activities	Business-type Activities
<b>Primary Government:</b>						
Governmental Activities:						
General Government	\$ 22,179,103	\$ -	\$ -	\$ -	\$ (22,179,103)	\$ (22,179,103)
County Planning and Zoning	54,044,564	3,514,890	1,269,792	-	(49,259,882)	(49,259,882)
Park Operations and Maintenance	251,990,224	6,700,021	7,537,409	36,885,231	(200,867,563)	(200,867,563)
Recreation Programs	72,667,214	10,181,498	1,118,924	-	(61,366,792)	(61,366,792)
Interest on Long-term Debt	5,788,706	-	-	-	(5,788,706)	(5,788,706)
Total Governmental Activities	406,669,811	20,396,409	9,926,125	36,885,231	(339,462,046)	(339,462,046)
<b>Business-type Activities:</b>						
Recreational and Cultural Facilities	28,979,788	15,507,428	22,793	-	(13,449,567)	(13,449,567)
Total Business-type Activities	28,979,788	15,507,428	22,793	-	(13,449,567)	(13,449,567)
<b>Total Primary Government</b>	<b>\$ 435,649,599</b>	<b>\$ 35,903,837</b>	<b>\$ 9,948,918</b>	<b>\$ 36,885,231</b>	<b>\$ (339,462,046)</b>	<b>\$ (352,911,613)</b>
<b>General Revenues:</b>						
Property Taxes				425,742,423		425,742,423
Unrestricted Investment Earnings				9,698,730	651,298	10,350,028
Transfers				(8,157,592)	8,157,592	-
Net General Revenues and Transfers				427,283,561	8,808,890	436,092,451
Change in Net Position				87,821,515	(4,640,677)	83,180,838
Net Position - Beginning				911,800,823	54,609,578	966,410,401
Net Position - Ending				999,622,338	49,968,901	1,049,591,239

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, 2020**

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 340,880,422	\$ 1,581,287	\$ 100,935,685	\$ 17,435,199	\$ 460,832,593
Receivables - Taxes (net of allowance for uncollectibles)	6,724,633	-	-	16,557	6,741,190
Receivables - Other (net of allowance for uncollectibles)	149,902	-	-	16,314	166,216
Due from County Governments	552,066	6,181,884	-	136,013	6,869,963
Due from Other Governments	1,845,052	3,747,695	12,431,072	30,237	18,054,056
Inventories	-	-	-	1,151,859	1,151,859
Restricted Cash - Unspent Debt Proceeds	-	12,426,018	11,579,594	-	24,005,612
Other	1,482,788	-	-	-	1,482,788
<b>Total Assets</b>	<b>\$ 351,634,863</b>	<b>\$ 23,936,884</b>	<b>\$ 124,946,351</b>	<b>\$ 18,786,179</b>	<b>\$ 519,304,277</b>
<b>LIABILITIES</b>					
Liabilities:					
Accounts Payable	\$ 9,997,386	\$ 1,514,153	\$ 6,380,302	\$ 447,659	\$ 18,339,500
Accrued Liabilities	10,921,322	-	-	41,745	10,963,067
Retainage Payable	-	1,175,523	1,754,493	-	2,930,016
Deposits and Fees Collected in-Advance	6,776,172	900,000	5,008,545	330,539	13,015,256
<b>Total Liabilities</b>	<b>27,694,880</b>	<b>3,589,676</b>	<b>13,143,340</b>	<b>819,943</b>	<b>45,247,839</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Tax Revenue	3,741,652	-	-	-	3,741,652
<b>Total Deferred Inflows of Resources</b>	<b>3,741,652</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,741,652</b>
<b>Fund Balance:</b>					
Nonspendable to:					
Recreation	-	-	-	1,151,859	1,151,859
Restricted for:					
Parks	-	12,426,018	11,579,594	-	24,005,612
Committed to:					
Planning	27,559,470	-	-	236,835	27,796,305
Parks	23,311,917	12,083,687	39,758,052	1,010,340	76,163,996
Recreation	13,779,254	-	-	521,877	14,301,131
Assigned to:					
Planning	202,159	-	-	4,792,610	4,994,769
Parks	11,021,123	-	60,465,365	3,487,686	74,974,174
Recreation	-	-	-	6,765,029	6,765,029
Unassigned:					
	244,324,408	(4,162,497)	-	-	240,161,911
<b>Total Fund Balances</b>	<b>320,198,331</b>	<b>20,347,208</b>	<b>111,803,011</b>	<b>17,966,236</b>	<b>470,314,786</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 351,634,863</b>	<b>\$ 23,936,884</b>	<b>\$ 124,946,351</b>	<b>\$ 18,786,179</b>	

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.	1,037,247,917
Deferred outflows of resources related to pensions, OPEB and refunding of debt are applicable to future periods and, therefore, are not reported in the funds.	122,580,503
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,381,660
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.	49,403,231
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	3,741,652
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	(44,822,502)
Long-term liabilities, including bonds payable, net pension liability and net other post employment benefits liability are not due and payable in the current period and therefore are not reported in the funds.	(640,224,909)
<b>Net Position of Governmental Activities</b>	<b>\$ 999,622,338</b>

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, 2020

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 422,677,023	\$ -	\$ -	\$ 2,014,126	\$ 424,691,149
Intergovernmental -					
Federal	1,062,199	-	-	30,237	1,092,436
State	664,154	2,160,390	12,724,228	-	15,548,772
County	5,561,105	11,915,313	-	1,658,126	19,134,544
Charges for Services	6,898,050	-	-	3,691,593	10,589,643
Rentals and Concessions	4,274,677	-	-	4,103,916	8,378,593
Interest	6,682,195	126,432	1,556,537	312,108	8,677,272
Contributions	459,107	9,646,400	-	265,647	10,371,154
Miscellaneous	542,795	10,250	754,900	120,228	1,428,173
Total Revenues	<u>448,821,305</u>	<u>23,858,785</u>	<u>15,035,665</u>	<u>12,195,981</u>	<u>499,911,736</u>
<b>EXPENDITURES</b>					
Current -					
General Government	21,896,627	-	-	-	21,896,627
Planning and Zoning	47,610,042	-	-	3,798,690	51,408,732
Park Operations and Maintenance	221,677,681	-	-	2,230,823	223,908,504
Recreation	64,182,393	-	-	5,128,200	69,310,593
Contributions	-	-	-	1,871,435	1,871,435
Debt Service -					
Principal	-	-	-	11,995,000	11,995,000
Interest	-	-	-	6,408,629	6,408,629
Other Debt Service Costs	-	-	-	70,246	70,246
Capital Outlay -					
Park Acquisition	-	8,893,728	4,252,467	-	13,146,195
Park Development	-	17,860,668	32,189,122	-	50,049,790
Total Expenditures	<u>355,366,743</u>	<u>26,754,396</u>	<u>36,441,589</u>	<u>31,503,023</u>	<u>450,065,751</u>
Excess (Deficiency) of Revenues over Expenditures	<u>93,454,562</u>	<u>(2,895,611)</u>	<u>(21,405,924)</u>	<u>(19,307,042)</u>	<u>49,845,985</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General Obligation Bonds Issued	-	10,000,000	-	-	10,000,000
Transfers In	4,807,969	350,000	52,060,000	18,330,175	75,548,144
Transfers Out	<u>(82,022,767)</u>	<u>(126,432)</u>	<u>(1,556,537)</u>	<u>-</u>	<u>(83,705,736)</u>
Total Other Financing Sources (Uses)	<u>(77,214,798)</u>	<u>10,223,568</u>	<u>50,503,463</u>	<u>18,330,175</u>	<u>1,842,408</u>
Net Change in Fund Balances	16,239,764	7,327,957	29,097,539	(976,867)	51,688,393
Fund Balances - Beginning	<u>303,958,567</u>	<u>13,019,251</u>	<u>82,705,472</u>	<u>18,943,103</u>	<u>418,626,393</u>
Fund Balances - Ending	<u>\$ 320,198,331</u>	<u>\$ 20,347,208</u>	<u>\$ 111,803,011</u>	<u>\$ 17,966,236</u>	<u>\$ 470,314,786</u>

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

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

Exhibit 5

**Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2020**

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances -- total governmental funds (Exhibit 4) \$ 51,688,393

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	63,334,088	
Depreciation Expense	<u>(14,015,354)</u>	
Net adjustment		49,318,734

The net effect of various transactions involving capital assets is to increase Net Assets on the Statement of Activities.

Loss on Disposal	(156,144)	
Donations	<u>438,900</u>	
Net adjustment		282,756

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 unavailable revenue changed from last fiscal year. 1,051,274

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	(10,000,000)	
Repayments of Principal	<u>11,995,000</u>	
Net adjustment		1,995,000

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 net other post employment liability, pension liability, compensated absences and other expenses. (15,120,517)

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. 113,842

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. (1,507,967)

Change in net position of governmental activities (Exhibit 2)	\$ <u><u>87,821,515</u></u>
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The notes to the financial statements are an integral part of this statement.



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

Exhibit 6

**Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - General Fund  
For the Year Ended June 30, 2020**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 424,630,421	\$ 424,630,421	\$ 422,677,023	\$ (1,953,398)
Intergovernmental	4,679,473	4,979,473	7,287,458	2,307,985
Charges for Services	12,648,669	12,648,669	6,898,050	(5,750,619)
Rentals and Concessions	6,183,252	6,183,252	4,274,677	(1,908,575)
Interest	3,710,000	3,710,000	6,682,195	2,972,195
Miscellaneous	835,100	835,100	1,001,902	166,802
Total Revenues	452,686,915	452,986,915	448,821,305	(4,165,610)
Expenditures/Encumbrances:				
Current -				
General Government	23,111,471	23,111,471	22,360,812	750,659
County Planning and Zoning	62,517,647	62,817,647	57,224,602	5,593,045
Park Operation and Maintenance	227,484,896	227,484,896	224,106,750	3,378,146
Recreation Programs	75,525,742	75,525,742	64,726,241	10,799,501
Total Expenditures/Encumbrances	388,639,756	388,939,756	368,418,405	20,521,351
Excess of Revenues over Expenditures/Encumbrances	64,047,159	64,047,159	80,402,900	16,355,741
Other Financing Sources (Uses):				
Transfers In	3,650,000	3,650,000	4,807,969	1,157,969
Transfers Out	(85,613,271)	(85,613,271)	(82,022,767)	3,590,504
Total Other Financing Sources (Uses)	(81,963,271)	(81,963,271)	(77,214,798)	4,748,473
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	\$ (17,916,112)	\$ (17,916,112)	3,188,102	\$ 21,104,214
Fund Balances - Budget Basis, Beginning			252,359,588	
Fund Balances - Budget Basis, Ending			\$ 255,547,690	

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, 2020**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery County	Prince George's County	Totals	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 8,498,334	\$ 3,264	\$ 8,501,598	\$ 59,660,839
Accounts Receivable	16,962	186,405	203,367	1,280,753
Due from County Government	-	-	-	500,000
Due from Other Government	15,513	7,280	22,793	79,719
Deposits and Other	-	-	-	472,359
Inventories	215,501	420,510	636,011	-
Total Current Assets	<u>8,746,310</u>	<u>617,459</u>	<u>9,363,769</u>	<u>61,993,670</u>
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	6,459,131	18,043,599	748,497
Buildings and Improvements	27,290,630	72,358,592	99,649,222	3,660,228
Infrastructure	26,610	146,461	173,071	15,657
Machinery, Equipment and Intangibles	3,088,558	5,004,375	8,092,933	49,184,971
Construction in Progress	9,043,367	-	9,043,367	-
	51,033,633	83,968,559	135,002,192	53,609,353
Less - Accumulated Depreciation	<u>(27,329,992)</u>	<u>(48,968,927)</u>	<u>(76,298,919)</u>	<u>(39,591,555)</u>
Total Capital Assets, Net of Depreciation	<u>23,703,641</u>	<u>34,999,632</u>	<u>58,703,273</u>	<u>14,017,798</u>
Total Noncurrent Assets	<u>23,703,641</u>	<u>34,999,632</u>	<u>58,703,273</u>	<u>14,017,798</u>
Total Assets	<u>32,449,951</u>	<u>35,617,091</u>	<u>68,067,042</u>	<u>76,011,468</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Deferrals	742,666	1,534,389	2,277,055	465,629
OPEB Deferrals	916,565	1,691,126	2,607,691	493,681
Total Deferred Outflows of Resources	<u>1,659,231</u>	<u>3,225,515</u>	<u>4,884,746</u>	<u>959,310</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	219,707	367,657	587,364	1,350,918
Claims Payable	-	-	-	5,856,253
Accrued Salaries and Benefits	169,664	315,966	485,630	112,286
Compensated Absences	92,601	230,007	322,608	117,969
Interest Payable	-	-	-	20,000
Revenue Collected in Advance	717,447	101,960	819,407	-
Current Portion of Bonds Payable	-	-	-	600,000
Total Current Liabilities	<u>1,199,419</u>	<u>1,015,590</u>	<u>2,215,009</u>	<u>8,057,426</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	13,049,339
Bonds Payable	-	-	-	1,961,000
Compensated Absences	237,661	460,266	697,927	111,016
Net Other Post Employment Benefit Liability	4,191,121	9,465,930	13,657,051	2,409,816
Net Pension Liability	1,558,765	3,272,339	4,831,104	1,019,640
Total Noncurrent Liabilities	<u>5,987,547</u>	<u>13,198,535</u>	<u>19,186,082</u>	<u>18,550,811</u>
Total Liabilities	<u>7,186,966</u>	<u>14,214,125</u>	<u>21,401,091</u>	<u>26,608,237</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Deferrals	423,683	856,566	1,280,249	175,934
OPEB Deferrals	104,785	196,762	301,547	56,254
Total Deferred Inflows of Resources	<u>528,468</u>	<u>1,053,328</u>	<u>1,581,796</u>	<u>232,188</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	23,703,641	34,999,632	58,703,273	11,456,798
Unrestricted	2,690,107	(11,424,479)	(8,734,372)	38,673,555
Total Net Position	<u>\$ 26,393,748</u>	<u>\$ 23,575,153</u>	<u>\$ 49,968,901</u>	<u>\$ 50,130,353</u>

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

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

Exhibit 8

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Intergovernmental	\$ 15,513	\$ 7,280	\$ 22,793	\$ 79,719
Sales	606,247	1,443,144	2,049,391	-
Charges for Services	5,718,383	2,923,357	8,641,740	48,961,596
Claim Recoveries	-	-	-	613,243
Rentals and Concessions	2,690,239	2,126,058	4,816,297	-
Total Operating Revenues	<u>9,030,382</u>	<u>6,499,839</u>	<u>15,530,221</u>	<u>49,654,558</u>
Operating Expenses:				
Cost of Goods Sold	333,881	827,503	1,161,384	-
Personal Services	5,780,902	11,508,651	17,289,553	3,074,919
Supplies and Materials	458,195	1,136,764	1,594,959	324,560
Claims Incurred	-	-	-	30,160,419
Insurance	-	-	-	7,968,561
Communications	46,936	104,215	151,151	-
Utilities	774,152	1,354,945	2,129,097	-
Maintenance	294,450	1,454,371	1,748,821	-
Contractual Services	509,236	498,244	1,007,480	1,362,160
Other Services and Charges	405,896	472,853	878,749	4,926,989
Administrative Services	-	276,027	276,027	-
Depreciation	803,153	1,944,552	2,747,705	4,490,300
Total Operating Expenses	<u>9,406,801</u>	<u>19,578,125</u>	<u>28,984,926</u>	<u>52,307,908</u>
Operating Income (Loss)	<u>(376,419)</u>	<u>(13,078,286)</u>	<u>(13,454,705)</u>	<u>(2,653,350)</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	361,372	289,926	651,298	1,021,458
Interest Expense	-	-	-	(81,700)
Gain(Loss) on Disposal of Asset	(2,836)	7,974	5,138	205,625
Total Nonoperating Revenue (Expense)	<u>358,536</u>	<u>297,900</u>	<u>656,436</u>	<u>1,145,383</u>
Income (Loss) before Contributions and Transfers	<u>(17,883)</u>	<u>(12,780,386)</u>	<u>(12,798,269)</u>	<u>(1,507,967)</u>
Transfers In	-	8,157,592	8,157,592	-
Total Contributions and Transfers	<u>-</u>	<u>8,157,592</u>	<u>8,157,592</u>	<u>-</u>
Change in Net Position	<u>(17,883)</u>	<u>(4,622,794)</u>	<u>(4,640,677)</u>	<u>(1,507,967)</u>
Total Net Position - Beginning	26,411,631	28,197,947	54,609,578	51,638,320
Total Net Position - Ending	\$ <u>26,393,748</u>	\$ <u>23,575,153</u>	\$ <u>49,968,901</u>	\$ <u>50,130,353</u>

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

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

**Exhibit 9**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2020**

	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	\$ 9,414,488	\$ 6,548,954	\$ 15,963,442	\$ 49,466,061
Payments to Suppliers	(989,304)	(5,782,166)	(6,771,470)	(43,520,759)
Payments to Employees	(5,364,830)	(11,352,049)	(16,716,879)	(2,871,517)
Payments for Interfund Services Used	(352,070)	-	(352,070)	(932,879)
Payments for Administrative Charges	(1,812,423)	(276,027)	(2,088,450)	-
Net Cash Provided (Used) by Operating Activities	<u>895,861</u>	<u>(10,861,288)</u>	<u>(9,965,427)</u>	<u>2,140,906</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	8,157,592	8,157,592	-
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>8,157,592</u>	<u>8,157,592</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(2,250,815)	(95,142)	(2,345,957)	(3,726,211)
Gain/(Loss) on Disposal of Capital Assets	(2,836)	7,974	5,138	205,625
Interest Paid on Bonds Payable	-	-	-	(135,000)
Principal Paid on Bonds Payable	-	-	-	(600,000)
Net Cash Used by Capital and Related Financing Activities	<u>(2,253,651)</u>	<u>(87,168)</u>	<u>(2,340,819)</u>	<u>(4,255,586)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>361,372</u>	<u>289,926</u>	<u>651,298</u>	<u>1,021,458</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(996,418)	(2,500,938)	(3,497,356)	(1,093,222)
Cash and Cash Equivalents, July 1	<u>9,494,752</u>	<u>2,504,202</u>	<u>11,998,954</u>	<u>60,754,061</u>
Cash and Cash Equivalents, June 30	<u>\$ 8,498,334</u>	<u>\$ 3,264</u>	<u>\$ 8,501,598</u>	<u>\$ 59,660,839</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (376,419)	\$ (13,078,286)	\$ (13,454,705)	\$ (2,653,350)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	803,153	1,944,552	2,747,705	4,490,300
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	(16,162)	(45,565)	(61,727)	(108,780)
Due from Other Government	523,566	(7,280)	516,286	-
Due from Other Funds	-	-	-	(79,719)
Inventories, at Cost	(22,029)	72,530	50,501	-
Deposits and Other	-	-	-	1
Prepaid Expenses	-	-	-	429,142
Accounts Payable	43,048	(5,801)	37,247	175,686
Claims Payable	-	-	-	(315,775)
Accrued Salaries and Benefits	(132,184)	(344,732)	(476,916)	22,599
Compensated Absences	(27,824)	92,852	65,028	40,474
Net Pension Liability	58,836	253,630	312,466	65,955
Net Other Post Employment Liability	165,174	154,852	320,026	74,373
Revenue Collected in Advance	(123,298)	101,960	(21,338)	-
Total Adjustments	<u>1,272,280</u>	<u>2,216,998</u>	<u>3,489,278</u>	<u>4,794,256</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 895,861</u>	<u>\$ (10,861,288)</u>	<u>\$ (9,965,427)</u>	<u>\$ 2,140,906</u>
Schedule of non-cash capital and related financing activities:				
Purchase of machinery, equipment, and vehicles on account	\$ -	\$ -	\$ -	\$ 287,375

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

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

**Statement of Net Position  
Fiduciary Funds  
June 30, 2020**

**Exhibit 10**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 947,001	\$ 8,783,832	\$ 1,584,003
Cash	65,117	-	-
Fixed Income Securities	226,241,531	-	-
International Fixed Income Securities	7,394,333	-	-
Venture Capital/Alternative Investments	234,115,360	-	-
Corporate Stock	332,767,108	-	-
International Corporate Stock	64,495,247	-	-
Real Estate Investments	74,947,564	-	-
Short Term Investments	42,136,972	-	-
Mutual Funds	59,036,015	-	-
Collateral for Securities Lending Transactions	29,250,404	-	-
Accounts Receivable	6,792	-	-
Accrued Income on Investments	842,073	-	-
Land Held for Other Governments	-	83,562,118	-
Other	244,848	-	-
Total Assets	<u>1,072,490,365</u>	<u>92,345,950</u>	<u>1,584,003</u>
<b>LIABILITIES</b>			
Investment Payable	13,176,486	-	-
Accounts Payable	1,467,545	-	16,531
Claims Payable	947,001	-	-
Obligation for Collateral Received under Securities Lending Transactions	29,933,326	-	-
Deposits	-	-	1,567,472
Total Liabilities	<u>45,524,358</u>	<u>-</u>	<u>1,584,003</u>
<b>NET POSITION</b>			
Restricted for:			
Land Held for Other Governments	-	83,562,118	-
Pension Benefits	942,588,590	-	-
Other Postemployment Benefits	84,377,417	-	-
Other Purposes	-	8,783,832	-
Total Net Position	<u>\$ 1,026,966,007</u>	<u>\$ 92,345,950</u>	<u>\$ -</u>

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

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**Exhibit 11**

**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

	Pension Trust Funds	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 41,507,216	\$ -
Plan Members	7,796,708	-
Plan Members for Current Benefits	3,190,436	-
Private Donations	-	16,293
Total Contributions	52,494,360	16,293
Receipts from Commission Debt Service Funds	-	1,871,436
Federal Grants - Medicare	2,089,051	-
Investment Earnings:		
Interest	10,340,034	115,993
Dividends	5,220,465	-
Net Increase (Decrease) in the Fair Value of Investments	(6,710,564)	-
Total Investment Earnings	8,849,935	115,993
Less Investment Advisory and Management Fees	(3,116,235)	-
Net Income from Investing Activities	5,733,700	115,993
Securities Lending Activity		
Securities Lending Income	579,475	-
Securities Lending Fees	(467,603)	-
Net Income from Securities Lending Activity	111,872	-
Total Net Investment Income	5,845,572	115,993
Total Additions and Investment Income	60,428,983	2,003,722
<b>DEDUCTIONS</b>		
Benefits	74,872,092	-
Refunds of Contributions	579,629	-
Administrative Expenses	2,327,138	-
Other	-	27,265
Total Deductions	77,778,859	27,265
Change in Net Position	(17,349,876)	1,976,457
Net Position - Beginning	1,044,315,883	90,369,493
Net Position - Ending	\$ 1,026,966,007	\$ 92,345,950

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

## NOTES TO FINANCIAL STATEMENTS

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# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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

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

##### **Background**

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

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

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

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

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

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

The Other Post-Employment Benefits Trust (the 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. Separate financial statements are not issued for the Trust.



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

## **(B) Government-wide and Fund Financial Statements**

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

The reporting requirements established by GASB include:

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

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

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

**Statement of Net Position** – The Statement of Net Position is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Position and reports depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. Net position is the excess of assets and deferred outflows over liabilities and deferred inflows. The net position of the Commission is presented in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are available. The Commission may defer the use of restricted net position based on a review of the specific transaction. The Commission has no restricted net position as of June 30, 2020.

**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 Risk Management Fund, Prince George’s County Capital Equipment Fund, Prince George’s County Risk Management Fund, Central Administrative Services Capital Equipment Fund, Executive Office Building Fund, Employee Benefits Fund, and Commission Wide Initiatives Fund.

The Commission reports the following fiduciary fund types:

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

The Other Post-Employment Benefits Fund is used to account for the accumulation of Commission resources for post-retirement health care benefits provided by the Commission.

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

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

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

employee benefits based on salaries expense. The expenses of the Executive Office Building Fund are allocated to general government. The funds are so unique that a single allocation method was not appropriate.

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

**(D) Assets, Liabilities, Deferred Outflows/Inflows 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 \$1,560,555 as of June 30, 2020. 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 which are being held for resale are valued at the lower of cost or market for proprietary funds. Inventories of supplies are reported at cost.

**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 \$10,000 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 acquisition value at the date of donation.

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

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

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

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

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

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

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

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

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

**Other Post-Employment Benefits (OPEB)** – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's Post-Retirement Insurance Benefits Program (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts have a maturity at the time of purchase of one year or less, which are reported at cost.

**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. 18-19, a financial standard to maintain a minimum unrestricted fund balance of the General Fund, so that at each fiscal year end, this balance shall not be less than 3% to 5% of the current year's expenditures.

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



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

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

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

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Committed	\$ 6,752,361	\$ 4,904,953	\$ 20,807,109	\$ 18,406,964	\$ 13,779,254	\$ 64,650,641
Assigned	202,159	-	-	11,021,123	-	11,223,282
Unassigned	1,501,430	3,922,111	68,144,875	116,663,917	54,092,075	244,324,408
Total Fund Balance	<u>\$ 8,455,950</u>	<u>\$ 8,827,064</u>	<u>\$ 88,951,984</u>	<u>\$ 146,092,004</u>	<u>\$ 67,871,329</u>	<u>\$ 320,198,331</u>

**Encumbrances** - Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, “*Fund Balance Reporting and Governmental Fund Type Definitions*”, provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the General, Capital Project and Special Revenue 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	\$	11,657,314
General Fund - Prince George's County		52,993,327
Capital Projects Fund - Montgomery County		12,083,687
Capital Projects Fund - Prince George's County		39,758,052
Non-Major Governmental Funds		1,769,052

**(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	\$ 408,634,077
Buildings and improvements	254,142,690
Infrastructure	270,815,927
Machinery, Equipment and Intangibles	74,504,083
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles	(378,188,137)
Construction in Progress	407,339,277
Total	<u>\$ 1,037,247,917</u>

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

Bonds and Notes Payable:	
Due Within One Year	\$ 12,105,000
Due in More than One Year	166,649,162
Net Other Post Employment Benefit Liability	308,754,810
Net Pension Liability	128,974,283
Compensated Absences	
Due Within One Year	12,106,200
Due in More than One Year	9,856,386
Accrued Interest Payable	1,799,068
Total	<u>\$ 640,244,909</u>

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

**(A) Budgetary Information**

The following procedures are used in establishing the annual budget.

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

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

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

Account to be overspent by up to 10% of the approved budget without Council approval, provided the account in total is not overspent.

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

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

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2020 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, 2020, as noted in Note 6 as follows:

	Montgomery County		Prince George's County			Total General Fund
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2019	\$ 5,076,516	\$ 4,970,555	\$ 12,404,209	\$ 15,912,293	\$ 13,235,406	\$ 51,598,979
To Decrease -						
Encumbrances -						
June 30, 2020	(6,752,361)	(4,904,953)	(20,807,109)	(18,406,964)	(13,779,254)	(64,650,641)
Total Adjustment	(1,675,845)	65,602	(8,402,900)	(2,494,671)	(543,848)	(13,051,662)
Net Change in Fund Balance:						
GAAP Basis	324,313	(74,967)	18,166,342	(9,347,558)	7,171,634	16,239,764
Budget Basis	\$ (1,351,532)	\$ (9,365)	\$ 9,763,442	\$ (11,842,229)	\$ 6,627,786	\$ 3,188,102

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

##### (A) Cash and Investments

The Commission's deposits and investments as of June 30, 2020, totaled \$1,634,765,129. The Commission's unrestricted pool of deposits and investments of \$540,309,866 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 is \$2,805,588, and the bank balance is \$3,870,323. In addition, the Commission held cash at various locations totaling \$232,345. Of the bank balance, \$250,000 is covered by Federal depository insurance, and the remainder is collateralized by \$3,620,323 of securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank.

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, 2020. 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 \$66,602,222. Of these deposits, \$56,351 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 \$24,005,612 of unspent bonds and note proceeds restricted to pay construction costs for various projects.

**Custodial Credit Risk - Investments** - 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, 2020 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
U.S. Treasury Bills	\$ 108,278,271	100.85
Federal Agricultural Mortgage Corporation Notes	106,492,944	283.57
Maryland Local Government Investment Pool (MLGIP)	98,822,667	46.00
Commercial Paper	65,454,816	148.83
Federal Home Loan Mortgage Association Notes	40,197,629	655.38
Federal Farm Credit Bank	30,234,175	295.50
Federal Home Loan Bank Notes	26,530,023	479.06
U.S Treasury Notes	10,065,758	62.00
Municipal Bonds	8,599,040	9.00
Total Fair Value	<u>\$ 494,675,323</u>	
Portfolio Weighted Average Maturity		209.93

**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 and more recently defined by Title 17, subtitle 3 of the Local Government Article of the Maryland Annotated Code. The MLGIP, under the administrative control of the State Treasurer, is managed by a single Pittsburgh-based financial institution, PNC Bank. The pool has a AAAM rating from Standard and Poor's and maintains a \$1.00 per share value. A MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the fund and to provide suggestions to enhance the pool. The fair market value of the pool is the same as the value of the pool shares.

**Interest Rate Risk** - The Commission manages its exposure to declines in fair value by limiting the maturity of its investment portfolio. The majority of investments shall be for a maximum maturity of one year. A portion of the portfolio may be invested in U.S. Government and U. S. Agency securities with a maturity of up to two years. The Commission has no formal policy relating to interest rate risk.

**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 \$56,351 (0.23%) of bond funds invested in a money market fund that is considered investment grade.

Credit Quality Ratings as of June 30, 2020:

<u>Credit Quality Ratings</u>		<u>% of Total Portfolio</u>
Commercial Paper	AA	13.12%
MLGIP	AAA	20.11%
Municipal Bonds	AA2	0.81%
Municipal Bonds	AAA	0.79%
Municipal Bonds	AA1	0.15%
U.S. Government Agencies	NR	35.15%
U.S. Government Agencies	AA	6.10%
U.S. Treasury Bills	NR	21.74%
U.S. Treasury Notes	AAA	2.04%

NR=Not Rated

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

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

<u>Diversification by Institution</u>	<u>Maximum Percent of Portfolio*</u>
Approved Broker/Dealers and Financial Institutions	30 %
Money Market Mutual Funds by Fund	10
U.S. Government Agency by Agency	20
Bankers Acceptances by Institution	20
Commercial Banks for CD's and Time Deposits**	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** - The amount of ERS's total cash and short-term investments at June 30, 2020 is \$42,202,089. Cash deposits that were insured and collateralized in the bank account totaled \$65,117 at June 30, 2020. At June 30, 2020, the ERS held \$42,136,972 of short-term investments in its custodial investment accounts.

**Investments** - The Board of Trustees (the Board) of ERS is authorized by the Trust Agreement 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:

	<b>Target Exposure</b>	<b>Expected Range</b>
U.S. Equities	15.00%	10%-20%
International Equities	15.00%	10%-20%
Low Volatility Equities	10.00%	5%-10%
Private Equities	7.50%	0%-10%
<b>Total Equities</b>	<b>47.50%</b>	<b>40%-55%</b>
U.S. Core Fixed Income	11.50%	8.5%-14.5%
High Yield Fixed Income	7.50%	5%-10%
Global Opportunistic Fixed Income	7.50%	5%-10%
Bank Loans	4.00%	2%-6%
Emerging Market Debt	5.00%	3%-7%
<b>Total Fixed Income</b>	<b>35.50%</b>	<b>30%-41%</b>
Public Real Assets	2.00%	0%-10%
Private Real Assets	15.00%	5%-20%
<b>Total Real Assets</b>	<b>17.00%</b>	<b>12%-25%</b>

The Board approved revisions to the Statement of Investment Policy (the Policy) on July 7, 2020. The Policy was amended to update the asset allocation changes adopted July 9, 2019 and to update the long-term assumptions.

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

### **Real Assets Guidelines**

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

### **Private Real Assets Guidelines**

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

### **Public Real Assets Guidelines**

- Investments structured in public real assets include natural resource stocks, real estate securities (including REITs), commodities, inflation indexed bonds, and global infrastructure 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, 2020, 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 payments 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, 2020. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2020:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Brazilian real	\$ 1,253,060	\$ (16,501)	\$ (1,423,118)	\$ 1,534
British pound sterling	3,647,697	3,188	(3,158,556)	(14,038)
Canadian dollar	-	-	(135,683)	272
Czech koruna	-	-	(404,033)	(235)
Euro	3,385,087	6,790	(5,194,310)	(2,665)
Hong Kong dollar	1,630,220	(122)	(1,468,104)	(216)
Indonesian rupiah	-	-	(122,234)	(166)
Japanese yen	437,408	(50)	(2,502,596)	(3,514)
Mexican peso	497,475	(3,412)	(91,508)	(545)
New Taiwan dollar	48,611	-	(2,494,717)	(36)
Norwegian krone	476,852	(902)	(519,475)	(5,254)
Singapore dollar	-	-	(369,437)	(347)
South Korean won	-	-	(369,042)	(97)
Swiss franc	127,363	(1,381)	(904,998)	4,488

There were no foreign exchange contracts pending as of June 30, 2020.

**Fair Value Measurements** - The fair value of all invested assets, based on the fair value hierarchy, and categorized based upon the lowest level of input that was significant to the fair value measurement which represents the price that would be received if sold on the measurement date, were as follows:

**Investments and Derivative Instruments Measured at Fair Value**

(\$ in thousands)

	<u>Fair Value 6/30/2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Investments by fair value level</b>				
Cash and invested cash	\$ 1,341	\$ 1,341	\$ -	\$ -
Short-term investment funds	34,334	34,334	-	-
Debt securities				
Asset backed securities	8,075	-	8,075	-
Commercial mortgage-backed	3,546	-	3,546	-
Non-Government Backed C.M.O.S.	328	-	328	-
Corporate bonds	49,922	-	49,922	-
Government agencies	4,575	-	4,575	-
Government bonds	9,563	-	9,563	-
Government mortgage-backed securities	26,098	-	26,098	-
Government-issued commercial mortgage-backed	1,538	-	1,538	-
Other fixed income	5,776	-	5,776	-
Index linked government bonds	7,676	-	7,676	-
Total debt securities	117,097	-	117,097	-
Equity investments				
Common stock	58,613	58,610	3	-
Total equity investments	58,613	58,610	3	-
Securities lending short term				
collateral investment pool	29,250	29,250	-	-
<b>Total investments by fair value level</b>	<b>\$ 240,635</b>	<b>\$ 123,535</b>	<b>\$ 117,100</b>	<b>\$ -</b>

The pricing services used for fixed income securities (level 2) uses the Interactive Data Corporation by Institutional Bid Evaluation daily; international fixed income securities (level 2) use the PC Bond Group or IBOXX by Institutional Mid Evaluation daily; corporate stock (level 1) uses the Interactive Data Corporation as of the official close of NASDAQ daily; international corporate stock (level 1) uses Telekurs by the Last Trade daily; venture capital (level 2) uses the Limited Partnership by the Institutional Bid Evaluation or Valuation as Priced for U.S. and international; and, real estate (level 2) uses the Investment Managers by Evaluation as priced.

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

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

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

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

ERS's investments at June 30, 2020 were as follows:

### Investments Measured at the Net Asset Value (NAV)

(\$ in thousands)

	2020	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Short-term investment funds	\$ 6,462	None	Monthly	1-6 days
Funds-corporate bonds	34,473	None	Monthly	7-15 days
Funds-other fixed income	66,062	None	Monthly	7-15 days
Funds-common stock	338,649	5,000	Monthly	7-15 days
Venture capital and partnerships	234,115	85,274	Monthly, Quarterly	Frequent Changes
Real estate	65,611	5,500	Monthly	1-15 days
Total investments measured at NAV	<u>\$ 745,372</u>			

**Money-Weighted Rate of Return** - For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.29%. 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** – 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' \$986.0 million in investments at June 30, 2020, \$29.3 million were cash collateral reinvestment securities acquired by the custodian, who is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

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.

As of June 30, 2020, the ERS held \$16,456 of short-term investments that were exposed to custodial credit risk.

**Interest Rate Risk** – Each investment manager has duration targets and bands that control interest rate risk; however, the ERS does not have a policy relating to interest rate risk.



As of June 30, 2020, the ERS had the following fixed income investments and short-term investments with the following maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity-Years</b>
Asset backed securities	\$ 8,074,743	9.730221
Commercial mortgage-backed	3,545,803	17.109969
Corporate bonds	84,394,829	9.368838
Government agencies	4,575,379	8.276334
Government bonds	9,562,684	19.592590
Government mortgage-backed securities	26,098,128	24.446849
Government-issued commercial mortgage-backed	1,537,566	8.757722
Index linked government bonds	7,676,286	8.211445
Non-government backed collateralized morgaged obligations	327,980	13.007745
Fixed income mutual funds	71,836,502	N/A
Short-term investment funds	40,795,495	N/A
<b>TOTAL</b>	<b>\$ 258,425,394</b>	<b>13.426605</b>

**Asset-backed Securities** – Asset-backed securities (ABS) are bonds 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 \$8,074,743 in ABS at June 30, 2020.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by a nationally recognized statistical rating agency such as Standard & Poor’s Services. Individual manager guidelines require investment managers to follow certain controls, documentation and risk management procedures. Managers are required to measure and monitor exposure to counterparty credit risk; however, there is no formal policy relating to specific investment-related risk. All counterparties must have commercial paper credit ratings of at least A1 or the 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, 2020:

<b>Credit Quality Distribution for Services</b>		<b>% of Total Portfolio</b>
Agency	AGY	4.45%
Government Agencies	AA	0.22%
Government Bonds	NR	0.28%
Government Mortgage Backed Securities	BBB	0.01%
Government Mortgage Backed Securities	BB	0.01%
Government Mortgage-Backed Securities	NR	0.05%
Asset-Backed Securities	AAA	0.23%
Asset-Backed Securities	AA	0.14%
Asset-Backed Securities	A	0.12%
Asset-Backed Securities	BBB	0.11%
Asset-Backed Securities	NR	0.23%
Commercial Mortgage-Backed	AAA	0.17%
Commercial Mortgage-Backed	A	0.02%
Commercial Mortgage-Backed	BBB	0.04%
Commercial Mortgage-Backed	NR	0.13%
Corporate Bonds	AAA	0.03%
Corporate Bonds	AA	0.40%
Corporate Bonds	A	1.98%
Corporate Bonds	BBB	2.28%
Corporate Bonds	BB	0.21%
Corporate Bonds	B	0.05%
Corporate Bonds	NR	0.12%
Funds - Corporate Bonds	NR	3.50%
Funds - Other Fixed Income	NR	6.70%
Funds - Short Term Investment	NR	4.14%
Non-Government Backs C.M.O.s	NR	0.03%
Other Fixed Income	NR	0.59%

**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, 2020, was as follows:

<b>Investment Type</b>	<b>Currency</b>	<b>Fair Value</b>
Common stock	Brazilian real	\$ 1,581,956
Common stock	British pound sterling	4,858,044
Common stock	Canadian dollar	1,030,483
Common stock	Euro	16,831,345
Common stock	Hong Kong dollar	3,567,546
Common stock	Japanese yen	4,361,477
Common stock	Mexican peso	1,018,106
Common stock	New Taiwan dollar	2,040,556
Common stock	Norwegian krone	1,935,977
Common stock	Singapore dollar	958,704
Common stock	South Korean won	993,405
Common stock	Swiss franc	1,547,928
<b>Total</b>		<b>\$ 40,725,527</b>

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



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

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 authorized the lending of fixed income securities, which is managed by the custodian bank. The Board authorized a securities lending loan cap of 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, 2020.

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 fair value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the fair 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 was approximately 93 days in 2020.

Cash open collateral is invested in a short-term investment pool, the Northern Trust Collective Securities Lending Core Short-Term Investment Fund, which had an interest sensitivity of 31 days as of June 30, 2020. Cash collateral may also be invested separately in "term loans", in which case there are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2020:

<b>Securities Lent</b>	<b>Fair Value</b>	<b>Cash Collateral Received*</b>
Fixed income securities	\$ 23,296,968	\$ 23,888,724
Domestic equities	5,862,781	5,949,016
Global equities	90,655	95,586
<b>Total</b>	<b>\$ 29,250,404</b>	<b>\$ 29,933,326</b>

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

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

The Trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$947,001. Investments in mutual funds, fixed income and real estate totaled \$84,377,417.

**Investments** - The Board of Trustees of the Trust (the 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 2020 are as follows:

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

The Trust's investments at June 30, 2020 were as follows:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>
Equity Index Fund	\$ 59,036,015
Fixed Income	16,004,359
Real Estate	9,337,043
Total Investments	<u>\$ 84,377,417</u>

The Trust's fixed income investments at June 30, 2020 were as follows:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Weighted Average Maturity (Duration)</u></b>
Fixed Allocation Funds	\$ 8,195,772	3.59
Fixed Bond Fund	7,808,587	0.63
Total Fair Value	<u>\$ 16,004,359</u>	
Portfolio Weighted Average Maturity		0.86

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

Statement of Net Position

Equity in Pooled Cash and Investments	\$ 528,995,030
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	24,005,612

Statement of Net Position - Fiduciary Funds

Equity in Pooled Cash and Investments - Pension Trust Funds	947,001
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	8,783,832
Equity in Pooled Cash and Investments - Agency Funds	1,584,003
Cash and Marketable Securities - Pension Trust Funds	1,041,199,247
Collateral for Securities Lending Transactions - Pension Trust Funds	29,250,404
Total	<u>\$ 1,634,765,129</u>

They are composed of:

Cash in Banks of Commission	\$ 2,805,588
Cash of Employees' Retirement System Pension Trust Fund	65,117
Cash in Other Locations - Commission	232,345
Money Market Deposits of Commission	66,602,222
Fixed Income Securities In Commission's Investment Pool *	494,675,323
Mutual funds in Other Post Employment Benefits Fund *	84,377,417
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	397,262,355
Fixed Income Securities	217,631,505
Real Estate	65,610,521
Venture Capital and Partnerships	234,115,360
Cash & Cash Equivalents	42,136,972
Collateral for Securities Lending Transactions	29,250,404
Total	<u>\$ 1,634,765,129</u>

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

**(B) Capital Assets**

A summary of governmental activities capital assets at June 30, 2020 is as follows:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
Capital assets not being depreciated				
Land	\$ 395,797,479	\$ 13,858,795	\$ (273,700)	\$ 409,382,574
Construction in progress	364,797,920	42,541,357	-	407,339,277
Total capital assets not being depreciated	<u>760,595,399</u>	<u>56,400,152</u>	<u>(273,700)</u>	<u>816,721,851</u>
Other capital assets, being depreciated				
Buildings and improvements	257,277,614	539,816	(14,512)	257,802,918
Infrastructure	270,556,801	274,783	-	270,831,584
Machinery, equipment and intangibles	118,241,457	10,315,764	(4,868,167)	123,689,054
Total other capital assets	<u>646,075,872</u>	<u>11,130,363</u>	<u>(4,882,679)</u>	<u>652,323,556</u>
Less accumulated depreciation for:				
Buildings and improvements	(161,055,327)	(4,411,858)	14,512	(165,452,673)
Infrastructure	(161,855,618)	(4,730,802)	-	(166,586,420)
Machinery, equipment and intangibles	(81,044,638)	(9,356,225)	4,660,264	(85,740,599)
Total accumulated depreciation	<u>(403,955,583)</u>	<u>(18,498,885)</u>	<u>4,674,776</u>	<u>(417,779,692)</u>
Total other capital asset, net	<u>242,120,289</u>	<u>(7,368,522)</u>	<u>(207,903)</u>	<u>234,543,864</u>
Governmental activities capital assets, net	<u>\$ 1,002,715,688</u>	<u>\$ 49,031,630</u>	<u>\$ (481,603)</u>	<u>\$ 1,051,265,715</u>

Summaries of business-type activities capital assets at June 30, 2020, made up of two major enterprise funds, are as follows:

	July 1, 2019	Increases	Decreases	June 30, 2020
<b>Montgomery County Enterprise Fund</b>				
Capital assets not being depreciated:				
Land	\$ 11,584,468	\$ -	\$ -	\$ 11,584,468
Construction in progress	7,115,309	2,271,520	(343,462)	9,043,367
Total capital assets not being depreciated	<u>18,699,777</u>	<u>2,271,520</u>	<u>(343,462)</u>	<u>20,627,835</u>
Capital assets being depreciated				
Buildings and improvements	27,253,377	173,704	(136,451)	27,290,630
Infrastructure	35,510	7,075	(15,975)	26,610
Machinery, equipment and intangibles	2,810,596	318,141	(40,179)	3,088,558
Total capital assets being depreciated	<u>30,099,483</u>	<u>498,920</u>	<u>(192,605)</u>	<u>30,405,798</u>
Less accumulated depreciation for:				
Buildings and improvements	(24,872,485)	(584,841)	8,331	(25,448,995)
Infrastructure	(7,192)	(1,153)	2,796	(5,549)
Machinery, equipment and intangibles	(1,663,604)	(217,159)	5,315	(1,875,448)
Total accumulated depreciation	<u>(26,543,281)</u>	<u>(803,153)</u>	<u>16,442</u>	<u>(27,329,992)</u>
Total capital assets being depreciated, net	<u>3,556,202</u>	<u>(304,233)</u>	<u>(176,163)</u>	<u>3,075,806</u>
Capital assets, net	<u>\$ 22,255,979</u>	<u>\$ 1,967,287</u>	<u>\$ (519,625)</u>	<u>\$ 23,703,641</u>
<b>Prince George's County Enterprise Fund</b>				
Capital assets not being depreciated:				
Land	\$ 6,459,131	\$ -	\$ -	\$ 6,459,131
Capital assets being depreciated:				
Buildings and improvements	72,358,592	-	-	72,358,592
Infrastructure	146,461	-	-	146,461
Machinery, equipment and intangibles	5,102,331	95,142	(193,098)	5,004,375
Total capital assets being depreciated	<u>77,607,384</u>	<u>95,142</u>	<u>(193,098)</u>	<u>77,509,428</u>
Less accumulated depreciation for:				
Buildings and improvements	(43,604,920)	(1,666,322)	-	(45,271,242)
Infrastructure	(21,086)	(7,323)	-	(28,409)
Machinery, equipment and intangibles	(3,591,467)	(270,907)	193,098	(3,669,276)
Total accumulated depreciation	<u>(47,217,473)</u>	<u>(1,944,552)</u>	<u>193,098</u>	<u>(48,968,927)</u>
Total capital assets being depreciated, net	<u>30,389,911</u>	<u>(1,849,410)</u>	<u>-</u>	<u>28,540,501</u>
Capital assets, net	<u>\$ 36,849,042</u>	<u>\$ (1,849,410)</u>	<u>\$ -</u>	<u>\$ 34,999,632</u>
Total Business-type activities	<u>\$ 59,105,021</u>	<u>\$ 117,877</u>	<u>\$ (519,625)</u>	<u>\$ 58,703,273</u>

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

Governmental Activities:	
General Government	\$ 81,277
County Planning and Zoning	407,013
Park Operations and Maintenance	15,933,323
Recreation Programs	<u>2,077,272</u>
Total depreciation expense - governmental activities	<u>\$ 18,498,885</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 2,746,893</u>

**Construction Commitments** - The Commission is committed to \$51,841,739 for construction contracts for work to be performed in subsequent years.

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

The Commission had the following interfund transfers during fiscal year 2020:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
<b>Transfers In</b>						
General Fund - Administration Account	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ 30,000
General Fund - Park Account	3,000,000	350,000	42,030,000	18,330,175	-	63,710,175
General Fund - Recreation Account	-	-	10,000,000	-	8,157,592	18,157,592
Capital Projects	1,807,969	-	-	-	-	1,807,969
Total Transfers In	<u>\$ 4,807,969</u>	<u>\$ 350,000</u>	<u>\$ 52,060,000</u>	<u>\$ 18,330,175</u>	<u>\$ 8,157,592</u>	<u>\$ 83,705,736</u>
<b>Transfers Out</b>						
General Fund - Administration Account	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000
General Fund - Park Account	3,350,000	126,432	1,556,537	-	-	5,032,969
Debt Service Fund	18,330,175	-	-	-	-	18,330,175
Capital Projects	52,060,000	-	-	-	-	52,060,000
Enterprise Fund	8,157,592	-	-	-	-	8,157,592
Total Transfers Out	<u>\$ 82,022,767</u>	<u>\$ 126,432</u>	<u>\$ 1,556,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,705,736</u>

The majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$18,330,175) and current funding for Capital Projects (\$52,410,000).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund
<b>Transfers In</b>	
General Fund - Recreation Account	\$ 8,157,592
Total Transfers In	<u>\$ 8,157,592</u>

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

In addition to the above transfers, tax revenues of \$1,871,289 not needed to pay current debt service were contributed by the Montgomery County Advanced Land Acquisition Debt Service Fund to the Montgomery County Advanced Land Acquisition Account in the Private Purpose Trust Funds and \$146 was contributed by the Prince George's County Advanced Land Acquisition Debt Service Fund to the Prince George's County Advanced Land Acquisition Account in the Private Purpose Trust Funds.

**(D) Operating Leases**

The Commission is committed under several operating leases for office space and office equipment expiring at various dates through 2025. Each agreement provides for termination in the event of non-appropriation of funds.

Future minimum commitments under operating leases at June 30, 2020 are as follows (\$000's):

Year Ending June 30,	Operating Leases		
	Total	Montgomery County	Prince George's County
2021	\$ 3,973	\$ 300	\$ 3,673
2022	2,896	300	2,596
2023	2,896	300	2,596
2024	2,896	300	2,596
2025	2,767	300	2,467
Total minimum lease payments	<u>\$ 15,428</u>	<u>\$ 1,500</u>	<u>\$ 13,928</u>

In fiscal year 2020, expenditures in the General Fund included \$2,396,453 relating to the rental of office space and \$1,697,821 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 2020, debt service payments approximated 0.35 cents per \$100 of real property and 0.88 cents per \$100 of personal property for Montgomery County and 1.23 cents for real property and 3.08 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 Direct Placement Principal	Total Direct Placement Interest	Total Direct Placement Payments
2021	\$ 4,200	\$ 1,840	\$ 6,040	\$ -	\$ 228	\$ 228
2022	3,860	1,683	5,543	500	243	743
2023	3,920	1,527	5,447	500	230	730
2024	3,585	1,374	4,959	500	218	718
2025	3,655	1,229	4,884	500	205	705
2026-2030	16,990	4,311	21,301	2,500	840	3,340
2031-2035	14,270	1,687	15,957	2,500	529	3,029
2036-2040	3,975	204	4,179	2,500	218	2,718
2041-2045	-	-	-	500	6	506
Totals	<u>\$ 54,455</u>	<u>\$ 13,855</u>	<u>\$ 68,310</u>	<u>\$ 10,000</u>	<u>\$ 2,717</u>	<u>\$ 12,717</u>

**Montgomery County General Obligation Bonds (continued)**

Governmental Activities						
Fiscal Year	Total ALA Principal	Total ALA Interest	Total ALA Payments	Total ISF Principal	Total ISF Interest	Total ISF Payments
2021	\$ 130	11	\$ 141	\$ 600	\$105	\$705
2022	125	9	134	600	75	675
2023	125	6	131	600	45	645
2024	120	4	124	600	15	615
2025	120	1	121	-	-	-
Totals	<u>\$ 620</u>	<u>\$ 31</u>	<u>\$ 651</u>	<u>\$ 2,400</u>	<u>\$ 240</u>	<u>\$ 2,640</u>

**Prince George's County General Obligation Bonds**

Governmental Activities				Total Commission General Obligation Bonds
Fiscal Year	Total Park Principal	Total Park Interest	Total Park Payments	Principal & Interest
2021	\$ 7,775	\$ 4,040	\$ 11,815	\$ 18,083
2022	6,520	3,686	10,206	16,492
2023	6,615	3,369	9,984	16,161
2024	6,710	3,061	9,771	15,448
2025	5,950	2,750	8,700	14,289
2026-2030	29,665	9,905	39,570	64,211
2031-2035	29,225	4,512	33,737	52,723
2036-2040	10,840	641	11,481	18,378
Totals	<u>\$ 103,300</u>	<u>\$ 31,964</u>	<u>\$ 135,264</u>	<u>\$ 215,785</u>



**Outstanding General Obligation Bonds** - General obligation bonds outstanding as of June 30, 2020, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY 2021 Serial Payment	Original Issue	Outstanding as of June 30, 2020
<b>Montgomery County</b>						
<b>Park Acquisition and Development Bonds</b>						
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	\$ 400	\$ 8,405	\$ 400
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	950	12,505	7,335
Series MC-2012B	3.5622	04/05/12	12/01/32	135	3,000	2,115
Series MC-2014A	2.8633	06/17/14	12/01/33	600	14,000	10,850
Series MC-2016A	2.3634	04/14/16	11/01/35	500	12,000	10,200
Series MC-2016B Advance Refunding	1.6866	04/14/16	11/01/28	615	6,120	5,355
Series MC-2017A	2.6860	04/20/17	11/20/36	400	8,000	6,800
Series MC-2018A	3.3540	10/04/18	11/01/38	600	12,000	11,400
				<u>4,200</u>	<u>76,030</u>	<u>54,455</u>
<b>Advance Land Acquisition Bonds</b>						
MC 2016C - Advanced Land Acquisition	1.2475	04/14/16	11/01/24	130	1,075	620
				<u>130</u>	<u>1,075</u>	<u>620</u>
<b>Internal Service Fund-Capital Equipment</b>						
Series MC-2018B	2.5391	10/04/18	11/01/23	600	3,000	2,400
				<u>600</u>	<u>3,000</u>	<u>2,400</u>
<b>Direct Placement Bond</b>						
Series MC-2020A	2.4911	06/01/20	11/01/40	-	10,000	10,000
				<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total Montgomery County General Obligation Bonds				<u>\$ 4,930</u>	<u>\$ 90,105</u>	<u>\$ 67,475</u>
<b>Prince George's County</b>						
<b>Park Acquisition and Development Bonds</b>						
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	\$ 1,335	\$ 14,080	\$ 1,335
Series PGC-2012A Advance and Current Refunding	1.8735	06/21/12	01/15/24	865	11,420	3,465
Series PGC-2014A	3.0409	05/01/14	01/15/34	1,075	26,565	20,340
Series PGC-2015A (Note 1)	2.7254	10/15/15	01/15/36	1,300	24,820	20,660
Series PGC-2017A	2.7053	07/27/17	01/15/37	1,650	33,000	28,050
Series PGC-2018A	3.2675	11/29/18	11/01/38	1,550	31,000	29,450
Total Prince George's County General Obligation Bonds				<u>\$ 7,775</u>	<u>\$ 140,885</u>	<u>\$ 103,300</u>

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

**New Bond Issues** – On June 1, 2020, the Commission issued \$10,000,000 of Montgomery County Park Acquisition and Development General Obligation Direct Placement Project Bonds Series MC-2020A. These proceeds are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until November 1, 2040 at a net interest cost of 2.49%.

**Changes in Long-term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2020, were as follows:

<b>Governmental activities:</b>	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Amount Due in One Year
<b>Montgomery County</b>					
General Obligation Park Bonds Payable	\$ 58,590,000	\$ -	\$ 4,135,000	\$ 54,455,000	\$ 4,200,000
Premiums on Park Bonds Issued	3,117,614	-	384,752	2,732,862	-
Notes for Direct Placement Bond	-	10,000,000	-	10,000,000	-
General Obligation ALA Bonds Payable	750,000	-	130,000	620,000	130,000
General Obligation ISF Bonds Payable	3,000,000	-	600,000	2,400,000	600,000
Premiums on ISF Bonds Issued	209,300	-	48,300	161,000	-
Accrued Compensated Absences	8,931,828	6,212,978	5,860,363	9,284,443	5,860,363
Net Other Post Employment Benefit Liability	109,143,825	22,278,900	-	131,422,725	-
Net Pension Liability	30,827,056	24,353,784	-	55,180,840	-
Long-term Liabilities	214,569,623	62,845,662	11,158,415	266,256,870	10,790,363
<b>Prince George's County</b>					
General Obligation Park Bonds Payable	111,030,000	-	7,730,000	103,300,000	7,775,000
Premiums on Bonds Issued	8,196,732	-	550,432	7,646,300	-
Accrued Compensated Absences	12,141,388	7,129,546	6,363,806	12,907,128	6,363,806
Net Other Post Employment Benefit Liability	148,816,785	30,925,116	-	179,741,901	-
Net Pension Liability	42,357,872	32,455,211	-	74,813,083	-
Long-term Liabilities	322,542,777	70,509,873	14,644,238	378,408,412	14,138,806
Total Long-term Liabilities	\$ 537,112,400	\$ 133,355,535	\$ 25,802,653	\$ 644,665,282	\$ 24,929,169
<b>Business-type activities:</b>					
	Beginning			Ending	
	Balance	Additions	Reductions	Balance	Amount Due in One Year
<b>Montgomery County</b>					
Accrued Compensated Absences	\$ 358,086	\$ 64,777	\$ 92,601	\$ 330,262	\$ 92,601
Net Other Post Employment Benefit Liability	3,344,789	846,332	-	4,191,121	-
Net Pension Liability	830,993	727,772	-	1,558,765	-
Long-term Liabilities	4,533,868	1,638,881	92,601	6,080,148	92,601
<b>Prince George's County</b>					
Accrued Compensated Absences	597,421	322,859	230,007	690,273	230,007
Net Other Post Employment Benefit Liability	7,933,386	1,532,544	-	9,465,930	-
Net Pension Liability	1,919,266	1,353,073	-	3,272,339	-
Long-term Liabilities	10,450,073	3,208,476	230,007	13,428,542	230,007
Total Long-term Liabilities	\$ 14,983,941	\$ 4,847,357	\$ 322,608	\$ 19,508,690	\$ 322,608

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	\$ 12,224,169	\$ 322,608	\$ 12,546,777
Due in more than One Year	9,967,402	697,927	10,665,329
Bonds and Notes Payable:			
Due within One Year	12,705,000	-	12,705,000
Due in more than One Year	168,610,162	-	168,610,162
Net Other Post employment Benefit Liability			
Due in more than One Year	311,164,626	13,657,051	324,821,677
Net Pension Liability	129,993,923	4,831,104	134,825,027
Total Long-term Liabilities	<u>\$ 644,665,282</u>	<u>\$ 19,508,690</u>	<u>\$ 664,173,972</u>

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

## **(5) – OTHER INFORMATION**

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

The Commission is subject to various risk exposures related to property damage and destruction of assets; errors and omissions, injuries to employees and tort liability. The Commission protects against unforeseen losses through a combination of self-insurance and commercial insurance products. 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), professional liability, and property and fire damage (up to \$250,000). Commercial insurance policies are obtained for: property and fire damage above \$250,000, excess liability and commercial crime coverages. The Commission is responsible for reimbursing the Program up to the self-insured amount of \$250,000. Outside the "Program", the Commission also carries Public Official bonds, airport liability and airport museum policies, national flood protection and cyber insurance protections. The Commission did not pay any claim settlements in excess of \$250,000 in fiscal years 2018, 2019 or 2020. No insurance coverages were reduced in fiscal year 2020.

The Commission offers three medical plans and their Medicare components. Two of the medical plans are self-insured through UnitedHealthcare (UHC); the Choice Plus Point-of-Service Plan (POS) and the Select Exclusive Provider Plan (EPO). The third medical plan is a fully insured Health Maintenance Organization (HMO) Plan through Kaiser Permanente. The prescription drug plan through Caremark is also self-insured. All other group health insurance plans are fully insured including two dental plans and a vision plan with three coverage levels. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2020. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the Commission's benefits consultant Aon Hewitt Consulting.

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 2020 totaled \$5,329,886. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

Changes in the balances of claims liabilities during the past two years are as follows:

		Risk
	<u>Medical</u>	<u>Management</u>
Unpaid Claims, June 30, 2018	\$ 1,901,475	\$ 16,306,578
Incurring Claims, Fiscal Year 2019	23,224,839	5,683,060
Claims Paid, Fiscal Year 2019	<u>(23,302,839)</u>	<u>(4,591,746)</u>
Unpaid Claims, June 30, 2019	1,823,475	17,397,892
Incurring Claims, Fiscal Year 2020	24,829,305	5,331,114
Claims Paid, Fiscal Year 2020	<u>(25,146,305)</u>	<u>(5,329,889)</u>
Unpaid Claims, June 30, 2020	<u>\$ 1,506,475</u>	<u>\$ 17,399,117</u>

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 1,506,475	\$ 4,349,778	\$ 5,856,253
Due in more than One Year	-	13,049,339	13,049,339
Total	<u>\$ 1,506,475</u>	<u>\$ 17,399,117</u>	<u>\$ 18,905,592</u>

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

The Commission was involved in the following related party transactions during fiscal year 2020:

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

Dept. of Environ. Resources Zoning Enforcement and Inspection of New Construct.	\$ 1,588,967
Reimbursements to County Council for planning, zoning, and audio/visual (Comm. Ofc)	1,137,300
Office Space Rental at the County Administrative Building (CAB)	973,076
Permits & Inspection for M-NCPPC-DPIE	856,200
Redevelopment Authority	614,900
Permits & Inspection & Permitting - DPW&T/Office of Engineering	469,933
Geographic Information Systems - GIS	340,500
Prince George's Community College -Park Police Security	300,000
Prince George's Community College -Outreach Facilities	300,000
EDC - General Plan Goals	272,534
Peoples Zoning Counsel (Stan Derwin Brown)	250,000
Department of Environmental Resources - Water and Sewer Planning	155,300
Council Planning Position	150,000
Prince George's Community College -Team Building Program	100,000
Economic Development for Enterprise Zone	65,000
Property Tax Collection Fees (Administration)	34,411
Total (1)	<u>\$ 7,608,121</u>

(1) Of this amount, \$65,000 is in Accounts Payable at June 30, 2020.

## **(C) Contingencies**

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

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

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

### **Defined Benefit Pension Plan**

#### **General Information about the Plan**

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

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

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

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

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

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

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

**Employees Covered by Benefit Terms** – As of July 1, 2019, membership in the System was as follows:

Active	2,123
Retired	1,645
Terminated Vested	235
Terminated Non-Vested	<u>426</u>
Total Participants	<u>4,429</u>

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

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

### **Net Pension Liability**

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019.

**Actuarial Assumptions** – The total pension liability of the Defined Benefit Pension Plan was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50%
- Salary Increases: 2.50% plus variable service based increases
- Investment Return: 6.85%, net of investment expense and including inflation

Mortality rates were based on the RP-2000 Mortality table with Male rates set forward 1 year and Female rates set forward 2 years, with generational adjustments for mortality improvements based on Scale BB factors. An alternative table was used for the valuation of disabled members.

A Post Retirement Cost of Living Adjustment of 2.40% was assumed for benefits based on credited service accrued until July 1, 2012, and sick leave accrued until January 1, 2013; a 2.0% adjustment was assumed for benefits accrued thereafter.

The total pension liability as of June 30, 2020 is equal to the July 1, 2019 Entry Age Normal actuarial accrued liability, adjusted for total normal cost, one year of interest, and reduced by benefits paid during the year, adjusted by one half year of interest.

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

- The investment return assumption was changed from 6.90% to 6.85%.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class, based on inputs from a survey of investment professionals. These allocations are combined to produce a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which returns are simulated over a 30 year period, and a risk adjustment is applied to the baseline expected return. This method accounts for only expected returns, and adjusts for volatility of returns by asset class as well as correlations between the different classes.

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

<b>Asset Class</b>	<b>Long-Term Expected Real</b>	
	<b>Return - Portfolio</b>	<b>Target Allocation</b>
U.S. Equity	6.75%	15.00%
International Equity-(non-U.S.)	7.50%	15.00%
Low Volatility Equity	7.15%	10.00%
Private Equity	8.40%	7.50%
Fixed Income - High Yield	5.40%	7.50%
Fixed Income - Global Opp.	8.00%	7.50%
Fixed Income - U.S. Core	1.80%	11.50%
Bank Loans	4.60%	4.00%
Emerging Market Debt	5.30%	5.00%
Public Real Assets	3.40%	2.00%
Private Real Assets	7.80%	15.00%
Total	6.38%	100.00%
Plus Inflation	2.50%	
Total Return without Adjustment	8.88%	
Risk Adjustment	-2.03%	
Total Expected Return	6.85%	

**Discount Rate** – The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

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



**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 1,037,415,459	\$ 962,016,882	\$ 75,398,577
Changes for the year:			
Service cost	18,144,368	-	18,144,368
Interest	70,945,812	-	70,945,812
Differences between expected and actual experience	540,274	-	540,274
Changes in assumptions	6,015,186	-	6,015,186
Benefit Payment, including refunds	(55,647,482)	(55,647,482)	-
Contributions - Employer	-	19,244,687	(19,244,687)
Contributions - Member	-	7,796,708	(7,796,708)
Net Investment Income	-	10,900,156	(10,900,156)
Administrative expenses	-	(1,722,361)	1,722,361
Net changes	39,998,158	(19,428,292)	59,426,450
Balances at June 30, 2020	<u>\$ 1,077,413,617</u>	<u>\$ 942,588,590</u>	<u>\$ 134,825,027</u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the net pension liability of the Commission, calculated using the discount rate of 6.85%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability	\$ 267,500,452	\$ 134,825,027	\$ 24,139,281

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – For the year ended June 30, 2020, the Commission recognized pension expense of \$24,049,076. As of June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,782,113	\$ 35,377,758
Changes in assumptions	27,638,464	3,948,178
Net difference between projected and actual earnings on pension plan investments	29,688,519	-
	<u>\$ 66,109,096</u>	<u>\$ 39,325,936</u>

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

Year Ended June 30	Net Amount of Outflow/(Inflow)
2021	\$ (5,504,537)
2022	4,565,667
2023	11,482,649
2024	15,146,806
2025	1,092,575
After 2025	-



**Maryland State Retirement and Pension System**

Certain employees/retirees of the Commission elected to remain in the Maryland State Retirement and Pension System (MSRS) which is a cost-sharing employer public employee retirement system. The Commission entered into an agreement to reimburse the State for the unfunded present value of benefits as of June 30, 1985 over a period of 35 years. The Commission made its contractually required final contribution of \$311,061 in FY 2020. There is no balance due to the State as of June 30, 2020.

**Deferred Compensation Plans**

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

**(E) Other Post-Employment Benefits (OPEB)**

**Plan Description**

**Plan Description** - The Commission administers the Post-Retirement Insurance Benefits Program (the Plan), which is a single-employer defined benefit healthcare plan. In accordance with Commission approval, the plan provides post-retirement healthcare benefits 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. Benefit provisions and obligations to contribute to the Plan and all other requirements have been established by a Trust Agreement (the Trust) between the Commission and the Maryland-National Capital Park and Planning Commission Section 115 Trust Board of Trustees (the Board) which has been periodically amended since the Trust was established July 1, 1999. The Board consists of 5 individual trustees. The Commission appoints one trustee from the Montgomery County Planning Board and one trustee from the Prince George's County Planning Board. The remaining trustees consist of the Commission's Executive Director, Secretary-Treasurer and Human Resources Director. Separate financial statements are not issued for the Trust and the Trust's financial records are not maintained on a separate county basis.

**Employees Covered by Benefit Terms** – As of July 1, 2019, membership consisted of the following:

Retirees	1,180
Active plan members	<u>1,873</u>
Total	<u>3,053</u>

**Benefits Provided** – The Plan provides pre- and post-Medicare healthcare, prescription (provided through the EGWP program for post 65 retirees), and dental and vision benefits to retired employees and their dependents.

**Contributions** - 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. Retirees are responsible for the remaining 20 percent. Retiree benefits levels are established annually by resolution of the Commission.

## Investments

**Investment Policy** – The Board has the responsibility of establishing and maintaining policies governing management of the Trust’s financial assets including: setting of investment policy, choosing an asset allocation to balance risk and return, selecting and evaluating professionals to manage those assets, communicating guidelines to those professionals and monitoring performance of the plan. The following is the Board’s adopted asset allocation policy as of June 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Tactical Asset Allocation	10%
Domestic Large Cap Equity	20%
Domestic SMID Cap Equity	20%
Foreign Developed Market Equity	20%
Foreign Emerging Market Equity	10%
Real Estate	10%
Fixed Income and Cash	10%

**Rate of Return** – For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was (5.8)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Net OPEB Liability -

The components of the net OPEB Liability as of June 30, 2020, are as follows:

Total OPEB Liability	\$ 409,199,094
Plan Fiduciary Net Position	<u>84,377,417</u>
Net OPEB Liability	<u>\$ 324,821,677</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	20.6%

**Actuarial Assumptions** – The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 6.85%, net of investment expense and including inflation.

Healthcare Trend: 5.40% initially, grading down to 3.68% ultimate for medical and pharmacy benefits; 4.00% for both dental and vision.

#### Mortality Rates-

Healthy – Pre-Retirement: RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females

Healthy - Post Retirement: RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females

Disabled: RP-2000 fully generational disabled mortality table projected using scale BB, set forward 1 year for males and 2 years for females

The Entry Age Normal method is used for accounting purposes. Actuarial determined contributions are also based on the Entry Age method, with a 30 year level dollar amortization of the unfunded liability.

Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020, and the final investment return assumption, are summarized in the following table:

Asset Class	Target Allocation	20 Year	20 Year	Product
		Arithmetic Nominal	Arithmetic Real	
U.S. Treasuries (Cash Equivalents)	10.00%	2.28%	0.11%	0.01%
U.S. Equity - Large Cap	20.00%	8.36%	6.06%	1.21%
U.S. Equity - Small Cap	20.00%	9.54%	7.21%	1.44%
Non-U.S. Equity - Developed	20.00%	9.09%	6.77%	1.35%
Non-U.S. Equity - Emerging	10.00%	11.33%	8.97%	0.90%
Real Estate	10.00%	7.91%	5.62%	0.56%
Fixed Income and Cash	10.00%	2.28%	0.11%	0.01%
Total	100.00%			5.49%
Plus inflation				2.40%
Portfolio arithmetic return				8.00%
Portfolio variance				1.75%
Portfolio geometric return				7.12%
Margin for adverse experience				0.27%
Adjusted geometric return				6.85%

**Discount Rate** - The discount rate used to measure the total OPEB liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that Commission contributions will be made equal to the actuarially determined contribution each year. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rates of return on OPEB trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### **Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019	\$ 351,537,786	\$ 82,299,001	\$ 269,238,785
Changes for the year:			
Service cost	7,784,558	-	7,784,558
Interest	23,749,404	-	23,749,404
Experience Losses/(Gains)	49,640,440	-	49,640,440
Changes in assumptions	(6,899,291)	-	(6,899,291)
Benefit Payments, net of retiree contributions	(16,613,803)	(16,613,803)	-
Contributions - Employer	-	24,351,580	(24,351,580)
Net Investment Income	-	(5,054,584)	5,054,584
Administrative expenses	-	(604,777)	604,777
Net changes	57,661,308	2,078,416	55,582,892
Balances at June 30, 2020	\$ 409,199,094	\$ 84,377,417	\$ 324,821,677

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of the Commission, calculated using the discount rate of 6.85%, as well as what the Commission’s net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<b>1% Decrease</b> <b>5.85%</b>	<b>Current</b> <b>Discount Rate</b> <b>6.85%</b>	<b>1% Increase</b> <b>7.85%</b>
Net OPEB Liability	\$ 381,878,872	\$ 324,821,677	\$ 277,974,728

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the net OPEB liability of the Commission, as well as what the net OPEB liability would be if calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<b>1% Decrease</b> <b>2.68%</b>	<b>Medical Trend</b> <b>3.68%</b>	<b>1% Increase</b> <b>4.68%</b>
Net OPEB Liability	\$ 270,896,167	\$ 324,521,677	\$ 391,949,819

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2020, the Commission recognized OPEB expense of \$35,198,975. As of June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 47,996,396	\$ 1,041,482
Changes in assumptions	3,132,677	6,036,880
Net difference between projected and actual earnings on OPEB plan investments	9,944,695	-
	<u>\$ 61,073,768</u>	<u>\$ 7,078,362</u>

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

<u>Year Ended</u> <u>June 30</u>	<u>Net Amount of</u> <u>Outflow/(Inflow)</u>
2021	\$ 9,070,821
2022	9,070,819
2023	9,539,221
2024	8,862,766
2025	6,649,728
After 2025	10,802,051

## (F) Pension Trust Funds

Combining schedules of the pension trust funds follow:

Combining Schedule of Net Position  
Pension Trust Funds  
June 30, 2020

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 947,001	\$ 947,001
Cash	65,117	-	65,117
Fixed Income Securities	210,237,172	16,004,359	226,241,531
International Fixed Income Securities	7,394,333	-	7,394,333
Venture Capital/Alternative Investments	234,115,360	-	234,115,360
Corporate Stock	332,767,108	-	332,767,108
International Corporate Stock	64,495,247	-	64,495,247
Real Estate Investments	65,610,521	9,337,043	74,947,564
Short Term Investments	42,136,972	-	42,136,972
Mutual Funds	-	59,036,015	59,036,015
Collateral for Securities Lending Transactions	29,250,404	-	29,250,404
Accrued Income on Investments	842,073	-	842,073
Accounts Receivable	6,792	-	6,792
Other	244,848	-	244,848
Total Assets	<u>987,165,947</u>	<u>85,324,418</u>	<u>1,072,490,365</u>
<b>LIABILITIES</b>			
Investments Payable	13,176,486	-	13,176,486
Accounts Payable	1,467,545	-	1,467,545
Claims Payable	-	947,001	947,001
Obligation for Collateral Received under Securities Lending Transactions	29,933,326	-	29,933,326
Total Liabilities	<u>44,577,357</u>	<u>947,001</u>	<u>45,524,358</u>
<b>NET POSITION</b>			
Restricted for:			
Pension Benefits	942,588,590	-	942,588,590
Other Postemployment Benefits	-	84,377,417	84,377,417
Total Net Position	<u>\$ 942,588,590</u>	<u>\$ 84,377,417</u>	<u>\$ 1,026,966,007</u>

Combining Schedule of Changes in Net Position  
Pension Trust Funds  
For the Year Ended June 30, 2020

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 19,244,687	\$ 22,262,529	\$ 41,507,216
Plan Members	7,796,708	-	7,796,708
Plan Members for Current Benefits	-	3,190,436	3,190,436
Total Contributions	<u>27,041,395</u>	<u>25,452,965</u>	<u>52,494,360</u>
Federal Grants - Medicare	-	2,089,051	2,089,051
Investment Earnings:			
Interest	10,340,034	-	10,340,034
Dividends	2,589,151	2,631,314	5,220,465
Net increase in the Fair Value of Investments	975,334	(7,685,898)	(6,710,564)
Total Investment Earnings	<u>13,904,519</u>	<u>(5,054,584)</u>	<u>8,849,935</u>
Less Investment Advisory and Management Fees	<u>(3,116,235)</u>	<u>-</u>	<u>(3,116,235)</u>
Net Income from Investing Activities	<u>10,788,284</u>	<u>(5,054,584)</u>	<u>5,733,700</u>
Securities Lending Activity			
Securities Lending Income	579,475	-	579,475
Securities Lending Fees	(467,603)	-	(467,603)
Net Income from Securities Lending Activity	<u>111,872</u>	<u>-</u>	<u>111,872</u>
Total Net Investment Earnings	<u>10,900,156</u>	<u>(5,054,584)</u>	<u>5,845,572</u>
Total Additions and Investment Earnings	<u>37,941,551</u>	<u>22,487,432</u>	<u>60,428,983</u>
DEDUCTIONS:			
Benefits	55,067,853	19,804,239	74,872,092
Refunds of Contributions	579,629	-	579,629
Administrative expenses	1,722,361	604,777	2,327,138
Total Deductions	<u>57,369,843</u>	<u>20,409,016</u>	<u>77,778,859</u>
Change in Net Position	<u>(19,428,292)</u>	<u>2,078,416</u>	<u>(17,349,876)</u>
Net Position - Beginning	<u>962,016,882</u>	<u>82,299,001</u>	<u>1,044,315,883</u>
Net Position - Ending	<u>\$ 942,588,590</u>	<u>\$ 84,377,417</u>	<u>\$ 1,026,966,007</u>

## (6) – COUNTY FINANCIAL DATA

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

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**MONTGOMERY COUNTY**  
**Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2020**

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 12,223,407	\$ 13,325,196	\$ 25,548,603	\$ 1,581,287	\$ 7,262,664	\$ 34,392,554
Receivables - Taxes (net of allowance for uncollectibles)	244,204	816,065	1,060,269	-	16,494	1,076,763
Receivables - Other	13,655	51,495	65,150	-	15,014	80,164
Due from County Government	324,330	138,173	462,503	6,181,884	136,013	6,780,400
Due from Other Governments	12,670	234,727	247,397	3,747,695	-	3,995,092
Restricted Cash - Unspent Debt Proceeds	-	-	-	12,426,018	-	12,426,018
Other	2,197	-	2,197	-	-	2,197
Total Assets	\$ 12,820,463	\$ 14,565,656	\$ 27,386,119	\$ 23,936,884	\$ 7,430,185	\$ 58,753,188
<b>LIABILITIES</b>						
Liabilities:						
Accounts Payable	\$ 550,062	\$ 1,477,763	\$ 2,027,825	\$ 1,514,153	\$ 162,830	\$ 3,704,808
Accrued Liabilities	1,155,802	3,424,770	4,580,572	-	8,031	4,588,603
Retainage Payable	-	-	-	1,175,523	-	1,175,523
Deposits and Fees Collected in-Advance	2,504,567	314,905	2,819,472	900,000	199,497	3,918,969
Total Liabilities	4,210,431	5,217,438	9,427,869	3,589,676	370,358	13,387,903
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable Property Tax Revenue	154,082	521,154	675,236	-	-	675,236
Total Deferred Inflow of Resources	154,082	521,154	675,236	-	-	675,236
<b>Fund Balance:</b>						
Restricted for:						
Parks	-	-	-	12,426,018	-	12,426,018
Committed to:						
Planning	6,752,361	-	6,752,361	-	236,835	6,989,196
Parks	-	4,904,953	4,904,953	12,083,687	957,747	17,946,387
Assigned to:						
Planning	202,159	-	202,159	-	4,792,610	4,994,769
Parks	-	-	-	-	1,072,635	1,072,635
Unassigned:						
	1,501,430	3,922,111	5,423,541	(4,162,497)	-	1,261,044
Total Fund Balances	8,455,950	8,827,064	17,283,014	20,347,208	7,059,827	44,690,049
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 12,820,463	\$ 14,565,656	\$ 27,386,119	\$ 23,936,884	\$ 7,430,185	\$ 58,753,188



**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2020**

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>REVENUES</b>						
Property Taxes	\$ 29,603,191	\$ 97,525,522	\$ 127,128,713	\$ -	\$ 2,013,926	\$ 129,142,639
Intergovernmental:						
Federal	12,670	248,772	261,442	-	-	261,442
State	-	21,563	21,563	2,160,390	-	2,181,953
County	727,830	3,522,473	4,250,303	11,915,313	1,658,126	17,823,742
Charges for Services	485,406	1,102,030	1,587,436	-	2,557,437	4,144,873
Rentals and Concessions	-	1,881,582	1,881,582	-	101,049	1,982,631
Interest	236,700	281,915	518,615	126,432	118,353	763,400
Contributions	-	-	-	9,646,400	233,611	9,880,011
Miscellaneous	21,249	91,014	112,263	10,250	54,525	177,038
Total Revenues	<u>31,087,046</u>	<u>104,674,871</u>	<u>135,761,917</u>	<u>23,858,785</u>	<u>6,737,027</u>	<u>166,357,729</u>
<b>EXPENDITURES</b>						
Current:						
General Government	9,605,873	-	9,605,873	-	-	9,605,873
Planning and Zoning	21,031,860	-	21,031,860	-	3,798,690	24,830,550
Park Operations and Maintenance	-	98,441,364	98,441,364	-	1,735,292	100,176,656
Contributions	-	-	-	-	1,871,289	1,871,289
Debt Service:						
Principal	-	-	-	-	4,265,000	4,265,000
Interest	-	-	-	-	2,018,360	2,018,360
Other Debt Service Costs	-	-	-	-	70,246	70,246
Capital Outlay:						
Park Acquisition	-	-	-	8,893,728	-	8,893,728
Park Development	-	-	-	17,860,668	-	17,860,668
Total Expenditures	<u>30,637,733</u>	<u>98,441,364</u>	<u>129,079,097</u>	<u>26,754,396</u>	<u>13,758,877</u>	<u>169,592,370</u>
Excess (Deficiency) of Revenues over Expenditures	<u>449,313</u>	<u>6,233,507</u>	<u>6,682,820</u>	<u>(2,895,611)</u>	<u>(7,021,850)</u>	<u>(3,234,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
General Obligation Bonds Issued	-	-	-	10,000,000	-	10,000,000
Transfers In	-	251,432	251,432	350,000	6,209,906	6,811,338
Transfer Out	(125,000)	(6,559,906)	(6,684,906)	(126,432)	-	(6,811,338)
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(6,308,474)</u>	<u>(6,433,474)</u>	<u>10,223,568</u>	<u>6,209,906</u>	<u>10,000,000</u>
Net Change in Fund Balances	324,313	(74,967)	249,346	7,327,957	(811,944)	6,765,359
Fund Balances - Beginning	<u>8,131,637</u>	<u>8,902,031</u>	<u>17,033,668</u>	<u>13,019,251</u>	<u>7,871,771</u>	<u>37,924,690</u>
Fund Balances - Ending	<u>\$ 8,455,950</u>	<u>\$ 8,827,064</u>	<u>\$ 17,283,014</u>	<u>\$ 20,347,208</u>	<u>\$ 7,059,827</u>	<u>\$ 44,690,049</u>

**MONTGOMERY COUNTY**  
**ADMINISTRATION ACCOUNT- GENERAL FUND**  
**Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 30,616,309	\$ 30,616,309	\$ 29,603,191	\$ (1,013,118)
Intergovernmental -				
Federal	-	-	12,670	12,670
State	150,000	150,000	-	(150,000)
County	403,500	703,500	727,830	24,330
Charges for Services	198,400	198,400	485,406	287,006
Interest	100,000	100,000	236,700	136,700
Miscellaneous	-	-	21,249	21,249
Total Revenues	<u>31,468,209</u>	<u>31,768,209</u>	<u>31,087,046</u>	<u>(681,163)</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,299,038	1,299,038	1,211,537	87,501
Central Administrative Services -				
Department of Human Resources and Management	2,393,177	2,393,177	2,370,672	22,505
Department of Finance	2,353,443	2,275,913	2,275,485	428
Office of Inspector General	285,643	285,643	275,622	10,021
Legal Department	1,487,160	1,487,160	1,487,068	92
Corporate IT	1,488,157	1,565,687	1,517,877	47,810
Support Services	643,676	643,676	620,482	23,194
Merit System Board	84,280	84,280	64,647	19,633
Total Central Administrative Services	<u>8,735,536</u>	<u>8,735,536</u>	<u>8,611,853</u>	<u>123,683</u>
Planning Department -				
Office of the Planning Director	1,677,230	1,706,230	1,784,312	(78,082)
Management and Technology Services	2,375,619	2,420,619	2,470,862	(50,243)
Functional Planning and Policy	2,827,520	3,002,520	3,140,456	(137,936)
Area 1	1,605,080	1,480,080	1,479,626	454
Area 2	2,054,382	2,299,382	2,255,739	43,643
Area 3	1,712,232	1,652,232	1,689,641	(37,409)
Dev. Applications and Regulatory Coordination	805,536	725,036	661,742	63,294
Information Technology and Innovation	3,603,151	3,643,151	3,649,999	(6,848)
Support Services	2,718,434	2,808,934	2,722,463	86,471
Research and Special Projects	1,194,606	1,135,606	1,097,772	37,834
Grants	150,000	150,000	12,670	137,330
Total Planning Department	<u>20,723,790</u>	<u>21,023,790</u>	<u>20,965,282</u>	<u>58,508</u>
Non-Departmental	<u>1,736,515</u>	<u>1,736,515</u>	<u>1,524,906</u>	<u>211,609</u>
Total Expenditures/Encumbrances	<u>32,494,879</u>	<u>32,794,879</u>	<u>32,313,578</u>	<u>481,301</u>
Excess of Revenues over (under) Expenditures/Encumbrances	<u>\$ (1,026,670)</u>	<u>\$ (1,026,670)</u>	<u>(1,226,532)</u>	<u>\$ (199,862)</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Park Fund	(125,000)	(125,000)	(125,000)	-
Total Other Financing Sources (Uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,151,670)</u>	<u>\$ (1,151,670)</u>	<u>(1,351,532)</u>	<u>\$ (199,862)</u>
Fund Balance - Budget Basis, Beginning			<u>3,055,121</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 1,703,589</u>	
FY21 Appropriation	-	-	202,159	202,159
Reserved for Contingencies	974,800	974,800	979,000	4,200
Available for Appropriation	<u>(164,389)</u>	<u>(164,389)</u>	<u>522,430</u>	<u>686,819</u>
Fund Balance - Budget Basis, Ending	<u>\$ 810,411</u>	<u>\$ 810,411</u>	<u>\$ 1,703,589</u>	<u>\$ 893,178</u>

**MONTGOMERY COUNTY**  
**PARK ACCOUNT- GENERAL FUND**  
**Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 100,824,312	\$ 100,824,312	\$ 97,525,522	\$ (3,298,790)
Intergovernmental -				
Federal	-	-	248,772	248,772
State	400,000	400,000	21,563	(378,437)
County	3,522,473	3,522,473	3,522,473	-
Charges for Services	2,461,237	2,461,237	1,102,030	(1,359,207)
Rentals and Concessions	2,211,577	2,211,577	1,881,582	(329,995)
Interest	110,000	110,000	281,915	171,915
Miscellaneous	115,800	115,800	91,014	(24,786)
Total Revenues	109,645,399	109,645,399	104,674,871	(4,970,528)
Expenditures/Encumbrances:				
Director of Montgomery Parks	1,640,303	1,486,603	1,235,716	250,887
Management Services	2,457,331	2,476,423	2,463,416	13,007
Information Technology & Innovation	2,660,893	2,660,893	2,631,715	29,178
Facilities Management	12,973,556	13,002,891	12,568,290	434,601
Park Planning and Stewardship	5,845,617	5,845,617	5,568,696	276,921
Park Development	4,082,158	3,852,158	3,304,954	547,204
Park Police	14,490,620	14,750,620	15,327,872	(577,252)
Horticulture, Forestry & Environmental Education	10,360,810	10,360,810	10,285,180	75,630
Public Affairs and Community Service	3,428,009	3,428,009	3,244,241	183,768
Northern Parks	10,591,560	10,591,560	10,060,340	531,220
Southern Region	15,047,350	14,658,050	13,900,433	757,617
Support Services	10,909,012	11,422,012	10,961,078	460,934
Grants	400,000	400,000	269,960	130,040
Property Management	1,563,320	1,563,320	1,562,170	1,150
Non-Departmental	5,534,332	5,485,905	4,991,701	494,204
Total Expenditures/Encumbrances	101,984,871	101,984,871	98,375,762	3,609,109
Excess of Revenues over				
Expenditures/Encumbrances	7,660,528	7,660,528	6,299,109	(1,361,419)
Other Financing Sources (Uses):				
Transfers In/(Out)-				
Capital Projects Funds	25,000	25,000	126,432	101,432
Administration Fund	125,000	125,000	125,000	-
Debt Service Fund	(6,624,410)	(6,624,410)	(6,209,906)	414,504
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Total Other Financing Sources (Uses)	(6,824,410)	(6,824,410)	(6,308,474)	515,936
Excess of Revenues and Other Financing Sources				
over (under) Expenditures and Other Financing Uses	\$ 836,118	\$ 836,118	(9,365)	\$ (845,483)
Fund Balance - Budget Basis, Beginning			3,931,476	
Fund Balance - Budget Basis, Ending			\$ 3,922,111	
Reserved for Contingencies	3,012,600		3,153,000	140,400
Reserved for Property Management	-		699,077	699,077
Available for Appropriation	563,605		70,034	(493,571)
Fund Balance - Budget Basis, Ending	\$ 3,576,205		\$ 3,922,111	\$ 345,906

**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2020**

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 90,715,474	\$ 151,737,999	\$ 72,878,346	\$ 315,331,819	\$ 100,935,685	\$ 10,172,535	\$ 426,440,039
Receivables - Taxes (net of allowance for uncollectibles)	1,096,098	2,649,229	1,919,037	5,664,364	-	63	5,664,427
Receivables - Other	22,128	16,807	45,817	84,752	-	1,300	86,052
Due from County Government	89,563	-	-	89,563	-	-	89,563
Due from Other Governments	76,857	1,474,559	46,239	1,597,655	12,431,072	30,237	14,058,964
Inventories	-	-	-	-	-	1,151,859	1,151,859
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	11,579,594	-	11,579,594
Other	1,860	-	1,478,731	1,480,591	-	-	1,480,591
Total Assets	\$ 92,001,980	\$ 155,878,594	\$ 76,368,170	\$ 324,248,744	\$ 124,946,351	\$ 11,355,994	\$ 460,551,089
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts Payable	\$ 1,100,793	\$ 4,465,453	\$ 2,403,315	\$ 7,969,561	\$ 6,380,302	\$ 284,829	\$ 14,634,692
Accrued Liabilities	1,298,797	3,478,948	1,563,005	6,340,750	-	33,714	6,374,464
Retainage Payable	-	-	-	-	1,754,493	-	1,754,493
Deposits and Fees Collected in-Advance	64,084	565,681	3,326,935	3,956,700	5,008,545	131,042	9,096,287
Total Liabilities	2,463,674	8,510,082	7,293,255	18,267,011	13,143,340	449,585	31,859,936
<b>DEFERRED INFLOW OF RESOURCES</b>							
Unavailable Property Tax Revenue	586,322	1,276,508	1,203,586	3,066,416	-	-	3,066,416
Total Deferred Inflow of Resources	586,322	1,276,508	1,203,586	3,066,416	-	-	3,066,416
<b>Fund Balance:</b>							
Nonspendable to:							
Recreation	-	-	-	-	-	1,151,859	1,151,859
Restricted for:							
Parks	-	-	-	-	11,579,594	-	11,579,594
Committed to:							
Planning	20,807,109	-	-	20,807,109	-	-	20,807,109
Parks	-	18,406,964	-	18,406,964	39,758,052	52,593	58,217,609
Recreation	-	-	13,779,254	13,779,254	-	521,877	14,301,131
Assigned to:							
Parks	-	11,021,123	-	11,021,123	60,465,365	2,415,051	73,901,539
Recreation	-	-	-	-	-	6,765,029	6,765,029
Unassigned:	68,144,875	116,663,917	54,092,075	238,900,867	-	-	238,900,867
Total Fund Balances	88,951,984	146,092,004	67,871,329	302,915,317	111,803,011	10,906,409	425,624,737
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 92,001,980	\$ 155,878,594	\$ 76,368,170	\$ 324,248,744	\$ 124,946,351	\$ 11,355,994	\$ 460,551,089

**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2020**

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation			
<b>REVENUES</b>						
Property Taxes	\$ 57,336,375	\$ 156,510,766	\$ 81,701,169	\$ 295,548,310	\$ -	\$ 295,548,510
Intergovernmental:						
Federal	76,856	672,662	51,239	800,757	-	830,994
State	-	343,245	299,346	642,591	12,724,228	13,366,819
County	315,657	549,221	445,924	1,310,802	-	1,310,802
Charges for Services	715,207	208,952	4,386,455	5,310,614	-	6,444,770
Rentals and Concessions	-	1,565,783	827,312	2,393,095	-	4,002,867
Interest	1,586,958	3,105,723	1,470,899	6,163,580	1,556,537	7,913,872
Contributions	-	198,924	260,183	459,107	-	32,036
Miscellaneous	34,225	327,215	69,092	430,532	754,900	1,251,135
Total Revenues	<u>60,065,278</u>	<u>163,482,491</u>	<u>89,511,619</u>	<u>313,059,388</u>	<u>15,035,665</u>	<u>333,554,007</u>
<b>EXPENDITURES</b>						
Current:						
General Government	12,290,754	-	-	12,290,754	-	12,290,754
Planning and Zoning	26,578,182	-	-	26,578,182	-	26,578,182
Park Operations and Maintenance	-	123,236,317	-	123,236,317	-	123,731,848
Recreation	-	-	64,182,393	64,182,393	-	69,310,593
Contributions	-	-	-	-	-	146
Debt Service:						
Principal	-	-	-	-	-	7,730,000
Interest	-	-	-	-	-	4,390,269
Capital Outlay:						
Park Acquisition	-	-	-	-	4,252,467	4,252,467
Park Development	-	-	-	-	32,189,122	32,189,122
Total Expenditures	<u>38,868,936</u>	<u>123,236,317</u>	<u>64,182,393</u>	<u>226,287,646</u>	<u>36,441,589</u>	<u>280,473,381</u>
Excess (Deficiency) of Revenues over Expenditures	<u>21,196,342</u>	<u>40,246,174</u>	<u>25,329,226</u>	<u>86,771,742</u>	<u>(21,405,924)</u>	<u>53,080,626</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	4,556,537	-	4,556,537	52,060,000	68,736,806
Transfer Out	(3,030,000)	(54,150,269)	(18,157,592)	(75,337,861)	(1,556,537)	(76,894,398)
Total Other Financing Sources (Uses)	<u>(3,030,000)</u>	<u>(49,593,732)</u>	<u>(18,157,592)</u>	<u>(70,781,324)</u>	<u>50,503,463</u>	<u>(8,157,592)</u>
Net Change in Fund Balances	18,166,342	(9,347,558)	7,171,634	15,990,418	29,097,539	44,923,034
Fund Balances - Beginning	70,785,642	155,439,562	60,699,695	286,924,899	82,705,472	380,701,703
Fund Balances - Ending	<u>\$ 88,951,984</u>	<u>\$ 146,092,004</u>	<u>\$ 67,871,329</u>	<u>\$ 302,915,317</u>	<u>\$ 111,803,011</u>	<u>\$ 425,624,737</u>

**PRINCE GEORGE'S COUNTY  
ADMINISTRATION ACCOUNT- GENERAL FUND  
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 56,889,100	\$ 56,889,100	\$ 57,336,375	\$ 447,275
Intergovernmental -				
Federal	-	-	76,856	76,856
County	203,500	203,500	315,657	112,157
Charges for Services	650,000	650,000	715,207	65,207
Interest	1,000,000	1,000,000	1,586,958	586,958
Miscellaneous	-	-	34,225	34,225
Total Revenues	<u>58,742,600</u>	<u>58,742,600</u>	<u>60,065,278</u>	<u>1,322,678</u>
Expenditures/Encumbrances:				
Commissioners' Office	3,417,148	3,417,148	3,002,110	415,038
Central Administrative Services -				
Department of Human Resources and Management	3,017,463	3,017,463	2,973,661	43,802
Department of Finance	2,623,117	2,525,647	2,525,131	516
Office of Inspector General	399,082	399,082	379,113	19,969
Legal Department	1,282,781	1,282,781	1,282,688	93
Corporate IT	1,458,538	1,556,008	1,544,239	11,769
Support Services	794,488	794,488	765,833	28,655
Merit System Board	84,280	84,280	64,647	19,633
Total Central Administrative Services	<u>9,659,749</u>	<u>9,659,749</u>	<u>9,535,312</u>	<u>124,437</u>
Planning Department -				
Director's Office	4,439,357	4,439,357	3,652,816	786,541
Development Review	6,608,203	6,608,203	5,334,240	1,273,963
Community Planning	5,496,369	5,496,369	4,904,102	592,267
Information Management	6,084,593	6,084,593	5,414,642	669,951
Countywide Planning	7,741,867	7,741,867	6,503,172	1,238,695
Support Services	7,436,103	7,436,103	6,902,846	533,257
Grants	147,500	147,500	145,930	1,570
Total Planning Department	<u>37,953,992</u>	<u>37,953,992</u>	<u>32,857,748</u>	<u>5,096,244</u>
Non-Departmental	2,103,350	2,103,350	1,876,666	226,684
Total Expenditures/Encumbrances	<u>53,134,239</u>	<u>53,134,239</u>	<u>47,271,836</u>	<u>5,862,403</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>5,608,361</u>	<u>5,608,361</u>	<u>12,793,442</u>	<u>7,185,081</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Park Fund	(3,000,000)	(3,000,000)	(3,000,000)	-
Capital Projects Funds - Development	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(3,030,000)</u>	<u>(3,030,000)</u>	<u>(3,030,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 2,578,361</u>	<u>\$ 2,578,361</u>	<u>9,763,442</u>	<u>\$ 7,185,081</u>
Fund Balance - Budget Basis, Beginning			<u>58,381,433</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 68,144,875</u>	
Reserved for Contingencies	2,656,700		2,696,500	39,800
Available for Appropriation	<u>47,908,633</u>		<u>65,448,375</u>	<u>17,539,742</u>
Fund Balance - Budget Basis, Ending	<u>\$ 50,565,333</u>		<u>\$ 68,144,875</u>	<u>\$ 17,579,542</u>

**PRINCE GEORGE'S COUNTY  
PARK ACCOUNT- GENERAL FUND  
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 155,198,800	\$ 155,198,800	\$ 156,510,766	\$ 1,311,966
Intergovernmental -				
Federal	-	-	672,662	672,662
State	-	-	343,245	343,245
County	-	-	549,221	549,221
Charges for Services	232,835	232,835	208,952	(23,883)
Rentals and Concessions	2,734,765	2,734,765	1,565,783	(1,168,982)
Interest	1,750,000	1,750,000	3,105,723	1,355,723
Miscellaneous	623,500	623,500	526,139	(97,361)
Total Revenues	<u>160,539,900</u>	<u>160,539,900</u>	<u>163,482,491</u>	<u>2,942,591</u>
Expenditures/Encumbrances:				
Office of The Director -				
Office of the Director	1,583,529	1,583,529	1,454,136	129,393
Park Police	20,028,756	20,028,756	21,197,596	(1,168,840)
Administration and Development -				
Management Services	7,586,773	7,586,773	6,943,561	643,212
Administration and Development	349,071	349,071	221,042	128,029
Support Services	14,079,115	14,079,115	13,563,461	515,654
Park Planning and Development	7,604,627	7,604,627	6,988,922	615,705
Info Tech and Communications	5,608,564	5,608,564	5,327,980	280,584
Facility Operations -				
Public Affairs & Marketing	2,207,338	2,207,338	1,969,769	237,569
Maintenance and Development	28,622,860	28,622,860	30,320,732	(1,697,872)
Natural and Historical Resources	8,700,549	8,700,549	8,160,874	539,675
Arts and Cultural Heritage	1,721,837	1,721,837	1,765,240	(43,403)
Youth and Countywide Sports	276,097	276,097	-	276,097
Total Facility Operations	<u>41,528,681</u>	<u>41,528,681</u>	<u>42,216,615</u>	<u>(687,934)</u>
Area Operations -				
Northern Area Operations	7,446,678	7,446,678	7,336,345	110,333
Central Area Operations	6,660,313	6,660,313	6,692,207	(31,894)
Southern Area Operations	<u>6,763,124</u>	<u>6,763,124</u>	<u>6,905,953</u>	<u>(142,829)</u>
Total Area Operations	<u>20,870,115</u>	<u>20,870,115</u>	<u>20,934,505</u>	<u>(64,390)</u>
Grants	-	-	1,147,032	(1,147,032)
Non-Departmental	<u>6,260,794</u>	<u>6,260,794</u>	<u>5,736,138</u>	<u>524,656</u>
Total Expenditures/Encumbrances	<u>125,500,025</u>	<u>125,500,025</u>	<u>125,730,988</u>	<u>(230,963)</u>
Excess of Revenues over Expenditures/Encumbrances	<u>35,039,875</u>	<u>35,039,875</u>	<u>37,751,503</u>	<u>2,711,628</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	500,000	500,000	1,556,537	1,056,537
Administration Fund - Transfer In	3,000,000	3,000,000	3,000,000	-
Debt Service - Park Fund	(15,296,269)	(15,296,269)	(12,120,269)	3,176,000
Capital Projects Funds - Development	<u>(42,030,000)</u>	<u>(42,030,000)</u>	<u>(42,030,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(53,826,269)</u>	<u>(53,826,269)</u>	<u>(49,593,732)</u>	<u>4,232,537</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (18,786,394)</u>	<u>\$ (18,786,394)</u>	<u>(11,842,229)</u>	<u>\$ 6,944,165</u>
Fund Balance - Budget Basis, Beginning			<u>139,527,269</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 127,685,040</u>	
FY21 Appropriation	-		11,021,123	11,021,123
Reserved for Contingencies	6,275,000		6,441,600	166,600
Available for Appropriation	<u>99,665,811</u>		<u>110,222,317</u>	<u>10,556,506</u>
Fund Balance - Budget Basis, Ending	<u>\$ 105,940,811</u>		<u>\$ 127,685,040</u>	<u>\$ 21,744,229</u>

**PRINCE GEORGE'S COUNTY  
RECREATION ACCOUNT- GENERAL FUND  
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2020**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 81,101,900	\$ 81,101,900	\$ 81,701,169	\$ 599,269
Intergovernmental -				
Federal	-	-	51,239	51,239
State	-	-	299,346	299,346
County	-	-	445,924	445,924
Charges for Services	9,106,197	9,106,197	4,386,455	(4,719,742)
Rentals and Concessions	1,236,910	1,236,910	827,312	(409,598)
Interest	750,000	750,000	1,470,899	720,899
Contributions	46,300	46,300	260,183	213,883
Miscellaneous	49,500	49,500	69,092	19,592
Total Revenues	92,290,807	92,290,807	89,511,619	(2,779,188)
Expenditures/Encumbrances:				
Administration and Development-				
Maintenance & Development	837,875	837,875	784,847	53,028
Deputy Director	796,786	796,786	515,054	281,732
Support Services	9,358,201	9,358,201	8,480,218	877,983
Grants	-	-	509,556	(509,556)
Total Director's Office	10,992,862	10,992,862	10,289,675	703,187
Facility Operations:				
Public Affairs & Marketing	1,000,573	1,000,573	738,211	262,362
Aquatics	12,978,465	12,978,465	10,676,685	2,301,780
Natural and Historical Resources	1,534,617	1,534,617	1,505,029	29,588
Arts and Cultural Heritage	4,386,039	4,386,039	4,059,887	326,152
Youth and Countywide Sports	3,452,824	3,452,824	2,247,408	1,205,416
Total Facility Operations	23,352,518	23,352,518	19,227,220	4,125,298
Area Operations:				
Deputy Director	456,319	456,319	496,425	(40,106)
Northern Area Operations	7,874,391	7,874,391	6,892,186	982,205
Central Area Operations	7,333,696	7,333,696	6,559,073	774,623
Southern Area Operations	10,729,303	10,729,303	8,759,182	1,970,121
Special Programs	9,954,050	9,954,050	8,283,185	1,670,865
Total Area Operations	36,347,759	36,347,759	30,990,051	5,357,708
Non-Departmental	4,832,603	4,832,603	4,219,295	613,308
Total Operating Expenditures/Encumbrances	75,525,742	75,525,742	64,726,241	10,799,501
Excess of Revenues over Expenditures/Encumbrances	16,765,065	16,765,065	24,785,378	8,020,313
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Fund	(10,000,000)	(10,000,000)	(10,000,000)	-
Enterprise	(8,157,592)	(8,157,592)	(8,157,592)	-
Total Other Financing Sources (Uses)	(18,157,592)	(18,157,592)	(18,157,592)	-
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ (1,392,527)	\$ (1,392,527)	6,627,786	\$ 8,020,313
Fund Balance - Budget Basis, Beginning			47,464,289	
Fund Balance - Budget Basis, Ending			\$ 54,092,075	
Reserved for Contingencies	4,184,200		4,268,500	84,300
Available for Appropriation	35,876,664		49,823,575	13,946,911
Fund Balance - Budget Basis, Ending	\$ 40,060,864		\$ 54,092,075	\$ 14,031,211



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

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

	2020	2019	2018	2017	2016	2015	2014
<u>Total Pension Liability</u>							
Service Cost	\$ 18,144,368	\$ 17,097,809	\$ 18,834,451	\$ 20,196,060	\$ 18,125,110	\$ 19,015,744	\$ 16,635,683
Interest	70,945,812	67,607,637	65,346,751	66,311,451	61,280,153	64,188,829	60,003,715
Changes in benefit terms <sup>1</sup>	-	5,196,837	-	(6,233)	(4,863)	-	-
Difference between expected and actual experience	540,274	12,366,940	(51,028,919)	(9,213,536)	(20,701,234)	610,807	-
Changes in assumptions	6,015,186	5,808,280	5,434,643	34,368,804	(13,818,623)	9,147,692	-
Benefit payments including refunds	(55,647,482)	(51,801,905)	(48,088,129)	(45,189,395)	(42,718,801)	(40,382,818)	(38,407,073)
Net change in total pension liability	39,998,158	56,275,598	(9,501,203)	66,467,151	2,161,742	52,580,254	38,232,325
Total pension liability - beginning	1,037,415,459	981,139,861	990,641,064	924,173,913	922,012,171	869,431,917	831,199,592
Total pension liability - ending (a)	\$ 1,077,413,617	\$ 1,037,415,459	\$ 981,139,861	\$ 990,641,064	\$ 924,173,913	\$ 922,012,171	\$ 869,431,917

Plan Fiduciary Net Position

Contributions - employer	\$ 19,244,687	\$ 24,792,093	\$ 24,822,301	\$ 20,268,189	\$ 27,191,305	\$ 28,149,976	\$ 28,750,323
Contributions - member	7,796,708	7,541,076	7,201,130	6,751,196	6,418,154	6,339,732	5,413,595
Net investment income	10,900,156	62,438,427	70,470,948	111,662,056	(4,851,526)	3,340,520	107,897,795
Benefit payments, including refunds	(55,647,482)	(51,801,905)	(48,088,129)	(45,189,395)	(42,718,801)	(40,382,818)	(38,407,073)
Administrative expenses	(1,722,361)	(1,704,098)	(1,810,777)	(1,674,654)	(1,696,334)	(1,587,371)	(1,487,210)
Net change in plan fiduciary net position	(19,428,292)	41,265,593	52,595,473	91,817,392	(15,657,202)	(4,139,961)	102,167,430
Plan fiduciary net position - beginning	962,016,882	920,751,289	868,155,816	776,338,424	791,995,626	796,135,587	693,968,157
Plan fiduciary net position - ending (b)	\$ 942,588,590	\$ 962,016,882	\$ 920,751,289	\$ 868,155,816	\$ 776,338,424	\$ 791,995,626	\$ 796,135,587

Net pension liability - ending (a-b)	\$ 134,825,027	\$ 75,398,577	\$ 60,388,572	\$ 122,485,248	\$ 147,835,489	\$ 130,016,545	\$ 73,296,330
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Plan fiduciary net position as a percentage of total pension liability	87.5%	92.7%	93.8%	87.6%	84.0%	85.9%	91.6%
Covered payroll <sup>2</sup>	160,221,081	156,412,817	143,534,600	141,670,765	135,041,803	129,134,125	129,911,593
Net pension liability as a percentage of covered payroll	84.2%	48.2%	42.1%	86.5%	109.5%	100.7%	56.4%

**Schedule of Money-Weighted Rate of Returns for Years Ended June 30:**

	2020	2019	2018	2017	2016	2015	2014
	2.3%	7.4%	8.0%	14.6%	0.2%	0.7%	15.3%

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

<sup>1</sup>Effective January 1, 2016, employee contributions for Plan C were changed from 8.50% of base pay to 9% of base pay and for Plan D were changed from 7.50% of base pay to 8.00% of base pay.

<sup>2</sup>Covered payroll for FYE 2019 and later is as of the beginning of the year. Covered payroll for years prior to FYE 2019 is as of the valuation date one year prior to the beginning of the fiscal year.

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

(continued)

**Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission**  
**Employees' Retirement System**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll <sup>1</sup>	Actual Contribution as a % of Covered Payroll
2011	\$ 35,206,700	\$ 25,633,000	\$ 9,573,700	\$ 142,590,713	18.0%
2012	32,182,287	32,182,287	-	140,407,414	22.9%
2013	23,806,058	23,806,058	-	132,490,722	18.0%
2014	28,750,323	28,750,323	-	129,911,593	22.1%
2015	28,149,976	28,149,976	-	129,134,125	21.8%
2016	27,191,305	27,191,305	-	135,041,803	20.1%
2017	20,268,189	20,268,189	-	141,670,765	14.3%
2018	19,422,872	24,822,301	(5,399,429)	143,534,600	17.3%
2019	17,514,943	24,792,093	(7,277,150)	156,412,817	15.9%
2020	19,244,687	19,244,687	-	160,221,081	12.0%

<sup>1</sup>Covered payroll for FYE 2019 and later is as of the beginning of the year. Covered payroll for years prior to FYE 2019 is as of the valuation date one year prior to the beginning of the fiscal year.

**Notes to Required Supplementary Information**

**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 6.90% to 6.85%.

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

Actuarial Cost Method	Entry Age
Amortization Period	15 year open
Asset Valuation Method	5 year asset smoothing
Inflation	2.40%
Salary Increases	2.50% plus service based increases
Investment Rate of Return	6.85%, net of investment expense and including inflation
Mortality	RP-2000 Mortality table with male rates set forward 1 year and female rates set forward 2 years, with generational adjustments for mortality improvements based on Scale BB factors. An alternate table was used for the valuation of disabled members.

**Schedule of Required Supplementary Information for Other Postemployment Benefits Plan**  
**(Unaudited)**

**Schedule of Changes in the Commission's Net OPEB Liability\***

	2020	2019	2018	2017
<u>Total OPEB Liability</u>				
Service Cost	\$ 7,784,558	\$ 7,400,091	\$ 7,032,667	\$ 4,937,962
Interest	23,749,404	22,889,039	21,376,943	20,940,838
Difference between expected and actual experience	49,640,440	(1,388,644)	7,297,620	-
Changes in assumptions	(6,899,291)	2,322,737	2,224,999	-
Benefit payments (net of retiree contributions)	<u>(16,613,803)</u>	<u>(16,018,832)</u>	<u>(13,337,628)</u>	<u>(16,435,761)</u>
Net change in total OPEB liability	57,661,308	15,204,391	24,594,601	9,443,039
Total OPEB liability - beginning	351,537,786	336,333,395	311,738,794	302,295,755
Total OPEB liability - ending (a)	<u>\$ 409,199,094</u>	<u>\$ 351,537,786</u>	<u>\$ 336,333,395</u>	<u>\$ 311,738,794</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - employer, including implicit subsidies	\$ 24,351,580	\$ 23,649,833	\$ 18,490,959	\$ 18,754,591
Net investment income	(5,054,584)	1,973,442	6,795,459	8,774,168
Benefit payments, net of retiree contributions	(16,613,803)	(16,018,832)	(13,337,628)	(13,749,844)
Administrative expenses	<u>(604,777)</u>	-	<u>(597,012)</u>	<u>(410,564)</u>
Net change in plan fiduciary net position	2,078,416	9,604,443	11,351,778	13,368,351
Plan fiduciary net position - beginning	82,299,001	72,694,558	61,342,780	47,974,429
Plan fiduciary net position - ending (b)	<u>\$ 84,377,417</u>	<u>\$ 82,299,001</u>	<u>\$ 72,694,558</u>	<u>\$ 61,342,780</u>
Net OPEB liability - ending (a-b)	<u>\$ 324,821,677</u>	<u>\$ 269,238,785</u>	<u>\$ 263,638,837</u>	<u>\$ 250,396,014</u>

**Schedule of the Commission's Net OPEB Liability and Related Ratios\***

	2020	2019	2018	2017
Total OPEB liability	409,199,094	351,537,786	336,333,395	311,738,794
Plan fiduciary net position	84,377,417	82,299,001	72,694,558	61,342,780
Net OPEB liability	<u>324,821,677</u>	<u>269,238,785</u>	<u>263,638,837</u>	<u>250,396,014</u>
Plan fiduciary net position as a percentage of the total OPEB liability	20.6%	23.4%	21.6%	19.7%
Covered-employee payroll	160,221,081	156,412,817	143,534,600	141,670,765
Net OPEB liability as a percentage of covered-employee payroll**	202.7%	172.1%	183.7%	176.7%

**Schedule of Money-Weighted Rate of Returns for Years Ended June 30:**

	2020	2019	2018	2017
	-6.1%	2.5%	10.1%	16.1%

\*These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

\*\* Contributions to the OPEB plan are not based on a measure of pay

**Schedule of Required Supplementary Information for Other Postemployment Benefits Plan**  
**(Unaudited)**

(continued)

**Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission Other  
Postemployment Benefits Trust (000's)**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered-Employee Payroll	Actual Contribution as a % of Covered Payroll
2011	\$ 23,872	\$ 9,210	\$ 14,662	\$ 135,062	6.8%
2012	28,553	16,243	12,310	123,684	13.1%
2013	21,812	17,758	4,054	119,966	14.8%
2014	18,611	18,509	102	126,868	14.6%
2015	19,143	15,901	3,242	134,536	11.8%
2016	18,044	16,847	1,197	136,049	12.4%
2017	20,037	16,107	3,930	141,671	11.4%
2018	22,162	19,088	3,074	143,544	13.3%
2019	22,935	23,650	(715)	156,413	15.1%
2020	23,954	24,352	(398)	160,221	15.2%

**Notes to Required Supplementary Information**

**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 6.90% to 6.85%.

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll
ERI Amortization Period	The additional liability attributable to the Early Retirement Incentive (ERI) is amortized over a 15 year closed period with 7 years remaining as of 7/1/2018
Non-ERI Amortization Period	28 year closed
Inflation	2.20%
Salary Increases	2.50%
Investment Rate of Return	6.85%, net of investment expense and including inflation
Healthcare Cost Trend Rates	5.40% initially, grading down to 3.68% for medical and pharmacy benefits 4.0% for dental 4.0% for vision
Healthy - Pre-Retirement	RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females
Healthy - Post Retirement	RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females
Disabled	RP-2000 fully generational disabled mortality table projected using scale BB, set forward 1 year for males and 2 years for females

## PART IIB

# Financial Section

## COMBINING STATEMENTS AND SCHEDULES



Glenn Dale Splash Park.

### **SPECIAL REVENUE FUNDS**

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

### **DEBT SERVICE FUNDS**

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

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

**Schedule 1**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY					
	Special Revenue Funds			Advance Land Acquisition Debt Service			Special Revenue Fund Parks and Recreation			Advance Land Acquisition Debt Service		
	Planning	Parks	Total Special Revenue	Park Debt Service	Land Acquisition Debt Service	Total	Recreation	Park Debt Service	Land Acquisition Debt Service	Total	Total Nonmajor Governmental Funds	
<b>ASSETS</b>												
Equity in Pooled Cash and Investments	\$ 5,091,572	\$ 2,100,846	\$ 7,192,418	\$ 70,246	\$ -	\$ 7,262,664	\$ 10,172,535	\$ -	\$ -	\$ 10,172,535	\$ 17,435,199	
Taxes Receivable	-	-	-	-	16,494	16,494	-	-	63	63	16,557	
Accounts Receivable	-	15,014	15,014	-	-	15,014	1,300	-	-	1,300	16,314	
Due from County Government	-	136,013	136,013	-	-	136,013	-	-	-	-	136,013	
Due from Other Government	-	-	-	-	-	-	30,237	-	-	30,237	30,237	
Inventories	-	-	-	-	-	-	1,151,859	-	-	1,151,859	1,151,859	
Total Assets	\$ 5,091,572	\$ 2,251,873	\$ 7,343,445	\$ 70,246	\$ 16,494	\$ 7,430,185	\$ 11,355,931	\$ -	\$ 63	\$ 11,355,994	\$ 18,786,179	
<b>LIABILITIES</b>												
Accounts Payable	\$ 54,897	\$ 37,687	\$ 92,584	\$ 70,246	\$ -	\$ 162,830	\$ 284,829	\$ -	\$ -	\$ 284,829	\$ 447,659	
Accrued Liabilities	1,292	6,739	8,031	-	-	8,031	33,714	-	-	33,714	41,745	
Deposits and Deferred Revenue	5,938	183,859	189,797	-	9,700	199,497	131,042	-	-	131,042	330,539	
Total Liabilities	62,127	228,285	290,412	70,246	9,700	370,358	449,585	-	-	449,585	819,943	
<b>FUND BALANCES</b>												
Fund Balance:												
Nonspendable to:												
Recreation	-	-	-	-	-	-	1,151,859	-	-	1,151,859	1,151,859	
Committed to:												
Planning	236,835	-	236,835	-	-	236,835	-	-	-	-	236,835	
Parks	-	957,747	957,747	-	-	957,747	52,593	-	-	52,593	1,010,340	
Recreation	-	-	-	-	-	-	521,877	-	-	521,877	521,877	
Assigned to:												
Planning	4,792,610	-	4,792,610	-	-	4,792,610	-	-	-	-	4,792,610	
Parks	-	1,065,841	1,065,841	-	6,794	1,072,635	2,414,988	-	63	2,415,051	3,487,686	
Recreation	-	-	-	-	-	-	6,765,029	-	-	6,765,029	6,765,029	
Total Fund Balances	5,029,445	2,023,588	7,053,033	-	6,794	7,059,827	10,906,346	-	63	10,906,409	17,986,236	
Total Liabilities and Fund Balances	\$ 5,091,572	\$ 2,251,873	\$ 7,343,445	\$ 70,246	\$ 16,494	\$ 7,430,185	\$ 11,355,931	\$ -	\$ 63	\$ 11,355,994	\$ 18,786,179	

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

Schedule 2

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2020**

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY					
	Special Revenue Funds			Advance Land Acquisition Debt Service			Special Revenue Fund and Recreation			Advance Land Acquisition Debt Service		
	Planning	Parks	Total Special Revenue	Park Debt Service	Total		Parks and Recreation	Total Revenue	Park Debt Service	Total		Total Nonmajor Governmental Funds
<b>REVENUES:</b>												
Property Taxes	-	-	-	-	2,013,926	\$	30,237	-	-	200	\$	2,014,126
Intergovernmental - Federal	-	-	1,658,126	-	1,658,126		-	-	-	-		30,237
Intergovernmental - County	-	1,658,126	1,658,126	-	1,658,126		-	-	-	-		1,658,126
Charges for Services	2,230,905	326,532	2,557,437	-	2,557,437		1,134,156	1,134,156	-	1,134,156		3,691,593
Recreation Activities	-	101,049	101,049	-	101,049		4,002,867	4,002,867	-	4,002,867		4,103,916
Interest	90,697	27,656	118,353	-	118,353		193,755	193,755	-	193,755		312,108
Contributions	136,779	96,832	233,611	-	233,611		32,036	32,036	-	32,036		265,647
Miscellaneous	27,898	26,627	54,525	-	54,525		65,703	65,703	-	65,703		120,228
<b>Total Revenues</b>	<b>2,486,219</b>	<b>2,236,822</b>	<b>4,723,101</b>	<b>-</b>	<b>2,013,926</b>	<b>6,737,027</b>	<b>5,458,754</b>	<b>5,458,754</b>	<b>-</b>	<b>200</b>	<b>5,458,954</b>	<b>12,195,981</b>
<b>EXPENDITURES:</b>												
Principal Retirements	-	-	-	4,135,000	130,000	4,265,000	-	-	7,730,000	-	7,730,000	11,995,000
Interest	-	-	-	2,004,660	13,700	2,018,360	-	-	4,390,269	-	4,390,269	6,408,629
Other Debt Service Costs	-	-	-	70,246	-	70,246	-	-	-	-	-	70,246
Contributions	-	-	-	-	1,871,289	1,871,289	-	-	-	146	146	1,871,435
Planning and Zoning	3,798,690	-	3,798,690	-	-	3,798,690	-	-	-	-	-	3,798,690
Park Operations and Maintenance	-	1,735,292	1,735,292	-	-	1,735,292	495,531	495,531	-	-	495,531	2,230,823
Recreation	-	-	-	-	-	-	5,128,200	5,128,200	-	-	5,128,200	5,128,200
<b>Total Expenditures</b>	<b>3,798,690</b>	<b>1,735,292</b>	<b>5,533,982</b>	<b>6,209,906</b>	<b>2,014,989</b>	<b>13,758,877</b>	<b>5,623,731</b>	<b>5,623,731</b>	<b>12,120,269</b>	<b>146</b>	<b>17,744,146</b>	<b>31,503,023</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,312,411)	501,530	(810,881)	(6,209,906)	(1,063)	(7,021,850)	(164,977)	(164,977)	(12,120,269)	54	(12,285,192)	(19,307,042)
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers In	-	-	-	6,209,906	-	6,209,906	-	-	12,120,269	-	12,120,269	18,330,175
Total Other Financing Sources (Uses)	-	-	-	6,209,906	-	6,209,906	-	-	12,120,269	-	12,120,269	18,330,175
Net Change in Fund Balances	(1,312,411)	501,530	(810,881)	-	(1,063)	(811,944)	(164,977)	(164,977)	-	54	(164,923)	(976,867)
Fund Balances - Beginning	6,341,856	1,522,058	7,863,914	-	7,857	7,871,771	11,071,323	11,071,323	-	9	11,071,332	18,943,103
Fund Balances - Ending	<b>5,029,445</b>	<b>2,023,588</b>	<b>7,053,033</b>	<b>-</b>	<b>6,794</b>	<b>7,059,827</b>	<b>10,906,346</b>	<b>10,906,346</b>	<b>-</b>	<b>63</b>	<b>10,906,409</b>	<b>17,966,236</b>



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

Schedule 3

Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - Special Revenue Funds  
For the Year Ended June 30, 2020

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Intergovernmental	\$ 1,688,430	\$ 1,688,430	\$ 1,658,126	\$ (30,304)	\$ 950,000	\$ 950,000	\$ 30,237	\$ (919,763)
Charges for Services	2,672,180	2,672,180	2,557,437	(114,743)	1,037,022	1,037,022	1,134,156	97,134
Recreation Activities	525,863	525,863	101,049	(424,814)	5,892,619	5,892,619	4,002,867	(1,889,752)
Interest	55,000	55,000	118,353	63,353	25,000	25,000	193,755	168,755
Contributions	144,400	144,400	233,611	89,211	105,536	105,536	32,036	(73,500)
Miscellaneous	95,000	95,000	54,525	(40,475)	81,986	81,986	65,703	(16,283)
<b>Total Revenues</b>	<b>5,180,873</b>	<b>5,180,873</b>	<b>4,723,101</b>	<b>(457,772)</b>	<b>8,092,163</b>	<b>8,092,163</b>	<b>5,458,754</b>	<b>(2,633,409)</b>
<b>Expenditures/Encumbrances:</b>								
Current -								
County Planning and Zoning	4,223,607	4,223,607	3,909,360	314,247	-	-	-	-
Park Operations and Maintenance	2,861,133	2,861,133	2,425,316	435,817	1,483,106	1,483,106	476,892	1,006,214
Recreation	-	-	-	-	6,662,363	6,662,363	5,169,845	1,492,518
<b>Total Expenditures/Encumbrances</b>	<b>7,084,740</b>	<b>7,084,740</b>	<b>6,334,676</b>	<b>750,064</b>	<b>8,145,469</b>	<b>8,145,469</b>	<b>5,646,737</b>	<b>2,498,732</b>
<b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances</b>	<b>(1,903,867)</b>	<b>(1,903,867)</b>	<b>(1,611,575)</b>	<b>292,292</b>	<b>(53,306)</b>	<b>(53,306)</b>	<b>(187,983)</b>	<b>(134,677)</b>
<b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances - Budget Basis</b>	<b>\$ (1,903,867)</b>	<b>\$ (1,903,867)</b>	<b>(1,611,575)</b>	<b>\$ 292,292</b>	<b>\$ (53,306)</b>	<b>\$ (53,306)</b>	<b>(187,983)</b>	<b>\$ (134,677)</b>
<b>Fund Balances - Budget Basis, July 1</b>			<b>7,470,026</b>				<b>10,519,859</b>	
<b>Fund Balances - Budget Basis, June 30</b>			<b>\$ 5,858,451</b>				<b>\$ 10,331,876</b>	

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





Kayakers enjoying time on Little Seneca Lake at Black Hill Regional Park.

## **ENTERPRISE FUNDS**

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Position  
Enterprise Funds  
June 30, 2020 and 2019

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
<b>ASSETS</b>						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 8,498,334	\$ 9,494,752	\$ 3,264	\$ 2,504,202	\$ 8,501,598	\$ 11,998,954
Accounts Receivable	16,962	800	186,405	140,840	203,367	141,640
Due from County Government	-	539,079	-	-	-	539,079
Due from Other Government	15,513	-	7,280	-	22,793	-
Inventories	215,501	193,472	420,510	493,040	636,011	686,512
Total Current Assets	<u>8,746,310</u>	<u>10,228,103</u>	<u>617,459</u>	<u>3,138,082</u>	<u>9,363,769</u>	<u>13,366,185</u>
Noncurrent Assets:						
Capital Assets:						
Land	11,584,468	11,584,468	6,459,131	6,459,131	18,043,599	18,043,599
Buildings and Improvements	27,290,630	27,253,377	72,358,592	72,358,592	99,649,222	99,611,969
Infrastructure	26,610	35,510	146,461	146,461	173,071	181,971
Machinery, Equipment and Intangibles	3,088,558	2,810,596	5,004,375	5,102,331	8,092,933	7,912,927
Construction in Progress	9,043,367	7,115,309	-	-	9,043,367	7,115,309
	51,033,633	48,799,260	83,968,559	84,066,515	135,002,192	132,865,775
Less - Accumulated Depreciation	(27,329,992)	(26,543,281)	(48,968,927)	(47,217,473)	(76,298,919)	(73,760,754)
Total Capital Assets (net of depreciation)	<u>23,703,641</u>	<u>22,255,979</u>	<u>34,999,632</u>	<u>36,849,042</u>	<u>58,703,273</u>	<u>59,105,021</u>
Total Noncurrent Assets	<u>23,703,641</u>	<u>22,255,979</u>	<u>34,999,632</u>	<u>36,849,042</u>	<u>58,703,273</u>	<u>59,105,021</u>
Total Assets	<u>32,449,951</u>	<u>32,484,082</u>	<u>35,617,091</u>	<u>39,987,124</u>	<u>68,067,042</u>	<u>72,471,206</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension Deferrals	742,666	437,572	1,534,389	1,046,636	2,277,055	1,484,208
OPEB Deferrals	916,565	167,519	1,691,126	258,989	2,607,691	426,508
Total Deferred Outflows of Resources	<u>1,659,231</u>	<u>605,091</u>	<u>3,225,515</u>	<u>1,305,625</u>	<u>4,884,746</u>	<u>1,910,716</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	219,707	176,659	367,657	373,458	587,364	550,117
Accrued Salaries and Benefits	169,664	301,848	315,966	660,698	485,630	962,546
Compensated Absences	92,601	136,879	230,007	257,895	322,608	394,774
Revenue Collected in Advance	717,447	840,745	101,960	-	819,407	840,745
Total Current Liabilities	<u>1,199,419</u>	<u>1,456,131</u>	<u>1,015,590</u>	<u>1,292,051</u>	<u>2,215,009</u>	<u>2,748,182</u>
Noncurrent Liabilities:						
Compensated Absences	237,661	221,207	460,266	339,526	697,927	560,733
Net Other Post Employment Benefit Liability	4,191,121	3,344,789	9,465,930	7,933,386	13,657,051	11,278,175
Net Pension Liability	1,558,765	830,993	3,272,339	1,919,266	4,831,104	2,750,259
Total Noncurrent Liabilities	<u>5,987,547</u>	<u>4,396,989</u>	<u>13,198,535</u>	<u>10,192,178</u>	<u>19,186,082</u>	<u>14,589,167</u>
Total Liabilities	<u>7,186,966</u>	<u>5,853,120</u>	<u>14,214,125</u>	<u>11,484,229</u>	<u>21,401,091</u>	<u>17,337,349</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension Deferrals	423,683	787,525	856,566	1,567,034	1,280,249	2,354,559
OPEB Deferrals	104,785	36,897	196,762	43,539	301,547	80,436
Total Deferred Inflows of Resources	<u>528,468</u>	<u>824,422</u>	<u>1,053,328</u>	<u>1,610,573</u>	<u>1,581,796</u>	<u>2,434,995</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	23,703,641	22,255,979	34,999,632	36,849,042	58,703,273	59,105,021
Unrestricted	2,690,107	4,155,652	(11,424,479)	(8,651,095)	(8,734,372)	(4,495,443)
Total Net Position	<u>\$ 26,393,748</u>	<u>\$ 26,411,631</u>	<u>\$ 23,575,153</u>	<u>\$ 28,197,947</u>	<u>\$ 49,968,901</u>	<u>\$ 54,609,578</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Position  
Enterprise Funds  
For the Years Ended June 30, 2020 and 2019

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2020	2019	2020	2019	2020	2019
Operating Revenues:						
Intergovernmental	\$ 15,513	\$ -	\$ 7,280	\$ -	\$ 22,793	\$ -
Sales	606,247	834,786	1,443,144	1,744,480	2,049,391	2,579,266
Charges for Services	5,718,383	7,726,352	2,923,357	3,700,399	8,641,740	11,426,751
Rentals and Concessions	2,690,239	3,389,722	2,126,058	3,024,009	4,816,297	6,413,731
Total Operating Revenues	<u>9,030,382</u>	<u>11,950,860</u>	<u>6,499,839</u>	<u>8,468,888</u>	<u>15,530,221</u>	<u>20,419,748</u>
Operating Expenses:						
Cost of Goods Sold	333,881	452,122	827,503	1,089,254	1,161,384	1,541,376
Personnel Services	5,780,902	6,016,573	11,508,651	11,852,719	17,289,553	17,869,292
Supplies and Materials	458,195	542,699	1,136,764	1,440,114	1,594,959	1,982,813
Communications	46,936	47,574	104,215	126,874	151,151	174,448
Utilities	774,152	841,519	1,354,945	1,492,543	2,129,097	2,334,062
Maintenance	294,450	301,884	1,454,371	977,634	1,748,821	1,279,518
Contractual Services	509,236	779,482	498,244	461,653	1,007,480	1,241,135
Other Services and Charges	405,896	507,388	472,853	436,578	878,749	943,966
Administrative Services	-	-	276,027	306,000	276,027	306,000
Depreciation	803,153	1,097,362	1,944,552	2,014,161	2,747,705	3,111,523
Total Operating Expenses	<u>9,406,801</u>	<u>10,586,603</u>	<u>19,578,125</u>	<u>20,197,530</u>	<u>28,984,926</u>	<u>30,784,133</u>
Operating Income (Loss)	<u>(376,419)</u>	<u>1,364,257</u>	<u>(13,078,286)</u>	<u>(11,728,642)</u>	<u>(13,454,705)</u>	<u>(10,364,385)</u>
Non-Operating Revenues (Expenses):						
Investment Earnings	361,372	587,574	289,926	350,684	651,298	938,258
Gain (Loss) on Disposal of Asset	(2,836)	11,150	7,974	(1,318,360)	5,138	(1,307,210)
Total Non-Operating Revenue (Expense)	<u>358,536</u>	<u>598,724</u>	<u>297,900</u>	<u>(967,676)</u>	<u>656,436</u>	<u>(368,952)</u>
Loss before Transfers	<u>(17,883)</u>	<u>1,962,981</u>	<u>(12,780,386)</u>	<u>(12,696,318)</u>	<u>(12,798,269)</u>	<u>(10,733,337)</u>
Transfers In	-	-	8,157,592	8,584,855	8,157,592	8,584,855
Total Contributions and Transfers	-	-	8,157,592	8,584,855	8,157,592	8,584,855
Change in Net Position	<u>(17,883)</u>	<u>1,962,981</u>	<u>(4,622,794)</u>	<u>(4,111,463)</u>	<u>(4,640,677)</u>	<u>(2,148,482)</u>
Total Net Position - Beginning	<u>26,411,631</u>	<u>24,448,650</u>	<u>28,197,947</u>	<u>32,309,410</u>	<u>54,609,578</u>	<u>56,758,060</u>
Total Net Position - Ending	<u>\$ 26,393,748</u>	<u>\$ 26,411,631</u>	<u>\$ 23,575,153</u>	<u>\$ 28,197,947</u>	<u>\$ 49,968,901</u>	<u>\$ 54,609,578</u>

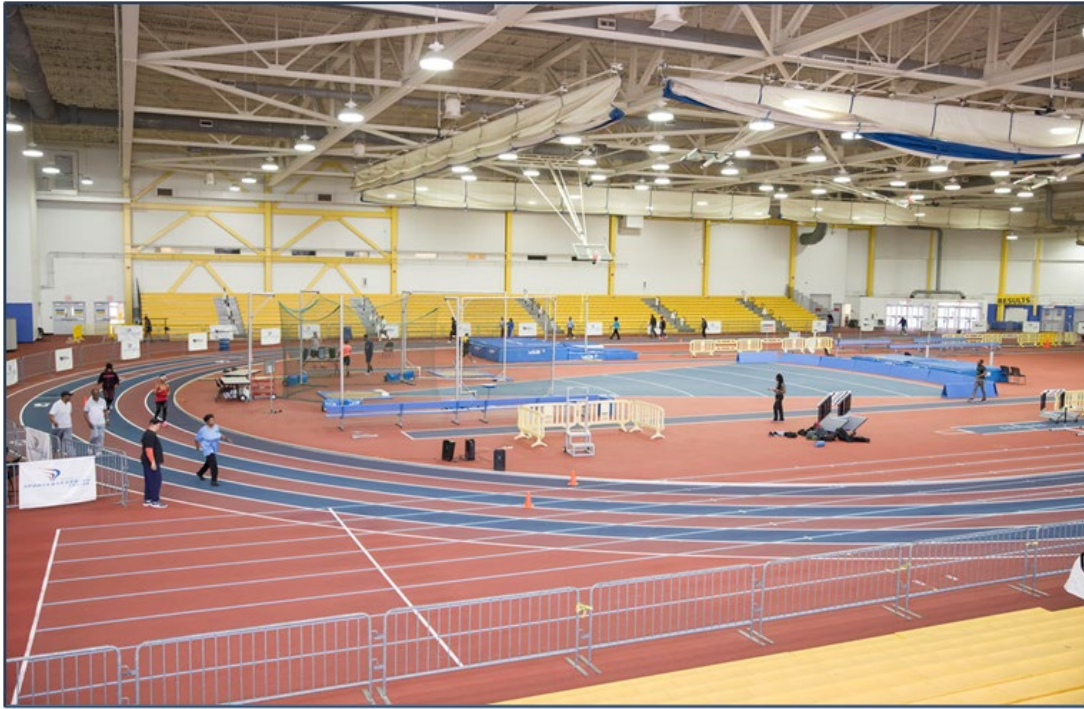
**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**Schedule 6**

**Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2020 and 2019**

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Year Ended June 30,	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2020	2019	2020	2019	2020	2019
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers and Users	\$ 9,414,488	\$ 12,299,726	\$ 6,548,954	\$ 8,267,973	\$ 15,963,442	\$ 20,567,699
Payments to Suppliers	(989,304)	(1,619,104)	(5,782,166)	(5,678,308)	(6,771,470)	(7,297,412)
Payments to Employees	(5,364,830)	(5,903,602)	(11,352,049)	(12,252,593)	(16,716,879)	(18,156,195)
Payments for Interfund Services Used	(352,070)	(161,332)	-	-	(352,070)	(161,332)
Payments for Administrative Charges	(1,812,423)	(1,777,740)	(276,027)	(306,000)	(2,088,450)	(2,083,740)
Net Cash Provided (Used) by Operating Activities	<u>895,861</u>	<u>2,837,948</u>	<u>(10,861,288)</u>	<u>(9,968,928)</u>	<u>(9,965,427)</u>	<u>(7,130,980)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In from Other Funds	-	-	8,157,592	8,584,855	8,157,592	8,584,855
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>8,157,592</u>	<u>8,584,855</u>	<u>8,157,592</u>	<u>8,584,855</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and Construction of Capital Assets	(2,250,815)	(3,004,638)	(95,142)	(158,717)	(2,345,957)	(3,163,355)
Gain (Loss) on Capital Asset Disposal	(2,836)	11,150	7,974	1,640	5,138	12,790
Net Cash Used by Capital and Related Financing Activities	<u>(2,253,651)</u>	<u>(2,993,488)</u>	<u>(87,168)</u>	<u>(157,077)</u>	<u>(2,340,819)</u>	<u>(3,150,565)</u>
<b>Cash Flows from Investing Activities:</b>						
Interest on Investments	361,372	587,574	289,926	350,684	651,298	938,258
Net Increase in Cash and Cash Equivalents	<u>(996,418)</u>	<u>432,034</u>	<u>(2,500,938)</u>	<u>(1,190,466)</u>	<u>(3,497,356)</u>	<u>(758,432)</u>
Cash, Cash Equivalents and Restricted Cash, July 1	<u>9,494,752</u>	<u>9,062,718</u>	<u>2,504,202</u>	<u>3,694,668</u>	<u>11,998,954</u>	<u>12,757,386</u>
Cash, Cash Equivalents and Restricted Cash, June 30	<u>\$ 8,498,334</u>	<u>\$ 9,494,752</u>	<u>\$ 3,264</u>	<u>\$ 2,504,202</u>	<u>\$ 8,501,598</u>	<u>\$ 11,998,954</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (376,419)	\$ 1,364,257	\$ (13,078,286)	\$ (11,728,642)	\$ (13,454,705)	\$ (10,364,385)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	803,153	1,097,362	1,944,552	2,014,161	2,747,705	3,111,523
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	(16,162)	(552)	(45,565)	(140,290)	(61,727)	(140,842)
Due from County Government	539,079	(450,780)	-	-	539,079	(450,780)
Due from Other Government	(15,513)	-	(7,280)	-	(22,793)	-
Inventories, at Cost	(22,029)	(4,378)	72,530	186,585	50,501	182,207
Accounts Payable	43,048	80,202	(5,801)	159,757	37,247	239,959
Accrued Salaries and Benefits	(132,184)	33,191	(344,732)	72,137	(476,916)	105,328
Compensated Absences	(27,824)	16,035	92,852	(73,986)	65,028	(57,951)
Net Pension Liability	58,836	(139,685)	253,630	(362,804)	312,466	(502,489)
Net Other Post Employment Liability	165,174	42,098	154,852	(35,221)	320,026	6,877
Revenue Collected in Advance	(123,298)	800,198	101,960	(60,625)	(21,338)	739,573
Total Adjustments	<u>1,272,280</u>	<u>1,473,691</u>	<u>2,216,998</u>	<u>1,759,714</u>	<u>3,489,278</u>	<u>3,233,405</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 895,861</u>	<u>\$ 2,837,948</u>	<u>\$ (10,861,288)</u>	<u>\$ (9,968,928)</u>	<u>\$ (9,965,427)</u>	<u>\$ (7,130,980)</u>





Sports & Learning Complex Indoor Track & Sports Field

## **INTERNAL SERVICE FUNDS**

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

### **Capital Equipment Funds**

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

### **Executive Building Fund**

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

### **Employee Benefits Funds**

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

### **Risk Management Fund**

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

### **Commission Wide Initiatives Fund**

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

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

Schedule 7

**Internal Service Funds  
Combining Statement of Net Position  
For the Year Ended June 30, 2020**

	MONTGOMERY COUNTY				PRINCE GEORGES COUNTY				COMMISSION WIDE FUNDS				Total June 30, 2020	
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building		Employee Benefits
<b>ASSETS</b>														
Current Assets:														
Equity in Pooled Cash and Investments	\$ 2,884,578	\$ 11,951,843	\$ 4,110,604	\$ 21,095,245	\$ (65,182)	\$ 4,323,080	\$ 13,005,456	\$ 2,355,215	\$ 59,660,839					
Accounts Receivable	-	19,799	-	34,000	-	-	1,226,434	520	1,280,753					
Due from County Government	-	250,000	-	250,000	-	-	-	-	500,000					
Due from Other Governments	-	30,606	-	30,606	-	18,507	-	-	79,719					
Deposits and Other	-	-	-	-	-	-	472,359	-	472,359					
Total Current Assets	2,884,578	12,252,248	4,110,604	21,409,851	(65,182)	4,341,587	14,704,249	2,355,735	61,993,670					
Noncurrent Assets:														
Capital Assets:														
Land	-	-	-	-	-	748,497	-	-	748,497					
Buildings and Improvements	153,142	-	36,748	-	-	3,470,338	-	-	3,660,228					
Infrastructure	-	-	-	-	-	15,657	-	-	15,657					
Machinery, Equipment and Intangibles	34,953,356	166,064	8,174,051	781,186	2,431,552	544,944	-	2,133,818	49,184,971					
Less-Accumulated Depreciation	(25,598,971)	(166,064)	(6,544,244)	(781,186)	(1,574,181)	(3,092,499)	-	(1,834,410)	(39,591,555)					
Total Capital Assets (net of accumulated depreciation)	9,507,527	-	1,666,555	-	857,371	1,686,937	-	299,408	14,017,798					
Total Assets	12,392,105	12,252,248	5,777,159	21,409,851	792,189	6,028,524	14,704,249	2,655,143	76,011,468					
<b>DEFERRED OUTFLOWS OF RESOURCES</b>														
Pension Deferrals	-	89,466	-	89,466	-	45,694	167,999	73,004	465,629					
OPEB Deferrals	-	75,880	-	75,880	-	50,587	148,191	143,143	493,681					
Total Deferred Outflows of Resources	-	165,346	-	165,346	-	96,281	316,190	216,147	959,310					
<b>LIABILITIES</b>														
Current Liabilities:														
Accounts Payable	318,875	229,238	-	229,238	-	22,127	473,180	78,260	1,350,918					
Current Portion of Claims Payable	-	1,643,033	-	2,706,745	-	-	1,506,475	-	5,856,253					
Accrued Salaries and Benefits	-	18,422	-	18,423	-	8,675	29,293	37,473	112,286					
Current Portion of Bonds Payable	600,000	-	-	-	-	-	-	-	600,000					
Current Portion of Compensated Absences	-	23,607	-	23,607	-	10,538	28,312	31,905	117,969					
Interest Payable	20,000	-	-	-	-	-	-	-	20,000					
Total Current Liabilities	938,875	1,914,300	-	2,978,013	-	41,340	2,037,260	147,638	8,057,420					
Noncurrent Liabilities:														
Claims Payable - Net of Current Portion	-	4,929,102	-	8,120,237	-	-	-	-	13,049,339					
Bonds Payable - Net of Current Portion	1,961,000	-	-	-	-	-	-	-	1,961,000					
Compensated Absences - Net of Current Portion	-	11,895	-	11,895	-	4,472	32,287	50,467	111,016					
Net Other Post Employment Benefit Liability	-	533,404	-	533,403	-	263,134	585,971	493,904	2,409,816					
Net Pension Liability	1,961,000	177,759	-	177,760	-	91,166	330,815	242,140	1,019,640					
Total Noncurrent Liabilities	2,899,875	7,566,460	-	8,843,295	-	358,772	949,073	786,511	18,550,811					
Total Liabilities	3,838,750	9,480,760	-	11,821,308	-	400,112	2,986,333	934,149	26,608,237					
<b>DEFERRED INFLOWS OF RESOURCES</b>														
Pension Deferrals	-	48,665	-	48,664	-	23,080	70,780	(15,255)	175,934					
OPEB Deferrals	-	8,846	-	8,846	-	5,897	16,890	15,775	56,254					
Total Deferred Inflows of Resources	-	57,511	-	57,510	-	28,977	87,670	520	232,188					
<b>NET POSITION</b>														
Net Investment in Capital Assets	6,946,527	-	1,666,555	-	857,371	1,686,937	-	299,408	11,456,798					
Unrestricted	2,545,703	4,793,623	4,110,604	9,696,379	(65,182)	4,008,779	11,946,436	1,637,213	38,673,555					
Total Net Position	9,492,230	4,793,623	5,777,159	9,696,379	792,189	5,695,716	11,946,436	1,936,621	50,130,353					

**Schedule 8**  
**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2020**

	MONTGOMERY COUNTY				PRINCE GEORGES COUNTY				COMMISSION WIDE FUNDS				Total June 30, 2020			
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Capital Equipment	Risk Management	Capital Equipment	Risk Management		Executive Building	Employee Benefits	Commission Wide IT Initiatives
<b>Operating Revenues:</b>																
Intergovernmental-Federal																
Charges for Services	1,486,200	30,606	\$ -	\$ -	18,507	\$ -	\$ -	48,961,596	1,352,000	33,720,483	4,482,786	613,243	49,654,558			
Claim Recoveries	-	2,509,900	1,862,427	3,141,800	406,000	-	-	-	-	-	-	-	-	-	-	
Total Operating Revenues	1,486,200	2,776,775	1,862,427	3,549,380	406,000	1,370,507	33,720,483	4,482,786								
<b>Operating Expenses:</b>																
Personal Services	-	525,491	-	525,491	-	229,569	776,190	1,018,178								
Supplies and Materials	122,895	38,162	-	38,162	25,750	44,026	-	55,565								
Other Contractual Services	-	351,890	-	509,109	-	-	501,161	-								
Claims Incurred	-	1,732,579	-	3,598,535	-	-	24,829,305	-								
Insurance	-	57,290	-	82,887	-	-	7,828,384	-								
Other Services and Charges	51,755	391,973	23,290	500,448	-	548,665	311,410	3,089,448								
Depreciation	2,862,993	-	1,194,685	-	199,722	73,769	4,490,300	159,131								
Total Operating Expenses	3,037,643	3,097,385	1,217,975	5,254,632	225,472	896,029	34,246,450	4,332,322								
Operating Income (Loss)	(1,551,443)	(320,610)	644,452	(1,705,252)	180,528	474,478	(525,967)	150,464								
<b>Nonoperating Revenues (Expenses):</b>																
Interest Income	47,657	185,007	57,515	393,091	253	60,684	242,128	35,123								
Interest Expense	(81,700)	-	-	-	-	-	-	-								
Gain (Loss) on Disposal of Asset	205,625	-	-	-	-	-	-	-								
Total Nonoperating Revenues (Expenses)	171,582	185,007	57,515	393,091	253	60,684	242,128	35,123								
Change in Net Position	(1,379,861)	(135,603)	701,967	(1,312,161)	180,781	535,162	(283,839)	185,587								
Total Net Position, July 1	10,872,091	4,929,226	5,075,192	11,008,540	611,408	5,160,554	12,230,275	1,751,034								
Total Net Position, June 30	9,492,230	4,793,623	5,777,159	9,696,379	792,189	5,695,716	11,946,436	1,936,621								

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

Schedule 9

**Combining Statement of Cash Flows - Internal Service Funds  
For the Year Ended June 30, 2020**

	MONTGOMERY COUNTY		PRINCE GEORGE'S COUNTY		COMMISSION WIDE FUNDS					TOTAL
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives		
<b>Cash Flows from Operating Activities:</b>										
Receipts from Customers and Users	\$ 1,486,200	\$ 2,784,686	\$ 1,862,427	\$ 3,484,774	\$ 406,000	\$ 1,352,000	\$ 33,607,708	\$ 4,482,266	\$ 49,466,061	
Payments to Suppliers	(56)	(2,222,149)	-	(4,556,560)	(25,750)	(600,339)	(33,014,601)	(3,101,304)	(43,520,759)	
Payments to Employees	(51,755)	(495,260)	-	(495,260)	-	(215,713)	(726,632)	(938,652)	(2,871,517)	
Payments for Interfund Services Used	-	(273,212)	(23,290)	(273,212)	-	-	(311,410)	-	(932,879)	
Net Cash Provided (Used) by Operating Activities	<u>1,434,389</u>	<u>(205,935)</u>	<u>1,839,137</u>	<u>(1,840,258)</u>	<u>380,250</u>	<u>535,948</u>	<u>(444,935)</u>	<u>442,310</u>	<u>2,140,906</u>	
<b>Cash Flows from Capital and Related Financing Activities:</b>										
Acquisition of Capital Assets	(2,634,192)	-	(462,069)	-	(239,326)	(361,650)	-	(28,974)	(3,726,211)	
Gain/(Loss) on Disposal of Capital Assets	205,625	-	-	-	-	-	-	-	205,625	
Interest Paid on Bonds Payable	(135,000)	-	-	-	-	-	-	-	(135,000)	
Principal Paid on Bonds Payable	(600,000)	-	-	-	-	-	-	-	(600,000)	
Net Cash Used by Capital and Related Financing Activities	<u>(3,163,567)</u>	-	<u>(462,069)</u>	-	<u>(239,326)</u>	<u>(361,650)</u>	-	<u>(28,974)</u>	<u>(4,255,586)</u>	
<b>Cash Flows from Investing Activities:</b>										
Interest on Investments	47,657	185,007	57,515	393,092	252	60,684	242,128	35,123	1,021,458	
Net Increase (Decrease) in Cash and Cash Equivalents	(1,681,521)	(20,928)	1,434,583	(1,447,166)	141,176	234,982	(202,807)	448,459	(1,093,222)	
Cash and Cash Equivalents, July 1	4,566,099	11,972,771	2,676,021	22,542,411	(206,358)	4,088,098	13,208,263	1,906,756	60,754,061	
Cash and Cash Equivalents, June 30	<u>2,884,578</u>	<u>11,951,843</u>	<u>4,110,604</u>	<u>21,095,245</u>	<u>(65,182)</u>	<u>4,323,080</u>	<u>13,005,456</u>	<u>2,355,215</u>	<u>59,660,839</u>	
<b>Operating Income (Loss)</b>	\$ (1,551,443)	\$ (320,610)	\$ 644,452	\$ (1,705,252)	\$ 180,528	\$ 474,478	\$ (525,967)	\$ 150,464	\$ (2,653,350)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:										
Depreciation	2,862,993	-	1,194,685	-	199,722	73,769	-	159,131	4,490,300	
Accounts Receivable	-	38,517	-	(34,000)	-	-	(112,777)	(520)	(108,780)	
Due from Other Governments	-	(30,606)	-	(30,606)	-	(18,507)	-	-	(79,719)	
Deposits and Other	-	-	-	-	-	-	1	-	1	
Prepaid Expenses	-	-	-	-	-	-	429,142	-	429,142	
Accounts Payable	122,839	(12,661)	-	(12,661)	-	(7,648)	32,108	53,709	175,686	
Claims Payable	-	89,194	-	(87,969)	-	-	(317,000)	-	(315,775)	
Accrued Salaries and Benefits	-	4,044	-	4,044	-	1,902	5,150	7,459	22,599	
Compensated Absences	-	4,525	-	4,527	-	(469)	4,883	27,008	40,474	
Net Pension Liability	-	8,269	-	8,268	-	3,496	12,741	33,181	65,955	
Net Other Post Employment Liability	-	13,393	-	13,391	-	8,927	26,784	11,878	74,373	
Total Adjustments	<u>2,985,832</u>	<u>114,675</u>	<u>1,194,685</u>	<u>(135,006)</u>	<u>199,722</u>	<u>61,470</u>	<u>81,032</u>	<u>291,846</u>	<u>4,794,256</u>	
Net Cash Provided (Used) by Operating Activities	<u>1,434,389</u>	<u>(205,935)</u>	<u>1,839,137</u>	<u>(1,840,258)</u>	<u>380,250</u>	<u>535,948</u>	<u>(444,935)</u>	<u>442,310</u>	<u>2,140,906</u>	
<b>Schedule of non-cash capital and related financing activities:</b>										
Purchase of machinery, equipment, and vehicles on account	\$ -	\$ -	\$ 287,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 287,375	





Wheaton Regional Park Winter Park

### **FIDUCIARY FUNDS**

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

### **Pension Trust Funds**

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

### **Private Purpose Trust Funds**

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

### **Agency Funds**

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 10

Combining Statements of Net Position  
Fiduciary Fund Types  
June 30, 2020

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS				AGENCY FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Total Trust Funds	Montgomery County	Prince George's County	Private Purpose Trust Funds	Montgomery	Prince George's	Total Agency Funds	
<b>ASSETS</b>											
Equity in Pooled Cash and Investments	\$ -	\$ 947,001	\$ 947,001	\$ 8,445,274	\$ 338,558	\$ 8,783,832	\$ 1,570,482	\$ 13,521	\$ 1,584,003		
Cash	65,117	-	65,117	-	-	-	-	-	-	-	
Fixed Income Securities	210,237,172	16,004,359	226,241,531	-	-	-	-	-	-	-	
International Fixed Income Securities	7,394,333	-	7,394,333	-	-	-	-	-	-	-	
Venture Capital/Alternative Investments	234,115,360	-	234,115,360	-	-	-	-	-	-	-	
Corporate Stock	332,767,108	-	332,767,108	-	-	-	-	-	-	-	
International Corporate Stock	64,495,247	-	64,495,247	-	-	-	-	-	-	-	
Real Estate Investments	65,610,521	9,337,043	74,947,564	-	-	-	-	-	-	-	
Short Term Investments	42,136,972	-	42,136,972	-	-	-	-	-	-	-	
Mutual Funds	-	59,036,015	59,036,015	-	-	-	-	-	-	-	
Collateral for Securities Lending	-	-	-	-	-	-	-	-	-	-	
Transactions	29,250,404	-	29,250,404	-	-	-	-	-	-	-	
Accounts Receivable	6,792	-	6,792	-	-	-	-	-	-	-	
Accrued Income on Investments	842,073	-	842,073	-	-	-	-	-	-	-	
Land Held for Other Governments	-	-	-	56,566,705	26,995,413	83,562,118	-	-	-	-	
Other	244,848	-	244,848	-	-	-	-	-	-	-	
<b>Total Assets</b>	<b>987,165,947</b>	<b>85,324,418</b>	<b>1,072,490,365</b>	<b>65,011,979</b>	<b>27,333,971</b>	<b>92,345,950</b>	<b>1,570,482</b>	<b>13,521</b>	<b>1,584,003</b>		
<b>LIABILITIES</b>											
Investments Payable	13,176,486	-	13,176,486	-	-	-	-	-	-	-	
Accounts Payable	1,467,545	-	1,467,545	-	-	-	16,531	-	16,531	-	
Claims Payable	-	947,001	947,001	-	-	-	-	-	-	-	
Obligation for Collateral Received under Securities Lending Transactions	29,933,326	-	29,933,326	-	-	-	-	-	-	-	
Deposits	-	-	-	-	-	-	1,553,951	13,521	1,567,472	-	
<b>Total Liabilities</b>	<b>44,577,357</b>	<b>947,001</b>	<b>45,524,358</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,570,482</b>	<b>13,521</b>	<b>1,584,003</b>		
<b>NET POSITION</b>											
Assets Held in Trust for:											
Land Held for Transfer	-	-	-	56,566,705	26,995,413	83,562,118	-	-	-	-	
Pension Benefits	942,588,590	-	942,588,590	-	-	-	-	-	-	-	
Other Postemployment Benefits	-	84,377,417	84,377,417	-	-	-	-	-	-	-	
Other Purposes	-	-	-	8,445,274	338,558	8,783,832	-	-	-	-	
<b>Total Net Position</b>	<b>\$ 942,588,590</b>	<b>\$ 84,377,417</b>	<b>\$ 1,026,966,007</b>	<b>\$ 65,011,979</b>	<b>\$ 27,333,971</b>	<b>\$ 92,345,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 11

Combining Statements of Changes in Net Position  
Fiduciary Fund Types  
For the Year Ended June 30, 2020

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Employment Benefits Fund	Totals		Montgomery County	Prince George's County	Totals
<b>ADDITIONS:</b>							
Contributions:							
Employer	\$ 19,244,687	\$ 22,262,529	\$ 41,507,216	\$ -	\$ -	\$ -	-
Plan Members	7,796,708	-	7,796,708	-	-	-	-
Plan Members for Current Benefits	-	3,190,436	3,190,436	-	-	-	-
Private Donations	-	-	-	6,781	9,512	-	16,293
Total Contributions	27,041,395	25,452,965	52,494,360	6,781	9,512	-	16,293
Contributions from Commission Debt Service Funds	-	-	-	1,871,290	146	-	1,871,436
Federal Grants - Medicare	-	2,089,051	2,089,051	-	-	-	-
Investment Earnings:							
Interest	10,340,034	-	10,340,034	110,056	5,937	-	115,993
Dividends	2,589,151	2,631,314	5,220,465	-	-	-	-
Net Increase (Decrease) in the Fair Value of Investments	975,334	(7,685,898)	(6,710,564)	-	-	-	-
Total Investment Earnings	13,904,519	(5,054,584)	8,849,935	110,056	5,937	-	115,993
Less Investment Advisory and Management Fees	(3,116,235)	-	(3,116,235)	-	-	-	-
Net Income from Investing Activities	10,788,284	(5,054,584)	5,733,700	110,056	5,937	-	115,993
Securities Lending Activity							
Securities Lending Income	579,475	-	579,475	-	-	-	-
Securities Lending Fees	(467,603)	-	(467,603)	-	-	-	-
Net Income from Securities Lending Activity	111,872	-	111,872	-	-	-	-
Total Net Investment Income	10,900,156	(5,054,584)	5,845,572	110,056	5,937	-	115,993
Total Additions and Investment Income	37,941,551	22,487,432	60,428,983	1,988,127	15,595	-	2,003,722
<b>DEDUCTIONS:</b>							
Benefits	55,067,853	19,804,239	74,872,092	-	-	-	-
Refunds of Contributions	579,629	-	579,629	-	-	-	-
Administrative expenses	1,722,361	604,777	2,327,138	-	-	-	-
Other	-	-	-	7,558	19,707	-	27,265
Total Deductions	57,369,843	20,409,016	77,778,859	7,558	19,707	-	27,265
Change in Net Position	(19,428,292)	2,078,416	(17,349,876)	1,980,569	(4,112)	-	1,976,457
Net Position - Beginning	962,016,882	82,299,001	1,044,315,883	63,031,410	27,338,083	-	90,369,493
Net Position - Ending	942,588,590	84,377,417	1,026,966,007	65,011,979	27,333,971	\$	92,345,950

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 12

Combining Statement of Changes in Assets and Liabilities  
Agency Funds

For the Year Ended June 30, 2020

	July 1, 2019	Additions	Deductions	June 30, 2020
<b>MONTGOMERY COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 1,274,969	\$ 443,788	\$ 148,275	\$ 1,570,482
Total Current Assets	\$ 1,274,969	\$ 443,788	\$ 148,275	\$ 1,570,482
<b>LIABILITIES</b>				
Deposits	\$ 1,274,969	\$ 443,788	\$ 148,275	\$ 1,570,482
Total Current Liabilities	\$ 1,274,969	\$ 443,788	\$ 148,275	\$ 1,570,482
<b>PRINCE GEORGE'S COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 7,978	\$ 6,277	\$ 734	\$ 13,521
Total Current Assets	\$ 7,978	\$ 6,277	\$ 734	\$ 13,521
<b>LIABILITIES</b>				
Deposits	\$ 7,978	\$ 6,277	\$ 734	\$ 13,521
Total Current Liabilities	\$ 7,978	\$ 6,277	\$ 734	\$ 13,521
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 1,282,947	\$ 450,065	\$ 149,009	\$ 1,584,003
Total Current Assets	\$ 1,282,947	\$ 450,065	\$ 149,009	\$ 1,584,003
<b>LIABILITIES</b>				
Deposits	\$ 1,282,947	\$ 450,065	\$ 149,009	\$ 1,584,003
Total Current Liabilities	\$ 1,282,947	\$ 450,065	\$ 149,009	\$ 1,584,003

PART III

# Statistical Section



Surratts' House Museum.

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	123
<i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	128
<i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> .....	132
<i>These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b> .....	136
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i>	
<b>Operating Information</b> .....	139
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i>	

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 1

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 569,890,944	\$ 611,517,276	\$ 653,877,083	\$ 693,097,777	\$ 736,481,893	\$ 768,265,017	\$ 796,599,317	\$ 836,941,457	\$ 843,266,615	\$ 896,148,855
Unrestricted	257,331,391	248,549,209	255,869,413	235,827,877	150,941,241	160,074,081	170,061,764	14,102,419	68,534,208	103,473,483
Subtotal Governmental Activities Net Position	827,222,335	859,066,485	909,746,496	928,925,654	887,423,134	928,339,098	966,661,081	851,043,876	911,800,823	999,622,338
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	72,823,330	70,761,443	68,756,299	65,025,744	62,315,460	62,832,510	60,589,583	60,373,190	59,105,021	58,703,273
Unrestricted	1,781,166	2,835,118	4,105,493	5,596,649	4,303,685	4,445,974	4,973,537	(3,615,130)	(4,495,443)	(8,734,372)
Subtotal Business-type Activities Net Position	74,604,496	73,596,561	72,861,792	70,622,393	66,619,145	67,278,484	65,563,120	56,758,060	54,609,578	49,968,901
<b>Primary Government:</b>										
Net Investment in Capital Assets	642,714,274	682,278,719	722,633,382	758,123,521	798,797,353	831,097,527	857,188,900	897,314,647	902,371,636	954,852,128
Unrestricted	259,112,557	249,384,327	259,974,906	241,424,526	155,244,926	164,520,055	175,035,301	10,487,289	64,038,765	94,739,111
Total Government Net Position	\$ 901,826,831	\$ 931,663,046	\$ 982,608,288	\$ 999,548,047	\$ 954,042,279	\$ 995,617,582	\$ 1,032,224,201	\$ 907,801,936	\$ 966,410,401	\$ 1,049,591,239

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 2

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 18,965,709	\$ 18,141,138	\$ 16,859,031	\$ 17,923,030	\$ 21,133,262	\$ 18,943,664	\$ 18,210,634	\$ 21,196,865	\$ 19,909,334	\$ 22,179,103
County Planning and Zoning	55,915,753	56,148,279	45,516,295	58,569,504	49,147,835	57,308,580	57,302,000	55,800,239	61,301,202	54,044,564
Park Operations and Maintenance	232,698,656	200,435,112	199,288,578	204,795,846	227,849,560	243,036,037	231,398,938	244,824,141	237,052,714	251,990,224
Recreation Programs	68,827,893	66,883,047	55,799,559	66,430,209	65,247,292	50,263,579	71,198,062	71,853,383	74,366,416	72,667,214
Interest on Long-term Debt	3,830,828	3,403,501	3,097,948	3,413,225	3,899,873	4,048,509	3,688,429	4,855,256	5,927,669	5,788,706
Subtotal Governmental Activities	380,238,839	344,011,077	320,561,411	351,131,814	367,277,822	373,600,369	381,798,063	398,529,884	398,557,335	406,669,811
<b>Business-type Activities:</b>										
Recreational and Cultural Facilities	30,999,452	31,821,425	29,529,919	31,055,261	30,963,611	30,424,060	30,874,630	30,953,400	32,091,343	28,979,788
Total Government Expenses	411,238,291	375,832,502	350,091,330	382,187,075	398,241,433	404,024,429	412,672,693	429,483,284	430,648,678	435,649,599
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
County Planning and Zoning	4,018,192	6,720,072	6,427,774	3,684,750	5,009,843	4,665,238	4,755,212	6,269,945	5,953,158	4,784,682
Park Operations and Maintenance	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304	34,763,962	35,685,457	32,360,408	51,122,661
Recreation Programs	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306	15,837,672	16,492,208	15,458,774	11,300,422
Subtotal Governmental Activities	51,105,924	46,714,326	53,026,235	57,562,846	70,865,603	70,103,848	55,356,846	58,447,610	53,772,340	67,207,765
<b>Business-type Activities:</b>										
Recreational and Cultural Facilities	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505	19,899,293	20,201,065	20,419,748	15,530,221
Total Government Program Revenues	70,100,693	67,329,865	72,981,295	77,420,064	90,269,719	92,017,353	75,256,139	78,648,675	74,192,088	82,737,986
Net Government Expenses	(341,137,598)	(308,502,637)	(277,110,035)	(304,767,011)	(307,971,514)	(312,007,076)	(337,416,554)	(350,834,609)	(356,456,590)	(352,911,613)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407	364,763,200	387,759,742	405,541,942	427,283,561
Business-type Activities	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894	9,259,973	9,174,077	9,523,113	8,808,890
Total Primary Government	347,544,236	338,338,851	328,055,277	321,706,770	327,720,309	353,590,301	374,023,173	396,933,819	415,065,055	436,092,451
<b>Change in Net Position</b>										
Governmental Activities	8,590,142	30,844,149	51,680,011	19,179,158	21,484,182	40,923,886	38,321,983	47,677,468	60,756,947	87,821,515
Business-type Activities	(2,183,504)	(1,007,935)	(734,769)	(2,239,399)	(1,735,387)	659,339	(1,715,364)	(1,578,258)	(2,148,482)	(4,840,677)
Total Primary Government	\$ 6,406,638	\$ 29,836,214	\$ 50,945,242	\$ 16,939,759	\$ 19,748,795	\$ 41,583,225	\$ 36,606,619	\$ 46,099,210	\$ 58,608,465	\$ 83,180,838

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 3

Government Wide Revenues  
Last Ten Fiscal Years  
Entity-wide Basis

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
County Planning and Zoning										
Charges for services	3,127,500	5,283,065	4,684,322	2,798,897	4,031,622	3,846,984	3,850,889	5,198,977	4,956,799	3,514,890
Operating grants and contributions	890,692	1,437,007	1,743,452	885,853	978,321	818,254	904,323	1,070,968	996,359	1,269,792
Total County Planning and Zoning	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,665,238	4,755,212	6,269,945	5,953,158	4,784,682
Park Operations and Maintenance										
Charges for services	5,830,735	6,475,293	6,627,653	7,467,087	7,670,790	8,075,175	9,269,553	9,269,129	8,573,012	6,700,021
Operating grants and contributions	1,288,151	2,469,032	3,891,896	4,091,322	4,078,663	4,837,912	5,480,518	5,685,017	5,811,520	7,537,409
Capital grants and contributions	26,190,310	16,656,522	21,825,501	26,872,184	39,512,128	37,217,217	20,013,891	20,731,311	17,975,876	36,885,231
Total Park Operations and Maintenance	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304	34,763,962	35,685,457	32,360,408	51,122,661
Recreation Programs										
Charges for services	13,388,956	14,035,495	13,807,912	14,624,585	14,259,526	14,986,083	15,277,062	15,852,675	13,734,206	10,181,498
Operating grants and contributions	389,580	357,912	445,499	822,918	334,753	322,223	560,610	639,533	1,724,568	1,118,924
Total Recreation Programs	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306	15,837,672	16,492,208	15,458,774	11,300,422
Total Governmental Activities	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848	55,356,846	58,447,610	53,772,340	67,207,765
<b>Business-type Activities:</b>										
Recreational and Cultural Facilities										
Charges for services	18,992,169	20,284,112	19,943,177	19,790,531	19,404,116	20,018,525	19,899,293	20,201,065	20,419,748	15,507,428
Operating grants and contributions	2,600	-	11,883	66,687	-	-	-	-	-	22,793
Capital grants and contributions	-	331,427	-	-	-	1,894,980	-	-	-	-
Total Recreational and Cultural Facilities	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505	19,899,293	20,201,065	20,419,748	15,530,221
Total Government Program Revenues	\$ 70,100,693	\$ 67,329,865	\$ 72,981,295	\$ 77,420,064	\$ 90,269,919	\$ 92,017,353	\$ 75,256,139	\$ 78,648,675	\$ 74,192,088	\$ 82,737,986
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes	345,841,894	336,318,601	327,652,882	320,703,674	326,435,823	352,283,467	371,471,118	391,094,596	401,180,520	425,742,423
Unrestricted Investment Earnings	1,670,713	1,971,299	388,205	966,672	1,186,182	1,208,287	2,362,429	5,413,567	12,946,277	9,698,730
Transfers	(9,789,550)	(10,149,000)	(8,825,900)	(8,922,220)	(9,725,804)	(9,071,347)	(9,070,347)	(8,748,421)	(8,584,855)	(8,157,592)
Total Governmental Activities	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407	364,763,200	387,759,742	405,541,942	427,283,561
<b>Business-type Activities</b>										
Unrestricted Investment Earnings	31,629	48,951	14,190	36,424	98,304	98,547	189,626	425,656	938,258	651,298
Transfers	9,789,550	10,149,000	8,825,900	8,922,220	9,725,804	9,071,347	9,070,347	8,748,421	8,584,855	8,157,592
Total Business-type Activities	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894	9,259,973	9,174,077	9,523,113	8,808,890
Total Primary Government	\$ 347,544,236	\$ 338,338,851	\$ 328,055,277	\$ 321,706,770	\$ 327,720,309	\$ 353,590,301	\$ 374,023,173	\$ 396,933,819	\$ 415,065,055	\$ 436,092,451

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

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

Table 4

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (1)
<b>General Fund</b>										
Committed	\$ 24,964,873	\$ 22,569,621	\$ 40,161,623	\$ 34,526,773	\$ 38,094,884	\$ 44,020,663	\$ 47,883,493	\$ 42,359,298	\$ 51,598,979	\$ 64,650,641
Assigned	19,271,830	4,539,255	45,483,383	43,892,210	10,096,236	7,617,518	5,698,844	24,064,324	21,330,591	11,223,282
Unassigned	92,831,681	135,512,477	157,066,229	131,532,584	141,069,582	173,398,306	205,668,037	221,562,189	231,028,997	244,324,408
<b>Total General Fund</b>	<b>137,068,384</b>	<b>162,621,353</b>	<b>242,711,235</b>	<b>209,951,567</b>	<b>189,260,702</b>	<b>225,036,507</b>	<b>259,250,374</b>	<b>287,985,811</b>	<b>303,958,567</b>	<b>320,198,331</b>
<b>All Other Governmental Funds</b>										
Nonspendable	-	4,721,415	-	35,891,912	441,934	709,067	684,987	664,069	675,216	1,151,859
Restricted	6,372,978	4,721,415	3,012,510	35,891,912	10,801,732	11,520,094	4,142,855	16,508,941	20,662,338	24,005,612
Committed	47,780,344	41,712,327	44,051,299	58,578,055	73,077,026	90,931,936	76,280,863	42,287,022	50,173,887	53,610,791
Assigned	129,601,078	121,437,924	53,920,956	45,053,357	39,895,940	13,179,838	13,233,159	20,369,083	44,597,154	75,510,690
Unassigned	(17,525,176)	(20,735,656)	(21,738,490)	(21,538,004)	(28,741,034)	(35,701,052)	(27,523,472)	(4,278,195)	(1,440,769)	(4,162,497)
<b>Total All Other Governmental Funds</b>	<b>166,229,224</b>	<b>147,136,010</b>	<b>79,246,275</b>	<b>117,985,320</b>	<b>95,475,598</b>	<b>80,639,893</b>	<b>66,818,392</b>	<b>75,550,920</b>	<b>114,667,826</b>	<b>150,116,455</b>
<b>Total All Governmental Funds</b>	<b>\$ 303,297,608</b>	<b>\$ 309,757,363</b>	<b>\$ 321,957,510</b>	<b>\$ 327,936,887</b>	<b>\$ 284,736,300</b>	<b>\$ 305,676,390</b>	<b>\$ 326,068,766</b>	<b>\$ 363,536,731</b>	<b>\$ 418,626,393</b>	<b>\$ 470,314,786</b>

(1) The increase in 2020 total governmental fund balance in comparison with the prior year is explained in Management's Discussion and Analysis.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 5

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Property Taxes	\$ 345,254,763	\$ 337,691,448	\$ 326,432,203	\$ 320,991,095	\$ 326,780,905	\$ 351,693,057	\$ 371,473,276	\$ 390,983,807	\$ 401,046,180	\$ 424,691,149
Intergovernmental	27,617,494	18,129,050	23,361,183	24,926,111	29,264,973	36,293,326	22,210,719	21,896,860	21,896,860	35,775,752
Charges for Services	11,614,064	14,395,378	13,876,989	12,690,918	13,785,655	14,240,682	14,915,205	16,419,720	15,163,739	10,589,643
Rentals and Concessions	9,759,475	10,102,872	10,381,093	11,274,636	11,118,577	11,873,440	12,143,332	12,473,801	10,931,428	8,378,593
Interest	1,421,095	1,723,915	312,015	845,032	985,395	1,000,594	1,985,186	4,687,567	11,405,925	8,677,272
Miscellaneous	1,321,762	2,239,456	1,665,051	2,029,981	2,049,264	3,395,932	5,556,543	3,676,924	2,041,130	11,799,327
Total Revenues	396,988,653	384,282,119	376,028,534	372,757,773	383,984,769	418,497,031	428,284,261	451,215,540	462,485,262	499,911,736
<b>Expenditures</b>										
General Government	16,900,334	17,286,400	16,888,747	17,915,857	20,711,512	18,269,180	16,965,608	20,685,289	20,847,721	21,896,627
Planning and Zoning	51,677,578	53,490,374	45,431,143	59,145,520	48,366,254	55,499,233	54,429,803	53,806,455	61,626,137	51,408,732
Park Operations and Maintenance	185,124,386	168,990,977	176,450,186	191,014,322	201,201,932	202,138,039	201,073,472	218,456,669	218,007,785	223,908,504
Recreation	64,079,717	63,824,544	55,118,442	68,442,367	66,269,563	65,707,901	66,873,763	69,434,167	72,831,339	69,310,593
Contributions	943,482	21,125	-	-	(1,284)	774	1,786,021	1,775,763	1,822,325	1,871,435
Debt Service										
Principal	14,172,757	11,999,335	11,719,539	10,741,975	12,094,850	10,433,171	11,126,946	11,676,181	10,140,000	11,995,000
Interest	3,888,860	3,361,761	3,218,877	2,984,223	3,687,985	3,252,466	4,459,106	4,687,879	5,783,038	6,408,629
Other Debt Service Costs	(95,874)	427,602	10,860	539,209	30,197	435,015	159,718	250,702	602,442	70,246
Capital Projects	49,199,758	59,679,383	46,159,542	49,513,661	65,106,465	67,476,263	50,461,849	60,220,947	53,998,650	63,195,985
Total Expenditures	385,890,998	379,081,501	354,997,336	400,297,134	417,467,474	423,212,042	407,336,286	440,994,052	445,659,437	450,065,751
<b>Other Financing Sources (Uses)</b>										
Proceeds from General Obligation Bonds	-	10,500,000	-	40,565,000	-	31,500,000	8,000,000	33,000,000	43,000,000	10,000,000
Refunding Bonds Issued	-	16,425,000	-	-	-	12,515,000	-	-	-	-
Premiums on Bonds Issued	-	2,614,073	-	1,870,807	-	3,955,202	514,748	2,994,898	3,848,692	-
Payment to Refunding Bond Escrow Account	-	(18,130,936)	-	-	-	(14,041,382)	-	-	-	-
Transfers In	41,616,423	28,262,071	66,307,473	38,972,506	33,406,016	43,733,117	23,614,019	30,128,661	49,876,391	75,548,144
Transfers Out	(51,405,973)	(38,411,071)	(75,133,373)	(47,894,726)	(43,131,820)	(51,998,914)	(32,684,366)	(38,877,082)	(58,461,246)	(83,705,736)
Total Other Financing Sources (Uses)	(9,789,550)	1,259,137	(8,825,900)	33,513,587	(9,725,804)	25,663,023	(555,599)	27,246,477	38,263,837	1,842,408
Net Change in Fund Balances	1,308,105	6,459,755	12,205,298	5,974,226	(43,208,509)	20,948,012	20,392,376	37,467,965	55,089,662	51,688,393
Beginning Fund Balance	301,989,503	303,297,608	309,757,363	321,962,661	327,936,887	284,728,378	305,676,390	326,068,766	363,536,731	418,626,393
Ending Fund Balance	\$ 303,297,608	\$ 309,757,363	\$ 321,962,661	\$ 327,936,887	\$ 284,728,378	\$ 305,676,390	\$ 326,068,766	\$ 363,536,731	\$ 418,626,393	\$ 470,314,786
Debt Service as a Percentage of Noncapital Expenditures	5.45%	5.10%	5.03%	4.21%	4.64%	3.75%	4.59%	4.57%	4.02%	4.76%

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

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

TABLE 6

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

(Dollars in Thousands)

MONTGOMERY COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
2011	\$ 167,790,793	\$ 180,614,416	0.904	\$ 3,856,192	\$ 2,247	\$ 171,646,985	\$ 184,470,608	93.05		
2012	162,197,150	174,593,272	0.947	3,718,946	2,357	165,916,096	178,312,218	93.05		
2013	158,272,831	172,786,933	0.990	3,604,479	2,463	161,877,310	176,391,412	91.77		
2014	159,891,865	173,043,144	1.008	3,709,328	2,509	163,601,193	176,752,472	92.56		
2015	163,656,758	169,416,934	0.995	3,655,133	2,473	167,311,891	173,072,067	96.67		
2016	170,176,446	181,812,442	0.986	3,884,349	2,450	174,060,795	185,696,791	93.73		
2017	177,495,353	190,650,218	1.025	4,051,372	2,547	181,546,725	194,701,590	93.24		
2018	183,993,871	195,946,614	1.000	4,188,565	2,487	188,182,436	200,135,179	94.03		
2019	189,051,019	196,518,731	0.980	4,055,453	2,439	193,106,472	200,574,184	96.28		
2020	193,487,139	204,359,040	0.977	4,100,967	2,432	197,588,106	208,460,007	94.78		

PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
2011	\$ 88,129,040	\$ 96,199,089	0.900	\$ 2,734,464	\$ 2,000	\$ 90,863,504	\$ 98,933,553	91.84		
2012	81,798,606	83,404,281	0.905	2,743,679	2,000	84,542,285	86,147,960	98.14		
2013	75,777,582	76,633,200	0.903	2,741,339	2,283	78,518,921	79,374,539	98.92		
2014	73,012,715	74,563,618	0.897	2,731,340	2,268	75,744,055	77,294,958	97.99		
2015	73,863,286	76,307,098	0.902	2,884,495	2,278	76,747,781	79,191,593	96.91		
2016	76,419,813	80,392,826	0.945	2,966,106	2,372	79,385,919	83,358,932	95.23		
2017	80,672,198	86,941,640	0.936	3,190,976	2,352	83,863,174	90,132,616	93.04		
2018	86,644,518	92,548,041	0.960	3,420,670	2,401	90,065,188	95,968,711	93.85		
2019	91,769,699	97,534,897	0.969	3,268,932	2,426	95,038,631	100,803,829	94.28		
2020	97,072,912	102,537,101	0.958	3,217,004	2,610	100,289,916	105,754,105	94.83		

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

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

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

TABLE 7

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

**M-NCPPC TAXES**

MONTGOMERY COUNTY (1)

Fiscal Year	Administration	Park Operations	Advance Land Acquisition	Total		County-wide Property Taxes	
				Total	Within County	Within County	Total
2011	\$ 0.0150/0.0380	0.0450/0.1120	\$ 0.0010/0.0030	\$ 0.0610/0.1530	\$ 0.8430/2.0940	\$ 0.9040/2.2470	
2012	0.0170/0.0430	0.0480/0.1200	0.0010/0.0030	0.0660/0.1660	0.8810/2.1910	0.9470/2.3570	
2013	0.0180/0.0450	0.0540/0.1350	0.0010/0.0030	0.0730/0.1830	0.9170/2.2800	0.9900/2.4630	
2014	0.0180/0.0450	0.0530/0.1330	0.0010/0.0030	0.0720/0.1810	0.9360/2.3280	1.0080/2.5090	
2015	0.0170/0.0430	0.0560/0.1400	0.0010/0.0030	0.0740/0.1860	0.9207/2.2873	0.9947/2.4733	
2016	0.0180/0.0450	0.0552/0.1380	0.0010/0.0025	0.0742/0.1855	0.9116/2.2643	0.9858/2.4498	
2017	0.0170/0.0425	0.0548/0.1370	0.0010/0.0025	0.0728/0.1820	0.9521/2.3649	1.0249/2.5469	
2018	0.0172/0.0430	0.0554/0.1385	0.0010/0.0025	0.0736/0.1840	0.9260/2.3031	0.9996/2.4871	
2019	0.0156/0.0390	0.0530/0.1325	0.0010/0.0025	0.0696/0.1740	0.9102/2.2651	0.9798/2.4391	
2020	0.0170/0.0425	0.0560/0.1400	0.0010/0.0025	0.0740/0.1850	0.9030/2.2474	0.9770/2.4324	

PRINCE GEORGE'S COUNTY (1)

Fiscal Year	Administration	Park Operations	Recreation	Advance Land Acquisition	Total		County-wide Property Taxes	
					Total	Within County	Within County	Total
2011	\$ 0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	\$ 0.0013/0.0032	\$ 0.2790/0.6975	\$ 1.0918/2.4800	\$ 1.3708/3.1775	
2012	0.0466/0.1165	0.1719/0.4298	0.0605/0.1512	0.0000/0.0000	0.2790/0.6975	1.0974/2.4800	1.3764/3.1775	
2013	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	1.0948/2.7630	1.3738/3.4605	
2014	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	1.0891/2.7484	1.3681/3.4459	
2015	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	1.0939/2.7580	1.3729/3.4555	
2016	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.3711/2.8523	1.6651/3.5873	
2017	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.1284/2.8321	1.4224/3.5671	
2018	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.1516/2.8810	1.4456/3.6160	
2019	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.1606/2.9056	1.4546/3.6406	
2020	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.1497/3.0896	1.4437/3.8246	

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Taxpayer</u>	2020			2011		
	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Potomac Electric Power Company	\$ 1,104,099,069	1	0.56 %	\$ 686,620,820	1	0.40 %
JBG Smith	702,852,432	2	0.36	-	-	-
Federal Realty Investment Trust	591,915,453	3	0.30	212,000,000	7	0.12
GI Partners	493,304,200	4	0.25	-	-	-
Montgomery Mall LLC	486,823,410	5	0.25	340,730,300	3	0.20
Verizon Inc.	452,680,140	6	0.23	610,124,340	2	0.36
Washington Metropolitan Area Transit Authority	412,846,067	7	0.21	-	-	-
Fishers Lane LLC	372,704,723	8	0.19	-	-	-
Wheaton Plaza Reg Shopping Center	353,012,407	9	0.18	-	-	-
Medimmune, LLC	337,209,451	10	0.17	-	-	-
Washington Gas Light Co.	-	-	-	260,082,650	4	0.15
7501 Wisconsin Ave LLC	-	-	-	216,903,628	5	0.13
Camalier, Anne D et al, Trustee	-	-	-	214,070,700	6	0.12
Chevy Chase Land Co	-	-	-	201,681,952	8	0.12
Democracy Associates	-	-	-	171,000,000	9	0.10
Mirant Mid-Atlantic, LLC	-	-	-	160,293,790	10	0.09
<b>Total</b>	<b>\$ 5,307,447,352</b>		<b>2.70 %</b>	<b>\$ 3,073,508,180</b>		<b>1.79 %</b>
<b>Total Assessable Base</b>	<b>\$ 197,588,105,675</b>		<b>100.00 %</b>	<b>\$ 171,646,984,481</b>		<b>100.00 %</b>

PRINCE GEORGE'S COUNTY

<u>Taxpayer</u>	2020			2011		
	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
National Harbor, LLC	\$ 1,094,328,933	1	1.13 %	\$ -	-	- %
Potomac Electric Power Company	695,597,680	2	0.72	458,167,080	2	0.47
Gaylord National, LLC.	634,783,067	3	0.65	581,995,100	1	0.59
Washington Gas Light Company	304,125,630	4	0.31	250,109,353	4	0.26
Empirian Village of Maryland, LLC	286,003,666	5	0.29	202,133,413	7	0.21
Verizon Maryland	272,978,000	6	0.28	395,162,460	3	0.40
Greenbelt Homes, Incorporated	228,580,959	7	0.24	233,512,719	5	0.24
Baltimore Gas and Electric Company	204,014,210	8	0.21	153,790,505	9	0.16
JKC Stadium (FedEx Field)	187,387,700	9	0.19	208,358,294	6	0.21
UMCPF-Property II, LLC	185,946,333	10	0.19	-	-	-
NRG(Mirant) Chalk Point, LLC	-	-	-	162,997,600	8	0.17
Silver Oaks Campus, LLC	-	-	-	14,379,100	10	0.01
<b>Total</b>	<b>\$ 4,093,746,178</b>		<b>4.22 %</b>	<b>\$ 2,660,605,624</b>		<b>2.72 %</b>
<b>Total Assessable Base</b>	<b>\$ 97,072,911,961</b>		<b>100.00 %</b>	<b>\$ 97,884,419,226</b>		<b>100.00 %</b>

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

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

TABLE 9

Property Tax Levies and Collections  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2011	\$ 94,042,259	\$ 93,678,737	99.6 %	\$ 25,835	\$ 93,704,572	99.6 %
2012	98,068,320	98,064,266	100.0	(66,684)	97,997,582	99.9
2013	106,088,181	105,178,075	99.1	407,219	105,585,294	99.5
2014	105,671,395	105,042,397	99.4	89,137	105,131,534	99.5
2015	111,224,664	110,366,064	99.2	282,840	110,648,904	99.5
2016	115,877,295	114,942,121	99.2	(42,910)	114,899,211	99.2
2017	118,471,849	117,462,502	99.1	196,833	117,659,335	99.3
2018	111,483,310	111,208,047	99.8	29,874	111,237,921	99.8
2019	120,289,659	119,640,275	99.5	245,275	119,885,550	99.7
2020	130,730,282	129,096,564	98.8	-	129,096,564	98.8

PRINCE GEORGE'S COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2011	\$ 254,998,038	\$ 250,411,969	98.2 %	\$ 9,161	\$ 250,421,130	98.2 %
2012	237,755,078	234,227,123	98.5	18,322	234,245,445	98.5
2013	220,093,844	218,774,290	99.4	30,536	218,804,826	99.4
2014	219,461,895	211,642,952	96.4	(23,271)	211,619,681	96.4
2015	215,646,159	215,367,043	99.9	(2,589)	215,364,454	99.9
2016	235,659,561	234,870,980	99.7	(15,332)	234,855,648	99.7
2017	249,913,802	249,903,802	100.0	(252,870)	249,650,932	99.9
2018	268,697,483	267,943,624	99.7	(38,398)	267,905,226	99.7
2019	282,499,972	281,764,984	99.7	431,146	282,196,130	99.9
2020	296,981,830	294,224,035	99.1	-	294,224,035	99.1

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 10

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Advance Land Acquisition General Obligation Bonds(1)	Ratios			Ratios	
	General Obligation Bonds	Notes Payable	Revenue	Bonds and Notes		Total Primary Government(1)	Percentage Of Personal Income	Outstanding Debt Per Capita	Total Debt (1)	Percentage Of Personal Income
2011	26,710	368	2,241	-	2,145	0.04	29.56	31,464	0.04	31.72
2012	34,590	-	1,064	-	1,905	0.05	35.45	37,559	0.05	37.34
2013	32,240	-	222	-	1,665	0.04	31.95	34,127	0.05	33.59
2014	44,616	-	-	-	1,430	0.06	43.50	46,046	0.06	44.90
2015	41,464	-	-	-	1,200	0.05	40.10	42,664	0.05	41.26
2016	51,857	-	-	-	1,075	0.06	49.85	52,932	0.06	50.88
2017	56,953	-	-	-	1,020	0.06	54.33	57,973	0.06	55.30
2018	52,924	-	-	-	885	0.06	50.28	53,809	0.06	51.12
2019	64,917	-	-	-	750	0.07	61.67	65,667	0.07	62.39
2020	69,749	-	-	-	620	0.07	65.13	70,369	0.07	65.71

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Advance Land Acquisition General Obligation Bonds(1)	Ratios			Ratios	
	General Obligation Bonds	Notes Payable	Revenue	Bonds and Notes		Total Primary Government(1)	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)	Total Debt (1)	Percentage Of Personal Income (2)
2011	65,925	369	-	-	-	0.19	75.85	66,294	0.19	75.85
2012	56,363	120	-	-	-	0.15	64.10	56,483	0.15	64.10
2013	47,086	-	-	-	-	0.12	52.90	47,086	0.12	52.90
2014	67,280	-	-	-	-	0.17	74.39	67,280	0.17	74.39
2015	58,860	-	-	-	-	0.14	64.71	58,860	0.14	64.71
2016	73,329	-	-	-	-	0.17	80.75	73,329	0.17	80.75
2017	64,534	-	-	-	-	0.15	70.70	64,534	0.15	70.70
2018	92,162	-	-	-	-	0.21	101.35	92,162	0.21	101.35
2019	119,227	-	-	-	-	0.26	131.12	119,227	0.26	131.12
2020	110,946	-	-	-	-	na	na	110,946	na	na

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

(2) See Table 14 for personal income and population data. Data are not available for Prince George's County for FY 2020.

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



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

TABLE 11

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

MONTGOMERY COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	
2011	991,833	149,284,865	29,319	0.02	2,145	0.001	2.16	
2012	1,005,852	143,754,415	35,654	0.02	1,905	0.001	1.89	
2013	1,016,064	140,577,467	32,462	0.02	1,665	0.001	1.64	
2014	1,025,617	141,899,535	44,616	0.03	1,430	0.001	1.39	
2015	1,033,994	142,418,524	41,464	0.03	1,200	0.001	1.16	
2016	1,040,245	151,113,059	51,857	0.03	1,075	0.001	1.03	
2017	1,048,244	157,476,558	56,953	0.04	1,020	0.001	0.97	
2018	1,052,567	163,053,038	52,924	0.03	885	0.000	0.84	
2019	1,061,880	167,427,077	64,917	0.04	750	0.000	0.71	
2020	1,070,928	171,202,657	69,749	0.04	620	0.000	0.58	

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	
2011	874,045	84,718,780	65,925	0.08	-	-	n.a.	
2012	881,138	79,043,657	56,363	0.07	-	-	n.a.	
2013	890,081	73,123,809	47,086	0.06	-	-	n.a.	
2014	904,430	70,551,044	67,280	0.10	-	-	n.a.	
2015	909,535	71,578,363	58,860	0.08	-	-	n.a.	
2016	908,049	74,240,911	73,329	0.10	-	-	n.a.	
2017	912,756	78,488,744	64,534	0.08	-	-	n.a.	
2018	909,308	84,361,738	92,162	0.11	-	-	n.a.	
2019	909,327	89,052,828	119,227	0.13	-	-	n.a.	
2020	n.a.	93,969,053	110,946	0.12	-	-	n.a.	

Notes: n.a. represents information that was unavailable at the time the tables were updated  
 Notes: (1) 000's omitted and this is the general bonded debt of both governmental and business-type activities, net of the original issuance discounts and premiums  
 (2) Metropolitan District only  
 Source: Assessed Value is from Montgomery County and Prince George's County Governments  
 Population estimates are from the U.S. Bureau of the Census, Population Estimates Branch

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

Table 12

Direct and Overlapping Governmental Activities Debt

June 30, 2020

	Debt Outstanding	Estimated Percentage Applicable	Montgomery County Estimated Share of Overlapping Debt	Prince George's County Estimated Share of Overlapping Debt	Total Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>					
<b>Montgomery County:</b>					
Montgomery County Government Direct Debt	\$ 4,252,302,542	100.00%	\$ 4,252,302,542	\$ -	\$ 4,252,302,542
MCPS - capital leases	74,576,053	100.00%	74,576,053	-	74,576,053
MCC - capital leases	76,580,591	100.00%	76,580,591	-	76,580,591
Kingsview Village Center - bonds	319,855	100.00%	319,855	-	319,855
West Germantown - bonds	8,515,000	100.00%	8,515,000	-	8,515,000
Towns, Cities and Villages	41,648,343	100.00%	41,648,343	-	41,648,343
<b>Prince George's County:</b>					
Prince George's County Direct Debt	2,575,161,922	100.00%	-	2,575,161,922	2,575,161,922
Towns, Cities and Villages (2)	80,065,592	100.00%	-	80,065,592	80,065,592
Total Overlapping Debt			<u>4,453,942,384</u>	<u>2,655,227,514</u>	<u>7,109,169,898</u>
M-NCPPC Direct Debt Outstanding (1)			70,368,862	110,946,300	181,315,162
Total Direct and Overlapping Debt			<u>\$ 4,524,311,246</u>	<u>\$ 2,766,173,814</u>	<u>\$ 7,290,485,060</u>

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is estimated 2020 data from Prince George's County.

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

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

TABLE 13

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

**Park Acquisition and Development Bonds  
Guaranteed by Montgomery County**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Valuation - Metropolitan District										
Real Property	\$ 146,152,672,587	\$ 141,405,815,234	\$ 137,631,593,595	\$ 139,493,523,923	\$ 139,619,578,920	\$ 147,968,539,731	\$ 154,201,308,882	\$ 159,617,272,071	\$ 164,081,315,722	\$ 167,810,011,796
Personal Property	3,132,192,188	2,348,600,250	2,945,872,990	2,406,010,695	2,798,945,126	3,154,519,664	3,275,246,906	3,435,766,393	3,345,760,810	3,392,645,188
Total Assessed Value	149,284,864,775	143,754,415,484	140,577,466,585	141,899,534,618	142,418,524,046	151,113,059,395	157,476,557,788	163,053,038,464	167,427,076,532	171,202,656,984
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 3.6 cents (9 cents for FY 2001 and prior)	52,614,962	50,906,093	49,547,374	50,217,669	50,265,048	53,285,074	55,512,471	57,462,218	59,069,274	60,411,604
Personal Property at 9 cents	2,818,973	2,113,740	2,651,286	2,165,410	2,519,051	2,859,068	2,947,724	3,092,190	3,011,185	3,063,381
Debt Service Applicable to Limit	33,237,288	44,791,154	37,422,603	56,282,000	51,568,000	62,543,000	68,466,000	63,043,000	77,825,105	83,668,695
Legal Debt Margin	\$ 1,629,780,762	\$ 1,545,803,836	\$ 1,528,537,197	\$ 1,515,210,370	\$ 1,531,894,970	\$ 1,620,581,260	\$ 1,685,339,850	\$ 1,753,589,240	\$ 1,784,588,665	\$ 1,820,280,855
Debt Service Applicable to Limit as a Percentage of the Limit	2.00%	2.82%	2.39%	3.56%	3.26%	3.72%	3.90%	3.47%	4.18%	4.39%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Valuation - Metropolitan District										
Real Property	\$ 82,153,036,056	\$ 76,465,608,181	\$ 70,552,234,135	\$ 67,989,278,067	\$ 68,858,615,833	\$ 71,447,943,979	\$ 75,478,470,361	\$ 81,117,524,396	\$ 85,954,431,107	\$ 97,072,911,961
Personal Property	2,565,743,870	2,578,049,126	2,571,574,560	2,561,766,520	2,719,747,118	2,792,967,386	3,010,273,510	3,244,213,192	3,098,396,530	3,217,004,390
Total Assessed Value	84,718,779,926	79,043,657,307	73,123,808,695	70,551,044,587	71,578,362,951	74,240,911,365	78,488,743,871	84,361,737,588	89,052,827,637	100,289,916,351
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 4 cents (10 cents for FY 2001 and prior)	32,861,214	30,586,243	28,220,894	27,195,711	27,543,448	28,579,178	30,191,388	32,447,010	34,361,772	38,829,165
Personal Property at 10 cents	2,565,744	2,578,049	2,571,575	2,561,767	2,719,747	2,792,967	3,010,274	3,244,213	3,098,397	3,217,004
Debt Service Applicable to Limit	35,426,958	33,164,292	30,792,469	29,757,476	30,263,193	31,372,145	33,201,662	35,691,223	37,460,169	42,046,169
Legal Debt Margin	\$ 983,596,116	\$ 928,292,268	\$ 869,719,797	\$ 809,598,340	\$ 835,511,790	\$ 851,073,350	\$ 916,786,860	\$ 957,463,690	\$ 977,021,070	\$ 1,126,121,070
Debt Service Applicable to Limit as a Percentage of the Limit	7.45%	6.70%	5.85%	9.31%	7.97%	9.67%	7.96%	10.58%	13.11%	10.72%

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 14

Demographic Statistics  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Population (1)	Total Personal Income 000's omitted (2,3)	Per Capita Income (4)	Labor Force (5)	Unemployment Rate (6)	Registered Pupils (7)
2011	991,833	\$ 74,484,881	\$ 75,098	536,858	5.3 %	143,309
2012	1,005,852	77,350,599	76,901	540,440	5.2	146,497
2013	1,016,064	74,736,158	73,555	543,131	4.9	149,018
2014	1,025,617	76,750,007	74,833	543,806	4.4	151,289
2015	1,033,994	82,629,149	79,913	547,383	3.9	153,852
2016	1,040,245	87,334,533	83,956	546,204	3.5	156,447
2017	1,048,244	89,462,226	85,345	554,246	3.4	159,016
2018	1,052,567	94,404,295	89,690	557,200	3.2	161,936
2019	1,061,880	97,600,000	91,912	565,866	2.9	162,680
2020	1,070,928	101,300,000	94,591	561,120	5.5	164,245

PRINCE GEORGE'S COUNTY

Year	Population (8)	Total Personal Income 000's omitted (2)	Per Capita Income (2) (4)	Labor Force (9)	Unemployment Rate (6)	Registered Pupils (10)
2011	874,045	\$ 35,036,640	\$ 40,086	466,787	7.2 %	126,671
2012	881,138	38,481,250	43,672	469,150	6.8	123,833
2013	890,081	38,595,921	43,362	467,318	6.9	123,737
2014	904,430	40,215,913	44,465	469,359	6.2	125,136
2015	909,535	40,806,805	44,866	495,449	4.7	127,576
2016	908,049	41,922,938	46,168	498,002	4.4	128,936
2017	912,756	43,030,211	47,143	513,393	4.7	130,814
2018	909,308	44,938,165	49,420	504,423	4.1	132,322
2019	909,327	46,034,388	50,625	512,267	4.1	132,667
2020	n.a.	n. a.	n. a.	523,242	10.1	n.a.

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

- (1) Source: Data for 2011-2020 estimated by the Montgomery County, Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2020 is not currently available for Prince George's County)
- (3) Source: Data for 2011-2020 estimated by the Montgomery County, Department of Finance
- (4) Source: Per Capita Income is derived by dividing personal income by population
- (5) Source: Bureau of Labor Statistics, U.S. Department of Labor
- (6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.
- (7) Source: Data for 2011-2020 estimated by the Montgomery County, Department of Finance
- (8) Source: Data for 2011-2020 are estimates derived by the Prince George's County Department of Finance from the U.S. Bureau of the Census. Estimates for 2020 are not available  
Data for 2019 estimates are provided by the U.S. Bureau of the Census, Population Estimates Branch.
- (9) Source: Maryland Department of Labor, Career and Workforce Information, updated June 2020. Prince George's County data for 2020 is an estimate
- (10) Source: www.mdreportcard.org, 2019 for Prince George's County. Estimates for 2020 are not available.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 15

Total Government Employees by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Commissioners Office	9.50	9.50	9.00	9.00	9.50	9.50	9.50	9.50	9.50	9.50
Department of Human Resources and Management	18.75	15.25	13.50	14.00	14.75	15.00	15.00	16.26	16.64	16.64
Department of Finance	32.30	28.80	27.50	24.30	24.30	25.19	25.19	25.19	18.57	19.58
Inspector General		1.50	1.50	1.50	2.00	2.00	2.00	2.00	2.20	2.20
Legal Department	13.25	12.25	12.25	13.50	13.50	13.50	13.50	13.70	13.00	13.00
Corporate IT	-	-	-	-	-	-	-	-	7.90	7.90
Merit System Board	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
General Government:	74.05	67.55	64.00	62.55	64.30	65.44	65.44	67.10	68.06	69.07
County Planning and Zoning:										
Office of the Planning Director	3.00	6.00	6.00	6.00	4.00	4.00	5.00	6.00	5.89	6.77
Management Services	29.02	22.39	21.60	21.65	15.45	16.75	16.75	16.88	17.60	16.91
Functional Planning and Policy	-	14.50	14.40	15.18	18.40	18.50	19.50	18.47	18.49	18.39
Area 1	-	11.49	12.75	11.95	12.00	11.00	9.45	9.35	12.86	11.69
Area 2	-	15.49	16.25	16.15	15.50	15.15	15.10	15.79	13.62	15.10
Area 3	-	16.19	15.50	15.95	16.20	16.20	15.15	13.82	13.94	14.03
Community-Based Planning	21.20	-	-	-	-	-	-	-	-	-
Environmental Planning	22.43	-	-	-	-	-	-	-	-	-
Transportation Planning	13.29	-	-	-	-	-	-	-	-	-
Urban Design	15.20	-	-	-	-	-	-	-	-	-
Development Review	15.60	-	-	-	-	-	-	-	-	-
Development Applications and Regulatory Coordination	-	12.60	10.85	10.10	9.85	10.70	12.35	11.34	11.23	9.77
Center for Research and Information Systems	23.18	12.64	13.95	15.00	-	16.00	16.00	17.04	17.06	17.03
Information Technology and Innovation	-	-	-	-	15.90	16.00	16.00	17.04	17.06	17.03
Research and Special Projects	-	-	-	-	8.00	8.00	8.00	8.00	7.00	7.00
Total County Planning and Zoning	142.92	111.30	111.30	111.98	115.30	116.30	117.30	116.69	117.69	116.69
Park Operations and Maintenance:										
Director of Parks	5.55	5.00	6.00	7.80	7.80	10.20	12.70	12.80	13.80	12.30
Special Programs	6.00	-	-	-	-	-	-	-	-	-
Park Information and Customer Service	10.30	18.00	18.20	19.10	-	-	-	-	-	-
Public Affairs and Community Partnerships	-	-	-	-	19.60	20.40	22.90	22.70	22.80	27.50
Management Services	7.50	20.60	20.10	20.20	12.00	11.10	12.90	13.90	14.90	19.40
Facilities Management	6.00	-	-	-	-	-	-	-	-	-
Technology Center	11.15	-	-	-	-	-	-	-	-	-
Information Technology and Innovation	-	-	-	-	8.10	8.10	8.70	8.60	10.50	11.20
Park Planning and Stewardship	31.62	25.70	24.80	26.60	29.50	38.30	42.70	47.30	47.00	50.80
Park Development	28.55	24.80	23.80	23.80	25.80	25.40	25.10	25.80	26.50	27.00
Park Police	115.61	104.90	109.40	109.40	111.30	111.90	111.60	112.20	112.10	114.30
Horticultural, Forestry, and Environmental Ed	63.50	73.20	79.40	80.60	84.00	88.70	87.20	97.20	99.30	93.50
Facilities Management (formerly Central Maintenance)	102.65	91.10	89.80	89.80	95.20	95.90	98.30	98.60	97.20	101.90
Northern Region	116.52	101.00	100.00	103.20	107.90	115.00	119.00	120.80	122.90	122.00
Southern Region	181.84	153.90	151.20	153.50	154.20	156.40	158.70	162.30	162.50	171.00
Support Services	1.10	1.10	2.90	1.10	2.60	2.60	2.60	3.10	3.10	3.10
Property Management	3.50	2.50	5.00	6.00	7.00	7.00	7.00	7.00	7.00	5.80
Total Park Operations and Maintenance	691.39	621.80	630.60	641.10	665.00	691.00	714.60	732.30	739.60	759.80
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	110.90	117.20	118.90	116.00	110.30	110.00	119.30	126.70	125.40	120.70
Total Workyears	1,019.26	917.85	924.80	931.63	954.90	982.74	1,016.64	1,042.79	1,050.75	1,066.26

Source: The Maryland-National Capital Park and Planning Commission Adopted Annual Budget, various years.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 15  
continued

Total Government Employees by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Commissioners Office	14.30	14.00	13.50	13.50	13.50	13.50	13.50	13.50	14.50	14.50
Department of Human Resources and Management	24.25	25.25	23.15	23.65	24.90	24.20	26.15	29.14	29.76	30.26
Department of Finance	33.30	29.80	28.50	31.70	31.70	32.81	32.81	32.81	23.93	24.42
Inspector General	0.00	2.50	2.50	2.50	3.00	3.00	3.00	3.30	3.30	3.30
Corporate IT	-	-	-	-	-	-	-	-	10.10	10.10
Legal Department	11.65	9.75	9.75	10.00	10.00	10.00	10.00	10.30	12.00	12.00
Merit System Board	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
General Government:	83.75	81.55	77.65	81.60	83.35	83.76	85.71	89.30	93.84	94.83
County Planning and Zoning:										
Director's Office	28.00	28.00	28.50	32.50	35.50	27.50	27.50	30.50	30.50	28.50
Development Review	59.00	56.00	53.00	53.00	53.00	55.00	51.00	51.00	54.00	54.00
Community Planning	43.60	42.60	39.60	37.75	33.75	26.63	26.75	25.75	25.75	28.75
Information Management	27.80	28.00	28.00	28.00	27.00	25.00	24.00	24.00	25.00	27.00
County-Wide Planning	46.00	45.00	40.00	40.00	42.00	43.00	41.00	41.00	41.00	44.00
Total County Planning and Zoning	204.40	199.60	189.10	191.25	191.25	177.13	170.25	172.25	176.25	182.25
Park Operations and Maintenance:										
Office of the Director	4.00	3.00	3.00	3.00	13.00	19.00	19.00	14.00	9.00	12.00
Administrative Services	15.10	15.50	38.50	38.50	39.50	52.00	52.00	62.50	74.10	83.10
Administration and Development	-	2.00	6.00	6.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Affairs and Marketing	15.00	14.00	14.00	14.00	-	-	-	-	-	-
IT & Communications	27.20	29.20	28.20	30.20	32.20	31.20	31.20	33.90	33.90	32.90
Park Police	151.50	146.50	146.50	150.50	150.50	155.50	155.50	156.50	161.00	166.50
Park Planning and Development	61.00	56.50	55.00	55.00	55.00	55.00	55.00	60.60	58.15	60.20
Facility Operations	266.50	291.90	285.60	293.10	310.60	315.10	317.60	347.50	333.38	341.50
Area Operations	249.10	241.50	247.50	255.50	262.50	263.00	264.15	270.45	283.90	286.70
Total Park Operations and Maintenance	789.40	800.10	824.30	845.80	865.30	892.80	896.45	947.45	955.43	984.90
Recreation Programs:										
Administrative Services	18.50	18.00	-	-	-	-	-	-	-	-
Public Affairs and Marketing	2.00	2.00	2.00	3.00	-	-	-	-	-	-
Administration and Development	2.00	3.00	-	-	-	-	-	-	-	-
IT & Communications	-	-	-	-	-	-	-	-	-	-
Facility Operations	226.50	179.40	212.40	215.40	222.40	250.90	254.90	270.30	299.75	345.16
Area Operations	733.30	723.70	689.20	713.20	722.20	792.20	783.73	908.83	911.57	925.20
Total Recreation Programs	982.30	926.10	903.60	931.60	944.60	1,043.10	1,038.63	1,179.13	1,211.32	1,270.36
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	200.50	193.00	188.00	180.00	181.00	202.00	202.00	203.00	199.00	206.10
Total Workyears	2,260.35	2,200.35	2,182.65	2,230.25	2,265.50	2,398.79	2,393.04	2,591.13	2,635.84	2,738.44

Source: The Maryland-National Capital Park and Planning Commission Adopted Annual Budget, various years.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 16

Operating Indicators by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
General Government, Commission-Wide:										
Number of Positions Advertised	60	147	109	109	285	442	472	461	527	621
Number of Vendors in Directory	14,974	15,926	10,226	4,509	5,470	6,284	7,036	7,691	8,568	8,976
Number of MFD Vendors in Directory	4,182	4,547	4,957	205	421	577	717	1,353	1,765	1,861
<b>County Planning and Zoning:</b>										
Number of Master & Sectional Map Amendment Plans Completed	2	3	2	8	4	4	3	6	2	3
Number of Regulatory Planning Reviews	254	352	284	294	234	256	215	226	209	223
Number of Transportation Studies	29	47	40	23	24	21	25	19	16	9
Number of Site Plan and Project Plans Reviews	76	81	99	85	90	72	60	112	86	96
Number of Daily Website Visits	4,190	3,225	5,521	4,181	5,242	5,455	5,104	5,588	5,783	6,448
Number of GIS Updates	18,537	69,237	22,017	93,116	28,899	126,197	n/a	n/a	875,035	131,465
Number of Regulatory Project Views on DAIC	n/a	n/a	n/a	n/a	n/a	272,999	317,858	611,177	730,559	808,332
Number of Users Accessing GIS Licenses	n/a	n/a	n/a	n/a	n/a	179	179	177	181	187
<b>Park Operations and Maintenance:</b>										
Number of Playground Renovations Completed	6	8	7	5	5	5	6	5	5	4
Total Acres of Parkland Acquired	59	355	75	665	432	314	91	82	33	13
Trees Planted for Reforestation Projects	1,797	6,300	34,942	2,076	414	646	912	1,351	766	1,039
Major Maintenance Requests Completed	85	98	94	87	90	117	119	120	120	104
Service Requests Completed	6,432	6,453	6,801	6,583	9,117	8,491	10,208	10,233	12,875	9,887
Number of Customers Attending Nature Programs	34,533	27,274	32,183	39,157	40,985	41,226	41,045	46,891	51,616	34,700
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	427,854	402,438	432,154	375,912	520,388	532,732	604,889	638,599	647,497	358,242
Number of Indoor Tennis Customers	122,049	106,435	110,826	124,713	117,283	115,777	119,537	122,535	136,280	103,744
Number of Park Facilities Customers	588,464	626,243	519,704	333,689	404,885	662,538	652,642	727,542	658,346	412,421
Number of Conference Center Customers	28,455	40,943	50,509	47,347	58,373	54,376	49,350	43,599	47,567	34,177

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 16  
continued

Operating Indicators by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	98	120	120	169	157	134	350	375	26	60
Number of New Zoning Applications	34	61	60	34	48	51	50	50	39	54
Number of Help Desk Requests Completed	3,213	4,332	4,000	2,769	3,200	3,267	3,300	3,300	3,050	3,100
Number of GIS Requests Delivered	200	200	210	201	150	50	105	50	110	50
Number of Historic Area Work Permits	n/a	n/a	n/a	n/a	n/a	95	85	85	85	100
Number of Transportation Referrals Received	107	113	128	126	141	142	182	170	324	350
Number of Environmental Referrals Received	359	342	350	424	392	362	382	382	819	875
Number of Walk-in Customers Served	5,256	4,580	5,000	4,812	5,059	4,728	4,900	5,000	4,562	4,950
Number of Telephone Calls Responded to	4,162	4,562	5,000	4,919	4,489	5,041	5,500	5,750	8,034	6,800
Park Operations and Maintenance:										
Number of Park acres	27,528	27,628	27,000	27,625	27,125	27,150	28,125	28,500	28,400	28,600
Number of completed Capital Improvement projects	34	30	45	28	12	37	24	29	15	19
Number of picnic shelters rentals	924	929	599	590	610	635	660	670	730	750
Number of ADA Accommodations	2,600	2,800	2,633	3,056	3,100	3,150	3,250	3,300	3,300	3,600
Number of Community Sponsored Events	313	322	452	447	463	539	511	530	547	555
Number of Community Outreach events	313	322	330	330	240	300	162	165	270	280
Recreation Programs:										
Number of permits for Recreation building use	n/a	n/a	630	640	655	660	690	690	990	1,000
Total Parks Direct Accounts	n/a	n/a	294,414	323,727	335,345	350,000	355,000	355,000	150,000	160,000
Number of youth volunteer hours served	n/a	425	461	425	435	25,000	25,000	20,000	25,000	30,000
Number of Art class registrants	6,900	7,000	2,576	2,967	2,950	2,800	2,600	2,500	2,600	1,000
Number of Therapeutic Recreation programs	408	405	453	460	465	464	465	465	475	485
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities										
Number of Rounds of Golf	n/a	n/a	78,006	74,923	76,848	75,000	78,000	76,000	76,000	65,000
Number of Fitness center memberships	5,198	5,600	12,654	6,875	12,930	14,000	15,000	15,500	18,500	22,000
Number of swimming class participants	16,188	17,806	12,017	12,619	14,659	13,000	9,500	10,000	11,000	14,000
Number of Instructional tennis class participants	n/a	n/a	2,625	2,950	2,758	2,850	n/a	n/a	2,400	2,500
Number of event days at Show Place Arena	222	208	332	291	299	300	n/a	n/a	n/a	n/a

Source: The Maryland-National Capital Park and Planning Commission Proposed Annual Budget, various years . FY20 estimated data.

n/a - not available



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 17

Capital Asset Statistics by Function  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>COMMISSION-WIDE</u>										
<b>Governmental Activities</b>										
General Government:										
Office Building	1	1	1	1	1	1	1	1	1	1
<u>MONTGOMERY COUNTY</u>										
<b>Governmental Activities</b>										
County Planning and Zoning:										
Office Building	1	1	1	1	1	1	1	1	1	1
Park Operations and Maintenance:										
Athletic Fields	363	347	350	350	350	367	354	343	342	366
Basketball Courts	207	207	207	207	207	214	216	221	225	225
Campsites	102	108	107	107	107	102	102	102	102	102
Dog Parks	5	5	5	5	5	6	6	6	6	6
Historic Buildings	45	43	117	117	117	117	117	117	111	111
Office Building	13	13	13	13	13	13	13	13	13	13
Picnic Shelters	132	129	130	130	130	134	135	136	136	131
Playgrounds	291	290	291	291	291	285	284	290	273	276
Recreation Buildings	31	29	25	25	25	28	28	28	28	28
Rental Buildings	49	49	53	53	53	52	52	52	59	61
Skateboard Park	1	2	3	3	3	3	3	3	3	3
Tennis Courts	305	317	315	315	315	304	302	302	304	301
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Antique Carousel	1	1	1	1	1	1	1	1	1	1
Conference Centers	5	5	5	5	5	5	5	5	5	5
Equestrian Centers	5	6	6	6	6	6	6	6	6	6
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Indoor Tennis Facilities	2	2	2	2	2	2	2	3	3	3
Miniature Trains	2	2	2	2	2	2	2	2	2	2
Miniature Golf Course	1	1	1	1	1	1	1	1	1	1
Splash Park	1	1	1	1	1	1	1	1	1	1
<u>PRINCE GEORGE'S COUNTY</u>										
<b>Governmental Activities</b>										
Park Operations and Maintenance:										
Athletic Fields	390	390	392	392	392	392	392	392	392	392
Basketball Courts	214	214	215	215	218	219	219	219	219	219
Marina	0	0	0	0	0	0	0	0	1	1
Office Building	14	14	14	14	14	14	14	14	14	14
Parking Lots	4	4	4	4	4	5	6	6	6	6
Pedestrian Bridges	2	2	2	2	3	3	3	3	6	6
Picnic Shelters	88	88	88	88	91	92	94	94	94	94
Playgrounds	228	229	240	240	252	254	254	254	260	260
Recreation Buildings	26	28	34	34	34	34	35	38	38	38
Tennis Courts	163	163	163	163	164	165	165	165	165	165
Trails and Pathways	4	4	4	4	4	4	4	4	5	5
Recreation Programs:										
Community Centers	31	31	31	31	31	36	36	36	36	36
Historic Buildings	15	15	15	15	15	16	16	16	16	16
Swimming Pools	11	11	11	11	11	13	16	17	17	17
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Airport	1	1	1	1	1	1	1	1	1	1
Equestrian Center	1	1	1	1	1	1	1	1	1	1
Golf Courses	3	3	3	3	3	4	4	4	4	4
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Marina	1	1	1	1	1	1	1	1	-	-
Sports and Learning Complex	1	1	1	1	1	1	1	1	1	1
Tennis Bubbles	2	2	2	2	2	2	2	2	2	2
Trap and Skeet Range	1	2	2	2	2	2	2	2	2	2

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 18

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	25,000 - 30,000	1	5.82 %	>30,000	1	5.88 %
Montgomery County Public Schools	25,000 - 30,000	2	4.77	20,000 - 25,000	2	4.81
Montgomery County Government	10,000 - 15,000	3	2.65	5,000 - 10,000	4	1.60
U.S. Department of Defense	5,000 - 10,000	4	1.59	10,000 - 15,000	3	2.67
Adventist Healthcare	5,000 - 10,000	5	1.59	5,000 - 10,000	7	1.60
Holy Cross Hospital of Silver Spring	2,500 - 5,000	6	0.79	**		
Marriott International Admin Svcs, Inc.	2,500 - 5,000	7	0.79	5,000 - 10,000	6	1.60
Montgomery Community College	2,500 - 5,000	8	0.79	**		
Government Employees Insurance Co.	2,500 - 5,000	9	0.79	**		
U.S. Department of Commerce	2,500 - 5,000	10	0.79	5,000 - 10,000	5	1.60
Lockheed Martin Corporation	**		-	2,500 - 5,000	8	0.80
Giant Food Corporation	**		-	2,500 - 5,000	9	0.80
Verizon	**		-	2,500 - 5,000	10	0.80
Total			<u>20.37 %</u>			<u>22.16 %</u>

PRINCE GEORGE'S COUNTY

<u>Employer</u>	<u>2019 (1)</u>			<u>2010</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Joint Base Andrews Naval Air Facility Washington*	17,500	1	3.72 %	**		- %
NASA/Goddard Space Flight Center *	17,000	2	3.61	**		-
University System of Maryland (2)	14,000	3	2.98	**		-
U.S. Internal Revenue Service *	4,700	4	1.00	**		-
United States Census Bureau *	4,200	5	0.89	**		-
United Parcel Service	3,300	6	0.70	4,220	1	1.29
University of Maryland Capital Region Health	3,000	7	0.64	**		-
MGM National Harbor	2,500	8	0.53	**		-
Marriott International	2,000	9	0.43	**		-
Prince George's Community College	2,000	10	0.43	**		-
Giant Food, Inc.	**		-	3,600	2	1.10
Verizon	**		-	2,738	3	0.84
Dimensions Health Corporation	**		-	2,500	4	0.77
Gaylord National Resort and Convention Center	**		-	2,500	5	0.77
Shoppers Food Warehouse	**		-	1,975	6	0.60
Safeway Stores, Inc.	**		-	1,605	7	0.49
Chevy Chase Bank	**		-	1,456	8	0.45
Target	**		-	1,400	9	0.43
Doctor's Community Hospital	**		-	1,300	10	0.40
Total	<u>70,200</u>		<u>14.93 %</u>	<u>20,594</u>		<u>3.23 %</u>

Note:

- (1) In 2020, Information is not yet available.
- (2) Includes UMPC, UMUC and Bowie State University
- (\*) Employee counts for federal and military facilities exclude contractors.
- (\*\*) Employer is not one of the ten largest employers during the year noted.

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

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

Table 19

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2020

Recreational Facilities

MONTGOMERY COUNTY

	Ice Rinks	Golf Courses	Park Facilities	Indoor Tennis	Conference Centers	MC Ent Admin	Sub-total	Wheaton HQ	Total
Operating Revenues	\$ 3,666,719	\$ 60,955	\$ 3,232,621	\$ 1,589,592	\$ 364,396	\$ -	\$ 8,914,283	\$ 116,099	\$ 9,030,382
Operating Expenses Before Depreciation	3,647,927	-	3,073,426	1,346,225	549,130	(13,060)	8,603,648	-	8,603,648
Operating Income (Loss) Before Depreciation	18,792	60,955	159,195	243,367	(184,734)	13,060	310,635	116,099	426,734
Depreciation	505,457	128,228	102,705	46,316	7,387	13,060	803,153	-	803,153
Operating Income (Loss)	(486,665)	(67,273)	56,490	197,051	(192,121)	-	(492,518)	116,099	(376,419)
Nonoperating Revenues (Expenses)	(214,712)	-	406,490	160,494	6,172	-	358,444	92	358,536
Transfers In (Out)	(5,593)	-	5,593	-	-	-	5,593	-	5,593
Net Income (Loss)	<u>(706,970)</u>	<u>(67,273)</u>	<u>468,573</u>	<u>357,545</u>	<u>(185,949)</u>	<u>-</u>	<u>(134,074)</u>	<u>116,191</u>	<u>(17,883)</u>

PRINCE GEORGES COUNTY

	Airport	Equestrian Center/ Multipurpose Arena	Golf Courses	Ice Rinks	Regional Parks	Trap and Skeet Center	Sports and Learning Complex	Bladensburg Marina	Total
Operating Revenues	\$ 310,212	\$ 934,650	\$ 1,611,715	\$ 210,237	\$ 359,145	\$ 990,704	\$ 2,083,176	\$ -	\$ 6,499,839
Operating Expenses Before Depreciation	704,329	2,981,701	3,712,875	598,439	1,171,677	1,212,576	7,251,976	-	17,633,573
Operating Income (Loss) Before Depreciation	(394,117)	(2,047,051)	(2,101,160)	(388,202)	(812,532)	(221,872)	(5,168,800)	-	(11,133,734)
Depreciation	18,030	495,129	181,704	85,270	35,143	25,564	1,103,712	-	1,944,552
Operating Income (Loss)	(412,147)	(2,542,180)	(2,282,864)	(473,472)	(847,675)	(247,436)	(6,272,512)	-	(13,076,286)
Nonoperating Revenues (Expenses)	18,469	79,576	88,815	45,492	22,027	9,850	-	33,671	297,900
Transfers In (Out)	261,063	1,922,803	908,807	983,341	2,308	8,297	4,070,973	-	8,157,592
Net Income (Loss)	<u>(132,615)</u>	<u>(539,801)</u>	<u>(1,285,242)</u>	<u>555,361</u>	<u>(823,340)</u>	<u>(229,289)</u>	<u>(2,201,539)</u>	<u>33,671</u>	<u>(4,622,794)</u>

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

## **Acknowledgments**

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

Abbey Rodman  
Elaine Stookey  
and  
Christina Chiles  
Harion R. Davis  
Tanya R. Hankton  
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Sheila Joynes  
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Latisha A. Parker  
Bridget Schwiesow  
Sonya Shirland  
Royden Rodgers  
Chandra Washington  
Kristi Williams  
TaPrece Williams

## **Photo Index**

### **Cover: 2020 Montgomery County**

The new Wheaton Headquarters in Wheaton, MD will be housing the Montgomery County Planning and Montgomery Parks Departments. It is the first LEED Platinum Government building in Maryland.

### **Page 8: Collage**

Families enjoy an afternoon of Turkey bowling at Gwendolyn Coffield Community Recreation Center; Park Police on their horses entertaining children in the park; Families making scarecrows at Maydale Nature Classroom; Adult helping little girl learn to play in therapeutic recreational basketball; Families enjoying an afternoon of fun at the Color and Kite Festival; Seniors practicing Tai Chi in the park during Active Aging week; Children running through the light tunnel at Brookside Gardens – Garden of Lights Winter Festival; Asian dancers performing at Newton White Mason in celebration of Asian Pacific Heritage Month.

### **Photo Credits:**

Montgomery County Department of Parks: Marilyn Stones: Cover, pages 8, 19, 109, and 117.

Cassi Hayden (Prince George's County): pages 1, 8, 105, 113, and 121.

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The Maryland-National Capital  
Park and Planning Commission



- 2425 Reedie Road, Wheaton,  
Maryland 20902
  - 14741 Governor Oden Bowie Drive,  
Upper Marlboro, Maryland 20772
-

**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 \$25,100,000 Prince George’s County General Obligation Park Acquisition and Development Project Bonds, Series PGC-2021A (the “Bonds”), which are described as follows:

Dated the date of initial delivery, interest payable semiannually on each May 1 and November 1, commencing May 1, 2022 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 15, 2021 (the “Resolution”); and maturing, subject to prior redemption, on November 1 in each of the years, 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 public body of the State of Maryland and Prince George's County, Maryland (the "County") is a 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 sufficient to make up the deficiency. 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, interest on the Bonds (i) 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) is not a specific item of tax preference for purposes of the Federal alternative minimum tax. We express no opinion regarding other Federal tax consequences arising with respect to the Bonds.

In providing the opinions set forth in this paragraph (c), we are 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 United States Treasury. The Non-Arbitrage Certificate and Tax Covenants of even date herewith executed and delivered by the Commission (the "Tax Certificate") 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. We have 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 Certificate, 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 Certificate. We express no opinion concerning any effect on the excludability of interest on the Bonds from gross income for Federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

(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.



Our services as Bond Counsel to the Commission have been limited to rendering the foregoing opinions based on our review of such legal proceedings and other documents as we deem necessary to approve the validity of the Bonds and tax-exempt status of the interest on them. We express no opinion as to the accuracy, completeness or sufficiency of any offering material or information that may have been relied upon by any owner of the Bonds in making a decision to purchase the Bonds. This opinion is given as of the date hereof, 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

\$25,100,000\*

## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Prince George's County

General Obligation

Park Acquisition and Development Project Bonds, Series PGC-2021A

**Electronic Bids only will be received until 10:30 A.M.,  
Local Baltimore, Maryland Time, on October 21, 2021**

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 Sections 18-201 through 18-211, inclusive, of the Land Use Article of the Annotated Code of Maryland (2012 Replacement Volume and 2021 Supplement) (the "Land Use Article") and a Resolution of the Commission adopted on September 15, 2021. The Bonds will bear interest from the date of their delivery payable semi-annually on each May 1 and November 1, commencing May 1, 2022 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").

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

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>
2022	\$1,255,000	2032	\$1,255,000
2023	1,255,000	2033	1,255,000
2024	1,255,000	2034	1,255,000
2025	1,255,000	2035	1,255,000
2026	1,255,000	2036	1,255,000
2027	1,255,000	2037	1,255,000
2028	1,255,000	2038	1,255,000
2029	1,255,000	2039	1,255,000
2030	1,255,000	2040	1,255,000
2031	1,255,000	2041	1,255,000

\*Preliminary, subject to change.

**Adjustments:** The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to reduction by the Commission after the receipt of bids for their purchase. The final aggregate principal amount and maturity schedule for the Bonds will be communicated to the successful bidder by 5:00 p.m. local Baltimore, Maryland time on the date of sale and will not reduce the aggregate principal amount of the Bonds by more than the premium bid by the successful bidder. The dollar amount bid for principal by the successful bidder will be adjusted to reflect any reduction 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.

**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.

**Registrar and Paying Agent:** The Maryland-National Capital Park and Planning Commission will act as Registrar and Paying Agent for the Bonds.

**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.

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 November 1, 2032, are subject to redemption prior to their respective maturities at any time on or after November 1, 2031, at the option of the Commission, in whole or in part, in any order of maturities, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

**Electronic Bids:** Notice is hereby given that electronic proposals will be received via **PARITY®**, in the manner described below, until 10:30 A.M., local Baltimore, Maryland time, on October 21, 2021.

Bids may be submitted electronically pursuant to this Notice until 10:30 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 10:30 A.M. local Baltimore, Maryland time, on October 21, 2021. 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.

**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 10:30 A.M., local Baltimore, Maryland time on October 21, 2021. 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 4.00%.

**Award of Bonds:** 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. local Baltimore, Maryland time on the sale date. All bids shall remain firm until an award is made.

**Good Faith Deposit:** The successful bidder is required to submit a good faith deposit in the amount of \$251,000 (the "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 such bidder. 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 \$251,000 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.

**Establishment of Issue Price:** The successful bidder shall assist the Commission in establishing the issue price of the Bonds and shall execute and deliver to the Commission at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Commission and Bond Counsel. All actions to be taken by the Commission under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Commission by the Commission’s financial advisor identified herein and any notice or report to be provided to the Commission may be provided to the Commission’s financial advisor.

The Commission intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the Commission shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Commission may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Commission anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

By submitting a bid, each bidder (i) confirms that its bid is a firm offer for the purchase of the Bonds identified in this Notice of Sale, on the terms set forth in its bid and this Notice of Sale, except as permitted by this Notice of Sale and (ii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the Commission shall so advise the successful bidder. The Commission may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Commission if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Commission shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Commission determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject

to the hold-the-offering-price rule in order to establish the issue price of the Bonds. By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the Commission when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the Commission the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

The Commission acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Commission further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each

broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Commission (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the Commission to the successful bidder.

**CUSIP Numbers; Expenses of Successful Bidder:** CUSIP identification numbers will be applied for by the Commission’s Financial Advisor with respect to the Bonds, and paid for by the Commission, but the Commission will assume no obligation for the assignment or printing of such numbers on the Bonds or the correctness of such numbers, and neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale.

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 an electronic copy and a reasonable number of hard copies (not to exceed 50) of the Official Statement (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.

Delivery of the Bonds, at the Commission's expense, will be made by the Commission to the purchaser on November 4, 2021, 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 a 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 618, 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 BiDCOMP/Parity@/www.i-dealprospectus.com or 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 BiDCOMP/Parity@/www.i-dealprospectus.com or TM3-News Service at the time any alternative sale date is announced.

THE MARYLAND-NATIONAL CAPITAL  
PARK AND PLANNING COMMISSION

By: Elizabeth Hewlett  
Chair

\$ \_\_\_\_\_  
The Maryland-National Capital Park and Planning Commission  
Prince George's County  
General Obligation  
Park Acquisition and Development Project Bonds,  
Series PGC-2021A

**ISSUE PRICE CERTIFICATE**  
**(Qualified Competitive Bid)**

The undersigned, on behalf of [NAME OF PURCHASER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Issuer* means The Maryland-National Capital Park and Planning Commission.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 21, 2021.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2021

SCHEDULE A  
Expected Offering Prices of the Bonds

SCHEDULE B  
Copy of Bid

\$ \_\_\_\_\_  
The Maryland-National Capital Park and Planning Commission  
Prince George's County  
General Obligation  
Park Acquisition and Development Project Bonds,  
Series PGC-2021A

**ISSUE PRICE CERTIFICATE**  
**(Nonqualified Competitive Bid)**

The undersigned, on behalf of [NAME OF PURCHASER] (the "Purchaser"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities Bonds, the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) Each Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule C.

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-price rule. Pursuant to such agreement, no Underwriter has offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."

(b) *Issuer* means The Maryland-National Capital Park and Planning Commission.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([\_\_\_\_\_, 2021]), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 21, 2021.

(g) *Substantial Amount* means ten percent (10%).

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule B hereto as the “Undersold Maturities.”

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as  
Purchaser  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2021

SCHEDULE A  
Sale Prices of the 10% Maturities



**SCHEDULE B**  
**Initial Offering Prices of the Undersold Maturities**

SCHEDULE C  
Pricing Wire

**FORM OF COMMISSION CONTINUING DISCLOSURE CERTIFICATE**

With respect to the \$25,100,000 Prince George’s County General Obligation Park Acquisition and Development Project Bonds, Series PGC-2021A (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 15, 2021 (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.

“Financial Obligation” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. If the definition of “financial obligation” in the Rule is amended, the same amendment shall be deemed to be made to the definition of Financial Obligation for purposes of the Continuing Disclosure Agreement, without further action by the Commission.

“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, 2022, 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 timely 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;

- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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

(b) 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 a 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 4th day of November, 2021.

**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: \$25,100,000 Prince George's County General Obligation Park Acquisition and Development Project Bonds, Series PGC-2021A  
Date of Issuance: November 4, 2021

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 November 4, 2021. 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 Chief Administrative Officer 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 \$25,100,000 Prince George's County General Obligation Park Acquisition and Development Project Bonds, Series PGC-2021A (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 4th day of November, 2021.

(SEAL)

\_\_\_\_\_  
Chief Administrative Officer  
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.