



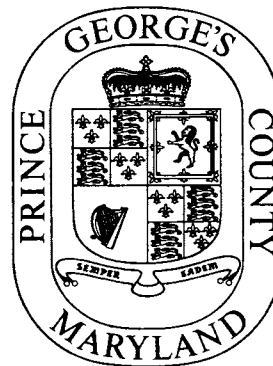
# Comprehensive Annual Financial Report

For the Year Ended June 30, 2012

Rushern L. Baker, III  
County Executive

***PRINCE GEORGE'S COUNTY  
MARYLAND***

**Rushern L. Baker, III  
County Executive**



***2011 - 2012***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2012**

**Prepared by Office of Finance**

**Gail D. Francis**

**Director of Finance**

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## **INTRODUCTORY SECTION**

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This section contains the listing of County officials, the Letter of Transmittal and the Certificate of Achievement for Excellence in Financial Reporting.

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**Prince George's County, Maryland  
Comprehensive Annual Financial Report  
Year Ended June 30, 2012**

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## ELECTED OFFICIALS

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**COUNTY EXECUTIVE**  
**Rushern L. Baker, III**

**Andrea C. Harrison**  
**COUNTY COUNCIL**  
**Chairman**

Will A. Campos  
Mel Franklin  
Derrick Leon Davis  
Mary A. Lehman

Eric C. Olson  
Obie Patterson  
Karen R. Toles  
Ingrid M. Turner

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## CERTAIN OTHER EXECUTIVE BRANCH APPOINTED OFFICIALS

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Bradford L. Seamon, Chief Administrative Officer

Betty Hager Francis, Deputy Chief Administrative Officer

Glenda R. Wilson, Chief of Staff

Thomas M. Himler, Deputy Chief Administrative Officer

M. Andree Green, County Attorney

Carla A. Reid, Deputy Chief Administrative Officer

Gail D. Francis, Director of Finance

Barry L. Stanton, Deputy Chief Administrative Officer

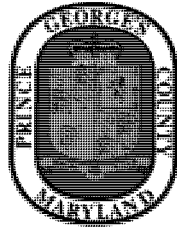
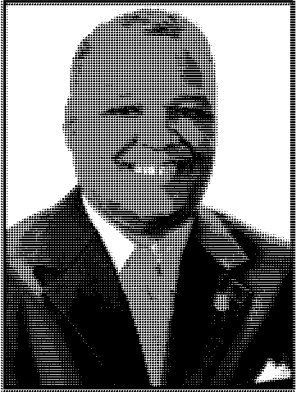
Terri L. Bacote-Charles, Director, Management and Budget

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## INDEPENDENT AUDITORS

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CliftonLarsonAllen LLP



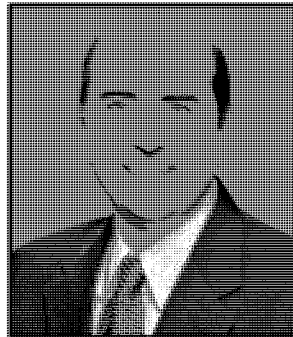
# Prince George's County Elected Officials

Rushern L. Baker, III  
County Executive

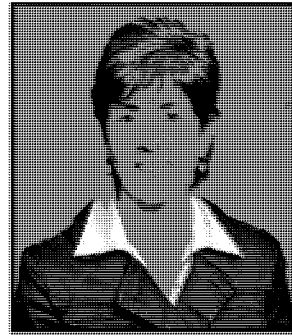
Rushern L. Baker, III  
County Executive



Andrea Harrison  
Chair, District 5



Eric Olson  
Vice Chair, District 3



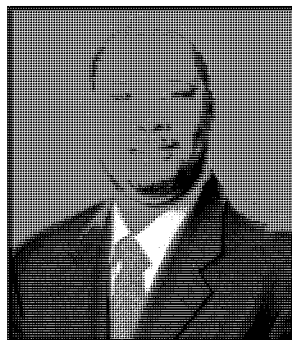
Mary A. Lehman  
District 1



Will Campos  
District 2



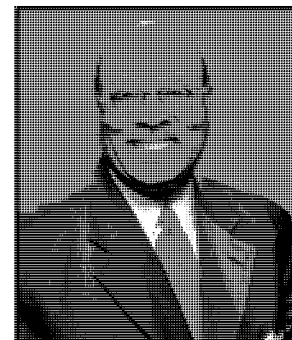
Ingrid M. Turner  
District 4



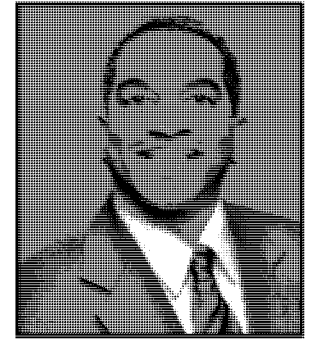
Derrick L. Davis  
District 6



Karen R. Toles  
District 7

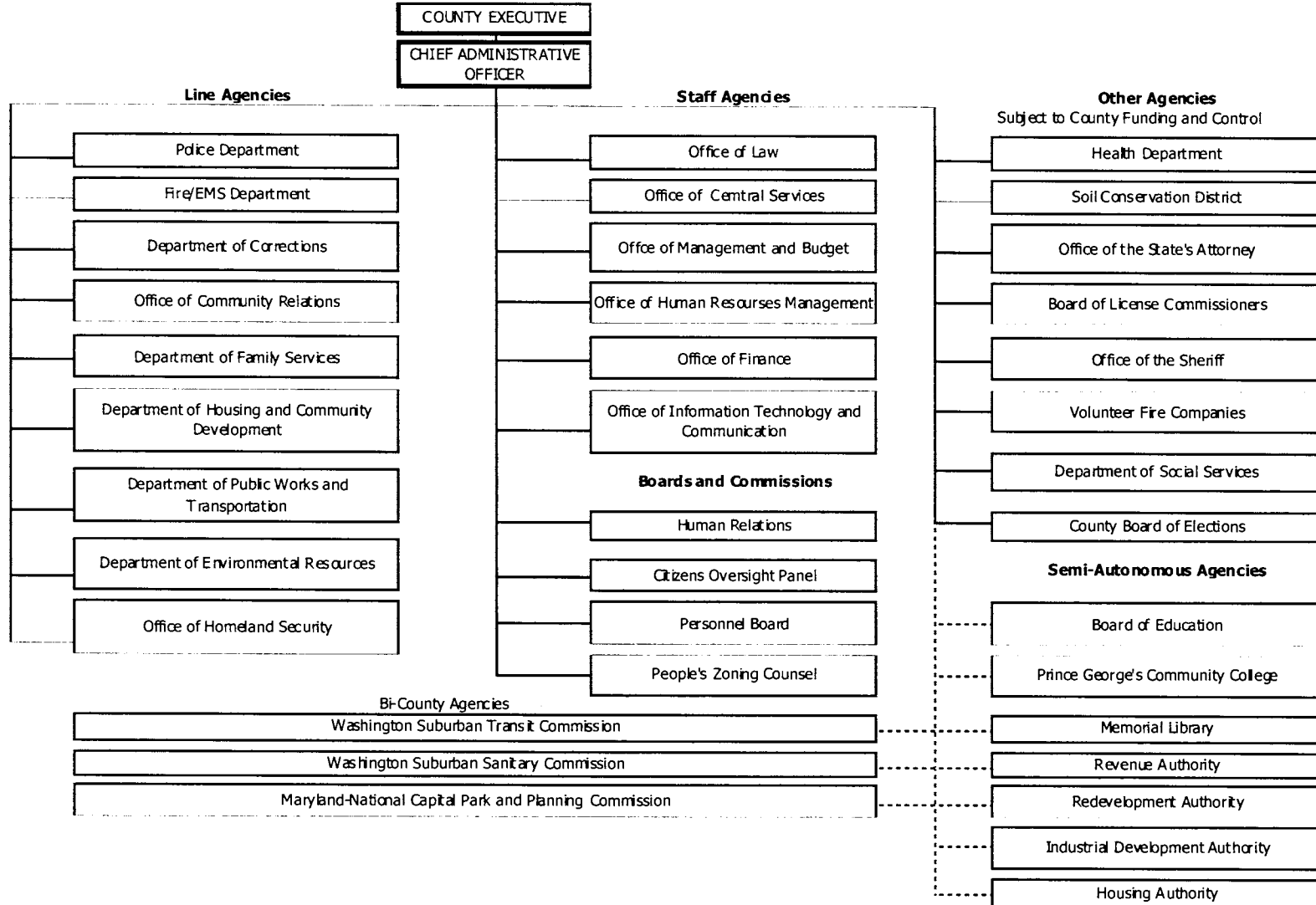


Obie Patterson  
District 8



Mel Franklin  
District 9

**PRINCE GEORGE'S COUNTY GOVERNMENT  
ORGANIZATIONAL CHART  
Executive Branch**



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Prince George's County  
Maryland

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Moynell*

President

*Jeffrey R. Emmer*

Executive Director

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Prince George's County,  
Maryland



Office of Finance  
Gail D. Francis, Director

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January 17, 2013

The Honorable County Council,  
the County Executive, and  
Citizens of Prince George's  
County, Maryland  
Upper Marlboro, Maryland 20772

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Prince George's County (the County) for the fiscal year ended June 30, 2012 required by local ordinances and state statutes. These ordinances and statutes stipulate that the County annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a way that presents fairly the financial position and results of operations of the governmental and business-type activities, various funds, and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this Single Audit, including a Schedule of Expenditures of Federal awards, the independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, and a Schedule of Findings and Questioned Costs will be included in a separately issued single audit report.

The Honorable County Council,  
County Executive, and County Citizens

Accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental activities require the County to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (the MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors on pages 3 through 16.

### **THE REPORTING ENTITY AND ITS SERVICES**

The financial reporting entity (the County) includes all the funds of the Primary Government (i.e., Prince George's County, Maryland as legally defined). It also includes Component Units for which the Primary Government is financially accountable. Discretely presented Component Units are reported in a separate column in the basic financial statements to emphasize that they are legally separate from the Primary Government and to differentiate their financial position and results of operations from those of the Primary Government. The County's eight Component Units are the following: Board of Education of Prince George's County, Housing Authority of Prince George's County, Industrial Development Authority of Prince George's County, Prince George's County Memorial Library System, Prince George's Community College, Prince George's Community Television Inc., Revenue Authority of Prince George's County, and Redevelopment Authority of Prince George's County.

The Washington Suburban Sanitary Commission, the Maryland-National Capital Park and Planning Commission, the Washington Suburban Transit Commission, and the Washington Metropolitan Area Transit Authority (WMATA) are joint ventures as disclosed in the accompanying notes to the financial statements. The Metropolitan Washington Council of Governments (COG) is reported as a jointly governed organization rather than a joint venture. Dimensions Health Corporation, Economic Development Corporation, and the Local Government Insurance Trust are deemed to be neither component units, nor joint venture activities as such, and accordingly are excluded from this report.

The services provided by the Primary Government include police, fire and emergency services, family service programs, public works, and court and correctional services. The Primary Government also adopts and maintains building codes, regulates licenses and permits, collects taxes and revenue, maintains records, conducts elections, and collects and disposes of refuse. Services provided by the component units and partially financed by the Primary Government include: elementary, secondary, and community college education; public and private building construction; community building projects; projects devoted wholly or partially for public use that will stimulate employment or economic growth; library services; planning services; parking facilities; public and private residential housing; and public access to cable television programming. Public transit, parks and recreational facilities, and water and sewer services are provided by various joint venture entities.

The Honorable County Council,  
County Executive, and County Citizens

## GOVERNMENTAL STRUCTURE AND DEMOGRAPHICS

Prince George's County, Maryland - a body corporate and politic - is a political subdivision of the State of Maryland, which operates under a "home rule" Charter which was adopted in November 1970. The powers of the County are contained in the Charter of Prince George's County, Maryland (the "Charter") and in the Constitution and laws of the State of Maryland. By Charter, the County is composed of an executive and a legislative branch. The executive branch enforces the laws and manages the business affairs of the County. It consists of a County Executive (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 the County. The legislative branch of the County consists of a nine-member County Council (elected by Councilmanic District) and its staff. The Charter limits the County Executive and members of the Council to two consecutive four-year terms in office.

When Prince George's County was formed, it included all of that part of Maryland lying between the Potomac and Patuxent Rivers, extending from Mattawoman and Swansons Creeks on the south to the Pennsylvania line on the north, thus encompassing the area which today is comprised of the District of Columbia, Montgomery, Frederick, Washington, Allegany, and Garrett Counties, the northwest half of Carroll County, and that part of Charles County lying north of Mattawoman Creek. Named for Prince George of Denmark, husband of Princess Anne, heir to the throne of England, our County was founded in 1696. Between 1696 and 1800, Prince George's County was reduced to its present size by acts of Maryland's General Assembly.

Prince George's County encompasses 487 square miles that borders Washington, D.C., Montgomery, Howard and Anne Arundel Counties and is 37 miles south of the City of Baltimore. The County's centralized location and its rich diversity has attracted nearly 871,233 residents and more than 15,000 businesses to its twenty-seven unique municipalities. Having a robust transportation system allows easy accessibility to the region's national and international airports and to the Port of Baltimore.

The Prince George's County Department of Parks and Recreation, under the guidance of The Maryland-National Capital Park and Planning Commission (M-NCPPC), is committed to providing quality recreation programs, facilities, and services within the County. The M-NCPPC was created by the Maryland General Assembly in 1927 to develop and operate public park systems, provide land use planning for the physical development of the great majority of Prince George's County, and operate the public recreation program. State of the art facilities and award winning programs have been the result. More than 23,000 acres of parkland in the County provide a balance between open space in its natural undeveloped state, and land developed with an extensive array of recreation facilities. Residents and visitors of Prince George's County will find a wide variety of programs and activities. Whether it is a class in the newest fitness craze, innovative programs for seniors, or a relaxing jazz concert at an arts center, the Department of Parks and Recreation offers a myriad of programs and activities for every age and interest. Small staff retreats, sports tournaments for hundreds of participants or large events to attract thousands, are all activities that have been hosted at park facilities within Prince George's County.



The Honorable County Council,  
County Executive, and County Citizens

## MAJOR INITIATIVES

In fiscal year 2012, the Prince George's County Government continued to be faced with challenging economic times. The ups and downs of the housing market and associated weakening of other segments of the economy continue to impact the County's revenue stream causing reductions in funding to County agencies. With that said, the County had to be fiscally prudent and made targeted investments to maintain its commitment to quality services across all levels -- education, public safety, health/human services, transportation, environmental, economic development and community revitalization. The Path to Greatness vision provides the basis for the spending priorities, while the fiscal policies provide the balance between accomplishing these spending priorities within the framework of sound financial management policies and practices. These policies are the foundation of both short-term and long-term planning decisions. In order for the County to move along the "Path to Greatness," it needed to expand the commercial property base, job base and income base to provide additional resources for its two major priorities -- education and public safety. The fiscal year 2012 budget began the transformation of Prince George's County as a major force in the economic development world from both a regional and national perspective.

### Education

Although funding to the Board of Education (BOE) was reduced in fiscal year 2012, education remains one of the County's two major priorities with funding to the BOE making up close to 60% of all General Fund spending. The fiscal year 2012 budget included \$1.6 billion, a reduction of \$13.3 million from fiscal year 2011. A portion of this reduction includes the cut of approximately \$73.8 million in other funding sources from major changes in the FY2012 approved budget which included the expiration of \$77.8 million in federal targeted and stabilization stimulus funds. The total County contribution for fiscal year 2012 to the BOE was approximately \$617.5 million, an increase of \$18.5 million from fiscal year 2011. The Path to Greatness does not exist unless there is a first-class school system to educate our children. The investments that have been made are beginning to produce academic performance gains. This positive direction allows our children to have the high-quality educational system that they deserve. A high-performing system will produce both a highly educated and skilled workforce for businesses to recruit from now and in the future. The County's investment in the public school system has helped to ensure that all students are prepared to meet the challenges of an economically competitive, technologically advanced and culturally diverse society.

In fiscal year 2012, the County invested funds in the Oxon Hill High School replacement, Hyattsville Elementary School, Avalon Elementary School replacement, Henry Ferguson Elementary School replacement and Systemic Replacements - old and failing mechanical, electrical, building envelope and structural systems.

The Honorable County Council,  
County Executive, and County Citizens

The fiscal year 2012 budget included funding to the Prince George's Community College. In fiscal year 2012, the College received \$100.2 million, an increase of \$5.1 million from fiscal year 2011. The County's contribution for fiscal year 2012 was \$29.2 million, a reduction of \$1.3 million from fiscal year 2011. The Community College is a campus under continuous change as evidenced by the number of construction projects underway at the main campus located in Largo, Maryland. Construction will be completed for the new Center for Health Studies, a new 110,075 square foot academic building which will house and support the health programs.

The County is also fortunate to have one of the best library systems in the State of Maryland despite spending cuts. The Prince George's County Memorial Library System received \$23.8 million in fiscal year 2012, a decrease of \$1.1 million from Fiscal Year 2011. The County contribution for fiscal year 2012 was \$17.1 million, an increase of \$290,900 from fiscal year 2011. Fiscal year 2012 funds contributed to complete construction to open the South Bowie Branch Library Expansion – a new 45,000 square foot library, Laurel Library Expansion – a new 32,000 square foot library with a large community meeting room and public service area, and Hyattsville Branch Renovation to renovate existing space and construct a 20,000 square foot addition.

#### Public Safety

Public Safety is a vital aspect of the County's Path to Greatness and is one of the County's two major priorities. Despite the difficult fiscal conditions, it is essential that the extraordinary progress made in reducing crime and maintaining safe communities continue. With that said, the fiscal year 2012 budget continued the investment in public safety agencies – Police, Fire/EMS, Corrections, Sheriff, Homeland Security and Volunteer Fire. In total, the County invested \$505.8 million in these agencies in fiscal year 2012, a decrease of \$4.1 million from fiscal year 2011.

The Police Department received the majority of these funds (\$257.5 million). This was a decrease of \$999,000 from fiscal year 2011. The Police Department's sworn staffing complement remained at 1,836 from fiscal year 2011 to fiscal year 2012. Its civilian staff was reduced by 25 positions from 336 in fiscal year 2011 to 311 in fiscal year 2012.

The Fire Department received approximately \$115 million in Fiscal Year 2012, a decrease of \$2.4 million, to assist in the delivery of fire and emergency medical system services to our residents. The Fire Department's sworn staffing levels increased in fiscal year 2012 by 6 positions from 765 in fiscal year 2011 to 771 in fiscal year 2012. The Office of Homeland Security has also played a critical role in improving the safety of our residents. The fiscal year 2012 budget provided \$22 million in funds to Homeland Security which was an increase of \$3.3 million from fiscal year 2011. The budget also included \$11.9 million in funding for our volunteer fire departments that partner with the County's professional department in providing fire protection services to our citizens. This was a decrease of \$338,800 from fiscal year 2011.

The Honorable County Council,  
County Executive, and County Citizens

In fiscal year 2012, the Department of Corrections received approximately \$67.7 million. The Department of Corrections' budget was decreased by \$2.1 million from fiscal year 2011. As a result, its civilian staff complement was reduced by 5 positions from 151 in fiscal year 2011 to 146 in fiscal year 2012. The Office of the Sheriff also experienced a decrease in funding this fiscal year of \$1.5 million from \$33.2 million in fiscal year 2011 to \$31.7 million in fiscal year 2012. Its civilian staffing level was reduced by 2 positions from 92 in fiscal year 2011 to 90 in fiscal year 2012.

Funding for several major public safety capital projects was also included in the fiscal year 2012 budget to include completion of the housing unit expansion project and kitchen facility replacement at the County's Correctional Center, Central Avenue Special Operations/EMS station, roof replacement/repairs will be completed at various fire stations, and the Police Department will begin construction on the new District VII Station and will continue to improve and rehabilitate various police facilities.

#### Health and Human Services

Although funding to Health and Human Services was reduced in fiscal year 2012, another critical component to a thriving community is a "Community that Cares." The fiscal year 2012 budget included \$31 million, a decrease of \$1 million from fiscal year 2011, in funding for various health and human services programs, including services for the elderly and disabled and also for families and children in need. Funding continued to support the County's Family Emergency Shelter Crisis Center for intact homeless families, outreach and counseling services for troubled and at risk youth, and the Regional Health and Human Services Center, a new one-stop full-service health and human service facility. The County invested \$15 million for our hospital system to assist in providing critical care throughout the County to continue work on a long-term solution. The County received \$15 million in State operating and \$4 million in capital support from the Governor in his FY2012 budget.

The Department of Family Services received \$3.3 million in fiscal year 2012, a decrease of \$934,800 from fiscal year 2011. It also received grant revenues of approximately \$12.7 million, a decrease of \$4.5 million from fiscal year 2011. This funding provided for the Nurse Family Partnership, Phoenix Curriculum, Transition Youth programs, and the Local Access Mechanism Programs. Funding was eliminated for the Family Justice Center, Federal Earmark, Functional Family Therapy, Mentoring Program, Program Development and TAMAR and Aftercare Programs.

The Honorable County Council,  
County Executive, and County Citizens

The Department of Social Services (DSS) partners with the community to stabilize and strengthen families, protect children and vulnerable adults, and encourage self-sufficiency and personal responsibility. In fiscal year 2012, DSS received \$2.7 million to continue those services, a decrease of \$132,300 from fiscal year 2011. The Health Department received \$22.7 in fiscal year 2012, an increase of \$140,600 of general funding from fiscal year 2011, to continue its mission of protecting and promoting a better quality of life for individuals within Prince George's County. The Health Department received \$50.2 in grant funding, an increase of 1.9 million from fiscal year 2011. This funding provided for an increase in Addiction's Grants combined: Expansion, Children and Parents, and Substance Abuse Treatment outcomes, and other various grant programs.

### Housing and Community Development

Another part of the Path to Greatness is housing and community development where the goal is to promote and increase the supply of quality affordable housing by creating safe, well-planned and attractive communities to support families and individuals in need. The Department of Housing and Community Development (DHCD) builds and revitalizes homes, businesses and communities for individuals and families of low, moderate, and middle incomes residing and working in the County. This is achieved through the collaborative efforts of DHCD, the Housing Authority of Prince George's County and the Redevelopment Authority of Prince George's County. In fiscal year 2012, the DHCD received \$2.2 million, an increase of \$32,300 from fiscal year 2011. It also received grant funding in the amount of \$90.4 million this fiscal year. This funding supports a broad range of physical improvements for those areas of the County designated for redevelopment and revitalization. Major programs support infrastructure improvements, public housing renovations and modernization, handicapped accessibility improvements, employment and educational training, job creation and retention for low and moderate-income people and businesses, health care, and general assistance to immigrants, the elderly and homeless. During fiscal year 2012, the DHCD provided housing subsidies to 5,230 families, funding provided an increase of \$2 million in the Section 8 Housing Choice Voucher program, the Neighborhood Stabilization Program will receive an additional \$1.8 million from the Federal Government and \$1.7 million from the State.

The Housing Authority is composed of five divisions: Housing Authority Administration, Financial and Administrative Services, Capital Markets, Housing Assistance, and Rental Assistance. The Housing Authority of Prince George's County works to provide housing information and referral services to citizens that have unique housing-related questions and concerns.

The Honorable County Council,  
County Executive, and County Citizens

### Economic Development

Economic development is a vital component of the Path to Greatness commitment to ensure a high quality of life and the long-term viability of Prince George's County. In fiscal year 2012, the County invested \$50 million in the Economic Development Incentive (EDI) Fund to provide financial assistance to expand our commercial tax base, create jobs, and increase the income tax base. This investment was an increase of \$33 million from fiscal year 2011. It also provided \$4.2 million in funding, an increase of \$24,700 from fiscal year 2011, to three economic development-related agencies. The Economic Development Corporation received \$2.7 million, the Prince George's Financial Services Corporation received \$680,000, and the Prince George's County Conference and Visitors Bureau received \$865,800. These agencies work to attract, retain and expand businesses, revitalize our established communities, promote the County's tourism activities and provide financial assistance to businesses.

Prince George's County, Maryland wraps around the eastern boundaries of Washington, D.C. The County has a flourishing economy that adds a brand of diversified, planned growth to the national economic climate. Expanding businesses are making the choice to establish operations in Prince George's County. Some of the impetus for these decisions includes competitively priced land and buildings, an integrated transportation system, proximity to Washington, D.C., the Revitalization Tax Credit, a High Technology Incentive Package, and Enterprise Zone benefits. The County also has a foreign trade zone and two state enterprise zones within its boundaries.

### Grant Programs

The County receives many State and Federal grants. These grants support County agency core responsibilities in an effort to provide expanded and/or increased services to Prince George's County citizens and residents. While human service agencies are responsible for managing a majority of the grants awarded to the County, many grants can be found in other areas such as Public Safety and Criminal/Civil Justice. For example, the Sheriff's Department received \$2.9 million in grant funds this fiscal year, a \$374,200 decrease from fiscal year 2011 and includes \$2.4 million for Child Support Enforcement (Cooperative Reimbursement). Other areas receiving the additional funding include \$4.4 million for the Police Department (a \$2.5 million decrease from the fiscal year 2011 budget and includes \$2.4 million in funding to address violent crime); \$5.5 million for the Department of Public Works and Transportation (a \$3.8 million increase from the fiscal year 2011 budget and includes \$332,800 in funding to replace aging transit vehicles to contribute air quality improvements and provide congestion relief); and \$757,600 for the Office of the State's Attorney (a \$236,900 decrease from the fiscal year 2011 budget and includes \$278,000 for Stop the Violence against Women and Vehicle Theft Prevention programs.)

The Honorable County Council,  
County Executive, and County Citizens

### **KEY ECONOMIC FACTORS**

Property values fell in FY 2012. The triennial assessments are divided into three groups. Group 2's assessable value dropped by 28.7% from three years ago, causing a decrease in the growth rate of property tax revenue.

Home sales fell 0.2% in FY 2012 compared to FY 2011. Median sales price dropped to \$161,700 in FY 2012, down from \$171,900 in FY 2011. These two factors contributed to the decline in transfer and recordation tax revenues in FY 2012.

Foreclosure activity remains very high in the County. Despite a decrease of 32.8% in 2012, Prince George's County continued to lead the State of Maryland in foreclosure activity, accounting for almost one-third of the total activity. Additionally, the number of foreclosures has increased on a quarter-by-quarter basis in 2012, from 1,129 in the first quarter to 1,295 in the third quarter.

Income tax revenues exceeded expectations in FY 2012, increasing by 6.8% over FY 2011.

### **LONG-TERM FINANCIAL PLANNING**

A Charter amendment adopted by the citizens in November 2002 requires the County to maintain a contingency reserve equal to 5% of the General Fund Budget. The County also maintains an operating reserve equal to 2% of the General Fund Budget to ensure a reasonable degree of stability to its programs over the long-term. Funds can only be used to meet a public emergency, which constitutes a sudden, unexpected or unforeseen condition or occurrence, creating an imminent hazard to life, health or property and requiring an immediate action.

As part of the annual operating budget process the County uses various forecasting and debt models to develop six-year revenue, expenditure, and fund balance projections. These models assist in revealing possible structural imbalances and provide an opportunity to take corrective actions. As a result, the County can further endure the efficient use of public funds over the long term.

### **FINANCIAL POLICIES**

Prince George's County has grown to become the second largest jurisdiction in the State of Maryland (and the third largest in the metropolitan Washington area). The County continues to provide quality government services for its citizens while maintaining a sound financial position.

Management of the County is responsible for establishing and maintaining effective internal controls designed to ensure that the assets of the County are protected from loss, theft or misuse, and to capture accurate accounting data that will be used to prepare financial statements in

The Honorable County Council,  
County Executive, and County Citizens

conformity with GAAP. An internal control structure is in place 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 valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state, and local financial assistance, the County is also responsible for establishing and maintaining effective internal control over compliance with requirements, laws, and regulations applicable to these programs. The internal control structure is subject to periodic evaluation by management and the County's Office of Audits and Investigations.

As part of the County's Single Audit, described earlier, tests are made of the County's internal control over compliance and of its compliance with laws and regulations applicable to each of the County's major federal award programs. The Primary Government maintains an Office of Audits and Investigations as required by Charter. The duties and responsibilities of this office include: annual financial audits of all agencies receiving or disbursing County funds; special audits of the accounts of any such agency upon request by the Council or County Executive; special audits of the accounts maintained by various County officers upon their death, resignation, removal, or expiration of term; and performance audits of any agency which is a recipient of funds appropriated or approved by the Council.

In addition to periodic audit activities, the County maintains an extensive budgetary control system. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Council. Budgetary control in the General Fund is maintained at the department/agency level and at the fund level for all other funds. No County liability shall be incurred or contracted by any department, agency, or employee, and no bill or invoice shall be approved or paid, unless authorized by the Council budget adoption or specific appropriation to cover payment out of public funds. Any person willfully violating this provision shall be deemed responsible for the contract, debt, or expenditure. Any Department Head allowing such actions is subject to disciplinary action by the Council.

The County Executive is authorized to transfer budget amounts up to \$250,000 within any department or fund; however, the County Council must approve any revisions that alter the total budgeted expenditures of any department or fund or transfer in excess of \$250,000. No department or agency of the Primary Government shall expend, or contract to expend, more than the amounts appropriated in the budget for each fiscal year. The Component Units may transfer budget appropriations within certain limits, but generally may not alter total appropriations without a budget amendment by the County Council.

The County has implemented a system of performance measurements, and many agencies are developing and tracking improved performance measures. Other agencies are tracking financial and program performance on a routine basis with a special emphasis on efficiency and outcome measures. The data is used to guide daily management decisions and to focus on operational policies.

As demonstrated by the statements and schedules included in the Financial Section of this report, the County continues to meet its responsibility for sound financial management.

The Honorable County Council,  
County Executive, and County Citizens

## INDEPENDENT AUDIT

County ordinances and state statutes require an annual audit by independent certified public accountants. The public accounting firm of CliftonLarsonAllen LLP was engaged by the County Auditor to perform this task for fiscal year 2012. Besides meeting requirements set forth in these ordinances and statutes, the audit must also meet the requirements of the federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accountability Office's *Government Auditing Standards* were used by the auditors to perform the audit work. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

## AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prince George's County, Maryland for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the 32nd consecutive year (fiscal years ended 1980 – 2011) that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. We believe that our current CAFR 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 County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2011. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.



The Honorable County Council,  
County Executive, and County Citizens

## ACKNOWLEDGMENTS

Prince George's County, Maryland has maintained AAA bond ratings from Moody's Investor Services Inc., Fitch Ratings, and Standard and Poor's Ratings Services, despite continuing economic challenges due to the ups and downs in market conditions and having to operate under various tax rate constraints. This reflects the County's consistent sound financial management, the ongoing and significant economic development occurring and its extremely diverse local economy. County leadership, especially County Executive Rushern L. Baker, Chief Administrative Officer Bradford Seamon and Deputy Chief Administrative Officer Thomas Himler – as well as the esteemed members of the Prince George's County Council – have established a spirit of collaboration and an earnest commitment to excellence to support and escalate continued successes throughout the government.

Preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Office of Finance's Accounting Division, and in particular Charles M. Curtis, Jr., Associate Director. We would like to express our appreciation to the Accounting Division and to all others that assisted and contributed to the preparation of this report. A list of individuals who helped ensure the success of this endeavor and deserve special recognition is provided below:

### Office of Finance – Accounting Division

Jennifer Abell  
Tracy Chatman  
Linda Chialastri  
Tracey Clayton  
Elizabeth Dixon

Rita Houston  
Muriel Logan  
Dejuan Shambley  
Barbara Walls  
Ronald Wells

Respectfully submitted,



Gail D. Francis  
Director of Finance

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## **FINANCIAL SECTION**

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This section contains the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Required Supplementary Information, and the Combining and Individual Fund Statements and Schedules.



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## Independent Auditor's Report

The Honorable County Council  
Prince George's County, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Prince George's County, Maryland as of and for the year ended June 30, 2012, and the budgetary comparison for the general fund for the year ended June 30, 2012, which collectively comprise Prince George's County, Maryland's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Prince George's County, Maryland's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component unit financial statements of Prince George's Community College, Housing Authority of Prince George's County, Maryland, Prince George's County Memorial Library System and Prince George's Community Television, Inc., which represent 13% of the total assets, 28% of the total net assets and 11% of total revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2012. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned component units, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Prince George's County Community Television, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Prince George's County, Maryland as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, and the budgetary comparison for the general fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2013 on our consideration of Prince George's County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

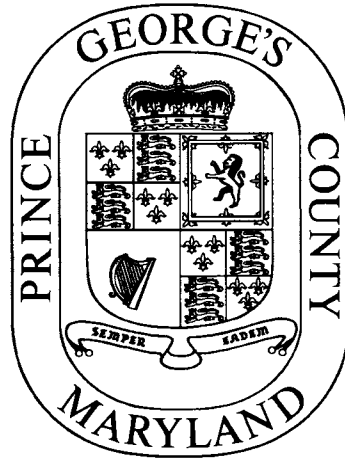
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although 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. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Prince George's County, Maryland basic financial statements. The combining and individual fund statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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



Baltimore, Maryland  
January 17, 2013



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**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

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PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Management is pleased to present this narrative overview and analysis of the financial activities of Prince George's County, Maryland (the County) for the fiscal year ended June 30, 2012. We encourage the readers to consider the information presented here in conjunction with the additional information that we furnished in our letter of transmittal. The following discussion focuses on the County's primary government and, unless otherwise noted, component unit information is not included.

**FINANCIAL HIGHLIGHTS**

- The County's assets exceeded its liabilities at June 30, 2012 by \$1.6 billion (net assets). The primary government has a negative unrestricted net asset balance of \$561.2 million, mainly because of debt related to assets owned by its component units - the Board of Education and the Community College.
- The County's total net assets increased by \$81.1 million from the previous year. Net assets of governmental activities increased \$83.2 million, while the net assets of business-type activities decreased \$2.1 million.
- At June 30, 2012, the County's governmental funds report combined ending fund balances of \$540.6 million, an increase of \$11.6 million in comparison to the previous fiscal year. Of this amount, \$76.7 million remains in the General Fund of the County as unassigned, which represents approximately 5.3% of total general fund expenditures for fiscal year 2012.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's financial statements, which include government-wide and fund statements, as well as notes to the financial statements.

Government-Wide Financial Statements

Similar to private-sector reporting, government-wide financial statements are designed to provide a broad overview of the financial position of the County. They include a **statement of net assets** and a **statement of activities**. These statements appear on pages 17 and 18 of this report.

The statement of net assets shows the County's assets less its liabilities at June 30, 2012. The difference between the assets and liabilities is reported as net assets. Changes in net assets over time may be helpful in indicating an improving or deteriorating financial position. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of the County's facilities, should be considered to assess the overall health of the County.

The statement of activities follows the statement of net assets and presents information on how net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Both statements distinguish functions of the County 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 government-wide financial statements of the County (known as the primary government) include general government, public safety, public works and transportation, health, public welfare, and education. The government-wide financial statements also include the legally separate component units for which the County is financially accountable. Financial information for these component units is reported separately from the primary government.

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. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the County government can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental funds** – Governmental funds, presented on pages 19 to 24, essentially account for the same functions as those reported under the governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide statements. This information may be useful in evaluating the County's near-term financing requirements and available resources.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers can discern the long-term impact of near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Governmental funds individually presented in the County's basic financial statements include three major funds: the General Fund, the Capital Projects Fund, and the Federal and State Aided Programs Fund. The remaining five funds have been combined and presented in one column as "Other Governmental Funds." Combining statements for these other governmental funds are presented on pages 113 to 116 of this report.

**Proprietary funds** – The County maintains two different types of proprietary funds: enterprise and internal service funds. These funds are included on pages 25 to 29 of this report.

Enterprise funds are used to report, in detail, the same information presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste and stormwater management, both of which are considered major funds of the County. Internal service funds are an accounting device used to accumulate and allocate costs internally for the County. The County uses internal service funds to account for self-insurance, vehicle maintenance, and computer services. Because the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide statements. The internal service funds are presented in total in the fund financial statements, but may be viewed separately in the combining statements on pages 117 to 121 in this report.

**Fiduciary funds** – The County uses fiduciary funds to account for resources held for the benefit of parties outside the County government. Although these funds are presented with the fund statements, they do not appear in the government-wide financial statements because the resources of these funds are not available to support the programs of the County. The accounting method used for fiduciary funds is much like that used for proprietary funds. These funds are presented on pages 30 and 31 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 33 to 92 of this report.

Other Information

This report also includes required supplementary information related to the funding progress of the County's Trust Funds. This information is included on pages 93 through 95.

Combining and individual statements and schedules referred to earlier, which present more detailed views of the General Fund, nonmajor governmental funds, internal service funds, fiduciary funds, and nonmajor component units are presented on pages 97 to 135.

Additional information about the County, which may be of interest to the reader, is found in the Statistical Section of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, changes in net assets over time is a useful indicator of a business enterprise's financial position. The County's total net assets as of June 30, 2012 were \$1.57 billion. Investment in capital assets such as land, roads, bridges, buildings, machinery and equipment accounts for \$1.77 billion of net assets. The amount is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens, and consequently, these assets are not available for future spending. Although assets are reported net of related debt, the capital assets themselves cannot be used to liquidate that liability, and other resources will be needed to repay any associated debt.



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

**Schedules of Net Assets**  
**June 30, 2012 and 2011**  
(in thousands)

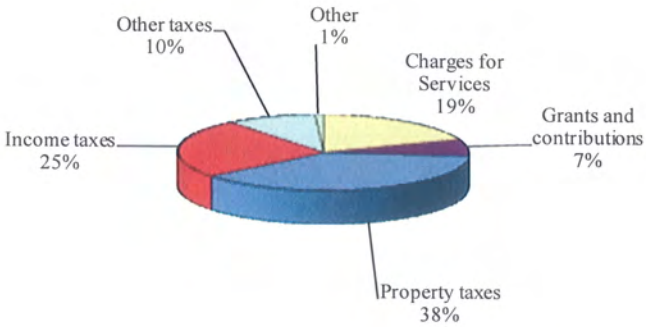
	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 913,556	935,937	195,465	183,350	1,109,021	1,119,287
Capital assets	<u>2,165,369</u>	<u>2,024,102</u>	<u>263,287</u>	<u>257,207</u>	<u>2,428,656</u>	<u>2,281,309</u>
<b>Total assets</b>	<u>3,078,925</u>	<u>2,960,039</u>	<u>458,752</u>	<u>440,557</u>	<u>3,537,677</u>	<u>3,400,596</u>
Long-term liabilities	1,378,746	1,288,863	208,495	191,772	1,587,241	1,480,635
Other liabilities	<u>351,207</u>	<u>405,361</u>	<u>27,701</u>	<u>24,160</u>	<u>378,908</u>	<u>429,521</u>
<b>Total liabilities</b>	<u>1,729,953</u>	<u>1,694,224</u>	<u>236,196</u>	<u>215,932</u>	<u>1,966,149</u>	<u>1,910,156</u>
Net assets						
Invested in capital assets, net of related debt	1,621,314	1,466,249	143,859	148,935	1,765,173	1,615,184
Restricted	349,077	361,876	18,482	19,500	367,559	381,376
Unrestricted (deficit)	<u>(621,419)</u>	<u>(562,310)</u>	<u>60,215</u>	<u>56,190</u>	<u>(561,204)</u>	<u>(506,120)</u>
<b>Total net assets</b>	<u>\$ 1,348,972</u>	<u>1,265,815</u>	<u>222,556</u>	<u>224,625</u>	<u>1,571,528</u>	<u>1,490,440</u>

Restricted net assets are resources subject to external restriction on how they may be used to meet the County's ongoing obligations to citizens and creditors. As indicated earlier, the County's governmental activities unrestricted net assets deficit is primarily attributable to outstanding debt that has been issued on behalf of the County's component units. The majority of this debt is for the Board of Education as the County continues to issue bonds to finance school construction projects. Counties in the State of Maryland issue debt for school construction; however, the buildings are owned by the County's Board of Education. All other governmental and business-type activities had positive net asset balances as of June 30, 2012.

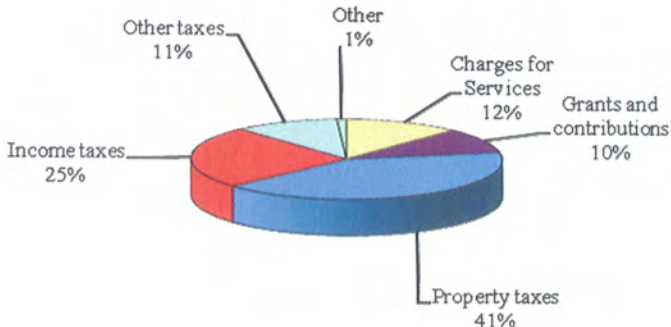
PRINCE GEORGE'S COUNTY, MARYLAND  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2012

The following represents revenues by source and expenses by function of primary government for the years ended June 30, 2011 and June 30, 2012.

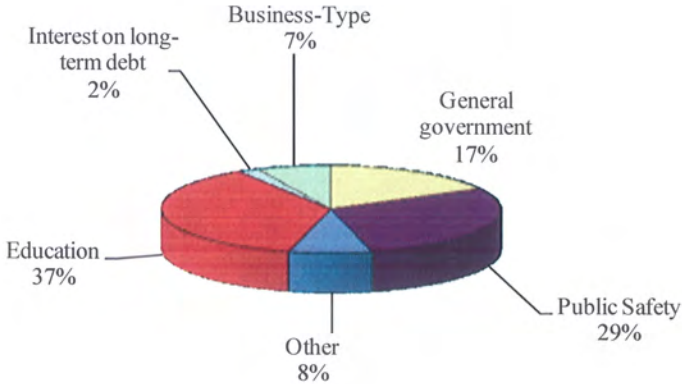
**Revenue by Source FY 2012**



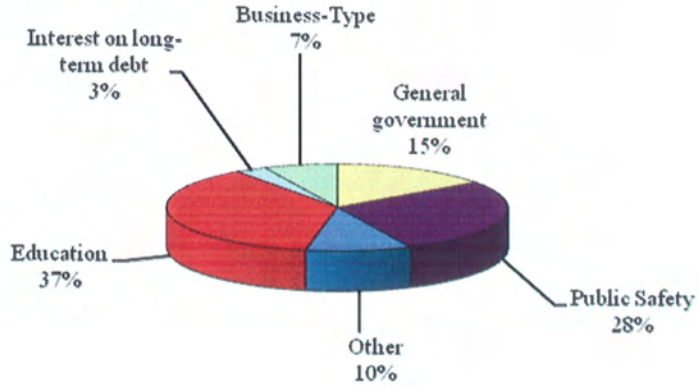
**Revenue by Source FY 2011**



**Expenses by Function FY 2012**



**Expenses by Function FY 2011**



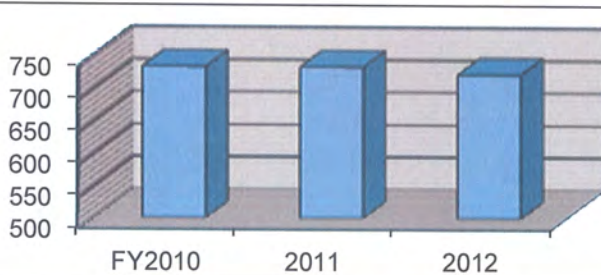
PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Governmental Activities

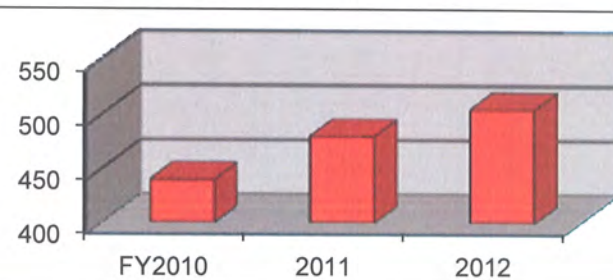
Net assets for the County's governmental activities increased by approximately \$83.2 million in fiscal year 2012.

The County's total revenue from governmental activities was approximately \$1.88 billion in fiscal year 2012 (approximately \$104.1 million greater than fiscal year 2011.) Property and income taxes make up approximately 65 percent of this revenue. Income taxes increased by approximately \$24.3 million or 5.0 percent. The County growth exceeded their expectations. A large portion of this amount is based on estimates from the State of Maryland which creates some volatility in the amount. This growth was offset by a decrease of \$11.1 million in property taxes due to a reduction in the assessable value. The majority of the increase was driven by a \$104.2 million increase in developer contributions for infrastructure projects.

**Property Taxes (in millions)**

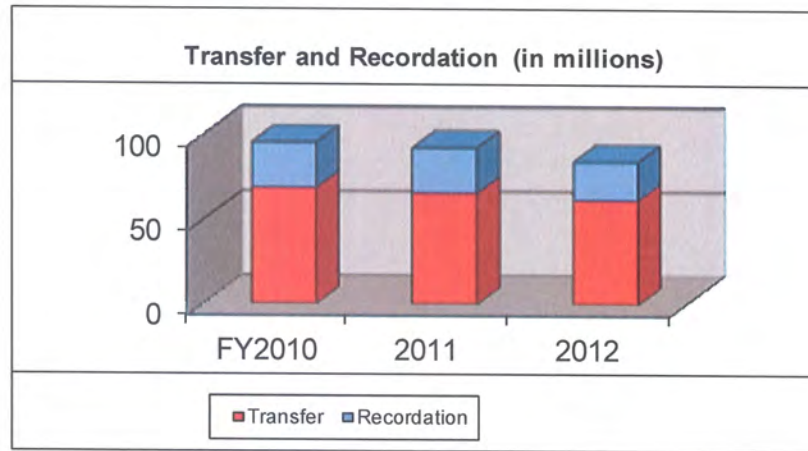


**Income Taxes (in millions)**



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Transfer and recordation taxes (\$85.1 million), telecommunications taxes (\$37.9 million), and energy taxes (\$59.7 million) comprise the majority of the remaining other taxes. Other taxes decreased by approximately \$14.8 million or 6.8 percent. The \$5.4 million decrease in transfer and recordation taxes coincides with the decline in the previous five years and is driven by reduction in home sales and median sales price.



The County's total expense from governmental activities was approximately \$1.80 billion in fiscal year 2012 (approximately \$22.3 million more than fiscal year 2011.) The category experiencing the largest increases was general government (approximately \$48.5 million—17.4% increase). Some of the factors affecting the changes include:

- \$18 million in payments for equipment related to lease purchases in fiscal year 2012.
- \$13.2 million increase in general government costs relating to internal service funds mainly due to increase claims for risk management.
- \$4.6 million payment to the State Department of Assessments and Taxation.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

**Schedule of Changes in Net Assets**  
**For the years ended June 30, 2012 and 2011**

(in thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 283,475	136,857	91,817	92,602	375,292	229,459
Operating grants and contributions	135,901	162,467	-	-	135,901	162,467
Capital grants and contributions	13,833	35,252	1,065	1,628	14,898	36,880
General revenue:						
Property taxes	722,139	733,198	43,626	47,579	765,765	780,777
Income taxes	504,818	480,489	-	-	504,818	480,489
Other taxes	202,212	217,002	-	-	202,212	217,002
Other revenues	14,174	7,163	2,333	2,971	16,507	10,134
Total revenues	1,876,552	1,772,428	138,841	144,780	2,015,393	1,917,208
Expenses:						
General government	334,865	278,736	-	-	334,865	278,736
Public safety	551,297	543,689	-	-	551,297	543,689
Public works and transportation	55,761	86,363	-	-	55,761	86,363
Health	67,424	70,689	-	-	67,424	70,689
Public welfare	28,326	27,802	-	-	28,326	27,802
Education	708,216	716,146	-	-	708,216	716,146
Interest on long-term debt	47,506	51,136	-	-	47,506	51,136
Solid waste	-	-	98,729	95,955	98,729	95,955
Stormwater management	-	-	42,181	42,104	42,181	42,104
Total expenses	1,793,395	1,774,561	140,910	138,059	1,934,305	1,912,620
Change in net assets	83,157	(2,133)	(2,069)	6,721	81,088	4,588
Net assets - beginning of year	1,265,815	1,267,948	224,625	217,904	1,490,440	1,485,852
Net assets - end of year	\$ 1,348,972	1,265,815	222,556	224,625	1,571,528	1,490,440

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Business-type Activities

Business-type activities decreased the County's net assets by approximately \$2.1 million in fiscal year 2012. Key elements of this decrease are as follows:

- Total operating expenses for the Solid Waste Fund increased by approximately \$2.7 million or 2.9 percent. This was primarily a result of two significant factors. The first being an increase in Contractor Service Fees for trash hauler services of approximately \$1.7 million. Secondly, there was a significant increase in General and Administrative expenses associated with leachate treatment issues of approximately \$1 million at the Brown Station Road Landfill.
- Total nonoperating revenue for the Stormwater Management Fund decreased by approximately \$4.2million or 8.7 percent. This was primarily a result of a decrease in real property assessed values.

**FINANCIAL ANALYSIS OF GOVERNMENT FUNDS**

Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing the County's financing requirements, unreserved fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year.

As of June 30, 2012, County governmental funds reported combined fund balances of \$540.6 million, an increase of \$11.6 million in comparison to the prior year balances. Restricted Governmental fund balance was \$304.8 million which includes, \$133.9 million for a charter-mandated contingency reserve (Rainy Day Fund), \$98.4 million for various construction projects, \$10.2 million for drug enforcement, \$31.3 million for debt service and \$31.0 million for other purposes.

The General Fund is the chief operating fund of the County. At June 30, 2012, total fund balance in the general fund was \$383.7 million of which \$76.7 million was unrestricted. The General Fund balance increased by \$5.5 million as a result of current fiscal year operations. The following key factors were responsible for the changes:

- Total revenues decreased \$9.8 million from fiscal year 2012, which exceeded the final budget by \$12.8 million. The majority of the decrease related to property, transfer, and recordation taxes which were discussed earlier in the governmental activities analysis.
- Total expenditures and transfers out increased by \$59.9 million or slightly less than 4 percent. The majority of the increase was discussed earlier in the governmental activities analysis. In addition the County increased its contributions to the Prince George's County Public Schools by \$18.5 million.
- The County received approximately \$33.8 million in proceeds to purchase equipment. The majority of the funds are included in the fiscal year 2012 General Fund balance and will be spent in fiscal year 2013.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

Capital Projects Fund expenditures totaled \$118.5 million for fiscal year 2012 compared to \$152.4 million in fiscal year 2011. There was a decrease of \$25.7 million in spending on Board of Education projects including a \$1.6 million decrease for Major Renovations and \$2.0 decrease in spending for Major Repairs. The County issued \$74.3 million in bonds 2012, compared to \$91.5 million in bonds and \$19.8 million in certificates of participation during fiscal year 2011. These factors led to a total decrease in fund balance of approximately \$15.6 million in fiscal year 2012.

Expenditures in the Federal and State Aided Programs Fund decreased by approximately \$13.7 million in comparison to fiscal year 2011. Major changes in grant funding during fiscal year 2012 include:

- The County received \$9.0 million in ARRA funding compared to \$21.9 million in fiscal year 2011. The fiscal year 2011 funding included \$6.9 million for transit vehicles and \$2.6 million for the COPS Hiring grant.
- Increase in funding for bus purchases for a new Urban Transportation grant of \$5.1 million.
- Approximately \$2 million decrease in spending for Homeland Security grants.

#### Proprietary Funds

Proprietary fund statements provide more detail for the County's business-type activities than the government-wide financial statements.

**Enterprise Funds.** At June 30, 2012, total net assets amounted to \$226.8 million for enterprise funds as compared to \$229.3 million at June 30, 2011. Unrestricted net assets of the Stormwater Management Fund at the end of the year amounted to \$70.3 million, and those for the Solid Waste Fund were negative \$5.8 million. Total net assets increased by \$4.6 million in the Stormwater Management Fund and decreased by \$7.1 million in the Solid Waste Fund.

Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

#### **BUDGETARY HIGHLIGHTS**

The County's final General Fund budget was increased by \$27.8 million from the original budget. The additional revenue was used to pay bonuses for the majority of County employees and to pay for the administrative costs associated with the speed camera enforcement program. The County took the following measures to control spending:

- Reduction in pay as you go funding for Capital Projects
- No COLA's or merit increases for employees.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012 was \$2.4 billion (net of accumulated depreciation.) This investment in capital assets includes land, buildings and improvements, equipment and vehicles, road networks, bridges, landfill property in service, and stormwater property in service. The total increase in the County's investment in capital assets for the current fiscal year was 6.5% (6.9% increase for governmental activities and 2.3% increase for business-type activities.)

Major capital asset events during the year include the following:

- Capitol Heights Volunteer Fire Department project totaling \$1.9 million was completed and transferred to the Buildings and Improvement category.
- Road and bridge projects totaling \$32.2 million, including Mount Oak/Church Road/Woodmore Road (\$13.9 million) and Intersection Improvements Lottsford Road (\$10.4 million) were completed in 2012 and transferred to the Infrastructure category.
- The South Bowie Library Project increased construction in progress by \$7.3 million.
- Completed Stormwater projects increased Stormwater property in service by \$11.7 million.

The County's capital assets, net of accumulated depreciation, are presented in the following table as of June 30, 2012 and 2011:

**Capital Assets as of June 30**  
(net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 86,706,781	80,669,935	20,582,622	19,737,522	107,289,403	100,407,457
Buildings and improvements	323,776,746	324,550,016	18,393,320	18,555,841	342,170,066	343,105,857
Equipment	47,556,838	33,169,469	9,903,224	8,306,176	57,460,062	41,475,645
Infrastructure	1,648,123,079	1,536,505,777	-	-	1,648,123,079	1,536,505,777
Landfill property in service	-	-	33,165,343	39,143,980	33,165,343	39,143,980
Stormwater property in service	-	-	59,205,795	47,469,943	59,205,795	47,469,943
Construction in progress	59,205,505	49,206,547	122,036,363	123,993,488	181,241,868	173,200,035
<b>Total</b>	<b>\$ 2,165,368,949</b>	<b>2,024,101,744</b>	<b>263,286,667</b>	<b>257,206,950</b>	<b>2,428,655,616</b>	<b>2,281,308,694</b>

Additional information on the County's capital assets is located in note 7 on pages 57 to 61 of this report.



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$1.133 billion. Of this amount, \$1.13 billion comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**Outstanding Debt**

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 1,008,165,000	1,027,675,000	121,435,000	104,200,000	1,129,600,000	1,131,875,000
Revenue bonds	-	-	2,934,276	5,042,425	2,934,276	5,042,425
Total	<u>\$ 1,008,165,000</u>	<u>1,027,675,000</u>	<u>124,369,276</u>	<u>109,242,425</u>	<u>1,132,534,276</u>	<u>1,136,917,425</u>

Total bonded debt of the County decreased by \$4.4 million (0.4%) from the previous fiscal year. The key factors in the decrease are bond proceeds of \$281.0 million in September 2011, and the retirement of \$285.4 million of General Obligation and Revenue Bonds.

In September 2011, the County issued \$182.4 of general obligation bonds to refund \$201.9 of certain outstanding general obligation bonds. As a result of the refunding, the County will reduce its overall debt service obligations by \$24.3 million. The present value of debt service savings is \$18.5 million.

The underlying ratings of the County's general obligation bonds as of June 20, 2012, were as follows:

	<u>Current Rating</u>
Standard & Poor's	AAA
Moody's Investors Service, Inc.	Aaa

The County's Stormwater Management general obligation underlying bond ratings as of June 30, 2012, were as follows:

	<u>Current Rating</u>
Standard & Poor's	AAA
Moody's Investors Service, Inc.	Aaa

The underlying ratings of the County's Solid Waste Management Refunding Revenue Bonds, series 2003, as of June 30, 2012, were as follows:

	<u>Current Rating</u>
Standard & Poor's	AA-
Moody's Investors Service, Inc.	Aa3

Additional information on the County's long-term debt is located in note 13 starting on page 75 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Factors considered in preparing the County's budget for fiscal year 2013 included:

- The unemployment rate in the County decreased from 7.3% in January 2011 to 6.7% in January 2012. The County's current rate of 6.5% in October is on par with the State's rate (6.3%) but is significantly below the national rate (7.9%). However, unemployment was not expected to improve much in fiscal year 2013 due to the slow recovery rate of the economy.
- Office vacancy rate stayed high in the County, averaging 17.4% in calendar year 2011 compared to 17.6% in 2010.
- Existing home transactions decreased by 3.0% in January 2012 compared with January 2011. Median sales prices for the same time period were down by 1.8%. The real estate market remained relatively weak.

During fiscal year 2012, the unassigned fund balance in the General Fund was \$76.7 million. The County has appropriated \$24.6 million of fund balance for fiscal year 2013.

Requests for Information

This financial report is designed to provide a general overview of Prince George's County, Maryland for those individuals with an interest in our government's finances. Address questions concerning any of the information provided in this report or requests for additional information to the Office of Finance, Accounting Division, Attention: Assistant Director of Accounting, 14741 Governor Oden Bowie Drive, Suite 3151, Upper Marlboro, MD 20772. You can also reach us by fax at 301.952.3043 or send an email to: [cmcurtis@co.pg.md.us](mailto:cmcurtis@co.pg.md.us).

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## **BASIC FINANCIAL STATEMENTS**

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This sub-section contains the Basic Financial Statements and the Notes to the Financial Statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets  
June 30, 2012

	Primary Government			Component Units			Reclassifications (See note 1-r)	Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County	Other Component Units	Total Component Units		
<b>ASSETS</b>								
Cash and investments	\$ 402,729,995	79,742,532	482,472,527	175,269,323	69,673,065	244,942,388	-	727,414,915
Cash with fiscal agents	4,803,629	-	4,803,629	-	-	-	-	4,803,629
Receivables (net of allowances for uncollectibles):								
Taxes	5,590,017	533,849	6,123,866	-	-	-	-	6,123,866
Accounts	34,990,007	1,518,691	36,508,698	67,655,985	43,037,092	110,693,077	-	147,201,775
Notes	12,939,297	-	12,939,297	-	-	-	-	12,939,297
Special assessments	9,861	-	9,861	-	-	-	-	9,861
Accrued interest receivable	422,705	186,511	609,216	-	31,646	31,646	-	640,862
Internal balance	4,293,168	(4,293,168)	-	-	-	-	-	-
Due from component units	21,170,822	-	21,170,822	-	-	-	-	21,170,822
Due from primary government	-	-	-	22,191,016	1,661,644	23,852,660	-	23,852,660
Due from other governmental units	179,029,051	1,040,114	180,069,165	62,866,179	5,640,667	68,506,846	-	248,576,011
Inventories	2,139,799	-	2,139,799	7,762,595	94,958	7,857,553	-	9,997,352
Prepaid costs and deposits	92,085	-	92,085	519,399	2,444,726	2,964,125	-	3,056,210
Restricted assets:								
Cash and investments	245,252,299	103,458,687	348,710,986	-	18,447,207	18,447,207	-	367,158,193
Land	-	-	-	-	3,952,915	3,952,915	-	3,952,915
Capital assets:								
Nondepreciable assets	145,912,286	142,618,985	288,531,271	117,237,928	62,998,751	180,236,679	-	468,767,950
Depreciable assets, net	2,019,456,663	120,667,682	2,140,124,345	947,233,803	194,766,228	1,142,000,031	-	3,282,124,376
Deferred landfill closure costs	-	11,920,064	11,920,064	-	-	-	-	11,920,064
Deferred debt issue costs, net	43,447	1,358,091	1,401,538	-	1,140,249	1,140,249	-	2,541,787
Other assets	50,000	-	50,000	-	-	-	-	50,000
Total assets	<u>3,078,925,131</u>	<u>458,752,038</u>	<u>3,537,677,169</u>	<u>1,400,736,228</u>	<u>403,889,148</u>	<u>1,804,625,376</u>	<u>-</u>	<u>5,342,302,545</u>
<b>LIABILITIES</b>								
Accounts payable	46,205,146	10,086,127	56,291,273	126,136,879	18,424,025	144,560,904	-	200,852,177
Retainages payable	3,653,101	653,804	4,306,905	5,720,107	-	5,720,107	-	10,027,012
Accrued liabilities	34,009,039	1,609,540	35,618,579	79,704,695	956,897	80,661,592	-	116,280,171
Unearned revenue	37,662,991	-	37,662,991	14,777,958	2,079,779	16,857,737	-	54,520,728
Matured bonds and interest payable	-	1,298,708	1,298,708	-	4,794,922	4,794,922	-	6,093,630
Deposits	48,773,945	195,013	48,968,958	-	784,644	784,644	-	49,753,602
Due to primary government	-	-	-	11,996,251	9,174,571	21,170,822	-	21,170,822
Due to component units	23,852,660	-	23,852,660	-	-	-	-	23,852,660
Noncurrent liabilities:								
Due within one year	157,050,171	13,857,083	170,907,254	34,967,716	5,677,109	40,644,825	-	211,552,079
Due in more than one year	1,378,746,453	208,495,429	1,587,241,882	693,367,897	68,296,909	761,664,806	-	2,348,906,688
Total liabilities	<u>1,729,953,506</u>	<u>236,195,704</u>	<u>1,966,149,210</u>	<u>966,671,503</u>	<u>110,188,856</u>	<u>1,076,860,359</u>	<u>-</u>	<u>3,043,009,569</u>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	1,621,314,368	143,858,665	1,765,173,033	987,745,237	212,920,678	1,200,665,915	(445,921,535)	2,519,917,413
Restricted for:								
Capital projects	83,751,256	9,000,000	92,751,256	-	-	-	-	92,751,256
Contingency reserve	133,925,855	-	133,925,855	-	-	-	-	133,925,855
Debt service	107,436,397	3,485,834	110,922,231	-	-	-	-	110,922,231
Restricted for I-net	23,963,200	-	23,963,200	-	-	-	-	23,963,200
Landfill	-	4,061,810	4,061,810	-	-	-	-	4,061,810
Preservation	-	1,934,174	1,934,174	-	-	-	-	1,934,174
Education	-	-	-	-	10,063,190	10,063,190	-	10,063,190
Community development	-	-	-	-	11,871,555	11,871,555	-	11,871,555
Unrestricted (deficit)	(621,419,451)	60,215,851	(561,203,600)	(553,680,512)	58,844,869	(494,835,643)	445,921,535	(610,117,708)
Total Net Assets	<u>\$ 1,348,971,625</u>	<u>222,556,334</u>	<u>1,571,527,959</u>	<u>434,064,725</u>	<u>293,700,292</u>	<u>727,765,017</u>	<u>-</u>	<u>2,299,292,976</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Activities  
For the year ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Business-type Activities	Total	Board of Education of Prince George's County	Other Component Units
Primary government:									
Governmental activities:									
General government	\$ 334,865,067	87,727,105	26,281,362	2,949,658	(217,906,942)	-	(217,906,942)	-	-
Public safety	551,296,748	52,677,652	32,508,021	3,696,298	(462,414,777)	-	(462,414,777)	-	-
Public works and transportation	55,761,006	130,701,054	8,581,718	7,186,862	90,708,628	-	90,708,628	-	-
Health	67,424,572	11,675,450	43,953,670	-	(11,795,452)	-	(11,795,452)	-	-
Public welfare	28,326,111	694,171	24,576,611	-	(3,055,329)	-	(3,055,329)	-	-
Education:									
Board of Education	649,326,640	-	-	-	(649,326,640)	-	(649,326,640)	-	-
Community College	31,862,246	-	-	-	(31,862,246)	-	(31,862,246)	-	-
Memorial Library	27,027,089	-	-	-	(27,027,089)	-	(27,027,089)	-	-
Interest on long-term debt	47,505,779	-	-	-	(47,505,779)	-	(47,505,779)	-	-
Total governmental activities	<u>1,793,395,258</u>	<u>283,475,432</u>	<u>135,901,382</u>	<u>13,832,818</u>	<u>(1,360,185,626)</u>	<u>-</u>	<u>(1,360,185,626)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste	98,729,295	89,987,217	-	-	-	(8,742,078)	(8,742,078)	-	-
Stormwater	42,180,257	1,829,457	-	1,064,605	-	(39,286,195)	(39,286,195)	-	-
Total business-type activities	<u>140,909,552</u>	<u>91,816,674</u>	<u>-</u>	<u>1,064,605</u>	<u>-</u>	<u>(48,028,273)</u>	<u>(48,028,273)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 1,934,304,810</u>	<u>375,292,106</u>	<u>135,901,382</u>	<u>14,897,423</u>	<u>(1,360,185,626)</u>	<u>(48,028,273)</u>	<u>(1,408,213,899)</u>	<u>-</u>	<u>-</u>
Component units:									
Board of Education	1,985,209,152	26,641,348	313,842,868	93,099,531	-	-	(1,551,625,405)	-	-
Other Component Units:									
General Government	17,589,554	10,244,198	660,000	7,999,295	-	-	-	1,313,939	-
Education	148,279,565	30,112,292	32,283,157	20,565,032	-	-	-	(65,319,084)	-
Community development	87,088,401	1,935,652	79,459,923	2,593,081	-	-	-	(3,099,745)	-
Total component units	<u>\$ 2,238,166,672</u>	<u>68,933,490</u>	<u>426,245,948</u>	<u>124,256,939</u>	<u>-</u>	<u>-</u>	<u>(1,551,625,405)</u>	<u>(67,104,890)</u>	<u>-</u>
General Revenues:									
Property taxes					722,138,728	43,625,750	765,764,478	-	-
Income taxes					504,817,831	-	504,817,831	-	-
Transfer and recordation taxes					85,069,002	-	85,069,002	-	-
Energy taxes					59,651,917	-	59,651,917	-	-
Telecommunications tax					37,827,000	-	37,827,000	-	-
Other taxes					19,664,177	-	19,664,177	-	-
Unrestricted state shared tax					2,064,874	-	2,064,874	-	-
Earnings on investments					3,698,357	2,333,788	6,032,145	625,729	394,995
Unrestricted grants and contributions					3,212,453	-	3,212,453	1,488,587,030	83,684,401
Miscellaneous revenues					5,197,518	-	5,197,518	341,742	859,655
Total general revenues					<u>1,443,341,857</u>	<u>45,959,538</u>	<u>1,489,301,395</u>	<u>1,489,554,501</u>	<u>84,939,051</u>
Change in net assets					83,156,231	(2,068,735)	81,087,496	(62,070,904)	17,834,161
Net assets - beginning of year					1,265,815,394	224,625,069	1,490,440,463	497,635,629	269,747,854
Prior period adjustment					-	-	-	(1,500,000)	6,118,277
Net assets - beginning of year, restated					<u>1,265,815,394</u>	<u>224,625,069</u>	<u>1,490,440,463</u>	<u>496,135,629</u>	<u>275,866,131</u>
Net assets - end of year					<u>\$ 1,348,971,625</u>	<u>222,556,334</u>	<u>1,571,527,959</u>	<u>434,064,725</u>	<u>293,700,292</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Balance Sheet  
 Governmental Funds  
 June 30, 2012

<u>Assets</u>	<u>General</u>	<u>Federal and State Aided Programs</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 276,063,862	621,620	2,431,191	16,950,266	296,066,939
Cash with fiscal agents	-	-	-	4,803,629	4,803,629
Receivables (net of allowances for uncollectibles):					
Taxes	5,590,017	-	-	-	5,590,017
Accounts	29,832,048	1,000	504,700	-	30,337,748
Notes	3,952,600	7,979,593	-	-	11,932,193
Special assessments	9,861	-	-	-	9,861
Accrued interest receivable	395,474	-	-	-	395,474
Due from other funds	30,735,000	-	-	-	30,735,000
Due from component units	8,841,363	-	-	-	8,841,363
Due from other governmental units	115,133,850	54,737,192	9,130,784	27,225	179,029,051
Inventories	1,619,282	-	-	-	1,619,282
Restricted assets:					
Cash and investments	30,742,433	2,721,102	170,506,339	23,787,050	227,756,924
Other assets	50,000	-	-	-	50,000
<b>Total assets</b>	<b>\$ 502,965,790</b>	<b>66,060,507</b>	<b>182,573,014</b>	<b>45,568,170</b>	<b>797,167,481</b>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Compensated absences and termination benefits payable	\$ 296,130	-	-	-	296,130
Accounts payable	20,631,102	12,715,578	7,585,355	51,085	40,983,120
Retainages	-	-	3,653,101	-	3,653,101
Accrued liabilities	16,570,234	1,701,668	-	-	18,271,902
Deferred revenue	59,786,454	30,204,462	-	-	89,990,916
Matured bonds and interest payable	-	-	-	-	-
Deposits	21,994,086	17,697	26,762,162	-	48,773,945
Due to other funds	-	18,700,000	12,000,000	-	30,700,000
Due to component units	-	-	23,852,660	-	23,852,660
Total liabilities	<u>119,278,006</u>	<u>63,339,405</u>	<u>73,853,278</u>	<u>51,085</u>	<u>256,521,774</u>
Fund balances:					
Nonspendable	1,619,282	-	-	-	1,619,282
Restricted	164,668,289	2,721,102	98,418,554	38,991,530	304,799,475
Committed	53,570,342	-	10,301,182	-	63,871,524
Assigned	87,170,249	-	-	6,525,555	93,695,804
Unassigned	76,659,622	-	-	-	76,659,622
Total fund balances	<u>383,687,784</u>	<u>2,721,102</u>	<u>108,719,736</u>	<u>45,517,085</u>	<u>540,645,707</u>
Total liabilities and fund balances	<u>\$ 502,965,790</u>	<u>66,060,507</u>	<u>182,573,014</u>	<u>45,568,170</u>	<u>797,167,481</u>

See accompanying notes to financial statements.

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Assets  
 June 30, 2012

Total fund balances for governmental funds (Exhibit A-3) \$ 540,645,707

Amounts reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets which do not include the combined assets related to the internal service funds consist of:

Land	\$ 85,706,781	
Infrastructure, net of \$1,029,706,587 accumulated depreciation	1,648,123,079	
Buildings and improvements, net of \$115,611,469	323,455,024	
Equipment, net of \$113,962,700 accumulated depreciation	47,012,675	
Construction in progress	59,205,505	
Total capital assets		2,163,503,064

The assets and liabilities of the Internal Service Funds (funds used by management to charge the cost of fleet maintenance, information technology, and self-insurance) are included in the governmental activities in the statement of net assets. Internal service fund net assets are:

6,512,632

County revenue that is collected after year-end, but not available soon enough to pay for the current period's expenditures is reported as deferred revenue in the funds.

53,548,684

Long-term liabilities for governmental funds activity are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Balances at June 30, 2011 are:

Unmatured accrued interest (15,302,186)

Long-term liabilities:

Bonded debt	(1,008,165,000)	
Deferred bond refunding costs	13,020,106	
Unamortized discount (premium)	(82,541,800)	
Capital lease obligations	(6,491,697)	
Pension and OPEB obligations	(180,237,889)	
Compensated absences and termination benefits payable	(70,871,329)	
Notes payable	(64,648,667)	
Total long-term liabilities		(1,399,936,276)

Total net assets of governmental activities \$ 1,348,971,625

See accompanying notes to financial statements.



PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2012

	General	Federal and State Aided Programs	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 1,425,639,161	-	-	1,902,675	1,427,541,836
Licenses and permits	17,849,382	-	-	277,905	18,127,287
Fines and forfeitures	12,158,474	-	69,799	1,231,537	13,459,810
Use of money and property	4,804,406	2,791,751	169,033	106,264	7,871,454
Charges for services	37,797,058	2,493,093	6,153,167	20,857,114	67,300,432
Intergovernmental	30,609,816	111,028,276	13,832,818	6,062,693	161,533,603
Miscellaneous	5,939,986	573,766	372,382	866,562	7,752,696
Total revenues	<u>1,534,798,283</u>	<u>116,886,886</u>	<u>20,597,199</u>	<u>31,304,750</u>	<u>1,703,587,118</u>
Expenditures:					
Current:					
General government	212,174,304	16,612,835	-	1,114,335	229,901,474
Public safety	522,445,470	19,396,020	-	1,195,963	543,037,453
Public works and transportation	10,433,791	10,236,339	-	-	20,670,130
Health	20,088,567	46,768,948	-	-	66,857,515
Public welfare	2,585,585	25,408,564	-	397,375	28,391,524
Capital projects	-	-	74,151,921	-	74,151,921
Education:					
Board of Education	617,514,500	-	31,812,140	-	649,326,640
Community College	29,245,200	-	2,617,046	-	31,862,246
Memorial Library	17,060,900	-	9,966,189	-	27,027,089
Debt service:					
Principal retirement	11,135,482	488,000	-	74,900,000	86,523,482
Interest	3,591,830	279,762	-	43,665,598	47,537,190
Total expenditures	<u>1,446,275,629</u>	<u>119,190,468</u>	<u>118,547,296</u>	<u>121,273,271</u>	<u>1,805,286,664</u>
Excess of revenues over (under) expenditures	<u>88,522,654</u>	<u>(2,303,582)</u>	<u>(97,950,097)</u>	<u>(89,968,521)</u>	<u>(101,699,546)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	74,315,000	-	74,315,000
Capital lease financing	33,825,000	-	-	-	33,825,000
Bond and notes premium	2,125,287	-	-	19,248,216	21,373,503
Bonds issued - refunding	-	-	-	175,530,000	175,530,000
Bond premium - refunding	-	-	-	36,132,555	36,132,555
Payment to bond refunding escrow agent	(10,159,215)	-	-	(210,935,505)	(221,094,720)
Transfers in - other funds	-	3,493,096	8,021,600	90,485,244	101,999,940
Transfers out - other funds	(108,786,340)	-	-	-	(108,786,340)
Total other financing sources (uses)	<u>(82,995,268)</u>	<u>3,493,096</u>	<u>82,336,600</u>	<u>110,460,510</u>	<u>113,294,938</u>
Net change in fund balances	<u>5,527,386</u>	<u>1,189,514</u>	<u>(15,613,497)</u>	<u>20,491,989</u>	<u>11,595,392</u>
Fund balances, beginning of year	378,160,398	1,531,588	124,333,233	25,025,096	529,050,315
Fund balances, end of year	<u>\$ 383,687,784</u>	<u>2,721,102</u>	<u>108,719,736</u>	<u>45,517,085</u>	<u>540,645,707</u>

See accompanying notes to financial statements.

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2012

Amounts reported for governmental activities in the statement of activities is different because:		
Net change in fund balances - total governmental funds		11,595,392
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.		80,711,095
Depreciation expense on governmental capital assets is included as an expense in the statement of activities, but does not require the use of current financial resources, and therefore, is not reported as expenditures in governmental funds.		(70,291,076)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.		132,441,346
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the funds. This represents changes in deferred revenue at the fund level.		951,739
In the statement of activities the loss on disposal of equipment is reported, whereas in the governmental funds, disposal of capital assets are not recorded. Thus the change in net assets differs from the change in fund balance.		(398,587)
Internal Service Funds are used by management to charge the cost of fleet maintenance, information technology, and self insurance. The net revenue is reported with governmental activities.		10,603,198
Long-term debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of activities, however, issuing debt decreases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Debt Issued:		
Bond proceeds	\$ (249,845,000)	
Bond and notes premium	(57,506,058)	
Capital lease and note proceeds	(33,825,000)	
Payment to escrow agent	221,094,720	
Principal payments	<u>87,279,375</u>	
Net adjustment		(32,801,963)
Certain expenses (i.e. arbitrage, compensated absences) reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		(49,654,913)
Change in net assets of governmental activities		<u><u>83,156,231</u></u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,400,277,800	1,412,115,500	1,425,639,161	13,523,661
Licenses and permits	17,204,900	17,204,900	17,849,382	644,482
Fines and forfeitures	6,527,500	11,827,500	12,158,474	330,974
Use of money and property	9,780,000	9,780,000	4,804,406	(4,975,594)
Charges for services	34,207,100	34,207,100	37,797,058	3,589,958
Intergovernmental	32,316,600	32,316,600	30,609,816	(1,706,784)
Miscellaneous	1,000,000	4,500,000	5,939,986	1,439,986
Total revenues	<u>1,501,313,900</u>	<u>1,521,951,600</u>	<u>1,534,798,283</u>	<u>12,846,683</u>
<b>Expenditures:</b>				
General government:				
County Executive	4,950,000	5,179,000	5,178,412	588
Legislative Branch	12,914,600	12,914,600	12,527,916	386,684
Human Relations Commission	888,500	1,124,400	957,881	166,519
Circuit Court	13,684,200	14,177,200	14,089,285	87,915
Orphan's Court	393,900	396,600	396,498	102
State's Attorney's Office	13,461,800	13,461,800	13,432,394	29,406
Personnel Board	282,400	311,900	310,890	1,010
Office of Finance	4,004,400	4,004,400	3,786,773	217,627
Citizen Complaint Oversight Panel	246,100	246,100	227,146	18,954
Office of Community Relations	2,004,400	2,153,300	2,152,520	780
Office of Management and Budget	2,550,700	2,550,700	2,547,451	3,249
Board of License Commissioners	1,190,000	1,190,000	1,170,579	19,421
Office of Law	3,572,100	3,756,100	3,659,443	96,657
Office of Human Resource Management	5,700,300	5,756,300	5,747,148	9,152
Board of Elections	3,706,200	4,972,900	4,922,172	50,728
Office of Central Services	14,766,700	16,342,700	16,210,293	132,407
Department of Family Services	2,760,200	2,854,389	2,750,929	103,460
Department of Housing and Community Development	2,216,200	2,607,200	2,529,614	77,586
Non-departmental	167,328,500	123,728,500	127,409,573	(3,681,073)
Total general government	<u>256,621,200</u>	<u>217,728,089</u>	<u>220,006,917</u>	<u>(2,278,828)</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Department of Environmental Resources	10,226,900	10,451,900	10,249,243	202,657
Police Department	257,507,200	257,938,200	257,910,490	27,710
Fire Department	126,908,300	128,062,745	128,060,442	2,303
Sheriff's Department	30,960,200	35,059,200	35,036,042	23,158
Department of Corrections	67,710,900	68,996,900	68,989,147	7,753
Office of Homeland Security	22,039,000	23,066,000	23,009,904	56,096
Total Public Safety	<u>515,352,500</u>	<u>523,574,945</u>	<u>523,255,268</u>	<u>319,677</u>
Public works and transportation	10,291,400	10,627,500	10,627,178	322
Health	22,309,900	22,309,900	21,938,811	371,089
Public welfare	2,757,300	2,735,370	2,686,197	49,173
Education	663,820,600	663,820,600	663,820,600	-
Total expenditures	<u>1,471,152,900</u>	<u>1,440,796,404</u>	<u>1,442,334,971</u>	<u>(1,538,567)</u>
Excess of revenues over expenditures	<u>30,161,000</u>	<u>81,155,196</u>	<u>92,463,312</u>	<u>11,308,116</u>
Other financing sources (uses):				
Prior year encumbrances cancelled	-	-	2,385,918	2,385,918
Transfers out - other funds	(105,096,000)	(163,292,796)	(158,786,340)	4,506,456
Appropriated fund balance	74,935,000	82,137,600	-	(82,137,600)
Total other financing sources (uses)	<u>(30,161,000)</u>	<u>(81,155,196)</u>	<u>(156,400,422)</u>	<u>(75,245,226)</u>
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	<u>-</u>	<u>-</u>	<u>(63,937,110)</u>	<u>(63,937,110)</u>
Adjustments:				
Prior year encumbrances cancelled			(2,385,918)	
Current year encumbrances outstanding			7,914,546	
Expenditure of prior year encumbrances			(3,755,781)	
Purchase agreement financing			33,825,000	
Economic Development Incentive Fund activity			50,000,000	
Premium on notes payable			2,125,287	
Capital financing expenditures			<u>(18,258,638)</u>	
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)			5,527,386	
Fund balance, beginning of year			<u>378,160,398</u>	
Fund balance, end of year			<u><u>383,687,784</u></u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

Assets	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Current assets:				
Cash and investments	\$ 1,543,102	78,199,430	79,742,532	106,663,056
Taxes receivable	-	563,110	563,110	-
Less allowance for uncollectibles	-	(29,261)	(29,261)	-
Accounts receivable	2,697,373	-	2,697,373	4,617,259
Less allowance for uncollectibles	(1,178,682)	-	(1,178,682)	-
Accrued interest receivable	110,848	75,663	186,511	27,231
Due from component units	-	-	-	12,329,459
Due from other governmental units	438,772	601,342	1,040,114	-
Inventories	-	-	-	520,517
Prepaid costs and deposits	-	-	-	92,085
Total current assets	<u>3,611,413</u>	<u>79,410,284</u>	<u>83,021,697</u>	<u>124,249,607</u>
Noncurrent assets:				
Restricted cash and investments				
Self-insurance	-	-	-	17,495,375
Revenue bond operation and maintenance	9,000,000	-	9,000,000	-
Sandy Hill Trust	1,890,485	-	1,890,485	-
Debt service	3,485,834	-	3,485,834	-
Landfill closure	80,601,095	-	80,601,095	-
Unspent bond proceeds	-	8,481,273	8,481,273	-
Total restricted cash and investments	<u>94,977,414</u>	<u>8,481,273</u>	<u>103,458,687</u>	<u>17,495,375</u>
Capital assets:				
Land	11,306,082	9,276,540	20,582,622	1,000,000
Buildings and improvements	28,663,504	242,525	28,906,029	2,640,889
Accumulated depreciation	(10,292,820)	(219,889)	(10,512,709)	(2,336,334)
Improvements other than buildings	3,203,990	-	3,203,990	328,014
Accumulated depreciation	(3,203,990)	-	(3,203,990)	(310,847)
Equipment	25,619,425	3,892,776	29,512,201	10,922,163
Accumulated depreciation	(17,572,324)	(2,036,653)	(19,608,977)	(10,378,000)
Landfill property in service	121,336,027	-	121,336,027	-
Accumulated depreciation	(88,170,684)	-	(88,170,684)	-
Stormwater property in service	-	105,225,533	105,225,533	-
Accumulated depreciation	-	(46,019,738)	(46,019,738)	-
Construction in progress	20,884,866	101,151,497	122,036,363	-
Total capital assets	<u>91,774,076</u>	<u>171,512,591</u>	<u>263,286,667</u>	<u>1,865,885</u>
Deferred landfill closure costs	11,920,064	-	11,920,064	-
Deferred debt issue costs - net	945,639	412,452	1,358,091	43,447
Total noncurrent assets	<u>199,617,193</u>	<u>180,406,316</u>	<u>380,023,509</u>	<u>19,404,707</u>
Total assets	<u>203,228,606</u>	<u>259,816,600</u>	<u>463,045,206</u>	<u>143,654,314</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets, Continued  
Proprietary Funds  
June 30, 2012

Liabilities	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Total	
Current liabilities:				
Payable from unrestricted assets:				
Current portion of bonded debt	\$ 5,780,333	5,405,000	11,185,333	-
Current portion of capital lease obligations	-	9,775	9,775	-
Current portion of compensated absences and termination benefits payable	996,232	1,665,743	2,661,975	1,386,421
Current portion of notes payable	-	-	-	270,000
Current portion of estimated liability on pending claims	-	-	-	33,494,970
Accounts payable	6,878,859	3,207,268	10,086,127	5,222,026
Retainages	158,965	494,839	653,804	-
Accrued liabilities	905,733	703,807	1,609,540	434,951
Unearned revenue	-	-	-	213,655
Matured bonds and interest payable	-	1,298,708	1,298,708	-
Deposits	83,713	111,300	195,013	-
Total current liabilities	<u>14,803,835</u>	<u>12,896,440</u>	<u>27,700,275</u>	<u>41,022,023</u>
Long-term liabilities:				
Bonded debt, less current portion (net of unamortized premiums, discounts, deferred amount on refunding)	34,883,765	83,100,233	117,983,998	-
Capital lease obligations, less current portion	-	9,644	9,644	-
Compensated absences and termination benefits payable, less current portion	67,962	83,991	151,953	126,306
Notes payable, less current portion (net of unamortized premium)	-	-	-	575,877
Estimated liability on pending claims, less current portion	-	-	-	99,710,644
Estimated liability for landfill closure costs, less current portion	90,349,834	-	90,349,834	-
Total long-term liabilities	<u>125,301,561</u>	<u>83,193,868</u>	<u>208,495,429</u>	<u>100,412,827</u>
Total liabilities	<u>140,105,396</u>	<u>96,090,308</u>	<u>236,195,704</u>	<u>141,434,850</u>
Net assets (deficit):				
Invested in capital assets, net of related debt	52,381,304	91,477,361	143,858,665	1,063,455
Restricted for capital improvements and future maintenance	9,000,000	-	9,000,000	-
Restricted for Sandy Hill Trust	1,890,485	-	1,890,485	-
Restricted for debt service	3,485,834	-	3,485,834	-
Restricted for landfill closure costs	2,171,325	-	2,171,325	-
Restricted for Chesapeake Bay and tree preservation activities	-	1,934,174	1,934,174	-
Restricted for I-Net	-	-	-	23,963,200
Unrestricted	(5,805,738)	70,314,757	64,509,019	(22,807,191)
Total net assets (deficit)	<u>\$ 63,123,210</u>	<u>163,726,292</u>	<u>226,849,502</u>	<u>2,219,464</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(4,293,168)	
Net assets of business-type activities			<u>\$ 222,556,334</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Revenues, Expenses and Changes in Fund Net Assets  
 Proprietary Funds  
 For the year ended June 30, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Total	
Operating revenues:				
Premium contributions	\$ -	-	-	124,663,518
Licenses and permits	-	1,829,457	1,829,457	-
Sales	639,215	-	639,215	20,909,041
Charges for services	88,494,463	-	88,494,463	10,476,945
Use of money and property - rentals	-	-	-	157,775
Miscellaneous	853,539	-	853,539	1,622,151
Total operating revenues	<u>89,987,217</u>	<u>1,829,457</u>	<u>91,816,674</u>	<u>157,829,430</u>
Operating expenses:				
Salaries	8,242,649	13,517,819	21,760,468	10,070,554
Project charges - salaries/recoveries	7,740,545	3,757,425	11,497,970	-
Fringe benefits	6,826,625	8,343,636	15,170,261	4,893,457
Contractual services	35,431,925	-	35,431,925	8,921,411
Materials	-	-	-	7,082,371
Rent	-	-	-	356,616
General and administrative	26,046,687	10,603,627	36,650,314	11,478,524
Depreciation and amortization	8,350,304	3,014,504	11,364,808	1,053,132
Insurance claims and premiums	-	-	-	105,671,231
Landfill postclosure expense	4,250,773	-	4,250,773	-
Other	-	-	-	3,962,770
Total operating expenses	<u>96,889,508</u>	<u>39,237,011</u>	<u>136,126,519</u>	<u>153,490,066</u>
Operating income (loss)	<u>(6,902,291)</u>	<u>(37,407,554)</u>	<u>(44,309,845)</u>	<u>4,339,364</u>
Nonoperating revenues (expenses):				
Taxes	-	43,625,750	43,625,750	-
Interest income	1,633,734	700,054	2,333,788	261,119
Interest expense	(1,612,034)	(3,322,723)	(4,934,757)	(41,233)
Debt issuance costs	(74,872)	(15,219)	(90,091)	(4,615)
Gain (loss) on sale of capital assets	(112,765)	-	(112,765)	(383,257)
Total nonoperating revenues (expenses)	<u>(165,937)</u>	<u>40,987,862</u>	<u>40,821,925</u>	<u>(167,986)</u>
Income (loss) before contributions and transfers	<u>(7,068,228)</u>	<u>3,580,308</u>	<u>(3,487,920)</u>	<u>4,171,378</u>
Transfers in - other funds	-	-	-	6,786,400
Capital contributions	-	1,064,605	1,064,605	-
Change in net assets	<u>(7,068,228)</u>	<u>4,644,913</u>	<u>(2,423,315)</u>	<u>10,957,778</u>
Net assets - beginning of year	<u>70,191,438</u>	<u>159,081,379</u>		<u>(8,738,314)</u>
Net assets - end of year	\$ <u>63,123,210</u>	<u>163,726,292</u>		<u>2,219,464</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			354,580	
Change in net assets of business-type activities			<u>\$ (2,068,735)</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2012

	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 91,709,739	1,829,457	93,539,196	145,620,272
Cash payments to suppliers for goods and services	(60,762,266)	(9,963,972)	(70,726,238)	(83,346,676)
Cash payments to employees for services	(22,861,390)	(25,934,846)	(48,796,236)	(15,287,587)
Premium and claim payments	-	-	-	(58,165,271)
Other cash receipts	-	-	-	618,083
Net cash and cash equivalents provided (used) by operating activities	<u>8,086,083</u>	<u>(34,069,361)</u>	<u>(25,983,278)</u>	<u>(10,561,179)</u>
Cash flows from noncapital financing activities:				
Tax collections	-	43,777,404	43,777,404	-
Transfer from General Fund	-	-	-	6,786,401
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>43,777,404</u>	<u>43,777,404</u>	<u>6,786,401</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of property, plant and equipment	(7,201,471)	(10,355,819)	(17,557,290)	(240,816)
Capital grants	-	838,028	838,028	-
Proceeds of bonded debt	4,360,218	28,097,721	32,457,939	-
Payment to refund bond escrow agent	(3,202,547)	(5,023,132)	(8,225,679)	-
Payment of bond issue costs	(12,850)	(57,393)	(70,243)	-
Principal payments on bonded debt	(4,238,148)	(4,315,000)	(8,553,148)	-
Principal payments on notes payable	(38,281)	(1,045)	(39,326)	(260,000)
Principal payments on capital lease	-	(10,100)	(10,100)	-
Interest payments	(1,685,129)	(3,313,167)	(4,998,296)	(31,122)
Net cash and cash equivalents provided by (used) in capital and related financing activities	<u>(12,018,208)</u>	<u>5,860,093</u>	<u>(6,158,115)</u>	<u>(531,938)</u>
Cash flows from investing activities:				
Interest on investments	<u>1,512,384</u>	<u>749,818</u>	<u>2,262,202</u>	<u>300,311</u>
Net cash and cash equivalents provided by investing activities	<u>1,512,384</u>	<u>749,818</u>	<u>2,262,202</u>	<u>300,311</u>
Net increase (decrease) in cash and cash equivalents	(2,419,741)	16,317,954	13,898,213	(4,006,405)
Cash and cash equivalents, beginning of year	<u>98,940,257</u>	<u>70,362,749</u>	<u>169,303,006</u>	<u>128,164,836</u>
Cash and cash equivalents, end of year	<u>\$ 96,520,516</u>	<u>86,680,703</u>	<u>183,201,219</u>	<u>124,158,431</u>
Classified as:				
Current assets	\$ 1,543,102	78,199,430	79,742,532	106,663,056
Restricted assets	<u>94,977,414</u>	<u>8,481,273</u>	<u>103,458,687</u>	<u>17,495,375</u>
	<u>\$ 96,520,516</u>	<u>86,680,703</u>	<u>183,201,219</u>	<u>124,158,431</u>

(Continued)



PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Cash Flows, Continued  
Proprietary Funds  
For the year ended June 30, 2012

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (6,902,291)	(37,407,554)	(44,309,845)	4,339,364
Adjustments to reconcile operating loss to net cash provided by (used) by operating activities:				
Depreciation and amortization	8,350,304	3,014,504	11,364,808	1,053,132
Provision for doubtful receivables	77,877	-	77,877	-
Effect of changes in operating assets and liabilities:				
Accounts receivable	1,399,998	-	1,399,998	(2,478,378)
Inventories	-	-	-	(36,787)
Due from other governmental units	244,647	-	244,647	-
Prepaid costs	-	-	-	(5,810)
Deferred landfill closure costs	347,063	-	347,063	-
Compensated absences and termination benefits payable	66,312	(100,389)	(34,077)	(47,540)
Accounts payable	748,366	731,842	1,480,208	638,607
Retainages	18,672	(92,187)	(73,515)	-
Accrued costs	(117,883)	(215,577)	(333,460)	(276,020)
Deferred revenue	(12,000)	-	(12,000)	62,296
Deposits	3,400	-	3,400	-
Due from component units	-	-	-	(9,461,107)
Estimated liability for landfill closure costs	3,861,618	-	3,861,618	-
Estimated liability on pending claims	-	-	-	(4,348,936)
Total adjustments	14,988,374	3,338,193	18,326,567	(14,900,543)
Net cash and cash equivalents provided by (used) by operating activities	\$ 8,086,083	(34,069,361)	(25,983,278)	(10,561,179)
Non-cash investing, capital and related financing activities:				
Decrease (increase) in accrued interest receivable	\$ 99,998	75,352	175,350	39,192
Capital contributions - amount included in due from other governmental	-	401,024	401,024	-
	\$ 99,998	476,376	576,374	39,192

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets  
Fiduciary Funds  
June 30, 2012

	<u>Pension and Other Postemployment Benefit Trust Funds</u>	<u>Agency Funds</u>
<b>Assets:</b>		
Equity in pooled cash and investments	\$ 14,075,378	10,883,106
Collateral for loaned securities	7,482,873	-
Investments:		
Pooled separate accounts	348,793,712	-
U.S. Government & agency securities	30,814,500	-
Corporate bonds	91,615,374	-
Common stock	183,492,702	-
Real Estate Investment Trust	33,718,901	-
International Government securities	1,183,378	-
Preferred stock	2,058,845	-
Asset backed securities	24,961,059	-
Money market funds	381,439,248	-
Short-term investments	24,025,900	-
Alternative investments	200,986,415	-
Receivables:		
Taxes	-	4,881,014
Accounts	598,430	112
Accrued interest receivable	2,051,105	-
Prepaid costs and deposits	35,349	-
Total assets	<u>1,347,333,169</u>	<u>15,764,232</u>
<b>Liabilities:</b>		
Collateral for loaned securities payable	7,482,873	-
Accounts payable	410,701	107,404
Accrued costs	9,830,078	-
Due to other funds	35,000	-
Due to other governmental units	-	12,989,843
Funds held in trust	-	2,666,985
Total liabilities	<u>17,758,652</u>	<u>15,764,232</u>
<b>Net assets:</b>		
Net assets held in trust for benefit payments	\$ <u>1,329,574,517</u>	<u>-</u>

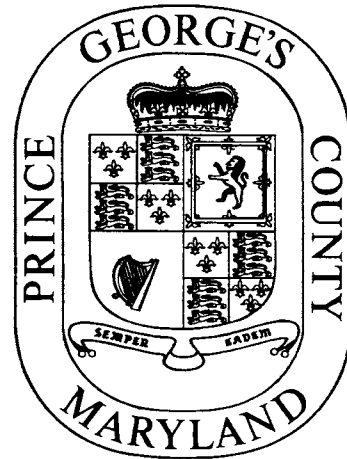
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Changes in Net Assets  
 Fiduciary Funds  
 For the year ended June 30, 2012

	<u>Pension and Other Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 138,530,822
Employee	29,252,684
Other	634,732
Total contributions	<u>168,418,238</u>
Investment income :	
Net depreciation in fair value of investments	(9,930,027)
Interest and dividends	28,733,752
Total investment income	18,803,725
Less investment expense	5,300,927
Net investment income	<u>13,502,798</u>
Total additions	<u>181,921,036</u>
Deductions:	
Benefits	172,364,640
Refunds of contributions	3,262,111
General and administrative expenses	3,234,284
Total deductions	<u>178,861,035</u>
Net increase	3,060,001
Net assets held in trust for benefit payments, beginning of year	<u>1,326,514,516</u>
Net assets held in trust for benefit payments, end of year	<u>\$ 1,329,574,517</u>

See accompanying notes to financial statements.

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## NOTES TO FINANCIAL STATEMENTS

The notes are an integral part of the  
financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements  
June 30, 2012

PRINCE GEORGE'S COUNTY  
Notes to Financial Statements

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PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

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PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The accounting policies of Prince George's County, Maryland (the County) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the County's significant accounting policies:

(a) Reporting Entity

The County is a body corporate and politic founded in 1696 as a political subdivision of the State of Maryland, which performs all local government functions within its jurisdiction. The County operates under a "home rule" Charter adopted in November 1970. Under the Charter, the County is governed by an elected County Executive and nine-member County Council.

As required by GAAP, the accompanying financial statements include various departments and agencies of the Primary Government and the County's component units, entities for which the County is considered to be financially accountable because of the significance of their operational or financial relationship with the County.

The government-wide financial statements include a separate column for the Board of Education of Prince George's County, Maryland and a separate column combining all other discretely presented component units. Each component unit is legally separate from the Primary Government and has a June 30 fiscal year end. There are no blended component units, i.e., legally separate component units whose financial information is combined with the operations of the Primary Government, included in this financial report. A description of the County's eight discretely presented component units follows:

- (i) The Board of Education of Prince George's County, Maryland (Board of Education or the Board) - The Board operates all public schools (grades K through 12) within the County. The Board is fiscally dependent because the County: approves its budget, is legally obligated to fund the Board's operations, and issues and is obligated to pay debt for the Board. A complete financial report is available through the Board's administrative offices, which are located at the Sasscer Administration Building, 14201 School Lane, Upper Marlboro, Maryland 20772.
- (ii) The Housing Authority of Prince George's County (Housing Authority) - The Housing Authority was created to develop safe, sanitary, and decent housing for County citizens. The governing body and management personnel are appointed by the County Executive. The County also approves the budget of the Housing Authority. Requests for copies of financial statements should be addressed to the administrative offices of the Housing Authority, which are located at Inglewood Center III, 9400 Peppercorn Place, Suite 200, Landover, Maryland 20785.
- (iii) The Industrial Development Authority of Prince George's County (IDA) - The IDA is a public building authority providing physical facilities to local governments located in the State of Maryland. The County appoints a majority of the governing body and is able to impose its will through approval of the IDA's budget and substantial involvement in IDA operations. Requests for copies of financial statements should be addressed to the administrative offices of the Industrial Development Authority, which are located at 14741 Governor Oden Bowie Drive, Suite 3151, Upper Marlboro, Maryland 20772.
- (iv) The Prince George's County Memorial Library System (Memorial Library or Library) - The Memorial Library operates the County's public library system. The County is legally obligated to provide financial support to the Library. The County approves its budget, holds title to its assets, and can unilaterally abolish the Library. Requests for the Library's financial statements should be made to the administrative offices, which are located at 6532 Adelphi Road, Hyattsville, Maryland 20785.
- (v) The Prince George's Community College (Community College or College) - The College operates a higher education institution within the County. The County is legally obligated to provide financial support to the College. In addition, the fiscal dependency criterion applies because of the County's substantial budgetary approval authority. Individuals interested in obtaining detailed financial statements for the College should contact its administrative offices, which are located at 301 Largo Road, Landover, Maryland 20772.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

- (vi) The Prince George's Community Television, Inc. (PGCT) - PGCT operates local government public access channel programming for cable television operations. The County appoints a majority of the governing body and imposes its will over PGCT operations. PGCT is fiscally dependent on the County (i.e., the County has substantive approval authority over the budget, sets fees, and prohibits debt issuances.) A full set of financial statements is available at PGCT's administrative offices, which are located at 9475 Lottsford Road, Suite 125, Landover, Maryland 20785.
- (vii) The Redevelopment Authority of Prince George's County (Redevelopment Authority) - The Redevelopment Authority was created to provide residential, commercial, or industrial development or redevelopment within County boundaries. The County appoints a majority of the governing body and is able to impose its will through approval of the Redevelopment Authority's budget and substantial involvement in Redevelopment Authority operations. Requests for copies of financial statements should be addressed to the administrative offices of the Redevelopment Authority, which are located at 9201 Basil Court, Suite 155, Largo, Maryland 20774.
- (viii) The Revenue Authority of Prince George's County (Revenue Authority) - The Revenue Authority was created to develop projects within the boundary lines of the County devoted wholly or partially for public uses and to stimulate employment and economic growth. The Revenue Authority is also responsible for the acquisition, construction, and operation of parking and related facilities for motorized and non-motorized vehicles within the County. The County appoints a majority of the governing body and is able to impose its will through approval of the Revenue Authority's budget and substantial involvement in Revenue Authority operations. Additionally, the County must approve and is responsible for all bonded debt issuances. Requests for financial statements should be directed to the Revenue Authority's administrative offices, which are located at 1300 Mercantile Lane, Suite 108, Landover, Maryland 20785.

As discussed in Note 18, the Washington Suburban Sanitary Commission, Washington Suburban Transit Commission, Washington Metropolitan Area Transit Authority, and the Maryland-National Capital Park and Planning Commission are not part of the reporting entity, but rather are considered joint ventures for financial reporting purposes.

(b) Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities report non-fiduciary financial activity of the County and its component units. The majority of inter-fund activity is eliminated from the statements. Governmental activities, which are mainly supported by tax revenues, are reported separately from business-type activities, which rely on fee charges to external parties. Additionally, the primary government is reported separately from its component units.

The statement of activities compares direct expenses and program revenues for distinct activities and for each of the County's governmental and business-type activities. Direct expenses are those that are specifically related to a program or function. Program revenues include (1) fees and charges for services generated by programs and (2) grants and contributions restricted to a particular program. All taxes and other items not included as program revenues are reported as general revenues.

Fund Financial Statements: Fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The focus is on major governmental and enterprise funds, which are reported in separate columns in the fund financial statements. The remaining governmental funds are combined and reported as non-major funds.

The County reports the following major governmental funds:

General Fund - The General Fund is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Federal and State Aided Programs - This Special Revenue Fund accounts for direct financial assistance received by the County through categorical grants from Federal and State agencies.

Capital Projects Fund - The Capital Projects Fund accounts for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

The County reports the following major proprietary funds:

Solid Waste – This fund accounts for the disposition of refuse, garbage, rubbish, or any other matter to ensure the public health of the inhabitants of the County. The fund also covers programs and activities associated with solid waste management, environmental protection, and recycling and clean-up of the environment.

Stormwater Management Fund – This fund accounts for the servicing of County stormwater management facilities including floodplain maintenance, stormdrain maintenance, and a variety of rehabilitation, repair and maintenance contracts for open channels, ditches, and flood channels.

The County also reports the following additional funds:

Internal Service Funds - Internal Service Funds are proprietary funds that account for vehicle maintenance, information technology, and risk management services to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis. Internal Service Fund accounting is similar to enterprise funds; however for government-wide reporting the activity is mostly included with governmental activities because they predominantly serve the governmental funds.

Trust Funds - Trust Funds are fiduciary funds out of which retirement annuities and/or benefit payments are paid and designated to public employees.

Agency Funds – These fiduciary funds account for money held on behalf of other governmental entities for taxes collected by the County.

(c) Basis of Accounting

Government-wide, Proprietary and Trust Funds are accounted for using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The County applies all applicable FASB pronouncements issued on or prior to November 30, 1989 in accounting and reporting for its government-wide, proprietary fund, and certain fiduciary fund (pension and other employee benefit trusts) financial statements unless these pronouncements conflict with GASB pronouncements. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the business-type and governmental funds of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed. Furthermore within the unrestricted fund balance the County will apply expenditures against committed, then assigned, and then unassigned amounts.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Governmental funds are used to account for the County's general government activities. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers most revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payments are due.

Property taxes, interest, charges for services, and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

The County reports deferred revenue in its financial statements. Deferred revenues arise in governmental funds when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized. Unearned revenue as reported in the government-wide statements is the same as deferred revenue; however it does not involve application of the availability criterion used in governmental funds.

(d) Budgetary Data

The Prince George's County Charter requires that certain transactions be accounted for on a basis other than GAAP. Actual results of operations are presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for the General Fund in accordance with legislative requirements, in order to provide a meaningful comparison of actual results with budget estimates. Under the budgetary basis, encumbrances are recorded as the equivalent of expenditures, as opposed to only a restriction, assignment, or commitment of fund balance (GAAP basis). This treatment of encumbrances represents one of two material differences between the GAAP and budget basis. The other significant difference relates to the presentation of purchase agreement financing transactions. These transactions represent equipment or real estate lease purchase contracts where an escrow account is maintained under a three-party agreement between the County, the leasing company, and the fiscal escrow agent, who controls the receipt of the financing proceeds and disbursements for equipment and real estate purchases. Under the GAAP basis, both the purchases and periodic principal and interest payments on the financing must be recorded; however, under the budgetary basis, only the principal and interest payments are recorded.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- Agency budget requests are normally due to the Office of Management and budget prior to mid November.
- Prior to January 15, the Component Units submit to the County Executive a proposed budget for the fiscal year commencing the following July 1.
- Prior to April 1, the County Executive submits to the County Council a proposed operating budget for the County, which includes the needs of the Component Units for the upcoming year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the County Council to obtain taxpayer comments.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

- Prior to June 1, the budget is legally enacted through passage of an ordinance.
- The appropriated budget is prepared by fund and by object within an agency. The County Executive is authorized to transfer budgeted amounts within an agency within any fund; however, the County Council must approve any revisions that alter the total expenditures of any agency or fund. No agency of the Primary Government shall during any fiscal year expend, or contract to expend, in excess of the amounts appropriated in the budget for such fiscal year. The level of budgetary control (level at which expenditures/expenses are monitored) is maintained at three major object classifications: compensation, other current expenditures/expenses (which include debt service payments, expenditure recoveries, and operating transfers out), and capital outlays. The legal level of control is exercised at the agency level in the General Fund. No County liability shall be incurred or contracted by any department, agency, or employee, and no bill or invoice shall be approved or paid, unless the Council has authorized by budget adoption or a specific appropriation to cover payment out of public funds. Any person willfully violating this provision shall be deemed to be responsible for the contract, debt, or expenditure. The agency head allowing such action shall be subject to such disciplinary action as the Council shall determine.
- Subsequent to passage of the budget ordinance, the County Council may approve supplemental appropriations. During fiscal year 2012, such appropriations amounted to a \$27.8 million increase in the Primary Government's General Fund budget (major fund).
- All unencumbered appropriations in the General Fund lapse at the end of the fiscal year.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual for the General Fund is located included in Exhibit A-5. The following funds of the Primary Government have legally adopted annual budgets:

General Fund

Nonmajor governmental funds:

- Property Management Services Fund
- Collington Center Fund
- Domestic Violence Fund
- Drug Enforcement and Education Fund

Although budgets are not legally adopted for all Special Revenue Funds of the County, budgetary control is exercised. The Federal and State Aided Programs Fund's expenditures are limited to the amount awarded for the associated grant programs.

Expenditures in the Debt Service Fund are limited by authorized transfer amounts from other funds. Capital Projects Funds are appropriated at the project level. Annual operating budgets are not prepared for the Debt Service or Capital Projects Funds.

(e) Cash and Cash Equivalents

For Statement of Cash Flows purposes, the Primary Government defines cash equivalents to include the following: all highly liquid, unrestricted investments with a maturity of three months or less when purchased; all cash and investment pools which are used essentially as demand accounts; all cash with fiscal agents; and all restricted cash and investments have been determined to be cash equivalents.

(f) Investments

Investments of the Primary Government (other than those held by the Trust Funds) are stated at cost or amortized cost, unless the remaining maturity at the time of purchase is one year or more, in which case they would be recorded at fair value. In the Trust Funds, investments are stated at quoted market value or fair value as determined by the trustee/investment manager in the absence of readily ascertainable market values.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(g) Special Assessments Receivable

Special assessments are levied upon completion of the related projects and are payable either (a) when billed, or (b) over a multi-year period from the date of the initial billing, at the option of the benefited property owner. Special assessments receivable under the deferred payment plan amounted to \$9,861 at June 30, 2012.

(h) Allowance for Uncollectible Receivables

The County calculates its allowance for uncollectible receivables using historical collection data and, in certain cases, specific account analysis. The total allowance amounts are summarized below:

Primary Government:	
General Fund	\$ 9,256,082
Federal and State Aided Fund	19,964,820
Solid Waste Fund	1,178,682
Stormwater Management Fund	<u>29,261</u>
	<u>\$ 30,428,845</u>

As part of the County's Community Development Block Grant and Rental Rehabilitation federal financial assistance programs, the County makes loans to residents and developers to restore and repair low-income housing units. At June 30, 2012, there were approximately \$27.9 million of outstanding loans receivable under these programs. Approximately \$8.0 million of these loans are offset by equivalent deferred revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$19.9 million is completely offset by an allowance for uncollectible notes receivable (included in the table above), because collections are highly uncertain. In many cases, the County has agreed to forgive loan repayment if the resident/developer complies with certain requirements that may include residing in the property for a certain number of years.

(i) Inventories

Inventories, consisting of expendable items held for consumption, are stated at the lower of cost (first-in, first-out method) or market or at average cost, which approximates the first-in, first-out method of costing. The cost of such items is recognized as an expense or expenditure when used in operations.

(j) Prepaid Costs and Deposits

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid expenses. The consumption method is used for prepaid items and expenditures or expenses are recognized when used in operations.

(k) Restricted Assets

Proceeds from debt and funds set aside for payment of revenue bonds and other general obligation debt are classified as restricted assets since their use is limited by applicable debt agreements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(l) Capital Assets

Capital assets which include land, buildings, equipment, and infrastructure assets (e.g. road networks, bridges, stormwater property, and similar items) are recorded at cost and as governmental or business-type activities in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Contributed capital assets are recorded at estimated fair market value at the time received. Assets recorded under capital lease agreements are recorded at the lower of fair value or the net present value of minimum lease payments on the date of the lease inception. Interest is capitalized on assets acquired or constructed with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of borrowing until installation or completion of the project with interest earned on invested proceeds over the same period.

The costs of normal maintenance and repairs that do not materially extend the assets' useful lives have not been capitalized.

Depreciation has been recorded over the following estimated useful lives using the straight-line method:

Land improvements	10 - 20 years
Buildings and plant improvements	3 - 50 years
Stormwater property in service	50 years
Equipment and machinery	3 - 20 years
Bridges	50 years
Road Networks	60 years

The Primary Government's landfill facility at Brown Station Road has completed expansion of the construction of eleven new treatment areas referred to as "cells." Nine cells are currently operational. The total estimated cost of the operational cells was transferred from construction-in-progress to landfill property in service based on the total acreage of the operational cells as a percentage of the total landfill acreage multiplied by total estimated costs of the entire facility. Depreciation is computed by dividing the number of tons of refuse dumped by total estimated landfill capacity, which is then multiplied by the estimated total landfill cost. An independent engineer estimates the total capacity of the landfill as 11,231,652 tons.

(m) Self-Insurance Funds

Included in the estimated liability for pending claims are estimates of incurred but not reported claims and incremental claims adjustment expenses for all lines of coverage.

(n) Arbitrage Rebate Liability

This liability represents the excess investment earnings on unspent bond proceeds over the bond yield, in accordance with the Internal Revenue Code of 1986 as amended. The County has no liability for FY12.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(o) Long-term Obligations

(i) Long-term Debt

In the government-wide financial statements and the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable, governmental activities, business-type activities, or proprietary fund type statement of net assets. For long-term obligations, only that portion expected to be financed from current available financial resources is reported as a fund liability of a Governmental Fund. Long-term liabilities to be financed from proprietary fund operations are accounted for in those funds.

(ii) Bond Premiums/Discounts and Issuance Costs

Bond premiums and discounts, as well as issuance costs, for government-wide and proprietary fund financial statements are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums or discounts are reported as a net addition or reduction of the face amount of bonds payable. Issuance costs are recorded as deferred charges.

In the governmental funds financial statements, bond premiums and discounts are recognized in the current period. Issuance costs, whether or not withheld from actual debt proceeds, are reported as debt service expenditures.

(iii) Bond Covenants

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. The County is in compliance with all bond covenants.

(p) Revenues, Expenditures, and Expenses

(i) Property Tax Revenue Recognition

The County's real property taxes are due and payable on the first day of July each year, the levy date and the date on which an enforceable lien attaches to the property. Levies are based on assessments as certified to the County by the State of Maryland Department of Assessments and Taxation. Such taxes are overdue and in arrears on the first day of October, at which time interest and penalties are charged at the rate of 20% per annum on all unpaid accounts. Personal property and real property taxes levied for fractions of a year are due when billed and are overdue within 30 days of billing. General property taxes receivable, net of the allowance for uncollectibles of \$8,941,135, amounted to \$5,590,017.

Property on which taxes remain in a delinquent status as of the second Monday in May is placed for tax sale.

At the November 1978 General Election, the voters of the County adopted an amendment to the Charter limiting future collection of real property taxes to the amount collected in fiscal year 1979. The amendment, which became effective in December 1978, added Section 817B to the Charter. It is generally referred to as "TRIM" (TRIM is an acronym for Tax Reform Initiative by Marylanders).



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

An amendment to TRIM was approved by the voters of the County at the November 1984 General Election, authorizing the Council to levy taxes beginning in 1986 on a maximum rate basis as an alternative to the maximum amount basis. The maximum rate authorized was two dollars and forty cents (\$2.40) for each one hundred dollars (\$100) of assessed value. Beginning in fiscal year 1992, the Court of Appeals upheld the authority of the County to increase the tax rate to pay principal and interest on bonds outstanding prior to the effective date of "TRIM". Prior to fiscal year 2002, real property in the County was assessed at 40% of the phased-in market value. Pursuant to a change in State law, real property in fiscal year 2002 was assessed at 100% of the phased-in market value. For fiscal year 2010, the tax rate was set at ninety-six cents (\$0.96) and two dollars forty cents (\$2.40) for each one hundred dollars (\$100) of assessed value for real and personal property, respectively. There were no bonds outstanding issued before the effective date of "TRIM".

(ii) Landfill Operations - Primary Government

- Revenue Recognition

The revenue of the County's landfill operations reported in the Solid Waste Enterprise Fund is based upon service rates authorized by the County Council. These rates are intended to produce revenue approximately equal to costs similar to certain types of regulated enterprises. Therefore, the Solid Waste Enterprise Fund follows accounting guidance for regulated enterprises.

- Closure and Post-closure Care Costs

The October 9, 1991 U.S. Environmental Protection Agency rule, "Solid Waste Disposal Facility Criteria", establishes certain closure and thirty (30) year postclosure care requirements affecting municipal solid waste landfills. In accordance with GAAP, the County accrues for closure and post-closure costs related to its landfill operations. Consistent with accounting policies for regulated enterprises, the recognition of closure and post-closure care costs otherwise chargeable to expense have been deferred because it has been determined that future estimated revenue in an amount at least equal to the deferred cost will result from inclusion of those amounts in allowable costs for rate-making purposes, and that future revenue will be sufficient to permit recovery of the previously incurred cost as well as to provide for expected levels of similar future costs. The deferred landfill closure costs are recognized to the extent that designated revenues are collected. In fiscal year 2012, \$12.00 per ton of solid waste dumped was designated for closure and postclosure costs.

(q) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

(r) Total Column Government-wide Statement of Net Assets

The total column for the reporting entity includes a reclassification for the unrestricted net asset deficit related to component unit debt (\$445,921,535). The reclassification is necessary because the County issues debt to finance construction projects for its component units (Board of Education and Community College); however, the component units own the assets. The debt reduces unrestricted net assets for the County, while the capital assets are reported in net assets invested in capital assets, net of related debt by the component units.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(2) New Accounting Pronouncements

In Fiscal Year 2011, the County implemented Governmental Accounting Standards Board (GASB) Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The Statement establishes new fund balance classifications for governmental funds that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The statement also provides financial reporting and disclosure requirements for the new fund balance classifications. The definitions of the governmental funds (general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type) are clarified by the provisions in this Statement.

The county adopted the new fund balance disclosures for governmental fund reporting and added additional disclosures displayed in notes 17 and 18. The new fund balance categories are listed below:

**Nonspendable** – Includes amounts that cannot be spent because they are in nonspendable form (inventory) or legally or contractually required to remain intact.

**Restricted** - Includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed** - Includes amounts that can be used only for the specific purposes determined by a council bill approved by the government's highest level of decision-making authority (County Council.) The same formal action used to create a commitment is required to rescind it.

**Assigned** – Includes government's intent to use for specific purposes but does not meet the criteria to be classified as restricted or committed. County Council Resolution CR-36-2011 granted the authority to assign fund balance in the General Fund to a three person committee consisting of the Director of the Office of Management and Budget, or their designee, the Director of Finance or their designee, and the County Council Administrator, or their designee. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed

**Unassigned** fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification can be used only to report a deficit balance.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed, except for capital projects which use unrestricted resources first. Furthermore within the unrestricted fund balance the County will apply expenditures against committed, then assigned, and then unassigned amounts.

(3) Compliance and Accountability

Net Assets Deficit - Primary Government - Internal Service Fund – Workers' Compensation

The Primary Government's Workers' Compensation Internal Service Fund's net assets deficit at June 30, 2012 was \$77,621,340. The County's risk management contributions decreased by \$3.7 million during fiscal year 2012. Expenditures decreased by \$7.1 million driven by an decrease in claims paid. The County will continue to increase premium contributions and reduce certain administrative costs in future fiscal years to reduce this deficit.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(4) Cash and Investments

(a) Investment Policy

The Primary Government's investment policy's primary objective for the management of the County's funds is the protection of investment principal in the overall portfolio through the use of diversification and third-party collateralization while maintaining sufficient liquidity to meet all cash flow requirements. The secondary objective is to maximize investment return consistent with risk limitations.

The Primary Government maintains a cash and investment pool that is available for use by all funds. Each fund's share of this pool is displayed as "Cash and investments" (restricted and unrestricted). Investment income is allocated to all funds based on the percentage of the fund's cash and investments at month-end to the total pool, with the exception of income on bond proceeds, which is allocated to the General Fund pursuant to certain legal provisions. The Component Units maintain separate bank accounts covered by Federal depository insurance or collateral held by the banks in the entity's name. Details of the component units' investment policies are included in their individual financial statements and are available to the general public [see note 1(a)]. In addition, investments are separately held by several funds. Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities; interest bearing accounts; certificates of deposit; repurchase agreements; bankers' acceptances, money market accounts, and the State's investment pool. Statutes require that deposits, interest bearing accounts, certificates of deposit, and repurchase agreements be fully collateralized.

The Primary Government, the Board of Education, the Revenue Authority, and the Memorial Library participate in the Maryland Local Government Investment Pool (MLGIP). The MLGIP is an external investment pool that is not subject to regulation by the Securities and Exchange Commission (SEC). However, the pool is governed by Article 95 Section 22G of the Annotated Code of Maryland and under control of the State Treasurer, subject to oversight by the MLGIP Advisory Committee. All securities in the MLGIP are valued daily on an amortized cost basis, which approximates market value.

The Pension Plans of the Primary Government have separate investment policies that are set by each Pension Plan's Board of Trustees to assure overall diversification of investments. Custody of Plan assets is maintained at financial institutions selected by each Board, but the responsibility for selection of specific investments is delegated to appointed investment managers. The Policy seeks to achieve a long-term rate of return on investments, net of expenses that exceed benchmarks established by the investment committee and maintains sufficient income and liquidity to pay monthly retirement benefits. The Policy establishes a strategic target for asset allocation between equity securities (48%), fixed income (32%), real estate (5%), and alternative investments (5%). The Plans are authorized to invest in U.S. Government securities, common and international stock, money market mutual funds, corporate bonds, repurchase agreements, and real estate. State statutes do not prohibit the Plans from participating in securities lending activities. All investments are valued at fair value. Fair value for investments in pooled separate accounts is determined using quoted market value or fair value as determined by valuation committees when quoted market value is not available. Assets of each Plan are held in separate trust funds. Within each trust, assets are held in custodial accounts for which the custodian makes no investment decisions. The investment policies allow the Plans' to invest in Alternative Investments which the Plans enter into under limited partnership agreements. The limited partnership determines the fair value of alternative investments when quoted market value is not available. The Plans use a third party administrator to aid in the evaluation of the Alternative Investments.

The Prince George's County, Maryland Non-Pension Post Employment Benefits Fund (the OPEB Trust Fund) was established during fiscal year 2008. In September 2010, the Board of Trustees established an investment policy to set forth the Trustees' investment objectives, policies, guidelines, monitoring and review procedures relating to the management and safekeeping of all assets of the OPEB Trust. The Fund's assets may be invested in domestic equity investments, convertible bonds, preferred stocks, US Government obligations, repurchase agreements, corporate bonds, asset backed securities, agency guaranteed mortgage pass-through securities, low risk collateralized mortgage obligations, and international investments. American Depository Receipts (ADRs) and dual listed foreign stocks may be held by each domestic equity manager to a maximum of 10%.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting the exposure to fair value losses arising from rising interest rates, the Primary Government's investment policy limits investments with maturities greater than one year to a calculation based on 50% of the average of the investment low point for the last three years. Investments made with unspent bond proceeds may not have a maturity greater than 3 years at time of purchase. At June 30, 2012, investments with maturities greater than one year at the time of purchase were 47.5% of the portfolio. The table below includes the Primary Government's fixed income holdings by investment type, fair value, and maturity:

<b>Primary Government Investments (in thousands)</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>
U.S. Agency Securities	\$ 422,130	\$ 95,611	\$ 326,519
Bank Interest Bearing Savings Account	29,042	29,042	-
Certificates of Deposit	165,245	165,245	-
Money Market Mutual Funds	200	200	-
Local Government Investment Pool	251,915	251,915	-
	<u>\$ 868,532</u>	<u>\$ 542,013</u>	<u>\$ 326,519</u>

The table below includes the OPEB Plan's fixed income holdings by investment type, fair value, and maturity:

<b>OPEB Fund Investments (in thousands)</b>					
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>over 10</b>
U.S. Government securities	\$ 2,367	\$ -	\$ 1,025	\$ 726	\$ 616
U.S. Agency securities	6,166	-	6,166	-	-
Corporate bonds	19,356	163	3,841	12,106	3,246
Asset-backed securities	7,327	-	503	-	6,824
Short-term investments	10,420	10,420	-	-	-
	<u>\$ 45,636</u>	<u>\$ 10,583</u>	<u>\$ 11,535</u>	<u>\$ 12,832</u>	<u>\$ 10,686</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

The Pension Plans' policies limit the average maturity and duration of certain investments. The table below includes the Pension Plans' fixed income holdings by investment type, fair value, and maturity:

Investment Type	Pension Fund Investments (in thousands) <sup>(1)</sup>				
	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10
U.S. Government Securities	\$ 4,258	\$ 302	\$ 719	\$ 884	\$ 2,353
U.S. Agency Securities	21,056	1,277	8,351	4,692	6,736
Corporate Bonds	93,086	993	25,942	55,703	10,448
Asset-Backed Securities	39,757	85	1,241	6,733	31,698
Short-Term Investments	19,452	19,452	-	-	-
	<u>\$ 177,609</u>	<u>\$ 22,109</u>	<u>\$ 36,253</u>	<u>\$ 68,012</u>	<u>\$ 51,235</u>

<sup>(1)</sup> Table does not include International Government Securities or Real Estate Investment Trust investments, which do not have maturity dates.

(c) Credit Risk

Credit risk involves disclosing the credit quality of investments in debt securities as described by nationally recognized rating agencies. The Primary Government's investment policy prescribes the following credit quality standards. Bankers' acceptances and commercial paper must have a debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the SEC. As of June 30, 2012, the primary government had investments in the following issuers with credit quality ratings as a percent of the total investments in debt securities:

Primary Government Fund Investments (in thousands)					
Credit Risk					
Investment Type	Amount	Moody's	S&P	%	
U.S. Agency Securities	\$ 422,130	Aaa	AAA	62.61%	
Government Money Market Mutual Funds	200	Aaa	AAAm	0.03%	
Maryland Local Government Investment Pool	251,915	NR	AAAm	37.36%	
	<u>\$ 674,245</u>				

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

As of June 30, 2012, the OPEB Plan had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

INVESTMENT TYPE	AMOUNT	CREDIT RISK		INVESTMENT TYPE	AMOUNT	S&P	%
		MOODY'S	%				
Corporate bonds	\$ 1,725	AAA	3.99%	Corporate bonds	\$ 1,196	AAA	2.76%
Corporate bonds	1,396	AA	3.23%	Corporate bonds	1,408	AA	3.25%
Corporate bonds	6,990	A	16.15%	Corporate bonds	7,666	A	17.72%
Corporate bonds	8,024	BAA	18.54%	Corporate bonds	8,540	BBB	19.74%
Corporate bonds	1,221	BAA	2.82%	Corporate bonds	546	BB	1.26%
Asset-Backed securities	6,905	AAA	15.96%				
				Asset-Backed securities	6,402	AA	14.80%
Asset-Backed securities	422	NR	0.98%	Asset-Backed securities	925	NR	2.14%
Short-Term investments	10,420	NR	24.08%	Short-Term investments	10,420	NR	24.08%
U.S. Agency securities	6,061	AAA	14.01%				
U.S. Agency securities	105	AA	0.24%	U.S. Agency securities	6,166	AA	14.25%
	<u>\$ 43,269</u>				<u>\$ 43,269</u>		

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

1 The Pension Plans' policies do not address credit quality, except a requirement that no more than 5% of investments can be committed to government sponsored entities unless they are AAA rated. During fiscal year 2012 the Plans investments in government sponsored entities with ratings below AAA exceeded the 5% limit. As of June 30, 2012 the Plans had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

Pension Fund Investments <sup>(1)</sup>							
Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Agency Securities	\$ 5,925	Aaa	3.42%	U.S. Agency Securities	\$ 1,907	AAA	1.10%
U.S. Agency Securities	5,216	Aa	3.01%	U.S. Agency Securities	5,842	AA	3.37%
U.S. Agency Securities	4,526	A	2.61%	U.S. Agency Securities	1,554	A	0.90%
U.S. Agency Securities	1,401	Baa	0.81%	U.S. Agency Securities	205	BBB	0.12%
				U.S. Agency Securities	326	NA	0.19%
U.S. Agency Securities	3,988	NR	2.30%	U.S. Agency Securities	11,222	NR	6.47%
Short-Term Investments	19,452	NR	11.22%	Short-Term Investments	19,452	NR	11.22%
Corporate Bonds	1,090	Aaa	0.63%	Corporate Bonds	1,090	AAA	0.63%
Corporate Bonds	1,181	Aa	0.68%	Corporate Bonds	4,136	AA	2.39%
Corporate Bonds	18,968	A	10.94%	Corporate Bonds	23,009	A	13.27%
Corporate Bonds	13,498	Baa	7.79%	Corporate Bonds	8,692	BBB	5.01%
Corporate Bonds	9,162	Ba	5.29%	Corporate Bonds	16,973	BB	9.79%
Corporate Bonds	39,294	B	22.67%	Corporate Bonds	33,759	B	19.48%
Corporate Bonds	3,343	CAA	1.93%	Corporate Bonds	2,490	CCC	1.44%
Corporate Bonds	6,528	NR	3.77%	Corporate Bonds	2,915	NR	1.68%
Asset-Backed Securities	965	Aaa	0.56%	Asset-Backed Securities	965	AAA	0.56%
Asset-Backed Securities	414	A	0.24%	Asset-Backed Securities	329	A	0.19%
Asset-Backed Securities	6,847	NR	3.95%	Asset-Backed Securities	6,847	NR	3.95%
Mortgage-Backed Securities	27,310	AAA	15.76%	Mortgage-Backed Securities	319	AAA	0.18%
Mortgage-Backed Securities	684	AA	0.39%	Mortgage-Backed Securities	21,498	AA	12.40%
Mortgage-Backed Securities	1,072	A	0.62%	Mortgage-Backed Securities	6,853	A	3.95%
				Mortgage-Backed Securities	111	BBB	0.06%
Mortgage-Backed Securities	128	C	0.07%				
				Mortgage-Backed Securities	128	CCC	0.07%
Mortgage-Backed Securities	2,338	NR	1.35%	Mortgage-Backed Securities	2,623	NR	1.51%
	<u>\$ 173,330</u>				<u>\$ 173,330</u>		

<sup>(1)</sup> Table does not include International Government Securities or Real Estate Investment Trust investments, which do not have maturity dates.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(d) Concentration of Credit Risk

Concentration risk is the risk of loss attributed to the magnitude of the Pension Plans' investment in a single issuer. The Primary Government's investment policy establishes maximum percentages of the portfolio for an investment class. These percentages apply at the time the investment is purchased and may be overridden to satisfy liquidity requirements. The investment policy limits certain investments to less than 5% of total investments. The percentages are as follows:

<b>Primary Government Investments</b>	
<b>Investment Type Name</b>	<b>Maximum %</b>
U.S. Government Securities	100%
U.S. Agency Securities	90%
Repurchase Agreements	80%
Certificates of Deposit and Time Deposits	80%
Bankers' Acceptances	50%
Commercial Paper	5%
Pooled Investments	100%
Municipal Securities and Municipal Money Market Mutual Funds	100%

The following investments represent over 5% of total OPEB Plan investments with a single investor.

State Street /SSGA FUNDS		
Money Market Fund	\$	10,419,872
Percentage		21.74%



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

The Pension Plan policy limits certain investments to less than 5% of total investments. The following investments represent over 5% of total investments with a single investor.

	Pension Plans		
	<u>Police</u>	<u>Fire Service</u>	<u>Other</u>
State Street /PIMCO			
Bond Fund	\$ 71,925,094	\$ 30,005,172	\$ 34,249,604
Percentage	10.72%	9.73%	11.49%
State Street /Causway International			
Equity Fund	39,899,615	18,709,699	19,191,405
Percentage	5.95%	6.06%	6.44%
State Street /Pointer LP			
Alternative Investments	37,698,495	16,937,005	-
Percentage	5.62%	5.49%	-
State Street / SSGA S&P 500			
Equity Fund	34,436,631	17,398,423	-
Percentage	5.13%	5.64%	-
State Street / Aberdeen Debt Emerging Markets			
Bond Fund	37,594,343	15,722,071	-
Percentage	5.60%	5.10%	-
State Street / Ballie Gifford Funds			
Equity Fund	37,471,271	19,760,495	-
Percentage	5.58%	6.41%	-
State Street / Clarian Lion Properties Fund			
Real Estate Investment Trust	-	-	16,331,987.00
Percentage	-	-	5.48%

(e) Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County or the Plans will not be able to recover deposits or collateral securities that are in the possession of an outside party. Deposits include bank accounts and non-negotiable certificates of deposit. Deposits at financial institutions were fully insured or collateralized at year-end.

Custodial credit risk for investments is the risk that securities are uninsured, unregistered, and held by the counterparty, or by its trust department or agent, but not in the County or the Plans' name. As of June 30, 2012, there were no investments exposed to custodial credit risk.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(f) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The primary government's policy does not allow investments in foreign denominations. The Pension Plans' policy allows the Plans to invest in foreign currency denominations, but does not address foreign currency exposure. The table below lists the Plans' foreign currency exposure for fixed income and equity securities as of June 30, 2012:

Local Currency	Other Pension Fund Investments (in thousands)				%
	Foreign Currency Exposure			Total	
	Equity	Fixed Income	Other		
Australian Dollar	\$ 1,625	\$ 303	\$ 144	\$ 2,072	0.16%
Canadian Dollar	2,834	901	1,592	5,327	0.42%
Danish Krone	872	165	-	1,037	0.08%
Euro Currency	7,110	3,636	-	10,746	0.84%
Hong Kong Dollar	1,254	18	212	1,484	0.12%
Israeli Shekel	562	5	-	567	0.04%
Japanese Yen	5,429	5,979	-	11,408	0.89%
Malaysian Ringgit	-	273	-	273	0.02%
Mexican Peso	-	546	-	546	0.04%
New Zealand Dollar	-	273	-	273	0.02%
Norwegian Krone	341	577	-	918	0.07%
Polish Zloty	-	13	-	13	0.00%
Pound Sterling	5,287	1,770	-	7,057	0.55%
Singapore Dollar	775	438	-	1,213	0.09%
South African rand	-	4	-	4	0.00%
South Korean Won	1,398	261	-	1,659	0.13%
Swedish Krona	376	9	-	385	0.03%
Swiss Franc	1,366	76	-	1,442	0.11%
Total Foreign Holdings	<u>\$ 29,229</u>	<u>\$ 15,247</u>	<u>\$ 1,948</u>	<u>\$ 46,424</u>	3.63%

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(g) Securities Lending

The Board of Trustees for the Pension Plans (the Plans) authorizes the lending of securities to broker-dealers for collateral that will be returned for the same securities in the future. The collateral securities, letters of credit and cash are initially pledged at 100% of the market value of the securities lent and revalued daily to ensure that the collateral does not fall below 100%. The Plans are indemnified for credit risk as it relates to counterparty loan activity. The collateral securities and letters of credit cannot be sold or pledged unless the borrower defaults. As a result, such amounts have not been reported as assets and liabilities in the statement of net assets of the Pension Trust Funds. Cash collateral is invested in the custodian's short-term investment pool, which at year-end had an average duration of 32 days and a weighted average to maturity of 62 days. The relationship between the maturities of the investment pool and the loans is affected by the maturities of the securities loans made by other entities that use the pool, which the Plans cannot determine. The collateral held and the fair value of securities on loan as of June 30, 2012 totaled \$7,482,873 and \$7,476,965, respectively. Cash collateral held, amounting to \$7,482,873, is included as an asset and liability in the accompanying financial statements at year-end.

(h) Derivatives

The Investment Policy of the Pension Plans allows the plans to invest in certain derivatives in order to increase potential earnings and hedge against potential losses. In fiscal year 2012 the Plans invested directly in various derivatives including futures contracts, forward currency contracts, and rights. During the fiscal year the plans had the following derivative instrument activity:

<b>Investment Type</b>	<b>Notional Amount</b>	<b>Changes in Fair Value</b>	<b>Classification</b>	<b>Fair Value at June 30, 2011</b>
Foreign Currency Forward Contracts	\$ 1,493,733	\$ (4,135)	Long-Term Instruments	\$ (15,733)
Rights	-	6,544	Common Stock	-
Warrants	4,727	-	Common Stock	-
	<u>\$ 1,498,460</u>	<u>\$ 2,409</u>		<u>\$ (15,733)</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2012 are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Federal and State Aided Programs	\$ 18,700,000
	Capital Projects	12,000,000
	Fiduciary Funds	35,000
		<u>\$ 30,735,000</u>

Due from/to other entities:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component Unit - Board of Education	Primary Government - Capital Projects Fund	\$ 22,191,016
Component Unit - Memorial Library	Primary Government - Capital Projects Fund	1,149,278
Component Unit - Community College	Primary Government - Capital Projects Fund	512,366
		<u>\$ 23,852,660</u>
Primary Government - General Fund	Component Unit - Housing Authority	\$ 1,784,232
Primary Government - General Fund	Component Unit - Community Television	450,000
Primary Government - General Fund	Component Unit - Revenue Authority	6,607,131
Primary Government - Internal Service Funds	Component Unit - Board of Education	11,996,251
Primary Government - Internal Service Funds	Component Unit - Memorial Library	333,208
		<u>\$ 21,170,822</u>

The balance due to the General Fund from other funds is the result of temporary borrowing to cover cash deficits. Amounts due from component units are related to risk management or other contractual agreements.

Interfund transfers for the Primary Government as of June 30, 2012 are as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Federal and State Aided Programs	\$ 3,493,096
	Nonmajor Governmental Funds	90,485,244
	Capital Projects	8,021,600
	Internal Service Funds	6,786,400
		<u>\$ 108,786,340</u>

The other transfers from the General Fund to other funds represent payments to support grants, debt service, pay-go financing and the Computer Services Fund.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(6) Due From Other Governmental Units

The State owes the Primary Government \$92,284,740 for its share of income tax collections. The other Primary Government amounts are primarily grant-related receivables. A summary of amounts due from other governmental units at June 30, 2012 is listed below:

	<u>State of Maryland</u>	<u>Federal Government</u>	<u>Other Sources</u>	<u>Total</u>
Primary Government	\$ 119,680,879	46,442,662	13,945,624	180,069,165
Component Units:				
Board of Education	14,230,635	22,298,924	26,336,620	62,866,179
Other Component Units	2,469,431	1,258,472	1,912,764	5,640,667
Total	16,700,066	23,557,396	28,249,384	68,506,846
Total Reporting Entity	\$ 136,380,945	70,000,058	42,195,008	248,576,011

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2012 were as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Disposals and</u> <u>Completed Construction</u>	<u>Balance</u> <u>June 30, 2012</u>
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 80,669,935	6,036,846	-	86,706,781
Construction in progress	49,206,547	50,950,173	40,951,215	59,205,505
Total capital assets, not being depreciated:	<u>129,876,482</u>	<u>56,987,019</u>	<u>40,951,215</u>	<u>145,912,286</u>
Capital assets, being depreciated:				
Buildings and improvements	433,587,254	8,448,142	-	442,035,396
Equipment	148,557,283	30,834,031	7,493,775	171,897,539
Infrastructure	2,519,754,387	158,075,279	-	2,677,829,666
Total capital assets, being depreciated:	<u>3,101,898,924</u>	<u>197,357,452</u>	<u>7,493,775</u>	<u>3,291,762,601</u>
Less accumulated depreciation for:				
Buildings and improvements	109,037,239	9,221,412	-	118,258,651
Equipment	115,387,813	15,664,819	6,711,932	124,340,700
Infrastructure	983,248,610	46,457,977	-	1,029,706,587
Total accumulated depreciation	<u>1,207,673,662</u>	<u>71,344,208</u>	<u>6,711,932</u>	<u>1,272,305,938</u>
Total capital assets being depreciated, net	<u>1,894,225,262</u>	<u>126,013,244</u>	<u>781,843</u>	<u>2,019,456,663</u>
Governmental activities capital assets	<u>\$ 2,024,101,744</u>	<u>183,000,263</u>	<u>41,733,058</u>	<u>2,165,368,949</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Depreciation expense was charged to functions/programs of governmental activities as follows:

Governmental Activities:		
General government		\$ 10,730,233
Public safety		8,762,216
Public works and transportation, including depreciation of general infrastructure assets		50,345,403
Health		444,411
Public Welfare		8,813
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets		1,053,132
Total depreciation expense - governmental activities		<u>\$ 71,344,208</u>

Construction of capital assets in progress for the Primary Government at June 30, 2012, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	<u>Project No.</u>	Expended through <u>June 30, 2012</u>	Encumbered at <u>June 30, 2012</u>
AIS Legacy System	300143	\$ 17,658	145,193
Oxon Hill Road	666681	3,273,877	697,500
South Bowie Library	719313	9,155,032	2,403,180
Other library projects	Various	210,910	12,208
Public safety projects	Various	20,480,552	1,577,749
Other road and bridge projects	Various	26,067,476	5,872,056
Total Primary Government		<u>\$ 59,205,505</u>	<u>10,707,886</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(b) Business-type Activities

Changes in capital assets during fiscal year 2012 were as follows:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 19,737,522	845,100	-	20,582,622
Construction in progress	<u>123,993,488</u>	<u>14,036,833</u>	<u>15,993,958</u>	<u>122,036,363</u>
Total capital assets, not being depreciated:	<u>143,731,010</u>	<u>14,881,933</u>	<u>15,993,958</u>	<u>142,618,985</u>
Capital assets, being depreciated:				
Buildings and improvements	31,554,032	555,987	-	32,110,019
Equipment and vehicles	27,586,858	4,043,946	2,118,603	29,512,201
Landfill property in service	121,336,027	-	-	121,336,027
Stormwater property in service	<u>90,948,151</u>	<u>14,277,382</u>	<u>-</u>	<u>105,225,533</u>
Total capital assets being depreciated:	<u>271,425,068</u>	<u>18,877,315</u>	<u>2,118,603</u>	<u>288,183,780</u>
Less accumulated depreciation for:				
Buildings and improvements	12,998,191	718,508	-	13,716,699
Equipment and vehicles	19,280,682	2,126,133	1,797,838	19,608,977
Landfill property in service	82,192,047	5,978,637	-	88,170,684
Stormwater property in service	<u>43,478,208</u>	<u>2,541,530</u>	<u>-</u>	<u>46,019,738</u>
Total accumulated depreciation	<u>157,949,128</u>	<u>11,364,808</u>	<u>1,797,838</u>	<u>167,516,098</u>
Total capital assets being depreciated, net	<u>113,475,940</u>	<u>7,512,507</u>	<u>320,765</u>	<u>120,667,682</u>
Business-type activities capital assets	<u>\$ 257,206,950</u>	<u>22,394,440</u>	<u>16,314,723</u>	<u>263,286,667</u>

Depreciation expense was charged to functions / programs of the business-type activities as follows:

Solid Waste Fund	\$ 8,350,304
Stormwater Management Fund	<u>3,014,504</u>
Total depreciation expense - business-type activities	<u>\$ 11,364,808</u>

As of June 30, 2012, construction requisitions outstanding for proprietary funds of the Primary Government totaled \$17,195,631.



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Changes in capital assets for the Stormwater Management Fund during 2012 were as follows:

	Balance July 1, 2011	Additions	Disposals and Completed Construction	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 8,431,440	845,100	-	9,276,540
Construction in progress	107,136,636	9,137,342	15,122,481	101,151,497
Total capital assets, not being depreciated:	<u>115,568,076</u>	<u>9,982,442</u>	<u>15,122,481</u>	<u>110,428,037</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	2,674,300	1,218,476	-	3,892,776
Stormwater property in service	90,948,151	14,277,382	-	105,225,533
Total capital assets being depreciated:	<u>93,864,976</u>	<u>15,495,858</u>	<u>-</u>	<u>109,360,834</u>
Less accumulated depreciation for:				
Buildings and improvements	210,188	9,701	-	219,889
Equipment and vehicles	1,573,380	463,273	-	2,036,653
Stormwater property in service	43,478,208	2,541,530	-	46,019,738
Total accumulated depreciation	<u>45,261,776</u>	<u>3,014,504</u>	<u>-</u>	<u>48,276,280</u>
Total capital assets being depreciated, net	<u>48,603,200</u>	<u>12,481,354</u>	<u>-</u>	<u>61,084,554</u>
Stormwater Management Fund capital assets	<u>\$ 164,171,276</u>	<u>22,463,796</u>	<u>15,122,481</u>	<u>171,512,591</u>

Changes in capital assets for the Solid Waste Fund during 2012 were as follows:

	Balance July 1, 2011	Additions	Disposals and Completed Construction	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 11,306,082	-	-	11,306,082
Construction in progress	16,856,852	4,899,491	871,477	20,884,866
Total capital assets, not being depreciated:	<u>28,162,934</u>	<u>4,899,491</u>	<u>871,477</u>	<u>32,190,948</u>
Capital assets, being depreciated:				
Buildings and improvements	31,311,507	555,987	-	31,867,494
Equipment and vehicles	24,912,558	2,825,470	2,118,603	25,619,425
Landfill property in service	121,336,027	-	-	121,336,027
Total capital assets being depreciated:	<u>177,560,092</u>	<u>3,381,457</u>	<u>2,118,603</u>	<u>178,822,946</u>
Less accumulated depreciation for:				
Buildings and improvements	12,788,003	708,807	-	13,496,810
Equipment and vehicles	17,707,302	1,662,860	1,797,838	17,572,324
Landfill property in service	82,192,047	5,978,637	-	88,170,684
Total accumulated depreciation	<u>112,687,352</u>	<u>8,350,304</u>	<u>1,797,838</u>	<u>119,239,818</u>
Total capital assets being depreciated, net	<u>64,872,740</u>	<u>(4,968,847)</u>	<u>320,765</u>	<u>59,583,128</u>
Solid Waste Fund capital assets	<u>\$ 93,035,674</u>	<u>(69,356)</u>	<u>1,192,242</u>	<u>91,774,076</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Construction in progress in the enterprise funds as of June 30, 2012 consists of the following:

Primary Government - Business-type Activities:

o Stormwater Management Enterprise Fund		
- Stormdrain Relief Program (540425)	\$	29,785,936
- Anacostia Retrofit (540855)		15,574,370
- Bond Default Fund (540925)		2,137,563
- Oxon Run Flood Control Structure (541265)		1,934,252
- Major Reconstruction – DPWT (541435)		24,304,139
- COE Anacostia Restoration (541685)		6,564,003
- Bladensburg Environmental Revitalization (541835)		15,082,576
- Other miscellaneous projects		5,768,658
		<u>101,151,497</u>
o Solid Waste Enterprise Fund		
- Brown Station Landfill Expansion (541113)		4,452,096
- Rural Convenience Center (541135)		191,761
- Sandy Hill Landfill Expansion (548846)		15,823,919
- Commercial Manufacturer/Waste Transfer Station (548925)		417,090
		<u>20,884,866</u>
Total Primary Government - Business-type Activities	\$	<u><u>122,036,363</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(c) Component Units Capital Assets Activity

Changes in Board of Education capital assets during fiscal year 2012 were as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 19,669,912	3,588,507	-	23,258,419
Construction in progress	105,471,351	72,360,112	83,851,954	93,979,509
Total capital assets, not being depreciated:	<u>125,141,263</u>	<u>75,948,619</u>	<u>83,851,954</u>	<u>117,237,928</u>
Capital assets, being depreciated:				
Buildings and improvements	1,366,232,645	83,766,517	2,504,975	1,447,494,187
Equipment and vehicles	163,474,785	16,697,301	9,117,020	171,055,066
Total capital assets, being depreciated:	<u>1,529,707,430</u>	<u>100,463,818</u>	<u>11,621,995</u>	<u>1,618,549,253</u>
Less accumulated depreciation for:				
Buildings and improvements	515,942,685	47,743,700	312,681	563,373,704
Equipment and vehicles	106,393,860	10,586,561	9,038,675	107,941,746
Total accumulated depreciation	<u>622,336,545</u>	<u>58,330,261</u>	<u>9,351,356</u>	<u>671,315,450</u>
Total capital assets being, depreciated, net	<u>907,370,885</u>	<u>42,133,557</u>	<u>2,270,639</u>	<u>947,233,803</u>
Component units - Board of Education capital assets	<u>\$ 1,032,512,148</u>	<u>118,082,176</u>	<u>86,122,593</u>	<u>1,064,471,731</u>

Changes in other component units' capital assets during fiscal year 2012 were as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 61,949,179	1,290,017	1,608,597	61,630,599
Construction in progress	1,368,152	-	-	1,368,152
Total capital assets, not being depreciated:	<u>63,317,331</u>	<u>1,290,017</u>	<u>1,608,597</u>	<u>62,998,751</u>
Capital assets, being depreciated:				
Buildings and improvements	241,816,499	23,831,553	740,560	264,907,492
Equipment and vehicles	46,418,200	5,293,863	4,870,614	46,841,449
Total capital assets, being depreciated:	<u>288,234,699</u>	<u>29,125,416</u>	<u>5,611,174</u>	<u>311,748,941</u>
Less accumulated depreciation for:				
Buildings and improvements	78,165,501	5,985,709	740,560	83,410,650
Equipment and vehicles	33,413,944	5,006,411	4,848,292	33,572,063
Total accumulated depreciation	<u>111,579,445</u>	<u>10,992,120</u>	<u>5,588,852</u>	<u>116,982,713</u>
Total capital assets being, depreciated, net	<u>176,655,254</u>	<u>18,133,296</u>	<u>22,322</u>	<u>194,766,228</u>
Other component units - capital assets	<u>\$ 239,972,585</u>	<u>19,423,313</u>	<u>1,630,919</u>	<u>257,764,979</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(8) Risk Management

Details of estimated liabilities on pending claims, by fund, at June 30, 2012 are as follows:

	Risk Management <u>Pools</u>	Other <u>Self-Insurance</u>	<u>Total</u>
Primary Government:			
Internal Service Funds:			
Unemployment Compensation	\$ -	\$ 146,662	\$ 146,662
Property Loss	622,378	-	622,378
Automobile Liability	3,210,734	-	3,210,734
Workers' Compensation	108,536,809	-	108,536,809
General Liability	10,572,024	-	10,572,024
Life and Health Benefits	-	10,117,007	10,117,007
Total Primary Government	<u>\$ 122,941,945</u>	<u>\$ 10,263,669</u>	<u>\$ 133,205,614</u>

The Primary Government, together with the Board of Education, the Board of Trustees for Prince George's Community College, and the Board of Trustees of Prince George's County Memorial Library are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains various pooled risk management Internal Service Funds (comprised of the above mentioned members) to account for and finance its uninsured losses. Under this program, the County is an approved self-insurer by the State of Maryland, and as such, is subject to provide coverage according to State mandatory limits of \$500,000 per injury. Property coverage is self-insured for \$250,000 per incident with excess insurance above this level provided by The Travelers Indemnity Company (Travelers), which includes replacement values of both structures and contents. Liability coverage is self-insured. The County has a liability limit under the State Tort Claims Act of \$200,000 per person not to exceed \$500,000 per incident for all participants with the exception of the Board of Education, which retains immunity at \$100,000 per incident. These limits do not apply to claims brought under Federal jurisdiction. Excess liability coverage is provided by Travelers at the \$1,000,000 through \$5,000,000 levels for the Community College and the Library. There were no losses in excess of insurance coverage in the last three fiscal years. Insurance coverage at June 30, 2012 is consistent with the prior year.

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2012, the Primary Government made contributions amounting to \$59,036,959. The actuarially computed claims liability has been discounted at a rate of 5 percent, based on the pool's investment yield rate and current economic conditions.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

The total claims liability of \$122,941,945 reported for the risk management pools at June 30, 2012 is based upon the requirements of GAAP, which requires that a liability for claims be recognized if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including claims incurred but not reported. The liability estimates are supported by an independent actuarial review made as of June 30, 2012. The funds do not utilize annuity contracts from commercial insurers; therefore, all known liabilities have been disclosed during this reporting period. Changes in the funds' claims liability amounts in fiscal years 2011 and 2012 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
Fiscal year 2011	\$131,564,263	47,394,757	(51,235,115)	127,723,905
Fiscal year 2012	\$127,723,905	49,651,569	(54,433,529)	122,941,945

The following is a summary of the fiscal year 2012 claims expenses by fund:

	<u>Total Claim Payments</u>	<u>Liability on Pending Claims Adjustment</u>	<u>Total Claims Expenses</u>
Property Loss Fund	\$ 173,983	\$ 286,113	\$ 460,096
Auto Liability Fund	2,900,509	(3,388)	2,897,121
Workers' Compensation Fund	44,391,084	81,355	44,472,439
General Liability Fund	6,967,953	(5,146,040)	1,821,913
	<u>\$ 54,433,529</u>	<u>\$ (4,781,960)</u>	<u>\$ 49,651,569</u>

The Primary Government maintains separate Internal Service Funds for unemployment compensation and life and health benefits. An independent actuary is not involved in evaluating contribution levels and estimated claims for the Unemployment Compensation or Life and Health Benefits Internal Service Funds. Changes in these funds' claims liability amount in fiscal years 2011 and 2012 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
Fiscal year 2011	\$10,079,716	39,039,486	(39,288,557)	9,830,645
Fiscal year 2012	\$9,830,645	41,484,558	(41,051,534)	10,263,669

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(9) Pension Plans

(a) Primary Government

Employees of the Primary Government participate in the following pension plans:

The majority of employees participate in the statewide local government retirement system pension plan listed below. It is a cost-sharing, multiple-employer, defined benefit pension plan administered by the State Retirement and Pension System of Maryland (SRPS) [formerly Maryland State Retirement and Pension Systems (MSRPS)], in accordance with Article 73B of the annotated Code of Maryland.

- Employees Retirement and Pension System of Maryland

Public safety employees of the Primary Government may participate in the following single-employer, defined benefit pension plans:

- Police Pension Plan
- Fire Service Pension Plan
- Deputy Sheriffs' Comprehensive Pension Plan
- Correctional Officers' Comprehensive Pension Plan

Qualified employees can also supplement the State Retirement and Pension System plan with one of the following single-employer, defined benefit "Supplemental Plans":

- Deputy Sheriffs' Supplemental Pension Plan
- Correctional Officers' Association Supplemental Pension Plan
- AFSCME Local 241 (Crossing Guards) Supplemental Pension Plan
- AFSCME Local 2462, and 2735 Supplemental Pension Plan
- General Schedule Employees Supplemental Pension Plan
- Fire Civilian Supplemental Pension Plan
- Police Civilian Supplemental Pension Plan

(i) Plans Administered by the State Retirement and Pension System of Maryland (SRPS) - [Multiple-employer, Cost-sharing, Defined Benefit Pension Plans]

Qualified full-time and permanent part-time general service employees and officers of the Primary Government participate in the statewide Retirement System or Pension System plans administered by the SRPS. Effective June 1, 1984, employees who were members of a Retirement System on December 31, 1979, could elect to join a Pension System or remain in a Retirement System. All employees hired on or after January 1, 1980, are required to join the Pension System. All SRPS plans have provisions for early retirement, death, and disability benefits.

Article 73B of the Annotated Code of Maryland assigns the authority to establish and amend benefit and contribution provisions to SRPS' Board of Trustees. SRPS issues a publicly available financial report that includes financial statements and required supplementary information on the Plans. Requests for copies of annual financial reports should be addressed to SRPS' administrative offices located at 301 West Preston Street, Fourth Floor, Baltimore, Maryland 21201, or can be made by telephoning (410) 767-4030 or 1-800-492-5909.

Participants of the Pension System plan contribute 5% of earnings above the Social Security wage base and may retire with full benefits after 30 years of service regardless of age or at age 62 or older with specified years of service. Retirement benefits are based on the participant's highest average annual compensation during any 3 consecutive years of credited service.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Participants of the Retirement System plan contribute 7% of annual compensation and upon retirement are entitled to unlimited cost-of-living adjustments, or contribute 5% of annual compensation and upon retiring are limited to 5% cost-of living increases annually. Retirement System participants may retire with full benefits after attaining age 60, or after completing 30 years of service, regardless of age. Annual retirement benefits are equal to 1/55 of the average of the participant's three highest years of annual compensation, multiplied by the number of years of credited service.

As referenced below, the Primary Government made the actuarially required contributions for the indicated fiscal years.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarial contribution requirement	\$ 17,839,700	17,619,468	11,441,980

(ii) Police, Fire Service, Deputy Sheriff's, Correctional Officers', and Supplemental Pension Plans [Single-Employer, Defined Benefit Pension Plans]

Plan Descriptions

The Primary Government has adopted the Police Pension Plan, Fire Service Pension Plan, Deputy Sheriff's Comprehensive Pension Plan, Correctional Officers' Comprehensive Pension Plan, Deputy Sheriff's Supplemental Pension Plan, Correctional Officers' Association Supplemental Pension Plan, AFSCME Local 241 (Crossing Guards) Supplemental Pension Plan, AFSCME Locals 1691, 2462, and 2735 Supplemental Pension Plan, General Schedule Employees Supplemental Pension Plan, Fire Civilian Supplemental Pension Plan, and Police Civilian Supplemental Pension Plan. The Pension Plans provide retirement and disability benefits for all full-time employees. Administrative, investment, and member benefit service responsibilities are provided by a separate Board of Trustees for each Plan. Such Trustees have the authority to amend benefit provisions and contribution requirements. Currently, each Plan has the same Retirement Administrator, who is an employee of the Primary Government.

Normal retirement is at age 55 or after 20 years of service for police officers, firefighters, paramedics, deputy sheriffs and correctional officers under the Comprehensive Plans. For AFSCME Local 241 (Crossing Guards), AFSCME Locals 2462 and 2735, general schedule employees, and deputy sheriff's under the supplemental plan, normal retirement age is the earliest of age 62 with 5 years of service, age 55 with 15 years of service, any age with 30 years of service, or 25 years of service for deputy sheriff's. For correctional officers under the supplemental plan, normal retirement is the earliest of age 60 or 25 years of County service. Retirement benefits are calculated as a percentage of average compensation, with such percentage determined by length of credited service up to a maximum of 85% for 30 years of service for police officers, firefighters, paramedics, deputy sheriffs, and correctional officers under the Comprehensive Plans. For general schedule, fire civilian employees, AFSCME Locals 2462, and 2735, and police civilian employees the maximum retirement benefit is 30% for 30 years of service, 22.5% for 30 years of service for AFSCME Local 241 (crossing guards), 36% for 30 years of service for deputy sheriff's, and 38.75% for 30 years of service for correctional officers under the Supplemental Plans.

The Pension Plans are classified by the Primary Government as Pension Trust Funds and separate financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period in which employee services are performed and expenses, benefits, and refunds are recognized when corresponding liabilities are incurred, regardless of when payment is made. Investments of the pension funds, represented by equity in pooled pension trust funds and cash and investments are carried at market value (or at a fair value when a quoted market value is not available) as reported by the investment managers. Complete separate financial statements may be obtained at the following address: Prince George's County Office of Personnel, 1400 McCormick Drive, Room 110, Largo, Maryland 20774.

PRINCE GEORGE'S COUNTY, MARYLAND  
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Funding Policy

Contributions to the Plans for 2012 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2010. The Primary Government's fiscal year 2012 total payroll was \$477,914,852. Employee contribution rates are determined by collective-bargaining agreements or by the Board of Trustees for each Plan. Participant contributions are included in the plan assets and are 100% vested with the employee. Upon termination of employment, a participant may elect to receive a refund of contributions; if there has been at least five years of credited service, the participant may instead elect a retirement annuity upon attaining retirement age. Participants begin vesting in employer contributions after 5 years of credited service.

The contribution rates as a percentage of covered payrolls during fiscal year 2012 were as follows:

	<u>July 1, 2011 to June 30, 2012</u>		<u>Covered Payroll</u>
	<u>Employee Rates</u>	<u>Employer Rates</u>	
Comprehensive Plans:			
Police	5.50%	48.74%	\$ 110,472,635
Fire Service	4.00	58.66	58,769,965
Deputy Sheriff's	10.00	38.80	13,689,694
Correctional Officers'	12.00	27.24	25,215,683
Supplemental Plans:			
Deputy Sheriff's	5.20	27.03	1,021,708
Correctional Officers'	5.75	33.49	1,689,161
Crossing Guards	4.29	5.45	1,560,515
AFSCME	1.60	7.29	56,189,039
General Schedule	3.34	7.46	84,317,601
Fire Civilian	4.28	11.02	3,879,187
Police Civilian	4.20	5.88	17,910,236



PRINCE GEORGE'S COUNTY, MARYLAND  
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Actuarially Determined Contribution Requirements

The significant assumptions used to compute the actuarially determined contribution requirements are as follows:

	Actuarial Valuation Date	Actuarial Cost Method	Amortization Method	Remaining Amortization Period	Asset Valuation Method	Actuarial assumptions			
						Investment Rate of Return	Projected Salary Increases	Inflation	Cost of living increases
Comprehensive Plans:									
Police	07/01/2010	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based component	5%	\$35 per month
Fire Service	07/01/2010	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based component 3% per year	5%	minimum of \$35 per month or 4.9% of the monthly benefit
Deputy Sheriff's	07/01/2010	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based 3% per year	5%	\$10 per month
Correctional Officers'	07/01/2010	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based	5%	\$10 per month
Supplemental Plans:									
Deputy Sheriff's	07/01/2010	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Correctional Officers'	07/01/2010	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Crossing Guards	07/01/2010	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
AFSCME	07/01/2010	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
General Schedule	07/01/2010	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based component 3% per year	5%	none
Fire Civilian	07/01/2010	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based 3% per year	5%	none
Police Civilian	07/01/2010	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based	5%	none

PRINCE GEORGE'S COUNTY, MARYLAND  
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Annual Pension Costs

Annual pension costs (APC) are the actuarially required employer contributions to the pension plans. The net pension obligation (NPO) represents the difference between the APC and the actual employer contributions. The APC for the Police and Fire Service Pension Plans was \$84.2 million for fiscal year 2012. Based on recommendations from the County's actuary, the actual employer contribution for fiscal year 2012 was \$83.9 million. The resulting NPO of \$.3 million along with the \$14.2 million NPO from fiscal year 2011, results in a total NPO at the end of the year of \$14.5 million. Three-year trend information for Comprehensive Pension Plans is presented below (in thousands):

	Year Ended <u>June 30</u>	NPO beginning <u>of year</u>	Annual Pension Cost (APC)				Decrease in NPO	NPO End <u>of year</u>	Percentage of <u>APC Contributed</u>
			<u>ARC</u>	<u>Interest</u>	<u>Adjustment</u>	<u>Total</u>			
Comprehensive Pension Plans:									
Police	2012	\$ 12,596	52,793	1,008	(728)	53,073	(52,793)	12,876	99%
	2011	12,322	47,359	986	(712)	47,633	(47,359)	12,596	99
	2010	12,093	40,747	967	(738)	40,976	(40,747)	12,322	99
Fire Service	2012	1,580	31,141	126	(91)	31,176	(31,141)	1,615	100
	2011	1,545	25,957	124	(89)	25,992	(25,957)	1,580	100
	2010	1,517	23,247	121	(93)	23,275	(23,247)	1,545	100
Deputy Sheriff's	2012	-	5,244	-	-	5,244	-	-	100
	2011	-	4,627	-	-	4,627	-	-	100
	2010	-	3,898	-	-	3,898	-	-	100
Correctional Officers'	2012	-	6,655	-	-	6,655	-	-	100
	2011	-	6,196	-	-	6,196	-	-	100
	2010	-	5,082	-	-	5,082	-	-	100

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Annual Pension Costs (continued)

Three-year trend information for the Supplemental Pension Plans is presented below (in thousands):

	<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Supplemental Pension Plans:				
Deputy Sheriff's	2012	\$ 274	100 %	-
	2011	257	100	-
	2010	255	100	-
Correctional Officers'	2012	568	100	-
	2011	546	100	-
	2010	142	100	-
Crossing Guards	2012	85	100	-
	2011	79	100	-
	2010	75	100	-
AFSCME	2012	4,063	100	-
	2011	3,907	100	-
	2010	3,761	100	-
General Schedule	2012	6,225	100	-
	2011	5,687	100	-
	2010	5,355	100	-
Fire Civilian	2012	426	100	-
	2011	375	100	-
	2010	339	100	-
Police Civilian	2012	1,050	100	-
	2011	968	100	-
	2010	882	100	-

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Funded Status and Funding Progress

The following is the funded status for the plans as of July 1, 2011, the most recent actuarial valuation date:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a)/c)
<b>Comprehensive</b>						
Police	\$ 676,596,300	\$ 1,148,643,000	\$ 472,046,700	58.90	\$ 105,970,000	445.45
Fire Service	311,047,700	596,322,800	285,275,100	52.16	51,753,900	551.21
Deputy Sheriff's	41,024,800	87,538,700	46,513,900	46.86	13,420,100	346.60
Correctional Officers'	74,788,400	142,798,100	68,009,700	52.37	25,098,900	270.97
<b>Supplemental</b>						
Deputy Sheriff's	3,396,300	8,520,500	5,124,200	39.86	1,025,000	499.92
Correctional Officers'	4,611,000	6,830,300	2,219,300	67.51	1,674,200	132.56
Crossing Guards	1,145,900	1,838,700	692,800	62.32	1,482,200	46.74
AFSCME	52,335,500	74,580,400	22,244,900	70.17	54,135,400	41.09
General Schedule	88,648,000	139,561,200	50,913,200	63.52	79,578,600	63.98
Fire Civilian	5,239,900	9,567,500	4,327,600	54.77	3,887,600	111.32
Police Civilian	13,574,100	22,825,600	9,251,500	59.47	17,248,700	53.64

The schedule of funding progress, presented as Required Supplemental Information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

(b) Component Units

Generally, all employees of the Board of Education, the Housing Authority, the Community College, the Memorial Library, and certain employees of the PGCT participate in one of the statewide Employee's Retirement and Pension Systems or Teacher's Retirement and Pension Systems. Information covering the Housing Authority and PGCT is included with the Primary Government because those individuals are also employees of the Primary Government. Separate financial statements prepared for the Board of Education, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their participation in SRPS. Review of these financial statements indicates the Component Units individually met the actuarially determined contribution requirements for fiscal years 2012, 2011, and 2010.

The State of Maryland is required to contribute certain amounts to the Teacher's Retirement and Pension Systems on behalf of the Board of Education, Community College, and Memorial Library. Such contributions, made by the State on behalf of these Component Units during fiscal year 2012 amounted to \$125,208,358, \$4,040,569 and \$1,815,917, respectively, and are reflected in the Component Units' financial statements.

In addition to the statewide plans mentioned above, the Community College also offers to its employees two single-employer, defined contribution pension plans. The State of Maryland made "on behalf" employer contributions totaling \$748,559 to these plans during fiscal year 2012. The Revenue Authority established a single-employer, defined contribution pension plan for its employees on July 1, 1987. Detailed information concerning these plans may also be obtained from the separately issued financial reports of these Component Units.

PRINCE GEORGE'S COUNTY, MARYLAND  
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(10) Postemployment Benefits Other Than Pensions

(a) Plan Description

In addition to providing pension plan benefits, the County also extends certain health care and life insurance benefits to retired persons (the Plan). The legal authority for providing these benefits was established by the County Council, Executive Orders 42-1980 and 43A-1980, "Continuation of Life and Health Benefits at Retirement", and certain collective bargaining agreements form the legal basis for providing such benefits to retirees of the Primary Government. The Plan is a single employer defined benefit health care plan. Effective June 25, 2008, the County established the Prince George's County, Maryland Non-Pension Post Employment Benefits Trust Fund to hold all contributions made by the County together with any income, gains or profits and taking into account any losses. A description of the types of benefits and eligibility requirements is summarized below:

Medical Insurance

- All State Retirement and Pension System of Maryland, Police, Fire Service, Correctional Officers' Comprehensive, and Deputy Sheriffs' Comprehensive Pension Plan retirees who are enrolled in a qualified plan at the time of retirement may continue this benefit.

Life Insurance

- Reduced coverage is available to all State Retirement and Pension System of Maryland, Police, Fire Service, Correctional Officers' Comprehensive, and Deputy Sheriffs' Comprehensive Pension Plan retirees.

Vision Care and Prescription Drug Insurance

- The County pays premium costs of this benefit for Police, Fire Service, Correctional Officers' Comprehensive, and Deputy Sheriffs' Comprehensive Plan retirees. State Retirement and Pension System of Maryland retirees pay 100% of the monthly cost for vision care and 75% for prescription insurance. The County pays the remaining 25% of prescription coverage.

The Plan is classified by the Primary Government as a Trust Fund and separate financial statements are prepared using the accrual basis of accounting. Complete separate financial statements may be obtained at the following address: Prince George's County Office of Personnel, 1400 McCormick Drive, Room 110, Largo, Maryland 20774.

(b) Funding Policy

The County negotiates the contribution percentages between the County and the plan members through union contracts and personnel policy. A non-public safety and public safety retiree pays the same percentage of the premium contribution for the HMOs (20%), POS/PPO (25%), and dental (100%) plans. Non-public safety retirees pay 10% to 100% of the premium cost for each of the prescription and vision plans; whereas, the public safety retirees pay 1% to 10% of the premium contribution for each of the same two plans. The public safety group bargained these premium contributions for the retirees of this group during prior bargaining negotiations. The premium contribution share outlined above applies to a retiree who qualifies for retirement under their specified pension plan and is enrolled in the plans at the time of retirement. The County contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as approved in the annual budget. The County currently has a 10-year incremental plan to fully fund the actuarially determined annual required contribution (ARC). The County contributed \$30.0 million, during fiscal year 2012 for current premiums (approximately 75% of total premiums). Plan members receiving benefits contributed \$10.2 million (approximately 25 percent) to the Plan.

PRINCE GEORGE'S COUNTY, MARYLAND  
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(c) Annual Other Postemployment Benefit (OPEB) Costs

Annual OPEB costs (AOC) are the actuarially determined annual required contribution (ARC) to the OPEB plan. The net OPEB obligation (NOPEBO) represents the difference between the AOC and the actual employer contributions. The County's AOC for fiscal year 2012 was \$74.7 million. Actual contributions for the fiscal year were \$30.6 million. The resulting NOPEBO of \$44.1 million along with the \$121.6 million NOPEBO from fiscal year 2011, results in a total NOPEBO at the end of the year of \$165.7 million. Three-year trend information for the County's AOC, percentage of AOC contributed to the plan, and net NOPEBO are as follows (in thousands):

Year Ended <u>June 30</u>	NOPEBO <u>beginning of year</u>	Annual OPEB Cost (AOC)				Decrease in NOPEBO	NOPEBO end of year	Percentage of AOC Contributed
		ARC	Interest	Adjustment	Total			
2012	\$ 121,644	72,785	1,956	-	74,741	(30,638)	165,747	41%
2011	80,206	69,657	5,875	(4,560)	70,972	(29,534)	121,644	42
2010	43,531	68,821	595	-	69,416	(32,741)	80,206	47

(d) Funding Status and Funding Progress

The following is the funded status for the OPEB plan as of June 30, 2010, the most recent actuarial valuation date:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered payroll
(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
\$ 42,444	\$ 825,330	\$ 782,886	5.14%	\$ 419,062	187%

(e) Actuarial Methods and Assumptions

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

Actuarial valuation date	07/01/2010
Actuarial cost method	Projected unit credit cost method
Discount rate	7.325% which is based on 10-year phase to full funding
Health care trends	
Medical and Prescription	8% in 2011 with annual decrease of .1/2% through 2017, and 5% annually thereafter
Vision and Admin Expenses	4%
Inflation rate assumption	2.5%
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(f) Component Units

The Board of Education, the Housing Authority, the Community College, and the Memorial Library implemented GASB Statement No.45 during fiscal year 2008. The Housing Authority and the Memorial Library participate in the County's retiree life and health insurance benefit plan. Fiscal year 2012 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$83,000 and \$306,047, respectively. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid employer contribution of \$83.3 million and recognized a NOPEBO of \$527,344,816 million in fiscal year 2012. The Community College contributed \$4.4 million in employer contribution with an NOPEBO of \$1.4 million. Separate financial statements prepared for the Board of Education, Housing Authority, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their OPEB plans.

(g) Other Benefits - LOSAP

In 1974, the County created the Length of Service Awards Program (LOSAP). LOSAP provides 546 annuities to former volunteer members of the County's fire companies or rescue squads who met certain age and service criteria. Benefits totaling \$1,927,552 in fiscal year 2012 also include survivor annuities and lump-sum death benefits and are reported in the Primary Government's General Fund, on a "pay-as-you-go" basis. The most recent actuarial review was performed as of July 1, 2006. If the County were to implement an advance funding program, the estimated contribution beginning with fiscal year 2008 would be approximately \$1.8 million. The unfunded liability of approximately \$21.1 million as of July 1, 2006, was projected to be funded over 30 years.

(11) Deferred and Unearned Revenue

Deferred revenue reported in the General and other Governmental Funds represents tax billings and other receivables not available at June 30, 2012 for funding of current operations. Deferred revenue in the Federal and State Aided Programs Fund represents the unexpended portion of funds received for various grants and unrealized revenue relating to notes receivable arising from the sale of property. The Enterprise Funds' unearned revenue represents billings or receipts for future services collected in advance. Unearned revenue in the Internal Service funds is a combination of premiums paid in advance for life and health benefits, and accumulated premium contributions of component units in excess of related risk management expenses. Unearned revenue reported in the Government-wide statements represents billings and receivables collected in advance related to items such as property tax deferrals and grant programs. The following is a summary of all primary government deferred and unearned revenue as of June 30, 2012:

	Unavailable	Unearned	Total Deferred
General Fund			
Income Taxes Receivable	\$ 47,605,528	\$ -	\$ 47,605,528
Property Taxes Receivable	4,936,052	-	4,936,052
Property Tax Deferred	-	1,765,053	1,765,053
Notes Receivable	-	3,952,600	3,952,600
Receipt of Revenue prior to Service Provided	-	1,527,221	1,527,221
Subtotal	52,541,580	7,244,874	59,786,454
Federal And State Aided Programs			
Grant Drawdowns in Excess of Expenditures	-	30,204,462	30,204,462
Internal Service Funds			
Receipt of Revenue prior to Service Provided	-	213,655	213,655
	\$ 52,541,580	\$ 37,662,991	\$ 90,204,571

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(12) Deferred Compensation Plans

The County offers its employees various Deferred Compensation Plans, which have been created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseen emergency. All assets and income deferred by County plan participants are held in trust for the exclusive benefit of the participants and their beneficiaries and are not reflected in the accompanying financial statements.

(13) Bonded Debt

(a) Outstanding Long-term Liabilities

The following is a summary of all primary government outstanding long-term liabilities as of June 30, 2012:

	Governmental Activities		Business-type Activities		Total		Total
	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	
Bonds payable							
General obligation bonds	\$ 70,750,000	937,415,000	9,010,000	112,425,000	79,760,000	1,049,840,000	1,129,600,000
Revenue bonds	-	-	2,175,333	758,943	2,175,333	758,943	2,934,276
Bond premium	-	82,547,677	-	4,816,344	-	87,364,021	87,364,021
Less deferred amounts	-	(13,020,106)	-	(16,289)	-	(13,036,395)	(13,036,395)
Total bonds payable	<u>70,750,000</u>	<u>1,006,942,571</u>	<u>11,185,333</u>	<u>117,983,998</u>	<u>81,935,333</u>	<u>1,124,926,569</u>	<u>1,206,861,902</u>
Notes payable	8,470,004	57,018,663	-	-	8,470,004	57,018,663	65,488,667
Capital lease obligations	1,552,110	4,939,587	9,775	9,644	1,561,885	4,949,231	6,511,116
Estimated liabilities on pending claims	33,494,970	99,710,644	-	-	33,494,970	99,710,644	133,205,614
Compensated absences and termination benefits payable	42,783,087	29,897,099	2,661,975	151,953	45,445,062	30,049,052	75,494,114
Pension obligations	-	14,490,624	-	-	-	14,490,624	14,490,624
OPEB obligations	-	165,747,265	-	-	-	165,747,265	165,747,265
Landfill closure / postclosure	-	-	-	90,349,834	-	90,349,834	90,349,834
Other long-term liabilities	<u>86,300,171</u>	<u>371,803,882</u>	<u>2,671,750</u>	<u>90,511,431</u>	<u>88,971,921</u>	<u>462,315,313</u>	<u>551,287,234</u>
Total long-term liabilities	<u>\$ 157,050,171</u>	<u>1,378,746,453</u>	<u>13,857,083</u>	<u>208,495,429</u>	<u>170,907,254</u>	<u>1,587,241,882</u>	<u>1,758,149,116</u>



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the County for the fiscal year ended June 30, 2012:

	Primary Government						
	Governmental Activities		Business-type Activities			Component Units	Total
			Solid Waste	Stormwater Management	Total		
Bonded debt at July 1, 2011	\$	1,027,675,000	42,237,425	67,005,000	1,136,917,425	68,569,349	1,205,486,774
Debt issued		249,845,000	3,815,000	27,305,000	280,965,000	-	280,965,000
Debt retired		(74,900,000)	(4,238,149)	(4,315,000)	(83,453,149)	(2,324,349)	(85,777,498)
Debt defeased		(194,455,000)	(2,870,000)	(4,570,000)	(201,895,000)	-	(201,895,000)
Bonded debt (including current portion)							
As of June 30, 2012		1,008,165,000	38,944,276	85,425,000	1,132,534,276	66,245,000	1,198,779,276
Less current portion		(70,750,000)	(5,780,333)	(5,405,000)	(81,935,333)	(4,615,000)	(86,550,333)
Noncurrent portion as of of June 30, 2012	\$	<u>937,415,000</u>	<u>33,163,943</u>	<u>80,020,000</u>	<u>1,050,598,943</u>	<u>61,630,000</u>	<u>1,112,228,943</u>

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2012 are as follows:

	Primary Government										
	Governmental Activities			Business-type Activities				Total	Component Units		Total
				Solid Waste		Stormwater Management					
Year ended June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Total	Principal	Interest		
2013	\$ 70,750,000	53,510,411	5,780,333	1,739,602	5,405,000	4,101,980	141,287,326	4,615,000	3,284,693	149,187,019	
2014	70,110,000	46,786,416	4,602,945	1,500,270	3,610,000	3,897,966	130,507,597	4,875,000	3,104,775	138,487,372	
2015	71,230,000	41,648,897	4,380,998	1,326,936	4,105,000	3,829,440	126,521,271	5,100,000	2,886,085	134,507,356	
2016	76,200,000	34,687,335	3,095,000	1,046,229	4,320,000	3,270,665	122,619,229	5,340,000	2,647,136	130,606,365	
2017	76,105,000	31,057,535	1,410,000	941,438	4,640,000	3,057,915	117,211,888	5,590,000	2,391,969	125,193,857	
2018 - 2022	355,715,000	103,501,254	8,285,000	3,620,850	25,755,000	11,708,700	508,585,804	18,405,000	8,260,343	535,251,147	
2023 - 2027	249,605,000	33,591,897	7,610,000	1,719,874	22,985,000	5,879,296	321,391,067	12,870,000	4,614,393	338,875,460	
2028 - 2032	38,450,000	2,562,396	3,780,000	311,643	14,605,000	1,591,861	61,300,900	9,450,000	903,884	71,654,784	
	\$	<u>1,008,165,000</u>	<u>347,346,141</u>	<u>38,944,276</u>	<u>12,206,842</u>	<u>85,425,000</u>	<u>37,337,823</u>	<u>1,529,425,082</u>	<u>66,245,000</u>	<u>28,093,278</u>	<u>1,623,763,360</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2012 are as follows:

<u>Primary Government:</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Governmental Activities:				
General obligation bonds:				
2002 - 2004F, 2005-2007B, 2008, 2009A, 2009B CPI; 2009A TQSC, 2009B TESC; 2010 A/B; 2011, 2011A/11B	1.615 - 6.05%	2033	\$ 1,512,420,000	\$ 1,006,670,000
1992 self-insurance liability funding	5.00 - 6.05%	2012	<u>18,500,000</u>	<u>1,495,000</u>
Total governmental activities long-term bonded debt			<u>\$ 1,530,920,000</u>	<u>\$ 1,008,165,000</u>
<u>Business-type Activities:</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2003, 2004, 2005, 2006, 2007A, 2007B, 2008, 2010 A/B, 2011A/B stormwater management - general obligation	2.50 - 5.50%	2033	\$ 98,770,000	\$ 85,425,000
2000A, 2001, 2002, 2003B, 2004, 2004C-F, 2005, 2007B, 2008, 2009A and 2009B, 2010A/B, 2011A/B solid waste management system - general	2.50 - 5.50%	2033	87,725,000	36,010,000
1994A and 2003 solid waste management system - revenue bonds	2.00 - 6.50%	2015	103,767,386	2,934,276
Total business-type activities long-term bonded debt			<u>290,262,386</u>	<u>124,369,276</u>
Total primary government long-term bonded debt			<u>\$ 1,821,182,386</u>	<u>\$ 1,132,534,276</u>
Component Units:				
Revenue bonds:				
Housing Authority -				
Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	\$ 1,465,000	\$ 980,000
Industrial Development Authority -				
2003A refunding lease revenue	2.0 - 5.125%	2019	27,430,000	25,555,000
2003B subordinated lease revenue	3.5 - 4.75%	2030	22,085,000	17,080,000
2009 taxable lease revenue bonds	0.64 - 6.169%	2030	<u>23,850,000</u>	<u>22,630,000</u>
Total Component Units revenue bonds			<u>\$ 74,830,000</u>	<u>\$ 66,245,000</u>
Total long-term bonded debt			<u>\$ 1,896,012,386</u>	<u>\$ 1,198,779,276</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(e) Bond Additions

On September 27, 2011, the Primary Government issued \$98,590,000 of General Obligation Consolidated Public Improvement Bonds, Series 2011A dated September 15, 2011 maturing on September 15 of the years 2012 through 2031. To provide funds for planning, construction, reconstruction, extension, enlargement, demolition, improvement or acquisition of certain capital projects. Of the total \$98,590,000 bonds issued, \$6,845,000 (\$4,180,000 for Stormwater and \$2,665,000 for Solid Waste) is reported as business-type activities and the remainder as governmental activities.

(f) Bond Authorizations

The County Charter requires that any borrowing to finance capital projects must be authorized by an enabling act of the General Assembly of Maryland or by an enabling act of the County Council. The County Council is required by the Charter to submit to voter referendum any act enabling the County to borrow money to finance capital projects, except for school construction bonds. In addition, the County Council is required by the Charter to adopt a bond authorization act before bonds may be issued. The amount of bonds enabled and authorized but not yet issued at June 30, 2012 is summarized as follows:

	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Enabled by authority of the State of Maryland:		
Health and solid waste	\$ 72,000	65,374,000
Roads, parking and mass transit	136,106,400	79,959,400
Public buildings	86,662,000	20,177,000
Public Safety	<u>79,748,600</u>	<u>21,974,600</u>
	<u>\$ 302,589,000</u>	<u>187,485,000</u>

The legal debt limit and margin at June 30, 2012 were \$5,411,255,688 and \$4,698,055,357, respectively. The County was in compliance with all significant bond covenants at June 30, 2012.

(g) Advance Refunding

- On September 15, 2011, the Primary Government issued \$182,375,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2011B, dated September 27, 2011 to advance refund \$201,895,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2001, dated November 28, 2001, (ii) General Obligation Consolidated Public Improvement Bonds, Series 2002, dated September 15, 2002, (iii) General Obligation Consolidated Public Improvement Bonds, Series 2003 A, dated June 15, 2003, and (iv) General Obligation Consolidated Public Improvement Bonds, Series 2004, dated June 15, 2004. Of the \$201,895,000 advance refunded bonds, \$7,440,000 (\$4,570,000 for Stormwater and \$2,870,000 for Solid Waste) is reported as business-type activities. The remaining \$194,455,000 Refunded Bonds relate to governmental activities. The net Refunding Bond proceeds of \$219,908,192 were deposited in an irrevocable trust with an escrow agent for purchase of U.S. government securities, together with interest earnings and cash on hand to pay the principal, interest and early redemption premium on all refunded bonds referenced above. The refunding was designed to restructure debt to effect reduction in overall debt service of \$24,331,815 and to net economic present value debt service savings of \$18,537,851.

(h) Prior Period Defeasance of Debt

In prior periods, the County defeased or participated in the defeasance of certain long-term bonded debt. The proceeds of new bonds were placed in an irrevocable trust to provide for future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the County's financial statements. A general description of the defeased debt and the amounts outstanding at June 30, 2012 follows:

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

- On August 3, 2000, the Primary Government issued \$6,365,000 of Water Quality Refunding Bonds, Series 2000A, dated August 3, 2000 to advance refund \$5,930,000 of certain selected callable maturities of the County's (i) Consolidated Public Improvement Bonds, Series 1995, dated May 1, 1995, and (ii) Consolidated Public Improvement Bonds, Series 1996, dated May 15, 1996. At June 30, 2012, \$5,930,000 of the refunded bonds outstanding that mature in the years 2013 through 2016 are considered defeased.
- On August 3, 2000, the Primary Government issued \$8,370,000 of Water Quality Refunding Bonds, Series 2000B, dated August 3, 2000 to advance refund \$7,770,000 of certain selected callable maturities of the County's (i) General Obligation Stormwater Management Bonds, Series 1993, dated February 1, 1993, and (ii) Unlimited Tax General Obligation Stormwater Management Bonds, Series 1997, dated June 15, 1997. At June 30, 2012, \$3,185,000 of the refunded bonds outstanding that mature in fiscal years 2013 through 2017 are considered defeased.
- On June 4, 2002, the Primary Government issued \$79,845,000 of General Obligation Consolidated Public Improvement Bonds, 2002 Refunding Series, dated May 15, 2002 (a) to currently refund \$51,265,000 of certain callable maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds – 1991 Refunding Series, dated June 15, 1991, (ii) General Obligation Consolidated Public Improvement Bonds, Series 1992, dated January 15, 1992, (iii) General Obligation Consolidated Public Improvement Bonds – 1992A Refunding Series, dated November 15, 1992 and (b) to advance refund \$29,510,000 of certain callable maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1993, dated January 15, 1993 and (ii) General Obligation Stormwater Management Bonds, Series 1993, dated February 1, 1993. Of the \$29,510,000 advance refunded Bonds, \$9,010,000 are the Bonds of the Stormwater Enterprise Fund. The remaining \$71,765,000 Refunded Bonds relate to governmental activities. At June 30, 2012, \$2,000,000 of the outstanding Refunded Bonds, that mature in fiscal year 2013, are considered defeased.
- On July 15, 2003, the Primary Government issued \$90,585,000 of General Obligation Public Improvement Refunding Bonds, Series 2003B, dated June 15, 2003 to advance refund \$94,935,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1994, dated January 15, 1994, (ii) General Obligation Consolidated Public Improvement Bonds, Series 1995, dated May 1, 1995, (iii) General Obligation Consolidated Public Improvement Bonds, Series 1996, dated May 15, 1996, (iv) General Obligation Consolidated Public Improvement Bonds, Series 1997A, dated June 15, 1997. Of the \$94,935,000 advance refunded bonds, \$7,785,000 are bonds of the Solid Waste Enterprise Fund. The remaining \$87,150,000 refunded bonds relate to governmental activities. The net refunding bonds proceeds of \$102,948,094 were escrowed for purchase of Escrow Securities, together with interest earnings and cash on hand to pay the principal, interest and early redemption premium on all refunded bonds referenced above. At June 30, 2012, \$27,975,000 of the outstanding refunded bonds that mature in the years 2013 through 2017 are considered defeased.
- On December 10, 2003, the County issued \$31,955,000 of Solid Waste Management System refunding Revenue Bonds, Series 2003, dated December 10, 2003. The bonds were issued by the County (i) to provide a portion of the funds needed to currently refund the County's \$34,765,000 of outstanding Solid Waste Management System Revenue Bonds, Series 1993 in whole, and (ii) to pay costs of issuance. At June 30, 2012, \$2,315,000 of the outstanding refunded bonds that mature in fiscal year 2013 are considered defeased.
- On December 15, 2004, the Primary Government issued \$141,130,000 of General Obligation Public Improvement Bonds, 2004 Refunding Series A, B, C, D, E and F, dated December 1, 2004 to advance refund certain portions of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1996 (ii) General Obligation Public Improvement Bonds, Series 1997A, (iii) General Obligation Public Improvement Bonds, Series 1998, (iv) General Obligation Public Improvement Bonds, Series 1999, (v) General Obligation Public Improvement Bonds, Series 2000, and (vi) General Obligation Public Improvement Bonds, Series 2001. Of the \$141,170,000 advance refunded bonds, \$8,490,000 are bonds of the Solid Waste Enterprise Funds. The remaining \$132,680,000 Refunded Bonds relate to governmental activities. At June 30, 2012, \$78,150,000 of the refunded bonds outstanding that mature in the years 2013 through 2018 are considered defeased.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

- On June 21, 2007, the Primary Government issued \$80,735,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2007B, dated June 1, 2007 to (a) currently refund \$1,600,000 of certain maturities of the County's Unlimited Tax General Obligation Stormwater Management Bonds, Series 1997B and b) advance refund certain portions of the County's (i) Consolidated Public Improvement Bonds, Series 1998, (ii) Consolidated Public Improvement Bonds, Series 1999, (iii) Consolidated Public Improvement Bonds, Series 2000, (iv) Consolidated Public Improvement Bonds, Series 2001, and (v) Consolidated Public Improvement Bonds, Series 2003A. Of the \$80,070,000 advance refunded bonds, \$7,960,000 are bonds of the Stormwater Enterprise Fund, \$2,710,000 are bonds of the Solid Waste Enterprise Fund, and the remaining \$69,400,000 refunded bonds relate to governmental activities. At June 30, 2012, \$80,740,000 of the refunded bonds outstanding that mature in the years 2013 through 2024 are considered defeased.

(14) Conduit Debt Transactions

The County encourages private industry to locate and remain in the County by, among other things, the issuance of tax exempt Economic Development Revenue Bonds, which bear the County's name and benefit the private enterprise. The funds provided from the sale of such debt are used for the public interest, such as for hospital construction or expansion of private businesses to increase employment and the County's tax base. These bonds do not constitute indebtedness or a charge against the general credit or taxing power of the County. The bond indentures explicitly state the absence of any legal obligation by the County to repay the indebtedness. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2012, there were one hundred and seventy series of Economic Development Revenue Bonds outstanding. The aggregate principal amount, for the two series issued after July 1, 1995 that remain outstanding, is \$53.5 million. The aggregate principal amount payable on June 30, 2012 for the one hundred and sixty-eight series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled approximately \$1.1 billion.

(15) Special Taxing Districts

The County has issued various special taxing district bonds pursuant to Section 10-279 of the Prince George's County Code and Section 9-1301 of Article 24 of the Annotated Code of Maryland. Neither the full faith and credit nor the taxing power of the County is pledged for the payment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Details of the outstanding debt as of June 30, 2012 are as follows.

Bond	Project	Issuance Date	Amount Issued	Amount Outstanding	Final Maturity
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2005	National Harbor Convention Center Project	05/11/2005	\$ 95,000,000	88,285,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	11,755,000	07/01/2035
Prince George's County, Maryland Special Obligation Bonds, Series 2005	National Harbor Project	09/21/2005	65,000,000	65,000,000	07/01/2034
Prince George's County, Maryland Special Obligation Bonds, Series 1997A	Woodview Village Improvements Projects	10/25/2006	7,450,000	6,205,000	07/01/2026
Prince George's County, Maryland Special Obligation Refunding Bonds, Series 2006	Woodview Village Phase II Infrastructure Improvements	11/20/2006	8,205,000	7,290,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project	04/02/2008	50,000,000	49,160,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project	01/27/2009	35,000,000	33,714,000	01/01/2039
Prince George's County Woodmore Towne Centre at Glenarden Special Obligation Developer Note, Series	Woodmore Town Center	01/18/2012	17,000,000	15,970,837	01/01/2032
			<u>\$ 289,655,000</u>	<u>277,379,837</u>	

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(16) Other Long-term and Short-term Debt

The following represents the changes in other long-term liabilities for governmental activities:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
Pension obligations	\$ 14,175,704.00	314,920	-	\$ 14,490,624
OPEB obligations	118,331,490	47,415,775	-	165,747,265
Compensated absences and termination benefits payable	74,214,587	41,248,686	42,783,087	72,680,186
Estimated liabilities on pending claims and judgements	137,554,550	91,136,127	95,485,063	133,205,614
Capital lease obligations	10,664,091	-	4,172,394	6,491,697
Notes payable:				
Purchase agreements and certificates of participation	34,717,732	33,825,000	8,667,251	59,875,481
MILA loans	183,713	-	30,127	153,586
Maryland Department of Transportation loans:				
FedEx Field (formerly JKC Stadium) loan	982,088	-	982,088	-
Commercial Building Loan Fund	5,395,000	-	488,000	4,907,000
Maryland CDA Infrastructure Financing	617,300	-	64,700	552,600
Total notes payable	<u>41,895,833</u>	<u>33,825,000</u>	<u>10,232,166</u>	<u>65,488,667</u>
	<u>\$ 396,836,255</u>	<u>213,940,508</u>	<u>152,672,710</u>	<u>\$ 458,104,053</u>

The following represents the changes in other long-term liabilities for business-type activities:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012
Compensated absences and termination benefits payable	\$ 2,848,005	2,627,898	2,661,975	\$ 2,813,928
Landfill closure / postclosure costs	86,488,216	3,861,618	-	90,349,834
Capital lease	29,520	-	10,101	19,419
Notes payable:				
Purchase agreements and certificates of participation	39,326	-	39,326	-
Total notes payable	<u>39,326</u>	<u>-</u>	<u>39,326</u>	<u>-</u>
	<u>\$ 89,405,067</u>	<u>6,489,516</u>	<u>2,711,402</u>	<u>\$ 93,183,181</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above for governmental activities. At year-end, \$1,512,727 (\$1,386,421 within one year, and \$126,306 due in more than one year) of internal service fund compensated absences are included in the above amounts. Also, for governmental activities, compensated absences, claims and judgments, net pension obligations, and net other post employment benefit obligations are generally liquidated by the governmental fund to which the liability relates.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

a) Capital Lease Obligations

In April 2011 the County entered into an agreement with Grant Capital Management to finance the purchase of snow removal equipment and Fire/EMS ambulances. The County also entered into a lease agreement to purchase copiers for its business type activities during fiscal year 2011. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities Stormwater	Total
Asset:			
Equipment	\$ 8,004,555	47,289	8,051,844
Less: Accumulated depreciation	(809,747)	(26,955)	(836,702)
Total	<u>\$ 7,194,808</u>	<u>20,334</u>	<u>7,215,142</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

<u>Year ending June 30</u>	Governmental Activities	Business-type Activities Stormwater	Total
2013	\$ 1,732,863	10,033	1,742,896
2014	1,732,863	9,971	1,742,834
2015	1,732,863	-	1,732,863
2016	1,732,863	-	1,732,863
2017	-	-	-
2018-2022	-	-	-
2023-2027	-	-	-
Total minimum lease payments	6,931,452	20,004	6,951,456
Less: amount representing interest	(439,755)	(585)	(440,340)
Present value of minimum lease payments	<u>\$ 6,491,697</u>	<u>19,419</u>	<u>6,511,116</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

b) Pension and OPEB Obligations

The liability for pension and OPEB obligations represents the difference between the actuarially required and the actual employer contributions. The balance as of June 30, 2012 for the Pension and OPEB liabilities was \$14,490,624 (see note 9 – Pension Plans) and \$165,747,265 (see note 10 – Postemployment Benefits Other Than Pensions), respectively.

c) Compensated Absences and Termination Benefits

County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation in full, and for sick leave in varying amounts based on years of service. Participants in the plans administered by the State Retirement and Pension System of Maryland may apply accrued sick leave as service credits toward retirement.

Vested or accumulated vacation and sick leave that relates to employees who terminated employment with the County on or before June 30, 2012 are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that do not meet the above criteria are not reported in the governmental funds.

For purposes of reporting in the County's government-wide financial statements and the proprietary fund financial statements, vested or accumulated vacation and sick leave are recognized as an expense and liability as the benefits accrue to employees. Current amounts are such amounts expected to be paid within one year.

The liability includes an accrual at the current rate for ancillary salary-related payments (i.e., employer's share of Social Security and Medicare taxes) associated with its ultimate liquidation.

The following is a summary of compensated absences and termination benefits payable at June 30, 2012 (in thousands):

	Governmental Activities	Primary Government				Component Units
		Business-type Activities			Total	
		Solid Waste	Stormwater Management	Total		
Primary Government	\$ 72,680	1,064	1,750	2,814	75,494	-
Component Units:						
Board of Education	-	-	-	-	-	63,927
Housing Authority	-	-	-	-	-	738
Memorial Library	-	-	-	-	-	2,693
Community College	-	-	-	-	-	1,744
	72,680	1,064	1,750	2,814	75,494	69,102
Less current portion	42,783	996	1,666	2,662	45,445	678
Total long-term portion	\$ 29,897	68	84	152	30,049	68,424



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

d) Notes Payable

(i) Purchase Agreement and Certificates of Participation Notes Payable

The County has entered into certain financing/purchasing agreements for the purpose of acquiring real estate, equipment, textbooks, vehicles, and school buses. Under these agreements, the financing amounts are deposited with a fiscal escrow agent who will pay the vendors as the County takes delivery of the assets. The County makes periodic loan repayments directly to the lender over a specified period of time.

The interest rates on all financing/purchasing agreements in force range from 2.0% to 6.5%. The liability for the debt is carried as notes payable in various funds as listed below. Following is a schedule by year of future principal and interest payments as of June 30, 2012 (in thousands):

	Primary Government		
	Governmental Activities		
Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 8,098	3,761	11,859
2014	8,212	3,740	11,952
2015	8,398	3,561	11,959
2016	6,877	3,341	10,218
2017	6,635	1,030	7,665
2018- 2022	9,530	3,727	13,257
2023- 2027	6,505	2,131	8,636
2028- 2031	<u>5,620</u>	<u>582</u>	<u>6,202</u>
Total note payments \$	<u><u>59,875</u></u>	<u><u>21,873</u></u>	<u><u>81,748</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(ii) Other General Long-Term Debt Notes Payable

The Primary Government is obligated for promissory notes in the amount of \$153,586 payable to the Maryland Industrial Land Act (MILA) of the State of Maryland with interest rate of 6.9%. The loan matures September 15, 2016.

The Primary Government entered into an agreement with HUD to administer a \$10,000,000 Section 108 Commercial Building Loan Fund. The first project financed under the loan fund was a \$2,000,000 loan paid to a private partnership for land acquisition. The first principal payment of \$165,000 was paid August 1, 2002. The loan was paid in full on August 1, 2011. The second project financed under the loan fund was a \$2,600,000 loan paid to a developer for the construction of a restaurant. The developer is responsible for servicing the loan balance that matures August 1, 2022, at rates ranging from 1.21% to 5.69%. At June 30, 2012, \$1,981,000 remains outstanding. The third project financed under this loan was a \$1,900,000 loan paid to a developer for land acquisition and the construction of rental housing units. The first principal payment of \$70,000 was paid on August 1, 2006. The developer is responsible for servicing the loan balance that matures August 1, 2023, at rates ranging from 2.31% to 5.97%. At June 30, 2012, \$1,446,000 was outstanding. The fourth project financed under this loan was a \$1,837,000 loan paid to a sign manufacturing company for building acquisition and construction renovations to relocate the company. The first principal payment of \$46,000 was paid on August 1, 2006. The company is responsible for servicing the loan balance that matures on August 1, 2024, at 4.41%. The outstanding balance as of June 30, 2012 was \$1,480,000.

On March 10, 1999, the Primary Government issued for the benefit of the Community Development Administration ("CDA"), a division of the Maryland Department of Housing and Community Development, a general obligation bond designated as "Prince George's County, Maryland Infrastructure Bond, 1999 Series A" in the amount of \$1,217,800 secured by the full faith and credit of the County. Secured by the pledges of seven participating local governments, including the Primary Government, the CDA issued on March 10, 1999 Infrastructure Financing Bonds (MBIA Insured) 1999 Series A in the aggregate principal amount of \$6,985,000. The Primary Government used the proceeds to provide funds to refinance certain outstanding loans and to purchase a fire truck for Accokeek Volunteer Fire Department, Inc. ("AVFD") and to pay the costs of issuance of bonds. Because the County issued the obligation to obtain a loan for the benefit of AVFD, the latter executed a promissory note on March 11, 1999 promising to pay to the Primary Government the principal sum of \$1,217,800, plus interest on the unpaid principal amount. The debt service payment made by AVFD to the Primary Government equals the Primary Government's debt service payments to the CDA. The debt is repayable to the State in 20 annual installments with interest rates ranging from 4.125% to 5.0%, and matures May 1, 2019. At June 30, 2012, \$552,600 remained outstanding.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(17) Fund Balance Policy and Reporting

The County has not adopted a minimum fund balance policy for its governmental funds. The County has established a spending policy for instances where restricted and unrestricted classifications of fund balance are available.

Stabilization Arrangement - Per voter referendum and Council Bills (CB-81-1992 & CB-6-2003) the County is required to maintain a Charter Mandated contingency reserve equal to 5% of the annual budget. Funds can only be used to meet a public emergency, which constitutes a sudden, unexpected or unforeseen condition or occurrence, creating an imminent hazard to life, health or property and requiring an immediate action, the Council may, by resolution and upon the recommendation of the County Executive, make emergency appropriations from contingent reserve. The balance in the stabilization fund is disclosed in the table below.

A schedule of fund balance classifications at June 30, 2012 follows:

	Primary Government				
	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Restricted Fund Balances					
Restricted for contingencies:					
Economic Stabilization	\$ 133,925,855	\$ 133,925,855	\$ -	\$ -	\$ -
Public Facilities	4,454,998	-	-	4,454,998	-
Public Safety	7,798,457	-	-	7,798,457	-
Health	573,345	-	-	573,345	-
Educaton	85,591,754	-	-	85,591,754	-
Debt Service	31,311,781	-	2,721,102	-	28,590,679
Retricted for other purposes					
Domestic Violence	235,005	-	-	-	235,005
Drug Enforcement and Education	10,165,846	-	-	-	10,165,846
Unspent Proceeds from debt issuances:					
Equipment purchases	5,231,061	5,231,061	-	-	-
Real estate purchases	25,511,373	25,511,373	-	-	-
Total restricted fund balances	<u>\$ 304,799,475</u>	<u>\$ 164,668,289</u>	<u>\$ 2,721,102</u>	<u>\$ 98,418,554</u>	<u>\$ 38,991,530</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Nonspendable:					
Inventory	\$ 1,619,282	\$ 1,619,282	\$ -	\$ -	\$ -
Unrestricted - Committed Fund Balance					
Operating Reserve	\$ 53,570,342	\$ 53,570,342	\$ -	\$ -	\$ -
General Government	10,301,182	-	-	10,301,182	-
Total committed fund balances	<u>\$ 63,871,524</u>	<u>\$ 53,570,342</u>	<u>\$ -</u>	<u>\$ 10,301,182</u>	<u>\$ -</u>
Unrestricted - Assigned Fund Balance					
General Government	\$ 5,183,814	\$ 5,183,814	\$ -	\$ -	\$ -
Public Safety	4,223,593	4,223,593	-	-	-
Public Works	404,824	404,824	-	-	-
Health	2,399,229	2,399,229	-	-	-
Public Welfare	359,689	359,689	-	-	-
Property Sales and Acquisitions	3,884,900	-	-	-	3,884,900
Drug Enforcement and Education	2,640,655	-	-	-	2,640,655
Appropriation of Fund Balance for	24,599,100	24,599,100	-	-	-
Total assigned fund balances	<u>\$ 93,695,804</u>	<u>\$ 87,170,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,525,555</u>
Unassigned:	\$ 76,659,622	\$ 76,659,622	\$ -	\$ -	\$ -
Total fund balance	<u><u>\$ 540,645,707</u></u>	<u><u>\$ 383,687,784</u></u>	<u><u>\$ 2,721,102</u></u>	<u><u>\$ 108,719,736</u></u>	<u><u>\$ 45,517,085</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(18) Encumbrances

Certain governmental funds use encumbrance accounting for budgetary purposes. Encumbrances represent claims against appropriations for purchase order and executed contracts that have not been expended. Amounts reported as encumbrances in the General Fund are reported as an assignment of Fund Balance. Encumbrances in other governmental funds are included in the restricted fund balance category. The following table includes functional encumbrance balances as of June 30, 2012:

	Total	General Fund	Capital Projects Fund
General Government	\$ 10,666,827	\$ 5,183,814	5,483,013
Public Safety	8,762,099	4,223,593	4,538,506
Public Works	20,867,328	404,824	20,462,504
Health	2,773,342	2,399,229	374,113
Public Welfare	359,689	359,689	-
Education	2,469,410	-	2,469,410
Total	\$ 45,898,695	\$ 12,571,149	\$ 33,327,546

(19) Summary Disclosure of Significant Contingencies

(a) Litigation

In addition to those suits in which claims for liability are adequately covered by insurance, the County is involved in numerous lawsuits with a potential liability ranging up to \$1.0 million. In the opinion of legal counsel and management, it is reasonably possible that some of these cases will be settled against the County, resulting in varying degrees of monetary damages.

(b) Contingent Liabilities

(i) Questioned Costs

The County participates in a number of Federally-assisted grant programs. These programs are currently under examination in accordance with Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." The final results of this examination for fiscal year 2012 have not yet been determined. The amount of expenditures which may be disallowed by the granting agencies cannot be specifically determined at this time. The County expects any disallowed costs to be immaterial, as has been the case in previous audits.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(ii) Brown Station Road Landfill

The Primary Government owns and operates the Brown Station Road Landfill, which is accounted for in the Solid Waste Enterprise Fund. Phase I of the landfill was closed in September 1993 after 25 years of operation. Phase II of the landfill began operations on May 13, 1992 and approximately 66.94% of total estimated capacity has been utilized as of June 30, 2012. It is expected to operate through the year 2020.

To close both Phase I and Phase II of the landfill, State and Federal laws and regulations require the County to place a final cover on both landfill phases. (The closure and post-closure plan for both phases is pending final State approval.) These laws also require the County to perform certain maintenance and monitoring functions at the landfill site. In accordance with statutory requirements, the Primary Government estimates closure costs only for Phase I, of approximately \$27.2 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$72.3 million. Estimated costs are "as if incurred" in fiscal year 2012 and may change due to inflation, technological enhancements, and revisions to State and Federal requirements - as well as any additional measures that may be undertaken to safeguard the quality of life for residents. These estimates are updated annually.

At June 30, 2012, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$60.8 million for Phases I and II based on the percentage of capacity of Phases I and II utilized to date multiplied by the total capacity of Phases I and II. As of June 30, 2012, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$80,601,095 for landfill closure costs. The fiscal year 2012 financial statements reflect post-closure expenses of approximately \$4.3 million, based on the above criteria.

(iii) Sandy Hill Landfill Lease - Primary Government

On July 1, 1992, the Primary Government entered into a three-part agreement with The Maryland-National Capital Park and Planning Commission (M-NCPPC), a joint venture, to operate the Sandy Hill Landfill. The operations of this refuse disposal facility have been contracted to Waste Management, Inc., an independent contractor since May 1977. Part one of the agreement represents an "Assignment" to the Primary Government of the rights and responsibilities of M-NCPPC to operate the Landfill. These include (1) M-NCPPC's rights under Maryland State Refuse Disposal Permit Number 89-16-14-10A to operate the site, sometimes referred to as the "Existing Landfill"; (2) M-NCPPC's right to a 21% share of all operating fees collected by Waste Management, Inc.; (3) M-NCPPC's has no ownership rights to the expansion adjacent to the "Existing Landfill"; (4) the transfer by M-NCPPC of approximately \$1.8 million to be held in a Trust Fund for the closure and post-closure costs associated with the "Existing Landfill"; (5) M-NCPPC's rights to the services performed by Waste Management, Inc., to continue the operation of the "Existing Landfill" and also develop and to maintain the "Existing Landfill" through closure and one year of post-closure. Part two represents a lease which transfers to the Primary Government all of M-NCPPC's rights and responsibilities for the current and post-closure operations of the "Existing Landfill" which closed in June 2000; (6) In May 1997, the Primary Government was granted a permit by the Maryland Department of the Environment to vertically expand the operation. The Primary Government was required to pay M-NCPPC the sum of \$7.4 million through June 30, 2010 for these lease rights. The County made an initial payment of \$1.8 million in fiscal year 1993. Additional payments have been neither appropriated nor paid consistent with the fiscal funding clause in the agreement. The third part of the agreement requires M-NCPPC to transfer to the Primary Government all its rights as Trustee to administer the Trust Fund.

As with the Brown Station Road Landfill, State and Federal laws and regulations require a final landfill cover and 30-years of post-closure activities. The contractor, Waste Management, Inc., is legally responsible for closure and one year of post-closure costs for the Sandy Hill Landfill. The Primary Government is legally responsible for the 30 years of post-closure costs for the Sandy Hill Landfill. The County began working on the closure of the landfill in April 2003. It is expected to be completed in August 2012.

The Primary Government has recorded an estimated liability for 30 years of post-closure costs of \$29.5 million because this landfill is substantially full. Of this amount, \$20.5 million has been deferred as of June 30, 2012, and will be recognized as revenues earmarked for post-closure activities are earned over the life of the landfill expansion. Estimated costs for post-closure activities, are "as if incurred," and will be updated annually for changes in technology, applicable regulations, and inflation.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(c) Operating Leases

Under the terms of various operating lease agreements for facilities, the Primary Government's approximate future minimum annual rental payments for facilities are as follows (in thousands):

Year ending <u>June 30,</u>	
2013	\$ 17,745
2014	18,031
2015	18,340
2016	18,659
2017	18,976
2018-2022	85,059
2023-2027	85,612
2028-2032	<u>89,594</u>
	<u>\$ 352,016</u>

During fiscal year 2012, rent expense under these lease agreements amounted to approximately \$17.5 million.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(20) Joint Ventures

The County participates in the financial activities of certain entities providing services within the County, which are deemed joint venture activities. The joint ventures described in the following paragraphs are not reflected in the accompanying financial statements because the County has no equity interest in the operations of these entities.

(a) Washington Suburban Transit Commission (WSTC)

The WSTC is a State of Maryland bi-county agency, which receives funds from Montgomery and Prince George's Counties, both of which participate in the Washington Metropolitan Area Transit Authority (WMATA), to construct and maintain a cohesive and uniform transportation system. WSTC is composed of seven members; two from each county, two members appointed by the Governor of Maryland, and one ex officio representative from the Maryland Department of Transportation. WSTC acts as a coordinator for transit-related information and provides a forum for the discussion, formulation and transmittal of Federal, state and local funds paid to WMATA on behalf of the Maryland region. The annual operating costs of WSTC are shared equally by Montgomery and Prince George's Counties. The Primary Government's share of these costs for fiscal year 2012 amounted to \$83,380.

(b) The Maryland-National Capital Park and Planning Commission (M-NCPPC)

M-NCPPC is a bi-county agency servicing Montgomery and Prince George's Counties' regional system of parks. It also conducts the recreation program for Prince George's County. The Commission consists of ten members - five from each County. The County can modify its share of the budget and also approves applicable fees and sets the recreational tax rate. The County must also approve any debt issuances and is obligated to honor any bonded debt deficiencies (which to date have not occurred). At June 30, 2012, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$56,362,662.

(c) Washington Metropolitan Area Transit Authority (WMATA)

On January 9, 1970 the County entered into an agreement with other local jurisdictions for construction of the Washington Metropolitan Area Rapid Transit System. Since then, the County has entered into several additional agreements providing for financing of both construction and operations. The County's obligation for funding the construction of the rail transit facilities is borne by the State of Maryland. WMATA is governed by a board of six directors and six alternates, who are appointed on a pro rata basis by the Northern Virginia Transportation Commission, the City Council of the Government of the District of Columbia, and the WSTC (mentioned above).

In 2012, the State contributed \$4.9 million toward the payment of principal and interest on WMATA revenue bonds. This was provided pursuant to amended Chapter 530, Acts of Maryland General Assembly 1980, which provides for State payment of 100% of the debt service bond repayment costs.

(d) Washington Suburban Sanitary Commission (WSSC)

The WSSC is a bi-county political subdivision of the State of Maryland created to provide water supply and sewage disposal facilities for Montgomery and Prince George's Counties. WSSC's governing body is composed of six members, three from each county; the budgeting authority and financing responsibility is shared equally by the participating counties.



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(e) Availability of Financial Statements

Complete separate financial statements may be obtained at the administrative offices of the individual joint ventures as follows:

Washington Suburban Transit Commission  
8720 Georgia Avenue, Suite 904  
Silver Spring, Maryland 20910

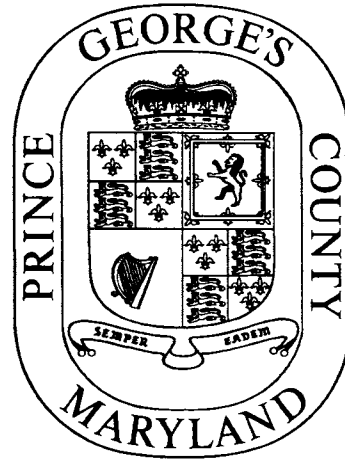
The Maryland-National Capital Park and Planning Commission  
6611 Kenilworth Avenue  
Riverdale, Maryland 20737

Washington Metropolitan Area Transit Authority  
600 Fifth Street, N.W.  
Washington, D.C. 20001

Washington Suburban Sanitary Commission  
14501 Sweitzer Lane  
Laurel, Maryland 29797

(21) Jointly Governed Organization

The Metropolitan Washington Council of Governments (COG) provides to participating local governments within the Washington, D.C. metropolitan area resources for a regional approach to local urban problems, emphasizing regional planning, community and economic development and conservation. Under COG's bylaws, contributions of participating local governments are calculated on a per capita basis. The twenty-four board members are elected by the local jurisdiction which they represent; two members are appointed by the Primary Government. The Primary Government's fiscal year 2012 contributions to COG amounted to approximately \$497,676.



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**REQUIRED SUPPLEMENTARY INFORMATION**

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Prince George's County, Maryland  
 Schedule of Funding Progress  
 For the fiscal year ended June 30, 2012

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of the plan over time indicates whether the plans are becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plans' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan. The latest actuarial valuation for the Plans was performed as of July 1, 2011. The OPEB Plan had actuarial valuations as of July 1, 2007, July 1, 2008, and July 1, 2010. The significant actuarial assumptions used to compute the accrued actuarial liability are the same as those used to compute the actuarially determined contribution requirements.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>Comprehensive Pension Plans:</b>						
<b>Police</b>						
07/01/2011	\$ 676,596,300	\$ 1,148,643,000	\$ 472,046,700	58.90 %	\$ 105,970,000	445.45 %
07/01/2010	660,807,300	1,107,839,000	447,031,700	59.65	106,868,400	418.30
07/01/2009	668,828,400	1,062,724,100	393,895,700	62.94	108,335,400	363.59
07/01/2008	666,746,200	985,857,100	319,110,900	67.63	108,498,400	294.12
07/01/2007	619,987,700	921,408,500	301,420,800	67.29	101,048,300	298.29
07/01/2006	574,279,900	887,679,900	313,400,000	64.69	95,891,400	326.83
<b>Fire Service</b>						
07/01/2011	\$ 311,047,700	\$ 596,322,800	\$ 285,275,100	52.16 %	\$ 51,753,900	551.21 %
07/01/2010	306,212,500	574,931,700	268,719,200	53.26	49,060,800	547.73
07/01/2009	313,339,300	550,846,400	237,507,100	56.88	52,036,500	456.42
07/01/2008	309,789,400	499,603,800	189,814,400	62.01	50,846,300	373.31
07/01/2007	285,531,700	469,455,300	183,923,600	60.82	49,859,800	368.88
07/01/2006	264,518,400	441,594,700	177,076,300	59.90	44,657,700	396.52
<b>Deputy Sheriffs'</b>						
07/01/2011	\$ 41,024,800	\$ 87,538,700	\$ 46,513,900	46.86 %	\$ 13,420,100	346.60 %
07/01/2010	38,266,500	82,382,200	44,115,700	46.45	12,931,600	341.15
07/01/2009	37,362,400	76,873,900	39,511,500	51.79	13,597,000	290.59
07/01/2008	35,383,500	68,315,900	32,932,400	49.05	12,394,700	265.70
07/01/2007	31,243,500	63,691,900	32,448,400	44.71	11,648,200	278.57
07/01/2006	26,719,000	59,757,600	33,038,600	47.25	10,514,300	314.23
<b>Correctional Officers'</b>						
07/01/2011	\$ 74,788,400	\$ 142,798,100	\$ 68,009,700	52.37 %	\$ 25,098,900	270.97 %
07/01/2010	69,679,000	134,277,900	64,598,900	51.89	25,181,100	256.54
07/01/2009	67,793,100	127,639,000	59,845,900	53.11	24,397,700	245.29
07/01/2008	64,683,800	108,764,000	44,100,200	59.47	23,274,200	189.48
07/01/2007	57,180,400	99,245,500	42,065,100	57.62	22,883,300	183.82
07/01/2006	49,060,000	91,027,800	41,967,800	53.90	22,123,900	189.69

Prince George's County, Maryland  
 Schedule of Funding Progress, continued  
 For the fiscal year ended June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<b>Supplemental Pension Plans:</b>						
<b>Deputy Sheriffs'</b>						
07/01/11	\$ 3,396,300	\$ 8,520,500	\$ 5,124,200	39.86	% \$ 1,025,000	499.92
07/01/10	3,647,700	8,333,400	4,685,700	48.34	1,208,100	387.86
07/01/09	3,916,100	8,101,100	4,185,000	54.35	1,285,400	325.58
07/01/08	4,175,800	7,683,700	3,507,900	54.38	1,235,200	283.99
07/01/07	4,071,700	7,487,600	3,415,900	55.34	1,381,900	247.19
07/01/06	4,056,200	7,329,300	3,273,100	62.05	1,321,400	247.70
<b>Correctional Officers'</b>						
07/01/11	\$ 4,611,000	\$ 6,830,300	\$ 2,219,300	67.51	% \$ 1,674,200	132.56
07/01/10	4,062,000	6,838,200	2,776,200	61.54	1,816,300	152.85
07/01/09	4,036,000	6,558,800	2,522,800	68.06	1,808,200	139.52
07/01/08	3,897,200	5,726,100	1,828,900	64.76	1,911,500	95.68
07/01/07	3,492,500	5,393,400	1,900,900	60.87	2,071,200	91.78
07/01/06	3,177,600	5,220,000	2,042,400	61.56	2,079,600	98.21
<b>Crossing Guards</b>						
07/01/11	\$ 1,145,900	\$ 1,838,700	\$ 692,800	62.32	% \$ 1,482,200	46.74
07/01/10	1,113,500	1,836,200	722,700	60.64	1,539,300	46.95
07/01/09	1,104,200	1,828,200	724,000	60.40	1,685,200	42.96
07/01/08	1,067,500	1,796,800	729,300	59.41	1,655,300	44.06
07/01/07	959,700	1,858,600	898,900	51.64	1,690,900	53.16
07/01/06	855,400	1,976,900	1,121,500	43.27	2,123,800	52.81
<b>AFSCME</b>						
07/01/11	\$ 52,335,500	\$ 74,580,400	\$ 22,244,900	70.17	% \$ 54,135,400	41.09
07/01/10	47,544,800	71,474,400	23,929,600	64.40	55,451,600	43.15
07/01/09	44,700,300	69,406,900	24,706,600	64.74	58,701,800	42.09
07/01/08	41,001,400	63,333,200	22,331,800	60.31	57,555,100	38.80
07/01/07	35,119,900	58,227,800	23,107,900	58.20	53,891,200	42.88
07/01/06	17,804,800	30,590,200	12,785,400	69.28	24,196,700	52.84

Required Supplementary Information

Prince George's County, Maryland  
 Schedule of Funding Progress, continued  
 For the fiscal year ended June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
Supplemental Pension Plans (continued):						
General Schedule						
07/01/11	\$ 88,648,000	\$ 139,561,200	\$ 50,913,200	63.52 %	\$ 79,578,600	63.98 %
07/01/10	84,006,000	134,320,300	50,314,300	62.36	78,996,700	63.69
07/01/09	82,628,200	132,510,700	49,882,500	64.91	82,751,800	60.28
07/01/08	80,133,200	123,448,900	43,315,700	62.96	79,038,500	54.80
07/01/07	72,873,300	115,739,600	42,866,300	60.31	74,444,200	57.58
07/01/06	78,218,300	129,703,100	51,484,800	59.88	93,906,400	54.83
Fire Civilian						
07/01/11	\$ 5,239,900	\$ 9,567,500	\$ 4,327,600	54.77 %	\$ 3,887,600	111.32 %
07/01/10	5,060,000	9,389,100	4,329,100	57.28	3,972,100	108.99
07/01/09	5,005,000	8,737,600	3,732,600	61.90	4,337,100	86.06
07/01/08	4,831,900	7,805,600	2,973,700	58.38	4,089,200	72.72
07/01/07	4,309,900	7,383,100	3,073,200	56.06	4,089,800	75.14
07/01/06	3,770,500	6,726,100	2,955,600	52.65	3,564,400	82.92
Police Civilian						
07/01/11	\$ 13,574,100	\$ 22,825,600	\$ 9,251,500	59.47 %	\$ 17,248,700	53.64 %
07/01/10	12,511,400	22,083,000	9,571,600	56.65	17,187,700	55.69
07/01/09	11,897,000	21,002,100	9,105,100	58.41	17,718,800	51.39
07/01/08	10,980,100	18,799,500	7,819,400	54.83	17,197,800	45.47
07/01/07	9,482,600	17,294,800	7,812,200	50.12	15,274,100	51.15
07/01/06	7,858,800	15,680,500	7,821,700	49.94	14,199,300	55.09

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
OPEB Plan Net Assets						
07/01/10	\$ 42,444	\$ 825,330	\$ 782,886	5.14%	\$ 419,062	186.82%
07/01/09	35,295	\$ 842,813	\$ 807,518	4.19%	\$ 460,100	175.51%
07/01/08	29,647	\$ 792,265	\$ 762,618	3.74%	\$ 468,907	162.64%
07/01/07	-	762,335	762,335	-	\$ 463,893	164.33

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## **INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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This sub-section contains the Combining and Individual Fund Statements for the General Fund, Nonmajor Governmental Funds, Internal Service Funds, Fiduciary Funds, and Nonmajor Component Units. Also included are Supplementary Schedules.

**INDIVIDUAL FUND  
STATEMENT AND  
SCHEDULES**



**GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government which are not legally or by sound financial management required to be accounted for in another fund.



PRINCE GEORGE'S COUNTY, MARYLAND  
 Balance Sheet  
 General Fund  
 June 30, 2012

<u>Assets</u>		<u>Liabilities and Fund Balance</u>	
Cash and investments	\$ 276,063,862	Liabilities:	
Taxes receivable:		Compensated absences and termination benefits payable	\$ 296,130
Property taxes	14,531,152	Accounts payable	20,631,102
Less allowance for uncollectible taxes	<u>(8,941,135)</u>	Accrued costs	16,570,234
Net property taxes	<u>5,590,017</u>	Deferred revenue	59,786,454
Accounts receivable	30,146,995	Deposits	21,994,086
Less allowance for uncollectible accounts	<u>(314,947)</u>		
Net accounts receivable	<u>29,832,048</u>		
Notes receivable	3,952,600		
Special assessments receivable:			
Deferred	9,861	Total liabilities	<u>119,278,006</u>
Accrued interest receivable	395,474		
Due from other funds:		Fund balance:	
Special Revenue	18,700,000	Nonspendable	1,619,282
Capital Projects	12,000,000	Restricted	
Pension Fund	<u>35,000</u>	Economic stabilization	133,925,855
Total due from other funds	<u>30,735,000</u>	Equipment purchases	25,511,373
Due from component units:		Real estate purchases	<u>5,231,061</u>
Housing Authority	1,784,232	Total Restricted	<u>164,668,289</u>
Revenue Authority	6,607,131	Committed - Operating Reserve	53,570,342
Prince George's Community Television	<u>450,000</u>	Assigned	
Total due from component units	<u>8,841,363</u>	Economic Development	50,000,000
Due from other governmental units:		Subsequent Years Expenditures	24,599,100
State	101,818,187	Contracts	<u>12,571,149</u>
Federal	309,648	Total Assigned	<u>87,170,249</u>
Other	<u>13,006,015</u>	Unassigned	<u>76,659,622</u>
Total due from other governmental units	<u>115,133,850</u>		
Inventories, at average cost	1,619,282	Total fund balance	<u>383,687,784</u>
Cash and investments-restricted	30,742,433		
Other assets	50,000		
	<u>\$ 502,965,790</u>		<u>\$ 502,965,790</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance  
 General Fund  
 For the year ended June 30, 2012

Revenues:	
Taxes	\$ 1,425,639,161
Licenses and permits	17,849,382
Fines and forfeitures	12,158,474
Use of money and property	4,804,406
Charges for services	37,797,058
Intergovernmental	30,609,816
Miscellaneous	<u>5,939,986</u>
Total revenues	<u>1,534,798,283</u>
Expenditures:	
General government	212,174,304
Public safety	522,445,470
Public works	10,433,791
Health	20,088,567
Public welfare	2,585,585
Payments to component units	663,820,600
Debt Service	<u>14,727,312</u>
Total expenditures	<u>1,446,275,629</u>
Excess of revenues over expenditures	<u>88,522,654</u>
Other financing sources (uses):	
Payment to escrow agent	(10,159,215)
Premium on notes payable	2,125,287
Purchase agreement financing	33,825,000
Transfers out - other funds	<u>(108,786,340)</u>
Total other financing sources (uses)	<u>(82,995,268)</u>
Excess of revenues and other financing sources under expenditures and other uses	<u>5,527,386</u>
Fund balance, beginning of year	378,160,398
Fund balance, end of year	<u>\$ <u>383,687,784</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Budget <u>As Revised</u>	Actual <u>Revenues</u>	Variance Positive <u>(Negative)</u>
General property taxes:			
Real property (net of credits)	\$ 655,570,400	639,314,615	(16,255,785)
Unincorporated business personal property	506,600	1,586,152	1,079,552
Railroad and public utility	29,161,700	33,416,022	4,254,322
Corporate personal property	<u>35,322,500</u>	<u>44,819,751</u>	<u>9,497,251</u>
Total general property taxes	<u>720,561,200</u>	<u>719,136,540</u>	<u>(1,424,660)</u>
Local taxes:			
Income	455,071,700	485,231,677	30,159,977
State income disparity grant	15,595,900	15,595,853	(47)
Recordation	24,587,100	22,774,565	(1,812,535)
Interest and penalties on delinquent taxes	4,080,000	3,819,518	(260,482)
Transfer	65,798,800	62,294,438	(3,504,362)
Trailer camp	40,000	34,005	(5,995)
Hotel/motel	5,234,400	5,373,688	139,288
Amusement	10,696,000	10,436,967	(259,033)
Telecommunications tax	42,841,000	37,827,000	(5,014,000)
Energy tax	<u>66,192,700</u>	<u>59,651,917</u>	<u>(6,540,783)</u>
Total local taxes	<u>690,137,600</u>	<u>703,039,628</u>	<u>12,902,028</u>
Shared taxes:			
Gas and motor vehicle	1,376,700	2,064,874	688,174
State transfer taxes	<u>40,000</u>	<u>1,398,119</u>	<u>1,358,119</u>
	<u>1,416,700</u>	<u>3,462,993</u>	<u>2,046,293</u>
Total taxes	<u>1,412,115,500</u>	<u>1,425,639,161</u>	<u>13,523,661</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued  
 General Fund  
 For the year ended June 30, 2012

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Licenses and permits:			
Street privileges and permits	\$ 2,432,900	2,950,460	517,560
Liquor license and permits	1,253,400	1,602,865	349,465
Traders	1,017,400	814,174	(203,226)
Hawkers and peddlers	3,900	2,625	(1,275)
Refuse	65,600	500	(65,100)
Taxicab	305,900	598,110	292,210
Dance licenses	10,100	5,400	(4,700)
Bonder's license fees	768,700	698,855	(69,845)
Animal registration	178,200	105,521	(72,679)
Mechanics	22,800	14,000	(8,800)
Electrical licenses	141,700	149,549	7,849
Building permits	6,557,000	7,368,132	811,132
Single family and apartment rental license fee	2,191,700	1,112,549	(1,079,151)
New sign permits	20,700	62,986	42,286
Towing facility	10,800	149,375	138,575
Palmist	2,800	2,500	(300)
Burglar alarm	461,800	534,404	72,604
Benefit performance and casino permits	13,500	2,120	(11,380)
Board of registration - contractor's fee	14,700	6,900	(7,800)
Health permits	1,690,100	1,615,324	(74,776)
Secondhand dealers	26,000	34,510	8,510
Other	15,200	18,523	3,323
	<u>17,204,900</u>	<u>17,849,382</u>	<u>644,482</u>
Total licenses and permits			
Fines and forfeitures:			
Motor vehicles	453,700	825,493	371,793
Animal	32,000	30,975	(1,025)
Automated Speed Enforcement	9,657,000	8,442,187	(1,214,813)
Traffic Light	1,681,000	2,830,832	1,149,832
Other	3,800	28,987	25,187
	<u>11,827,500</u>	<u>12,158,474</u>	<u>330,974</u>
Total fines and forfeitures			

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued  
 General Fund  
 For the year ended June 30, 2012

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Use of money and property:			
Interest and dividends	\$ 8,280,000	3,436,943	(4,843,057)
Telephone commissions	437,000	401,759	(35,241)
Rental of County-owned property	1,000,000	873,253	(126,747)
Xerox commissions	10,600	6,374	(4,226)
Vending machines and cafeteria commissions	52,400	48,431	(3,969)
Other use of money and property	-	37,646	37,646
Total use of money and property	<u>9,780,000</u>	<u>4,804,406</u>	<u>(4,975,594)</u>
Charges for services:			
Sheriff's fees	3,113,000	3,161,027	48,027
Zoning Appeals Board fee	50,800	27,503	(23,297)
Tax certification fees	-	17,100	17,100
Tax collection service	159,400	65,000	(94,400)
Health fees	945,500	1,035,008	89,508
Appearance and witness fees	114,400	168,470	54,070
Emergency transport and related services	11,500,500	11,005,919	(494,581)
Tax sale cost recoveries	16,700	76,782	60,082
Housing - State prisoners	-	412,965	412,965
Housing - Federal prisoners	-	376,052	376,052
Contractual police services	304,700	693,535	388,835
Fire inspection fee	-	206,987	206,987
Inmate commissions	-	183,523	183,523
County sales	1,100	448	(652)
Animal control fees	109,000	52,617	(56,383)
Mosquito control	15,800	-	(15,800)
Circuit Court marriage ceremonies	31,800	45,952	14,152
Local 911 fee	7,027,200	5,928,725	(1,098,475)
Cable franchise fees	8,845,900	10,440,784	1,594,884
Stadium contract revenue	1,218,000	2,358,536	1,140,536
Jury fees reimbursements	486,300	714,135	227,835
Sex offenders registration fee	-	152,800	152,800
Interpreter fee	171,500	214,559	43,059
Other	95,500	458,631	363,131
Total charges for services	<u>34,207,100</u>	<u>37,797,058</u>	<u>3,589,958</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued  
 General Fund  
 For the year ended June 30, 2012

	Budget <u>As Revised</u>	Actual <u>Revenues</u>	Variance Positive <u>(Negative)</u>
Intergovernmental revenues:			
Civil defense	\$ 100,000	21,362	(78,638)
Police protection	9,725,900	9,270,447	(455,453)
Circuit Court recoveries	200,000	-	(200,000)
Land management	10,000	-	(10,000)
Health Department - State share	5,007,000	6,582,434	1,575,434
Racing grant	-	1,000,000	1,000,000
Fish and wildlife service	250,000	146,589	(103,411)
FEMA Reimbursement	-	623,989	623,989
DHR DSS grant	289,300	-	(289,300)
State grants	-	18,959	18,959
Federal grants	200,000	333,657	133,657
Payment from Revenue Authority	-	1,150,000	1,150,000
DSS salary reimbursement	215,600	337,271	121,671
Payment from M-NCPPC	15,318,800	11,121,679	(4,197,121)
Other	<u>1,000,000</u>	<u>3,429</u>	<u>(996,571)</u>
Total intergovernmental revenues	<u>32,316,600</u>	<u>30,609,816</u>	<u>(1,706,784)</u>
Miscellaneous revenues:			
Cedarville state forest	-	260	260
Sale of surplus property	184,000	222,012	38,012
Sale of voter lists	10,700	2,690	(8,010)
Sale of accident reports and photos	166,700	170,966	4,266
Other miscellaneous sales	38,600	91,016	52,416
Miscellaneous revenue	<u>4,100,000</u>	<u>5,453,042</u>	<u>1,353,042</u>
Total miscellaneous revenues	<u>4,500,000</u>	<u>5,939,986</u>	<u>1,439,986</u>
	<u>\$ 1,521,951,600</u>	<u>1,534,798,283</u>	<u>12,846,683</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		
General government:									
County Executive:									
Compensation	\$ -	-	-	-	3,578,800	3,862,671	-	3,862,671	(283,871)
Other current expenses	-	-	-	-	616,300	369,256	562	369,818	246,482
Fringe benefits	-	-	-	-	983,900	945,923	-	945,923	37,977
Total County Executive	-	-	-	-	5,179,000	5,177,850	562	5,178,412	588
Legislative Branch:									
Compensation	-	-	-	-	9,144,500	8,857,462	-	8,857,462	287,038
Other current expenses	699,326	173,366	301,259	224,701	2,497,200	1,849,897	219,057	2,068,954	428,246
Capital outlay	-	-	-	-	65,000	33,157	-	33,157	31,843
Fringe benefits	-	-	-	-	2,351,600	2,569,936	-	2,569,936	(218,336)
Project charges	-	-	-	-	(1,143,700)	(1,001,593)	-	(1,001,593)	(142,107)
Total Legislative Branch	699,326	173,366	301,259	224,701	12,914,600	12,308,859	219,057	12,527,916	386,684
Human Relations Commission:									
Compensation	-	-	-	-	744,900	637,305	-	637,305	107,595
Other current expenses	9,775	525	-	9,250	136,200	108,344	4,293	112,637	23,563
Fringe benefits	-	-	-	-	243,300	207,939	-	207,939	35,361
Total Human Relations Commission	9,775	525	-	9,250	1,124,400	953,588	4,293	957,881	166,519
Circuit Court:									
Compensation	-	-	-	-	8,248,500	8,636,270	-	8,636,270	(387,770)
Other current expenses	215,892	147,222	68,670	-	3,233,800	2,796,713	68,548	2,865,261	368,539
Capital Outlay	18,000	-	18,000	-	-	-	-	-	-
Fringe benefits	-	-	-	-	2,694,900	2,587,754	-	2,587,754	107,146
Total Circuit Court	233,892	147,222	86,670	-	14,177,200	14,020,737	68,548	14,089,285	87,915

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing (Non-GAAP Budgetary Basis)  
 Sources (Uses) Compared with Budget  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Orphan's Court:									
Compensation	\$ -	-	-	-	304,600	311,737	-	311,737	(7,137)
Other current expenses	-	-	-	-	12,500	4,454	-	4,454	8,046
Fringe benefits	-	-	-	-	79,500	80,307	-	80,307	(807)
Total Orphan's Court	-	-	-	-	396,600	396,498	-	396,498	102
State's Attorney Office:									
Compensation	-	-	-	-	9,486,200	9,436,974	-	9,436,974	49,226
Other current expenses	3,444	3,438	6	-	1,272,000	1,266,171	19,574	1,285,745	(13,745)
Fringe benefits	-	-	-	-	2,703,600	2,736,398	-	2,736,398	(32,798)
Project charges	-	-	-	-	-	(26,723)	-	(26,723)	26,723
Total State's Attorney Office	3,444	3,438	6	-	13,461,800	13,412,820	19,574	13,432,394	29,406
Personnel Board:									
Compensation	-	-	-	-	177,900	181,190	-	181,190	(3,290)
Other current expenses	-	-	-	-	88,900	78,156	4,738	82,894	6,006
Fringe benefits	-	-	-	-	45,100	46,806	-	46,806	(1,706)
Total Personnel Board	-	-	-	-	311,900	306,152	4,738	310,890	1,010
Office of Finance:									
Compensation	-	-	-	-	4,472,400	4,277,669	-	4,277,669	194,731
Other current expenses	49,518	29,547	5,820	14,151	727,500	626,680	22,245	648,925	78,575
Fringe benefits	-	-	-	-	1,404,300	1,426,583	-	1,426,583	(22,283)
Project charges	-	-	-	-	(2,599,800)	(2,566,404)	-	(2,566,404)	(33,396)
Total Office of Finance	49,518	29,547	5,820	14,151	4,004,400	3,764,528	22,245	3,786,773	217,627
Citizen Complaint Oversight Panel:									
Compensation	-	-	-	-	116,600	118,780	-	118,780	(2,180)
Other current expenses	-	-	-	-	99,900	73,410	6,460	79,870	20,030
Fringe benefits	-	-	-	-	29,600	28,496	-	28,496	1,104
Total Citizen Complaint Oversight Panel	-	-	-	-	246,100	220,686	6,460	227,146	18,954

(Continued)



PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Community Relations									
Compensation	\$ -	-	-	-	1,570,000	1,605,773	-	1,605,773	(35,773)
Other current expenses	-	-	-	-	121,400	140,853	-	140,853	(19,453)
Fringe benefits	-	-	-	-	461,900	405,894	-	405,894	56,006
Total Office of Community Relations	-	-	-	-	2,153,300	2,152,520	-	2,152,520	780
Peoples Zoning Council:									
Other current expenses	-	-	-	-	200,000	-	-	-	200,000
Project charges	-	-	-	-	(200,000)	-	-	-	(200,000)
Total Peoples Zoning Council	-	-	-	-	-	-	-	-	-
Office of Management and Budget:									
Compensation	-	-	-	-	2,039,300	1,990,773	-	1,990,773	48,527
Other current expenses	-	-	-	-	130,900	99,850	-	99,850	31,050
Fringe benefits	-	-	-	-	532,300	609,594	-	609,594	(77,294)
Project charges	-	-	-	-	(151,800)	(152,766)	-	(152,766)	966
Total Office of Management and Budget	-	-	-	-	2,550,700	2,547,451	-	2,547,451	3,249
Board of License Commissioners:									
Compensation	-	-	-	-	792,200	789,877	-	789,877	2,323
Other current expenses	2,375	147	2,228	-	95,200	84,077	579	84,656	10,544
Fringe benefits	-	-	-	-	302,600	296,046	-	296,046	6,554
Total Board of License Commissioners	2,375	147	2,228	-	1,190,000	1,170,000	579	1,170,579	19,421
Office of Law:									
Compensation	-	-	-	-	4,287,000	4,499,384	-	4,499,384	(212,384)
Other current expenses	5,225	5,225	-	-	354,000	404,289	7,090	411,379	(57,379)
Fringe benefits	-	-	-	-	1,212,200	1,220,616	-	1,220,616	(8,416)
Project charges	-	-	-	-	(2,097,100)	(2,471,936)	-	(2,471,936)	374,836
Total Office of Law	5,225	5,225	-	-	3,756,100	3,652,353	7,090	3,659,443	96,657

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Human Resources Management									
Compensation	\$ -	-	-	-	5,273,900	5,153,636	-	5,153,636	120,264
Other current expenses	88,020	85,135	-	2,885	1,087,700	887,722	125,774	1,013,496	74,204
Fringe benefits	-	-	-	-	1,398,300	1,180,389	-	1,180,389	217,911
Project charges	-	-	-	-	(2,003,600)	(1,600,373)	-	(1,600,373)	(403,227)
<b>Total Office of Human Resources Management</b>	<b>88,020</b>	<b>85,135</b>	<b>-</b>	<b>2,885</b>	<b>5,756,300</b>	<b>5,621,374</b>	<b>125,774</b>	<b>5,747,148</b>	<b>9,152</b>
Board of Elections:									
Compensation	-	-	-	-	3,540,200	2,926,307	-	2,926,307	613,893
Other current expenses	57,822	-	57,822	-	901,600	1,587,476	17,578	1,605,054	(703,454)
Fringe benefits	-	-	-	-	531,100	390,811	-	390,811	140,289
<b>Total Board of Elections</b>	<b>57,822</b>	<b>-</b>	<b>57,822</b>	<b>-</b>	<b>4,972,900</b>	<b>4,904,594</b>	<b>17,578</b>	<b>4,922,172</b>	<b>50,728</b>
Soil Conservation:									
Compensation	-	-	-	-	1,039,600	1,054,916	-	1,054,916	(15,316)
Other current expenses	-	-	-	-	10,000	10,352	-	10,352	(352)
Fringe benefits	-	-	-	-	249,500	281,677	-	281,677	(32,177)
Project charges	-	-	-	-	(1,299,100)	(1,346,945)	-	(1,346,945)	47,845
<b>Total Soil Conservation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Central Services:									
Compensation	\$ -	-	-	-	8,255,700	8,531,807	-	8,531,807	(276,107)
Other current expenses	201,680	75,498	70,642	55,540	6,644,600	6,482,577	348,236	6,830,813	(186,213)
Fringe benefits	-	-	-	-	3,067,200	3,054,031	-	3,054,031	13,169
Project charges	-	-	-	-	(1,624,800)	(2,206,358)	-	(2,206,358)	581,558
<b>Total Office of Central Services</b>	<b>201,680</b>	<b>75,498</b>	<b>70,642</b>	<b>55,540</b>	<b>16,342,700</b>	<b>15,862,057</b>	<b>348,236</b>	<b>16,210,293</b>	<b>132,407</b>
Department of Family Services									
Compensation	-	-	-	-	1,756,400	1,396,178	-	1,396,178	360,222
Other current expenses	55,251	41,747	13,504	-	1,166,289	849,071	110,466	959,537	206,752
Fringe benefits	-	-	-	-	530,800	395,214	-	395,214	135,586
Project charges	-	-	-	-	(599,100)	-	-	-	(599,100)
<b>Total Department of Family Services</b>	<b>55,251</b>	<b>41,747</b>	<b>13,504</b>	<b>-</b>	<b>2,854,389</b>	<b>2,640,463</b>	<b>110,466</b>	<b>2,750,929</b>	<b>103,460</b>
Department of Housing and Community Development:									
Compensation	-	-	-	-	1,560,800	1,487,630	-	1,487,630	73,170
Other current expenses	-	-	-	-	421,300	431,907	1,065	432,972	(11,672)
Fringe benefits	-	-	-	-	625,100	609,012	-	609,012	16,088
<b>Total Department of Housing and Community Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,607,200</b>	<b>2,528,549</b>	<b>1,065</b>	<b>2,529,614</b>	<b>77,586</b>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Non-departmental:									
Employee incentives	\$ 995	-	-	995	-	-	-	-	-
Grants to community organizations					3,642,600	3,639,050	-	3,639,050	3,550
Grants to governmental groups					199,800	198,583	-	198,583	1,217
Grants and contributions to component units					1,975,700	1,975,700	-	1,975,700	-
Memberships					571,900	563,817	-	563,817	8,083
Economic Development					3,741,900	3,702,331	-	3,702,331	39,569
Conference and Visitors Bureau					865,800	865,800	-	865,800	-
Payment to SDAT					4,459,387	4,459,387	-	4,459,387	-
Discretionary Grants	63,375	-	-	63,375	4,964,000	4,604,000	-	4,604,000	360,000
General Fund insurance payments					8,437,700	8,437,700	-	8,437,700	-
Judgments - associated legal and professional expenses	815,607	-	-	815,607	898,000	524,388	73,516	597,904	300,096
Professional Service	578,288	87,372	4,380	486,536	7,985,500	8,176,452	807,242	8,983,694	(998,194)
Postage	48,074	4,501	(1,470)	45,043	924,300	1,199,298	7,628	1,206,926	(282,626)
Utilities and leases	1,281,997	49,063	34,335	1,198,599	40,501,200	40,800,615	62,859	40,863,474	(362,274)
Grant to Hospital Authority	130,050	-	-	130,050	-	-	-	-	-
Real property acquisition and disposal costs	21,946	-	-	21,946	-	-	-	-	-
Employees Retirement					-	1,771,700	-	1,771,700	(1,771,700)
Debt payments					5,383,400	5,410,116	-	5,410,116	(26,716)
Debt issuance costs					8,000	2,925	-	2,925	5,075
Project charges					(6,618,500)	(6,902,461)	-	(6,902,461)	283,961
Grant to Dimensions Health Corporation					15,000,000	15,000,000	-	15,000,000	-
Interest					100,000	1,079,548	-	1,079,548	(979,548)
Group Health (Retirees)					27,048,400	26,097,400	-	26,097,400	951,000
Group Life (Retirees)					900,000	950,000	-	950,000	(50,000)
Unemployment Compensation					500,000	592,600	-	592,600	(92,600)
Deferred compensation contributions					100,000	79,232	-	79,232	20,768
Retired county personnel pension payments					53,000	43,602	-	43,602	9,398
Compensated Absences					-	(328,371)	-	(328,371)	328,371
Summer Youth Programs					568,400	701,629	-	701,629	(133,229)
Workers Compensation					-	717,319	-	717,319	(717,319)
Other miscellaneous	207,626			207,626	1,518,013	2,095,968	-	2,095,968	(577,955)
Total non-departmental	3,147,958	140,936	37,245	2,969,777	123,728,500	126,458,328	951,245	127,409,573	(3,681,073)
Total general government	4,554,286	702,786	575,196	3,276,304	217,728,089	218,099,407	1,907,510	220,006,917	(2,278,828)

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety:									
Department of Environmental Resources:									
Compensation	\$ -	-	-	-	14,586,800	14,490,810	-	14,490,810	95,990
Other current expenses	159,156	114,398	199	44,559	2,039,000	1,571,881	338,223	1,910,104	128,896
Fringe benefits	-	-	-	-	4,336,900	4,221,229	-	4,221,229	115,671
Project charges	-	-	-	-	(10,510,800)	(10,372,900)	-	(10,372,900)	(137,900)
Total Department of Environmental Resources	<u>159,156</u>	<u>114,398</u>	<u>199</u>	<u>44,559</u>	<u>10,451,900</u>	<u>9,911,020</u>	<u>338,223</u>	<u>10,249,243</u>	<u>202,657</u>
Police Department:									
Compensation	-	-	-	-	145,954,100	150,135,121	-	150,135,121	(4,181,021)
Other current expenses	1,152,750	480,450	138,766	533,534	30,323,700	26,617,092	1,338,558	27,955,650	2,368,050
Capital outlay	1,340,000	1,340,000	-	-	350,000	135,938	206,924	342,862	7,138
Fringe benefits	-	-	-	-	82,335,400	79,893,431	-	79,893,431	2,441,969
Project charges	-	-	-	-	(1,025,000)	(416,574)	-	(416,574)	(608,426)
Total Police Department	<u>2,492,750</u>	<u>1,820,450</u>	<u>138,766</u>	<u>533,534</u>	<u>257,938,200</u>	<u>256,365,008</u>	<u>1,545,482</u>	<u>257,910,490</u>	<u>27,710</u>
Fire Department:									
Fire Department - Career Service:									
Compensation	-	-	-	-	64,250,200	66,540,920	-	66,540,920	(2,290,720)
Other current expenses	1,055,198	59,941	984,966	10,291	5,934,345	5,424,488	94,379	5,518,867	415,478
Capital outlay	1,715	1,715	-	-	1,000,000	-	471,143	471,143	528,857
Fringe benefits	-	-	-	-	45,550,100	44,106,581	-	44,106,581	1,443,519
Project charges	-	-	-	-	(700,200)	(604,959)	-	(604,959)	(95,241)
Total Fire Department - Career Service	<u>1,056,913</u>	<u>61,656</u>	<u>984,966</u>	<u>10,291</u>	<u>116,034,445</u>	<u>115,467,030</u>	<u>565,522</u>	<u>116,032,552</u>	<u>1,893</u>
Volunteer Fire Companies:									
Other current expenses	340,962	35,828	305,134	-	10,075,200	9,737,825	362,513	10,100,338	(25,138)
Fringe benefits	-	-	-	-	1,953,100	1,927,552	-	1,927,552	25,548
Total Volunteer Fire Companies	<u>340,962</u>	<u>35,828</u>	<u>305,134</u>	<u>-</u>	<u>12,028,300</u>	<u>11,665,377</u>	<u>362,513</u>	<u>12,027,890</u>	<u>410</u>
Total Fire Department	<u>1,397,875</u>	<u>97,484</u>	<u>1,290,100</u>	<u>10,291</u>	<u>128,062,745</u>	<u>127,132,407</u>	<u>928,035</u>	<u>128,060,442</u>	<u>2,303</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety, continued:									
Sheriff's Department:									
Compensation	\$ -	-	-	-	19,899,700	20,254,695	-	20,254,695	(354,995)
Other current expenses	247,519	236,598	4,596	6,325	3,970,200	4,009,779	47,319	4,057,098	(86,898)
Fringe benefits	-	-	-	-	11,189,300	10,756,399	-	10,756,399	432,901
Project charges	-	-	-	-	-	(32,150)	-	(32,150)	32,150
Total Sheriff's Department	<u>247,519</u>	<u>236,598</u>	<u>4,596</u>	<u>6,325</u>	<u>35,059,200</u>	<u>34,988,723</u>	<u>47,319</u>	<u>35,036,042</u>	<u>23,158</u>
Department of Corrections:									
Compensation	-	-	-	-	42,041,500	43,590,775	-	43,590,775	(1,549,275)
Other current expenses	470,773	171,374	223,871	75,528	10,481,900	10,014,343	375,480	10,389,823	92,077
Fringe benefits	-	-	-	-	16,716,600	15,146,303	-	15,146,303	1,570,297
Project charges	-	-	-	-	(243,100)	(137,754)	-	(137,754)	(105,346)
Total Department of Corrections	<u>470,773</u>	<u>171,374</u>	<u>223,871</u>	<u>75,528</u>	<u>68,996,900</u>	<u>68,613,667</u>	<u>375,480</u>	<u>68,989,147</u>	<u>7,753</u>
Office of Homeland Security									
Compensation	-	-	-	-	12,364,300	12,627,680	-	12,627,680	(263,380)
Other current expenses	379,224	33,624	75,970	269,630	7,070,900	6,738,240	49,187	6,787,427	283,473
Fringe benefits	-	-	-	-	3,630,800	3,594,797	-	3,594,797	36,003
Total Office of Homeland Security	<u>379,224</u>	<u>33,624</u>	<u>75,970</u>	<u>269,630</u>	<u>23,066,000</u>	<u>22,960,717</u>	<u>49,187</u>	<u>23,009,904</u>	<u>56,096</u>
 Total public safety	<u>5,147,297</u>	<u>2,473,928</u>	<u>1,733,502</u>	<u>939,867</u>	<u>523,574,945</u>	<u>519,971,542</u>	<u>3,283,726</u>	<u>523,255,268</u>	<u>319,677</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public works - Department of Public Works and Transportation:									
Compensation	\$ -	-	-	-	16,737,500	17,236,562	-	17,236,562	(499,062)
Other current expenses	281,021	96,593	71,237	113,191	38,315,300	34,738,467	214,980	34,953,447	3,361,853
Capital outlay	1,653	-	-	1,653	7,499,400	6,706,264	75,000	6,781,264	718,136
Fringe benefits	-	-	-	-	5,889,900	5,766,872	-	5,766,872	123,028
Project charges	-	-	-	-	(57,814,600)	(54,110,967)	-	(54,110,967)	(3,703,633)
Total public works	<u>282,674</u>	<u>96,593</u>	<u>71,237</u>	<u>114,844</u>	<u>10,627,500</u>	<u>10,337,198</u>	<u>289,980</u>	<u>10,627,178</u>	<u>322</u>
Health - Health Department:									
Compensation	-	-	-	-	13,496,722	13,338,810	-	13,338,810	157,912
Other current expenses	504,616	214,865	1,960	287,791	6,402,701	4,603,550	2,031,926	6,635,476	(232,775)
Capital outlay	46,329	8,532	-	37,797	45,000	4,447	41,715	46,162	(1,162)
Fringe benefits	-	-	-	-	4,450,377	4,503,032	-	4,503,032	(52,655)
Project charges	-	-	-	-	(2,084,900)	(2,584,669)	-	(2,584,669)	499,769
Total health	<u>550,945</u>	<u>223,397</u>	<u>1,960</u>	<u>325,588</u>	<u>22,309,900</u>	<u>19,865,170</u>	<u>2,073,641</u>	<u>21,938,811</u>	<u>371,089</u>
Public welfare - Department of Social Services:									
Compensation	-	-	-	-	1,074,200	1,088,608	-	1,088,608	(14,408)
Other current expenses	263,100	259,077	4,023	-	1,383,970	979,227	359,689	1,338,916	45,054
Project charges	-	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	277,200	258,673	-	258,673	18,527
Total public welfare	<u>263,100</u>	<u>259,077</u>	<u>4,023</u>	<u>-</u>	<u>2,735,370</u>	<u>2,326,508</u>	<u>359,689</u>	<u>2,686,197</u>	<u>49,173</u>
Payments to Component Units:									
Board of Education	-	-	-	-	617,514,500	617,514,500	-	617,514,500	-
Community College	-	-	-	-	29,245,200	29,245,200	-	29,245,200	-
Memorial Library	-	-	-	-	17,060,900	17,060,900	-	17,060,900	-
Total payments to component units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>663,820,600</u>	<u>663,820,600</u>	<u>-</u>	<u>663,820,600</u>	<u>-</u>
Total expenditures and encumbrances	<u>\$ 10,798,302</u>	<u>3,755,781</u>	<u>2,385,918</u>	<u>4,656,603</u>	<u>1,440,796,404</u>	<u>1,434,420,425</u>	<u>7,914,546</u>	<u>1,442,334,971</u>	<u>(1,538,567)</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Expenditures, Encumbrances and Other Financing  
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
 General Fund  
 For the year ended June 30, 2012

	Encumbrances outstanding July 1, 2011	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2012	Year ended June 30, 2012				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Other financing uses:									
Transfers out:									
Special revenue funds	-	-	-	-	(3,612,096)	(3,612,096)	-	(3,612,096)	-
Capital projects fund	-	-	-	-	(8,021,600)	(8,021,600)	-	(8,021,600)	-
Internal service funds	-	-	-	-	(6,786,400)	(6,786,400)	-	(6,786,400)	-
Economic Development Incentive fund	-	-	-	-	(50,000,000)	(50,000,000)	-	(50,000,000)	-
Debt service fund	-	-	-	-	(94,872,700)	(90,366,244)	-	(90,366,244)	4,506,456
Total transfers out	-	-	-	-	(163,292,796)	(158,786,340)	-	(158,786,340)	4,506,456
Total other financing uses	\$ -	-	-	-	(163,292,796)	(158,786,340)	-	(158,786,340)	4,506,456





## **NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

*Property Management Services Fund* - to account for the receipt of funds from the disposition of various surplus real property and the expenditure of these proceeds on the maintenance, repair, marketing, debt service, and other costs related to the disposition of such property.

*Collington Center Fund* - to account for the receipt of revenue from the disposition of property within the Center area to finance the costs related to the conduct of County projects within the Center.

*Domestic Violence Fund* - to account for the receipt of revenue from marriage license fees to finance the costs of shelters for homeless spouses who are the object of domestic violence.

*Drug Enforcement and Education Fund* - to account for the proceeds from the forfeiture or sale of property seized as a result of the enforcement of drug laws, which will finance costs associated with the County's drug enforcement and education activities.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2012

<u>Assets</u>	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total</u>
	<u>Property Management Services</u>	<u>Collington Center</u>	<u>Domestic Violence</u>	<u>Drug Enforcement and Education</u>	<u>Total</u>		
Cash and investments	\$ 2,756,885	1,132,974	253,906	12,806,501	16,950,266	-	16,950,266
Cash with fiscal agents	-	-	-	-	-	4,803,629	4,803,629
Due from other governmental units	-	-	27,225	-	27,225	-	27,225
Restricted cash and investments	-	-	-	-	-	23,787,050	23,787,050
	<u>\$ 2,756,885</u>	<u>1,132,974</u>	<u>281,131</u>	<u>12,806,501</u>	<u>16,977,491</u>	<u>28,590,679</u>	<u>45,568,170</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 4,959	-	46,126	-	51,085	-	51,085
Total liabilities	<u>4,959</u>	<u>-</u>	<u>46,126</u>	<u>-</u>	<u>51,085</u>	<u>-</u>	<u>51,085</u>
Fund balances:							
Restricted	-	-	235,005	10,165,846	10,400,851	28,590,679	38,991,530
Assigned	2,751,926	1,132,974	-	2,640,655	6,525,555	-	6,525,555
Total fund balances	<u>2,751,926</u>	<u>1,132,974</u>	<u>235,005</u>	<u>12,806,501</u>	<u>16,926,406</u>	<u>28,590,679</u>	<u>45,517,085</u>
	<u>\$ 2,756,885</u>	<u>1,132,974</u>	<u>281,131</u>	<u>12,806,501</u>	<u>16,977,491</u>	<u>28,590,679</u>	<u>45,568,170</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended June 30, 2012

Exhibit C-2

	Special Revenue						Total
	Property Management Services	Collington Center	Domestic Violence	Drug Enforcement and Education	Total	Debt Service	
Revenues:							
Taxes	\$ -	-	-	-	-	1,902,675	1,902,675
Licenses and permits	-	-	277,905	-	277,905	-	277,905
Fines and forfeitures	-	-	-	1,231,537	1,231,537	-	1,231,537
Use of money and property:							
Interest and dividends	-	-	-	105,969	105,969	295	106,264
Charges for services	-	-	-	-	-	20,857,114	20,857,114
Sale of property	861,500	-	-	5,062	866,562	-	866,562
Intergovernmental	-	-	-	-	-	6,062,693	6,062,693
Total revenues	<u>861,500</u>	<u>-</u>	<u>277,905</u>	<u>1,342,568</u>	<u>2,481,973</u>	<u>28,822,777</u>	<u>31,304,750</u>
Expenditures:							
General government	246,618	5,000	-	-	251,618	862,717	1,114,335
Public safety	-	-	-	1,195,963	1,195,963	-	1,195,963
Public welfare	-	-	397,375	-	397,375	-	397,375
Debt service:							
Principal retirement	-	-	-	-	-	74,900,000	74,900,000
Interest	-	-	-	-	-	43,665,598	43,665,598
Total expenditures	<u>246,618</u>	<u>5,000</u>	<u>397,375</u>	<u>1,195,963</u>	<u>1,844,956</u>	<u>119,428,315</u>	<u>121,273,271</u>
Excess of revenues over (under) expenditures	<u>614,882</u>	<u>(5,000)</u>	<u>(119,470)</u>	<u>146,605</u>	<u>637,017</u>	<u>(90,605,538)</u>	<u>(89,968,521)</u>
Other financing sources (uses):							
Bond premium	-	-	-	-	-	19,248,216	19,248,216
Transfers in - other funds	-	-	119,000	-	119,000	90,366,244	90,485,244
Bond proceeds - refunding	-	-	-	-	-	175,530,000	175,530,000
Bond premium - refunding	-	-	-	-	-	36,132,555	36,132,555
Payment to refunding escrow agent	-	-	-	-	-	(210,935,505)	(210,935,505)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>119,000</u>	<u>110,341,510</u>	<u>110,460,510</u>
Net change in fund balances	614,882	(5,000)	(470)	146,605	756,017	19,735,972	20,491,989
Fund balances, beginning of year	<u>2,137,044</u>	<u>1,137,974</u>	<u>235,475</u>	<u>12,659,896</u>	<u>16,170,389</u>	<u>8,854,707</u>	<u>25,025,096</u>
Fund balances, end of year	<u>\$ 2,751,926</u>	<u>1,132,974</u>	<u>235,005</u>	<u>12,806,501</u>	<u>16,926,406</u>	<u>28,590,679</u>	<u>45,517,085</u>

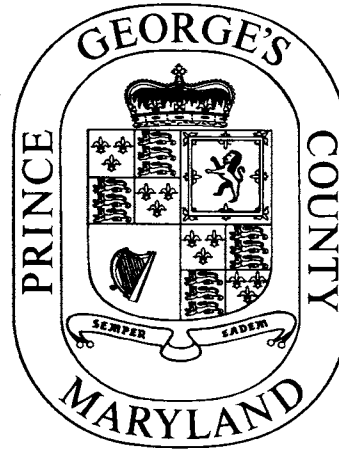
PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual  
 Nonmajor Governmental Funds - Special Revenue  
 For the year ended June 30, 2012

	Property Management Services				Collington Center				Domestic Violence			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:												
Licenses and permits	\$ -	-	-	-	-	-	-	-	315,400	315,400	277,905	(37,495)
Interest and Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Use of money and property	50,000	50,000	-	(50,000)	-	-	-	-	-	-	-	-
Sale of property	468,500	468,500	861,500	393,000	-	-	-	-	-	-	-	-
Total revenues	518,500	518,500	861,500	343,000	-	-	-	-	315,400	315,400	277,905	(37,495)
Expenditures:												
General government	518,300	518,500	246,618	271,882	5,000	5,000	5,000	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-	434,400	434,400	397,375	37,025
Total expenditures	518,300	518,500	246,618	271,882	5,000	5,000	5,000	-	434,400	434,400	397,375	37,025
Excess of revenues over (under) expenditures	200	-	614,882	614,882	(5,000)	(5,000)	(5,000)	-	(119,000)	(119,000)	(119,470)	(470)
Other financing sources (uses):												
Transfers in - other funds	-	-	-	-	-	-	-	-	119,000	119,000	119,000	-
Appropriated fund balance	100,300	-	-	-	5,000	5,000	-	(5,000)	-	-	-	-
Total other financing sources (uses)	100,300	-	-	-	5,000	5,000	-	(5,000)	119,000	119,000	119,000	-
Net change in fund balances (budgetary basis)	\$ 100,500	-	614,882	614,882	-	-	(5,000)	(5,000)	-	-	(470)	(470)
Current year encumbrances outstanding			-	-			-	-			-	-
Fund balances, beginning of year			\$ 2,137,044				1,137,974				235,475	
Fund balances, end of year (GAAP basis)			\$ 2,751,926				1,132,974				235,005	

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual, Continued  
 Nonmajor Governmental Funds - Special Revenue  
 For the year ended June 30, 2012

	Drug Enforcement and Education				Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
Licenses and permits	\$ -	-	-	-	315,400	315,400	277,905	(37,495)
Interest and Dividends	210,000	210,000	105,969	(104,031)	210,000	210,000	105,969	(104,031)
Fines and forfeitures	1,800,000	1,800,000	1,231,537	(568,463)	1,800,000	1,800,000	1,231,537	(568,463)
Use of money and property	-	-	-	-	50,000	50,000	-	(50,000)
Sale of property	-	-	5,062	5,062	468,500	468,500	866,562	398,062
Total revenues	<u>2,010,000</u>	<u>2,010,000</u>	<u>1,342,568</u>	<u>(667,432)</u>	<u>2,843,900</u>	<u>2,843,900</u>	<u>2,481,973</u>	<u>(361,927)</u>
Expenditures:								
General government	-	-	-	-	523,300	523,500	251,618	271,882
Public safety	2,010,000	2,010,000	1,195,963	814,037	2,010,000	2,010,000	1,195,963	814,037
Public welfare	-	-	-	-	434,400	434,400	397,375	37,025
Total expenditures	<u>2,010,000</u>	<u>2,010,000</u>	<u>1,195,963</u>	<u>814,037</u>	<u>2,967,700</u>	<u>2,967,900</u>	<u>1,844,956</u>	<u>1,122,944</u>
Excess of revenues over (under) expenditures	-	-	146,605	146,605	(123,800)	(124,000)	637,017	761,017
Other financing sources (uses):								
Transfers in - other funds	-	-	-	-	119,000	119,000	119,000	-
Appropriated fund balance	-	-	-	-	105,300	5,000	-	(5,000)
Total other financing sources (uses)	-	-	-	-	224,300	124,000	119,000	(5,000)
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>146,605</u>	<u>146,605</u>	<u>100,500</u>	<u>-</u>	<u>756,017</u>	<u>756,017</u>
Current year encumbrances outstanding							-	
Fund balances, beginning of year			<u>12,659,896</u>				<u>16,170,389</u>	
Fund balances, end of year (GAAP basis)			<u>12,806,501</u>				<u>16,926,406</u>	



## **INTERNAL SERVICE FUNDS**

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Primary Government and to other government units, on a cost-reimbursement basis.

*Self-Insurance Funds* - to provide insurance protection to the Primary Government and the participating Component Unit Entities - Board of Education, Library, and Community College. The Life and Health Benefits Fund provides coverage for the Primary Government and Library employees. The Unemployment Compensation Fund covers required payments to the State of Maryland Unemployment Compensation Fund.

*Vehicle Maintenance Fund* - to account for the activities which provide the maintenance and repair services for County-owned

*Computer Services Fund* - to provide for computer and office automation services to County departments and agencies.

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2012

Assets	Self-Insurance Funds								Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	
<b>Current assets:</b>									
Cash and investments	\$ 268,568	-	1,730,635	6,896,358	8,089,427	50,370,210	12,362,539	26,945,319	106,663,056
Accounts receivable	-	83,020	11,840	8,057	-	2,675,161	8,879	1,830,302	4,617,259
Accrued interest receivable	-	-	29	9,008	18,194	-	-	-	27,231
Due from (to) other internal service funds	-	(710,506)	-	-	710,506	-	-	-	-
Due from component units	-	-	-	12,329,459	-	-	-	-	12,329,459
Inventories, at cost	-	-	-	-	-	-	480,195	40,322	520,517
Prepaid costs and deposits	-	-	-	-	4,701	87,384	-	-	92,085
<b>Total current assets</b>	<b>268,568</b>	<b>(627,486)</b>	<b>1,742,504</b>	<b>19,242,882</b>	<b>8,822,828</b>	<b>53,132,755</b>	<b>12,851,613</b>	<b>28,815,943</b>	<b>124,249,607</b>
<b>Noncurrent assets:</b>									
Restricted cash and investments	-	1,249,864	1,468,230	12,551,573	1,896,831	-	328,877	-	17,495,375
<b>Capital assets:</b>									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(2,336,334)	-	(2,336,334)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(310,847)	-	(310,847)
Equipment	-	-	-	-	-	-	10,900,826	21,337	10,922,163
Accumulated depreciation	-	-	-	-	-	-	(10,360,864)	(17,136)	(10,378,000)
<b>Net capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,861,684</b>	<b>4,201</b>	<b>1,865,885</b>
Deferred debt issue costs	-	-	-	-	-	-	43,447	-	43,447
<b>Total noncurrent assets</b>	<b>-</b>	<b>1,249,864</b>	<b>1,468,230</b>	<b>12,551,573</b>	<b>1,896,831</b>	<b>-</b>	<b>2,234,008</b>	<b>4,201</b>	<b>19,404,707</b>
<b>Total assets</b>	<b>\$ 268,568</b>	<b>622,378</b>	<b>3,210,734</b>	<b>31,794,455</b>	<b>10,719,659</b>	<b>53,132,755</b>	<b>15,085,621</b>	<b>28,820,144</b>	<b>143,654,314</b>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2012

<u>Liabilities</u>	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>	<u>Vehicle Maintenance Fund</u>	<u>Computer Services Fund</u>	<u>Total</u>
Current liabilities:									
Current portion of compensated absences and termination benefits payable	\$ -	-	-	-	-	-	594,522	791,899	1,386,421
Current portion of notes payable	-	-	-	-	-	-	270,000	-	270,000
Accounts payable	121,475	-	-	680,693	147,613	786,551	664,426	2,821,268	5,222,026
Accrued costs	-	-	-	-	-	-	197,158	237,793	434,951
Deferred revenue	-	-	-	198,293	22	15,340	-	-	213,655
Current portion of estimated liability on pending claims	<u>146,662</u>	<u>333,782</u>	<u>1,246,407</u>	<u>19,091,625</u>	<u>2,559,487</u>	<u>10,117,007</u>	<u>-</u>	<u>-</u>	<u>33,494,970</u>
Total current liabilities	<u>268,137</u>	<u>333,782</u>	<u>1,246,407</u>	<u>19,970,611</u>	<u>2,707,122</u>	<u>10,918,898</u>	<u>1,726,106</u>	<u>3,850,960</u>	<u>41,022,023</u>
Noncurrent liabilities:									
Unamortized premium (discount)	-	-	-	-	-	-	5,877	-	5,877
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	26,120	100,186	126,306
Estimated liability on pending claims, less current portion	-	288,596	1,964,327	89,445,184	8,012,537	-	-	-	99,710,644
Notes payable, less current portion	-	-	-	-	-	-	570,000	-	570,000
Total long-term liabilities	<u>-</u>	<u>288,596</u>	<u>1,964,327</u>	<u>89,445,184</u>	<u>8,012,537</u>	<u>-</u>	<u>601,997</u>	<u>100,186</u>	<u>100,412,827</u>
Total liabilities	<u>268,137</u>	<u>622,378</u>	<u>3,210,734</u>	<u>109,415,795</u>	<u>10,719,659</u>	<u>10,918,898</u>	<u>2,328,103</u>	<u>3,951,146</u>	<u>141,434,850</u>
<u>Net Assets</u>									
Invested in net assets, net of related debt	-	-	-	-	-	-	1,059,254	4,201	1,063,455
Restricted	-	-	-	-	-	-	-	23,963,200	23,963,200
Unrestricted	<u>431</u>	<u>-</u>	<u>-</u>	<u>(77,621,340)</u>	<u>-</u>	<u>42,213,857</u>	<u>11,698,264</u>	<u>901,597</u>	<u>(22,807,191)</u>
Total net assets	<u>\$ 431</u>	<u>-</u>	<u>-</u>	<u>(77,621,340)</u>	<u>-</u>	<u>42,213,857</u>	<u>12,757,518</u>	<u>24,868,998</u>	<u>2,219,464</u>



PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the year ended June 30, 2012

	Self-Insurance Funds								
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	Total
Operating revenues:									
Premium contributions	592,600	1,673,351	1,143,310	48,215,726	8,004,572	65,033,959	-	-	124,663,518
Sales									
Fuel sales	-	-	-	-	-	-	17,504	-	17,504
Office automation sales	-	-	-	-	-	-	-	20,891,537	20,891,537
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	10,476,945	-	10,476,945
Use of money and property - rentals	-	-	-	-	-	-	157,775	-	157,775
Miscellaneous - subrogations and other	-	106,906	432,325	454,548	10,289	574,578	43,505	-	1,622,151
Total operating revenues	<u>592,600</u>	<u>1,780,257</u>	<u>1,575,635</u>	<u>48,670,274</u>	<u>8,014,861</u>	<u>65,608,537</u>	<u>10,695,729</u>	<u>20,891,537</u>	<u>157,829,430</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,664,664	6,405,890	10,070,554
Fringe benefits	-	-	-	-	-	-	1,918,602	2,974,855	4,893,457
Contractual services	-	-	-	-	-	-	191,432	8,729,979	8,921,411
Materials	-	-	-	-	-	-	183,442	6,898,929	7,082,371
Facility and equipment rental	-	-	-	-	-	-	288,449	68,167	356,616
General and administrative:									
Administrative expenses	17,105	373,598	902,791	2,014,886	2,100,925	2,217,067	2,884,450	596,240	11,107,062
State worker's compensation tax	-	-	-	371,462	-	-	-	-	371,462
Depreciation	-	-	-	-	-	-	1,050,685	2,447	1,053,132
Insurance claims	575,492	460,096	2,897,121	44,472,439	1,821,913	40,909,066	-	-	91,136,127
Insurance premiums	-	1,230,130	-	2,459,474	42,138	10,803,362	-	-	14,535,104
Other:									
Repair and maintenance	-	-	-	-	-	-	3,924,840	37,930	3,962,770
Total operating expenses	<u>592,597</u>	<u>2,063,824</u>	<u>3,799,912</u>	<u>49,318,261</u>	<u>3,964,976</u>	<u>53,929,495</u>	<u>14,106,564</u>	<u>25,714,437</u>	<u>153,490,066</u>
Operating income (loss)	<u>3</u>	<u>(283,567)</u>	<u>(2,224,277)</u>	<u>(647,987)</u>	<u>4,049,885</u>	<u>11,679,042</u>	<u>(3,410,835)</u>	<u>(4,822,900)</u>	<u>4,339,364</u>
Nonoperating revenue (expenses):									
Interest income	-	-	10,198	102,696	148,225	-	-	-	261,119
Interest expense	-	-	-	-	-	-	(41,233)	-	(41,233)
Debt issuance costs	-	-	-	-	-	-	(4,615)	-	(4,615)
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(382,346)	(911)	(383,257)
Total nonoperating revenue (expenses)	<u>-</u>	<u>-</u>	<u>10,198</u>	<u>102,696</u>	<u>148,225</u>	<u>-</u>	<u>(428,194)</u>	<u>(911)</u>	<u>(167,986)</u>
Income (loss) before transfers	<u>3</u>	<u>(283,567)</u>	<u>(2,214,079)</u>	<u>(545,291)</u>	<u>4,198,110</u>	<u>11,679,042</u>	<u>(3,839,029)</u>	<u>(4,823,811)</u>	<u>4,171,378</u>
Capital contributions	-	-	-	-	-	-	-	-	-
Interfund transfer in (out)	-	-	-	-	-	-	-	6,786,400	6,786,400
Intrafund transfers in (out)	-	283,567	2,214,079	1,700,464	(4,198,110)	-	-	-	-
Change in net assets	<u>3</u>	<u>-</u>	<u>-</u>	<u>1,155,173</u>	<u>-</u>	<u>11,679,042</u>	<u>(3,839,029)</u>	<u>1,962,589</u>	<u>10,957,778</u>
Total net assets (deficit) - beginning	<u>428</u>	<u>-</u>	<u>-</u>	<u>(78,776,513)</u>	<u>-</u>	<u>30,534,815</u>	<u>16,596,547</u>	<u>22,906,409</u>	<u>(8,738,314)</u>
Total net assets (deficit) - end	<u>431</u>	<u>-</u>	<u>-</u>	<u>(77,621,340)</u>	<u>-</u>	<u>42,213,857</u>	<u>12,757,518</u>	<u>24,868,998</u>	<u>2,219,464</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2012

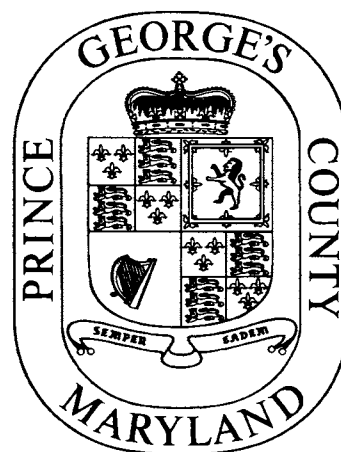
	Self-Insurance Funds								Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	
Cash flows from operating activities:									
Cash received from customers	592,600	1,780,257	1,596,098	39,297,489	8,300,974	62,743,927	10,647,790	20,661,137	145,620,272
Cash payments to suppliers for goods and services	(658,078)	(659,711)	(902,791)	(1,705,737)	(2,005,206)	(54,453,720)	(7,450,890)	(15,510,543)	(83,346,676)
Cash payments to employees for services	-	-	-	-	-	-	(5,669,350)	(9,618,237)	(15,287,587)
Premium and claim payments	-	(1,404,113)	(2,900,509)	(46,850,558)	(7,010,091)	-	-	-	(58,165,271)
Other cash receipts	-	-	-	-	-	574,578	43,505	-	618,083
Net cash and cash equivalents provided (used) by operating activities	(65,478)	(283,567)	(2,207,202)	(9,258,806)	(714,323)	8,864,785	(2,428,945)	(4,467,643)	(10,561,179)
Cash flows from noncapital financing activities:									
Interfund transfers in	-	-	-	-	-	-	-	6,786,401	6,786,401
Intrafund transfers in (out)	-	283,567	2,214,079	1,700,464	(4,198,110)	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	283,567	2,214,079	1,700,464	(4,198,110)	-	-	6,786,401	6,786,401
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(240,816)	-	(240,816)
Principal payments on notes payable	-	-	-	-	-	-	(260,000)	-	(260,000)
Interest payments	-	-	-	-	-	-	(31,122)	-	(31,122)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(531,938)	-	(531,938)
Cash flows from investing activities:									
Interest on investments	-	-	14,054	127,032	159,225	-	-	-	300,311
Net cash and cash equivalents provided by investing activities	-	-	14,054	127,032	159,225	-	-	-	300,311
Net increase (decrease) in cash and cash equivalents	(65,478)	-	20,931	(7,431,310)	(4,753,208)	8,864,785	(2,960,883)	2,318,758	(4,006,405)
Cash and cash equivalents, beginning of year	334,046	1,249,864	3,177,933	26,879,241	14,739,467	41,505,425	15,652,299	24,626,561	128,164,836
Cash and cash equivalents, end of year	268,568	1,249,864	3,198,864	19,447,931	9,986,259	50,370,210	12,691,416	26,945,319	124,158,431

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Cash Flows  
 Internal Service Funds  
 For the year ended June 30, 2012

	Self-Insurance Funds							Total	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund		Computer Services Fund
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	<u>3</u>	<u>(283,567)</u>	<u>(2,224,277)</u>	<u>(647,987)</u>	<u>4,049,885</u>	<u>11,679,042</u>	<u>(3,410,835)</u>	<u>(4,822,900)</u>	<u>4,339,364</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	1,050,685	2,447	1,053,132
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	-	20,463	5,993	-	(2,270,000)	(4,434)	(230,400)	(2,478,378)
Inventories	-	-	-	-	-	-	(43,355)	6,568	(36,787)
Prepaid costs	-	-	-	-	92	(5,902)	-	-	(5,810)
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	(24,990)	(22,550)	(47,540)
Accounts payable	(57,464)	-	-	680,612	95,611	(959,364)	65,078	814,134	638,607
Accrued costs	-	-	-	-	16	-	(61,094)	(214,942)	(276,020)
Due to other funds	-	(286,113)	-	-	286,113	-	-	-	-
Deferred revenue	-	-	-	82,328	-	(20,032)	-	-	62,296
Deposits	-	-	-	-	-	-	-	-	-
Due from component units	-	-	-	(9,461,107)	-	-	-	-	(9,461,107)
Estimated liability on pending claims	(8,017)	286,113	(3,388)	81,355	(5,146,040)	441,041	-	-	(4,348,936)
Total adjustments	<u>(65,481)</u>	<u>-</u>	<u>17,075</u>	<u>(8,610,819)</u>	<u>(4,764,208)</u>	<u>(2,814,257)</u>	<u>981,890</u>	<u>355,257</u>	<u>(14,900,543)</u>
Net cash and cash equivalents provided (used) by operating activities	<u>(65,478)</u>	<u>(283,567)</u>	<u>(2,207,202)</u>	<u>(9,258,806)</u>	<u>(714,323)</u>	<u>8,864,785</u>	<u>(2,428,945)</u>	<u>(4,467,643)</u>	<u>(10,561,179)</u>
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	-	3,857	24,336	10,999	-	-	-	39,192
	-	-	3,857	24,336	10,999	-	-	-	39,192

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## **FIDUCIARY FUNDS**

Trust Funds are used to account for assets held by the Primary Government in a trustee capacity. Agency Funds are used to account for assets held by the Primary Government as an agent for individuals, private organizations, other governments, and/or other funds.

*Pension Trusts* - are fiduciary funds out of which retirement annuities and/or other benefits are paid to authorized and designated public

*Other Post Employment Benefit Trust* - is used to account for retiree life and health benefits.

*Agency Funds* - are legal and accounting methods used by government for the administration of assets that come into its possession and are purely custodial (assets equal liabilities) and do not involve measurement of results of operations.

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Plan Net Assets  
Pension and Other Postemployment Benefit Trust Funds  
June 30, 2012

	Pension Trust Funds	Other Post- Employment Benefit Trust Fund	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 3,573,060	10,502,318	14,075,378
Collateral for loaned securities	7,482,873	-	7,482,873
<b>Investments:</b>			
Pooled separate accounts	348,793,712	-	348,793,712
U. S. Government & agency securities	22,282,220	8,532,280	30,814,500
Corporate bonds	72,258,979	19,356,395	91,615,374
Common stock	183,492,702	-	183,492,702
Real Estate Investment Trust	33,718,901	-	33,718,901
International Government securities	1,183,378	-	1,183,378
Preferred Stock	2,058,845	-	2,058,845
Asset-backed securities	17,634,323	7,326,736	24,961,059
Money market funds	381,439,248	-	381,439,248
Short-term investments	13,606,028	10,419,872	24,025,900
Alternative investments	200,986,415	-	200,986,415
Accounts receivable	-	598,430	598,430
Accrued interest receivable	1,689,161	361,944	2,051,105
Prepaid expenses	35,349	-	35,349
	<u>1,290,235,194</u>	<u>57,097,975</u>	<u>1,347,333,169</u>
<b>Liabilities:</b>			
Collateral for loaned securities payable	7,482,873	-	7,482,873
Accounts payable	127,047	283,654	410,701
Accrued costs	953,350	8,876,728	9,830,078
Due to other funds	35,000	-	35,000
	<u>8,598,270</u>	<u>9,160,382</u>	<u>17,758,652</u>
Net assets held in trust for benefit payments	<u>\$ 1,281,636,924</u>	<u>47,937,593</u>	<u>1,329,574,517</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Changes in Plan Net Assets  
Pension and Other Postemployment Benefit Trust Funds  
For the year ended June 30, 2012

	Pension Trust Funds	Other Post- Employment Benefit Trust Funds	Total
Additions:			
Contributions:			
Employer	\$ 108,525,858	30,004,964	138,530,822
Member	19,094,697	10,157,987	29,252,684
Other	-	634,732	634,732
Total contributions	127,620,555	40,797,683	168,418,238
Investment income:			
Net appreciation (depreciation) in fair value of investments	(11,377,839)	1,447,812	(9,930,027)
Interest and dividends	27,070,841	1,662,911	28,733,752
Total investment income	15,693,002	3,110,723	18,803,725
Less investment expense	5,210,214	90,713	5,300,927
Net investment income	10,482,788	3,020,010	13,502,798
Total additions	138,103,343	43,817,693	181,921,036
Deductions:			
Benefits	133,170,451	39,194,189	172,364,640
Refunds of contributions	3,262,111	-	3,262,111
General and administrative expenses	2,091,827	1,142,457	3,234,284
Total deductions	138,524,389	40,336,646	178,861,035
Net increase (decrease)	(421,046)	3,481,047	3,060,001
Net assets held in trust for benefit payments, beginning of year	1,282,057,970	44,456,546	1,326,514,516
Net assets held in trust for benefit payments, end of year	\$ 1,281,636,924	47,937,593	1,329,574,517

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Plan Net Assets  
 Pension Trust Funds  
 June 30, 2012

	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
<b>Assets:</b>												
Equity in pooled cash and investments	\$ 1,899,560	1,283,457	23,127	8,112	65,112	100,220	16,751	91,022	2,163	26,705	56,831	3,573,060
Collateral for loaned securities	2,716,883	2,162,633	376,128	685,936	25,698	43,961	10,099	492,433	796,178	46,734	126,190	7,482,873
<b>Investments:</b>												
Pooled separate accounts	33,137,462	17,699,060	43,068,259	78,486,248	2,941,156	5,031,335	1,155,788	56,359,524	91,123,575	5,348,760	14,442,545	348,793,712
U. S. Government & agency securities	14,390,720	7,891,500	-	-	-	-	-	-	-	-	-	22,282,220
Corporate bonds	48,707,403	23,551,576	-	-	-	-	-	-	-	-	-	72,258,979
Common stock	127,126,853	56,365,849	-	-	-	-	-	-	-	-	-	183,492,702
Real Estate Investment Trust	23,161,906	10,556,995	-	-	-	-	-	-	-	-	-	33,718,901
International Government securities	798,058	385,320	-	-	-	-	-	-	-	-	-	1,183,378
Preferred Stock	1,411,202	647,643	-	-	-	-	-	-	-	-	-	2,058,845
Asset-backed securities	11,696,461	5,937,862	-	-	-	-	-	-	-	-	-	17,634,323
Money market funds	261,879,355	119,559,893	-	-	-	-	-	-	-	-	-	381,439,248
Short-term investments	10,437,464	3,168,564	-	-	-	-	-	-	-	-	-	13,606,028
Alternative investments	138,250,651	62,735,764	-	-	-	-	-	-	-	-	-	200,986,415
Accrued interest receivable	1,048,903	639,876	5	-	83	118	23	52	-	39	62	1,689,161
Prepaid expenses	18,769	8,614	1,234	2,220	-	-	31	1,480	2,473	146	382	35,349
<b>Total assets</b>	<b>676,681,650</b>	<b>312,594,606</b>	<b>43,468,753</b>	<b>79,182,516</b>	<b>3,032,049</b>	<b>5,175,634</b>	<b>1,182,692</b>	<b>56,944,511</b>	<b>91,924,389</b>	<b>5,422,384</b>	<b>14,626,010</b>	<b>1,290,235,194</b>
<b>Liabilities:</b>												
Collateral for loaned securities payable	2,716,883	2,162,633	376,128	685,936	25,698	43,961	10,099	492,433	796,178	46,734	126,190	7,482,873
Accounts payable	49,205	38,393	23,974	4,490	-	-	521	3,256	5,235	818	1,155	127,047
Accrued costs	486,458	226,893	37,044	67,288	-	-	931	45,397	73,398	4,308	11,633	953,350
Due to other funds	-	-	-	30,000	-	-	-	-	5,000	-	-	35,000
<b>Total liabilities</b>	<b>3,252,546</b>	<b>2,427,919</b>	<b>437,146</b>	<b>787,714</b>	<b>25,698</b>	<b>43,961</b>	<b>11,551</b>	<b>541,086</b>	<b>879,811</b>	<b>51,860</b>	<b>138,978</b>	<b>8,598,270</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 673,429,104</b>	<b>310,166,687</b>	<b>43,031,607</b>	<b>78,394,802</b>	<b>3,006,351</b>	<b>5,131,673</b>	<b>1,171,141</b>	<b>56,403,425</b>	<b>91,044,578</b>	<b>5,370,524</b>	<b>14,487,032</b>	<b>1,281,636,924</b>



PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Changes in Plan Net Assets  
Pension Trust Funds  
For the year ended June 30, 2012

	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff's	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
<b>Additions:</b>												
Contributions:												
Employer	\$ 52,792,772	31,141,432	5,243,696	6,655,547	274,717	568,320	85,002	4,063,016	6,225,415	425,660	1,050,281	108,525,858
Employee	7,112,697	2,467,970	1,428,178	3,236,213	53,129	97,668	66,946	898,610	2,817,581	165,222	750,483	19,094,697
Total contributions	59,905,469	33,609,402	6,671,874	9,891,760	327,846	665,988	151,948	4,961,626	9,042,996	590,882	1,800,764	127,620,555
Transfers from (to) other funds	(194,205)	-	194,205	-	-	-	-	30,596	(18,703)	-	(11,893)	-
Investment income :												
Net depreciation in fair value of assets	(4,272,024)	(2,184,601)	(700,819)	(1,280,839)	(47,319)	(73,709)	(19,970)	(907,570)	(1,563,923)	(92,416)	(234,649)	(11,377,839)
Interest and dividends	12,933,083	5,952,935	1,179,821	2,153,011	88,821	134,978	32,086	1,533,066	2,520,876	148,421	393,743	27,070,841
Total investment income	8,661,059	3,768,334	479,002	872,172	41,502	61,269	12,116	625,496	956,953	56,005	159,094	15,693,002
Less investment expense	2,576,760	1,265,214	207,486	375,497	4,553	6,987	5,404	256,597	421,159	24,747	65,810	5,210,214
Net investment income	6,084,299	2,503,120	271,516	496,675	36,949	54,282	6,712	368,899	535,794	31,258	93,284	10,482,788
Total additions	65,795,563	36,112,522	7,137,595	10,388,435	364,795	720,270	158,660	5,361,121	9,560,087	622,140	1,882,155	138,103,343
<b>Deductions:</b>												
Benefits	69,986,496	36,890,988	5,478,484	7,506,890	676,978	266,459	117,875	2,484,871	8,164,597	512,264	1,084,549	133,170,451
Refunds of contributions	1,136,730	798,574	78,881	529,509	9,962	-	6,416	197,182	331,210	13,145	160,502	3,262,111
General and administrative expenses	703,493	526,868	226,911	228,522	24,513	23,913	24,571	93,610	115,772	60,862	62,792	2,091,827
Total deductions	71,826,719	38,216,430	5,784,276	8,264,921	711,453	290,372	148,862	2,775,663	8,611,579	586,271	1,307,843	138,524,389
Net increase (decrease)	(6,031,156)	(2,103,908)	1,353,319	2,123,514	(346,658)	429,898	9,798	2,585,458	948,508	35,869	574,312	(421,046)
Net assets held in trust for pension benefits, beginning of year	679,460,260	312,270,595	41,678,288	76,271,288	3,353,009	4,701,775	1,161,343	53,817,967	90,096,070	5,334,655	13,912,720	1,282,057,970
Net assets held in trust for pension benefits, end of year	\$ 673,429,104	310,166,687	43,031,607	78,394,802	3,006,351	5,131,673	1,171,141	56,403,425	91,044,578	5,370,524	14,487,032	1,281,636,924

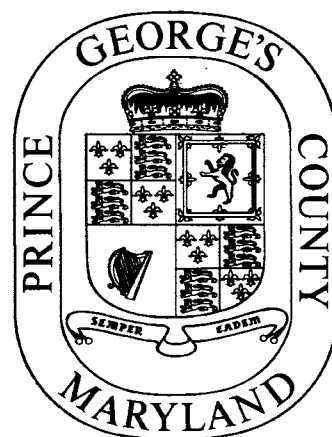
PRINCE GEORGE'S COUNTY, MARYLAND  
 Agency Funds - Primary Government  
 Combining Statement of Changes in Assets and Liabilities  
 For the year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>State of Maryland property taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 394	83,452,674	(83,452,642)	426
Taxes receivable	502,471	91,395,069	(91,823,490)	74,050
<b>Total assets</b>	<b>502,865</b>	<b>174,847,743</b>	<b>(175,276,132)</b>	<b>74,476</b>
<b>Liabilities:</b>				
Due to State of Maryland	502,865	92,881,525	(93,309,914)	74,476
<b>Total Liabilities</b>	<b>\$ 502,865</b>	<b>92,881,525</b>	<b>(93,309,914)</b>	<b>74,476</b>
<b>M-NCPPC property taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 526	237,971,835	(237,752,689)	219,672
Taxes receivable	3,610,885	239,318,046	(239,940,131)	2,988,800
<b>Total assets</b>	<b>\$ 3,611,411</b>	<b>477,289,881</b>	<b>(477,692,820)</b>	<b>3,208,472</b>
<b>Liabilities:</b>				
Due to M-NCPPC	\$ 3,611,411	242,260,871	(242,663,810)	3,208,472
<b>Total liabilities</b>	<b>\$ 3,611,411</b>	<b>242,260,871</b>	<b>(242,663,810)</b>	<b>3,208,472</b>
<b>Washington Suburban Sanitary Commission charges:</b>				
<b>Assets:</b>				
Cash and investments	\$ 6,641	30,807,113	(30,784,803)	28,951
Taxes receivable	211,719	30,735,884	(30,702,979)	244,624
<b>Total assets</b>	<b>\$ 218,360</b>	<b>61,542,997</b>	<b>(61,487,782)</b>	<b>273,575</b>
<b>Liabilities:</b>				
Liability - due to Washington Suburban Sanitary Commission	\$ 218,360	30,840,018	(30,784,803)	273,575
<b>Total liabilities</b>	<b>\$ 218,360</b>	<b>30,840,018</b>	<b>(30,784,803)</b>	<b>273,575</b>
<b>Incorporated towns property taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 212	108,929,683	(108,928,825)	1,070
Taxes receivable	612,257	109,884,228	(110,496,485)	-
<b>Total assets</b>	<b>\$ 612,469</b>	<b>218,813,911</b>	<b>(219,425,310)</b>	<b>1,070</b>
<b>Liabilities:</b>				
Due to towns	612,469	116,239,076	(116,850,475)	1,070
<b>Total liabilities</b>	<b>\$ 612,469</b>	<b>116,239,076</b>	<b>(116,850,475)</b>	<b>1,070</b>
<b>Washington Suburban Transit Commission taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 5,343,339	42,772,578	(39,128,283)	8,987,634
Taxes receivable	363,532	23,335,788	(23,414,315)	285,005
<b>Total assets</b>	<b>\$ 5,706,871</b>	<b>66,108,366</b>	<b>(62,542,598)</b>	<b>9,272,639</b>
<b>Liabilities:</b>				
Due to Washington Suburban Transit Commission	\$ 5,706,871	35,331,723	(31,765,955)	9,272,639
<b>Total liabilities</b>	<b>\$ 5,706,871</b>	<b>35,331,723</b>	<b>(31,765,955)</b>	<b>9,272,639</b>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Agency Funds - Primary Government  
 Combining Statement of Changes in Assets and Liabilities, Continued  
 For the year ended June 30, 2012

Exhibit E-5, Cont.

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Special taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 1,200,159	23,719,072	(23,591,521)	1,327,710
Taxes Receivable	<u>1,150,562</u>	<u>24,122,568</u>	<u>(23,984,595)</u>	<u>1,288,535</u>
Total assets	<u>\$ 2,350,721</u>	<u>47,841,640</u>	<u>(47,576,116)</u>	<u>2,616,245</u>
<b>Liabilities:</b>				
Due to other participants	\$ <u>2,350,721</u>	<u>25,151,731</u>	<u>(24,886,207)</u>	<u>2,616,245</u>
Total liabilities	<u>\$ 2,350,721</u>	<u>25,151,731</u>	<u>(24,886,207)</u>	<u>2,616,245</u>
<b>Agricultural transfer taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ <u>839,397</u>	<u>125,763</u>	<u>(805,549)</u>	<u>159,611</u>
Total assets	<u>\$ 839,397</u>	<u>125,763</u>	<u>(805,549)</u>	<u>159,611</u>
<b>Liabilities:</b>				
Due to other governmental units	\$ <u>839,397</u>	<u>125,763</u>	<u>(805,549)</u>	<u>159,611</u>
Total liabilities	<u>\$ 839,397</u>	<u>125,763</u>	<u>(805,549)</u>	<u>159,611</u>
<b>Inmate Holding Account</b>				
<b>Assets:</b>				
Cash and investments	\$ 158,650	885,105	(885,723)	158,032
Accounts receivable	<u>72</u>	<u>112</u>	<u>(72)</u>	<u>112</u>
Total assets	<u>\$ 158,722</u>	<u>885,217</u>	<u>(885,795)</u>	<u>158,144</u>
<b>Liabilities:</b>				
Accounts payable	\$ 102,241	934,491	(929,328)	107,404
Due to participants	<u>56,481</u>	<u>885,145</u>	<u>(890,886)</u>	<u>50,740</u>
Total liabilities	<u>\$ 158,722</u>	<u>1,819,636</u>	<u>(1,820,214)</u>	<u>158,144</u>
<b>Totals</b>				
<b>Assets:</b>				
Cash and investments	\$ 7,549,318	528,663,823	(525,330,035)	10,883,106
Taxes receivable	6,451,426	518,791,583	(520,361,995)	4,881,014
Accounts receivable	<u>72</u>	<u>112</u>	<u>(72)</u>	<u>112</u>
Total assets	<u>\$ 14,000,816</u>	<u>1,047,455,518</u>	<u>(1,045,692,102)</u>	<u>15,764,232</u>
<b>Liabilities:</b>				
Accounts payable	\$ 102,241	934,491	(929,328)	107,404
Due to other governmental units	11,491,373	517,678,976	(516,180,506)	12,989,843
Due to participants	<u>2,407,202</u>	<u>26,036,876</u>	<u>(25,777,093)</u>	<u>2,666,985</u>
Total liabilities	<u>\$ 14,000,816</u>	<u>544,650,343</u>	<u>(542,886,927)</u>	<u>15,764,232</u>



**NONMAJOR COMPONENT UNITS**

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Nonmajor Component Units  
June 30, 2012

ASSETS	General Government			Education		Community Development		Total
	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	
Current assets:								
Cash and investments	\$ 1,084,833	19,239,699	3,018,539	3,677,555	41,147,612	-	1,504,827	69,673,065
Receivables (net of allowances for uncollectibles)								
Accounts	105,000	16,833,068	-	459,886	24,927,432	708,706	3,000	43,037,092
Accrued interest receivable	-	-	23	-	31,623	-	-	31,646
Due from primary government	-	-	-	1,149,278	512,366	-	-	1,661,644
Due from other governmental units	-	-	2,389,655	26,057	947,223	2,277,732	-	5,640,667
Inventories	-	-	-	-	94,958	-	-	94,958
Prepaid costs and deposits	11,879	122,878	-	308,846	1,798,231	202,312	580	2,444,726
Total current assets	<u>1,201,712</u>	<u>36,195,645</u>	<u>5,408,217</u>	<u>5,621,622</u>	<u>69,459,445</u>	<u>3,188,750</u>	<u>1,508,407</u>	<u>122,583,798</u>
Restricted assets:								
Cash and investments	-	-	4,799,043	-	5,028,305	6,383,181	2,236,678	18,447,207
Land held for transfer and other	-	-	-	-	-	2,895,322	1,057,593	3,952,915
Total restricted assets	<u>-</u>	<u>-</u>	<u>4,799,043</u>	<u>-</u>	<u>5,028,305</u>	<u>9,278,503</u>	<u>3,294,271</u>	<u>22,400,122</u>
Noncurrent assets:								
Land	-	5,307,744	-	-	2,772,440	1,736,419	51,813,996	61,630,599
Construction in progress	-	-	-	-	-	-	1,368,152	1,368,152
Buildings and improvements	-	5,181,165	73,043,523	-	143,343,272	23,733,658	320,222	245,621,840
Accumulated depreciation	-	(956,052)	(23,837,983)	-	(33,450,430)	(11,576,211)	(44,031)	(69,864,707)
Improvements other than buildings	241,661	13,244,968	-	-	-	5,799,023	-	19,285,652
Accumulated depreciation	(241,661)	(9,861,204)	-	-	-	(3,443,078)	-	(13,545,943)
Equipment	178,183	1,555,909	-	17,658,826	25,954,950	1,464,544	29,037	46,841,449
Accumulated depreciation	(156,623)	(1,170,504)	-	(12,468,279)	(18,675,890)	(1,092,470)	(8,297)	(33,572,063)
Deferred debt issuance costs	-	-	1,088,056	-	-	52,193	-	1,140,249
Total noncurrent assets	<u>21,560</u>	<u>13,302,026</u>	<u>50,293,596</u>	<u>5,190,547</u>	<u>119,944,342</u>	<u>16,674,078</u>	<u>53,479,079</u>	<u>258,905,228</u>
Total assets	\$ <u>1,223,272</u>	<u>49,497,671</u>	<u>60,500,856</u>	<u>10,812,169</u>	<u>194,432,092</u>	<u>29,141,331</u>	<u>58,281,757</u>	<u>403,889,148</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Nonmajor Component Units  
June 30, 2012

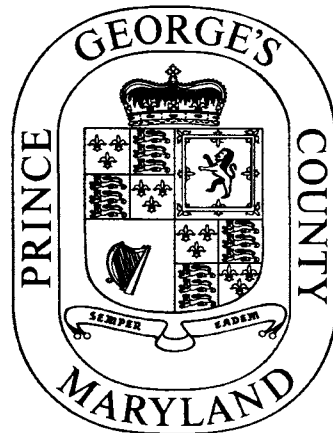
	General Government			Education		Community Development		Total
	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	\$ 2,103	254,008	-	441,427	15,388,450	510,519	606,000	17,202,507
Accrued liabilities	82,706	-	253,918	620,273	-	-	-	956,897
Due to primary government	450,000	6,607,131	-	333,208	-	1,784,232	-	9,174,571
Due to other governmental units	-	822,867	-	-	-	398,651	-	1,221,518
Deferred revenue	-	35,475	-	63,558	1,970,177	10,569	-	2,079,779
Matured bonds and interest payable	-	-	4,794,922	-	-	-	-	4,794,922
Deposits	-	98,589	-	-	-	567,555	118,500	784,644
Current portion of bonded debt	-	-	4,615,000	-	-	-	-	4,615,000
Current portion of capital lease obligations	-	74,264	-	-	499,753	-	5,346	579,363
Current portion of compensated absences and termination benefits payable	-	-	-	118,942	326,927	36,877	-	482,746
Total current liabilities	<u>534,809</u>	<u>7,892,334</u>	<u>9,663,840</u>	<u>1,577,408</u>	<u>18,185,307</u>	<u>3,308,403</u>	<u>729,846</u>	<u>41,891,947</u>
Noncurrent liabilities:								
Bonded debt, less current portion	-	-	60,650,000	-	-	980,000	-	61,630,000
Deferred bond refunding costs	-	-	(2,192,112)	-	-	-	-	(2,192,112)
Unamortized premium (discount)	-	-	342,349	-	-	7,001	-	349,350
Capital lease obligations, less current portion	-	81,147	-	-	602,052	-	16,155	699,354
Compensated absences and termination benefits payable, less current portion	-	-	-	2,574,157	1,417,378	700,666	-	4,692,201
Notes payable, less current portion	-	-	-	-	-	-	1,098,718	1,098,718
Net OPEB obligation	-	-	-	-	2,019,398	-	-	2,019,398
Total noncurrent liabilities	<u>-</u>	<u>81,147</u>	<u>58,800,237</u>	<u>2,574,157</u>	<u>4,038,828</u>	<u>1,687,667</u>	<u>1,114,873</u>	<u>68,296,909</u>
Total liabilities	<u>534,809</u>	<u>7,973,481</u>	<u>68,464,077</u>	<u>4,151,565</u>	<u>22,224,135</u>	<u>4,996,070</u>	<u>1,844,719</u>	<u>110,188,856</u>
<b>NET ASSETS</b>								
Invested in capital assets	21,560	13,146,615	8,668,675	5,190,547	118,958,537	15,014,741	51,920,003	212,920,678
Restricted	2,853	147,687	-	-	10,060,337	11,294,521	429,347	21,934,745
Unrestricted (deficit)	664,050	28,229,888	(16,631,896)	1,470,057	43,189,083	(2,164,001)	4,087,688	58,844,869
Total net assets (deficit)	<u>\$ 688,463</u>	<u>41,524,190</u>	<u>(7,963,221)</u>	<u>6,660,604</u>	<u>172,207,957</u>	<u>24,145,261</u>	<u>56,437,038</u>	<u>293,700,292</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Activities  
 Nonmajor Component Units  
 For the year ended June 30, 2012

Programs / Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets								Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Government			Education		Community Development			
					Prince George's Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County		
Component Units:													
General government													
PGCT	\$ 1,634,756	436,892	-	-	(1,197,864)	-	-	-	-	-	-	(1,197,864)	
Revenue Authority	8,553,259	9,807,306	660,000	125,455	-	2,039,502	-	-	-	-	-	2,039,502	
IDA	7,401,539	-	-	7,873,840	-	-	472,301	-	-	-	-	472,301	
Education													
Library	30,162,755	1,272,865	67,950	2,933,552	-	-	-	(25,888,388)	-	-	-	(25,888,388)	
PGCC	118,116,810	28,839,427	32,215,207	17,631,480	-	-	-	-	(39,430,696)	-	-	(39,430,696)	
Community Development													
Housing Authority	82,748,256	1,917,652	78,405,246	1,593,081	-	-	-	-	-	(832,277)	-	(832,277)	
Redevelopment Authority	4,340,145	18,000	1,054,677	1,000,000	-	-	-	-	-	-	(2,267,468)	(2,267,468)	
Total component units \$	<u>252,957,520</u>	<u>42,292,142</u>	<u>112,403,080</u>	<u>31,157,408</u>	<u>(1,197,864)</u>	<u>2,039,502</u>	<u>472,301</u>	<u>(25,888,388)</u>	<u>(39,430,696)</u>	<u>(832,277)</u>	<u>(2,267,468)</u>	<u>(67,104,890)</u>	
General revenues:													
Other grants and contributions					1,182,854	-	-	24,482,940	58,018,607	-	-	83,684,401	
Investment income					536	11,946	28	5,027	365,398	12,060	-	394,995	
Miscellaneous					1,587	33,643	-	6,539	585,124	232,762	-	859,655	
Total general revenues					<u>1,184,977</u>	<u>45,589</u>	<u>28</u>	<u>24,494,506</u>	<u>58,969,129</u>	<u>244,822</u>	<u>-</u>	<u>84,939,051</u>	
Change in net assets					(12,887)	2,085,091	472,329	(1,393,882)	19,538,433	(587,455)	(2,267,468)	17,834,161	
Net assets - beginning of year					701,350	36,633,509	(8,435,550)	4,741,799	152,669,524	24,732,716	58,704,506	269,747,854	
Prior period adjustment					-	2,805,590	-	3,312,687	-	-	-	6,118,277	
Net assets - end of year					<u>\$ 688,463</u>	<u>41,524,190</u>	<u>(7,963,221)</u>	<u>6,660,604</u>	<u>172,207,957</u>	<u>24,145,261</u>	<u>56,437,038</u>	<u>293,700,292</u>	

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**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Capital Assets Used in the Operation of Governmental Funds -  
By Function and Activity (1)  
June 30, 2012

Exhibit G-1

<u>Function and activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Vehicles</u>
Primary government:						
General Government:						
Control - legislative, executive and judicial	\$ 206,541,460	20,772,127	185,272,927	-	44,448	451,958
Staff agencies:						
Finance	40,641	-	-	-	29,550	11,091
Budget	14,409	-	-	-	-	14,409
Personnel	52,140	-	-	-	52,140	-
Central services	1,336,269	-	-	-	424,193	912,076
General government buildings	73,412,333	12,667,199	60,745,134	-	-	-
Other	43,267,004	-	-	-	290,331	42,976,673
Total staff agencies	<u>118,122,796</u>	<u>12,667,199</u>	<u>60,745,134</u>	<u>-</u>	<u>796,214</u>	<u>43,914,249</u>
Total general government	<u>324,664,256</u>	<u>33,439,326</u>	<u>246,018,061</u>	<u>-</u>	<u>840,662</u>	<u>44,366,207</u>
Public safety:						
Police services	32,933,448	1,698,192	17,897,862	-	3,554,267	9,783,127
Fire services	66,582,707	3,810,399	47,432,580	-	1,550,002	13,789,726
Environmental resources	14,863,612	-	14,256,906	-	28,884	577,822
Sheriff services	876,264	-	32,684	-	38,968	804,612
Corrections	76,848,457	94,589	75,843,664	-	383,413	526,791
Homeland Security	56,371,427	-	-	48,931,646	4,675,388	2,764,393
Total public safety	<u>248,475,915</u>	<u>5,603,180</u>	<u>155,463,696</u>	<u>48,931,646</u>	<u>10,230,922</u>	<u>28,246,471</u>
Public works	2,755,830,602	43,641,887	19,867,464	2,628,898,020	230,593	63,192,638
Health and welfare	16,572,729	165,800	15,176,754	-	471,880	758,295
Federal programs	17,769,585	2,856,588	2,540,519	-	9,990,130	2,382,348
Social Services	265,228	-	-	-	45,320	219,908
Total governmental fund capital assets allocated	<u>3,363,578,315</u>	<u>85,706,781</u>	<u>439,066,494</u>	<u>2,677,829,666</u>	<u>21,809,507</u>	<u>139,165,867</u>
Construction-in-progress	59,205,505					
Total primary government	<u>\$ 3,422,783,820</u>					

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds -  
 By Function and Activity (1)  
 For the year ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions and adjustments	Net Inter-agency transfers	Balance June 30, 2012
Primary government:					
General government:					
Control, legislative, executive and judicial	\$ 195,226,577	11,406,440	(91,560)	-	206,541,457
Staff agencies:					
Finance	57,332	10,660	(27,351)	-	40,641
Management and budget	14,410	-	-	-	14,410
Personnel	22,223	29,917	-	-	52,140
Central services	1,489,396	5,876	(159,003)	-	1,336,269
General government buildings	73,412,332	-	-	-	73,412,332
Other	41,415,436	2,703,301	(851,732)	-	43,267,005
Total staff agencies	116,411,129	2,749,754	(1,038,086)	-	118,122,797
Total general government	311,637,706	14,156,194	(1,129,646)	-	324,664,254
Public safety:					
Police services	32,046,636	2,795,902	(1,909,089)	-	32,933,449
Fire services	64,792,673	2,785,538	(995,503)	-	66,582,708
Environmental resources	14,892,817	-	(29,204)	-	14,863,613
Sheriff services	1,038,644	-	(162,380)	-	876,264
Corrections	76,848,457	-	-	-	76,848,457
Homeland Security	55,103,813	1,392,965	(125,351)	-	56,371,427
Total public safety	244,723,040	6,974,405	(3,221,527)	-	248,475,918
Public works	2,575,891,150	181,024,838	(1,085,386)	-	2,755,830,602
Health and welfare	16,452,174	47,125	-	73,430	16,572,729
Federal programs	17,156,046	932,031	(245,063)	(73,430)	17,769,584
Social services	258,236	20,548	(13,556)	-	265,228
Construction-in-progress	49,206,547	50,950,174	(40,951,216)	-	59,205,505
Total governmental fund capital assets	\$ 3,215,324,899	254,105,315	(46,646,394)	-	3,422,783,820

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Capital Assets Used in the Operation of Governmental Funds -  
By Source  
June 30, 2012

	Primary <u>Government</u>
Governmental fund capital assets	
Land	\$ 85,706,781
Buildings	439,066,494
Infrastructure	2,677,829,666
Equipment	160,975,374
Construction in progress	59,205,505
Total governmental fund capital assets	<u>\$ 3,422,783,820</u>
Investment in governmental fund capital assets from:	
Capital projects funds:	
General obligation bonds	\$ 46,655,162
Intergovernmental	11,784,114
General fund revenue	3,327,466,803
Special revenue fund revenue	18,341,928
Federal programs	17,769,584
Other	766,229
	<u>\$ 3,422,783,820</u>

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in the internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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## STATISTICAL SECTION (UNAUDITED)

The Statistical Section provides detailed information for the primary government, as a context for understanding what the information in the comprehensive annual financial report says about the overall financial health of the County in the following areas:

**Financial Trends** - Information to help the reader understand how the County's financial performance and well-being have changed over time.

**Revenue Capacity** - Information to help the reader assess the County's most significant local revenue source, the property tax.

**Debt Capacity** - Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**Demographic and Economic Information** - Demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

**Operating Information** - Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Net Assets By Component**  
**Last Ten Fiscal Years**

Table 1

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,229,044,309	\$ 1,279,249,232	\$ 1,361,493,750	\$ 1,370,963,205	\$ 1,351,726,843	\$ 1,421,477,574	\$ 1,481,956,322	\$ 1,475,449,993	\$ 1,466,248,839	\$ 1,621,314,368
Restricted	127,467,037	218,256,131	237,414,675	327,801,840	502,518,691	475,649,709	422,228,258	351,254,119	361,876,157	349,076,708
Unrestricted (deficit) (2)	(292,118,392)	(370,395,006)	(334,199,167)	(354,886,633)	(459,623,656)	(567,350,879)	(663,421,910)	(558,755,424)	(562,309,599)	(621,419,451)
<b>Total governmental activities net assets</b>	<b>1,064,392,954</b>	<b>1,127,110,357</b>	<b>1,264,709,258</b>	<b>1,343,878,412</b>	<b>1,394,621,878</b>	<b>1,329,776,404</b>	<b>1,240,762,670</b>	<b>1,267,948,688</b>	<b>1,265,815,397</b>	<b>1,348,971,625</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	94,872,069	93,119,769	98,064,648	114,802,351	118,553,646	131,283,415	143,085,674	156,560,233	148,934,828	143,858,665
Restricted	19,987,216	19,378,897	19,000,524	22,429,322	19,906,051	19,900,630	18,389,718	20,916,015	19,500,275	18,481,818
Unrestricted (deficit)	39,209,745	42,535,324	42,909,888	49,010,063	53,899,957	46,861,226	40,119,901	40,427,579	56,189,966	60,215,851
<b>Total business-type activities net assets</b>	<b>154,069,030</b>	<b>155,033,990</b>	<b>159,975,060</b>	<b>186,241,736</b>	<b>192,359,654</b>	<b>198,045,271</b>	<b>201,595,293</b>	<b>217,903,827</b>	<b>224,625,069</b>	<b>222,556,334</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	1,323,916,378	1,372,369,001	1,459,558,398	1,485,765,556	1,470,280,489	1,552,760,989	1,625,041,996	1,632,010,226	1,615,183,667	1,765,173,033
Restricted	147,454,253	237,635,028	256,415,199	350,231,162	522,424,742	495,550,339	440,617,976	372,170,134	381,376,432	367,558,526
Unrestricted (deficit) (1)	(252,908,647)	(327,859,682)	(291,289,279)	(305,876,570)	(405,723,699)	(520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)	(561,203,600)
<b>Total primary government net assets</b>	<b>\$ 1,218,461,984</b>	<b>\$ 1,282,144,347</b>	<b>\$ 1,424,684,318</b>	<b>\$ 1,530,120,148</b>	<b>\$ 1,586,981,532</b>	<b>\$ 1,527,821,675</b>	<b>\$ 1,442,357,963</b>	<b>\$ 1,485,852,515</b>	<b>\$ 1,490,440,466</b>	<b>\$ 1,571,527,959</b>

Notes:

(1) The County's governmental activities has an unrestricted deficit because the County issues debt to fund construction costs for two of its component units. Prior to 2008, absent the effect of this relationship, the County would have reported positive assets for its governmental activities and for government-wide purposes. Government-wide unrestricted net assets would have been:

Unrestricted (deficit) net assets noted above	\$ (252,908,647)	\$ (327,859,682)	\$ (291,289,279)	\$ (305,876,570)	\$ (405,723,699)	\$ (520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)	(561,203,600)
Debt issued for capital on behalf of others	302,553,455	384,948,599	334,947,973	412,915,242	481,347,768	481,969,501	470,259,263	435,418,383	399,196,957	445,921,535
<b>County net assets absent effect of this relationship</b>	<b>\$ 49,644,808</b>	<b>\$ 57,088,917</b>	<b>\$ 43,658,694</b>	<b>\$ 107,038,672</b>	<b>\$ 75,624,069</b>	<b>\$ (38,520,152)</b>	<b>\$ (153,042,746)</b>	<b>\$ (82,909,462)</b>	<b>\$ (106,922,676)</b>	<b>\$ (115,282,065)</b>

Table 2

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Change In Net Assets**  
**Last Ten Fiscal Years**

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 163,569,671	\$ 157,603,722	\$ 182,388,220	\$ 246,279,862	\$ 234,249,287	\$ 276,079,032	\$ 264,000,847	\$ 293,993,880	\$ 278,735,961	\$ 334,865,067
Public safety	339,387,247	360,239,001	388,603,533	424,904,065	501,713,673	523,937,600	535,747,925	510,354,496	543,688,542	551,296,748
Public works and transportation	62,533,574	71,067,605	67,027,076	83,590,609	82,853,168	82,256,246	76,563,498	73,726,841	86,362,933	55,761,006
Health	54,483,180	58,284,732	55,967,064	63,442,632	68,872,373	74,844,743	72,693,381	63,570,608	70,689,145	67,424,572
Public welfare	28,142,139	25,697,781	23,963,838	22,385,664	24,061,357	25,757,726	30,774,715	41,274,315	27,802,206	28,326,111
Board of Education	545,372,385	584,304,396	612,603,456	660,804,233	657,734,909	665,957,080	652,303,197	684,470,305	656,525,606	649,326,640
Community College	14,594,442	15,675,323	17,183,604	19,441,705	35,272,367	28,438,902	38,415,219	33,644,625	40,125,724	31,862,246
Memorial Library	14,222,787	14,648,659	14,728,625	16,875,719	18,430,402	19,568,825	19,397,277	19,802,615	19,494,605	27,027,089
Interest on long-term debt	37,029,775	40,176,745	41,386,613	48,773,181	46,949,253	59,042,614	54,873,156	49,295,577	51,136,299	47,505,779
Total governmental activities expenses	1,259,335,200	1,327,697,964	1,403,852,029	1,586,497,670	1,670,136,789	1,755,882,768	1,744,769,215	1,770,133,262	1,774,561,021	1,793,395,258
<b>Business-type activities:</b>										
Solid Waste	69,991,390	83,352,020	81,849,710	73,753,196	95,820,024	97,039,320	99,930,368	87,486,790	95,955,265	98,729,295
Stormwater	23,021,516	24,800,758	26,415,945	27,533,408	29,913,750	33,743,601	35,724,787	48,297,374	42,103,279	42,180,257
Total business-type activities expenses	93,012,906	108,152,778	108,265,655	101,286,604	125,733,774	130,782,921	135,655,155	135,784,164	138,058,544	140,909,552
Total primary government expenses	\$ 1,352,348,106	\$ 1,435,850,742	\$ 1,512,117,684	\$ 1,687,784,274	\$ 1,795,870,563	\$ 1,886,665,689	\$ 1,880,424,370	\$ 1,905,917,426	\$ 1,912,619,565	\$ 1,934,304,810
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 39,149,559	\$ 45,248,866	\$ 72,211,781	\$ 91,686,725	\$ 87,079,431	\$ 63,137,800	\$ 47,130,404	\$ 60,275,045	\$ 55,529,493	\$ 87,727,105
Public safety	30,279,031	30,404,613	36,334,163	38,743,839	35,696,477	33,963,072	34,964,503	38,398,284	41,420,265	52,677,652
Public works and transportation	43,396,240	87,856,093	97,100,881	60,861,954	69,809,011	25,581,816	43,153,508	57,097,256	29,476,879	130,701,054
Health	12,341,764	12,181,791	9,552,619	15,671,981	10,275,707	12,750,430	11,377,788	8,140,830	9,636,570	11,675,450
Public welfare	965,354	842,728	545,858	873,099	555,026	789,608	1,265,049	1,138,098	793,575	694,171
<b>Operating grants and contributions</b>										
General government	19,954,575	20,171,814	20,831,525	17,522,852	19,955,319	59,178,382	39,248,215	56,606,758	57,182,264	26,281,362
Public safety	25,253,328	22,631,808	20,909,590	21,087,793	25,723,138	18,475,021	17,538,135	29,537,332	28,884,685	32,508,021
Public works and transportation	238,711	1,147,986	270,838	177,988	239,159	386,975	1,868,144	2,233,204	4,513,987	8,581,718
Health	31,278,514	35,614,493	33,211,432	35,371,200	39,844,187	39,453,888	38,917,256	41,360,531	48,013,111	43,953,670
Public welfare	25,670,983	22,112,853	21,146,751	19,448,587	20,988,260	22,530,154	26,532,340	23,817,917	23,873,172	24,576,611
<b>Capital grants and contributions</b>										
General government	-	-	-	12,115,657	6,221,385	5,767,776	5,756,794	36,514,825	7,466,894	2,949,658
Public safety	3,808,683	1,105,491	1,202,950	3,415,264	1,114,478	3,462,729	3,847,755	4,881,000	8,519,103	3,696,298
Public works and transportation	4,663,850	9,447,337	10,299,825	3,204,632	6,428,142	4,414,109	4,138,715	7,887,841	18,914,344	7,186,862
Health	-	-	5,500,000	2,096,963	-	-	-	117,954	351,545	-
Public welfare	-	-	-	14,368	-	-	-	-	-	-
Total governmental activities program revenues	237,000,592	288,765,873	329,118,213	322,292,902	323,929,720	289,891,760	275,738,606	368,006,875	334,575,887	433,209,632

continued



Table 2, continued

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Change In Net Assets, continued**  
**Last Ten Fiscal Years**

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Program Revenues, continued</b>										
Business-type activities:										
Charges for services:										
Solid waste	73,600,843	76,026,670	77,182,008	79,655,114	82,202,081	84,240,272	86,550,100	90,575,778	90,451,449	89,987,217
Stormwater	2,700,339	4,278,248	6,166,326	5,264,325	5,156,895	3,729,657	3,057,990	3,369,309	2,150,063	1,829,457
Capital grants and contributions										
Stormwater	243,888	2,017,622	838,387	434,113	1,280,775	2,356,379	210,096	1,432,137	1,627,916	1,064,605
Total business-type activities program revenues	76,545,070	82,322,540	84,186,721	85,353,552	88,639,751	90,326,308	89,818,186	95,377,224	94,229,428	92,881,279
Total primary government program revenues	\$ 313,545,662	\$ 371,088,413	\$ 413,304,934	\$ 407,646,454	\$ 412,569,471	\$ 380,218,068	\$ 365,556,792	\$ 463,384,099	\$ 428,805,315	\$ 526,090,911
<b>Net (Expense)/Revenue</b>										
Governmental activities	(1,022,334,608)	(1,038,932,091)	(1,074,733,816)	(1,264,204,768)	(1,346,207,069)	(1,465,991,008)	(1,469,030,609)	(1,402,126,387)	(1,439,985,134)	(1,360,185,626)
Business-type activities	(16,467,836)	(25,830,238)	(24,078,934)	(15,933,052)	(37,094,023)	(40,456,613)	(45,836,969)	(40,406,940)	(43,829,116)	(48,028,273)
Total primary government net expense	\$ (1,038,802,444)	\$ (1,064,762,329)	\$ (1,098,812,750)	\$ (1,280,137,820)	\$ (1,383,301,092)	\$ (1,506,447,621)	\$ (1,514,867,578)	\$ (1,442,533,327)	\$ (1,483,814,250)	\$ (1,408,213,899)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Taxes										
Property taxes	\$ 444,343,071	\$ 451,849,321	\$ 476,947,818	\$ 501,372,153	\$ 549,681,586	\$ 610,202,347	\$ 659,038,907	\$ 732,832,234	\$ 733,197,993	\$ 722,138,728
Income taxes	346,562,144	379,437,793	409,881,339	409,188,499	404,809,214	423,422,141	435,714,262	440,257,032	480,489,026	504,817,831
Transfer and recordation taxes	96,708,946	127,437,394	174,309,024	238,085,835	221,761,305	136,725,597	92,709,263	95,796,346	90,645,343	85,069,002
Energy taxes	48,292,064	44,876,654	43,203,312	48,281,237	54,373,964	62,747,183	66,805,287	71,280,769	63,880,450	59,651,917
Telecommunications tax	34,581,070	45,422,887	48,283,868	48,259,958	55,321,521	62,611,249	49,513,889	44,357,561	41,382,171	37,827,000
Unrestricted State shared tax	23,689,799	18,671,992	23,147,769	28,395,891	29,835,059	28,739,189	25,080,807	1,334,216	1,334,399	2,064,874
Other taxes	17,531,784	18,166,999	18,243,743	22,740,505	19,650,191	22,023,675	19,803,811	21,402,102	20,494,339	19,664,177
Investment earnings	10,034,035	5,854,600	13,506,949	27,856,149	42,680,195	38,333,826	29,435,697	9,101,595	3,122,028	3,698,357
Grants and contributions	9,897,793	9,250,891	9,789,432	10,654,521	9,246,405	9,875,131	1,371,225	1,970,627	1,865,679	3,212,453
Miscellaneous	392,171	680,963	856,117	1,071,976	1,817,209	7,811,548	543,727	1,492,071	840,412	5,197,518
Total governmental activities	1,032,032,877	1,101,649,494	1,218,169,371	1,335,906,724	1,389,176,649	1,392,491,886	1,380,016,875	1,419,824,553	1,437,851,840	1,443,341,857
Business-type activities:										
Property taxes	23,054,564	24,018,982	25,224,274	27,556,955	31,851,155	37,941,543	44,151,124	49,419,329	47,579,296	43,625,750
Investment earnings	1,230,470	2,776,216	3,795,730	6,205,935	8,442,987	8,200,687	5,235,867	3,953,359	2,971,062	2,333,788
Total business-type activities	24,285,034	26,795,198	29,020,004	33,762,890	40,294,142	46,142,230	49,386,991	53,372,688	50,550,358	45,959,538
Total primary government	\$ 1,056,317,911	\$ 1,128,444,692	\$ 1,247,189,375	\$ 1,369,669,614	\$ 1,429,470,791	\$ 1,438,634,116	\$ 1,429,403,866	\$ 1,473,197,241	\$ 1,488,402,198	\$ 1,489,301,395
Governmental activities										
Extraordinary items										
Asset impairment / insurance recovery (1)	-	-	(5,836,654)	7,467,198	7,773,886	8,653,648	-	-	-	-
Special items	-	-	-	-	-	-	-	-	-	-
Legal Recovery	-	-	-	-	-	-	-	10,700,000	-	-
Business-type activities:										
Special items										
Gain on capital asset due to change in estima	-	-	-	8,436,838	-	-	-	3,342,786	-	-
<b>Change in Net Assets</b>										
Governmental activities	9,698,269	62,717,403	137,598,901	79,169,154	50,743,466	(64,845,474)	(89,013,734)	28,398,166	(2,133,294)	83,156,231
Business-type activities	7,817,198	964,960	4,941,070	26,266,676	3,200,119	5,685,617	3,550,022	16,308,534	6,721,242	(2,068,735)
Total primary government	\$ 17,515,467	\$ 63,682,363	\$ 142,539,971	\$ 105,435,830	\$ 53,943,585	\$ (59,159,857)	\$ (85,463,712)	\$ 44,706,700	\$ 4,587,948	\$ 81,087,496

## Notes:

(1) Relates to impairment loss, net of insurance recoveries from Courthouse fire 11/03/2004

Table 3

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011(3)	2012
General Fund										
Reserved	\$ 97,585,536	\$100,234,706	\$111,998,051	\$124,132,311	\$134,748,047	\$148,641,724	\$146,494,025	\$144,338,502		
Unreserved	77,524,012	122,066,432	222,018,213	244,843,858	209,847,753	153,501,293	131,730,338	186,520,591		
Nonspendable	-	-	-	-	-	-	-	-	1,593,534	\$ 1,619,282
Restricted	-	-	-	-	-	-	-	-	144,187,959	164,668,289
Committed	-	-	-	-	-	-	-	-	52,389,072	53,570,342
Assigned	-	-	-	-	-	-	-	-	85,733,302	87,170,249
Unassigned	-	-	-	-	-	-	-	-	94,256,531	76,659,622
Sub-total General Fund	<u>175,109,548</u>	<u>222,301,138</u>	<u>334,016,264</u>	<u>368,976,169</u>	<u>344,595,800</u>	<u>302,143,017</u>	<u>278,224,363</u>	<u>330,859,093</u>	<u>378,160,398</u>	<u>383,687,784</u>
All Other Governmental Funds										
Reserved	\$ 82,951,698	\$ 87,486,588	\$ 96,941,880	\$133,640,179	\$234,004,815	\$208,115,317	\$200,562,222	\$147,214,598		
Unreserved										
Special revenue funds	6,332,460	7,217,274	12,148,269	8,420,864	9,879,522	10,253,895	12,254,369	14,585,859		
Capital projects funds	(26,843,404)	66,826,238	(18,118,439)	132,311,898	119,329,618	120,072,592	(10,280,606)	6,600,247		
Restricted	-	-	-	-	-	-	-	-	145,408,266	\$ 140,131,186
Committed	-	-	-	-	-	-	-	-	-	10,301,182
Assigned	-	-	-	-	-	-	-	-	5,481,651	6,525,555
Sub-total all other Governmental Funds	<u>\$ 62,440,754</u>	<u>\$161,530,100</u>	<u>\$ 90,971,710</u>	<u>\$274,372,941</u>	<u>\$363,213,955</u>	<u>\$338,441,804</u>	<u>\$202,535,985</u>	<u>\$168,400,704</u>	<u>\$ 150,889,917</u>	<u>\$ 156,957,923</u>
Total all Governmental Funds	<u>\$237,550,302</u>	<u>\$383,831,238</u>	<u>\$424,987,974</u>	<u>\$643,349,110</u>	<u>\$707,809,755</u>	<u>\$640,584,821</u>	<u>\$480,760,348</u>	<u>\$499,259,797</u>	<u>\$ 529,050,315</u>	<u>\$ 540,645,707</u>

## Notes:

(1) The County was required to maintain a contingency reserve equal to 3% of General Fund estimated revenues beginning in the fiscal year 1998. The reserve is intended to help stabilize County budgets against future economic fluctuations and unforeseen emergencies.

(2) In November 2002, County voters approved a charter amendment to increase the contingency reserve requirement from 3% to 5% of General Fund estimated revenues.

(3) Beginning in fiscal year 2011 the County implemented GASB Statement No. 54 which revised the fund balance categories for Governmental Funds.

Table 4

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Changes In Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	FISCAL YEARS									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 1,009,958,885	\$ 1,072,194,498	\$ 1,186,496,069	\$ 1,306,817,992	\$ 1,334,376,477	\$ 1,335,935,914	\$ 1,348,462,490	\$ 1,412,184,766	\$ 1,423,616,459	\$ 1,427,541,836
Licenses and permits	15,958,685	17,822,954	22,748,523	29,249,555	27,722,783	20,960,406	17,751,849	17,471,856	18,577,036	18,127,287
Fines and forfeitures	2,933,869	3,360,746	3,737,746	3,864,070	3,637,603	3,506,178	4,444,315	4,351,788	5,877,508	13,459,810
Use and money and property	11,330,633	7,128,276	15,696,528	29,649,294	43,789,806	46,107,420	31,177,059	11,966,421	5,821,464	7,871,454
Charges for services	39,603,136	41,773,958	56,285,925	71,311,402	77,527,480	55,874,984	47,463,048	52,725,012	53,795,309	67,300,432
Intergovernmental (1)	128,921,453	129,630,243	127,824,934	135,645,708	134,926,985	128,630,290	132,186,494	212,201,660	207,706,513	161,533,603
Miscellaneous	5,381,399	5,612,509	10,650,794	6,757,912	3,102,382	2,493,716	6,066,125	6,810,373	5,184,078	7,752,696
<b>Total revenues</b>	<b>1,214,088,060</b>	<b>1,277,523,184</b>	<b>1,423,440,519</b>	<b>1,583,295,933</b>	<b>1,625,083,516</b>	<b>1,593,508,908</b>	<b>1,587,551,380</b>	<b>1,717,711,876</b>	<b>1,720,578,367</b>	<b>1,703,587,118</b>
<b>Expenditures</b>										
General Government	130,839,744	156,922,343	209,765,708	208,772,025	209,100,631	209,100,631	187,025,859	195,276,748	214,101,638	229,901,474
Public safety	340,515,309	367,881,878	419,969,267	482,844,406	515,162,619	515,162,619	512,181,110	509,526,761	535,858,802	543,037,453
Public works and transportation	14,637,507	11,943,852	19,261,252	22,581,172	16,821,432	16,821,432	16,986,921	15,855,250	26,947,228	20,670,130
Health	57,620,769	55,474,055	62,801,859	66,657,107	67,390,495	67,390,495	66,145,572	62,534,567	70,336,717	66,857,515
Public Welfare	25,693,398	23,932,372	22,403,113	24,124,657	25,799,663	25,799,663	30,772,563	41,306,745	27,853,947	28,391,524
Capital projects	71,809,754	57,078,754	54,015,564	68,393,656	109,892,836	109,892,836	103,289,706	82,735,106	82,297,319	74,151,921
Education										
Board of Education	584,304,396	612,603,456	660,804,233	657,734,909	665,957,080	665,957,080	652,303,197	684,470,305	656,525,606	649,326,640
Community College	15,675,323	17,183,604	19,441,705	35,272,367	28,438,902	28,438,902	38,415,219	33,644,625	40,125,724	31,862,246
Memorial Library	14,648,659	14,728,625	16,875,719	18,430,402	19,568,825	19,568,825	19,397,277	19,802,615	19,494,605	27,027,089
Debt service										
Interest	39,689,946	41,913,231	47,020,175	68,561,620	69,302,123	69,302,123	74,766,318	78,850,997	86,457,546	86,523,482
Principal	55,865,427	55,422,065	55,774,273	46,804,798	51,231,609	51,231,609	54,073,418	53,598,362	49,896,532	47,537,190
<b>Total expenditures</b>	<b>1,351,300,232</b>	<b>1,415,084,235</b>	<b>1,588,132,868</b>	<b>1,700,177,119</b>	<b>1,778,666,215</b>	<b>1,778,666,215</b>	<b>1,755,357,160</b>	<b>1,777,602,081</b>	<b>1,809,895,664</b>	<b>1,805,286,664</b>
Excess (deficiency) of revenues over (under) expenditures	(137,212,172)	(137,561,051)	(164,692,349)	(116,881,186)	(153,582,699)	(185,157,307)	(167,805,780)	(59,890,205)	(89,317,297)	(101,699,546)

Continued

Table 4, continued

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Changes In Fund Balances, Governmental Funds, continued**  
**Last Ten Fiscal Years**

	FISCAL YEARS									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
General obligation bonds issued	104,825,000	195,455,000	-	224,750,000	130,515,000	141,475,827	13,494,208	83,110,000	91,480,000	74,315,000
Bond and note premium	21,564	14,843,680	1,288,223	7,211,969	7,758,539	1,662,626	-	2,599,354	6,959,315	21,373,503
Other financing notes payable	-	15,809,964	29,552,000	-	18,665,000	-	-	-	-	-
Capital lease financing	-	-	-	-	-	-	2,764,699	-	27,781,000	33,825,000
Reallocation of notes payable	-	-	274,687	(56,096)	131,013	-	-	-	-	-
Transfers in - other funds	64,990,916	67,517,107	78,502,976	116,427,957	88,185,312	78,314,642	100,694,719	94,629,227	98,837,759	101,999,940
Debt Issued:										
Bond proceeds - refunding	-	83,055,000	132,765,000	-	68,615,000	-	-	-	-	175,530,000
Bond premium - refunding	-	11,485,976	11,350,044	-	4,469,091	-	-	-	-	36,132,555
Payment to bond refunding escrow agent	-	(93,859,544)	(143,467,041)	-	(72,998,809)	-	-	-	-	(221,094,720)
Transfers out - other funds	(69,876,069)	(74,249,199)	(86,402,976)	(132,602,957)	(137,975,312)	(87,758,842)	(108,972,319)	(101,948,927)	(105,950,259)	(108,786,340)
Total other financing sources (uses)	<u>99,961,411</u>	<u>220,057,984</u>	<u>23,862,913</u>	<u>215,730,873</u>	<u>107,364,834</u>	<u>133,694,253</u>	<u>7,981,307</u>	<u>78,389,654</u>	<u>119,107,815</u>	<u>113,294,938</u>
<b>Extraordinary items</b>										
Insurance recoveries (2)	-	-	8,937,539	7,467,198	7,773,886	8,653,648	-	-	-	-
Net change in fund balances	<u>\$ (37,599,640)</u>	<u>\$ 55,365,635</u>	<u>\$ (93,018,273)</u>	<u>\$ 69,615,372</u>	<u>\$ (70,018,587)</u>	<u>\$ (25,457,879)</u>	<u>\$ (51,908,898)</u>	<u>\$ 18,499,449</u>	<u>\$ 29,790,518</u>	<u>\$ 11,595,392</u>
Debt service as a percentage of noncapital expenditures (3)	7.1%	6.7%	7.0%	6.9%	7.0%	7.7%	7.8%	7.7%	7.8%	7.8%

## Notes:

(1) For FY01 and prior, includes amounts previously classified as "Transfers in from Component Units."

(2) Relates to insurance recoveries from Courthouse fire November 3, 2004.

(3) Non-capital expenditures represent total expenditures above, less Capital Project Funds and capital outlay expenditures that resulted in capital assets.

Table 5

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Real Property (1)		Total Direct Tax Rate	Personal Property (2)			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Value		Unincorporated Personal Property	Public Utilities	Incorporated Ordinary Business				
2003	\$ 40,794,370,145	\$ 42,546,271,090	0.9801	75,653,720	1,265,665,260	1,696,444,219	\$ 3,037,763,199	2.4527	\$ 45,584,034,289	96.16%
2004	43,066,687,540	45,195,232,850	0.9804	85,226,880	1,215,476,410	1,655,407,832	2,956,111,122	2.4503	48,151,343,972	95.58
2005	46,612,628,987	49,379,361,080	0.9777	48,164,540	1,175,337,090	1,604,883,723	2,828,385,353	2.4521	52,207,746,433	94.71
2006	52,277,304,579	58,874,923,900	0.9801	37,066,180	1,177,751,940	1,608,550,492	2,823,368,612	2.4440	61,698,292,512	89.31
2007	60,716,650,060	69,500,205,330	0.9245	34,671,840	1,172,858,450	1,620,014,257	2,827,544,547	2.4487	72,327,749,877	87.86
2008	72,900,955,419	82,244,049,810	0.9149	32,590,380	1,175,976,540	1,609,855,442	2,818,422,362	2.3116	85,062,472,172	89.02
2009	85,155,247,625	99,986,180,539	0.9066	29,129,440	1,232,270,320	1,392,949,067	2,654,348,827	2.3269	102,640,529,366	85.55
2010	96,054,707,346	102,512,190,089	0.8996	32,392,590	1,291,979,150	1,458,374,079	2,782,745,819	2.2940	105,294,935,908	93.87
2011	95,135,150,806	96,199,089,410	0.8998	48,907,200	1,334,149,600	1,366,211,620	2,749,268,420	2.2856	98,948,357,830	98.92
2012	82,964,524,929	83,404,281,380	0.9054	57,630,140	1,332,876,260	1,322,818,970	2,713,325,370	2.2724	86,117,606,750	99.49

## Notes:

(1) Real property figures are based on a "triennial assessment" process. Under this method, only one-third of the properties in the County are reassessed each year. Any increase in value is phased in over a three-year period in equal increments. Therefore, assessed values only reflect the phased-in amounts, while the estimated actual values indicate the full amount of the reassessment based on the latest physical inspection.

(2) Assessed value and estimated actual values are equal.

(3) Prior to fiscal year 2002, real property had been assessed at 40% of phased-in market value. Effective fiscal 2002, the real property is assessed at 100% of the phased-in market value. Personal Property had already been assessed at 100% of market value. The County tax rate is a weighted average of the unincorporated area and incorporated area rates.

Source: State Department of Assessment and Taxation.

Table 6

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	County Direct Rates - Real Property (1)				Overlapping Rates - Real Property		
	General (2)	Pre-Trim (4)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2003	\$ 0.9241	\$ 0.0020	\$ 0.0540	\$ 0.9801	\$ 0.0840	\$ 0.2440	\$ 0.0260
2004	0.9264	-	0.0540	0.9804	0.1320	0.2790	0.0260
2005	0.9237	-	0.0540	0.9777	0.1320	0.2790	0.0260
2006	0.9261	-	0.0540	0.9801	0.1320	0.2790	0.0260
2007	0.9245	-	0.0540	0.9785	0.1120	0.2790	0.0260
2008	0.9149	-	0.0540	0.9689	0.1120	0.2790	0.0260
2009	0.9066	-	0.0540	0.9606	0.1120	0.2790	0.0260
2010	0.8996	-	0.0540	0.9536	0.1120	0.2790	0.0260
2011	0.8998	-	0.0540	0.9538	0.1120	0.2790	0.0260
2012	0.9054	-	0.0540	0.9594	0.1120	0.2790	0.0260

Fiscal Year	County Direct Rates - Personal Property (1)				Overlapping Rates - Personal Property		
	General (2)	Pre-Trim (4)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2003	\$ 2.3113	\$ 0.0040	\$ 0.1350	\$ 2.4503	\$ 0.2100	\$ 0.6100	\$ 0.0650
2004	2.3171	-	0.1350	2.4521	0.3300	0.6975	0.0650
2005	2.3090	-	0.1350	2.4440	0.3300	0.6975	0.0650
2006	2.3137	-	0.1350	2.4487	0.3300	0.6975	0.0650
2007	2.3116	-	0.1350	2.4466	0.2800	0.6975	0.0650
2008	2.3269	-	0.1350	2.4619	0.2800	0.6975	0.0650
2009	2.2940	-	0.1350	2.4290	0.2800	0.6975	0.0650
2010	2.2724	-	0.1350	2.4074	0.2800	0.6975	0.0650
2011	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650
2012	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650

## Notes:

(1) In dollars per \$100.00 of assessed value.

(2) Partial year real property improvements billed at pro rata tax rates.

(3) At the November 1978 General Election, the voters of the County adopted an amendment to the Charter limiting future collection of real property taxes to the amount collected in fiscal year 1979. The amendment, which became effective in December 1978, added Section 817B to the Charter. It is generally referred to as "TRIM" (TRIM is an acronym for Tax Reform Initiative by Marylanders).

(4) There is no County taxing authority assigned to debt payments for pre-TRIM bonds beginning in fiscal year 2004, because the debt was retired.

Table 7

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Real Property Tax Rates - Overlapping Governments - Cities and Towns**  
**Last Ten Fiscal Years**

Fiscal Year	Cities									
	Bowie	College Park	District Heights	Greenbelt	Hyattsville	Laurel	Mount Rainier	New Carrollton	Seat Pleasant	
2003	0.292	0.250	0.554	0.656	0.580	0.640	0.807	0.045	0.500	
2004	0.292	0.268	0.554	0.696	0.580	0.730	0.790	0.450	0.500	
2005	0.322	0.268	0.620	0.716	0.580	0.730	0.790	0.450	0.500	
2006	0.322	0.285	0.547	0.766	0.630	0.720	0.790	0.450	0.580	
2007	0.352	0.299	0.650	0.766	0.630	0.720	0.790	0.450	0.580	
2008	0.352	0.299	0.730	0.786	0.630	0.720	0.790	0.450	0.580	
2009	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2010	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2011	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	
2012	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	

Fiscal Year	Towns									
	Berwyn Heights	Bladensburg	Brentwood	Capitol Heights	Cheverly	Colmar Manor	Cottage City	Eagle Harbor	Edmonston	Fairmount Heights
2003	\$ 0.474	0.590	0.248	0.440	0.400	0.450	0.460	0.292	0.400	0.420
2004	0.474	0.579	0.248	0.440	0.400	0.490	0.490	0.292	0.400	0.420
2005	0.486	0.676	0.248	0.428	0.400	0.490	0.690	0.292	0.400	0.420
2006	0.486	0.676	0.248	0.412	0.400	0.490	0.690	0.292	0.450	0.420
2007	0.486	0.676	0.248	0.412	0.450	0.490	0.670	0.292	0.500	0.420
2008	0.486	0.740	0.476	0.412	0.480	0.880	0.640	0.292	0.500	0.420
2009	0.486	0.740	0.443	0.412	0.480	1.000	0.600	0.292	0.600	0.388
2010	0.486	0.740	0.382	0.401	0.480	1.038	0.560	0.292	0.600	0.420
2011	0.486	0.740	0.382	0.392	0.480	1.038	0.520	0.292	0.600	0.420
2012	0.516	0.740	0.382	0.392	0.480	1.028	0.488	0.292	0.600	0.420

continued

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Real Property Tax Rates - Overlapping Governments - Cities and Towns, continued**  
**Last Ten Fiscal Years**

Fiscal Year	Towns							
	Forest Heights	Glenarden	Landover Hills	Morningside	North Brentwood	Riverdale Park	University Park	Upper Marlboro (4)
2003	0.260	0.246	0.400	0.440	0.288	0.637	0.600	-
2004	0.260	0.246	0.480	0.650	0.288	0.730	0.600	-
2005	0.470	0.296	0.480	0.650	0.288	0.730	0.600	0.240
2006	0.470	0.296	0.480	0.800	0.288	0.677	0.600	0.240
2007	0.470	0.296	0.480	0.800	0.288	0.641	0.600	0.240
2008	0.510	0.275	0.480	0.800	0.288	0.641	0.600	0.240
2009	0.530	0.296	0.480	0.800	0.347	0.641	0.600	0.240
2010	0.530	0.296	0.480	0.780	0.347	0.641	0.541	0.240
2011	0.567	0.336	0.480	0.780	0.347	0.677	0.584	0.240
2012	0.567	0.336	0.480	0.740	0.347	0.654	0.579	0.240

## Notes:

- (1) Tax rates are per \$100 of assessed value.
- (2) The County does not collect personal property taxes for the Cities or Towns.
- (3) Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.
- (4) During fiscal years 2000 through 2004, the Town of Upper Marlboro did not collect town taxes.



Table 8

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Principal Taxpayers**  
**Current Year and Nine Years Prior**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Gaylord National, LLC	\$ 571,965,510	1	1.93%			
Potomac Electric Power Co.	475,442,520	2	1.61%	470,354,510	2	1.07
Verizon Maryland	355,498,130	3	1.20%	434,806,270	3	0.99
Washington Gas Light Company	250,452,830	4	0.85%	161,666,738	5	0.37
Greenbelt Homes, Incorporated	235,186,522	5	0.79%	85,549,134	9	0.19
Empirian Village of Maryland, LLC	202,332,116	7	0.68%			
JKC Stadium (FedEx Field)	218,537,900	6	0.74%	208,004,000	4	0.47
Mirant Chalk Point LLC (1)	167,145,266	8	0.56%	471,882,953	1	1.08%
Baltimore Gas and Electric Co.	158,123,710	9	0.53%	101,059,340	6	0.23
Zell, Samuel TRS	131,996,866	10	0.45%			
Safeway Stores, Inc.				100,465,063	7	0.23
Digex Incorp				75,100,790	10	0.17
Summerfield Housing LTD Partnership				99,274,000	8	0.23

## Notes:

(1) Source: State of Maryland Department of Assessments and Taxation

**TABLE 9**

**PRINCE GEORGE'S COUNTY, MARYLAND  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	476,239,492	469,489,322	98.58%	\$ 5,888,110	\$ 475,377,432	99.82%
2004	493,925,578	477,318,393	96.64	15,474,683	492,793,076	99.77
2005	524,436,177	521,001,206	99.34	2,731,784	523,732,990	99.87
2006	578,213,071	574,355,664	99.33	3,232,729	577,588,393	99.89
2007	660,947,420	656,628,114	99.35	3,578,154	660,206,268	99.89
2008	777,425,089	770,467,248	99.35	5,944,534	776,411,782	99.87
2009	903,375,110	897,803,030	99.38	4,304,117	902,107,147	99.86
2010	1,001,271,795	995,260,491	99.40	4,232,624	999,493,115	99.82
2011	987,400,083	981,984,336	99.45	3,952,313	985,936,649	99.85
2012	869,334,583	866,278,838	99.64	-	866,278,838	99.64

Notes:

- (1) Total collections include collections for adjustments in "total tax levy" in years subsequent to initial tax levy.
- (2) Included is data for all property taxes billed applicable to all funds for Prince George's County, Maryland to include General, Debt Service, and Enterprise Funds. Property taxes billed for the State of Maryland, various municipalities, Washington Suburban Sanitary, Maryland National Capital Park and Planning, and the Washington Suburban Transit Commission, are excluded.
- (3) Taxes are assessed July 1 and semi-annual payments are due September 30 and December 31.
- (4) No discounts are allowed.
- (5) Interest and penalty at 20% per annum is charged after September 30, except tax bills based upon certifications received after September 30 may be paid within thirty days without interest.
- (6) Taxes on real property are collected by sale or legal action or both. Taxes on personal property are enforced by legal action.
- (7) Tax sale date is the second Monday in May.
- (8) There is no County taxing authority assigned to debt payments for pre-TRIM bonds beginning in fiscal year 2004 because the debt was retired.

Table 10

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Delinquent Taxes and Service Charges Receivable - By Fund**  
**As of June 30, 2012**

		General Fund							
		Unincorporated							
Delinquent taxes by year		Real Property	Business Personal Property	Railroads and Public Utilities	Corporate Personal Property	Total General Fund			
Year ended June 30:									
2012	\$	886,489	53,175	224,154	1,756,343	2,920,161			
2011		(455,662)	35,564	918,726	909,685	1,408,313			
2010		209,146	32,065	752,567	712,789	1,706,567			
2009		674,813	31,723	1	518,690	1,225,227			
2008		504,422	22,004	26,400	422,219	975,045			
2007		454,192	21,443	-	246,018	721,653			
2006		409,687	32,525	-	170,204	612,416			
2005		383,728	180,563	-	116,001	680,292			
2004		315,858	690,158	-	79,671	1,085,687			
2003 and prior		1,232,801	1,429,743	206	533,041	3,195,791			
Totals	\$	4,615,474	2,528,963	1,922,054	5,464,661	14,531,152			

		Agency Funds					Enterprise Funds		
		Maryland-National Capital Park and Planning State Commission	Washington Suburban Sanitary Commission	Washington Incorporated Towns	Washington Suburban Transit Commission	Total Agency Funds	Stormwater Management Fund	Total All Funds	
Delinquent taxes by year									
Year ended June 30:									
2012	\$	48,452	796,925	80,143	(210,250)	71,038	786,308	135,584	3,842,053
2011		(78,108)	311,101	44,187	(435,313)	25,512	(132,621)	55,121	1,330,813
2010		(19,806)	391,651	33,381	(52,491)	36,898	389,633	72,114	2,168,314
2009		26,557	225,151	18,431	28,512	21,881	320,532	42,736	1,588,495
2008		29,316	203,200	15,370	45,454	19,841	313,181	38,262	1,326,488
2007		8,640	103,266	12,717	4,511	9,873	139,007	19,499	880,159
2006		17,589	68,312	8,366	3,533	6,466	104,266	12,263	728,945
2005		16,783	121,179	8,084	28,381	11,448	185,875	22,895	889,062
2004		10,999	243,210	4,623	22,435	23,388	304,655	46,816	1,437,158
2003 and prior		13,628	524,805	19,322	10,267	58,660	626,682	117,820	3,940,293
Totals	\$	74,050	2,988,800	244,624	(554,961)	285,005	3,037,518	563,110	18,131,780

Table 11

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt				Other Governmental Activities Debt						
	General Obligation Bonds	LGIT GOB	State Participation Bonds - Schools	State Participation Bonds - Roads	Maryland CDA Infrastructure Bonds	Certificates of Participation	HUD Section 108 Notes	Maryland Industrial Land Act Loans	MDOT Loans	Capital Leases	
2003	640,793,759	11,680,000	-	812,025	1,047,900	40,330,274	6,385,000	2,139,313	8,553,056	-	
2004	789,693,759	10,790,000	-	-	1,001,900	42,774,242	10,522,000	345,851	7,698,779	-	
2005	743,973,759	9,845,000	-	-	953,400	63,811,800	11,945,000	327,139	6,773,207	-	
2006	923,111,579	8,850,000	-	-	903,600	55,886,421	11,455,000	307,109	5,821,916	-	
2007	998,731,579	7,795,000	-	-	851,300	66,387,883	7,206,000	285,669	4,818,594	-	
2008	1,041,496,454	6,675,000	-	-	796,500	55,351,920	6,801,000	262,720	3,760,309	-	
2009	982,285,646	5,490,000	-	-	739,300	42,384,528	6,361,000	238,154	2,643,957	2,764,699	
2010	1,002,740,000	4,235,000	-	-	679,600	28,935,874	5,893,000	211,859	1,466,254	2,764,699	
2011	1,024,770,000	2,905,000	-	-	617,300	34,717,732	5,395,000	183,713	982,088	10,664,091	
2012	1,006,670,000	1,495,000	-	-	552,600	59,875,481	4,907,000	153,586	-	6,491,697	

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	State Participation Bonds	Certificates of Participation	WSSC Loans	Capital Leases			
2003	67,530,000	40,360,581	24,155	585,455	6,490,000	-	826,731,518	3.21%	1,002.96
2004	75,890,000	33,761,193	-	653,667	4,540,000	196,481	977,867,872	3.67%	1,176.85
2005	71,921,748	29,722,552	-	1,248,654	3,245,000	84,525	943,851,784	3.36%	1,128.87
2006	75,226,102	25,584,333	-	1,217,767	2,655,000	-	1,111,018,827	3.77%	1,321.83
2007	74,595,000	21,246,201	-	886,082	2,055,000	-	1,184,858,308	3.91%	1,416.20
2008	81,045,000	16,747,810	-	687,929	1,420,000	-	1,215,044,642	3.83%	1,459.16
2009	76,215,000	12,028,800	-	482,209	745,000	-	1,132,378,293	3.43%	1,363.47
2010	81,225,000	7,083,800	-	266,208	-	-	1,135,501,294	3.42%	1,360.60
2011	104,200,000	5,042,425	-	39,326	-	-	1,189,516,675	3.47%	1,377.68
2012	121,435,000	2,934,277	-	-	-	19,419	1,204,534,060	n.a.	n.a.

Table 12

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Ratio of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental-Type Activities		Business-Type Activities	Total	Self-supporting	Net General Obligation Bonds	Percentage of Actual Property Value	Per Capita
	General Obligation Bonds	LGIT General Obligation Bonds	General Obligation Bonds					
2003	640,793,759	11,680,000	67,530,000	720,003,759	170,604,487	549,399,272	1.21%	661.19
2004	789,693,759	10,790,000	75,890,000	876,373,759	216,432,683	659,941,076	1.37%	789.31
2005	743,973,759	9,845,000	71,921,748	825,740,507	206,831,214	618,909,293	1.19%	736.35
2006	923,111,579	8,850,000	75,226,102	1,007,187,681	297,337,731	709,849,950	1.15%	848.45
2007	998,731,579	7,795,000	74,595,000	1,081,121,579	321,932,933	759,188,646	1.05%	911.72
2008	1,041,496,454	6,675,000	81,045,000	1,129,216,454	346,289,329	782,927,125	0.92%	942.70
2009	982,285,646	5,490,000	76,215,000	1,063,990,646	359,523,313	704,467,333	0.69%	844.12
2010	1,002,740,000	4,235,000	81,225,000	1,088,200,000	382,919,022	705,280,978	0.67%	816.85
2011	1,024,770,000	2,905,000	104,200,000	1,131,875,000	417,455,474	714,419,526	0.72%	820.01
2012	1,006,670,000	1,495,000	121,435,000	1,129,600,000	414,904,669	714,695,331	0.83%	n.a.

Table 13

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2012**

<b>Governmental Unit:</b>	<u>Debt Outstanding</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
Prince George's County:			
County Government	\$ 1,204,534,060		
Less: Self supporting debt	<u>423,452,131</u>		
County Government - net		781,081,929	100.00%
Total Net Direct Debt		<u>781,081,929</u>	<u>781,081,929</u>
Overlapping areas:			
Maryland-National Capital Park and Planning Commission	56,362,662		
Less: self-supporting debt	<u>56,362,662</u>		
MNCPPC - net		-	
Washington Suburban Sanitary Commission	547,214,195		
Less: self-supporting debt	<u>547,214,195</u>		
WSSC - net		-	
Underlying towns and cities within the County	41,485,135		
Less: self-supporting debt	<u>41,485,135</u>		
Towns and Cities - net		-	
<b>Component Unit:</b>			
IDA of PG County lease revenue bonds	65,265,000		
Less: self-supporting debt	<u>-</u>		
IDA - net		65,265,000	100.00%
Total Net Overlapping Debt		<u>65,265,000</u>	<u>65,265,000</u>
Total Net Direct and Overlapping Debt		<u>\$ 846,346,929</u>	<u>\$ 846,346,929</u>

Table 14

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2012**

	Gross debt <u>principal amount</u>	Self-supporting <u>debt</u>	Net debt <u>principal amount</u>
Direct debt:			
Primary government:			
General obligation bonds:			
General purpose	\$ 713,200,331	-	713,200,331
Stormwater management	85,425,000	85,425,000 (1)	-
Solid waste management system	36,010,000	36,010,000 (2)	-
School facilities surcharge - supported	252,368,539	252,368,539 (3)	-
Telecommunications - supported	26,090,000	26,090,000 (4)	-
Mass transit	15,011,130	15,011,130 (5)	-
Local Government Insurance Trust obligation issued on behalf of the County	1,495,000	-	1,495,000 (6)
Maryland Industrial Land Act Loans	153,585	153,585 (7)	0
Maryland Community Development Administration Infrastructure Debt	552,600	552,600 (8)	-
Revenue bonds:			
Solid waste management system	<u>2,934,277</u>	<u>2,934,277 (2)</u>	<u>-</u>
Total direct debt	<u>1,133,240,462</u>	<u>418,545,131</u>	<u>714,695,331</u>
Overlapping debt:			
Other governmental units:			
Maryland-National Capital Park and Planning Commission general obligation bonds	56,362,662	56,362,662 (9)	-
Washington Suburban Sanitary Commission	547,214,195	547,214,195	-
Underlying towns and cities within the County	41,485,135	41,485,135 (10)	-
Component unit:			
Industrial Development Authority of Prince George's County lease revenue bonds	<u>65,265,000</u>	<u>- (11)</u>	<u>65,265,000</u>
Total overlapping debt	<u>710,326,992</u>	<u>645,061,992</u>	<u>65,265,000</u>
Total direct and overlapping debt	<u>\$ 1,843,567,454</u>	<u>1,063,607,123</u>	<u>779,960,331</u>

Notes:

- (1) The debt service payments on bonds issued by the County for stormwater management facilities are supported by a special ad valorem tax and, accordingly, such bonds are considered self-supporting.
- (2) County solid waste bonds are repaid from user charges..
- (3) Debt service payments on a portion of the school construction bonds are supported by the school facilities surcharge on new residential construction. This portion is considered self-supporting
- (4) Debt service payments on the bonds issued for School Renovation Projects are supported by the Telecommunication Tax, levied on telecommunication service in the county.
- (5) These bonds are a liability of the Washington Suburban Transit Commission. The Washington Suburban Transit Commission reimburses the debt service payments on bonds issued by the County for mass transit projects and, accordingly, such bonds are considered self-supporting.
- (6) The debt service payments on bonds is a general obligation of the County to which full faith and credit and taxing power are pledged.
- (7) Debt service costs of the Maryland Industrial Land Act notes are reimbursed to the County under loan agreements with developers.
- (8) Debt service costs of the Maryland Community Development Administration note are reimbursed to the County under a loan agreement with Accokeek Volunteer Fire Department.
- (9) At June 30, 2012, the County was contingently liable as guarantor on these bonds issued by the Maryland-National Capital Park and Planning Commission.
- (10) The debt issued by the towns and cities within the County is supported by the revenue sources of the respective towns and cities.
- (11) Debt service costs for the 1994A Lease Revenue Bonds are reimbursed to the County by the State of Maryland pursuant to a lease agreement relating to the Hyattsville Multi-Service Center.

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

**Table 15**

**Legal Debt Margin Calculation for Fiscal Year 2012:**

<b>Assessable base of Real Property</b>	\$ 83,404,281,380
<b>Assessable base of Personal Property</b>	2,713,325,370
<b>Debt limit (a total of 6% Real property &amp; 15% of Personal property)</b>	5,411,255,688
<b>Debt applicable to limit:</b>	
<b>General obligation bonds</b>	713,200,331
<b>Total net debt applicable to limit</b>	713,200,331
<b>Legal debt margin</b>	4,698,055,357

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessable Base - Real property	42,546,271,090	\$ 45,195,232,850	\$ 49,379,361,080	\$ 58,874,923,900	\$ 69,500,205,330	\$ 82,244,049,810	\$ 99,986,180,539	\$ 102,512,190,089	\$ 96,199,089,410	83,404,281,380
Assessable Base - Personal property and operating real property	3,037,763,199	2,956,111,122	2,828,385,353	2,823,368,612	2,827,544,547	2,818,422,362	2,654,348,827	2,782,745,819	2,749,268,420	2,713,325,370
Debt limit - Percentage of Assessable Base: Debt limit (a total of 6% of Real Property Assessable base and 15% of Personal Property Assessable base).	3,008,440,745	3,177,988,702	3,387,019,468	3,956,000,726	4,594,144,002	5,357,406,343	6,397,323,156	6,568,143,278	6,184,335,628	5,411,255,688
Total net debt applicable to limit	<u>654,613,072</u>	<u>800,829,610</u>	<u>754,145,898</u>	<u>898,817,376</u>	<u>976,252,351</u>	<u>1,020,223,283</u>	<u>963,055,594</u>	<u>701,045,978</u>	<u>711,514,526</u>	<u>713,200,331</u>
Legal debt margin	<u>\$ 2,353,827,673</u>	<u>\$ 2,377,159,092</u>	<u>\$ 2,632,873,570</u>	<u>\$ 3,057,183,350</u>	<u>\$ 3,617,891,651</u>	<u>\$ 4,337,183,060</u>	<u>\$ 5,434,267,562</u>	<u>\$ 5,867,097,300</u>	<u>\$ 5,472,821,102</u>	<u>\$ 4,698,055,357</u>
Total net debt applicable to the limit as a percentage of debt limit	21.76%	25.20%	22.27%	22.72%	21.25%	19.04%	15.05%	10.67%	11.51%	13.18%

Notes:

1) Prior to fiscal year 2002, real property had been assessed at 40% of the phased-in market value, and personal property at 100% of market value.

The debt limit was 15% of the total assessed value. Effective fiscal 2002, the real property is assessed at 100% of the phased-in market value.

Therefore, effective in fiscal year 2002, the debt limit is a total of 6% of the real property assessable base and 15% of the personal property assessable base.



Table 16

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Revenue Bond Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	Primary Government (1)						Component Units (1)					
	Total Revenues (2)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage	Total Revenues (2)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest (4)					Principal	Interest (4)	
2003	74,460,670	55,981,525	18,479,145	3,725,447	831,703	4.05	11,137,827	3,576,468	7,561,359	3,230,633	3,923,900	1.06
2004	78,442,407	61,606,638	16,835,769	3,789,388	1,896,825	2.96	13,228,504	4,732,321	8,496,183	3,874,153	4,524,200	1.01
2005	80,328,572	65,273,312	15,055,260	4,038,641	1,136,613	2.91	13,732,074	4,481,564	9,250,510	3,860,157	4,506,111	1.11
2006	84,557,528	67,134,060	17,423,468	4,098,219	1,065,552	3.37	7,290,715	9,754	7,280,961	2,648,105	4,471,937	1.02
2007	88,577,315	72,991,069	15,586,246	2,648,132	896,467	4.40	7,233,631	9,776	7,223,855	2,652,868	4,327,032	1.03
2008	90,150,726	81,910,241	8,240,485	4,498,391	901,821	1.53	7,114,384	9,740	7,104,644	2,681,618	4,301,679	1.02
2009	90,038,702	82,890,321	7,148,381	4,719,010	683,014	1.32	6,781,700	12,524	6,769,176	2,454,034	4,273,567	1.01
2010	93,076,593	79,534,255	13,542,338	4,945,000	453,396	2.51	6,829,328	13,145	6,816,183	2,482,842	4,255,642	1.01
2011	92,447,372	80,517,079	11,930,293	2,041,375	220,568	5.27	7,877,002	18,205	7,858,797	1,877,068	5,493,438	1.07
2012	91,620,951	84,288,431	7,332,520	2,108,148	157,476	3.24	7,873,840	18,878	7,854,962	2,259,349	5,522,879	1.01

(1) The Primary Government's debt is comprised of revenue bonds of the Solid Waste Enterprise Fund. The Component Units include revenue bonds of the Revenue Authority (formerly the Parking Authority) and the Industrial Development Authority of Prince Georges's County. The first bond issues of these entities were on December 1, 1990, May 15, 1986 and September 1, 1987, respectively. The Revenue Authority bonds were paid in full May 2006.

(2) Total revenues includes operating and non-operating revenues and transfers, except gains on disposal of property, intrafund transfers, and grants.

(3) Operating expenses include all expenses and transfers, except interest and debt issuance costs, depreciation and amortization, landfill postclosure expense, loss on disposal of equipment and intrafund transfers.

(4) This amount reflects the amount due in the fiscal year (net of accrual) plus bond refunding costs, less interest income.

Table 17

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Revenues Bond Coverage (For Bond Covenant Purposes)**  
**Last Ten Fiscal Years**

Fiscal year	Net revenues available for debt service (1)				Net debt service requirements			Coverage		
	Gross revenues (2)	Operating expenses (3)	Net revenues available for debt service	Cash balances available for debt service (4)	Principal	Interest (5)	Total	Gross (6)	Net (7)	Net alternative (8)
2003	73,600,843	45,380,465	28,220,378	115,232,612	3,725,447	831,703	4,557,150	16.15	6.19	25.29
2004	76,026,670	47,734,034	28,292,636	117,565,728	3,789,388	1,896,825	5,686,213	13.37	4.98	20.68
2005	77,182,008	52,523,127	24,658,881	115,784,103	4,038,641	1,136,613	5,175,254	14.91	4.76	22.37
2006	79,655,114	53,308,233	26,346,881	120,762,728	4,098,219	1,065,552	5,163,771	15.43	5.10	23.39
2007	82,202,081	56,887,188	25,314,893	123,683,976	2,648,132	896,467	3,544,599	23.19	7.14	34.89
2008	84,240,272	64,034,265	20,206,007	109,795,144	4,498,391	901,821	5,400,212	15.60	3.74	20.33
2009	86,550,100	66,452,151	20,097,949	101,193,079	4,719,010	683,014	5,402,024	16.02	3.72	18.73
2010	93,122,207	64,057,763	29,064,444	113,001,227	4,945,000	453,396	5,398,396	17.25	5.38	20.93
2011	92,402,715	63,943,106	28,459,609	112,924,596	2,041,375	220,568	2,261,943	40.85	12.58	49.92
2012	91,651,787	67,660,904	23,990,883	106,135,079	2,108,148	157,476	2,265,624	40.45	10.59	46.85

## Notes:

(1) Included in this schedule are revenue bonds of the Primary Government's Solid Waste Fund, whose first bond issue was on December 1, 1990.

(2) Gross revenues includes operating and nonoperating revenues, excluding interest income on the Debt Service Reserve Account.

(3) Operating expenses include all expenses and transfers except depreciation and amortization, project charges from other County funds, landfill postclosure expense, overhead allocation, and intrafund transfers.

(4) Cash balances available for debt service includes net revenues available for debt service during the year and beginning balances for: amount due from other funds, unrestricted cash and investments, restricted cash and investments for the Operation & Maintenance Reserve, the Debt Service Reserve, and the Closing Cost Reserve.

(5) This amount reflects the amount due in the fiscal year (net of accrual) plus bond refunding costs, less interest income.

(6) Gross coverage ratio equals gross revenues divided by net debt service on bonds.

(7) Net coverage ratio equals net revenues available for debt service divided by net debt service on bonds.

(8) Net alternative coverage ratio equals cash balances available for debt service divided by net debt service on bonds.

Table 18

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita personal Income (2)</u>	<u>Civilian Labor Force (3)</u>	<u>Unemployment Rate (3)</u>	<u>Registered pupils (4)</u>
2003	830,923	26,644,565	31,809	475,007	5.2	135,439
2004	836,103	28,115,765	33,236	440,424	4.5	137,285
2005	840,513	29,434,782	34,496	445,124	4.5	136,095
2006	836,644	30,306,871	35,567	446,366	4.1	133,325
2007	832,699	31,753,583	37,361	448,144	3.7	131,014
2008	830,514	33,026,742	38,847	454,201	4.5	129,752
2009	834,560	33,227,622	38,810	452,754	7.1	127,977
2010	863,420	34,302,938	39,647	462,138	7.7	127,039
2011	871,233	n.a.	n.a.	464,524	7.0	126,671
2012	n.a.	n.a.	n.a.	464,436	6.8	123,833

## Notes:

(1) Population estimates are from the U.S. Bureau of the Census, updated June 7, 2012.

(2) Bureau of Economic Analysis, U.S. Department of Commerce. (Income data for 2011 and 2012 is not currently available) Calendar year per capita income figures are shown in the above table, updated April 25, 2012  
new estimates for 2010; revised estimates for 2000 - 2009.

(3) Maryland Department of Labor, Career and Workforce Information, updated August 1, 2012

(4) www.mdreportcard.org, updated March 8, 2012

Table 19

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Principal Employers**  
**Current Calendar Year and Nine Years Prior**

	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
<b>Private Sector Employer</b>			464,524			471,602
United Parcel Service	4,220	1	0.91%	2,300	5	0.49%
Giant Food, Inc.	3,600	2	0.77%	6,500	1	1.38%
Verizon	2,738	3	0.59%			
Dimensions Health Corp.	2,500	4	0.54%	3,000	2	0.64%
Gaylord National Resort and Convention Center	2,000	5	0.43%			
Shoppers Food Warehouse	1,975	6	0.43%	1,975	6	0.42%
Safeway Stores, Inc.	1,605	7	0.35%	2,400	4	0.51%
Capital One	1,456	8	0.31%			
Target	1,400	9	0.30%			
Doctor's Community Hosp.	1,300	10	0.28%			
Southern MD Hospital Center	1,300	10	0.28%			
Honeywell Technology Solutions				900	10	0.19%
Computer Science Corp.				1,200	8	0.25%
Raytheon Systems Company				1,300	7	0.28%
Aetna U. S. Healthcare, Inc.				1,100	9	0.23%
Bell Atlantic Corp./Verizon				2,700	3	0.57%
<b>Public Sector Employers</b>						
University System of Maryland 1/ (includes UMCP, UMUC and	16,938	1				
Joint Base Andrews Naval Air Facility Washington	8,057	2				
Prince George's County Government	6,971	3				
Internal Revenue Service	5,539	4				
United States Bureau of the Census	4,414	5				
NASA/Goddard Space Flight Center	3,171	6				
Prince George's Community College	2,676	7				
USDA - Beltsville Agricultural Research Center	1,850	8				
National Maritime Intelligence Center	1,724	9				
National Oceanic and Atmospheric Administration	1,350	10				

## Notes:

Excludes post offices, state governments; includes public higher education institutions.

Employee counts for federal and military facilities exclude contractors.

Sources: Economic development agencies statewide and Maryland Department of Business and Economic Development, revised December 2011

2002 Public Sector Employer information is not available.

Table 20

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Total Government Employees by Function**  
**Last Ten Fiscals Years**

<u>Function/Agency</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government										
County Executive	43	48	48	48	48	48	48	46	45	45
County Council	87	89	97	99	100	111	113	103	101	108
Human Relations Commission	11	10	11	12	12	12	15	13	13	11
Personnel Board	2	2	2	2	2	2	2	2	2	2
Circuit Court	149	149	151	115	120	124	130	130	130	130
Orphans' Court	5	5	6	6	6	6	6	6	6	6
Office of the State's Attorney	136	136	138	142	148	151	154	152	149	151
Citizen Complaint Oversight Panel	2	2	2	2	2	2	2	1	1	1
Office of Finance	73	72	71	73	75	75	76	74	73	67
Office of Business & Regulatory Affairs	-	-	-	-	-	-	-	-	-	-
Office of Community Relations	10	15	17	19	24	26	26	26	25	24
Office of Management and Budget	20	24	24	25	26	27	27	27	26	25
Board of License Commissioners	6	7	7	7	7	7	7	7	7	7
Office of Law	55	54	57	57	57	60	61	60	60	54
Office of Human Resources Management	56	55	61	62	68	69	70	70	70	66
Office of Info. Tech. & Communications	202	48	49	0	0	0	0	0	0	0
Board of Elections	12	13	13	13	16	18	19	19	19	18
Soil Conservation District	9	9	9	10	13	13	13	13	13	13
Office of Central Services	239	239	240	172	180	182	182	178	170	151
Department of Family Services	58	48	52	17	28	28	28	28	31	28
Housing & Community Development	112	112	121	20	22	22	22	22	21	18
<b>Subtotal</b>	<b>1,287</b>	<b>1,137</b>	<b>1,176</b>	<b>901</b>	<b>954</b>	<b>983</b>	<b>1,001</b>	<b>977</b>	<b>962</b>	<b>925</b>
Public Safety										
Department of Environmental Resources	421	431	452	233	238	264	263	250	251	236
Police Department	1,683	1,675	1,675	1,763	1904	2056	2132	2123	2122	2097
Fire/EMS Department	786	778	780	804	821	833	849	837	846	848
Office of the Sheriff	250	246	281	274	324	338	347	342	335	333
Department of Corrections	539	529	538	565	602	630	646	637	644	639
Office of Homeland Security	-	167	187	187	190	204	214	214	211	210
<b>Subtotal</b>	<b>3,679</b>	<b>3,826</b>	<b>3,913</b>	<b>3,826</b>	<b>4,079</b>	<b>4,325</b>	<b>4,451</b>	<b>4,403</b>	<b>4,409</b>	<b>4,363</b>
Public Works										
Department of Public Works & Transportation	378	377	379	285	287	288	333	329	319	294
<b>Subtotal</b>	<b>378</b>	<b>377</b>	<b>379</b>	<b>285</b>	<b>287</b>	<b>288</b>	<b>333</b>	<b>329</b>	<b>319</b>	<b>294</b>
Health Department										
Health Department	527	531	527	276	294	291	302	289	261	238
<b>Subtotal</b>	<b>527</b>	<b>531</b>	<b>527</b>	<b>276</b>	<b>294</b>	<b>291</b>	<b>302</b>	<b>289</b>	<b>261</b>	<b>238</b>
Public Welfare - Department of										
Department of Social Services	23	32	36	13	13	14	15	15	14	14
Child Support Enforcement	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>23</b>	<b>32</b>	<b>36</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>14</b>
<b>Grand Total</b>	<b>5,894</b>	<b>5,903</b>	<b>6,031</b>	<b>5,301</b>	<b>5,627</b>	<b>5,901</b>	<b>6,102</b>	<b>6,013</b>	<b>5,965</b>	<b>5,834</b>

Source: Office of Management and Budget Current Expense Budget

Table 21

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<u>Agency/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>estimated</u> <u>2011</u>	<u>projected</u> <u>2012</u>
Circuit Court											
Criminal cases filed	9,460	8,855	8,080	9,167	9,134	8,765	7,823	7,907	8,783	8,433	8,349
Juvenile cases filed or reopened	6,850	6,369	5,581	1,933	2,189	2,353	2,301	2,633	2,242	2,108	2,348
Office of the Sheriff											
Number of warrants on file	n/a	n/a	29,908	30,808	33,171	36,848	42,063	48,307	42,518	63,714	48,000
Number of domestic related documents served	n/a	n/a	8,961	8,502	8,882	9,230	9,514	7,496	6,410	7,500	9,000
Department of Corrections											
Average daily Correctional Center population	1,022	1,026	1,134	1,214	1,266	1,482	1,462	1,461	1,229	1,175	1,200
Number of inmate court appearances	19,348	19,226	18,436	15,583	21,276	21,276	n/a	n/a	n/a	n/a	n/a
Police Department											
Number of calls for service	n/a	n/a	528,182	560,327	604,189	655,994	700,000	676,662	817,604	801,252	785,227
Number of documented property crimes	n/a	n/a	44,275	42,869	37,505	37,420	36,457	30,714	30,276	29,670	29,077
Fire/EMS Department											
Number of fire calls for service	n/a	n/a	29,345	26,463	26,242	25,988	25,252	24,625	24,132	24,000	22,500
Office of Homeland Security											
Annual call volume	1,250,493	1,250,712	1,466,408	1,501,270	1,283,628	1,263,349	1,561,500	1,546,600	1,547,600	1,550,000	1,600,000
Public Works & Transportation											
Road miles maintained	1,702	1,722	1,749	1,775	1,789	1,804	1,818	1,818	1,834	1,840	1,845
Street resurfacing (in miles)	33.0	40.0	31	33	36	33	30	30	22	5	5
Department of Environmental Resources											
Abandoned vehicles impounded	6,108	6,522	5,650	4,801	4,800	3,400	n/a	n/a	n/a	n/a	n/a
Permits issued by Permits and Review Division	n/a	36,436	37,509	48,604	45,000	45,000	45,000	n/a	n/a	n/a	n/a
Soil Conservation District											
Number of new acres covered by completed soil and water quality plans	2,650	1,571	742	1,025	383	1,100	1,760	1,320	1,300	n/a	n/a
Department of Family Services											
Number of people requesting disability information and assistance	2,100	2,100	2,473	2,500	2,074	1,216	1,567	2,667	2,500	n/a	n/a
Health Department											
Total treatment admissions	930	2,085	3,158	3,309	3,000	n/a	n/a	n/a	n/a	n/a	n/a
Housing & Community Development											
Number of new units created	n/a	n/a	1,368	2,186	781	1,345	781	1,192	1,105	1,839	2,092
Department of Social Services											
Total households receiving energy assistance	3,904	5,336	5,001	5,491	6,062	7,110	8,085	9,629	11,483	13,764	16,104

Source: Office of Management and Budget Current Expense Budget

**Table 22**

**PRINCE GEORGE'S COUNTY, MARYLAND  
Capital Asset Statistics  
Last Ten Fiscal years**

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public Facilities										
District Police Stations	6	6	6	6	6	6	6	6	6	6
Fire and Emergency Rescue Stations	47	47	49	44	44	44	44	44	44	56
Emergency Medical Units	56	56	56	53	54	57	57	58	58	60
Parks/Recreation Facilities (active parks)	522	522	358	358	358	564	560	582	583	584
Multi-Purpose Senior Centers	8	8	8	8	8	8	8	7	7	7
Libraries	20	20	20	20	20	18	18	18	19	19
Public Schools										
Elementary Schools	131	131	131	146	146	142	132	131	131	130
Middle Schools	28	28	28	21	21	32	31	29	29	29
High Schools	23	23	23	23	23	24	30	30	30	30
Special Centers	12	12	12	12	12	12	12	11	9	9
Department of Public Works and Transportation										
Miles of County-maintained Paved Roads	1,722	1,747	1,772	1,768	1,784	1,818	1,821	1,834	1,862	1873
Signals in Service	218	228	230	236	232	183	266	266	267	259

Emergency Medical Units: Includes Advanced Life Support (ALS) and Basic Life Support (BLS) Ambulances

<http://www.princegeorgescountymd.gov/Government/PublicSafety/Fire-EMS/stations.asp>

Source: Office of Management and Budget Current Expense Budget

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