



Angela D. Alsobrooks  
County Executive

# PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF THE COUNTY EXECUTIVE

### EXECUTIVE ORDER

**No. 6 - 2022**

**May 17, 2022**

An order specifying, prescribing, determining, providing for and approving certain matters in connection with the issuance, sale, execution and delivery by Prince George's County, Maryland (the "County") of its General Obligation Consolidated Public Improvement Bonds, Series 2022A (the "Bonds"), pursuant to (i) Section 10-203 of the Local Government Article of the Annotated Code of Maryland, as amended, replaced or recodified from time to time (the "Local Government Article") and Title 21 Subtitle 6 of the Local Government Article (the "Enabling Laws"); (ii) the Charter of Prince George's County, Maryland (the "County Charter"); and (iii) CB-94-2021 enacted by the County Council on November 16, 2021 and approved by the County Executive on December 2, 2021 (the "Authorization Ordinance"), Executive Order No. 4-2022 on May 2, 2022 (the "Initial Executive Order") and enabling acts cited in the Authorization Ordinance and Initial Executive Order in order to (1) provide funds for financing in whole or in part the costs of planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects including public school facilities; roads and bridges; public buildings; police, fire, and correctional facilities; community college, health and library facilities; courthouse projects; soil conservation projects; and environmental and stormwater management facilities; and (2) pay the costs and expenses of issuing and delivering the Bonds; prescribing the aggregate principal amount, rate or rates of interest, maturities, redemption provisions and all other details of such Bonds; providing for the issuance of the Bonds in book-entry form; establishing the terms of sale of such Bonds; ratifying and confirming the delivery by the Director of Finance of a certificate deeming the Preliminary Official Statement dated May 11, 2022 relating to the Bonds final for purposes of Rule 15c2-12 of Securities and Exchange Commission; approving and providing for the execution and delivery of a final Official Statement in connection with the sale of such Bonds; and generally providing for and determining various matters in connection with the foregoing.

### RECITALS

**WHEREAS**, pursuant to the Enabling Laws, the County Charter, the Authorization Ordinance, the Initial Executive Order and certain bond enabling acts cited in the Authorization Ordinance, the County has authorized the issuance, sale and delivery from time to time of one or more series of its bonds in order to provide funds for financing, in whole or in part, costs of the planning, construction, reconstruction, establishment, extension, enlargement, demolition, improvement or acquisition of certain capital projects set forth in the capital budget of the County for the fiscal year ending June 30, 2022; and

**WHEREAS**, the Authorization Ordinance provides that the Bonds shall be issued pursuant to an order of the County Executive or the County Executive's delegees which shall determine all matters relating to the sale, issuance, delivery and payment of the Bonds, including all matters relating to the form, date and denominations of the Bonds, the principal maturities and/or mandatory sinking fund installments, the methods to be used in determining interest payable on the Bonds, the provision of bond insurance on all or any portion of the Bonds, and provisions for registration of the Bonds, for their redemption prior to stated maturity, and for the use of facsimile signatures or seals, whether the Bonds are to be issued in book-entry form and all matters incident to the issuance of the Bonds in book-entry form; and

**WHEREAS**, pursuant to the Authorization Ordinance, the County Executive executed the Initial Executive Order providing for the consolidation, sale and designation of the Bonds and the delivery of a Preliminary Official Statement in connection with the sale of the Bonds; and

**WHEREAS**, the Initial Executive Order provided that the aggregate principal amount of the Bonds and the maturity schedule therefor (as reflected in the Preliminary Official Statement referred to herein) could be adjusted by the County Executive both before and after the receipt of bids for the purchase of the Bonds; and

**WHEREAS**, the Enabling Laws, the County Charter, the Authorization Ordinance, the Enabling Acts, the Initial Executive Order and this Executive Order (this "Order") are hereinafter collectively referred to as the "Enabling Legislation"; and

**WHEREAS**, the electronic bids for the Bonds were received on May 17, 2022, and this Order is adopted to implement the provisions of the Enabling Legislation.

**NOW, THEREFORE, BE IT ORDERED BY THE COUNTY EXECUTIVE OF PRINCE GEORGE'S COUNTY, MARYLAND, THAT:**

**Section 1.** Pursuant to the authority of the Enabling Legislation, there shall be and there is hereby authorized and directed the issuance, sale, execution and delivery of the Bonds in the aggregate principal amount of Two Hundred Seventy-Three Million Six Hundred Ten Thousand Dollars (\$273,610,000) which shall be designated "Prince George's County, Maryland General Obligation Consolidated Public Improvement Bonds, Series 2022A". The Bonds are being issued to provide funds for financing in whole or in part the costs of planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects including public school facilities; roads and bridges; public buildings; police, fire, and correctional facilities; community college, health and library facilities; courthouse projects; soil conservation projects; and environmental and stormwater management facilities, including the projects listed on the table set forth in Exhibit 1 attached hereto and made a part hereof.

The Bonds shall be dated as of the date of delivery, shall bear interest from such date and interest shall be payable on January 1, 2023 and semiannually thereafter on July 1 and January 1 in each year until paid at maturity or prior redemption.

The Bonds will mature on the dates and in the principal amounts and bear interest at the rate or rates set forth on Exhibit 2 attached hereto and made a part hereof.

The Bonds maturing on and after July 1, 2033 are subject to redemption prior to maturity at the option of the County at any time on and after July 1, 2032 as a whole or in part (and if in part, as directed by the County) from time to time, at a redemption price equal to 100% of the principal amount of the Bonds or portions thereof to be redeemed with accrued interest to the redemption date.

If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds or portions thereof to be redeemed shall be selected by the County. The County (through its office of the Director of Finance) or its successor will act as bond registrar and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed from such maturity shall be selected by lot or in such other manner as the Bond Registrar and Paying Agent, at its discretion, may deem proper; provided, however, that (i) the portion of any Bond to be redeemed shall be in the denomination of \$5,000 or integral multiples thereof, and (ii) in selecting Bonds for redemption, the Bond Registrar and Paying Agent shall treat each Bond as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. The Bonds so called for redemption will cease to accrue interest on the date fixed for redemption provided that funds sufficient for the payment thereof are available on such date. So long as the Bonds are maintained under a book-entry only system, the selection of individual ownership interests in the Bonds to be credited with any such partial redemption shall be made through DTC (defined herein).

At least thirty (30) days notice of any redemption of the Bonds shall be given in the manner prescribed in the Bonds.

The Bonds shall be issued in registered form in denominations of Five Thousand Dollars (\$5,000) and integral multiples thereof. Registration books (the "Bond Register") for the Bonds shall be maintained by the Bond Registrar and Paying Agent.

Initially, the Bonds will be issued under a book-entry only system with no physical distribution of certificates made to the owners thereof. One bond certificate for each maturity will be issued in an amount equal to the aggregate principal amount for such maturity, registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody, with transfers of the ownership interest of each beneficial owner of a Bond effected on the records of DTC and its Participants.

DTC may determine not to continue to act as securities depository for the Bonds at any time by giving reasonable notice to the County. The County Executive, by order, may determine to select a different securities depository or to discontinue the book-entry only system of evidence and transfer of ownership of the Bonds at any time by giving reasonable notice to DTC, any successor depository for the Bonds selected by the County Executive or the successor of either (the "Securities Depository"). Upon any such termination, the County Executive, by order, will provide for the issuance and delivery of bond certificates in registered form, numbered, printed and in all respects in conformity with standard registered bond registration practices. If the County

Executive determines to discontinue the book-entry only system, the County Executive, by order, may appoint a successor bond registrar and paying agent pursuant to the Authorization Ordinance.

The Bonds shall be executed by the manual or facsimile signature of the County Executive and the corporate seal of the County (which may be a facsimile) shall be thereunto affixed, imprinted or engraved and attested by the manual or facsimile signature of the Clerk of the County Council (the "Clerk of the County Council"). The Bonds shall be authenticated by the manual signature of the Director of Finance of the County (the "Director of Finance") or a County official authorized in writing by the Director of Finance. No Bond shall be valid for any purpose or constitute an obligation of the County unless so authenticated.

The principal of the Bonds shall be payable to the registered owners of the Bonds in lawful money of the United States of America at the time of payment upon presentation and surrender at the office of the Bond Registrar and Paying Agent, on the due date for such payment or, if such date is not a County Business Day (as hereinafter defined), on the next succeeding County Business Day, by wire transfer or by check, as determined by the County, to the Securities Depository or, in the event of any discontinuation of the book-entry only system, to the persons in whose names the Bonds are registered on the Bond Register.

Interest on the Bonds shall be payable to the Securities Depository or, in the event of any discontinuation of the book-entry only system, to the persons in whose names the Bonds are registered on the Bond Register as of the close of business on the Regular Record Date, which shall be the first day of the month in which such interest payment date occurs. Payment of the interest on the Bonds shall be made on the due date for such payment or, if such date is not a County Business Day, on the next succeeding County Business Day, by wire transfer or by check, as determined by the County, or as otherwise required by the Securities Depository, sent to the Securities Depository or, in the event of any discontinuation of the book-entry only system, to the addresses of the persons in whose names the Bonds are registered on the Bond Register. Any such interest not punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name such Bond is registered as of the close of business on a date to be fixed by the Bond Registrar and Paying Agent for the payment of such defaulted interest (the "Special Record Date"), notice of such Special Record Date therefor being given by letter mailed first class, postage prepaid, to the registered owner of such Bond not less than ten (10) days prior to such Special Record Date, at the address of such person appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange. Interest will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance.

"County Business Day" means any date of the year on which (i) banking institutions in New York, New York or in Maryland are not authorized or obligated by law to remain closed or on which the New York Stock Exchange is not closed or (ii) the offices of the County are not authorized or obligated by law or required by an executive order of the County Executive to be closed.

The Bonds shall be substantially in the form set forth as an Attachment to the Authorization Ordinance and made a part thereof, with any additions, deletions, and substitutions made pursuant to the Enabling Legislation.

The execution and delivery of the Bonds by the officers of the County in accordance with this Section and the Enabling Legislation shall be conclusive evidence of the approval of any insertions, omissions, variations, notations, legends or endorsements authorized by the Enabling Legislation and this Section by the officers of the County executing the same.

**Section 2.** The Bonds were offered for sale on May 17, 2022 in accordance with the terms of the Notice of Sale for the Bonds. Electronic bids submitted via i-Deal LLC BiDCOMP/Parity Competitive Bidding System were received by the Director of Finance on behalf of the County Executive in accordance with the terms of the Notice of Sale.

After receipt of electronic bids for the Bonds on May 17, 2022, and after study and computation of said bids, the Director of Finance has reported to the County Executive that the true interest cost (TIC) of each of the bid proposals received for the Bonds, calculated in accordance with the method described in the Notice of Sale, is as set forth in Exhibit 3 attached to this Order and made a part hereof.

It is the conclusion of the Director of Finance, after considering the lowest true interest cost and other factors set forth in the Notice of Sale, that the bid proposal of the bidder of the Bonds named in Exhibit 4 attached to this Order (the "Winning Bidder") and made a part hereof is the best bid proposal received by the County for the Bonds. Bond Counsel has advised the County Executive that the bid proposal of the Winning Bidder was made in all respects in accordance with the terms of the Enabling Legislation.

The bid proposal of the Winning Bidder for the Bonds is hereby accepted.

The Bonds are hereby awarded to the Winning Bidder at the price named by it in its bid proposal, and the Bonds, when prepared in definitive form, shall be duly executed as required by law and delivered to said Winning Bidder in accordance with such arrangements as may be made between it and the Director of Finance of the County in accordance with the terms and conditions of the Notice of Sale for the Bonds, such delivery to be made upon receipt of the total purchase price for the Bonds plus accrued interest, if any, to the date of delivery, less the good faith deposit received from said Winning Bidder to secure its bid which has been accepted, said purchase price to be paid in federal funds to the order of Prince George's County, Maryland and delivered to or upon the order of the Director of Finance.

The annual maturities of the Bonds shall bear interest at the rate or rates contained in the bid of the Winning Bidder and set forth on Exhibit 2 attached hereto and made a part hereof.

**Section 3.** The delivery by the Director of Finance of a certificate deeming the Preliminary Official Statement dated May 11, 2022 relating to the Bonds final for purposes of Rule 15c2-12 of the Securities and Exchange Commission is hereby ratified and confirmed.

**Section 4.** The distribution of the final Official Statement dated the date hereof (the "Official Statement"), substantially in the form attached hereto as Exhibit 5, is hereby approved.

**Section 5.** The Official Statement shall be executed and delivered on behalf of the County by the County Executive of the County and the Director of Finance substantially in the form approved hereby with such changes, insertions, omissions or variations as are required to conform with the terms of this Order or as may be deemed necessary or appropriate by the officers executing the same, consistent with the Enabling Legislation. The execution and delivery of the Official Statement shall be conclusive evidence of the approval of any such changes, insertions, omissions or variations by the County.

**Section 6.** The Bonds are being issued with the expectation that the interest on them will not be included in gross income for federal income tax purposes. Accordingly, the County Executive specifically covenants for and on behalf of the County that the County shall comply with the provisions of the Internal Revenue Code of 1986, as amended, applicable to the Bonds, including (without limitation) any provisions of such law regarding the timing of the expenditure of the proceeds of the Bonds, the use of such proceeds, the restriction of investment yields, the filing of information with the Internal Revenue Service and the rebate of certain earnings resulting from the investment of the proceeds of the Bonds. The County Executive further covenants that the County shall make such use of the proceeds of the Bonds, regulate the investment of the proceeds thereof and take such other and further actions as may be required to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. All officers, employees and agents of the County are hereby authorized and directed to take such actions, and to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds, as may be necessary or appropriate from time to time to comply with, or to evidence the County's compliance with, the covenants set forth in this Order.

The County Executive and the Director of Finance shall execute and deliver a Tax Certificate and Compliance Agreement dated the date the Bonds are issued. The statements, agreements, certifications and covenants set forth in such Tax Certificate and Compliance Agreement in furtherance of this Order shall be binding upon the County as if set forth in full in this Order.

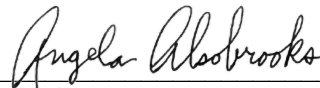
**Section 7.** The Chief Administrative Officer, a Deputy Chief Administrative Officer, the Director of Finance, the Clerk of the County Council, the County Attorney and all other officers and officials of the County are hereby authorized to execute and deliver, for and on behalf of the County, any and all additional certificates and documents or other papers and to do any and all things necessary or appropriate in order to effect the issuance and sale of the Bonds and to consummate the transactions contemplated by the Enabling Legislation.

**Section 8.** The County Executive hereby authorizes and directs the Chief Administrative Officer to execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in the form approved by the Chief Administrative Officer, such approval to be conclusively evidenced by his execution thereof. The County covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of this Order, failure of the County to comply with the Continuing Disclosure Agreement shall not be considered an event of default hereunder

or under the Bonds; however, any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or any Bondholder may take such actions as may be necessary and appropriate, including specific performance by court order, to cause the County to comply with its obligations under this Section 8.

**Section 9.** The provisions of this Order are severable, and if any provision, sentence, clause, section or part hereof is held illegal, invalid, unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Order or their application to other persons or circumstances. It is hereby declared that this Order would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein and as if the person or circumstances to which this Order or any part hereof is inapplicable had been specifically exempted therefrom.

**Section 10.** This Order shall take effect immediately upon its execution.



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Angela D. Alsobrooks  
County Executive

<b>PROJECTS TO BE FINANCED WITH PROCEEDS OF THE SERIES 2022A BONDS*</b>		
<b>Project</b>	<b>WBS</b>	<b>Programmed FY2022 Bond Sale</b>
<b>BOARD OF EDUCATION</b>		
ADA UPGRADES	4.77.0005	4,740
ASBESTOS CEILING TILE REPLACEMENT	4.77.0014	2,670
BURIED FUEL TANK REPLACEMENTS	4.77.0008	1,579
C. ELIZABETH RIEG ES REPLACEMENT	4.77.0024	1,266
CODE CORRECTIONS	4.77.0021	5,670
FAIRMONT HEIGHTS HIGH SCHOOL	4.77.0004	10,199
HEALTHY SCHOOLS	4.77.0079	300
HVAC UPGRADES	4.77.0016	5,000
INTERNATIONAL SCHOOL AT LANGLEY PARK	3.77.0017	500
KITCHEN AND FOOD SERVICES	4.77.0003	2,170
LEAD REMEDIATION PROJECTS	4.77.0050	612
MAJOR REPAIRS LIFECYCLE REPLACEMENTS	4.77.0020	14,434
NEW GLENRIDGE AREA MIDDLE SCHOOL #2	3.77.0016	11,942
NEW NORTHERN ADELPHI AREA HS	3.77.0021	6,500
PARKING LOTS/DRIVEWAYS	4.77.0015	2,585
PLANNING AND DESIGN	4.77.0011	9,203
PLAYGROUND EQUIPMENT PLAY FIELD REPLACEMENT	4.77.0006	889
SECONDARY SCHOOL REFORM (SSR)	4.77.0001	1,754
SUITLAND HS COMPLEX	4.77.0048	2,050
SYSTEMIC REPLACEMENTS 2	4.77.0009	38,400
<b>Subtotal</b>		<b>122,462</b>
<b>PUBLIC WORKS AND TRANSPORTATION</b>		
ADDISON RD I	4.66.0024	1,034
BRIDGE REPAIR & REPLACEMENT 2	4.66.0001	3,840
BRIDGE REPLACEMENT - CHESTNUT AVENUE	4.66.0046	2,158
BRIDGE REPLACEMENT - SUNNYSIDE AVENUE	4.66.0027	111
BRIDGE REPLACEMENT - TEMPLE HILL ROAD	4.66.0010	2,692
CURB & ROAD REHABILITATION 2	4.66.0002	9,314
GREEN STREET IMPROVEMENTS	4.66.0008	2,996
MARYLAND PURPLE LINE	7.66.0001	27,125
PEDESTRIAN SAFETY IMPROVEMENTS	4.66.0040	5,008
STREET LIGHTS & TRAFFIC SIGNALS 2	1.66.0001	2,150
STREET TREE REMOVAL AND REPLACEMENT	4.66.0021	1,258
TRAFFIC CONGESTION IMPROVEMENTS 2	4.66.0004	3,063
TRANSPORTATION ENHANCEMENTS 2	4.66.0005	2,450
<b>Subtotal</b>		<b>63,199</b>
<b>LIBRARY</b>		
HYATTSVILLE BRANCH REPLACEMENT	4.71.0001	800
BLADENSBURG LIBRARY	4.71.0006	13,741
LIBRARY BRANCH RENOVATIONS 2	4.71.0002	2,417
SURRATTS-CLINTON BRANCH RENOVATION	4.71.0005	3,150
<b>Subtotal</b>		<b>20,108</b>
<b>HEALTH</b>		
HEALTH FACILITIES RENOVATIONS	4.70.0001	1,500
REGIONAL HEALTH AND HUMAN SERVICES CENTER	3.70.0001	1,820
<b>Subtotal</b>		<b>3,320</b>
<b>CORRECTIONS</b>		
MEDICAL UNIT RENOVATION AND EXPANSION	4.56.0005	3,751
<b>Subtotal</b>		<b>3,751</b>



<b>PROJECTS TO BE FINANCED WITH PROCEEDS OF THE SERIES 2022A BONDS (continued)*</b>		
<b>COURTS</b>		
COURTHOUSE RENOVATIONS & SECURITY UPGRADES	4.31.0002	5,533
Subtotal		<b>5,533</b>
<b>POLICE</b>		
SPECIAL OPERATIONS DIVISION FACILITY	4.50.0002	1,000
Subtotal		<b>1,000</b>
<b>FIRE</b>		
FIRE STATION RENOVATIONS	4.51.0008	2,024
Subtotal		<b>2,024</b>
<b>COMMUNITY COLLEGE</b>		
DR CHARLENE MICKENS STUDENT CENTER RENOVATION	4.73.0009	1,067
RENOVATE MARLBORO HALL	4.73.0008	4,540
Subtotal		<b>5,607</b>
<b>CENTRAL SERVICES</b>		
COUNTY BUILDING RENOVATIONS II	4.31.0001	3,301
Subtotal		<b>3,301</b>
<b>DEPARTMENT OF THE ENVIRONMENT</b>		
ORGANICS COMPOSTING FACILITY	3.54.0001	1,837
MATERIALS RECYCLING FACILITY	5.54.0020	1,288
SANDY HILL SANITARY LANDFILL	5.54.0003	2,370
Subtotal		<b>5,495</b>
<b>TOTAL General Obligation Bonds</b>		<b>235,800</b>
<b>STORMWATER</b>		
BEAR BRANCH SUB WATERSHED	5.54.0016	2,050
CALVERT HILLS	5.54.0024	4,341
COE COUNTY RESTORATION	5.54.0012	1,629
EMERGENCY RESPONSE PROGRAM	5.54.0015	748
FLOOD PROTECTION AND DRAINAGE IMPROVEMENT	5.54.0005	3,043
MS4/NPDES COMPLIANCE & RESTORATION	5.54.0019	9,692
STORMWATER MANAGEMENT RESTORATION	5.66.0002	5,502
MAJOR RECONSTRUCTION PROGRAM (DPWT)	5.66.0003	10,808
<b>TOTAL Stormwater Bonds</b>		<b>37,813</b>
<b>TOTAL Series 2022A Bonds*</b>		<b>273,613</b>
*Main project categories are rounded down to the nearest \$5,000 reducing aggregate project costs by approximately \$10,000. All amounts in \$ thousands.		

**MATURITIES, PRINCIPAL AMOUNTS AND INTEREST RATES FOR BONDS****\$273,610,000 General Obligation Consolidated Public  
Improvement Bonds, Series 2022A**

Maturity July 1	Principal Amount	Interest Rate	Maturity July 1	Principal Amount	Interest Rate
2023	\$ 7,080,000	5.00%	2033	\$ 19,440,000	5.00%
2024	9,305,000	5.00	2034	19,545,000	5.00
2025	10,100,000	5.00	2035	18,220,000	5.00
2026	10,890,000	5.00	2036	15,445,000	5.00
2027	12,410,000	5.00	2037	13,410,000	5.00
2028	13,930,000	5.00	2038	12,095,000	5.00
2029	16,175,000	5.00	2039	11,520,000	5.00
2030	17,705,000	5.00	2040	10,210,000	5.00
2031	20,685,000	5.00	2041	8,200,000	5.00
2032	20,780,000	5.00	2042	6,465,000	5.00

**TRUE INTEREST COST OF PROPOSALS FOR BONDS**

<b>Bidder Name</b>	<b>TIC</b>
J.P. Morgan Securities LLC	3.490875
Jefferies LLC	3.510091
BofA Securities LLC	3.511331
Morgan Stanley & Co, LLC	3.539800
Citigroup Global Markets Inc.	3.540905
Goldman, Sachs & Co.	3.581533
Wells Fargo Bank, National Association	3.584000

**WINNING BIDDER**

J.P. Morgan Securities LLC

**FORM OF OFFICIAL STATEMENT**

**(SEE ATTACHED)**



**\$273,610,000**  
**PRINCE GEORGE'S COUNTY, MARYLAND**  
**GENERAL OBLIGATION CONSOLIDATED**  
**PUBLIC IMPROVEMENT BONDS, SERIES 2022A**

<b>Dated:</b>	Date of delivery
<b>Due:</b>	July 1 (as shown on inside front cover)
<b>Interest Payable:</b>	Semi-annually on January 1 and July 1
<b>Denomination:</b>	Integral multiples of \$5,000
<b>Form:</b>	Registered, book-entry only through the facility of The Depository Trust Company
<b>First Interest Payment Due:</b>	January 1, 2023 (Interest from date of delivery)
<b>Optional Redemption:</b>	The Bonds which mature before July 1, 2033 are not subject to redemption. The Bonds maturing on or after July 1, 2033 are subject to redemption at any time at par beginning July 1, 2032. See "THE BONDS – Redemption of the Bonds" herein.
<b>Security:</b>	The Bonds are general obligations of Prince George's County, Maryland (the "County") for the payments of which the full faith and credit and limited taxing power are pledged (see "THE BONDS – Description of the Bonds - Security and Sources of Payment" herein).
<b>Tax Matters:</b>	See the information contained herein under the caption "THE BONDS – Tax Matters."
<b>Registrar/Paying Agent:</b>	Prince George's County, Maryland
<b>Book-Entry Only Form:</b>	The Depository Trust Company, New York, NY

**Notice:** *This Official Statement has been prepared by Prince George's County, Maryland (the "County") to provide information on the Bonds and the County. Selected information is presented on this cover page in summary form for the convenience of the user. To make an informed decision regarding the Bonds and the County, a prospective investor should read this Official Statement in its entirety.*

**Conditions Affecting Issuance:** The Bonds are offered when and if issued subject to, among other conditions, the delivery of the Bonds and the opinion of the County's Bond Counsel, Squire Patton Boggs (US) LLP. Certain other legal matters will be passed on by, and an opinion will be delivered by, the County's Tax Counsel, McKennon Shelton & Henn LLP. The Bonds will be available for delivery in New York, New York through the facilities of The Depository Trust Company, and certain closing documents will be available for delivery in Baltimore, Maryland on or about May 25, 2022 or at such time or place as shall be mutually agreed upon by the County and the successful bidder for the Bonds.

**The Date of this Official Statement is May 17, 2022**

**\$273,610,000**

**General Obligation Consolidated Public Improvement Bonds, Series 2022A  
MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES OR YIELDS AND CUSIPS**

Maturity July 1	Principal Amount	Interest Rate*	Yield	CUSIP	Maturity July 1	Principal Amount	Interest Rate*	Yield	CUSIP
2023	\$7,080,000	5.00%	2.07%	741702AA2	2033	\$19,440,000	5.00%	3.23%**	741702AL8
2024	9,305,000	5.00	2.36	741702AB0	2034	19,545,000	5.00	3.30%**	741702AM6
2025	10,100,000	5.00	2.54	741702AC8	2035	18,220,000	5.00	3.37%**	741702AN4
2026	10,890,000	5.00	2.58	741702AD6	2036	15,445,000	5.00	3.39%**	741702AP9
2027	12,410,000	5.00	2.65	741702AE4	2037	13,410,000	5.00	3.41%**	741702AQ7
2028	13,930,000	5.00	2.79	741702AF1	2038	12,095,000	5.00	3.43%**	741702AR5
2029	16,175,000	5.00	2.91	741702AG9	2039	11,520,000	5.00	3.50%**	741702AS3
2030	17,705,000	5.00	2.99	741702AH7	2040	10,210,000	5.00	3.51%**	741702AT1
2031	20,685,000	5.00	3.05	741702AJ3	2041	8,200,000	5.00	3.52%**	741702AU8
2032	20,780,000	5.00	3.17	741702AK0	2042	6,465,000	5.00	3.54%**	741702AV6

\* The interest rates and prices or yields shown above are those resulting from the successful bid for the Bonds on May 17, 2022, and were furnished by the successful bidder. Other information concerning the terms of the reoffering of the Bonds, if any, should be obtained from the successful bidder and not from the County.

\*\* Priced to call date of July 1, 2032.

**Purpose:** The Bonds are being issued to: (1) provide funds for financing in whole or in part the costs of the planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects including public school facilities; roads and bridges; public buildings; police, fire, and correctional facilities; community college, health and library facilities; courthouse projects; soil conservation projects; and environmental and stormwater management facilities; and (2) pay the costs and expenses of issuing and delivering the Series 2022A Bonds.

**Authority for Issuance:** The Bonds are being issued under the authority of Section 10-203 and Title 21, Subtitle 6 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2020 Supplement) (the "Local Government Article"), the Charter of Prince George's County, Maryland, the Authorization Ordinance (as defined herein), the bond enabling laws cited in the Authorization Ordinance, and certain executive orders of the County Executive of the County.

**Limitations on Offering or Reoffering Securities:** No dealer, broker, sales representative or other person has been authorized by the County or by the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if provided or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

**Litigation:** There is no litigation now pending or, to the knowledge of County officers, threatened which questions the validity of the Bonds or of any proceedings of the County taken with respect to the issuance or sale thereof.

**Continuing Disclosure:** The County will agree with the purchasers of the Bonds, by executing a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") on or before the date of issuance of the Bonds, to provide notices of occurrence of certain enumerated events and certain financial information and operating data relating to the County annually to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") System. See "THE BONDS – Continuing Disclosure" herein.

**No Contract or Investment Advice:** This Official Statement is presented for the guidance of prospective purchasers of the Bonds. This Official Statement is not a contract and does not provide investment advice. Investors should consult their own financial advisors and/or legal counsel with questions about this Official Statement or anything else related to this bond issue.

## **PRINCE GEORGE'S COUNTY, MARYLAND**

**Wayne K. Curry Administration Building**  
1301 McCormick Drive  
Largo, Maryland 20774

### **County Executive**

Angela D. Alsobrooks

### **County Council**

Calvin S. Hawkins, II, Council Chair – At Large  
Sydney J. Harrison, Council Vice-Chair – District 9  
Deni L. Taveras, Council Member – District 2  
Thomas E. Dernoga, Council Member – District 1  
Dannielle M. Glaros, Council Member – District 3  
Todd M. Turner, Esq., Council Member – District 4  
Jolene Ivey, Council Member – District 5  
Johnathan M. Medlock, Council Member – District 6  
Rodney C. Streeter, Council Member – District 7  
Edward Burroughs, III, Council Member – District 8  
Mel Franklin, Council Member – At Large

### **Certain Appointed Officials**

Tara H. Jackson, Chief Administrative Officer  
Stanley A. Earley, Director, Office of Management  
and Budget  
Stephen J. McGibbon, Director of Finance Rhonda  
L. Weaver, County Attorney

### **Financial Advisor**

Public Resources Advisory Group  
39 Broadway, Suite 1210  
New York, New York 10006

### **Bond Counsel**

Squire Patton Boggs (US) LLP  
2550 M Street, NW  
Washington, D.C. 20037

### **Tax Counsel**

McKennon Shelton & Henn LLP  
401 East Pratt Street, Suite 2600  
Baltimore, Maryland 21202

### **Independent Auditors**

CliftonLarsonAllen LLP  
9515 Deereco Road, Suite 500  
Timonium, Maryland 21093

No dealer, broker, sales representative or other person has been authorized by the County or the successful bidder to provide any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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

The Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors affecting the County and financial results could cause actual results to differ materially from those stated in the forward-looking statements. The County does not plan to issue any updates or revisions to the forward-looking statements.

All quotations from, and summaries and explanations of provisions of, laws and documents herein do not purport to be complete and reference is made to such laws and documents for a full and complete statement of their provisions. All statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the County since the respective dates as of which information is given herein.

CUSIP data on the inside cover page of this Official Statement is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (the "ABA") by FactSet Research Systems Inc. "CUSIP" is a registered trademark of the ABA. The County does not take any responsibility for the accuracy thereof. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services' information. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Bonds.



# Prince George's County, Maryland



Source: Esri  
Prepared by the Maryland-National Capital Park and Planning Commission,  
Prince George's County Planning Department, Research Section

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Appendix A:	Audited Basic Financial Statements
Appendix B:	Notice of Sale
Appendix C-1:	Form of Opinion of Bond Counsel
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Appendix D:	Form of Continuing Disclosure Agreement
Appendix E-1:	Form of Qualified Competitive Bid Issue Price Certificate
Appendix E-2:	Form of Nonqualified Competitive Bid Issue Price Certificate

## SUMMARY OF OFFICIAL STATEMENT

This Official Statement furnishes information in connection with the sale and delivery by Prince George's County, Maryland (the "County") of \$273,610,000 aggregate principal amount of its General Obligation Consolidated Public Improvement Bonds, Series 2022A (the "Bonds"). The Bonds will be issued in accordance with the Notice of Sale contained in APPENDIX B.

**Purpose:** The Bonds are being issued to: (1) provide funds for financing in whole or in part the costs of the planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects including public school facilities; roads and bridges; public buildings; police, fire, and correctional facilities; community college, health and library facilities; courthouse projects; soil conservation project; and environmental and stormwater management facilities; and (2) pay the costs and expenses of issuing and delivering the Bonds.

**Bond Form and Denomination; Book-Entry Only System:** The Bonds will be executed, authenticated and issued in fully registered form without coupons. The Bonds will be issued in denominations of \$5,000 and integral multiples thereof. The Bonds are available only in global book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, acting as securities depository for the Bonds.

**Principal and Interest Payment Dates:** The Bonds are due on July 1, in each of the years 2023 through 2042, inclusive, in the aggregate principal amount of \$273,610,000. Interest on the Bonds from the date of delivery will be payable commencing January 1, 2023 and semi-annually thereafter on July 1 and January 1 of each year, until paid at maturity or prior redemption. Interest on the Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months.

**Bond Registrar and Paying Agent:** The County will act as the Bond Registrar and as the Paying Agent for the Bonds, except as otherwise described herein. The office of the Bond Registrar and Paying Agent is located in the Office of the Director of Finance for the County. Contact information is provided below.

**Security and Sources of Payment:** The County has pledged its full faith and credit and limited taxing power for the payment of the principal and interest on the Bonds. The County is empowered and directed to levy ad valorem taxes upon all legally assessable property within the corporate limits of the County to pay debt service on the Bonds; such tax is subject, however, to the tax limitations set forth in Sections 812 and 813 of the County's Charter. Portions of the Bonds are payable, in the first instance, from certain specified sources as authorized by the State of Maryland and the County. See "THE BONDS – Description of the Bonds – Security and Sources of Payment." For a description of the impact of COVID-19 on the County's revenues and expenditures, see also "FINANCIAL INFORMATION – Impact of COVID-19 Pandemic on the County."

**Redemption:** The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS – Redemption of the Bonds."

**Continuing Disclosure:** In order to assist bidders in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the County will execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") on or before the date of the issuance of the Bonds, to provide (i) notices of the occurrence of certain enumerated events and (ii) certain financial information and operating data relating to the County annually to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) System. The form of this agreement is included as Appendix D to this Official Statement. See "THE BONDS – Continuing Disclosure" herein.

**County:** The Office of the Director of Finance for the County is located at the Wayne K. Curry Administration Building, Suite 1100, 1301 McCormick Drive, Largo, Maryland 20774; email [financedirector@co.pg.md.us](mailto:financedirector@co.pg.md.us). Information regarding the County's Annual Comprehensive Financial Reports for prior years can be found online at: <https://www.princegeorgescountymd.gov/4334/Annual-Comprehensive-Financial-Reports>, and information regarding the County's annual approved budgets can be found online at: <http://www.princegeorgescountymd.gov/564/Budgets>.

**No Contract or Investment Advice:** This Official Statement is presented for the guidance of prospective purchasers of the Bonds. This Official Statement is not a contract and does not provide investment advice. Investors should consult their own financial advisors and/or legal counsel with questions about this Official Statement or anything else related to the Bonds.

**THE FOREGOING SUMMARY INFORMATION IS QUALIFIED IN ITS ENTIRETY BY THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT.**

## Statistical Synopsis

Selected County Statistics	2019	2020	2021
<b>Financial Statistics &amp; Ratios <sup>1</sup></b>			
Total General Fund Revenues (\$ millions)	\$ 2,064.7	\$ 2,076.3	\$ 2,228.9
Total General Fund Expenditures and Other Uses (\$ millions)	\$ 2,022.5	\$ 1,969.7	\$ 2,024.9
Total General Fund Balance (\$ millions)	\$ 580.1	\$ 532.0	\$ 653.3
Total Unassigned General Fund Balance (\$ millions)	\$ 235.6	\$ 176.2	\$ 235.4
General Fund Balance as % of Revenues	28.1%	25.6%	29.3%
Unassigned General Fund Balance as % of Revenues	11.4%	8.5%	10.6%
General Fund Balance as % of Expenditures and Other Uses	28.7%	27.0%	32.3%
Unassigned General Fund Balance as % of Expenditures and Other Uses	11.6%	8.9%	11.6%
Cash & Investments – General Fund (\$ millions)	\$ 423.6	\$ 410.9	\$ 425.4
Cash & Investments as % of Revenues	20.5%	19.8%	19.1%
<b>Debt Statistics &amp; Ratios <sup>1</sup></b>			
Gross Direct Debt Outstanding (\$ millions)	\$ 2,239.9	\$ 2,395.2	\$ 2,512.1
Net Direct General Fund Debt (\$ millions)	\$ 1,500.1	\$ 1,530.2	\$ 1,588.5
Net Direct and Overlapping General Fund Debt (\$ millions)	\$ 1,500.1	\$ 1,530.2	\$ 1,588.5
Gross Direct Debt as % of Assessed Value	2.5%	2.3%	2.4%
Gross Direct Debt per Capita	\$ 2,463.3	2,476.4	2,629.6
Net Direct General Fund Debt as % of Assessed Value	1.7%	1.5%	1.5%
Net Direct General Fund Debt per Capita	\$ 1,649.7	\$ 1,582.1	\$ 1,662.8
Net Direct and Overlapping General Fund Debt as % of Assessed Value	1.7%	1.5%	1.5%
Net Direct and Overlapping General Fund Debt per Capita	\$ 1,649.7	\$ 1,582.1	\$ 1,662.8
General Fund Debt Service (\$ millions)	\$ 126.1	\$ 132.9	\$ 150.1
General Fund Debt Service as % of General Fund Expenditures and Other Uses	6.2%	6.7%	7.4%
% Payout, 5 Years, Net Direct General Fund Debt	34.7%	35.9%	36.3%
% Payout, 10 Years, Net Direct General Fund Debt	69.6%	71.5%	72.5%
Legal Debt Margin (\$ millions)	\$ 4,864.5	\$ 5,101.7	\$ 5,446.8
<b>Financial Data: Tax Base Statistics and Ratios <sup>1</sup></b>			
Total Assessed Value (\$ millions)	\$ 90,719.0	\$ 104,246.7	\$ 106,747.5
Assessed Value per Capita	\$ 99,765.0	\$ 107,781.8	\$ 111,741.7
Average Annual Increase in Assessed Value over Past 5 Years	3.6%	6.3%	6.1%
County Tax Rate per \$100 of Assessed Value	\$ 1.00	\$ 1.00	\$ 1.00
Tax Rate Collection	99.4%	99.2%	99.2%
Top Ten Taxpayers as % of Total	10.7%	10.3%	10.1%
<b>Financial Data: Demographic Statistics <sup>2</sup></b>			
Population	909,327	967,201	955,306
Per Capita Income	49,947	54,195	N/A
Per Capita Income as % of State	79.3%	81.1%	N/A
Per Capita Income as % of U.S.	89.1%	91.1%	N/A
Median Household Income	84,920	86,994	N/A
Median Household Income as % of State	100.1%	99.9%	N/A
Median Household Income as % of U.S.	135.1%	133.8%	N/A
Population Change Past 10 Years (%)	9.0%	11.8%	N/A
Median Home Value	\$302,800	319,500	N/A
County Annual Unemployment Rate	3.6	8.0	7.5

<sup>1</sup> Source: Prince George's County Office of Finance (based on Fiscal Year data)

<sup>2</sup> Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (based on Calendar Year data)

N/A: Data is unavailable at this time.

As of May 2022

## INTRODUCTION

The purpose of this Official Statement, including the cover page, the inside cover page (excluding prices and yields), the table of contents, Summary of Official Statement and appendices (this “Official Statement”), is to provide information regarding the issuance by Prince George’s County, Maryland (referred to herein as the “County” or “Prince George’s County”) of \$273,610,000 aggregate principal amount of its General Obligation Consolidated Public Improvement Bonds, Series 2022A (the “Bonds”).

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

The material and information contained in this Official Statement have been provided by the County; the execution and distribution of this Official Statement have been authorized and approved by the County.

### **The County**

The County is a body corporate and politic and a political subdivision of the State of Maryland (the “State”), with Upper Marlboro, one of 27 municipalities in the County, serving as the County seat. The County has been under charter home rule since 1970. For more complete information, see “THE COUNTY” herein.

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## THE BONDS

### **Description of the Bonds**

The County will issue and cause to be authenticated and delivered its General Obligation Consolidated Public Improvement Bonds, Series 2022A in the aggregate principal amount of \$273,610,000. The Bonds will be dated as of the date of delivery, and will bear interest at the rates per annum set forth on the inside front cover page of this Official Statement. Interest on the Bonds from the date of delivery is payable initially on January 1, 2023, and semiannually thereafter on July 1 and January 1 in each year, until paid at maturity or prior redemption. Interest on the Bonds is paid to the owners in whose name the Bonds are registered on the registration books (the "Bond Register") maintained by the County as bond registrar and paying agent (the "Bond Registrar and Paying Agent"), as of the close of business on the Regular Record Date, which shall be the fifteenth (15<sup>th</sup>) day of the month immediately preceding the month in which such interest payment date occurs. Payment of interest on the Bonds shall be by wire or check as determined by the County, to each registered owner's address as it appears on the Bond Register. Any such interest not punctually paid or duly provided for shall forthwith cease to be payable to the registered owners on such Regular Record Date, and may be paid to the owners in whose name the Bonds are registered as of the close of business on a date to be fixed by the Bond Registrar and Paying Agent for the payment of such defaulted interest (the "Special Record Date"), notice of such Special Record Date therefor being given by letter mailed first class, postage prepaid, to the registered owners of the Bonds not less than ten days prior to such Special Record Date, at the address of such registered owners appearing on the Bond Register, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Bonds may be listed and upon such notice as may be required by such exchange. The Bonds will mature on each July 1 in the years and amounts stated on the inside front cover of this Official Statement. Interest shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. The Bonds are subject to redemption prior to maturity as set forth herein. The Bonds will be executed, authenticated and issued in fully registered form without coupons. The Bonds will be issued in denominations of \$5,000 and integral multiples thereof. The Bonds initially will be issued in book-entry form without any physical distribution of certificates made to the Beneficial Owners (defined herein). The Depository Trust Company, New York, New York ("DTC") initially will act as securities depository for the Bonds. The Bonds initially will be registered in the name of DTC's partnership nominee, Cede & Co.

### ***Authorization***

The Bonds are being issued under the authority of Section 10-203 and Title 21, Subtitle 6 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, 2020 Supplement), as amended (the "Local Government Article"), the Charter of Prince George's County, Maryland (the "County Charter"), County Council of the County Bill No. CB-94-2021 (the "Authorization Ordinance"), the bond enabling laws cited in the Authorization Ordinance (the "Enabling Acts"), Executive Orders Nos. 4-2022 and 6-2022 of the County Executive.

### ***Security and Sources of Payment***

The Bonds are valid and legally binding general obligations of the County to which its full faith and credit and limited taxing power are irrevocably pledged. To provide for the payment of the Bonds, the County is empowered and directed to levy ad valorem taxes upon all the legally assessable property within the corporate limits of the County subject to the limitations set forth in Sections 812 and 813 of the County Charter.



Section 812 of the County Charter ("Section 812") provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; except that the County may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed \$2.40 for each \$100.00 of assessed value." Section 813 provides that any ordinance or resolution levying or charging taxes or certain fees in excess of the amount levied or charged in the preceding fiscal year shall be referred to a referendum of the qualified voters of the County.

In the 2000 legislative session, the State legislature enacted a law providing that beginning in fiscal year 2002, the property tax for real property shall be applied to 100 percent, instead of 40 percent, of the phase-in value of the real property and that the tax rate shall be adjusted to make the impact revenue neutral. Such State law also provides that any limit on a local real property tax rate in a local law or charter provision shall be construed to mean a rate equal to 40 percent times the rate stated in the local law or charter provision. Pursuant to this law, the \$2.40 real property tax rate limitation stated in Section 812 of the County Charter shall be construed as \$0.96 for each \$100 assessed value.

Section 5-104 of the Education Article of the Annotated Code of Maryland provides, under certain circumstances, for the property tax rate to be set higher than the rate authorized under the County Charter. Additional revenue as a result of the increase in the property tax rate is for the sole purpose of funding the approved budget of the local school board. In compliance with such State law, County Council Resolution CR-59-2020 set the tax rates for fiscal year 2021 (including taxes levied with respect to County general obligation bonds issued prior to the effective date of Section 812 and its predecessors) at \$1.00 for real property and \$2.50 for personal property upon each \$100 assessed value of all assessable property, real and personal, assessed according to the State laws and subject to taxation in the County. The property tax rate may be increased beyond this amount, as long as the purpose of the increase is to fund the local school board's budget.

The Bonds are payable on a parity basis with all other tax-supported general obligation debt of the County which has heretofore been issued and is outstanding, or which may be issued in the future. To provide for payment of the principal of and interest on the Bonds, the County, by the adoption of the Authorization Ordinances, has covenanted, subject to the limitations of Sections 812 and 813 of the County Charter and Title 21, Subtitle 6 of the Local Government Article, as applicable, to levy ad valorem taxes in rates and amounts sufficient to provide for payment when due of the interest on the Bonds payable during such fiscal year and the principal of the Bonds due in such fiscal year, and if tax proceeds so levied in any such fiscal year are inadequate for such purposes, to levy additional taxes, subject to County Charter and State law limitations, in succeeding fiscal years to make up such deficiency.

The Authorization Ordinance permits the County to apply to the payment of the principal of and interest on the Bonds any funds received by it from the State of Maryland, the United States of America, or any agency or instrumentality thereof, or from any other source, if such funds are granted for the purpose of assisting the County in obtaining public facilities of the class or classes of public facilities for which the Bonds, or respective portions of the Bonds, are authorized or may be otherwise lawfully applied to such payment, and to the extent any such funds are applied to such purposes in any fiscal year, the taxes required to be levied shall be reduced proportionately. As described below under "Stormwater Management Facilities" and "Solid Waste Management Facilities," debt service on certain portions of the Bonds is first payable from specified sources. The County consistently has paid from such sources the portions of its prior general obligation bonds issued to finance such facilities, and it is expected by the County that such sources will be applied to pay such portions of the Bonds.

### ***Stormwater Management Facilities***

The principal of and interest on the portion of the Bonds in the amount of \$37,810,000 issued to finance stormwater management facilities will be payable in the first instance from amounts on deposit in the Stormwater Fund (see “THE COUNTY — Description of Services — Services Managed by the County — Stormwater Management”). The County, by adoption of the Authorization Ordinances, has covenanted to levy in each fiscal year during which this portion of the Bonds is outstanding, a direct ad valorem tax upon all property assessed for tax purposes within the Stormwater Management District pursuant to Subtitle 6 of Title 21 of Local Government Article (the “Stormwater District”), at a rate sufficient to produce the amount needed to pay, in addition to other costs of the stormwater facilities to be paid from amounts in the Stormwater Fund, such principal and interest coming due during such fiscal year. In the event the proceeds from the taxes so levied in any such fiscal year shall prove insufficient for such payment, the County has covenanted to levy additional taxes within the Stormwater District in succeeding fiscal years to make up such deficiency. Such Stormwater District tax revenue totaled \$53,489,996 in fiscal year 2021. All revenue derived from such levy is deposited in the Stormwater Fund. In addition, the portion of the Bonds issued for this purpose is a valid and legally binding general obligation of the County to which its full faith and credit and taxing power are irrevocably pledged, subject to the applicable limitations set forth in Sections 812 and 813 of the County Charter.

There is also pledged to the payment of the interest on and redeeming and paying the aforementioned portion of the Bonds that is outstanding, as they respectively mature or become subject to mandatory redemption, Clean Water Act Fees collected by the County in accordance with the Stormwater Acts and deposited in the Local Watershed Protection and Restoration Fund (see “THE COUNTY, Description of Services—Services Managed by the County — Stormwater Management”).

### ***Solid Waste Management Facilities***

The principal of and interest on the portion of the Bonds in the amount of \$5,495,000 issued to finance solid waste management facilities will be payable in the first instance from net income of the County's Solid Waste Enterprise Fund (the “Solid Waste Fund”) to the extent available.

The County operates its Solid Waste Management system on a self-supporting basis. Revenues are derived from the following: (a) fees charged on certain property tax bills consisting of (i) refuse collection charges, (ii) residential system benefit charges and (iii) commercial system benefit charges, and (b) tipping fees charged at the landfill, which are designed to be competitive with surrounding disposal facilities. Such Solid Waste Management revenues totaled \$95,978,700 in fiscal year 2021. To the extent Solid Waste Management system revenues are insufficient to pay for operating and maintenance expenses, the County has pledged to pay such expenses from the County's General Fund. In addition, the portion of the Bonds issued for this purpose is a valid and legally binding general obligation of the County to which its full faith and credit and taxing power are irrevocably pledged, subject to the limitations set forth in Sections 812 and 813 of the County Charter.

## **Redemption of the Bonds**

### ***Optional Redemption of the Bonds***

The Bonds maturing on and after July 1, 2033 are subject to redemption prior to maturity at the option of the County at any time on and after July 1, 2032 as a whole or in part (and if in part, as directed by the County) from time to time, at a redemption price equal to 100% of the principal amount of such Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

### ***Selection of Bonds for Redemption***

If fewer than all of the Bonds shall be called for redemption, the particular maturities of the Bonds or portions thereof to be redeemed shall be selected by the County. The County will act as Bond Registrar and Paying Agent for the Bonds. If fewer than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed from such maturity shall be selected by lot or in such other manner as the Bond Registrar and Paying Agent, at its discretion, may deem proper; provided, however, that (i) the portion of any Bond to be redeemed shall be in the denomination of \$5,000 or integral multiples thereof, and (ii) in selecting Bonds for redemption, the Bond Registrar and Paying Agent shall treat each Bond as representing the number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. The Bonds so called for redemption will cease to accrue interest on the date fixed for redemption provided that funds sufficient for the payment thereof are available on such date. So long as the Bonds are maintained under a book-entry only system, the selection of individual ownership interests in the Bonds to be credited with any such partial redemption shall be made through DTC as described below under “THE BONDS – Book-Entry Only System.”

### ***Notice of Redemption***

So long as the Bonds are maintained under a book-entry only system, notice of the call for any redemption of the Bonds shall be given only to DTC as described below under “Book-Entry Only System.” At any other time, the Bond Registrar and Paying Agent shall give notice of the call for any redemption by first class mail at least 30 days before the date fixed for redemption to the registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Bond Registrar and Paying Agent, but failure by the Bond Registrar and Paying Agent to mail any such notice to any of such registered owners or any defect therein shall not affect the validity of the proceedings for the redemption of the Bonds for which notice was properly given. Any such notice may be conditioned upon the receipt by the Bond Registrar and Paying Agent by the date fixed for redemption of sufficient funds to effect such redemption. From and after the date fixed for redemption, if funds sufficient for the payment of the principal and accrued interest are available on such date, the Bonds or portions of Bonds designated for redemption shall cease to bear interest. Upon presentation and surrender in compliance with the redemption notice, the Bonds or portions of Bonds to be redeemed shall be paid by the Bond Registrar and Paying Agent at the redemption price plus accrued interest. If they are not paid upon presentation, the Bonds or portions of the Bonds designated for redemption shall continue to bear interest at the rate or rates stated therein until paid.

### **Book-Entry Only System**

#### ***The Depository Trust Company***

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

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic

computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

### ***Ownership of Bonds***

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

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

### ***Notices and Consents***

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

Redemption notices shall be sent to DTC. If less than all of the Bonds of any one maturity shall be called for redemption, the particular bonds of such maturity to be redeemed shall be selected by lot; except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bond or portion to be redeemed shall be selected by DTC in such manner as DTC shall determine. In selecting Bonds for redemption, the Bond Registrar shall treat each bond of a denomination higher than \$5,000 as representing that number of bonds which is equal to the principal amount of such bond divided by \$5,000.

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

### ***Payments on and Redemption of Bonds***

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Bond Registrar and Paying Agent, on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar and Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the owners of Bonds or Bond owners shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The County will recognize DTC or its nominee as the owner of all of the Bonds for all purposes, including the payment of the principal and interest on the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the owners of the Bonds.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OF THE BONDS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, (2) THE PAYMENT OF ANY AMOUNT DUE TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON ANY BONDS, OR (3) THE DELIVERY TO ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER AS IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BONDS TO BE GIVEN TO BOND OWNERS.

THE COUNTY CANNOT AND WILL NOT GIVE ANY ASSURANCES THAT DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR OTHER NOMINEES OF THE BENEFICIAL OWNERS OF THE BONDS WILL GIVE NOTICES RECEIVED BY THEM, OR HAVING RECEIVED PAYMENTS, WILL MAKE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST PAYMENTS ON THE BONDS TO THE BENEFICIAL OWNERS OF THE BONDS, THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

### ***Discontinuance of Book-Entry Only System***

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

## **Registration and Exchange of Bonds**

So long as the Bonds are maintained under a book-entry only system, Beneficial Owners thereof will have no right to receive physical possession of the Bonds, and transfers of ownership interests in the Bonds will be made through book-entries by DTC, Direct Participants and Indirect Participants (see “Book-Entry Only System – Ownership of Bonds” above).

At any other time, Bonds may be exchanged for a Bond or Bonds in aggregate principal amount equal to the principal amount of the Bond exchanged or the unredeemed portion thereof, in authorized denominations, and maturing on the same date and bearing interest at the same rate. The registration of any Bond may be transferred only upon an assignment duly executed by the registered holder or his duly authorized representative in such form as shall be satisfactory to the Bond Registrar and Paying Agent, and upon surrender of such Bond to the Bond Registrar and Paying Agent for cancellation. Whenever any Bond or Bonds shall be surrendered for registration or transfer, the County shall execute and the Bond Registrar and Paying Agent shall authenticate and deliver to the transferee a new Bond or Bonds of like series and maturity of authorized denomination or denominations and for the amount of such Bond or Bonds or the unredeemed portion thereof so surrendered. No Bond may be transferred or exchanged in violation of any applicable federal or state securities laws. The Bond Registrar and Paying Agent may require the person requesting any such exchange or transfer to reimburse it for any tax, fee or other governmental charge. The Bond Registrar and Paying Agent shall not be required to transfer any Bond after the mailing of notice calling such Bond for redemption has been made, or during the period of fifteen days next preceding mailing of a notice of redemption of Bonds.

## **Purpose of Issue**

### ***General***

The Bonds are being issued to: (1) provide funds for financing in whole or in part the costs of the planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects, including public school facilities; roads and bridges; public buildings; police, fire and correctional facilities; community college, health and library facilities; courthouse projects; soil conservation projects; and environmental and stormwater management facilities; and (2) pay the costs and expenses of issuing and delivering the Bonds.

*[Remainder of Page Left Intentionally Blank]*

## Sources and Uses of Proceeds of the Bonds

The sources and uses of funds to accomplish the purposes of the Bonds are expected to be as follows:

### Sources:

Par Amount	\$ 273,610,000.00
Net Original Issue Premium	35,113,068.80
Total Sources:	\$ 308,723,068.80

### Uses:

Deposit to Capital Projects Fund	\$ 273,610,000.00
Use for Additional Projects/Debt Service	34,251,878.79
Underwriters' Discount	181,190.01
Cost of Issuance <sup>(1)</sup>	680,000.00
Total Uses:	\$ 308,723,068.80

<sup>(1)</sup> Includes certain fees and expenses of Bond Counsel, the Financial Advisor, printing and delivery of the Preliminary and Final Official Statements, rating agency fees, and other costs related to the issuance of the Bonds.

## Debt Service Requirements for the Bonds

### Debt Service Requirements for the Series 2022A Bonds

Fiscal Year	Paid from General Fund for Capital Projects		Paid from Solid Waste Fund for Solid Waste Projects		Paid from Stormwater Fund for Stormwater Projects		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ -	6,909,150	-	164,850	-	1,134,300	-	8,208,300
2024	5,770,000	11,371,000	165,000	270,625	1,145,000	1,861,875	7,080,000	13,503,500
2025	7,930,000	11,028,500	175,000	262,125	1,200,000	1,803,250	9,305,000	13,093,875
2026	8,655,000	10,613,875	185,000	253,125	1,260,000	1,741,750	10,100,000	12,608,750
2027	9,375,000	10,163,125	190,000	243,750	1,325,000	1,677,125	10,890,000	12,084,000
2028	10,815,000	9,658,375	205,000	233,875	1,390,000	1,609,250	12,410,000	11,501,500
2029	12,260,000	9,081,500	210,000	223,500	1,460,000	1,538,000	13,930,000	10,843,000
2030	14,420,000	8,414,500	225,000	212,625	1,530,000	1,463,250	16,175,000	10,090,375
2031	15,865,000	7,657,375	230,000	201,250	1,610,000	1,384,750	17,705,000	9,243,375
2032	18,750,000	6,792,000	245,000	189,375	1,690,000	1,302,250	20,685,000	8,283,625
2033	18,750,000	5,854,500	260,000	176,750	1,770,000	1,215,750	20,780,000	7,247,000
2034	17,305,000	4,953,125	270,000	163,500	1,865,000	1,124,875	19,440,000	6,241,500
2035	17,305,000	4,087,875	285,000	149,625	1,955,000	1,029,375	19,545,000	5,266,875
2036	15,865,000	3,258,625	300,000	135,000	2,055,000	929,125	18,220,000	4,322,750
2037	12,980,000	2,537,500	310,000	119,750	2,155,000	823,875	15,445,000	3,481,125
2038	10,815,000	1,942,625	330,000	103,750	2,265,000	713,375	13,410,000	2,759,750
2039	9,375,000	1,437,875	345,000	86,875	2,375,000	597,375	12,095,000	2,122,125
2040	8,655,000	987,125	365,000	69,125	2,500,000	475,500	11,520,000	1,531,750
2041	7,210,000	590,500	380,000	50,500	2,620,000	347,500	10,210,000	988,500
2042	5,050,000	284,000	400,000	31,000	2,750,000	213,250	8,200,000	528,250
2043	3,155,000	78,875	420,000	10,500	2,890,000	72,250	6,465,000	161,625
	\$ 230,305,000	117,702,025	5,495,000	3,351,475	37,810,000	23,058,050	273,610,000	144,111,550

Source: Office of Finance

## **Tax Matters**

### ***Maryland Income Taxation***

In the opinion of McKennon Shelton & Henn LLP, Tax Counsel to the County (“Tax Counsel”), under existing statutes, regulations, and decisions, the Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale and exchange, shall be exempt from taxation of any kind by the State of Maryland, any of its political subdivisions, or any other public entity. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

### ***Federal Income Taxation***

In the opinion of Tax Counsel, assuming compliance with certain covenants described herein, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations and decisions.

Under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Bonds; and (iii) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds.

Further, under existing statutes, regulations and decisions, Tax Counsel are of the opinion that interest on the Bonds is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. In addition, interest income on the Bonds will be includable in the applicable taxable bases for the purpose of determining the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States.

In rendering its opinion with respect to the Bonds, Tax Counsel will rely without investigation on the certifications provided by the County with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Bonds.

### ***Certain Other Federal Tax Consequences***

There are other federal income tax consequences of ownership of obligations of obligations such as the Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 25% of the sum of tax-exempt interest received or accrued and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; (iv) for S



corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or other disposition of the Bonds must be taken into account when computing the 3.8% Medicare tax with respect to the investment income or undistributed net investment income, as applicable, imposed on certain higher income individuals and specified trust and estates; and (vi) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

### ***Purchase, Sale and Retirement of Bonds***

Except as noted below in the case of market discount, the sale or other disposition of a Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Bond will be its cost. Upon the sale or retirement of a Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Bond, the amount of original issue discount that is treated as having accrued as described below under "THE BONDS – Tax Matters -- Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss, if at the time of the sale or retirement, the Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

### ***Market Discount***

If a holder acquires a Bond after its original issuance at a discount below its principal amount (or in the case of a Bond issued at an original discount, at a price that produces a yield to maturity higher than the yield to maturity at which such bond was first issued), the holder will be deemed to have acquired the Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Bond with market discount subsequently realizes a gain upon the disposition of the Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Bond's stated redemption price at maturity over the holder's cost of acquiring the Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Bond and its stated maturity date. In the case of a Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Bond's revised issue price over the holder's cost of acquiring the Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Bond and its stated maturity date. For this purpose, a Bond's "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Bond during the period between its original issue date and the date of acquisition by the holder.

### ***Amortizable Bond Premium***

A Bond will be considered to have been acquired at a premium if, and to the extent that, immediately after the acquisition of such Bond, the holder's tax basis in the Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, the amount payable on the earlier call date). Under tax regulations applicable to the Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) that produces the lowest yield to maturity on the Bonds. The holder will be required to reduce his tax basis in the Bond for purposes of determining gain or loss upon disposition of the Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Bonds.

### ***Tax Accounting Treatment of Discount Bonds***

Certain maturities of the Bonds may be issued at an initial public offering price that is less than the amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price (including accrued interest, if any) that a substantial amount of the Discount Bonds of each maturity was first sold, and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. The amount of such original issue discount that is treated as having accrued with respect to such Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes, (a) any holder of a Discount Bond will recognize gain or loss upon the disposition of such Discount Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition and (ii) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (b) the amount of the basis adjustment described in clause (a)(ii)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of any Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount that is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (a) the product of (i) the yield for such Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year and (ii) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (b) the amount actually payable as interest on such Discount Bond during such period. If a Discount Bond is disposed of between compounding dates, then interest, which would have accrued for that compounding period, for federal income tax purposes, is to be apportioned in equal amounts among the dates in such compounding period.

Holders of Discount Bonds should note that, under the tax regulations, the yield and maturity of a Discount Bond is determined without regard to commercially reasonable sinking fund payments, and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies. The prices or yields furnished by the winning bidder

for the Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds, but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

### ***Legislative Developments***

Legislative proposals, either on the State or federal level, currently under consideration or proposed after issuance and delivery of the Bonds could adversely affect the market value of the Bonds. Further, if enacted into law, any such legislation could cause the interest on the Bonds to be subject, directly or indirectly, to federal or State income taxation and could otherwise alter or amend one or more of the provisions of federal or State tax law described above or their consequences, as applicable. Prospective purchasers of the Bonds should consult with their own tax advisors as to the status and potential effect of any legislative proposals, as to which Tax Counsel expresses no opinion.

### **Opinions and Certificates Available on Delivery of the Bonds**

Upon delivery of the Bonds, the County will make available the following opinions and certificates dated the date of delivery of the Bonds: (1) the opinions of Squire Patton Boggs (US) LLP, of Washington, D.C., as Bond Counsel, substantially in the forms set forth in APPENDIX C-1, to the effect that the Bonds are legal and valid general obligations of the County to which the County has pledged its full faith and credit; (2) the opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland, as Tax Counsel, substantially in the form set forth in APPENDIX C-2, in respect of the excludability of interest on the Tax-Exempt Bonds for federal income tax purposes; (3) the opinion of the County Attorney to the effect that no litigation is pending or known to be threatened to restrain or enjoin the issuance of the Bonds, or in any manner questioning the validity of any proceedings authorizing the issuance of the Bonds, or the levy or collection of any material portion of taxes or other revenues of the County, or contesting the completeness, accuracy or fairness of the Official Statement; and that neither the corporate existence of the County nor the titles of the officials of the County signatories hereto to their respective offices is being contested; (3) a certificate of the Director of Finance certifying as genuine the signatures of the County officers signing the Bonds; (4) a certificate of the Director of Finance for the County acknowledging receipt of payment for the Bonds; (5) a certificate executed by the Director of Finance for the County relating to federal tax matters under the Code, and regulations promulgated thereunder; and (6) a certificate of the County Executive stating: (a) that the Official Statement, as of its date, did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (b) as of the date of delivery of and payment for the Bonds, there has been no material adverse

change in the condition, financial or otherwise of the County, from the date of the sale of the Bonds to the date of delivery of the Bonds and from that set forth in the Official Statement.

## **Ratings**

Fitch Ratings, Inc. (“Fitch”), Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings (“S&P”), have assigned the Bonds the ratings of “AAA”, “Aaa” and “AAA”, respectively. Such ratings reflect the respective views of such organizations and is not a recommendation to buy, sell or hold the Bonds. An explanation of the procedure and methodology used by each rating agency and the significance of the ratings may be obtained from Fitch, 33 Whitehall Street, New York, New York 10004; Moody’s, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and S&P, 55 Water Street, New York, New York 10041.

The County furnished the rating agencies the information contained in a preliminary form of this Official Statement and other materials and information. Generally, rating agencies base their ratings on such materials and information, as well as their own investigations, studies and assumptions. There is no assurance that any of such ratings will remain in effect for any given period of time or that any such rating will not be revised or withdrawn entirely by the applicable rating agency, if, in its judgment, circumstances so warrant. Any such revision or withdrawal of any such ratings could have an effect on the marketability or market price of the Bonds.

## **Continuing Disclosure**

In order to assist the participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission (the “SEC”), as amended (the “Rule”), in complying with the Rule, the County will execute and deliver a continuing disclosure agreement (the “Continuing Disclosure Agreement”) on or before the date of issuance and delivery of the Bonds. The form of the Continuing Disclosure Agreement is attached hereto as APPENDIX D.

With the exception of the following, the County has not failed to comply in any material respect with its continuing disclosure obligations for each of the past five years. When filing information with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system, the County submits the filings in a manner intended to display such information with each relevant outstanding debt issue. To the extent a filing is made by the County without all of the associated CUSIP numbers, the filing can be found on EMMA associated with another County debt issue or on the County’s issuer homepage on EMMA.

For fiscal year 2017, the County did not file its audited financial statements on EMMA by March 1, 2018 due to the audited financial statements not being available. The County did file its fiscal year 2017 unaudited financial reports on March 1, 2018 and filed its fiscal year 2017 audited financial statements on March 22, 2018. Additionally, for fiscal year 2019, while the annual disclosure associated with tax increment revenue bonds issued by the Revenue Authority of Prince George’s County was filed in a timely fashion, certain information concerning debt coverage ratios to be provided by the County was not available at the time of the filing. The omitted information was filed by the County on June 3, 2020.

The County has implemented procedures to ensure that its annual financial information and operating data are filed on a timely basis.

## **Bond Owners’ Remedies**

It is the opinion of Bond Counsel that the County may be sued if it fails to perform its obligations under any of the Bonds to the registered owners thereof, and that any judgments resulting from such suits could be enforceable against the County. Nevertheless, a registered owner of a Bond who has obtained any such

judgment may be required to seek additional relief to compel the County to levy and collect taxes as may be necessary to provide the funds from which such judgment may be paid. It is the opinion of Bond Counsel that the appropriate courts of the State of Maryland have jurisdiction to entertain proceedings and to grant additional relief, such as a mandatory injunction, if necessary, and, subject to inherent constitutional limitations and principles of equity, to enforce such levies, collections and payments for the benefit of bondholders.

The levy of general ad valorem taxes to provide for payment of the Bonds (and all other tax-supported general obligation debt of the County subject to Charter limitations) is subject to the limitations set forth in Sections 812 and 813 of the County Charter. (See "Description of the Bonds – Security and Sources of Payment" above.)

It is also the opinion of Bond Counsel that, although remedies would be available to registered owners of the Bonds and although the general obligation bonds of the County are entitled to constitutional protection against the impairment of the obligation of contracts, such remedies and constitutional protection are not absolute. Enforcement of a claim for payment of the principal of or the interest on the Bonds could be made subject to the provisions of Chapter 9 of the United States Bankruptcy Code or to any federal or state laws hereafter enacted extending the time of payment or imposing other constraints upon enforcement.

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## THE COUNTY

### Overview

The County is a body corporate and politic and a political subdivision of the State of Maryland. Services provided or paid for by the County from local, State and federal sources include police, fire and emergency services; programs for the aging; public works; stormwater management; and court and correctional services. The County also is responsible for adoption and maintenance of building codes and regulation of licenses and permits; collection of taxes and revenues; maintenance of public records; conducting elections; and collection and disposal of refuse.

Health care, elementary, secondary and community college education and library services are provided by other entities and are partially financed by the County. Public transit, planning, parks, recreation, water, sewer and public housing are provided by related entities. Public assistance is provided by the State of Maryland. Hospital services are provided by a nonprofit corporation under a lease arrangement with the County. For accounting purposes, certain of these governmental entities are included in the County's financial statements. See APPENDIX A, Notes to Financial Statements, Note 1.

County residents enjoy a diversity of leisure options, including a park system encompassing almost 28,000 acres of parkland and open space. Leisure facilities and services provided by the Maryland-National Capital Park and Planning Commission (the "M-NCPPC") include a sports and concert facility (Show Place Arena); a 10,000 seat AA Minor League Baseball stadium (Bowie Baysox); community centers; recreational buildings; aquatic facilities; ice rinks; golf courses; an equestrian center; tennis courts; a performing arts and cultural center; and a gymnastic center.

The County is only minutes to downtown Washington, D.C., adjacent to Northern Virginia, 25 minutes to historic Annapolis, and 45 minutes to Baltimore's Inner Harbor. However, some of the region's most exciting attractions are located right in Prince George's County, Maryland. The County is home to the MGM National Harbor -- a 23-story resort featuring premier amenities including a casino, world-class spa and salon, a 3,000-seat entertainment theater, high-end branded retail, meeting space, and restaurants from renowned local and national chefs. Other recreational facilities include an 82,000-seat National Football League stadium (FedEx Field – home of the Washington Commanders); an amusement park (Six Flags of America) featuring rides, attractions and shows; a 240,000 square foot Olympic-quality recreational Sports and Learning Complex; National Harbor on the Potomac; the Gaylord National Resort and Convention Center; the NASA Goddard Space Flight Center; The Capital Wheel; the National Wildlife Visitor Center; and the Clarice Smith Performing Arts Center. The County also has numerous high-quality mixed-used developments such as the Brickyards, Carrollton Station, Towne Centre at Laurel and Woodmore Towne Centre at Glenarden. The County is home to six universities and colleges, including the flagship campus of the University System of Maryland. Prince Georgians enjoy an excellent road system and some of the most affordable housing in the Washington area as well as convenient access to three major airports and the Port of Baltimore.

### County Government – Structure and Services

#### *General*

The County operates under the Prince George's County Charter, which was adopted in November 1970. The powers of the County are provided in the County Charter and in the Constitution and the laws of the State of Maryland, including Title 10 of the Local Government Article. Under the County Charter, the County is composed of an executive and a legislative branch.

The executive branch implements and enforces the laws and administers the day-to-day business of the County. It consists of a County Executive (who is elected by the qualified voters of the entire County) and all other officers, agents and employees under the County Executive's supervision and authority, including the Chief Administrative Officer, who is responsible for the day-to-day administration of the County. The County Executive is elected for four-year terms by qualified voters of the County and is limited by the County Charter to two consecutive four-year terms in office.

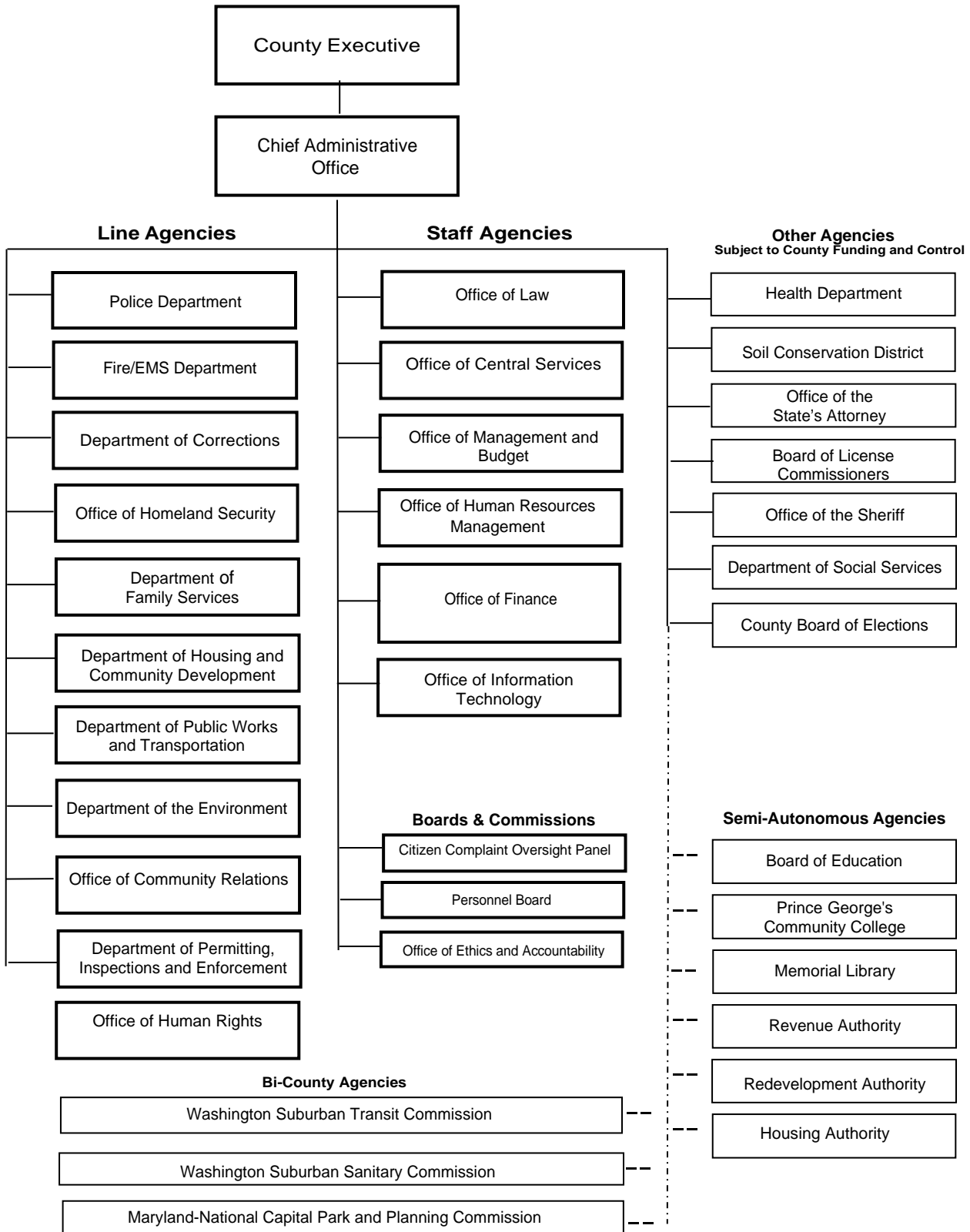
The legislative branch of the County currently consists of nine district Council Members and two At-Large Council Members. County Council members are elected for four-year terms by qualified voters of the County and are limited by the County Charter to two consecutive four-year terms in office as district members and not more than two consecutive terms as at-large members.

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

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

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





## **Fiscal Management Structure**

The Chief Administrative Officer and heads of County offices and departments are appointed by the County Executive subject to confirmation by a simple majority vote of the full County Council.

The Office of Finance is headed by a Director who reports to the Office of the County Executive and is responsible for keeping a system of accounts; controlling appropriations and allotments; preparing monthly and annual financial statements for the County Executive and the Council; auditing, prior to payment, any claims against the County of whatever kind; depositing, investing and having custody of all funds; prescribing accounting systems; preparing for bond sales and advising on debt management; administering tax sales; and collecting and billing for all revenues and receipts due the County.

The Office of Management and Budget is headed by a Director who reports to the County Executive and is responsible for assisting in the preparation of the annual current expense and capital budgets and advising on requests for County funds and revenue needs. The Director of the Office of Management and Budget also is responsible for budget formulation, the Capital Improvement Program, fiscal control, planning and analysis, program and project control and evaluation, management analysis, policy and procedures analysis, reviewing and generating studies concerning budget execution, and monitoring the efficiency of agencies' organization, methods and procedures.

## **Municipalities**

There are 27 incorporated municipalities in the County. These municipalities levy taxes on their own authority and are not subject to the limitations set forth in Sections 812 and 813 of the County Charter. Property in these areas is subject to County taxation and the County provides certain public services to residents of the incorporated municipalities. County ordinances and regulations also are applicable to them. These municipalities may incur general obligation bonded indebtedness and levy taxes without the approval of the County. Bonds issued by these municipalities are the legal responsibility of each municipality and are not guaranteed in any way by the County. Maryland law mandates that the County recognize, either through a reduced County tax rate or through a direct grant payment, those governmental services and programs which municipal governments perform in lieu of similar County government services funded through the County property tax.

## **Transportation**

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

The County is served by CSX Transportation, Norfolk Southern Railway, Amtrak Metroliner passenger service (including a station at New Carrollton on Amtrak's Northeast Corridor service and the 16 mile/21 station Purple Line light rail transit system under construction, connecting Prince George's and Montgomery counties), and the MARC (Maryland Area Regional Commuter) rail system which has two lines that run through the County, both of which provide service between Baltimore City (and surrounding areas) and Washington, D.C.'s

Union Station, with 9 stations in the County. More than 90 freight lines serve the County. Most of the County lines lie within the Washington commercial zone as defined by the Interstate Commerce Commission.

## Utilities

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

## Management Initiatives

The County, under the direction from the Office of the County Executive and through management by the Office of Management and Budget (OMB), has instituted an integrated and comprehensive performance management system ([CountyStat](#)), that includes regular performance reporting and analysis and issue-focused, executive-level sessions and studies. It strengthens data-driven managerial and budgetary decisions, ensuring resources are utilized efficiently and effectively. In addition, it is a systematic approach that enables the County's leadership to develop collaborative relationships; assess service delivery; identify cost-saving strategies; and improve the effectiveness of services.

The County's vision, "Prince George's Proud", is a critical part of the strategic planning. It guides the government's services to its residents, businesses and visitors and serves as the basis for spending priorities. This vision as stated is as follows: "To attract and retain the most experienced workforce who will use innovative technology to provide efficient, effective services to our citizens. We will collaborate with our stakeholders to develop solutions that are data-based and rely on best-practices to address complex challenges within the County and the region. We will have a world-class education system, safe communities and a robust economy that creates jobs and opportunities for all and increases the commercial tax base to ensure we can provide the services our residents deserve."

In order to transform the vision into a reality, the County has focused its resources on six priorities: (1) education, (2) safe neighborhoods, (3) economic development, (4) healthy communities, (5) quality of life supported by high performance government and (6) youth development.

## Fiscal Year 2023 Budget

Before June 1, the County Council must adopt the County's Fiscal Year 2023 budget as described under "Services Managed by the County" on the following pages.

## Description of Services

### *Services Managed by the County*

Economic Development. Economic development is a core priority of the County's commitment to ensuring a high quality of life and securing the long-term viability of the County. The fiscal year 2023 proposed budget includes a \$9.0 million investment in the Economic Development Incentive (EDI) Fund which was established under County Council Bill No. CB-4-2011. The EDI fund was created to assist the County in expanding its tax base; attracting new businesses; retaining existing businesses; and expanding job opportunities through loans, grants and guarantees to businesses throughout the County.

As of March 10, 2022, the County has approved the following loan awards that are at various stages of disbursement:

Economic Development Incentive (EDI) Fund						
Loan Activity						
Borrower Name	Project Location	Employment Sector	Jobs	Awarded Funds	Loan Award Date	Fiscal Year
Hampton Inn	Camp Springs	Hospitality	20	1,200,000	6/2012	2012
IMS	Calverton	IT	150	110,000	9/2012	2013
Little Caesars Pizza	Mount Rainier/Bladensburg	Restaurant	6	300,000	7/2012	2013
Man and Machine	Landover	IT	44	500,000	7/2012	2013
Nash Finch	Landover	Distribution	136	200,000	9/2012	2013
Vocus	Beltsville	IT	565	100,000	10/2012	2013
Euro Restaurant Solutions	Beltsville	Manufacturing	50	455,000	5/2013	2013
Campus Properties/ Strayer University	Suitland	Education	80	2,500,000	1/2013	2013
Bozzuto & Associates, Inc.	Greenbelt	Real Estate	328	500,000	6/2013	2013
Patak Realty	College Park	Real Estate	67	650,000	11/2013	2014
Echo – UTC, LLC	Hyattsville	Real Estate	100	2,000,000	11/2013	2014
Dutch Mill Catering	Brentwood	Food Services	63	750,000	11/2013	2014
Leuterio Thomas	Oxon Hill	Architectural	14	450,000	4/2014	2014
Still I Rise	Clinton	Healthcare	10	100,000	3/2014	2014
FG Development	Capitol Heights	Healthcare	25	570,000	6/2014	2014
Bates Trucking	Bladensburg	Refuse	222	2,700,000	6/2014	2014
Little Caesars Pizza	College Park/Bowie	Restaurant	2	200,000	6/2014	2014
Berman Enterprises Construction	Lanham	Real Estate	452	2,250,000	7/2014	2015
Blueline Security Services	Landover	Security Services	260	50,000	8/2014	2015
Berman – Bowie Marketplace	Bowie	Real Estate – Retail	125	1,000,000	9/2014	2015
Lyon Bakers, Inc.	Hyattsville	Commercial Bakery	125	1,000,000	9/2014	2015
Golden Leaf Farm	Brandywine	Vineyard/Manufacturing	3	145,000	12/2014	2015
Thompson Creek Window	Upper Marlboro	Manufacturing	480	250,000	1/2015	2015
Hampton Park/Central Gateway	Capitol Heights	Real Estate	572	1,800,000	3/2015	2015
Susan Gage Caterer Inc.	Hyattsville	Food Service	135	600,000	5/2015	2015
Aquilent	Laurel	IT	310	250,000	7/2015	2016
A.M. Briggs	Landover	Food Distribution	165	85,000	7/2015	2016
Beltsville Land, LLC	Beltsville	Food Distribution	30	200,000	9/2015	2016
FlexEL, LLC	College Park	Technology	47	250,000	9/2015	2016
Kogok, Inc	Forestville	Sheet Metal Manufacturing	376	400,000	9/2015	2016
Kane Company	Lanham	Distribution & Transp.	140	150,000	9/2015	2016
UPS, Inc.	Laurel	Logistics, Distribution & Ship.	1,034	100,000	9/2015	2016
2U	Lanham	Education/Tech	1,315	1,500,000	12/2015	2016
Safeway Inc.	Upper Marlboro	Food Distribution	640	500,000	5/2016	2016
Creative Sign Service Inc.	Beltsville	Manufacturing	46	115,000	1/2016	2016
EDI Fund Contractors Advantage	N/A	N/A	0	1,000,000	6/2016	2016
The Shops at Iverson	Hillcrest Heights	Real Estate	300	4,000,000	7/2016	2017
FG Development	Capitol Heights	Healthcare	0	91,000	7/2016	2017
Hospitality Development Company III	Bowie	Hospitality	88	1,400,000	9/2016	2017
Southland Industries	Laurel	Food Industries	135	155,000	11/2016	2017
9103 Basil Court Partners	Largo	Hospitality	25	1,500,000	11/2016	2017
FTI Consulting, Inc.	Bowie	Consulting	120	200,000	9/2017	2018
One Town Center	Suitland	Real Estate/Gov.	3,200	4,000,000	1/2018	2018
Kolytic, Inc. (Steel Point Solutions LLC)	Calverton	IT/ Cyber Security	90	200,000	6/2018	2018
Good Foods Markets, LLC	Seat Pleasant	Food Distribution/Service	15	500,000	8/2018	2019
Southern Gateway Project	College Park	Real Estate	100	500,000	11/2018	2019
Blueteam, LLC (dba BlueVoyant)	College Park	IT / Cyber Security	25	100,000	11/2018	2019
Metropolitan Protective Services, Inc.	Landover	Security Services	595	2,180,000	3/7/2019	2019
Cybrary, Inc.	Riverdale	Cyber Security	36	250,000	3/7/2019	2019
Upper Marlboro Preferred Properties	Largo	Real Estate	22	800,000	3/7/2019	2019
Metrolink Networks, LLC dba Cloudforce	National Harbor	IT / Cloud Management	56	150,000	7/11/2019	2020
Sky High Sports & Entertainment, LLC	Bowie	Family Entertainment	101	150,000	12/19/2019	2020
Upper Marlboro Preferred Properties	Largo	Real Estate	0	702,500	9/24/2020	2021
Capital Lighting & Supply, LLC	Upper Marlboro	Wholesale/Retailer	249	250,000	11/18/2020	2021
Giant Food	Landover	Grocery/Food Distribution	320	250,000	11/18/2020	2021
Fort Washington Livingston (Giant)	Fort Washington	Food Distribution/Redevelopment	100	2,000,000	2/25/2021	2021
<b>Total</b>			<b>13,714</b>	<b>\$ 44,308,500</b>		

These loans have leveraged over a billion dollars in total private investments, and assisted in the creation and/or retention of over 13,000 jobs in Prince George’s County.

In fiscal year 2023, the County will continue its investment in four economic development-related agencies that attract and retain businesses; advance workforce development; promote the County’s tourism activities; and provide financial assistance to businesses. The proposed fiscal year 2023 budget provides the Economic Development Corporation (EDC) with \$3.9 million to continue its marketing and public relations efforts, small business initiatives, job training and travel program to leverage resources and promote the County abroad. The Financial Services Corporation First (FSC First) is expected to use \$1.1 million of County contribution to continue its work in assisting local businesses in finding the financing resources necessary to make sound business decisions. Experience Prince George’s is budgeted to receive \$1.2 million in County contribution to support its one-stop service function for businesses hosting conferences and events in the County. Additionally, the approved budget includes \$1.9 million to support Employ Prince George’s to assist in continuing to provide career and job readiness training to County youth, adults and dislocated workers. Additionally, during the COVID-19 economic recovery, the County has administered \$20.1 million for the Business Recovery Initiative, \$2 million for the Childcare Initiative, \$6.1 million for the Restaurant Resiliency Initiative, and other programs and outreach. See also “FINANCIAL INFORMATION – Impact of COVID-19 Pandemic on the County.”

***Education – Primary & Secondary.*** Education remains the County’s highest priority. Primary and secondary public education is administered in Maryland by independent boards of education. Chapter 147 of the Laws of Maryland of 2013 revised the composition of the Board of Education (the “Board”) effective June 1, 2013. This law provides for the appointment of specified members of the Board by the County Executive and the County Council; requires the County Executive to appoint a Chair and Vice Chair of the Board; establishes the Superintendent as the Chief Executive Officer (CEO) of the Public School System in the County; and authorizes the CEO to consolidate schools under certain circumstances. The County Executive appoints the CEO and three members of the Board. The County Council appoints one member of the Board.

The budget of the Board is subject to the same review and approval process by the County as that of other County agencies. The fiscal year 2023 proposed budget includes \$2.6 billion in funding for the Board, including \$847.0 million in County contribution, \$1.4 billion in State aid and \$421.0 in other funding sources. Funding for the Board will constitute approximately 62.6% of all General Fund spending.

In the 2021-2022 school year, the Board operated 208 schools and educational facilities. These included 120 elementary schools, 12 (Pre)K-8 schools, 22 middle schools, 25 high schools, 10 specialized schools/educational centers, and 9 charter schools. In addition, the Board operated 19 administrative and support facilities.

Data pertaining to the age of permanent facilities owned by the Board are reflected in the following table.

<b><i>Age of School Facilities</i></b>								
<b>Age of School Facilities</b>	<b>Elementary</b>	<b>Pre-K-8</b>	<b>Middle</b>	<b>High</b>	<b>Special Centers</b>	<b>Admin. Offices</b>	<b>Other</b>	<b>Total <sup>(1)</sup></b>
Less than 16 years	12	1	1	3	0	0	0	17
16 – 30 years	16	3	2	3	0	0	0	24
31 – 50 years	17	1	6	1	2	2	0	29
Greater than 50 year	75	7	13	18	8	13	4	138
<b>Total</b>	<b>120</b>	<b>12</b>	<b>22</b>	<b>25</b>	<b>10</b>	<b>15</b>	<b>4</b>	<b>208</b>

<sup>(1)</sup> Note: The count of permanent facilities will vary from the count of operational schools and offices due to the co-location of sites, use of leased/ temporary buildings and as a result of facilities being under construction.

Source: Board of Education (March 2022)

The ten-year enrollment (fiscal years 2016-2020 actual and fiscal years 2021-2025 projected) summary is shown in the following table. Please note this does not include Pre-K enrollment.

<b>School Enrollment By Grades</b>				
Fiscal Year	Kindergarten	Grades 1-5	Grades 6-12	Total
2016	10,018	50,238	62,815	123,071
2017	9,897	51,349	63,797	125,043
2018	9,794	51,631	65,656	127,081
2019	9,652	51,203	66,669	127,524
2020	8,639	50,257	68,845	127,741
2021 (p)	9,930	49,480	70,220	129,630
2022 (p)	9,860	49,600	70,960	130,420
2023 (p)	9,920	49,730	71,500	131,150
2024 (p)	9,850	49,950	71,460	131,260
2025 (p)	9,770	50,500	61,990	122,260

(p) projected

Note: All projected figures rounded to nearest ten. Totals are sum of rounded enrollment by grade.

Source: Maryland Department of Planning (as of March 2022)

Section 5-301 of the Education Article of the Annotated Code of Maryland, as amended, provides that the State shall pay the costs (excluding costs of land acquisition) in excess of available federal funds of all public school construction projects and public school capital improvements in each county approved by the Interagency Commission on School Construction. The obligation of the State to pay the costs of public school construction and public school capital improvements extends only to those projects or parts of projects that comply with the rules, regulations, and procedures of the State Board of Public Works. The County's top construction priority is renovating or replacing aging school buildings.

**Environment.** The Department of the Environment (DOE) provides trash and recyclables collection services to residents and supports the vision of a cleaner environment. In the fiscal year 2023 proposed budget, the total budget for the agency is \$228.6 million, including General and Enterprise Funds. Funding is budgeted for refuse collection contracts, Stormwater Management and Local Watershed Protection debt service costs, enhancements to bulky trash pickup program, yard waste composting and continued improvements to water quality.

**Health and Human Services.** In the fiscal year 2023 proposed budget, the Department of Social Services receives \$25.9 million, including Grant funds, to support children and adult services including foster care, adoptions and family preservation. It also provides temporary cash assistance, food supplement, medical assistance, homeless prevention and intervention and energy assistance to families.

The Department of Family Services provides in-home meals and services to the aging population to ensure that they optimize their independence by staying in their own homes. Funding also supports intervention services for at-risk youth to facilitate child and family well-being. Continued funding also has been provided for disability services which include fortifying relationships with local businesses and organizations to increase accessibility for County citizens who are disabled.

The Department of Family Services also will continue its advocacy and outreach for victims of domestic violence and human trafficking. The fiscal year 2023 proposed budget for the Department of Family Services is \$18.5 million in General, Grant and Special Revenue funds.

The Health Department will continue to improve and promote access to quality health care services in fiscal year 2023 by providing outpatient prenatal and reproductive health care services, mental health, alcohol, tobacco and other drug prevention and treatment services; investigating and controlling communicable diseases such as tuberculosis; and inspecting food service facilities, swimming pools and spas. The department also will work to prevent and reduce chronic disease along with upgrading their Electronic Health Record system. The department will continue to play an integral role in the County's overall response to the COVID-19 pandemic including the use of American Rescue Plan Act (ARPA) funding to support public health expenditures. The fiscal year 2023 proposed budget for the Health Department is \$86.2 million, including \$31.2 million in General Funds.

*Housing and Community Development.* The County's goal is to promote and increase the supply of quality and affordable housing by creating safe, well-planned and attractive communities. In fiscal year 2023, the Department of Housing and Community Development will continue its efforts to revitalize the County's established communities; provide rental assistance to senior citizens, families and individuals with low to moderate income; and provide foreclosure housing counseling and financial literacy services. The fiscal year 2023 proposed budget for the Department of Housing and Community Development is \$25.0 million including General, Grant and Special Revenue funds.

*Public Safety.* Public safety is a vital aspect of the County's vision. The County is creating a comprehensive approach to public safety by coordinating the responses of all government agencies and increasing the community presence of police officers and other public safety officers.

The County's Police Department is a professionally trained force consisting of 1,786 full-time sworn police officers and 481 full and part-time civilians. The fiscal year 2023 proposed budget includes \$366.8 million from all funding sources for the department and supports investigative services, drug enforcement and education.

The County's Fire/EMS department is staffed by a combination of 1,095 full-time career employees, including 1,022 sworn firefighters, paramedics, dual-role emergency response technicians and 77 civilians, and supplemented by active volunteer firefighters. The department is responsible for fire suppression, emergency medical services, fire prevention, fire and rescue communications, research, training and the coordination of Volunteer Fire Companies serving in fire stations. The department's fiscal year 2023 proposed budget is \$241.4 million including Grant funds.

The County's Office of Homeland Security is staffed by 218 full-time employees and one part-time employee. Its fiscal year 2023 proposed budget is \$43.3 million, including Grant funds. The core services provided by the office include planning and preparing a coordinated effort to reduce the impact of natural and man-made disasters, including terrorism; operating the Public Safety Communications Center (PSCC); coordinating the activities of the Emergency Operations Center; serving as a point of contact for homeland security domestic preparedness issues in the County; educating the public and County employees on overall disaster and emergency preparedness issues; and maintaining comprehensive emergency management programs with federal, State and local officials and the private sector.

The Office of the Sheriff in the fiscal year 2023 proposed budget receives \$51.4 million including Grant funds. The office maintains courthouse security; serve criminal and civil warrants, indictments and civil processes; enforce court-imposed judgments and support the continued efforts of the domestic violence initiative. It is staffed by 268 sworn officers and 116 full-time civilians.

The Department of Corrections receives \$97.1 million in funding in the fiscal year 2023 proposed budget including Grant funds. The funding supports the redeployment of correctional officers to provide care and custody for the incarcerated population. It also supports educational and vocational training, treatment services, alternatives to incarceration programs and public-private partnership opportunities for successful

reintegration of former inmates. The Department of Corrections is staffed by 487 sworn officers and 164 civilians.

*Stormwater Management.* Title 21, Subtitle 6 of the Local Government Article authorizes the County to establish a Stormwater Management District within the County as a special taxing district for the purpose of stormwater management and to levy a direct unlimited ad valorem tax on all property assessed for tax purposes within such district. The tax is levied at a rate sufficient to pay for the administration of the County's stormwater management programs to meet all flood management and water quality mandates and to maintain and operate a stormwater management system previously maintained by the Washington Suburban Sanitary Commission (WSSC); to pay annual debt service on outstanding WSSC stormwater drainage bonds issued prior to July 1, 1987; and to pay debt service on any stormwater management bonds issued by the County. In 1987, the County created a Stormwater Management District (District) which includes almost all of the land in the County except the land within the City of Bowie and east/south of US Route 301 (Taxing Area 1). In 1995, the County expanded the District (except the land within the City of Bowie) to create a special taxing area (Taxing Area 2) for which a County stormwater management tax previously had not been levied in Taxing Area 1.

Title 21, Subtitle 6 of the Local Government Article further authorizes the County to issue bonds to provide funds for the construction of new stormwater management facilities. The payment of such bonds is backed by the full faith and credit pledge of the County. The programs and projects financed by such bonds are not subject to referendum requirements, public sale requirements or the limitations set forth in Sections 812 and 813 of the County Charter.

The County has established a self-supporting Stormwater Management Enterprise Fund (the "Stormwater Fund") to account for the financial transactions associated with the stormwater management functions. The Stormwater Fund is used to pay for stormwater management operations, flood management and activities within the District and to pay for the annual debt service on stormwater drainage bonds issued by the WSSC and the County. The fiscal year 2023 proposed operating budget for the Stormwater Fund totals \$95.9 million. The fund allocates \$74.9 million for the Department of the Environment's stormwater management operations, including \$29.6 million for debt service payments, and \$21.1 million for the Department of Public Works and Transportation's stormwater management operations (maintenance activities).

The Stormwater Fund is supported by a stormwater management ad valorem tax on all assessed property within the District except certain publicly owned land. This tax is not subject to the limitations set forth in Sections 812 and 813 of the County Charter. The ad valorem tax for fiscal year 2022 on real property in the District is 5.4 cents per \$100 of assessed value in Taxing Area 1 and 1.2 cents per \$100 of assessed value in Taxing Area 2 and is approved to remain the same in fiscal year 2023. Other revenue of the Stormwater Fund includes fee-in-lieu payments, federal and State grants and permit fees and interest.

*Solid Waste Management.* The County manages a solid waste management system which provides for the collection, recycling and disposal of solid waste generated in the County. The financial transactions arising from the system's operations are accounted for in a self-supporting Solid Waste Fund. The fund's fiscal year 2023 proposed budget includes \$126.4 million.

In order to supplement revenue generated by tipping fees, the County expanded the County Collection Districts and imposed certain additional fees on residential units for system services under existing authority beginning in fiscal year 1996. In addition, local legislation was adopted by the County Council that allows the County to assess fees in incorporated municipalities for solid waste and recycling services and amends the procedure for extending refuse collection contracts. Effective in May 2016, the County transitioned from twice a week trash collection to once a week. This service level is consistent with what is being provided in the surrounding area. In fiscal year 2022, the County increased the landfill residential and commercial tipping fee

to align with current market rates. The tipping fee increased from \$59.00 to \$70.00 per ton on October 1, 2021.

Currently, the system oversees the collection of solid waste and yard trim from approximately 165,755 single family households in County Collection Districts located in unincorporated areas of the County. The system oversees the collection of recycling from approximately 174,245 households in County Collection Districts including from eight incorporated areas of the County. Private haulers collect solid waste in the Collection Districts under contracts with the County. The County collects the fees for this service from affected homeowners as a supplemental charge on the County's semi-annual property tax bills. The service fees are established by the County at levels sufficient to provide for both the cost of collection and the cost of disposal. That fee may be increased based on annual increases in the Consumer Price Index. For fiscal year 2022, the solid waste charge was set at \$34.42 per residential unit. Of the total waste stream collected and disposed of in the County, the commercial sector represents 32%; County-contracted haulers, 51%; private/residential hauling, 5%; and collection through municipal efforts, 12%. There are additional fees charged to residents for trash and recycling collection and processing services. Those fees are set at \$240.66 for trash and \$59.73 for recycling per residential unit for fiscal year 2022 and are proposed to remain the same for fiscal year 2023. Bulky trash collection is set at \$21.51 per residential unit.

**Local Watershed Protection and Restoration.** As required by Title 4, Subtitle 2 of the Environment Article of the Annotated Code of Maryland, as amended (the "Environment Article"), and Section 10-301 et seq. of the County Code establishes a Local Watershed Protection and Restoration Fund, the setting, collection, and deposit of a Clean Water Act Fee from owners of property located within the County into the Local Watershed Protection and Restoration Fund and permissible uses of such money within the Local Watershed Protection and Restoration Fund. Per Section 10-302 of the County Code, the Clean Water Act Fee, collected annually, is established by resolution of the County Council and may be based on any of the following: (A) impervious area existing on a property as of March 1 of the year in which the fee is imposed; (B) zoning classification of the property; or (C) an administrative fee. The Department of the Environment administers the Program.

The fund's fiscal year 2023 proposed budget is \$20.6 million. Operating expenses for this fund cover services rendered to complete stormwater water quality restoration improvements and include \$2.3 million in debt service and \$13.2 million in operating contracts.

**Transportation.** The Department of Public Works and Transportation (DPW&T) will continue to fully fund TheBus, paratransit and other mass transit services to meet the needs of citizens for flexible, reliable transportation service. In fiscal year 2023, DPW&T will continue to operate the Traffic Response and Information Partnership (TRIP) Center which will provide intelligent transportation systems to further improve traffic management and emergency communication. The Department will also implement the Vision Zero action plan to reduce the number of fatal and seriously crashes to zero by 2040. DPW&T will continue to make "green" street improvements throughout the County that include roadway and intersection modifications, tree planting on roadways and the installation of bicycle lanes. Additionally, DPW&T will continue its focus on rehabilitating and maintaining many of the County roads, bridges and street light enhancements. The fiscal year 2023 proposed budget for DPW&T is \$39.3 million including General, Grant Special Revenue and Enterprise funds.

### ***Services Available to Residents of the County***

**Health Services.** Health care in the County is provided through three institutions within the University of Maryland Capital Region Health (UMCRH) system: (i) Prince George's Hospital Center, (ii) the Laurel Medical Center, including the Gladys Noon Spellman Specialty Care Unit and (iii) the Bowie Health Center. UMCRH assumed control of the health system from Dimensions Health Corporation (DHC) in September 2017. The County maintains a lease agreement with DHC, which is controlled by UMCRH, for the Prince George's Hospital



Center. The other facilities have been transferred to UMCRRH. From fiscal years 2006 through 2021, the County provided over \$212.0 million in grants to DHC/UMCRH to support the continuation of essential health services to County residents. The County does not support debt obligations of UMCRRH in the form of any direct debt payments on UMCRRH debt or any pledge of the County's full faith and credit. In 2013, the County issued \$39,475,000 Certificates of Participation (the "2013 COPs") to refinance DHC's Series 1994 Project and Refunding Revenue Bonds (the "DHC Series 1994 Bonds"). The DHC Series 1994 Bonds were an obligation of DHC. The 2013 COPs refinancing is a County obligation subject to annual appropriation. In fiscal year 2023, the County has budgeted \$4.1 million to support the debt service costs for the refunding.

Chapter 19 of the Laws of Maryland of 2017 codified the State and County funding commitments through fiscal year 2028, including both operating and capital funds. In addition, Chapter 420 of the Laws of Maryland of 2016 established a process for inpatient hospitals to transition to freestanding medical facilities to better align with changing healthcare service needs. This law will significantly benefit the transition of Laurel Regional Hospital to a freestanding medical facility in the near future.

In July 2011, County, State, University of Maryland Medical System Corporation (UMMS), University System of Maryland (USM) and DHC officials announced an agreement for developing a comprehensive plan for strengthening health care throughout the County. UMMS and USM have been working with DHC as well as the State and County on plans for improving existing health services; increasing access to primary care; enhancing the County's overall health infrastructure including the construction of the Regional Medical Center; and ensuring a stable and reliable health care system for the County and Southern Maryland.

The overall costs necessary to build the Capital Region Medical Center was approximately \$543.0 million, with the State, UMMS and the County sharing in providing proportional financial support. The State's commitment of \$208 million was included in the Governor's 6-year capital budget with \$151.8 million being funded from the project inception through fiscal year 2019 and another \$56.2 million approved in fiscal year 2020. The State's entire capital contribution was completed in fiscal year 2020. The County issued its Certificates of Participation (Regional Medical Center), Series 2017 (the "Series 2017 Certificates") in September 2017 and its Certificates of Participation (University of Maryland Capital Region Medical Center), Series 2018 (the "Series 2018 Certificates") in September 2018 for a total contribution of \$208 million. The fiscal year 2023 proposed budget includes \$11.3 million to support the debt service costs for both the Series 2017 Certificates and the Series 2018 Certificates. During the development, it is anticipated that the Regional Medical Center will generate \$336.7 million in construction and equipment purchases, will generate \$578.3 million of economic activity in Maryland and will create more than 4,300 jobs. The Regional Medical Center employs 300 more workers than the previous current facility.

The Regional Medical Center is directly accessible from the Capital Beltway located at Largo Town Center which is at the intersection of Lottsford Road and Arena Drive. The Regional Medical Center is the first teaching hospital in Southern Maryland and includes a Maryland Level II Trauma Center, a heart and vascular institute with a dedicated floor for cardiac intensive care, women's health and infant services with a neonatal intensive care unit, a stroke and neurocare center, in-patient and out-patient behavioral health services and full service imaging and diagnostic services. The groundbreaking for the Regional Medical Center which is known as the "University of Maryland Capital Region Medical Center" was held on November 30, 2017. The hospital opened in June 2021.

County residents also have access to quality healthcare through the Luminis Health Doctors Community Medical Center (LHDCMC) located on Good Luck Road in Lanham. This facility offers a wide range of medical and surgical services that include ambulatory surgery services, cancer care, breast health, endocrinology and diabetes care, digestive disease services, orthopedic care, and imaging and diagnostic services. Recognizing the need for expanded access to behavioral health services, LHDCMC partnered with the County to design, construct and equip a 31,200 square foot mental health facility that will offer inpatient psychiatric care, outpatient therapy and medication management, walk-in urgent care family support services

and prevention programs. The County has provided a \$20 million grant to LHDCMC to construct this capital improvement and offer these essential health services to its residents for 20 years through the issuance of Certificates of Participation (Behavioral Health Facility and Capital Equipment), Series 2021 (the “Series 2021 Certificates”) in June 2021. The new facility will be owned and operated by LHDCMC. The groundbreaking for the first phase of the mental health facility occurred in April 2021.

*Higher Education.* Prince George’s Community College (the “Community College”) was founded in 1958. The Community College moved to its present 150-acre campus in Largo, Maryland in June 1967. Accreditation was received from the Middle States Association of Colleges and Schools in May 1969. By State law, the Community College is administered by an eight-member Board of Trustees. Seven of the members are appointed by the Governor. Students select the eighth member. The budget of the Community College is subject to the same annual review and approval process as the budget of any County agency. Approximately 34.6%, or \$43.9 million, of the Community College’s \$126.8 million proposed operating budget for fiscal year 2023 will be provided by the County.

*Library.* The Prince George’s County Memorial Library System annual revenues consist of a County contribution, State contribution and library-generated revenues. Approximately 72.1%, or \$25.1 million, of the Memorial Library System’s \$34.8 million proposed operating budget for fiscal year 2023 will be provided by the County.

*Mass Transit.* Regional rail and bus services are provided by the Washington Metropolitan Area Transit Authority (WMATA), an agency created by the Inter-State Washington Metropolitan Area Transit Regulation Compact. The County’s prorated contribution to WMATA is paid by the State of Maryland. Other costs related to mass transit in the County are funded by a direct unlimited property tax levy on all taxable real and personal property in the County. The County supplements WMATA’s bus service with “*TheBus.*” The Washington Suburban Transit Commission (WSTC) is a bi-county agency that provides planning and oversight for mass transit services in Montgomery and Prince George’s Counties. The WSTC tax rate approved for fiscal year 2021 was 2.6 cents per \$100 of assessed value of real property and 6.5 cents per \$100 of assessed value of personal property. The property tax rates certified by WSTC are incorporated into the County Council’s tax levy resolution along with levies certified by other governmental agencies.

## **County Authorities**

### ***Housing Authority***

The Housing Authority of Prince George’s County (the “Authority”) was established by the County in accordance with State law. The Authority manages low and moderate-income housing units to meet the needs of those income groups which are generally not serviced by the private market and assists qualified residents in obtaining available housing. The Authority also administers federally-assisted projects and functions as a conduit for funds to finance the construction or renovation of eligible housing units. Debt issued by the Authority is supported by revenue generated from each project and is not supported by the County. As of June 30, 2021, the Authority has \$215,000 of outstanding bonds. The Authority’s fiscal year 2023 proposed budget totals \$96.3 million.

### ***Revenue Authority***

The Revenue Authority was created in 1997 by the County in accordance with State law as a separate and distinct entity. The Revenue Authority promotes the public interest of the County by facilitating economic development and employment growth; managing a self-supporting public parking program; investing financially in County capital improvement projects; and owning, operating and maintaining revenue-producing facilities. The Revenue Authority aims to (i) streamline procurement, land acquisition and land disposition processes; (ii) provide staff expertise in land development, economic development, capital financing and

facilities maintenance; and (iii) issue revenue bonds for government, public/private development and redevelopment partnerships. The Revenue Authority also manages a booting and towing program for delinquent citation payments and the County's false alarm, red light and speed camera programs. The Revenue Authority is expected to generate approximately \$41.4 million in revenue in fiscal year 2023, primarily consisting of revenues from various enforcement programs, such as the speed camera program and facilities' operating income. As of June 30, 2021, the Revenue Authority had \$93,030,000 in outstanding bonds. The Revenue Authority's fiscal year 2023 proposed budget totals \$41.4 million.

For further information on the Revenue Authority's outstanding debt, see "DEBT AND CAPITAL PLAN – Leases and Other Long Term Obligations."

### ***Redevelopment Authority***

The Redevelopment Authority of Prince George's County (the "Redevelopment Authority") was created in 1997 by the County in accordance with State law as a separate and distinct entity. The Redevelopment Authority's objective is to contribute to the creation of a diverse and vibrant economy and living environment for County residents through the use of community building techniques. The Redevelopment Authority provides for responsible and responsive development and redevelopment designed to enhance quality of life; balance growth; and create jobs for diverse sustainable communities. The Redevelopment Authority's fiscal year 2023 proposed budget totals \$661,300. This proposed budget includes a grant of \$300,000 from the County.

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## FINANCIAL INFORMATION

### General Fund: Fiscal Years 2018-2022

County-sourced revenue grew by a net \$271.5 million between fiscal year 2018 and fiscal year 2022 estimated revenues, averaging 3.3% growth annually. Of this net growth, \$268.0 million was derived from taxes and \$3.5 million from non-tax sources. Tax revenue growth during this period is itemized below:

<b>Change in Tax Revenue Collections</b>		
<i>Fiscal Years 2018-2022 (\$ millions)<sup>(1)(2)</sup></i>		
Property Tax	\$	130.3
Income Tax		167.5
Transfer/Recordation Taxes		(10.9)
Telecommunications Tax		(10.7)
State Shared Taxes		4.3
All Other Taxes		(12.4)
Totals:	\$	268.0

<sup>(1)</sup>Estimated for the year ending June 30, 2022

<sup>(2)</sup>Based on the County's projections reflected in the Fiscal Year 2023 Proposed Operating Budget Book.

Source: Office of Management and Budget

During this period, real property and personal property tax receipts recorded an average growth rate of 4.0% and -0.6% each year, respectively. Real property taxes are showing continuous growth driven by both higher median price and an increase in reassessments due to a steady appreciation of home values. County properties have experienced double-digit assessment growth since 2015. Growth in income tax receipts averaged 6.5% per year during this period and was affected by changes to tax policy, economic growth, federal stimulus in response to the pandemic, and post-pandemic wage pressures. Transfer and recordation tax revenues are projected to decrease an average of -0.9% and -2.7%, respectively during this period. While both the volume of sales and the median price have both grown since fiscal year 2018, construction inflation and labor shortages have resulted in a decrease in the issuance of building permits since July 2021. Thus the fiscal year 2022 budget is conservatively estimating a modest decline in revenue. A moratorium on foreclosures was in place during the pandemic, and no data has been reported by the State since the first quarter of calendar year 2020.

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**Six-Year Summary of Revenue, Expenditures & Changes in General Fund Balance**

Fiscal Years Ended June 30 (\$ millions)

	2018		2019		2020		2021		2022		2023
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Estimate (1)	Budget (2)
<b>Revenue</b>											
Taxes	1,767.8	1,791.6	1,863.7	1,873.5	1,927.7	1,903.2	1,909.5	2,066.3	1,941.8	2,059.6	2,130.6
Licenses & Permits	54.9	60.3	58.7	64.7	64.7	51.6	52.1	58.3	70.5	67.9	69.0
Use of Money & Property	5.3	11.5	3.1	21.2	11.0	17.3	11.9	3.3	8.5	5.5	5.6
Charges for Services	44.0	51.0	49.7	50.0	52.6	55.1	62.8	46.7	59.9	59.7	71.3
Intergovernmental	32.3	34.7	36.1	35.2	35.5	33.0	43.2	40.0	40.4	33.9	38.1
Miscellaneous(1)	14.2	16.2	19.0	13.9	16.4	11.0	11.3	10.6	13.2	10.0	9.8
<b>Total Revenue</b>	<b>1,918.5</b>	<b>1,965.3</b>	<b>2,030.2</b>	<b>2,058.6</b>	<b>2,108.0</b>	<b>2,071.2</b>	<b>2,090.8</b>	<b>2,225.3</b>	<b>2,134.2</b>	<b>2,236.8</b>	<b>2,324.4</b>
<b>Expenditures</b>											
General Government	273.4	258.7	293.2	291.2	302.9	293.9	301.1	300.3	315.8	307.9	350.7
Public Safety	687.5	676.1	733.2	712.0	772.7	755.2	762.0	736.2	745.6	765.7	812.7
Public Works	13.0	13.0	15.7	15.3	15.5	11.4	14.2	14.6	14.3	14.1	15.5
Health	25.6	24.3	26.5	24.3	26.4	26.4	28.8	36.5	30.1	36.5	31.2
Public Welfare	4.8	4.7	5.4	5.1	6.0	4.3	5.9	5.7	6.3	5.9	6.3
<b>Total Expenditures</b>	<b>1,004.3</b>	<b>976.8</b>	<b>1,074.1</b>	<b>1,048.0</b>	<b>1,123.5</b>	<b>1,091.2</b>	<b>1,112.1</b>	<b>1,093.3</b>	<b>1,112.3</b>	<b>1,130.1</b>	<b>1,216.5</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>914.2</b>	<b>988.5</b>	<b>956.2</b>	<b>1,010.6</b>	<b>984.5</b>	<b>980.0</b>	<b>978.7</b>	<b>1,131.9</b>	<b>1,022.0</b>	<b>1,106.6</b>	<b>1,108.0</b>
<b>Other Financing Sources (Uses)</b>											
Education	(800.6)	(800.6)	(828.6)	(828.6)	(854.5)	(854.5)	(884.5)	(884.5)	(882.7)	(884.9)	(916.0)
Debt Service	(120.1)	(100.9)	(125.9)	(126.1)	(136.6)	(132.9)	(156.8)	(150.1)	(170.9)	(162.9)	(179.4)
Other Sources (Uses)	(6.6)	(4.8)	(35.3)	(30.0)	(30.9)	(30.2)	(1.0)	(2.0)	(11.7)	(11.7)	(12.4)
<b>Total Other Financing Sources (Uses)</b>	<b>(927.3)</b>	<b>(906.2)</b>	<b>(989.8)</b>	<b>(984.6)</b>	<b>(1,022.0)</b>	<b>(1,017.7)</b>	<b>(1,042.3)</b>	<b>(1,036.6)</b>	<b>(1,065.3)</b>	<b>(1,059.5)</b>	<b>(1,107.9)</b>
<b>Appropriation of Fund Balance</b>	<b>13.1</b>	<b>-</b>	<b>33.7</b>	<b>-</b>	<b>37.5</b>	<b>-</b>	<b>63.6</b>	<b>-</b>	<b>43.3</b>	<b>-</b>	<b>-</b>
<b>Excess of Revenue and Appropriations of Fund Balance Over (Under) Expenditures and Other Sources (Uses)</b>	<b>-</b>	<b>82.3</b>	<b>-</b>	<b>26.0</b>	<b>-</b>	<b>(37.7)</b>	<b>-</b>	<b>95.3</b>	<b>-</b>	<b>47.1</b>	<b>-</b>
<b>Fund Balance, Beginning of Year (Excludes Reserve for Encumbrances)</b>	<b>-</b>	<b>479.8</b>	<b>-</b>	<b>562.1</b>	<b>-</b>	<b>588.1</b>	<b>-</b>	<b>550.4</b>	<b>-</b>	<b>645.7</b>	<b>-</b>
<b>Fund Balance, End of Year (Excludes Reserve for Encumbrances)</b>	<b>-</b>	<b>562.1</b>	<b>-</b>	<b>588.1</b>	<b>-</b>	<b>550.4</b>	<b>-</b>	<b>645.7</b>	<b>-</b>	<b>692.8</b>	<b>-</b>
Add: Purchase Agreement Financing		150.2		165.5		6.3		74.2		-	
Reserve for Encumbrances		11.6		36.3		26.5		56.0		-	
Other		(195.9)		(209.7)		(51.2)		(122.6)		-	
<b>Fund Balance, End of Year (GAAP Basis)</b>	<b>-</b>	<b>528.0</b>	<b>-</b>	<b>580.1</b>	<b>-</b>	<b>532.0</b>	<b>-</b>	<b>653.3</b>	<b>-</b>	<b>692.8</b>	<b>-</b>
<b>Fund Balance</b>											
As a Percent of Revenue		26.9%		28.2%		25.7%		29.4%		31.0%	
As a Percent of Expenditures and Other Financing Sources (Uses)		28.0%		28.5%		25.2%		30.7%		31.6%	

(1) Based on the County's estimated totals for fiscal year 2022.

(2) Based on the County's Proposed Operating Budget for fiscal year 2023.

Note: Some numbers in the Expenditure Category have changed due to operational alignment. Numbers may not sum to total due to rounding.

Source: Office of Finance and Office of Management and Budget

Expenditures increased during the five-year period from \$976.8 million in fiscal year 2018 to \$1.13 billion in fiscal year 2022, primarily due to compensation and fringe cost increases. Fiscal year 2022 expenditures exceed the fiscal year 2018 actuals due to several factors, including overtime in public safety agencies as a result of crime-mitigation and other initiatives; collective bargaining agreements and cost of living adjustments for certain County employee groups; and contributions for the payment of Other Post-Employment Benefits Trust Fund (OPEB). Other County financing uses increased by \$153.4 million from \$906.2 million in fiscal year 2018 to \$1.06 billion in fiscal year 2022. Education – the public-school system (\$816.9 million), the Community College (\$43.9 million) and the Library System (\$24.0 million) – accounted for \$884.9 million of the fiscal year 2022 expenditures. General Fund debt service costs were \$62.1 million higher in the fiscal year 2022 estimate than in fiscal year 2018. The County issued new debt and refinanced part of its existing debt in order to achieve savings. Funding sources other than the General Fund were used to pay off school construction debt.

## Impact of COVID-19 Pandemic on the County

The COVID-19 pandemic continues to cause significant risks to public health and safety. The County is categorized as a community with low transmission as defined by the Centers for Disease Control and Prevention as of April 14, 2022. As such, the County has lifted mandates including the indoor mask requirement (excluding public transportation) as of February 28, 2022. Additionally, the County continues to provide vaccinations, at-home COVID-19 testing kits and masks for residents through the Health Department, libraries and community centers. As the pandemic slowly moves to an endemic phase, the County anticipates continuing to provide booster vaccinations and other public health measures to curb the spread of the virus.

COVID-19 did not have a dire fiscal impact on the County. In response to the COVID-19 pandemic, a number of difficult financial decisions and adjustments were made by the County in March 2020 and have continued for the past two years. As a result, the County's fiscal year 2021 revenue collections were better than originally projected. This is primarily due to the efforts of the federal and State governments to reduce the negative impact of COVID-19 on local governments. Fiscal year 2021 County source revenue collections (excludes outside aid to the Board of Education, Community College and Library) were 3.3% higher than the original budget. In fiscal year 2022, County source revenues are projected to be 0.5% higher than fiscal year 2021 actuals and 2.7% higher than budgeted revenues. In fiscal year 2023, revenues are expected to increase 3.9% above the fiscal year 2022 estimate. Expenditures during this period remained below the approved budget level. The County is continuing to evaluate the future effects of the pandemic on projected revenues and expenses as well as the long-term impact on the State and local economy. The County remains committed to taking appropriate actions to ensure the well-being of its residents and employees as well as proactively managing its budget in a fiscally responsible manner.

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020. The CARES Act provided a \$150 billion Coronavirus Relief Fund for states, U.S. territories, local and tribal governments that can be used for necessary expenditures incurred due to the COVID-19 pandemic that were not accounted for in the most recently approved budget as of March 27, 2020. As of December 2021, the County has received and expended its allocation of \$158.6 million in CARES Act funding. The CARES funding was spent on programs to address various government, community and business needs related to the pandemic, including COVID-19 contract tracing and testing, financial assistance for County businesses, emergency rental assistance, food assistance, congregate housing for vulnerable people, the purchase of personal protective equipment as well as compensation, overtime and hazard pay for essential employees.

The American Rescue Plan Act (ARPA) of 2021, which was enacted on March 11, 2021, provides \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help states, local governments, U.S. territories and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. Such funds may be used to (1) respond to the COVID-19 pandemic and its economic effects, including through aid to households, small businesses, nonprofits, and industries such as tourism, travel and hospitality, (2) provide premium pay to eligible essential workers, (3) provide government services affected by a revenue reduction resulting from the COVID-19 pandemic and (4) make investments in water, sewer or broadband infrastructure. The County anticipates receiving approximately \$176.6 million from the Coronavirus Local Fiscal Recovery Fund under the American Rescue Plan Act once the second allocation of \$88.3 million is distributed on or around June 1, 2022. The County received the first of two fundings in the amount of \$88.3 million. The County's ARPA spending plan allocated funding for various purposes including the COVID-19 testing, vaccinations and mental health services (\$54.6 million), government operations including hazard pay, government building cleanings, enhancements to the cyber security IT infrastructure and digitization projects (\$46.7 million), housing and supportive services for vulnerable populations (\$17 million), stormwater management and flooding projects (\$32.3 million) and funding to support the economic recovery

efforts including rapid re-employment grants and the preservation of affordable housing (\$26 million). As of March 31, 2022, the County spent \$23.1 million or 26.2% of total amount provided by Treasury to date.

As of February 2022, the County has received approximately \$543.0 million of COVID-19 pandemic related aid from federal and state sources including CARES and APRA funding. This funding was allocated to support COVID-19 vaccinations, testing, infrastructure projects, hazard pay and other critical governmental needs. Approximately 46% of all COVID related funding has been spent including all allocated CARES and ARPA funding.

### Financial Outlook: Fiscal Year 2023

Total tax revenue in the fiscal year 2023 proposed operating budget (County sourced, excluding use of fund balance and transfers) is expected to increase by \$71.0 million or 3.4% above fiscal year 2022 estimated revenues. The proposed budget projects a \$42.8 million increase in real property tax revenue, a \$28.4 million increase in income tax revenue, an additional \$7.4 million in State disparity grant aid, \$11.3 million in higher charges for services, \$4.2 million growth in Intergovernmental revenue, an added \$2.5 million in transfer tax revenue, and smaller levels of growth from energy taxes, other local taxes, State shared taxes, licenses and permits and use of money and property. These increases are offset by a \$9.4 million reduction in recordation tax revenue, which by law is dedicated to housing programs beginning in fiscal year 2023, a \$2.6 million decline in telecommunications taxes based on long-term trends, and a minor decrease in miscellaneous revenue.

The fiscal year 2023 proposed operating budget continues to reflect the impact of the MGM National Harbor. Revenue from the facility is expected to total approximately \$47.7 million from a variety of tax sources to include real property and personal property, admissions and amusement, hotel, video lottery terminal and table game taxes. In total, gaming revenues are expected to increase based on the assumption of the end of capacity restrictions related to the global coronavirus pandemic.

The following table displays the projected changes in tax revenues between fiscal year 2022 estimated totals and the fiscal year 2023 proposed operating budget.

<b>Change in Tax Revenue Projection</b>		
<b>Fiscal Years 2022-2023 (\$ millions)<sup>(1)</sup></b>		
Real and Personal Property Tax	\$	42.8
Income Tax		35.8
Transfer/Recordation Taxes		(6.9)
Telecommunications Tax		(2.6)
State Shared Taxes		0.3
All Other Taxes		1.6
Totals:	\$	71.0

<sup>(1)</sup>Based on the County's Proposed Operating Budget for fiscal year 2023.

Source: Office of Management and Budget

Real property taxes collections are projected to increase in fiscal year 2023 by 42.8 million, or 4.7%, based on the State's assessable base projections in March 2022. Continued stability in the real estate market continues to spur growth in the County's assessable base, but the increase in revenue is largely the result of 5% growth in the Homestead tax credit for fiscal year 2023. The County has a large level of untapped assessable base due to its property tax limitation. Personal property taxes are expected to generate approximately \$81.2 million in fiscal year 2023. The assessable base has remained relatively stable in recent years. It is anticipated that \$12.5 million of the real and personal property tax revenue will be generated from MGM National Harbor.

Income taxes (including the State's Income Disparity Grant) are projected to grow by \$35.8 million, or 4.7% over estimated fiscal year 2022 revenues. The unemployment rate has continued to decrease and wage growth has continued as employers compete for labor and in response to higher inflation. In the current fiscal year, the unemployment rate peaked at 8.1% in August 2021 as the economy had just begun to recover amid the nationwide vaccine rollout but stands at 5.4% in March 2022. Moody's has projected a return to full employment within a year

State shared taxes are projected to increase by \$0.3 million or 3.8% in fiscal year 2023. Telecommunications tax revenue is projected to decrease by -\$2.6 million or -19.0% from the fiscal year 2022 estimated level. Chapter 187 of Laws of Maryland of 2004 authorized the County to utilize up to 10% of the net proceeds from the telecommunications tax revenues for school renovation and systemic replacement projects starting from fiscal year 2005. Transfer and recordation taxes are projected to decrease by -\$6.9 million or -3.7% in fiscal year 2023 compared to the fiscal year 2022 estimate. CB-004-2021 requires that the lesser of 20% of recordation or \$10.0 million is dedicated to the Housing Investment Trust Fund starting in fiscal year 2023.

The County's recordation tax rate remains unchanged at \$2.75 per \$500 of instrument of writing subject to the tax, and revenue projections factor in the State law changes that were effective July 1, 2013 that subject certain indemnity mortgages to recordation taxes. The County's residential housing market showed signs of improvement with median home sales prices in calendar year 2021 increasing by 11.2% from calendar year 2020 for an average price of \$376,456 with sales volume increasing by 20.6% during this same period.

#### ***Contingency Reserve Requirement***

County Charter amendments adopted by the voters in November 1992 and November 2002 require that the County maintain a contingency reserve for the General Fund as a possible source of funding in the event the County Council enacts emergency appropriations in response to unforeseen emergencies. The reserve requirement originally was 3% of the General Fund revenues. It was increased in fiscal year 2003 to 5%. Since fiscal year 1996, the County has met the contingency reserve requirement. The County maintained a contingency reserve of \$188.6 million in fiscal year 2021, \$213.7 million in fiscal year 2022 and is expected to maintain \$210.0 million in fiscal year 2023.

#### ***General Fund Operating Reserve***

To ensure a reasonable degree of stability in its programs over the long term, the County maintains budgetary flexibility through the General Fund Operating Reserve to deal with economic fluctuations, State and federal policy changes, varying service needs, or other events that may threaten stability. When the contingency reserve was set at 3%, County policy was to retain an operating reserve equal to 3% of the General Fund revenues. This reserve would be a continuing and non-lapsing source of unappropriated funds that can be used to offset the impact of budget emergencies or as a funding source for expenditures. As a result of the increase in the contingency reserve from 3% to 5%, the County policy has been to retain an operating reserve equal to 2% of the General Fund revenues. The operating reserve (equal to 2% of the General Fund revenues) was \$75.4 million in fiscal year 2021, \$85.5 million in fiscal year 2022 and is estimated to be \$84.0 million in fiscal year 2023.

The following table displays the components of the year-end General Fund balances for fiscal years 2018 - 2023 on a budgetary basis and in compliance with GAAP.



**General Fund Balance**  
**(Budgetary and GAAP Basis)**  
**Fiscal Years Ended June 30 (\$ millions)**

Designation	2018	2019	2020	2021	2022 <sup>(1)</sup> (Estimate)	2023 <sup>(2)</sup> (Budget)
Restricted - Economic Stabilization	163.5	172.1	182.1	188.6	213.7	210.0
Committed - Operating Reserve	65.4	68.9	72.8	75.4	85.5	84.0
Unassigned	230.0	235.6	176.2	235.4	205.8	167.8
<b>Fund Balance - Budgetary Basis</b>	<b>458.9</b>	<b>476.6</b>	<b>431.1</b>	<b>499.4</b>	<b>505.0</b>	<b>461.7</b>
Nonspendable	3.1	2.8	6.2	15.8	-	-
Restricted						
Equipment Purchases	11.6	36.3	26.5	56.0	-	-
Real Estate Purchases	1.4	6.7	5.5	5.6	-	-
Assigned						
Economic Development	35.6	33.5	32.4	26.9	-	-
Subsequent Year Expenditures	-	-	-	-	-	-
Encumbrances	17.4	24.2	30.3	49.5	-	-
<b>Fund Balance - GAAP Basis</b>	<b>528.0</b>	<b>580.1</b>	<b>532.0</b>	<b>653.2</b>	<b>505.0</b>	<b>461.7</b>

<sup>(1)</sup>Budget to GAAP Fund Balance adjustments were not available.

<sup>(2)</sup>Based on the County's Proposed Operating Budget for fiscal year 2023.

Note: Numbers may not sum to total due to rounding.

Source: Office of Finance and Office of Management and Budget

## Sources of Revenue

The County's revenues are derived from the following sources: general property taxes, income taxes, certain miscellaneous taxes and intergovernmental revenues.

**Sources of General Fund Tax Revenue**  
*Fiscal Years Ended June 30 (\$ Millions)*

	Actual				Estimate	Budget
	2018	2019	2020	2021	2022 <sup>(1)</sup>	2023 <sup>(2)</sup>
<b>Property</b>						
Real Property	778.4	813.2	848.4	883.2	910.5	953.3
Personal	83.1	82.9	81.2	95.6	81.2	81.2
<b>Total Property</b>	<b>861.5</b>	<b>896.1</b>	<b>929.6</b>	<b>978.8</b>	<b>991.7</b>	<b>1,034.5</b>
<b>Local</b>						
Income	598.8	670.0	681.1	774.3	766.3	802.1
Transfer	138.5	117.7	121.9	143.6	133.4	135.9
Energy	77.0	83.9	71.7	73.3	72.4	73.9
Telecommunication	24.2	20.8	17.9	14.8	13.5	10.9
Recordation	56.8	51.3	50.7	60.3	51.0	41.6
Hotel/Motel	10.1	10.0	8.5	6.0	8.6	8.8
Amusement	17.8	15.0	11.2	3.6	11.5	11.5
Other	3.5	3.7	3.6	3.7	3.4	3.4
<b>Total Local</b>	<b>926.7</b>	<b>972.3</b>	<b>966.6</b>	<b>1,079.8</b>	<b>1,060.6</b>	<b>1,088.1</b>
<b>State Shared</b>						
Gas and Motor Vehicle (Highway User)	3.0	3.0	6.2	6.8	6.9	7.2
Other	0.4	2.1	0.8	0.8	0.8	0.8
<b>Total State Shared</b>	<b>3.5</b>	<b>5.1</b>	<b>7.0</b>	<b>7.6</b>	<b>7.7</b>	<b>8.0</b>
<b>Total</b>	<b>1,791.6</b>	<b>1,873.5</b>	<b>1,903.2</b>	<b>2,066.2</b>	<b>2,060.0</b>	<b>2,130.6</b>

<sup>(1)</sup> Based on estimates for the year ending June 30, 2022.

<sup>(2)</sup> Based on the County's Proposed Operating Budget for Fiscal Year 2023.

Note: Numbers may not sum to total due to rounding.

Source: Office of Management and Budget

## ***Property Taxes***

The County levies real and personal property taxes on all taxable property within its boundaries. Taxes are due in full on July 1 and become delinquent on the following October 1 with the exception of those taxes owed by (1) small business owners for which annual property taxes do not exceed \$100,000 who qualify for a semi-annual payment plan (effective July 1, 2012); and (2) and homeowners living in their properties who qualify for a semi-annual payment plan. Semi-annual taxpayers must pay one-half of the annual taxes by September 30 and the remaining one-half in a second installment by December 31 of the fiscal year. No discount is allowed for early payment. Interest at the rate of 2/3% per month and a penalty of 1% per month are charged after September 30 (December 31 for the second semi-annual payment), except that tax bills issued after September 30 may be paid within 30 days without interest or penalty. Tax sales to recover delinquent real property taxes are held on the second Monday in May in the fiscal year taxes are due and payable. Legal action may be taken to enforce payment of both real and personal property taxes.

An independent state agency, the State Department of Assessments and Taxation (“SDAT”), assesses all real property and tangible personal property in Maryland. Real property is reassessed on a three-year cycle by reviewing one-third of all property in Prince George’s County every year for the purpose of property taxation by State and local governmental units. Prior to 2001, real property had been valued at market value and assessed in each year at 40% of phased-in market value. Beginning in 2001, property tax rates are applied to 100%, instead of 40%, of the value of real property.

By law, the annual taxable assessment growth of owner-occupied residential property is capped at the lesser of the percentage of increase in the Consumer Price Index (“CPI”) for the previous 12 months or 5% of the prior year’s taxable assessment. The cap for fiscal year 2022 was set at 1%, based on the CPI. In fiscal year 2023, the cap will be set at 5% based on the CPI. State law also provides that certain owner occupants of residential property may receive certain property tax credits based on various criteria including their income and net worth. The County is reimbursed by the State for some of these tax credits. Certain real estate developments inside the Capital Beltway within census tracts where the median household income does not exceed 100% of the median household income for the County based on census numbers (Revitalization Tax Credit Districts) are eligible to receive tax credits. This provides tax incentives for revitalization projects, with a long-term goal of enhancing the communities and preserving the tax base.

Tangible personal property and commercial and manufacturing businesses are assessed annually at fair market value with no inflation allowance, based upon annual reports filed with SDAT. Public utility property is assessed at fair market value determined by reference to both income and property values, with the exception that power-generating personal property has been subject to a phased-in partial assessment due to the State’s electricity deregulation. The County grants some personal property tax credits for research and development property, designed to stimulate economic development.

The following tables set forth the growth rate of the assessed and estimated actual value of real and personal property in the County.

<b>Annual Growth Rates</b>		
<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
2022 <sup>(1)</sup>	4.5%	4.2%
2021	2.4%	5.9%
2020	14.9%	4.7%
2019	1.7%	5.2%
2018	4.3%	6.5%

<sup>(1)</sup>Estimated for the year ending June 30, 2022 as of March 31, 2022.

<b>Assessed and Estimated Actual Value of Taxable Property</b>						
<b>(\$ millions)</b>						
Fiscal Year	Real Property		Other Property		Total	
	Assessed Value	Estimated Actual Value	Business Personal Property <sup>(1)</sup>	Public Utilities	Assessed Value	Estimated Actual Value
2022 <sup>(1)</sup>	\$ 107,901.6	\$ 107,956.1	\$ 1,519.0	\$ 1,751.9	\$ 111,172.6	\$ 111,227.1
2021	103,232.7	108,467.1	1,843.2	1,671.5	106,747.5	111,981.9
2020	101,049.0	102,537.1	1,664.2	1,533.5	104,246.7	105,734.8
2019	87,302.7	97,534.9	1,851.8	1,564.5	90,719.0	100,951.2
2018	85,742.1	92,548.0	1,860.5	1,564.6	89,167.2	95,973.1

<sup>(1)</sup> Estimated for the year ending June 30, 2022 as of March 31, 2022

Source: Maryland State Department of Assessments and Taxation

The total General Fund property tax revenues included in the County's proposed operating budget for fiscal year 2023 are \$1,034.5 million (adjusted for tax credits, assessment abatements and deletions, allowance for municipal tax differential and uncollectible taxes). Total property tax revenues in fiscal year 2022 are estimated to total \$991.7 million.

<b>Real and Personal Property Taxes</b>					
<i>(Levies and Collections)</i>					
Fiscal Year	Assessed Value (\$ millions)	Tax Rate per \$100 Assessed Value	Tax Levy Excluding Adjustments	Collected During Fiscal Year	Percent Collected as of June 30
2022 <sup>(1)</sup>	111,172.6	1.00	1,069,172,730	1,052,085,196	98.4
2021	106,747.4	1.00	1,129,751,534	1,120,945,649	99.2
2020	101,368.8	1.00	1,069,349,703	1,061,231,787	99.2
2019	90,719.1	1.00	1,019,425,084	1,019,425,084	99.4
2018	89,167.2	1.00	971,598,769	967,523,822	99.6

<sup>(1)</sup>Fiscal Year 2022 collections are through March 31, 2022

Source: Office of Finance

The following table provides a breakdown of the property tax rate into its component parts. The “General” rate is the only listed component that is subject to the limitations of Section 812. Pursuant to Section 812, the County shall not levy “a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979.” Section 812 further provides that “the County may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed two dollars and forty cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value.” In 2012, the Maryland Senate passed Senate Bill 848 that provides for the property tax rate to be set higher than the rate authorized under the County Charter. Any additional revenue generated as a result of the higher property tax rate is for the sole purpose of funding the approved budget of the local school board. The fiscal year 2016 Budget set the County’s nominal real property rate at \$1.00/\$100 of assessed value. The “Stormwater Management” component pays debt service on bonds issued to provide funds for, and other expenses pertaining to, stormwater management facilities. The Washington Suburban Transit Commission (WSTC) component pays for the County’s contribution to WSTC and other related mass transit costs. The Maryland State and the M-NCPPC components identify taxes collected by the County on behalf of those entities.

***FY 2022 Property Tax Rates in Dollars / \$100 of Assessed Value***

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

Source: Office of Finance

***Property Tax Levies***

(\$ thousands)

Fiscal Year	PRINCE GEORGE'S COUNTY		OVERLAPPING TAXING ENTITIES		
	General	Stormwater Management	WSTC	Maryland State	M-NCPPC
2022 <sup>(1)</sup>	1,014,234	54,939	30,065	120,554	326,498
2021	976,891	52,801	28,829	114,522	313,101
2020	933,431	49,933	27,263	108,838	295,865
2019	893,800	47,510	25,928	102,756	281,363
2018	862,251	45,217	24,694	97,052	267,930

<sup>(1)</sup> As of March 31, 2022

Source: Office of Finance

The top 10 principal taxpayers within the County for fiscal year 2021 are as follows:

<b>Principal Taxpayers</b>			
June 30, 2021			
Taxpayer	Real Property Assessment	Personal Property Assessment	Total Assessment
National Harbor Grand LLC	\$ 1,118,620,767	\$ -	\$ 1,118,620,767
Potomac Electric Power Co	7,299,700	717,137,560	724,437,260
Gaylord National LLC	670,823,133	-	670,823,133
Washington Gas Light Company	6,969,700	312,689,520	319,659,220
Empirian Village of MD LLC	293,144,034	1,327,190	294,471,224
Verizon-Maryland	-	261,975,970	261,975,970
Greenbelt Homes Inc	235,452,982	-	235,452,982
Baltimore Gas & Electric Company	-	230,079,110	230,079,110
SSC Maryland Apartments LLC	206,455,434	6,443,470	212,898,904
Wyndham Vacation Resorts Inc	208,975,933	-	208,975,933
Totals	\$ 2,747,741,683	\$ 1,529,652,820	\$ 4,277,394,503
Percentage of Total Assessable Base	6.5%	3.6%	10.1%

Source: Office of Finance

### **Individual Income Tax**

Maryland law requires each county to establish a local income tax rate of not less than 1% but not more than 3.2% of an individual's Maryland taxable income. Effective January 1, 2004, the County raised its income tax rate from 3.1% to 3.2% amid an economic slowdown. Effective January 1, 2007, the County reduced its income tax rate back to 3.1% to alleviate taxpayers' tax burden. In fiscal year 2009, the County approved a rate increase to 3.2% effective January 1, 2009. The rate is expected to remain at 3.2% for fiscal year 2023.

State law allocates a portion of the income tax levied by the counties on residents of municipalities to incorporated municipalities in each county.

### **Other Taxes**

**Transfer Tax.** The County imposes a transfer tax upon recordation of instruments conveying title to real property, or any other interest in real property, as a percentage of the actual consideration paid or to be paid for the transfer. The rate is expected to remain unchanged at 1.4% for fiscal year 2023. All transfer tax revenue is dedicated to the Board of Education.

**Recordation Tax.** The County imposes a tax at a rate of \$2.75/\$500 on the recordation of written instruments conveying title to real or personal property; conveying leasehold interests in real property; or creating liens and encumbrances on real or personal property. Effective fiscal year 2014, State law was amended to subject certain indemnity mortgages to recordation taxes. The rate is expected to remain unchanged for fiscal year 2023.

**Energy Tax.** The County levies an energy tax at a rate that is effectively 7.5% of the cost of energy sales. These unit charges are recalculated each year according to a formula which adjusts the charges to the equivalent of 7.5% of energy sales in the latest calendar year for which data are available. Refunds of the energy tax are provided to recipients of tax credits under the State's Homeowners' Tax Credit Program, the

State Rent Relief Program and certain seniors age 65 or older based on income. The federal government is exempt from this tax. The receipts from this tax are dedicated to the Board of Education. The tax is paid on a quarterly basis in January, April, July and October.

Telecommunication Tax. The County levies a sales and use tax on telecommunications service. The current tax rate is 9% of the gross receipts for telecommunications service that (1) originates and terminates in the County or (2) originates or terminates in the County and has a service address in the County. Each vendor providing telecommunications service in the County collects the tax on behalf of the County and remits the tax to the County. Chapter 187 of the Laws of Maryland of 2004 authorized the County to utilize up to 10% of the net proceeds for school renovation and systemic replacement projects (including debt service on such projects).

Hotel/Motel Tax. The County collects quarterly an occupancy tax based on the gross receipts of all hotel/motel rooms. The current tax rate is 7%. Since 1995, the County has been required to share 50% of the hotel/motel taxes collected within each municipality with its municipal government.

Admissions and Amusement Taxes. An admissions tax is imposed at the rate of 10% of gross receipts from most amusement activities. Certain activities such as golf and equipment are taxed at different rates. The State collects these taxes and remits them to the County on a quarterly basis.

State Shared Taxes. The State collects certain motor vehicle fees and fuel taxes and deposits them into the Gasoline and Motor Vehicle Revenue Account. The State retains all of this tax revenue, but then appropriates capital grants to the local jurisdictions equal to 13.5% of the tax revenue that is credited to that account. Of this amount, 8.3% is distributed to Baltimore City, 3.2% is distributed to the counties, and the remaining 2.0% is allocated to counties and municipalities based on an allocation formula fixed to local road mileage and motor vehicle registration. Approximately 54% of the County's share goes to municipalities.

The State provides transportation funding for WMATA at 100% of the operating deficit, and also provides a maximum fare subsidy payment. Although this State funding does not affect the County's General Fund, it does affect the property tax levy by WSTC. The WSTC tax rate for real property in fiscal year 2023 remains unchanged at \$0.026 per \$100.00 of assessed valuation, based on the fiscal year 2023 proposed budget. The WSTC tax rate for personal property for fiscal year 2023 is expected to remain unchanged at \$0.065 per \$100.00 of phased-in market value, based on the fiscal year 2023 proposed budget.

Intergovernmental Revenue. Intergovernmental revenues include State restricted grants, transfers and reimbursement from the M-NCPPC for services provided by the County, along with a portion of federal monies related to emergency preparedness.

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**Intergovernmental Revenue**

Fiscal Years Ended June 30

(\$ millions)

	Actual			2021	Estimated	Budget
	2018	2019	2020		2022 <sup>(1)</sup>	2023 <sup>(2)</sup>
Police Aid Grant	11.3	11.5	11.6	11.4	11.4	16.6
Health Grant	1.5	2.0	5.1	3.4	6.9	6.9
Teacher Retirement Supplemental Grant	9.6	9.6	9.6	9.6	9.6	9.6
Other	12.2	12.0	6.6	15.5	6.0	5.0
Total	34.7	35.2	33.0	40.0	33.9	38.1

<sup>(1)</sup>Estimated based on the FY 2022 projections.

<sup>(2)</sup>Based on the County's Proposed Operating Budget for Fiscal Year 2023.

Note: Numbers may not sum to total due to rounding.

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Source: Office of Management and Budget

**Expenditures**

Starting from fiscal year 2015, expenditures of the County in the budget books and in the Annual Comprehensive Financial Report ("ACFR") are categorized into the following major categories:

**General Government**

This category includes the County Executive, Legislative and the County's staff support offices such as Human Resources Management, Law, Central Services, Community Relations, Finance, Information Technology and Management and Budget, along with non-departmental expenditures for retirees' health benefits, self-insurance, utilities and leases, certain community and human resources grants and payments to certain regional governments. Some service agencies such as the Board of Elections and Personnel Board are also included in this category.

**Courts**

This category includes the Circuit Court and the Orphans' Court.

**Public Safety**

This category includes the Office of the State's Attorney, the Department of Corrections, the Police Department, the Fire/EMS Department, the Office of Homeland Security and the Office of the Sheriff.

**Environment**

This category includes the Soil Conservation District and the Department of the Environment.

**Infrastructure and Development**

This category includes the Department of Public Works and Transportation, the Department of Permitting, Inspections and Enforcement and the Department of Housing and Community Development.

### **Human Services**

This category includes operation of the County Health Department, the cost of which is shared with the State, and the Departments of Family Services and Social Services.

### **Other Financing Sources and Uses**

This category accounts primarily for transfers to the Board of Education, the Community College, the Library System and other County funds used for debt service and mass transit.

### **Pension and Retirement Plans**

The County administers primary or comprehensive pension plans for County police officers, firefighters, paramedics and emergency rescue technicians, deputy sheriffs and correctional officers. It administers separate supplemental pension plans for deputy sheriffs, correctional officers, fire civilians, police civilians, school crossing guards represented by AFSCME Local 241, other employees represented by AFSCME Locals 2462, 1170, 3389 and 2735 and General Schedule employees. The supplemental plans enhance the pension benefits offered by the State Retirement and Pension Systems. Other County employees and employees of the Board of Education are covered by the State Retirement and Pension Systems. Information concerning the pension plans of the Community College, the Library System and the M-NCPPC is available to the general public.

### **County-Administered Plans**

Pension plans currently administered by the County are the Police Pension Plan, the Fire Service Pension Plan, the Deputy Sheriffs' Pension Plan, the Correctional Officers' Pension Plan, two AFSCME-represented Employees' Supplemental Pension Plans, the Fire Civilians' Supplemental Pension Plan, the Police Civilian Employees' Supplemental Pension Plan and the Supplemental Pension Plan for General Schedule Employees. These plans are administered by a retirement administrator, who is a County employee in the Office of Human Resources Management. The assets of each plan are held in a separate trust fund with a separate Board of Trustees for each fund. Each Board of Trustees has contracted with professional investment managers for the handling of investments of the trust funds.

The County is legally required to contribute to each plan. County contributions to each of these plans paid in fiscal year 2018 through fiscal year 2021 and budgeted to be paid in fiscal years 2022 and 2023 are shown in the following table.

<b>County Contributions to Pension Plans</b>							
(\$ millions)							
	Actual				Budget		
	2018	2019	2020	2021	2022 <sup>(1)</sup>	2023 <sup>(1)</sup>	
Police Pension Plan	\$ 65.6	\$ 66.5	\$ 73.3	\$ 73.6	\$ 91.3	\$ 95.5	
Fire Service Pension Plan	42.5	46.7	50.0	48.2	43.4	50.2	
Supplemental Pension Plans	12.8	14.1	16.1	16.5	14.9	17.9	
Correctional Officers' Pension Plan	9.8	10.2	12.9	12.8	12.3	11.8	
Sheriffs' Pension Plan	8.0	7.7	9.6	9.3	7.5	7.9	

<sup>(1)</sup>Based on the County's Proposed Operating Budget for Fiscal Year 2023.

Source: Office of Finance and Office of Management and Budget



A comparison of the projected plan benefits, plan net assets, and unfunded pension obligations for each plan as of the actuarial valuation date is presented in the following table. The actuarial valuations of all pension plans including supplemental pension plans were conducted by Gabriel, Roeder, Smith & Company as of July 1, 2020.

<b>Pension Benefit Obligations of the County-Administered Pension Plans</b>							
<i>As of July 1, 2020</i>							
(\$ thousands)							
	Pension Plans				Supplemental Pension Plans		
	Police Officers	Fire Services	Deputy Sheriffs	Correctional Officers	Deputy Sheriffs	Correctional Officers	Others <sup>(1)</sup>
Current Employees	\$ 611,131	\$ 324,350	\$ 71,593	\$ 108,986	\$ 835	\$ 2,999	\$ 166,822
Retirees and Beneficiaries	1,261,054 <sup>(2)</sup>	632,630 <sup>(2)</sup>	106,156 <sup>(3)</sup>	169,603 <sup>(2)(3)</sup>	8,155 <sup>(3)</sup>	6,399 <sup>(2)(3)</sup>	208,876
Terminated Employees with Vested Benefits	5,535	5,536	2,556	2,203	50	121	22,512
Total Actuarial Accrued Liability <sup>(4)</sup>	1,877,720	962,516	180,306	280,792	9,040	9,519	398,210
Actuarial Value of Assets	1,075,066	527,306	92,060	159,862	5,198	10,291	298,479
Unfunded Actuarial Accrued Liability	802,654	435,210	88,246	120,930	3,842	(772)	99,731
Market Value of Assets	1,049,831	513,865	88,405	149,893	4,996	10,379	286,895
Funded Ratio <sup>(5)</sup>	57.3%	54.8%	51.1%	56.9%	57.5%	108.1%	75.0%

<sup>(1)</sup> Others are the summation of supplemental plans: Crossing Guards; AFSCME; General Schedule; Fire Civilian; and Police Civilian.

<sup>(2)</sup> Retired participant actuarial liability includes an amount for members with no benefits payable but who have an expected future refund payout as of 7/1/20.

<sup>(3)</sup> Includes disability retirees.

<sup>(4)</sup> The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "past service liability."

<sup>(5)</sup> The ratio of Actuarial Value of Assets to Total Actuarial Accrued Liability.

Note: Most amounts rounded to nearest \$100. Numbers may not sum to total due to rounding.

Source: GRS Retirement Consulting

In fiscal year 2020, the County satisfied all of the annual required contribution amounts for its various pension plans in accordance with the actuary's contribution recommendations. The actuarial asset valuation method utilized is a five-year smoothed valuation method. The actuarial accrued liability is the present value of the benefits accumulated to date and reflects projected salary and cost of living increases. Actuarial assumptions for fiscal year 2020 include a 7.25% discount rate. The value of the securities in the investment portfolios can change materially from fiscal year to fiscal year, and the actual rate of return on investments may differ from actuarial assumptions.

Reference is made to Note 9 of the County's Audited Basic Financial Statements for the fiscal year ended June 30, 2021 attached hereto as Appendix B for a more detailed description of the County's pension plan and its costs and liabilities with respect thereto.

### **State-Administered Plans**

All other eligible County employees and all eligible employees of the Board of Education participate in one of four programs maintained by the State: (1) the Teachers' Retirement System, (2) the Teachers' Pension System, (3) the Employees' Retirement System and (4) the Employees' Pension System.

Chapter 1 of the First Special Session of the Maryland General Assembly of 2012 required counties to begin paying for the normal costs of teachers' pensions. The payments were phased-in over four years beginning in fiscal year 2013 through fiscal year 2016.

County employees (except appointed and elected officials) and Board of Education classified employees (non-teachers) hired on or after January 1, 1980, must participate in the Employees' Pension System. As referenced above, Gabriel, Roeder, Smith & Company conducted an actuarial valuation of the Maryland Retirement System as of July 1, 2019. The actuarial liabilities and the value of assets for the

Employees' Retirement and Employees' Pension Systems are available only in total, with data as to the County, Crossing Guards, the Board of Education, the Community College, the Library System and the other participating municipal corporations (excluding the State of Maryland) combined.

Each year the retirement system surcharge is applied to the actual June 30 Maryland Retirement System payroll. A charge is applied to each participating municipal corporation which, as of June 30, 1996, was determined to be underfunded on the basis of having fewer assets in the Retirement System than would be needed to fund the present value of benefits accrued as of June 30, 1996, for prior and current participants in the Retirement System. Once this "deficit" was determined as of June 30, 1996, the actuary determined a series of charges increasing by 5% per year to the year 2020 with present value equal to the amount of the deficit. As of June 30, 2021, the deficit amount was satisfied.

**Employees' Retirement System Deficit Allocable Amounts**

	Deficit Amount as of June 30, 2020	December 2021 Payment
County Employees	\$ 4,705,490	\$ -
Board of Education Classified Employees	1,875,416	-
Prince George's County Crossing Guards	2,921	-
<b>Total</b>	<b>\$ 6,583,827</b>	<b>\$ -</b>

Source: Gabriel, Roeder, Smith & Company

The combined employer normal and accrued liability contributions to the Employees' Retirement and Employees' Pension Systems paid in fiscal year 2018 through fiscal year 2022 and budgeted to be paid for fiscal year 2023 are shown in the following chart:

**Employer's Contribution For Combined Employees' Pension/Retirement Systems**

Fiscal Years 2018 - 2023 (\$ millions)

	Actual			2021	Estimated 2022 <sup>(1)</sup>	Budget 2023 <sup>(1)</sup>
	2018	2019	2020			
Employer Contribution for:						
County Employees	13.8	15.4	17.3	16.3	16.0	24.2
Board of Education Classified Employees	17.3	18.6	19.7	22.8	26.6	29.0
Board of Education Classified Employees - Teachers	42.0	42.2	43.3	43.6	48.4	49.2

<sup>(1)</sup> Employer contribution for County employees is based on the County's Proposed Operating Budget for Fiscal Year 2023. FY 2023 employer contribution for Board of Education employees is based on estimated contributions for FY 2023.

Source: Office of Management and Budget and Board of Education

**Life and Health**

The County provides life insurance benefits to employees as well as retirees. The coverage for employees generally equates to twice the annual salary at no cost to the employee. The County provides supplemental insurance coverage to only certain public safety employees that equates to 50 times the monthly salary. The County also provides an accidental death benefit in various amounts to all employees. The County provides life insurance coverage to retirees based on their pre-retirement salary in which the amount of coverage slowly reduces to a certain percentage. The Aetna Insurance Company provides all of the life

insurance coverage. The total cost of the benefits is estimated at \$5.2 million in the fiscal year 2023 proposed budget.

The County provides various health plans to employees and retirees by utilizing the fully-insured and self-insured funding methods. The medical plans are provided through a managed care program in which the County self-insures the PPO and one of the HMO plans. Deposits are made to the Life and Health Benefits Fund to cover the medical claims expenses. An insurance claims administrator initially pays the claims of the self-insured plans and receives the reimbursements by the County on a regular basis. The County utilizes the fully insured method to provide the other HMO medical plan to employees and retirees. The County also offers a vision care, a prescription drug and two dental plans.

In the fiscal year 2023 proposed budget, the cost for health programs is \$68.5 million. As part of the effort to curtail health insurance costs, starting from fiscal year 2008, the County has implemented mandatory mail order for maintenance prescription drugs and adjusted co-payments for services under the prescription and medical plans.

A summary of the fiscal year 2021 operations of the Life and Health Benefits Fund, which includes the County and the Library System, is presented in the following table.

<b>Life and Health Benefits Fund</b>	
<i>Statement of Revenue, Expenses and Changes in Fund Net Assets</i>	
<i>June 30, 2021</i>	
<b>Operating revenue:</b>	
Premium contributions	\$ 96,836,537
Miscellaneous revenue	9,743
Total operating revenue	<u>96,846,280</u>
<b>Operating expenses:</b>	
Insurance premiums	18,896,950
Insurance claims	68,751,266
Administrative and other expenses	3,884,103
Total operating expenses	<u>91,532,319</u>
Net operating income (loss)	5,313,961
Change in net assets	5,313,961
Total net assets (deficit) June 30, 2020	53,769,343
Total net assets (deficit) June 30, 2021	<u>59,083,304</u>

Source: Office of Finance

### **OPEB Costs and Liabilities**

The Governmental Accounting Standards Board (“GASB”) issued statement No. 45 in June 2004 requiring state and local governments to report, for the first time, their unfunded actuarial accrued liabilities for health care and other non-pension post-employment benefits (“OPEB”), as well as their annual OPEB costs. The standards require an actuarial method of accounting, which takes into account unfunded liabilities. These standards took effect in fiscal year 2008.

Effective in fiscal year 2019, GASB 75, Accounting and Financial Reporting by Employers for Other Postemployment Benefits other than Pensions, was implemented. GASB 75 set new reporting requirements for government employers and is similar to Pension accounting standards. The County currently uses a PAYGO funding strategy.

Aon Consulting used standard methodology to produce the results of the actuarial report for the Measurement Period from June 30, 2020 to June 30, 2021. This method provided estimated OPEB costs for the fiscal year ending June 30, 2021. GASB 75 requires recognition of the entire liability, whether funded or not, immediately in the financial statements. The County's proportionate share of the liability is \$2.36 billion.

Reference is made to Note 10 of the County's Audited Basic Financial Statements for the fiscal year ended June 30, 2021 attached hereto as APPENDIX A for a more detailed description of the County's OPEB costs and liabilities.

## **Insurance and Risk Management**

### ***Property and Liability***

The Prince George's County Risk Management Fund (the "Fund") is comprised of the County, the Board of Education, the Community College and the Library System. The Fund provides the County with self-insurance coverage for general liability, including professional liability, automobile liability, worker's compensation and property loss. The County and Fund members are approved self-insurers by the State, and as such, are subject to provide coverage according to State mandatory limits. Entities participating in the Fund are self-insured for \$250,000 per property loss deductible for owned or leased buildings with excess property insurance provided above those levels by the Travelers Insurance Company, which includes boiler and machinery insurance coverage. Liability coverage is self-insured to the limits per the Maryland State Tort Claims Act (\$400,000 per individual claim, not to exceed \$800,000 per occurrence) for all participating entities with the exception of the Board of Education, which retains immunity at \$100,000 per occurrence. Legal fees and expenses are not included in calculating the limit of liability. Insurance protection is provided by National Union Fire Insurance Company for employee dishonesty, theft and robbery and by Indian Harbor/Crum & Foster for cyber liability. The only Exception of Coverage not provided by the Fund is for the Volunteer Fire Corporation. The County funds a separate stand-alone policy for Property & Liability through VFIS. Workers' Compensation coverage is provided under a separate policy through AIG Insurance. There is also a separate policy providing coverage protection for County helicopters and vessels through ACE and Star Group.

The financial activities of the Fund are reflected in the County's basic financial statements as part of its internal service funds and consist of funds for general liability, automobile liability, workers' compensation and property loss coverage. The Fund is managed by a Committee composed of representatives from each agency with the Director of Finance of the County serving as permanent chairman. The County also employs a professional claims management firm to adjust claims; an independent insurance consulting firm to review the treatment of risks and other technical insurance matters; an actuarial firm to evaluate adequacy of funding levels, including future funding needs; and both in-house and contractual attorneys.

Estimated liabilities for pending claims are recorded based on an actuarial analysis which takes into consideration Loss Data Projections from the claims management firm for non-litigation claims and in house and contractual attorneys for claims involving litigation which are considered to have a probable adverse outcome for the County. Claims in litigation that have a reasonably possible materially adverse outcome to the County are disclosed in notes to the basic financial statements and in the section under the heading "LEGAL AND MISCELLANEOUS."

A Statement of Net Assets and a Statement of Revenue, Expenses and Changes in Fund Net Assets detailing the fiscal year 2021 operations of the Risk Management Fund are presented in the following table.

<b>Risk Management Fund</b>			
<i>June 30, 2021</i>			
<i>Combining Statement of Net Position</i>		<i>Statement of Revenue, Expenses and Changes in Fund Net Position</i>	
<u>Assets</u>			
<i>Current assets:</i>		<i>Operating revenue:</i>	
Cash and investments	\$ 2,190,942	Member contributions	\$ 51,225,290
Other assets	<u>23,409,248</u>	Miscellaneous	<u>1,368,582</u>
Total current assets	25,600,190	Total operating revenue	52,593,872
 <i>Noncurrent assets:</i>		 <i>Operating expenses:</i>	
Restricted cash and investments	-	Insurance premiums	3,941,165
Total noncurrent assets	-	Insurance claims	57,419,425
Total assets	<u>25,600,190</u>	Administrative expenses	<u>9,689,449</u>
		Total operating expenses	71,050,039
<u>Liabilities</u>			
<i>Current liabilities:</i>		<i>Non-operating revenue (expenses):</i>	
Current portion of estimated liability on pending claims	32,716,751	Interest income	<u>292,315</u>
Other liabilities	<u>33,588,372</u>	Total non-operating revenue	292,315
Total current liabilities	66,305,123	Net income (loss)	(18,163,852)
 <i>Non-current liabilities:</i>		Inter-fund transfer	-
Estimated liability on pending claims - less current portion	<u>142,378,211</u>	Change in net position	<u>(18,163,852)</u>
Total non-current liabilities	<u>142,378,211</u>	Total net position (deficit) June 30, 2020	<u>(164,919,292)</u>
Total liabilities	<u>208,683,334</u>	Total net position (deficit) June 30, 2021	\$ (183,083,144)
<u>Net Position</u>			
Unrestricted	(183,083,144)		
Total net position	\$ (183,083,144)		

Source: Office of Finance

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## **Labor Contracts**

The County Charter establishes the right of County employees to organize and bargain collectively through representatives of their choosing about wages, hours and other terms and conditions of employment. The County Charter also provides for interest arbitration (i.e., arbitration of contract terms) for “protective service employees” (sworn police officers, uniformed firefighters, correctional officers and deputy sheriffs) if the parties are unable to reach an agreement. The County Labor Code is the comprehensive County law governing essential aspects of labor relations including representation matters, unfair labor practices and collective bargaining.

County agencies directly employed 6,490 employees (full-time equivalents) as of March 1, 2022. Of this total, 4,977 are organized in thirteen (13) separately certified bargaining units, some of which bargain jointly.

Prince George’s County has concluded negotiating successor two-year agreements with all of its collective bargaining units covering the period of July 1, 2020 through June 30, 2022. The County originally began the process during late fall 2019 but had to suspend negotiations due to the COVID-19 pandemic. Negotiations resumed in late November 2020, and the last agreements were reached in October 2021. Four bargaining units reached agreement past the County Council’s legislative deadline and, of the four, three were presented in February 2022, and enacted by the County Council on March 15, 2022. The fourth was introduced in County Council on March 8, 2022; however, the collective bargaining agreement that expired on June 30, 2020 continues to be in effect (except for increases in salaries and benefits) until the successor agreement for fiscal year 2021 through fiscal year 2022 is enacted by the County Council and becomes effective.

Principals, administrators, supervisors and other administrative professional employees of the Board of Education are represented by the Association for Supervisory and Administrative School Personnel (“ASASP”) (Units II & III). The Board and ASASP currently have a negotiated agreement that ends on June 30, 2024. The Service Employees International Union Local 400 (“SEIU Local 400”) represents the facilities services employees. The Board and SEIU Local 400 currently have a negotiated agreement that also ends on June 30, 2024. The Prince George’s County Educator’s Association (“PGCEA”) (Unit I) represents teachers, professional school counselors, school psychologists and other instructional employees. The current negotiated agreement between the Board and PGCEA ends on June 30, 2022. ACE-AFSCME Local 2250 represents various support service employees including maintenance, transportation, secretaries, and food service workers. The current agreement between the Board and ACE-AFSCME Local 2250 ends on June 30, 2022. Both the PGCEA and ACE-AFSCME are working toward successor agreements. As of February 2022, of the 20,000 employees (full-time equivalents) of PGCPs, 98 are not represented by a union.

The two other institutions funded by the County are the Community College with 773 employees and the Library System with 305 employees (full-time equivalent) as of February 2022. The Community College has 234 employees represented by AFSCME Local 1646. They currently have a contract effective until June 30, 2023. The Library also has one bargaining unit represented by MCGEO UFCW Local 1994 consisting of 210 employees. They are currently under contract until June 30, 2022 with negotiations underway for a successor agreement.

## **Cash Management**

The County utilizes an online database system that consolidates and tracks all County investments in one source. This greatly facilitates portfolio oversight and monitoring in the areas of safety, liquidity and income. The system has the capability to provide numerous reports for information and analysis on the County

investment portfolio that also facilitate investment decision making. These reports include cash flow projections, maturity distribution schematics and asset allocation analyses. Additionally, parameters may be configured in the database to flag portfolio anomalies and monitor preset thresholds thereby enhancing portfolio compliance.

County funds held for operating and capital purposes are managed by the Office of Finance under strict guidelines as to investment vehicles. Investments are governed by State law. The requirements of which include (a) limiting permissible investments and (b) requiring that all local governmental units, including the County, adopt an investment policy. The County is in compliance with State laws. The County’s written investment policy has been approved by the Director of Finance, adopted by a resolution by the County Council and filed with the State Treasurer. The County does not invest in derivative securities that have high price volatility, lack liquidity or are speculative in nature. The County invests primarily in obligations of the United States Government, its agencies or instrumentalities, the Maryland Local Government Investment Pool, Repurchase Agreements, certificates of deposits and time deposits, money market mutual funds and commercial paper. Bond proceeds may be invested up to three years. Repurchase Agreements are collateralized by at least 102% of the principal amount by obligations of the United States Government, its agencies and instrumentalities, and are held by independent third-party custodians.

The County’s investment portfolio as of February 28, 2022, consisted of the following investment types and amounts:

<b>Investment Portfolio</b>		
<i>February 28, 2022</i>		
<b>Type of Investments</b>	<b>Amount</b>	<b>Percentage</b>
U.S. Government and Agency Securities	\$ 129,153,512	8.3%
Certificates of Deposit & Interest Bearing Bank Accounts	15,000,000	1.0%
Maryland Local Government Investment Pool	1,204,333,693	77.4%
Government Money Market Mutual Funds	207,492,775	13.3%
Total:	\$ 1,555,979,981	100.0%

Source: Office of Finance

## Financial Reporting

The County’s accounts are organized based on funds and account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for by providing a separate set of self-balancing accounts which comprises its assets, liabilities, fund balance, revenue and expenditures. The modified accrual basis of accounting is followed in the General, Special Revenue, Debt Service, Capital Projects and Agency Funds. Under this method of accounting, revenue which is both measurable and available, including taxes, uses of money and property, charges for services, intergovernmental and miscellaneous revenue is recognized when earned, with the exception of interest and penalties on property tax payments which are recognized when cash is received. Expenditures, other than interest on long term debt, are recorded as liabilities when incurred. With respect to property tax revenue, the term “available” is limited to collections within 60 days of the fiscal year end.

The accrual basis of accounting is followed in the Enterprise, Internal Service and Pension Trust Funds. Under this method of accounting, revenue is recognized when earned and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash.

The County Charter requires annual audits and the County has historically satisfied this requirement by using independent certified public accountants. The County's basic financial statements for the fiscal year ended June 30, 2021, are included in APPENDIX A of this Official Statement.

CliftonLarsonAllen LLP was engaged by the County to audit the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2021 (collectively referred to as the "basic financial statements") and issued their report on February 28, 2022.

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the year ended June 30, 2020. This was the 41th consecutive year (fiscal years ended June 30 of 1980-2020) that the County has achieved this prestigious award. This Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

### **Financial Policies**

The County's financial management policies are designed to ensure the fiscal stability, provide long-term sustainability, and guide the development and administration of the annual operating and capital budgets, as well as the debt program. The objectives of these policies are to fund stable and sustainable public services to citizens and ensure the County's fiscal integrity is maintained. It also enhances the policy making ability of the County Executive and County Council by providing accurate, reliable and timely information about County operations in order to guide important decisions which have significant fiscal impact.

These financial policies aim to set forth operational principals that achieve a structurally balanced budget and maintain the County's AAA/Aaa/AAA bond rating from the respective rating agencies, while minimizing the cost of funding core government services and financial risks. A strong financial system and internal controls is achieved by ensuring the appropriate use of all County funds and employing policies that diversify revenue, and distribute expenditures fairly and adequately to deliver desired programs and services.

In order to meet these objectives, the County's policies are divided into seven general categories:

- 1) Financial Planning
- 2) Revenue
- 3) Budget Management
- 4) Fund Balance
- 5) Debt Management
- 6) Cash Management/Investment
- 7) Financial Reporting

### **Budget Adoption Process**

The County's budget includes both an operating and a capital budget. The operating budget details the nature, volume and cost of work to be performed by the County's agencies. The capital budget describes each capital project proposed in the ensuing fiscal year and project receipts anticipated from all borrowings and other sources for such projects. The Capital Improvement Program is the instrument through which the



County's long-term physical needs are addressed. Its expenditures detail the County's investment in permanent facilities such as buildings, roads, parks, solid waste facilities and stormwater management facilities.

No later than March 15 of each year, the County Executive is required to submit to the County Council a proposed County budget which includes the operating budget and the capital budget for the ensuing fiscal year and a capital program for the next six fiscal years. The County Council, after conducting at least two additional public hearings, may, by majority vote, increase, decrease or delete any items of the budget, except for those expenditures required by law, debt service on outstanding obligations or estimated cash deficits. The County Council may not add any new items to the County Executive's budget. However, the County Council may increase or decrease revenue estimates in the total approved budget by no more than 1% by a two-thirds vote. The County Council must adopt the budget by June 1 of each year and, if it fails to do so, the budget proposed by the County Executive will stand adopted.

Upon enactment of the budget bill by the County Council, the County Executive may, within 10 days, approve or reject it. If the County Executive rejects it, the bill is returned to the County Council with a written explanation of the disapproval. The County Council may override the County Executive by a two-thirds vote either as to the entire bill or, if the County Executive has disapproved or reduced specific items of the budget, with regard to those specific items. If the County Executive fails to take any action within 10 days, then the County Council budget bill is adopted.

Pursuant to the County Charter, each County agency must, by October 1, submit to the County Executive an itemized list of capital projects proposed for the next six fiscal years. The County Executive may amend the capital program proposals and must subsequently submit a capital budget and a six-year capital improvement program to the County Council no later than March 15 of each year. Pursuant to the County Charter, no capital project will be authorized unless included in the County's capital budget or unless thereafter authorized by two-thirds of the County Council after public hearing, provided that such amendment does not increase the total appropriations approved for that fiscal year.

Section 10-112.21 of the County Code established in 1997 a Spending Affordability Committee which is composed of five members. On or before October 1 of each year, the Committee submits to the County Executive and the County Council a preliminary report recommending spending levels for the next fiscal year consistent with the capacity of the tax base and revenue sources of the County to finance public services and long-term debt. The final report is submitted by the Committee on or before January 1 of each year. A copy of the final report is filed with the Clerk of the Council and is made available for public inspection. In developing the proposed capital and operating budgets, the County Executive considers the Committee's spending affordability recommendations.

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## DEBT AND CAPITAL PLAN

### **Authority to Borrow**

All Maryland charter counties have certain powers, which are set forth in Section 10-203 of the Local Government Article (the “Express Powers Act”). The County is authorized under the Express Powers Act to undertake borrowings for any public purposes of the County, provided that the aggregate amount of indebtedness outstanding at any one time shall not exceed a total of 6% of the assessable basis of real property of the County and 15% of the County’s assessable basis of personal property and operating real property described in Section 8-109(c) of the Tax-Property Article of the Annotated Code of Maryland, as amended (the “Tax-Property Article”), excluding tax anticipation notes or other obligations having a maturity not in excess of 12 months, obligations issued or guaranteed by the County payable primarily or exclusively from taxes levied in or on, or other revenues of, special taxing areas or districts, or obligations issued for self-liquidating and other projects payable primarily or exclusively from the proceeds of assessments or charges for special benefits or services. The County Charter requires passage of both a bond enabling act and bond authorization act before bonds may be issued to finance capital projects.

### **Mandatory Referendum – Enabling Acts**

The County Charter requires any bond enabling act for capital financing or any act or resolution pledging the full faith and credit of the County or any County guarantee of any state, bi-county agency or district, unless such capital financing or pledge is otherwise exempted by the County Charter or Maryland law, to be submitted to a referendum at the ensuing congressional primary or general election. Each enabling act must identify a single capital project or a number of projects in the same generic class.

### **Petition to Referendum – Authorization Acts**

Any local law authorizing the borrowing of money or issuance of bonds or other indebtedness shall be submitted to the referendum of County voters if a petition meeting certain legal requirements (including a 10,000-signature requirement) is filed. Once a project has been approved at referendum, subsequent bond enabling acts or bond authorization ordinance are not subject to the referendum/petition requirement.

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## Statutory Debt Limit

Pursuant to the the Express Powers Act, the statutory debt limit of the County is a total of 6% of the assessable base of real property of the County and 15% of the County's assessable base of personal property and operating real property described in Section 8-109(c) of the Tax-Property Article. State law authorizes certain exclusions. Obligations issued by the Revenue Authority are excluded from the County's statutory limit. The current debt limit of the County is shown in the following table.

<b>Statutory Debt Limit</b>	
<i>June 30, 2021</i>	
County General Obligation Bonds	\$ 2,467,010,000
Maryland Water Quality Loan	45,139,989
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	-
<b>Total Debt of the County</b>	<b>2,512,149,989</b>
<u>Less:</u> Portion of Debt Excludable by State Law:	
County General Obligation Bonds for:	
Mass Transit Facilities	3,689,701
Stormwater Facilities	335,634,043
Solid Waste Projects	71,290,977
School Facilities Surcharge-Supported	458,041,794
School Facility Supported by Telecommunication Tax	9,891,876
Maryland Water Quality Loan	45,139,989
Maryland Development Debt	-
Maryland CDA Infrastructure Financing Bonds	-
<b>Total Excludable Debt</b>	<b>923,688,380</b>
<b>County Debt Subject to Statutory Debt Limitation</b>	<b>1,588,461,609</b>
Assessable Base of Real Property Taxation (FY2021)	108,467,097,890
Assessable Base of Personal Property and Operating Real Property Taxation (FY2021)	3,514,762,210
Debt Limit (a total of 6% of Real Property Assessable Base and 15% of Assessable Base of Personal Property) (FY2021)	7,035,240,205
<u>Less:</u> County Debt Subject to Debt Limitation	1,588,461,609
<b>County Debt Margin</b>	<b>5,446,778,596</b>

*Source: Office of Finance*

## Short Term and Long Term Debt

The County has no short term debt.

### ***Tax-Supported General Fund Debt***

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

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

The following schedules show (1) gross direct debt, net direct tax-supported General Fund debt, overlapping and underlying debt of the County and various entities incurred for capital purposes and outstanding; (2) a schedule of net tax supported debt service requirements paid from the County General Fund sources; and (3) the rapidity of net tax-supported General Fund principal payments in 5, 10, 15 and 21 years, as of June 30, 2021.

### ***Direct, Overlapping and Underlying Debt Statement***

(\$ millions)

June 30, 2021

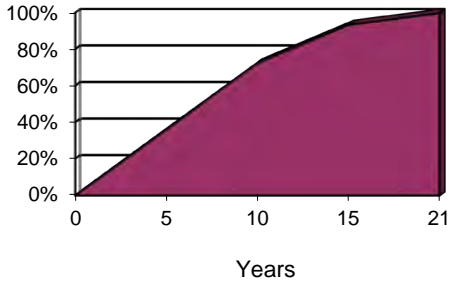
	Gross Debt Principal Amount	Self-Supporting Debt	Net Tax-Supported General Fund Debt Principal Amount
<b>Direct Debt</b>			
County General Obligation Bonds:			
General Purpose	\$ 1,588.5	-	1,588.5
Mass Transit	3.7	3.7	-
Stormwater Management	335.6	335.6	-
Solid Waste Management	71.3	71.3	-
School Facilities Surcharge-Supported	458.0	458.0	-
School Facilities Supported by			
Telecommunication Tax	9.9	9.9	-
Maryland Water Quality Loan	45.1	45.1	-
Maryland CDA Development Debt	-	-	-
Maryland CDA Infrastructure Financing Bonds	-	-	-
<b>Total Direct Debt</b>	<b>2,512.1</b>	<b>923.6</b>	<b>1,588.5</b>
<b>Overlapping and Underlying Debt</b>			
Washington Suburban Sanitary Commission	1,040.8	1,040.8	-
Maryland-National Capital Park and Planning Commission	96.4	96.4	-
Industrial Development Authority of Prince George's County Lease Revenue Bonds	-	-	-
Underlying Towns and Cities Within County	72.0	72.0	-
<b>Total Overlapping and Underlying Debt</b>	<b>1,209.2</b>	<b>1,209.2</b>	<b>-</b>
<b>Total Direct, Overlapping Debt and Underlying Debt</b>	<b>3,721.3</b>	<b>2,132.8</b>	<b>1,588.5</b>

Source: Office of Finance

The following illustration excludes self-supporting County general obligation bonds and State bonds.

**Rapidity of Net Tax-Supported Bond Principal Payments from General Fund**

June 30, 2021



Years	Principal Retired (\$ millions)	Percent
5	\$577.1	36.3%
10	1152.0	72.5%
15	1486.1	93.5%
21	1588.5	100.0%

Source: Office of Finance

**Self-Supporting Debt**

Debt which is to be repaid in its entirety from distinct and separate chargeable revenue sources other than County General Fund revenue sources is treated as self-supporting or self-liquidating debt. The County's self-supporting debt is comprised of bonds issued for:

Source of Revenue for Self-Supporting Debt

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Mass Transit</li> <li>2. Stormwater Facilities</li> <li>3. Public School Facilities</li> <li>4. Public School Renovation and Systemic Projects</li> <li>5. Solid Waste Facilities</li> </ol> | <ol style="list-style-type: none"> <li>1. Unlimited ad valorem tax levied by the Washington Suburban Transit Commission</li> <li>2. Special unlimited ad valorem tax levied by the County under a State statute</li> <li>3. Payable in the first instance from amounts on deposit in a separate school facilities surcharge account</li> <li>4. Payable in the first instance from amounts on deposit in a separate school Telecommunication Tax-Supported School Renovation Projects account</li> <li>5. Payable from system revenue derived from tipping fees, refuse collection charges, system benefit, recycling and bulky trash charges to residents receiving benefits and certain non-residential charges</li> </ol> |
|--|--|

## Schedule of Self-Supporting Debt Service Requirement

June 30, 2021

Fiscal Year	Mass Transit General Obligation Bonds		School Surcharge		Telecommunication Tax		Stormwater General Obligation Bonds		(Includes MDE) County Solid Waste General Obligation and Revenue Bonds		MD Water Quality, MD State Bonds, MD CDA Development Debt, MD CDA Infrastructure Bonds		Total Gross Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 851,580	110,657	29,550,546	16,929,522	2,096,422	336,858	15,984,505	12,533,810	3,414,339	2,547,337	1,427,832	270,484	53,325,224	32,728,669
2023	825,019	78,378	32,784,384	16,533,272	1,887,758	254,975	17,321,683	12,293,372	3,895,205	2,620,431	1,436,399	261,917	58,150,448	32,042,345
2024	704,236	55,075	30,458,750	15,284,012	1,680,063	186,443	17,896,492	11,527,396	4,065,039	2,466,859	1,445,017	253,299	56,249,597	29,773,083
2025	589,069	34,811	30,057,462	14,016,574	1,473,339	125,150	17,732,903	10,765,410	4,001,720	2,313,662	1,453,687	244,629	55,308,180	27,500,235
2026	552,973	21,451	78,316,683	12,602,328	1,154,177	80,812	17,943,906	10,017,413	3,844,009	2,153,948	1,462,409	235,907	103,274,157	25,111,859
2027	96,219	4,418	26,888,247	9,947,400	841,229	41,804	18,167,366	9,265,120	3,683,483	1,992,366	1,471,184	227,132	51,147,728	21,478,240
2028	56,066	1,502	26,729,924	8,782,813	551,726	15,991	18,494,391	8,536,429	3,893,059	1,836,230	1,480,011	218,305	51,205,177	19,391,269
2029	14,539	218	27,050,798	7,623,141	207,162	3,107	18,740,972	7,738,362	4,013,485	1,659,528	1,488,891	209,425	51,515,847	17,233,781
2030			27,050,000	6,437,304			19,495,062	6,852,270	4,206,555	1,474,227	2,997,824	200,492	53,749,441	14,964,293
2031			25,810,000	5,271,763			20,271,219	5,951,313	3,497,561	1,302,974	1,506,811	191,505	51,085,591	12,717,555
2032			23,395,000	4,181,970			19,380,544	5,106,279	3,513,522	1,149,772	1,515,852	182,464	47,804,918	10,620,485
2033			20,975,000	3,228,576			18,850,000	4,365,369	3,602,000	998,686	1,524,947	173,369	44,951,947	8,765,999
2034			17,970,000	2,448,160			18,075,000	3,664,644	3,530,000	854,871	1,534,097	164,219	41,109,097	7,131,894
2035			15,170,000	1,814,663			16,300,000	3,008,200	3,391,000	721,445	1,543,301	155,014	36,404,301	5,699,322
2036			12,630,000	1,309,238			15,300,000	2,419,500	3,170,000	598,275	1,552,561	145,755	32,652,561	4,472,767
2037			10,655,000	916,994			15,950,000	1,895,925	3,305,000	483,931	1,561,876	136,439	31,471,876	3,433,289
2038			8,640,000	592,400			16,650,000	1,348,800	3,330,000	366,988	1,571,248	127,068	30,191,248	2,435,255
2039			6,460,000	336,650			15,190,000	811,350	2,655,000	259,669	1,580,675	117,640	25,885,675	1,525,309
2040			4,250,000	160,200			9,795,000	403,425	2,480,000	165,675	1,590,159	108,156	18,115,159	837,456
2041			2,275,000	54,900			5,335,000	149,200	2,605,000	71,925	14,995,210	547,251	25,210,210	823,276
2042			925,000	9,250			2,760,000	27,600	1,195,000	11,950			4,880,000	48,800
<b>Total</b>	<b>\$ 3,689,701</b>	<b>306,510</b>	<b>458,041,794</b>	<b>128,481,128</b>	<b>9,891,876</b>	<b>1,045,140</b>	<b>335,634,043</b>	<b>118,681,187</b>	<b>71,290,977</b>	<b>26,050,748</b>	<b>45,139,989</b>	<b>4,170,469</b>	<b>923,688,380</b>	<b>278,735,181</b>

Source: Office of Finance

A summary of the County's gross direct debt service requirements to maturity relating to the County's tax-supported General Fund debt and self-supporting debt is presented below.

<b>Summary of Gross Direct Debt Service Requirements to Maturity</b>						
<i>June 30, 2021</i>						
Fiscal Year	County Tax Supported Debt		Self-Supporting Debt		Total Gross Direct Debt Service Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 111,092,608	60,646,413	53,325,224	32,728,669	164,417,832	93,375,082
2023	118,470,950	58,371,028	58,150,448	32,042,345	176,621,398	90,413,372
2024	116,480,420	53,501,393	56,249,597	29,773,083	172,730,017	83,274,476
2025	114,435,507	48,557,457	55,308,180	27,500,235	169,743,687	76,057,692
2026	116,608,252	43,635,864	103,274,157	25,111,859	219,882,409	68,747,723
2027	121,538,456	38,533,794	51,147,728	21,478,240	172,686,184	60,012,034
2028	122,684,834	33,353,600	51,205,177	19,391,269	173,890,011	52,744,869
2029	117,818,045	28,082,033	51,515,847	17,233,781	169,333,892	45,315,814
2030	111,198,383	23,035,639	53,749,441	14,964,293	164,947,824	37,999,931
2031	101,681,220	18,416,374	51,085,591	12,717,555	152,766,811	31,133,928
2032	90,715,934	14,285,220	47,804,918	10,620,485	138,520,852	24,905,705
2033	77,608,000	10,815,663	44,951,947	8,765,999	122,559,947	19,581,662
2034	65,735,000	8,059,637	41,109,097	7,131,894	106,844,097	15,191,531
2035	55,094,000	5,782,380	36,404,301	5,699,322	91,498,301	11,481,702
2036	44,930,000	3,988,125	32,652,561	4,472,767	77,582,561	8,460,892
2037	36,815,000	2,649,875	31,471,876	3,433,289	68,286,876	6,083,164
2038	27,900,000	1,600,000	30,191,248	2,435,255	58,091,248	4,035,255
2039	18,535,000	842,338	25,885,675	1,525,309	44,420,675	2,367,647
2040	10,865,000	384,375	18,115,159	837,456	28,980,159	1,221,831
2041	5,655,000	135,550	25,210,210	823,276	30,865,210	958,826
2042	2,600,000	26,000	4,880,000	48,800	7,480,000	74,800
<b>TOTAL</b>	<b>\$ 1,588,461,609</b>	<b>454,702,758</b>	<b>923,688,380</b>	<b>278,735,181</b>	<b>2,512,149,989</b>	<b>733,437,938</b>

Source: Office of Finance

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## Leases and Other Long Term Obligations

### *Operating and Capital Leases*

The County is a party to various office facility and equipment operating and capital leases that provide for automatic termination on July 1 of any year in which funds are not appropriated by the County Council for the payment of such obligations. The County's future minimum annual lease payments are indicated in "APPENDIX A - Notes to Financial Statements, Note 16." Equipment lease purchase agreements that meet the criteria of a capital lease are reflected as liabilities in the financial statements.

### *Capital Facility Purchase Agreements*

The County's obligation to make payments under its outstanding capital facility purchase agreements is subject to annual appropriation by County Council of the amounts due thereunder. The County funds most of the payments due under these purchase agreements from the General Fund; portions of such payments are funded by various County enterprise funds and the Community College and are considered self-supporting by the County.

Purpose of Capital Facility Purchase Agreement	Final Maturity	Original Par Amount	Fiscal Year 2022 Annual Installment Payments	Outstanding Principal as of June 30, 2021
Certificates of Participation, Series 2011 issued to finance the acquisition of equipment, land and building constructed to house the Public Safety Communications Center	10/1/2021*	\$19,775,000.00	\$989,125.00	\$965,000.00
Total		\$19,775,000.00	\$989,125.00	\$965,000.00

*\*Serial maturities October 1, 2022 through October 1, 2026 and the 2030 Term Certificate with sinking fund amounts in October 1, 2027 through October 1, 2030 were refunded on 6/17/2021 with the issuance of the Certificates of Participation (Behavioral Health Facility and Capital Equipment), Series 2021.*



***Certificates of Participation***

The County’s obligation to make payments for certificates of participation is subject to annual appropriation by the County Council. The County funds most of the payments from the General Fund.

Purpose of Certificate of Participation	Final Maturity	Original Par Amount	Fiscal Year 2022 Annual Installment Payments	Outstanding Principal as of June 30, 2021
Certificates of Participation, Series 2012 issued to finance or refinance the acquisition of certain equipment and fixtures	October 15, 2022	\$33,825,000.00	\$1,088,200.00	\$1,940,000.00
Certificates of Participation, Series 2013 issued to refinance the County’s Project and Refunding Revenue Bonds (Dimensions Health Corporation Issue), Series 1994	October 15, 2024	\$39,475,000.00	\$4,329,750.00	\$14,950,000.00
Certificates of Participation, (Regional Medical Center), Series 2017 issued to fund the County’s contribution for a portion of the costs associated with the Regional Medical Center	October 1, 2047	\$104,000,000.00	\$5,462,975.00	\$98,095,000.00
Certificates of Participation (University of Maryland Capital Region Medical Center), Series 2018 issued to fund the County’s contribution for a portion of the costs associated with the Regional Medical Center	October 1, 2048	\$91,985,000.00	\$5,887,593.76	\$89,180,000.00
Certificates of Participation (Suitland Public Infrastructure), Series 2019 issued to fund certain public infrastructure improvements related to the development of the Suitland Town Center Project	October 1, 2038	\$18,585,000.00	\$1,459,200.00	\$18,190,000.00

Purpose of Certificate of Participation	Final Maturity	Original Par Amount	Fiscal Year 2022 Annual Installment Payments	Outstanding Principal as of June 30, 2021
Certificates of Participation (Hampton Park Public Infrastructure), Series 2019 issued to fund certain public infrastructure improvements related to the development of the Hampton Park Project	October 1, 2038	\$9,950,000.00	\$766,400.00	\$9,370,000.00
Certificates of Participation (Behavioral Health Facility and Capital Equipment), Series 2021 issued to finance the County's portion of the design, construction and equipping of a behavioral health facility, to fund the acquisition and purchase of essential equipment and refund the County's COP (Public Safety Communications Center(PSCC)), Series 2011	October 1, 2041	\$48,425,000.00	\$1,826,908.89	\$48,425,000.00
Total		\$366,020,000.00	\$21,810,152.65	\$281,115,000.00

### ***Equipment Purchase Agreements***

Purpose of Equipment Purchase Agreement	Final Maturity	Original Par Amount	Fiscal Year 2022 Annual Installment Payments	Outstanding Principal as of June 30, 2021
2016 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of Fire Department equipment	April 29, 2023	\$10,161,624.11	\$21,596.94	\$1,514,278.30
2016 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of garbage and recycling equipment	July 1, 2023	\$6,480,278.72	\$987,027.74	\$2,404,806.28
2016 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	January 1, 2023	\$8,500,000.00	\$1,551,044.77	\$2,995,016.89

Purpose of Equipment Purchase Agreement	Final Maturity	Original Par Amount	Fiscal Year 2022 Annual Installment Payments	Outstanding Principal as of June 30, 2021
2017 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	April 1, 2024	\$22,336,760.00	\$3,675,757.90	\$10,684,700.93
2017 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	January 1, 2024	\$8,500,000.00	\$1,538,360.00	\$4,415,183.52
2018 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	July 15, 2025	\$16,500,000.00	\$2,617,936.92	\$10,957,378.12
2018 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	February 1, 2025	\$8,500,000.00	\$1,560,278.44	\$5,848,978.71
2019 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	August 15, 2026	\$16,499,825.00	\$2,545,714.40	\$13,191,269.28
2020 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	March 15, 2026	\$8,500,000.00	\$1,499,257.36	\$7,143,959.32
2020 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	September 15, 2027	\$16,473,450.00	\$2,473,486.77	\$15,346,169.00
2022 Equipment Lease Purchase Agreement Fixed Rate Private Placement issued to finance the acquisition of public safety vehicles and equipment	July 15, 2029	\$25,000,000.00	\$0.00	\$0.00
		\$147,451,937.83	\$18,470,461.24	\$74,501,740.35

### ***Prior Leases with the Industrial Development Authority (IDA) of Prince George's County***

The County and the IDA determined that it would be in the best interest of the County to dissolve the IDA to consolidate certain governmental entities. To wind down the affairs of the IDA and dispose of its assets, bonds, leases and property, the Revenue Authority issued bonds to refund and legally defease the IDA's outstanding debt in May 2018. This included the transfer of the IDA's interest in the DuVall Wing Restoration Project and the Upper Marlboro Justice Center Project to the Revenue Authority. The IDA dissolved effective January 13, 2020. See "—Leases with the Revenue Authority of Prince George's County."

### ***Leases with the Revenue Authority of Prince George's County***

Purpose of Lease Purchase Agreement	Final Maturity	Original Par Amount	Fiscal Year 2022 Annual Installment Payments	Outstanding Principal as of June 30, 2021
Lease Revenue Refunding Bonds (Upper Marlboro Courthouse Projects), Series 2018A (Tax-Exempt)	May 1, 2030	\$15,255,000.00	\$1,404,500.00	\$9,990,000.00
Lease Revenue Refunding Bonds (Upper Marlboro Courthouse Projects), Series 2018B (Taxable)	May 1, 2030	\$18,500,000.00	\$2,034,304.50	\$15,315,000.00
Total		\$33,755,000.00	\$3,438,804.50	\$25,305,000.00

### **Capital Improvement Program & Future Financings**

The following table shows all capital projects under consideration by the County, including projects that have not been referred to the voters for approval. The selection of particular capital projects for referendum occurs in each general election year. The selection of approved capital projects for general obligation bond financing occurs in each fiscal year based on a debt affordability analysis. The County has traditionally issued general obligation consolidated public improvement bonds each fiscal year and plans to continue to do so on a parity basis with outstanding general obligation debt. The County currently plans to issue the fiscal year 2022 general obligation bonds in May 2022 and fiscal year 2023 general obligation bonds in Spring 2023.

In addition to the County's general obligation bonds, the County anticipates issuing debt in fiscal year 2022 and 2023 that includes an approximate \$65 million stormwater loan secured by annual appropriation and revenues to be issued by the Maryland Water Quality Financing Administration in the Spring/Summer 2022; an estimated \$48 million National Harbor Refunding Certificates of Participation in the Spring 2022; and a \$35 million stormwater loan secured by annual appropriation and revenues to be issued by the Maryland Water Quality Financing Administration in the Fall/Winter 2022/2023. Additionally, the County typically issues approximately \$25 million as equipment lease purchase obligations or as Certificates of Participation (COP) annually to fund the acquisition of agency vehicles and public safety equipment.

**Proposed Capital Improvement Program for Fiscal Years 2022-2027**

	(\$ thousands)						
	Planned 2022	Planned 2023	Planned 2024	Planned 2025	Planned 2026	Planned 2027	Total 2022-2027
<b>General Obligation Bonds</b>							
Board of Education	114,749	142,322	136,818	122,531	122,349	133,432	772,201
Public Works & Transportation	88,312	55,441	29,957	29,178	33,465	38,328	274,681
Library	14,513	7,151	14,455	15,320	2,600	2,600	56,639
Health	5,500	1,475	760	720	680	500	9,635
Corrections	6,623	10,134	7,984	8,139	4,739	2,987	40,606
Courts	5,200	1,000	1,000	1,100	1,100	1,100	10,500
Police	8,023	7,900	600	1,300	7,500	9,250	34,573
Fire/EMS	1,000	8,170	9,192	5,550	5,550	5,550	35,012
Environment	-	-	-	750	3,193	3,193	7,136
Community College	8,608	19,972	16,591	8,516	7,960	22,709	84,356
Central Services	15,000	15,946	26,000	39,200	11,000	9,085	116,231
Information Technology	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-
<b>Federal (F) and/or State Aid (S)</b>							
Board of Education (S)	35,322	63,172	47,957	55,846	66,096	65,559	333,952
Public Works & Transportation (F&S)	27,901	20,327	8,460	5,580	9,780	8,180	80,228
Community College (S)	24,637	30,815	20,265	10,121	11,895	31,430	129,163
Library	-	1,000	-	-	-	-	1,000
M-NCPPC / Parks Department (S)	3,000	-	-	-	-	-	3,000
Redevelopment Authority	250	-	-	-	-	-	250
Stormwater Management District (F&S)	2,980	1,310	-	-	-	-	4,290
Federal Programs (F)	5,374	-	-	-	-	-	5,374
<b>M-NCPPC</b>							
M-NCPPC / Parks Department	15,600	4,500	4,500	4,500	4,500	4,500	38,100
<b>Developer</b>							
Public Works & Transportation	21,015	15,930	12,479	5,130	5,192	6,130	65,876
M-NCPPC / Parks Department	2,030	-	-	-	-	-	2,030
Police	-	-	-	-	-	-	-
<b>Other</b>							
Board of Education	17,459	15,000	15,000	15,000	15,000	15,000	92,459
Central Services	12,031	10,000	10,000	10,000	10,000	10,000	62,031
Circuit Court	-	-	22,750	-	-	-	22,750
Fire	4,081	670	-	-	-	-	4,751
Health	20,000	-	-	-	-	-	20,000
Library	-	420	-	-	-	-	420
M-NCPPC / Parks Department	37,550	29,350	25,750	26,500	26,500	26,500	172,150
Police	3,500	4,526	-	-	-	-	8,026
Public Works & Transportation	6,849	5,190	10,608	5,282	5,464	5,653	39,046
Redevelopment Authority	11,698	6,386	5,500	1,000	1,000	-	25,584
Stormwater Management District	30,964	53,209	44,052	-	-	-	128,225
Revenue Authority	57,500	30,000	20,000	-	-	-	107,500
<b>Stormwater Management Bonds</b>							
Stormwater Management District	55,069	62,020	61,688	59,405	70,369	40,195	348,746
<b>Revenue Bonds</b>							
Environment	14,541	12,246	14,586	7,489	2,400	800	52,062
Revenue Authority	9,575	-	-	-	-	-	9,575
<b>Summary of General Purposes</b>							
General Obligation Bonds	267,528	269,511	243,357	232,304	200,136	228,734	1,441,570
M-NCPPC	15,600	4,500	4,500	4,500	4,500	4,500	38,100
Stormwater Management Bonds	55,069	62,020	61,688	59,405	70,369	40,195	348,746
Revenue Bonds	24,116	12,246	14,586	7,489	2,400	800	61,637
Federal / State Aid	99,464	116,624	76,682	71,547	87,771	105,169	557,257
Developer	23,045	15,930	12,479	5,130	5,192	6,130	67,906
Other	201,632	154,751	153,660	57,782	57,964	57,153	682,942
<b>Total General Purposes:</b>	<b>686,454</b>	<b>635,582</b>	<b>566,952</b>	<b>438,157</b>	<b>428,332</b>	<b>442,681</b>	<b>3,198,158</b>

Source: Office of Management and Budget

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Population

From 1990 to 2020 the County has grown at an average rate of approximately 79,311 people every 10 years. Between 2010 and 2020 the population growth in the County increased 12.0%. The County's growth has been greater than the population growth in Maryland (7.0%) and the United States (7.4%) between 2010 and 2020. In 2021, the County had a population of 955,306, a decrease of 1.2% from the 2020 population of 967,201.

In 2020, 67.7% of the County's residents were between the ages of 15 and 64 years old, which was slightly higher than the State of Maryland (66.0%) and the United States (65.0%). The share of the County's population that was 65 years and older (13.8%) was lower compared to the State of Maryland (16.1%) and the United States (16.6%).

<b>Population</b>			
1990 – 2020			
Year	County	State of Maryland	United States
2020	967,201	6,177,224	331,449,281
2010	865,271	5,773,552	308,745,538
2000	801,515	5,296,486	281,421,906
1990	729,268	4,798,000	248,769,873
Percent Change (2010-2020)	11.8%	7.0%	7.4%
2021 (Est.)	955,306	6,165,129	331,893,745

### Income

In 2020, the County's aggregate personal income totaled \$49 billion. The per capita personal income in the County during 2020 was \$54,195. The compound growth rate of the County's per capita personal income between 2010 and 2020 was 2.9%. This percentage was lower than in the United States (3.9%) and the State of Maryland (3.0%).

*[Remainder of Page Left Intentionally Blank]*

The County's median household income in 2020 was \$86,994 compared to \$75,925 in 2016, an increase of 14.6% in the 5-year period. Jurisdictional comparisons are shown below:

<b>Median Household Income</b>			
<i>2016 and 2020</i>			
<b>Metro Jurisdiction</b>	<b>Median Household Income</b>		
	2016	2020	% Change
State of Maryland	\$76,067	\$87,063	14%
Washington Metro Area:			
<b>Prince George's County</b>	<b>75,925</b>	<b>86,994</b>	<b>14.6%</b>
Calvert County	96,808	112,696	16.4%
Charles County	91,373	103,678	13.5%
Frederick County	85,715	100,685	17.5%
Montgomery County	100,352	111,812	11.4%
Baltimore Metro Area:			
Anne Arundel County	91,918	103,225	12.3%
Baltimore City	44,262	52,164	17.9%
Baltimore County	68,989	78,724	14.1%
Carroll County	87,060	99,569	14.4%
Harford County	81,052	94,003	16.0%
Howard County	113,800	124,042	9.0%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (as of March 2022)

## Employment

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

<b>Comparative Distributions of Non-Agricultural Employment by Industry</b>						
<i>2016 - 2020</i>						
<b>Industry</b>	<b>Prince George's County</b>				<b>Maryland</b>	
	<b>(2016)</b>		<b>(2020)</b>		<b>(2020)</b>	
	<b>Sectoral Employment</b>	<b>% of Total</b>	<b>Sectoral Employment</b>	<b>% of Total</b>	<b>Sectoral Employment</b>	<b>% of Total</b>
Government Employment	88,966	29%	87,903	30%	480,385	19%
Private Employment	222,973	71%	208,174	70%	2,036,351	81%
Natural Resources and Mining	125	0%	94	0%	7,127	0%
Construction	26,057	8%	27,236	9%	161,959	6%
Manufacturing	7,447	2%	7,214	2%	108,519	4%
Trade, Transportation and Utilities	60,135	19%	55,992	19%	442,361	18%
Information	3,668	1%	2,342	1%	33,033	1%
Financial Activities	11,279	4%	10,414	4%	129,594	5%
Professional and Business Services	40,621	13%	37,164	13%	443,642	18%
Education and Health Services	33,408	11%	32,161	11%	420,060	17%
Leisure and Hospitality	31,425	10%	27,776	9%	211,399	8%
Other Services	8,808	3%	7,762	3%	78,464	3%
Unclassified	0	0%	18	0%	190	0%
<b>Total</b>	<b>311,939</b>	<b>100%</b>	<b>296,077</b>	<b>100%</b>	<b>2,516,736</b>	<b>100%</b>

Note: Numbers may not sum due to rounding.

Source: Maryland Department of Labor, Licensing and Regulations Employment and Payroll - County Industry Series (as of March 2022).

Between 2012 and 2021, the unemployment rate for the County generally remained close to the State of Maryland's unemployment rate and at or below that of the United States as shown in the following table.

<b>Labor Market Characteristics</b>					
<b>2012-2021</b>					
Year	County Residents		Unemployment Rate		
	Civilian Labor Force	Resident Employment	Prince George's County	State of Maryland	United States
2012	485,215	450,330	7.2	6.9	8.1
2013	485,941	452,620	6.9	6.5	7.4
2014	486,156	457,128	6.0	5.7	6.2
2015	486,318	461,301	5.1	5.0	5.3
2016	499,860	478,398	4.3	4.3	4.9
2017	513,992	493,342	4.0	4.0	4.4
2018	513,343	493,920	3.8	3.6	3.9
2019	522,677	503,782	3.6	3.4	3.7
2020	512,497	471,489	8.0	6.7	8.1
2021	502,972	465,458	7.5	5.8	5.3

Source: U.S. Department of Labor, Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics Program. \*Not seasonally adjusted. (as of May 2022)

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

<b>Prince George's County Major Employers</b>		
<b>2020 - 2021</b>		
Employer	Product or Service	Number of Employees
<b>LARGEST PRIVATE SECTOR EMPLOYERS</b>		
United Parcel Service	Package Delivery (Regional Headquarters)	3,000
MGM National Harbor	Casino Gaming	2,785
Marriott International/Gaylord Resort and Convention Center	Hotels and Motels	2,200
University of Maryland Capital Region Health	Health Services/Nursing Homes	1,800
Verizon	Communications Services	1,800
Melwood	Social Services	1,400
Doctors Community Hospital	Medical Services	1,300
MedStar Southern Maryland Hospital Center	Medical Services	1,240
<b>LARGEST PUBLIC SECTOR EMPLOYERS</b>		
University System of Maryland <sup>1</sup>	Higher Education	20,250
Prince George's County Public Schools	Education	20,000
Joint Base Andrews Naval Air Facility Washington <sup>2</sup>	Defense Installation (civilian and military employees)	17,500
Prince George's County	Local Government	6,490
United States Internal Revenue Service <sup>2</sup>	Revenue Collection/Data Processing	4,735
United States Bureau of the Census <sup>2</sup>	Demographic and Economic Surveys	4,605
NASA/Goddard Space Flight Center <sup>2</sup>	Space Satellite Design and Tracking	3,000
Prince George's Community College	Education	2,045
National Maritime Intelligence-Integration Office <sup>2</sup>	Maritime Intelligence Analysis	1,890
United States Department of Agriculture <sup>2</sup>	USDA Library/Agricultural Research	1,725
National Oceanic and Atmospheric Administration <sup>2</sup>	Weather Analysis and Reporting	1,375
Adelphi Laboratory Center <sup>2</sup>	Military Installation	1,235

Note: Excludes post offices, state government, national retail and food service; includes higher education.

<sup>1</sup>Includes University of Maryland College Park, University of Maryland University College and Bowie State University

<sup>2</sup>Excludes contractors

Source: Maryland Department of Commerce (as of March 2022)



## Retail Sales

The Maryland sales and use tax rate is 6% on all taxable sales other than certain vehicle rentals and sales of mobile homes. Beginning July 1, 2011, the tax rate for alcoholic beverages, including mixtures, increased from 6% to 9%. Most sales of food by substantial grocery or market businesses are not subject to the sales tax. Other exemptions include medicine, energy for residential use, manufacturing machinery and equipment, and certain agricultural equipment and supplies.

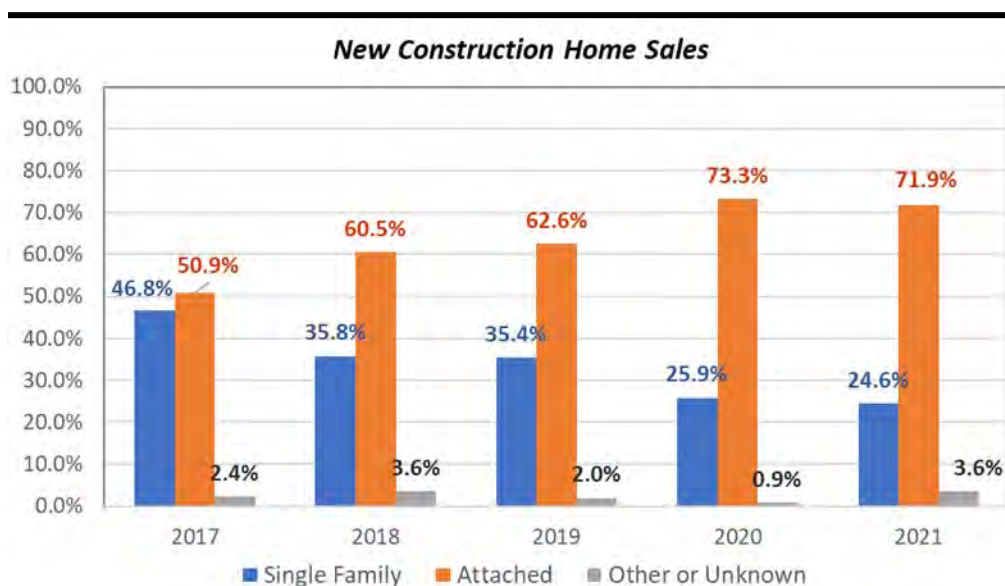
## Housing

The composition of the County's housing market is displayed in the following table. Between 2016 and 2020, total housing units increased by 2.5% (an increase of approximately 7,818 units). During this time period, single family homes increased by 3.7% and multi-family homes increased by 2.5%.

<b>Housing Units by Type of Structure</b>					
	2016	2017	2018	2019	2020
<b>Single Family</b>					
Number of Units	208,391	214,007	217,072	215,408	216,139
Percent of Market	67.7%	68.9%	68.7%	68.1%	68.5%
<b>Multi-Family</b>					
Number of Units	99,425	96,723	98,687	100,953	99,495
Percent of Market	32.3%	31.1%	31.3%	31.9%	31.5%
<b>Total Units</b>	<b>307,816</b>	<b>310,730</b>	<b>315,759</b>	<b>316,361</b>	<b>315,634</b>

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (as of March 2022)

Over the last several years, townhomes and duplexes have made up a majority of new home sales in the County, averaging 63.8% of total new home sales from 2017 to 2021. Single family detached homes have averaged 33.7% of new sales during this period.



Source: Zonda, Metrostudy Housing Intelligence (as of March 2022)

According to the State Department of Assessments and Taxation, median residential sales of owner-occupied properties in the County have increased by 7.7% from fiscal year 2020 to fiscal year 2021. The median sales price of these properties has also increased during this time period from \$355,000 in fiscal year 2020 to \$382,270 in fiscal year 2021.

<b>Median Residential Sales</b>				
Improved, Owner-Occupied Properties				
Fiscal Year	Number of Transactions	Annual Growth Rate	Median Sales Price	Annual Growth Rate
2021	11,242	30.5%	\$ 382,270	7.7%
2020	8,617	-6.3%	355,000	7.6%
2019	9,200	5.0%	330,000	3.3%
2018	8,766	10.9%	319,393	5.6%
2017	7,904	15.4%	302,313	5.0%
2016	6,851	32.0%	288,000	3.2%
2015	5,192	13.9%	279,189	9.5%
2014	4,559	2.8%	255,000	13.8%

Source: Maryland Department of Assessments and Taxation (as of March 2022)

The following table shows the number of owner-occupied residences distributed within certain housing value ranges. During 2020, the majority of residences were valued between \$300,000 and \$499,999.

Value Range	2019		2020		Increase (Decrease)
	Number of Residences	Share of Residences	Number of Residences	Share of Residences	Number of Residences
Less than \$50,000	3,742	1.9%	4,128	2.1%	386
\$50,000 to \$99,999	2,041	1.0%	3,742	1.9%	1,701
\$100,000 to \$149,999	4,000	2.0%	6,371	3.2%	2,371
\$150,000 to \$199,999	9,674	4.9%	13,149	6.7%	3,475
\$200,000 to \$299,999	56,209	28.4%	58,761	30.0%	2,552
\$300,000 to \$499,999	99,116	50.0%	89,642	45.7%	(9,474)
\$500,000 to \$999,999	22,049	11.1%	18,822	9.6%	(3,227)
\$1,000,000 or more	1,253	0.6%	1,498	0.8%	245
<b>Total Owner-Occupied Units</b>	<b>198,084</b>		<b>196,113</b>		<b>(1,971)</b>

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (as of March 2022).

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

## Commercial and Industrial Growth

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

Between 2012 and 2021, the value of new residential construction within the County has averaged approximately \$342.9 million annually. Non-residential construction has averaged approximately \$466.6 million annually. The value of new residential construction within the County in 2021 was \$263.4 million as compared to \$342.8 million in 2020. The value of new non-residential construction within the County in 2021 was \$548.1 million as compared to \$532.3 million in 2020.

<b>Building Permits</b>									
Calendar Year	Residential			Commercial			Total		
	Permits Issued	Total Valuation (\$K)	Average Valuation (\$K)	Permits Issued	Total Valuation (\$K)	Average Valuation (\$K)	Total Permits Issued	Total Valuation (\$K)	Average Valuation (\$K)
2012	1,247	190,332	153	178	235,578	1,323	1,425	425,910	299
2013 <sup>(1)</sup>	1,642	264,814	161	224	131,814	588	1,866	396,628	213
2014 <sup>(2)</sup>	1,727	264,638	153	359	364,466	1,015	2,086	629,104	302
2015 <sup>(3)</sup>	1,669	261,672	157	294	1,600,038	5,442	1,963	1,861,710	948
2016 <sup>(4)</sup>	1,745	801,888	460	203	199,938	985	1,948	1,001,826	514
2017	1,831	312,176	170	215	363,286	1,690	2,046	675,462	330
2018	1,405	358,368	255	145	291,947	2,013	1,550	650,315	420
2019	2,148	368,742	172	130	398,242	3,063	2,278	766,984	337
2020	2,112	342,820	162	180	532,297	2,957	2,292	875,117	382
2021	1,501	263,368	175,462	144	548,087	3,806	1,645	811,455	493
Total CY 12-21	17,027	\$3,428,818	\$177,305	\$2,072	\$4,665,693	\$22,884	19,099	\$8,094,511	\$4,237
Average Annual	1,703	\$342,882	\$17,731	207	\$466,569	\$2,288	1,910	\$809,451	\$424

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

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

<sup>(3)</sup>Major design-build commercial developments under construction in CY 2015: MGM Resort Casino \$1,300,000 and College Park Hotel \$130,000

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

Source: Prince George's County Department of Permitting, Inspections and Enforcement (Updated March 2022)

During 2021, approximately 965,243 square feet of new commercial space was delivered to the market in Prince George's County. In 2021, Prince George's County accounted for 10.3% of all the new commercial space delivered in the Washington Metropolitan Region. The total square footage of commercial space delivered by type during the calendar years 2017 through 2021 is shown below:

<b>Commercial Square Feet Delivered, by Type</b>					
Type	2017	2018	2019	2020	2021
Office	60,840	111,188	320,651	174,423	574,767
Retail	214,871	153,543	73,346	77,031	58,276
Flex <sup>(2)</sup>	22,180	109,800	126,240	0	0
Industrial	719,527	167,146	135,582	400,455	332,200
Total Square Footage	1,017,418	541,677	655,819	651,909	965,243
% of Metropolitan Area	8.05%	4.66%	6.04%	5.74%	10.30%

<sup>(1)</sup>The substantial increase in office square footage is due to the new U.S. Department of Homeland Security building.

<sup>(2)</sup>There were no flex deliveries in 2020 and 2021.

Source: CoStar (as of March 2022)

## Economic Activity

***The impact of the COVID-19 pandemic to the economy is not fully reflected below since it is still evolving. See “FINANCIAL INFORMATION – COVID-19 Update.”***

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

- During the COVID-19 pandemic that began in March 2020, the County’s unemployment rate increased from 3.6 percent pre-pandemic in February 2020 to a peak of 10.8 percent in May 2020. Since May, as employment levels began to rebound there has been a steady decrease with the unemployment rate declining to 5.4 percent as of March 2022.
- Residential values have increased 10.1 percent in the County from 2020 to 2021 with a median sales price of \$391,000 in December 2021 versus \$355,000 in December 2020.

Economic Development Strategy. The M-NCPPC, and its consultant, Battelle Technology Partnership Practice, completed work on a targeted economic development strategy for the County in May 2013. The strategy continues to be employed to identify and target key high-growth industries that have the greatest potential to contribute to economic growth and development in the County; leveraging the County’s unique assets to capture economic development opportunities; and setting forth targeted strategies and actions to maximize economic development. The high-growth industry sectors are Healthcare and Life Sciences, Business Services, ICE (Information, Communications and Electronics) and the federal government. The County has begun work on a new Strategic Plan, likely to be completed in 2022.

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

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

There are fifteen federal agencies located in the County, with many of them focused on research and development. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, USDA-APHIS, the Army Research Laboratory, the Institute for Defense Analysis, the Internal Revenue Service, and the U.S. Census Bureau Supercomputer Center support the local technology business base. The University of Maryland at College Park has continuing construction of facilities, some identified for national security-related information technology tenants, on its 150-acre Discovery District.

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

- The United States Citizenship & Immigration Services (USCIS) through a long-term lease agreement with One Town Center, LLC constructed a 575,000 square foot, high-security, blast-resistant office building and 1,755 space parking structure at the Branch Avenue Metro Station. This is now home to 3,200 full-time USCIS employees and 500 part-time employees who relocated from Washington D.C. to the new headquarters in Camp Springs. The construction was completed in 2020. This project is expected to continue to spur additional transit-oriented development that includes retail, such as Restaurant Row Apollo that will have six new restaurants with three already open and a fourth currently in the build-out phase; as well as other nearby retail development such as the Royal Farms convenience store with gas pumps under development at 5200 Auth Road that anchors a 12,200 square foot development that will have a Chipotle Mexican Grill restaurant and five retail suites.
- The County negotiated a \$30 million grant from the Maryland Department of Transportation for the construction of the major access road serving the proposed Konterra Development, an economic development project in the northern portion of the County that is expected to create jobs and strengthen the County's commercial tax base. The access road connects Konterra to the new Contee Road Interchange at I-95, as well as to the new Intercounty Connector (MD Route 200) interchange at Virginia Manor Road. The realignment and reconstruction of the roadway provides access to undeveloped and previously inaccessible areas in northern Prince George's County. The proposed Konterra Town Center East 488-acre development adjacent to the new road has the ability to accommodate about two million square feet of commercial space and 2,000 residential units, where the design of the multifamily residential development with retail component is currently underway.
- The Towne Square at Suitland Federal Center is a \$500 million mixed-use development currently under construction adjacent to the Suitland Federal Center with six federal agencies and more than 7,000 employees. The project includes construction of 219 townhouses, 137 senior multi-family units, 87,000 square feet of retail space, 50,000 square feet of public space and a hotel with conference space.
- The EDC Innovation Station opened in February 2018 as a collaborative co-working space and an expansion of the EDC's former Technology Assistance Center (TAC) business incubator. It is located in Largo within a federal Opportunity Zone and Foreign Trade Zone to foster the success of small businesses, entrepreneurs and inventors, and provide a soft landing for international businesses entering the U.S. market providing foreign direct investment.
- Homewood Suites by Hilton opened in May 2019 at the Inglewood Business Park, within the newly developing "Downtown Largo." The \$20 million extended stay all suites hotel has four-stories, 116 keys, 82,000 square feet with 3,000 square feet of flexible meeting space.
- The Shops at Iverson is a 600,000+ square foot retail and office center. The property sits on 20 acres and recently completed a \$10 million renovation project. Since 2018 the shopping center has welcomed several new tenants including Shopper's World and new to the renovated food court Quickway Hibachi, Chipotle, Tropical Smoothie Café and Wing Stop. Charley's Philly Steak & Wings and Hook & Reel will be new tenants along with Citi Trends and Town Hall Live that are currently going through the County's permit process.

- Westphalia Town Center is a planned mixed-use town center in Upper Marlboro that will offer 347 townhomes, over 400 apartments, a 150-room hotel and 500,000 square feet of retail shopping on 479 acres during phase one. The project broke ground in June 2013. Townhome construction began in 2016. At completion of the overall project, the development will have 15,000 homes, one million square feet of retail space, four million square feet of office space and three hotels, making it one of the largest developments in Prince George's County.
- Kaiser Permanente of the Mid-Atlantic, an affiliate of Kaiser Permanente, expanded in April 2019 to a 176,000 square foot build-to-suit class A office building adjacent to the New Carrollton Metro Station in Lanham for its administrative and information technology operation of 1,000 employees. Also, the healthcare provider constructed a new \$38 million, 45,500 square foot medical office building in the Greater Bowie area that opened in August 2021 and created 75 permanent full-time jobs.
- Children's National Medical Center expanded in the County to a 60,000 square foot build-to-suit class A medical office building in July 2020 at the Woodmore Towne Centre at Glenarden. The project created 300 permanent full-time jobs, providing healthcare for children.
- With its US headquarters in Arlington, Virginia, Lidl, a global discount supermarket chain from Germany, has over 95 stores in 9 states along the East Coast. Lidl made an imprint in the County with 6 store locations; the first in 2018 in Bowie, followed by stores in District Heights, Lanham, College Park, Takoma Park and Oxon Hill. A seventh store is planned for Camp Springs at the Allentown Andrews Town Center.
- Anchored by Prince George's County's first Whole Foods Market, The Station at Riverdale Park boasts over 120,000 square feet of occupied retail space. Tenants include Gold's Gym, Starbucks, District Taco, Burton's Grill & Bar, Jersey Mike's Subs, MOD Pizza, Denizens Brewing Company and Habit Burger, among others.
- The Discovery District is the University of Maryland - College Park's 150+ acre research park with over \$2 billion in public and private development and more in the pipeline. The Discovery District is home to a combination of established national companies, start-up ventures, government agencies, university research centers and nonprofit organizations. One of the most highly visible companies within the Discovery District is IonQ - a quantum computing spinout of the University that became the world's first publicly traded pure-play quantum computing company after its debut on the New York Stock Exchange in October 2021. Prominent projects in the Discovery District include Corporate Office Properties Trust's (COPT's) four existing class A office buildings, with plans for two additional class A office buildings at 4400 and 4500 River Road; three St. John Properties' flex R&D buildings that are home to College Park Academy (a charter school for middle and high school students), as well as light manufacturing maker space; WeWork College Park offering co-working and private office space, which is the first WeWork in the State of Maryland, as well as the first on a college campus; the newly opened The Hall CP, an 8,000 square foot cafe, restaurant and event venue with a "beer garden" backyard; and The Hotel at the University of Maryland, a four-diamond \$180 million hotel with 297 guest rooms and 43,000 square feet of conference space. Situated in the center of the Discovery District is the College Park Metro station, a stop along WMATA's rail system that connects to Washington, D.C. and Northern Virginia on the yellow and green lines. A transit-oriented and mixed-use residential development on 6.4 acres of land is coming in the Spring of 2024 named Gilbane's Atworth at College Park Metro Station. This new development will include 451 multifamily residential units, 5,000 square feet of retail space and a 324-space parking garage at the College Park Metro Station. Additionally, a new \$300 million mixed-use development was announced in April 2021 for a five-acre site at Campus Drive and Baltimore Avenue to include new office, retail, research and housing space by the campus' main gateway.
- Topgolf opened a new facility in Oxon Hill in June 2019 to provide a new entertainment venue near National Harbor that includes a golf range, space for parties and events, and a complete menu of food and drinks. With a cost estimate of \$18 million, the facility has a workforce of 600 employees.

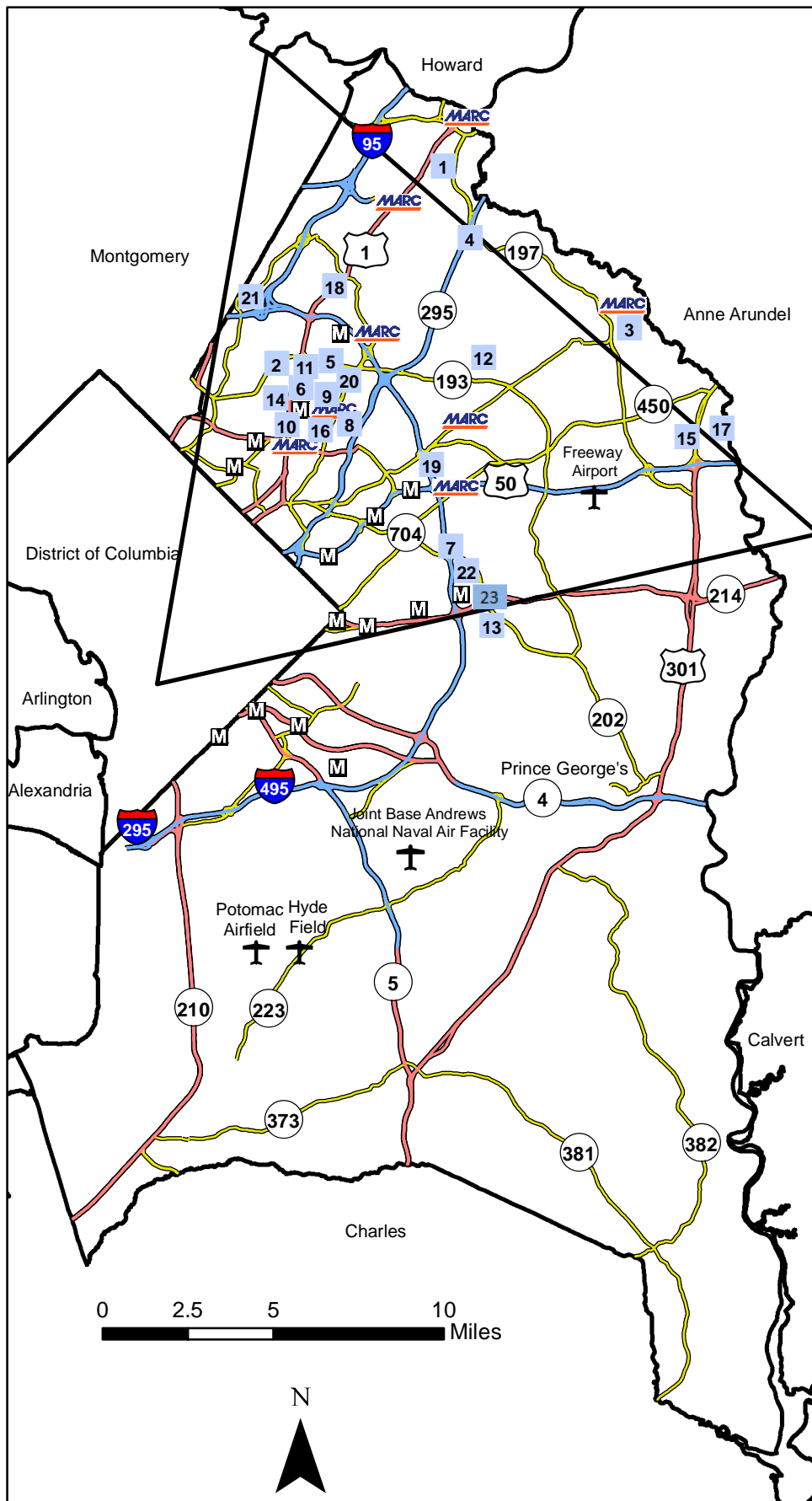
- MedStar Southern Maryland Hospital in Clinton has several improvements recently completed or underway that include a new \$11 million, 25,000 square foot cancer center completed in 2020 which resulted in 120 net new jobs; a new \$41 million, 70,000 square foot emergency room was completed in March 2021; and a \$7.6 million, 13,400 square foot behavioral health unit renovation completed in the second half of 2021 with a combined addition of 80 net new jobs.
- University of Maryland Laurel Regional Medical Office Building is a \$19.8 million, 55,481 square foot facility under construction located adjacent to the University of Maryland Laurel Health Campus. Expected date of delivery is spring 2023.
- National Harbor II is a 50,000 square foot Class A medical office building under construction at National Harbor. The lead tenant will be Adventist HealthCare. Expected delivery is the fourth quarter of 2022.
- Riverfront at West Hyattsville Metro Station development will include a new Kaiser Permanente 3-story 45,765 square foot build-to-suit Class A medical office building, 183 townhouses, 600 apartments and 10,000 square feet of retail space.
- Aster College Park (formerly Southern Gateway) development in College Park broke ground in April 2020 and will open in the summer of 2022 with mixed-use development that will include 393 multi-family housing units, 60,000 square feet of retail space and a 700-space structured parking facility.
- Carillon mixed-use development is situated on 38.7 acres of land adjacent to the Largo Metro Station and the new University of Maryland Capital Region Medical Center. The nearly \$1 billion project at full buildout as planned will include 1,493 multi-family residential housing units, 183 condominiums, a 300-room hotel, 248,500 square feet of retail space and 719,000 square feet of office space. The construction of the development was delayed in March 2020 following the COVID-19 outbreak but has since resumed. Ella at Carillon, a \$60 million, 125,000 square foot Class A medical office building scheduled to open in fall 2022 and expected to create 350 permanent full-time jobs, is currently under construction.
- University of Maryland Capital Region Medical Center is a \$543 million state of the art teaching hospital located adjacent to the Largo Metro Station. The hospital includes 205 beds, plus centers devoted to cancer and stroke care, a self-contained pediatric hospital and programs in neuroscience and women's health. The Regional Medical Center opened in June 2021.
- U.S. Department of Labor's Bureau of Labor Statistics has announced its intention to relocate its 1,800-employee headquarters from Washington, D.C. to the Suitland Federal Center.
- U.S. Department of the Treasury has announced its decision to relocate its U.S. Bureau of Engraving and Printing (BEP) currency production facility from Washington, D.C. to a new \$1.4 billion, one million square foot build-to-suit facility on a 104-acre site at the USDA Beltsville Agricultural Research Center. In April 2022, the site was officially transferred from the Department of Agriculture to the Department of the Treasury. BEP will begin the demolition of current buildings on the site by late 2022/early 2023 and complete design of a LEED Silver facility by the end of 2023. Construction of the new facility is scheduled to begin by early 2024 with four production lines transferring to the new facility from 2027 – 2029 with 1,450 employees.
- Hampton Park redevelopment is a \$250 million mixed-use project under development and scheduled to open in 2022 in Capitol Heights. It will be anchored by the headquarters of the County's health and human services' agencies (Departments of Health, Family Services, and Social Services) in a new 100,000 square foot Class A office building. The project plans for 135,000 square feet of retail space, 600 multi-family residential units and a 250-room hotel.

- Metro City at Addison Road Metro Station in Capitol Heights is a \$400 million mixed-use development in the planning process that includes 1,100 multi-family residential units, a 304-unit senior housing facility and 100,000 square feet of retail space.
- Washington Metropolitan Area Transit Authority (WMATA) announced it will relocate its Washington, D.C. headquarters into a Virginia headquarters and a Maryland headquarters. The Maryland headquarters will be located adjacent to the New Carrollton Metro Station in a 14-story, 371,800 square foot build-to-suit Class A office building with 3,000 square feet of retail and 500-1,000 employees. Construction is scheduled to be completed in fall 2022.
- National View is a newly approved walkable, bikeable, mixed-income, mixed-age, vibrantly mixed-use community featuring residential, a major hotel, retail, community gardens and trails overlooking National Harbor. It is a \$400 million development on 30 acres of land in a federally-designated opportunity zone in Forest Heights. The project will feature affordable and senior multifamily housing. Development will begin in 2023.
- Livingston Square Shopping Center redevelopment project in Fort Washington is a mixed-use project with a redeveloped 42,834 square foot Giant Food grocery store that opened in November 2021. The center will also have 30,000 square feet of newly developed retail by fourth quarter 2022.
- National Capital Business Park is a 300-acre industrial development project that will bring 5.5 million square feet of industrial space to Upper Marlboro. The project will feature an industrial campus environment with 11 buildings that will house multiple industrial users. To date, potential tenants for nearly one million square feet of space have signed Letters of Intent, and there are serious inquiries for more than all the space the park will provide. The project will create over 4,000 jobs. The project is expected to break ground in the first quarter of 2023.
- Prince George’s County has become the region’s strategic location for multiple Amazon “last-mile distribution centers.” Essentially, last mile distribution is defined as the movement of goods from a transportation hub to the final delivery destination, which is typically a personal residence. The focus of last mile logistics is to deliver items to the end-user as quickly as possible. Last mile centers are usually in excess of 100,000 square feet and utilize state-of-the-art technology to carry out operational functions, as well as employ hundreds of staff to perform those functions. To date, Amazon has established five last mile distribution centers in the County totaling 964,000 square feet of warehouse/distribution space with more than 1,250 employees.
- The Blue Line Corridor is a new long-term economic development project to create a sports and entertainment destination for the County, Washington Metropolitan Region, and the State of Maryland. Encompassing four Metrorail stations along the Washington Metropolitan Transit Authority (WMATA) blue line corridor from Downtown Largo to the County’s border with Washington, D.C. in Capitol Heights, the plan is for a 5-mile long dense, multi-modal, amenity-rich sports and entertainment destination. In April 2022, the State approved \$400 million in funding through the Maryland Stadium Authority to begin work on several of the projects planned along the Blue Line Corridor to include an amphitheater, a library/cultural center, a sports fieldhouse, a market hall, and a civic plaza. The Blue Line Corridor will become a major economic engine for the County by catalyzing development, creating jobs, and incentivizing the development of a sports and entertainment-branded corridor.



# Innovation Triangle (2022)

Prince George's County, Maryland



## Legend

- Airports
- Metro Station
- MARC Station
- Metro Rail Line**
- Blue
- Green
- Orange
- Major Roads**
- Federal
- Interstate
- National
- State

## High Technology Triangle

1. U.S. ATF Fire Forensics Laboratory
2. Fraunhofer Center for Experimental Software Engineering
3. Bowie State University
4. Capitol Technology University
5. Earth System Science Interdisciplinary Center
6. FDA Center for Food Safety Applied Nutrition
7. DEA Laboratory
8. USDA Animal and Plant Inspection Health Services
9. Center for Advanced Study of Language
10. National Foreign Language Center
11. University of Maryland Discovery District
12. NASA Goddard Space Flight Center
13. Prince George's Community College
14. University of Maryland College Park
15. Institute for Defense Analysis
16. American Center for Physics
17. U.S. Census Supercomputer Facility
18. USDA Beltsville Agricultural Research Center
19. Internal Revenue Service
20. National Oceanic and Atmospheric Administration
21. Army Research Laboratory
22. University of Maryland Global Campus (formerly, University of Maryland University College)
23. University of Maryland Capital Region Medical Center

## ***Economic Development Program Initiatives***

The following initiatives support economic development in the County:

- Economic Development Incentive Fund (EDIF). This began with a \$50 million, one-time, appropriation to support the expansion of the County's commercial tax base, job retention and attraction, support for small and local businesses, promotion of development and redevelopment opportunities, transit-oriented development and growth of key industry sectors. The EDIF, which launched in 2012, has a fiscal year appropriation of \$7-11 million annually. To date, 56 applications for funding have been approved, with a value of more than \$44.3 million and private capital investment of over \$1.3 billion.
- "Choose Prince George's" Initiative. Retention, expansion of existing companies, and growth in jobs in the County, will remain the highest priority. Concurrent with that goal will be continued growth of the County's commercial tax base and an increase in the percentage of County residents who both live and work in the County. The emphasis is on connecting with companies located in Prince George's County and creating strong communication links. The business engagement strategy includes identifying hurdles and challenges facing County businesses and providing assistance to address those issues, providing high-quality, individual business services customized for companies' changing needs, and creating dynamic group interactions among targeted business and industry clusters to build on common denominators, create synergies, and foster growth.
- Enterprise Zone. The County's Enterprise Zone continues to provide incentives for new investment and job creation in targeted areas of the County. The existing Enterprise Zone is approximately 9,385 acres. The focus areas within the Enterprise Zone have been reduced from 430 acres to 389.43 acres.
- Revitalization Initiative. The focus of the initiative is on redeveloping older shopping centers to a higher quality. Major emphasis will be placed on revitalizing older shopping centers inside the Beltway that were identified by a 2017 retail study to be in need of improvements, redevelopment and/or revitalization. The County has prioritized 27 centers with a goal of improving retail diversity and quality while also improving safety and facades. The County is working with the ownership of these properties to consider best uses which could include redevelopment or repurposing of these centers and connecting potential investors and new owners to the targeted shopping centers. The Redevelopment Authority has announced its third round of funding for \$1 million for the façade improvement program targeted for shopping centers, bringing total funding to-date for the Revitalization Initiative to \$3.8 million.
- Opportunity Zones. The Tax Cuts and Jobs Act of 2017 established a new economic and community development program called Opportunity Zones designed to encourage long-term investments in low-income urban and rural communities nationwide. The program provides a federal tax incentive for reinvesting capital gains into "Opportunity Funds," which are specialized vehicles dedicated to investing in low-income areas called Opportunity Zones. The County has 25 census tracts approved by the IRS for the Opportunity Zone designation. To date, five development projects in the County with a combined total project cost of \$900 million are using \$205 million of Opportunity Zone funds and an additional nine projects with a combined total project cost of \$1.2 billion plan to use \$198 million of Opportunity Zone funds.
- International Trade. The International Trade objectives for the County have focused on promoting exports, attracting Foreign Direct Investment and increasing awareness of the County as a great place for international business. In 2018, EDC led a trade mission to Nigeria where companies attended a networking event led by U.S. Commercial Services, attended vetted business-to-business meetings through the Gold Key Service provided by the U.S. Department of Commerce, and met Nigerian businesses for partnering and relationship building. The trade mission has resulted in County businesses exporting

products and services and one County business participating in two construction projects in Delta State, Nigeria. In 2019, the County promoted Foreign Direct Investment and local business export activities via participation at the USA FAIR in Nigeria, a trade mission to South Korea, a trade expo in Zimbabwe and the annual Select USA Investment Summit. A result of these initiatives has been the attraction of nearly a dozen foreign companies to the County.

- Foreign-Trade Zone 63. Companies that import components and products from overseas may realize significant savings by participating in the County's foreign-trade zone. Originally designated to the Collington Industrial Business Park, companies can now determine where they want to warehouse inventory, or set-up light manufacturing in the County near Washington, D.C., Baltimore, or south near Charles County. Foreign-Trade Zones eliminate or defer duties on imports and provide cash flow management protections; eliminate tariffs on exports; reduce record of entry payments; and speed processing through the port.
- Strengthened Minority Business and Local/Small Business Outreach and Certification. Driven in part by procurement opportunities in professional services, such as architectural and engineering services, as well as information technology and construction, the County currently has 681 participants certified as Minority Business Enterprises. This program is designed to give access to procurement opportunities to the minority business community and expand competition in the procurement process. It was renamed the Supplier Development and Diversity Division (SDDD) Program in early 2013. Effective January 1, 2013, the County began certifying local/small County-based businesses and effective July 1, 2013, SDDD began implementing the provisions of CB-17-2011 (the Jobs First Act) that gives preference for County contracts to County-based businesses. The Jobs First Act was amended in 2015 to also give preference to County-located businesses to encourage those headquartered outside the County to establish facilities in the County and hire local County residents. In 2020, the County's Office of Central Services launched the Prince George's County Green Book, a digital guide for County-based Small Businesses and County-based Minority Business Enterprises that connects them to procurement opportunities within Prince George's County Government.
- Transit-Oriented Development (TOD). The County kicked off the TOD initiative in March 2014 to focus attention on attracting commercial and residential development at five of the County's 15 Metro Stations (Largo, New Carrollton, Prince George's Plaza, Branch Avenue, and Suitland). These high priority TOD locations are receiving needed public infrastructure improvements. The development projects are being fast-tracked through regulatory approval processes and given priority consideration for County incentives. Each of the five high-priority TOD locations are receiving market branding and the County government has taken a leadership role in working with local, state, regional and federal partners to implement the initiative.
- Purple Line Light Rail Transit System. In April 2016, the State of Maryland approved a \$5.6 billion contract to build and operate for 30 years a new light rail transit system that will connect New Carrollton in Prince George's County to Bethesda in Montgomery County – two counties with 32 percent of the state's population and bordering Washington D.C. The construction of the 16.2-mile light rail line with 21 passenger stations began in August 2017. In January 2022, the Maryland Board of Public Works approved a new contract for the completion of construction and for the operation of the transit system for 40 years at a total cost of \$9.3 billion. The system is expected to be fully operational in 2026.
- The Green Energy Loan Program. In 2018, FSC First launched this initiative to provide loan guarantees to participating banks to advance public and private investment in clean energy and other innovative green technologies in Prince George's County. It offers multiple benefits to a broad range of stakeholders including building owners, municipalities, mortgage holders, lenders and energy efficiency/renewable energy contractors. The program can provide loan guarantees up to \$250,000 for a term up to 20 years.

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

**Major Economic Development Projects**

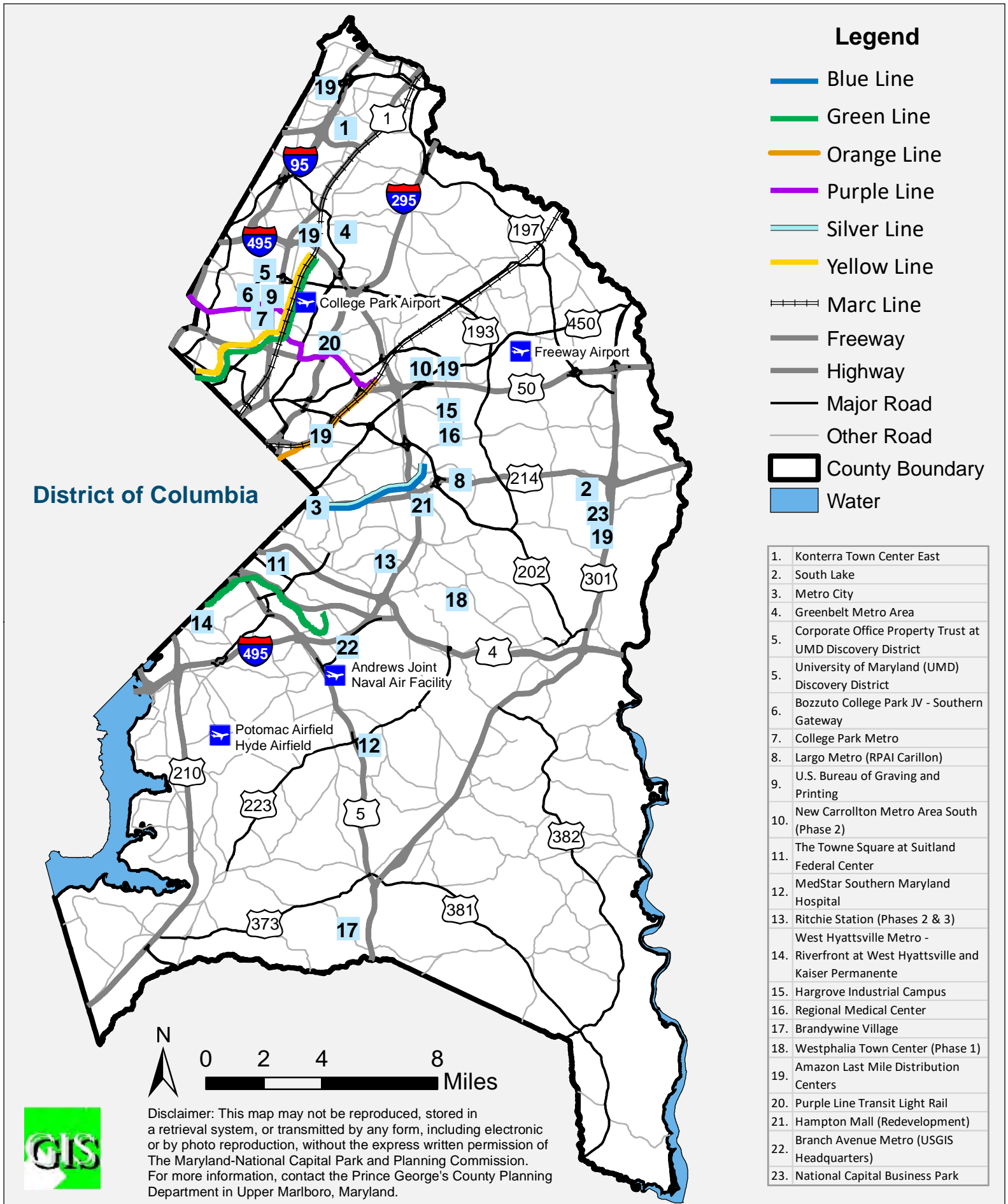
Several projects, reflecting a range of commercial development in the County, are listed in the following chart. A map showing the location of the major economic development projects identified in this section follows the chart.

<b>Major Commercial Projects Recently Completed, Under Construction, or in Development Stage</b>					
<u>Project Name</u>	<u>Location Number in Map</u>	<u>New or Expansion</u>	<u>Occupancy</u>	<u>Capital Investment (\$ Millions)</u>	<u>Size (Square Feet) at Full Build-Out</u>
<u>Projects Completed or Under Construction</u>					
South Lake (Mixed-Use)	2	New	2022-2023	344.0	600,000
Corporate Office Property Trust (COPT) at UMD Discovery District	5	New	2020	N/A	111,276
Bozzuto College Park JV (Mixed-Use) - Aster College Park	6	New	2022	113.0	500,000
New Carrollton Metro Area South (Mixed-Use) - (Phase 2)	10	New	2022-2023	79.3	986,000
The Towne Square at Suitland Federal Center (Mixed-Use)	11	New	2022-2023	500.0	1,314,235
MedStar Southern Maryland Hospital	12	Expansion	2020-2021	59.6	108,400
Ritchie Station (Phase 2)	13	Expansion	2022	37.0	180,000
West Hyattsville Metro - Riverfront at West Hyattsville and Kaiser Permanente (Mixed-Use)	14	New	N/A	N/A	N/A
Hargrove Industrial Campus	15	Expansion	2021	150.0	400,000
Regional Medical Center	16	New	2021	543.0	595,744
Westphalia Town Center (Phase 1)	18	New	N/A	N/A	5,900,000
Amazon - Last Mile Distribution Centers - 5 locations	19	New	2018-2023	N/A	964,000
Purple Line Transit Light Rail	20	New	2026	3,430.0	N/A
Hampton Mall (Redevelopment) - (Mixed-Use)	21	New	2022	250.0	280,000
Branch Avenue Metro (U.S.C.I.S. Headquarters)	22	New	2020	265.0	575,000
Sub-Total A				5,770.9	12,514,655
<u>Projects in Development Stage</u>					
Konterra (Town Center East) (Mixed-Use)	1	New	N/A	N/A	5,300,000
National Capital Business Park	2	New	2024-2029	N/A	5,500,000
Metro City (Mixed-Use)	3	New	2024	400.0	400,000
Greenbelt Metro Area (Mixed-Use)	4	New	N/A	N/A	3,000,000
University of Maryland (UMD) Discovery District	5	New	N/A	N/A	4,804,000
College Park Metro (Mixed-Use)	7	New	N/A	N/A	N/A
Largo Metro (RPAI at Carillon)	8	New	N/A	1,000.0	1,200,000
US Bureau of Engraving and Printing	9	New	2025-2029	1,400.0	1,000,000
Ritchie Station (Phase 3)	13	Expansion	N/A	38.0	200,000
Brandywine Village	17	New	N/A	N/A	218,500
Sub-Total B				2,838.0	21,622,500
Total (A+B)				8,608.9	34,137,155

Source: Prince George’s County Economic Development Corporation (as of April 2022)

# Major Economic Development Projects (2022)

Prince George's County, Maryland

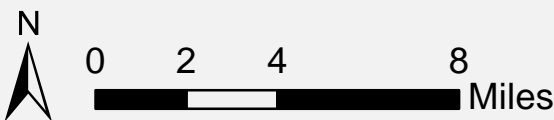


## Legend

- Blue Line
- Green Line
- Orange Line
- Purple Line
- Silver Line
- Yellow Line
- Marc Line
- Freeway
- Highway
- Major Road
- Other Road
- County Boundary
- Water

1. Konterra Town Center East
2. South Lake
3. Metro City
4. Greenbelt Metro Area
5. Corporate Office Property Trust at UMD Discovery District
5. University of Maryland (UMD) Discovery District
6. Bozzuto College Park JV - Southern Gateway
7. College Park Metro
8. Largo Metro (RPAI Carillon)
9. U.S. Bureau of Graving and Printing
10. New Carrollton Metro Area South (Phase 2)
11. The Towne Square at Suitland Federal Center
12. MedStar Southern Maryland Hospital
13. Ritchie Station (Phases 2 & 3)  
West Hyattsville Metro -
14. Riverfront at West Hyattsville and Kaiser Permanente
15. Hargrove Industrial Campus
16. Regional Medical Center
17. Brandywine Village
18. Westphalia Town Center (Phase 1)
19. Amazon Last Mile Distribution Centers
20. Purple Line Transit Light Rail
21. Hampton Mall (Redevelopment)
22. Branch Avenue Metro (USGIS Headquarters)
23. National Capital Business Park

District of Columbia



Disclaimer: This map may not be reproduced, stored in a retrieval system, or transmitted by any form, including electronic or by photo reproduction, without the express written permission of The Maryland-National Capital Park and Planning Commission. For more information, contact the Prince George's County Planning Department in Upper Marlboro, Maryland.

## LEGAL AND MISCELLANEOUS

In the opinion of the County Attorney there is no litigation pending or, to her knowledge, threatened against the County, (a) seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or (b) in any way contesting or affecting the validity or enforceability of the Bonds or the pledge of the County's full faith and credit for their payment or any proceedings of the County taken with respect to the issuance or sale thereof which, if adversely decided, would materially affect the County's ability to perform its obligations under the Bonds.

### **Current Litigation**

In addition to lawsuits where, in the opinion of the County Attorney, the anticipated loss is not material, or the likelihood that the County will incur any monetary liability is remote, the County is currently a defendant in various suits involving motor vehicle negligence, general negligence, liability arising from employment matters or professional liability claims.

Any monetary liability of the County resulting from such motor vehicle negligence, general negligence, or liability arising from professional liability claims ordinarily will be paid from the County's Risk Management Fund.

On December 12, 2018, the Hispanic National Law Enforcement Association, United Black Police Officer's Association and twelve current and former police officers filed suit in the United States District Court against Prince George's County and its police officials alleging a violation of the 14th Amendment due process clause by discriminating against minorities in the transfer, discipline, and promotional processes of the Police Department. They also allege a hostile work environment. This case settled in July 2021 for \$2,290,000.

The County has been sued in a case that could result in substantial liability. The claim is based on an incident between the police and a citizen in October 2019 that resulted in the citizen suffering spinal cord injury and paralysis. This is a new suit.

The County Attorney has determined that no contractual claims seeking damages are pending in which an adverse judgment against the County in excess of \$1,000,000 is likely.

### **Risk Management Fund Claims in Litigation**

The County Attorney periodically reviews County litigation with respect to the likelihood and extent of monetary liability ("loss contingency") attributable to such litigation. The County Attorney determines the amount of loss contingencies in accordance with the requirements of generally accepted accounting principles and the County provides appropriate funding based on sound risk management practices.

As of April 19, 2022, claims in litigation with likely or reasonably possible anticipated losses equal to or greater than \$25,000 consisted of forty-one (41) cases with aggregate claimed damages of \$50,000,000. The breakdown of these cases is as follows: seven (7) motor vehicle cases; six (6) cases alleging general negligence; and twenty-eight (28) professional liability cases, which include allegations of improper activity by County police officers and correctional officers.

In the opinion of the County Attorney, the aggregate amount of likely or reasonably possible loss contingencies subject to payment from the Risk Management Fund is \$10,172,000. Included in this amount is \$772,000 for motor vehicle claims; \$455,000 for general negligence claims; and \$8,945,000 for professional liability claims. Although none (0) of the motor vehicle claims, one (1) of the general liability (negligence) claims

and ten (10) of the professional liability claims have claimed damages of \$1,000,000 or more, it is the opinion of the County Attorney that seventeen (17) cases have a likely or reasonably possible loss contingency of \$100,000 or more. In addition, thus far in fiscal year 2022, the County has settled or incurred judgments in excess of \$100,000 for fourteen (14) cases. In the opinion of the County Attorney, the aggregate of these settlements/judgments will not adversely affect the County's financial status.

### **Financial Advisor**

Public Resources Advisory Group, Inc. ("PRAG") is the County's Financial Advisor for the Series 2022A Bonds. PRAG has provided the County advice on the plan of financing and reviewed the competitive bidding of the Series 2022A bonds. PRAG has not independently verified the information contained in this Official Statement and does not assume responsibility for the accuracy, completeness, or fairness of such information. PRAG is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or other negotiated instruments.

### **Independent Auditors**

The audited basic financial statements of the County for the fiscal year ended June 30, 2021 are included in APPENDIX A to this Official Statement. The statements have been audited by CliftonLarsonAllen LLP, Timonium, Maryland, independent certified public accountants, to the extent and for the periods indicated and should be read in their entirety. CliftonLarsonAllen LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

### **Miscellaneous**

The foregoing information is presented for the guidance of prospective purchasers of the Bonds described herein. The information has been compiled from official and other sources and, while not guaranteed by the County, is believed to be correct. Insofar as any statements made in this Official Statement and the appendices hereto involve matters of opinion, whether or not expressly so stated, they are set forth as such and not as representations of fact, and no representation is made that any estimates will be realized. Neither this Official Statement nor any statement which may be made verbally or in writing is to be construed as a contract with the holders or owners of any of the Bonds.

Additional information may be obtained upon request from Stephen J. McGibbon, Director of Finance, Prince George's County Government, Suite 1100, Wayne K. Curry Administration Building, 1301 McCormick Drive, Largo, Maryland 20774, (301) 952-5025; or from the County Financial Advisor, Public Resources Advisory Group, by contacting Monika Conley at 917-749-2426 ([mconley@pragadvisors.com](mailto:mconley@pragadvisors.com)) or Christian Lund at (615) 812-3358 ([clund@pragadvisors.com](mailto:clund@pragadvisors.com)).

The attached Appendices are integral parts of this Official Statement and must be read in their entirety together with all of the foregoing information.

**APPROVAL OF OFFICIAL STATEMENT**

The execution of this Official Statement and its delivery has been duly authorized by the County.

PRINCE GEORGE'S COUNTY, MARYLAND

BY: /s/ Angela D. Alsobrooks  
Angela D. Alsobrooks  
County Executive

BY: /s/ Stephen J. McGibbon  
Stephen J. McGibbon  
Director of Finance



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**APPENDIX A  
AUDITED BASIC FINANCIAL STATEMENTS  
OF PRINCE GEORGE'S COUNTY, MARYLAND**

(Certain information referenced in the Independent Auditors' Report contained in  
this APPENDIX A is not included elsewhere in this Official Statement.)

## BASIC FINANCIAL STATEMENTS

The Basic Financial Statements were reproduced from the County's Audited Financial Statements included in its Annual Comprehensive Financial Report for the year ended June 30, 2021. Additional information relative to the County's Capital Improvements Program and Long-Term Debt is presented elsewhere within this Official Statement.

### INDEX TO BASIC FINANCIAL STATEMENTS:

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## INDEPENDENT AUDITORS' REPORT

CliftonLarsonAllen LLP  
CLAconnect.com

The Honorable County Council  
Prince George's County, Maryland

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Prince George's County, Maryland (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Prince George's County Public Schools, Prince George's Community College, Prince George's County Memorial Library System and the Revenue Authority of Prince George's County, which represent 95 percent, 93 percent, and 96 percent, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Prince George's County Public Schools, Prince George's Community College, Prince George's County Memorial Library System and the Revenue Authority of Prince George's County, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, 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 the County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](http://nexia.com/member-firm-disclaimer) for details.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net other postemployment benefits liability and related ratios, the schedule of pension liabilities and related ratios, the schedule of proportionate share of the net pension liability, and the schedule of county contributions 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules and other information including the introductory section and statistical tables as noted on the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors.

In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2022, on our consideration of the County'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 solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
February 28, 2022

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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 Position  
June 30, 2021

	Primary Government				Component Units			Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County	Other Component Units	Total Component Units	Reclassifications (See note 1-7)	
<b>ASSETS</b>								
Cash and investments	\$ 675,802,922	\$ 36,060,580	\$ 711,863,502	\$ 454,369,723	\$ 98,160,784	\$ 552,530,507	\$ -	\$ 1,264,394,009
Cash with fiscal agents	34,520,556	12,287,886	46,808,442	-	-	-	-	46,808,442
Receivables (net of allowances for uncollectibles):								
Taxes	10,427,287	936,279	11,363,566	-	-	-	-	11,363,566
Accounts	71,587,446	4,416,188	76,003,634	78,822,185	45,739,157	124,561,342	-	200,564,976
Notes	27,411,719	517,966	27,929,685	-	1,099,456	1,099,456	-	28,511,175
Accrued interest receivable	840,440	(43,042,858)	1,358,406	-	10,130	10,130	-	1,368,536
Internal balance	43,042,858	-	8,862,200	-	-	-	-	8,862,200
Due from component units	278,075,588	542,666	278,618,254	27,616,331	8,862,200	36,478,531	-	36,478,531
Due from primary government	17,160,500	-	68,990,392	68,990,392	8,697,599	69,860,151	-	348,478,405
Inventories	1,642,867	-	8,111,206	8,111,206	162,473	8,273,679	-	25,434,179
Prepaid costs and deposits	652,502,471	205,610,462	858,112,933	11,507,583	2,604,911	14,112,494	-	15,755,361
Restricted assets:								
Cash and investments	-	-	-	-	13,964,806	13,964,806	-	872,077,739
Property held for resale	-	-	-	-	19,462,686	19,462,686	-	19,462,686
Capital assets:								
Nondepreciable assets	428,276,919	509,007,858	937,284,777	164,377,812	131,352,061	2,957,299,873	-	1,233,014,650
Depreciable assets, net	2,246,344,434	134,432,946	2,380,777,380	1,323,605,054	281,469,164	1,605,074,218	-	3,985,851,598
Other assets	50,000	-	50,000	-	30,823,055	30,823,055	-	30,823,055
Total assets	\$ 4,496,546,207	\$ 860,769,973	\$ 5,357,316,180	\$ 2,137,400,286	\$ 654,580,642	\$ 2,771,980,928	\$ -	\$ 8,129,299,108
<b>DEFERRED OUTFLOW OF RESOURCES</b>								
Pension and LOSAP deferrals	169,194,296	6,246,860	175,441,156	51,728,281	14,159,140	65,887,421	-	241,328,577
OPER deferrals	751,384,196	25,318,804	776,703,000	424,344,000	-	424,344,000	-	1,201,047,000
Deferred charge on refunding	1,083,329	950,847	2,034,176	-	-	-	-	2,034,176
Total deferred outflow of resources	921,661,821	32,516,511	954,178,332	476,072,281	14,159,140	490,231,421	-	1,444,409,753
<b>LIABILITIES</b>								
Accounts payable	116,054,029	29,510,202	145,564,231	70,084,820	17,175,669	87,260,489	-	232,824,720
Retainages payable	11,231,694	4,163,504	15,395,198	7,912,873	-	7,912,873	-	23,308,071
Accrued liabilities	74,499,982	2,874,810	77,374,792	154,403,917	729,102	155,133,019	-	232,507,811
Unearned revenue	250,094,732	1,004,720	251,099,452	29,357,700	10,903,224	40,260,924	-	291,360,376
Matured bonds and interest payable	-	5,164,999	5,164,999	1,412,713	-	1,412,713	-	6,577,712
Deposits	60,676,158	431,313	61,107,471	-	552,983	552,983	-	61,660,454
Due to primary government	-	-	-	-	8,862,200	8,862,200	-	8,862,200
Due to component units	36,478,531	-	36,478,531	-	-	-	-	36,478,531
Noncurrent liabilities:								
Due within one year	253,793,616	25,971,497	279,765,113	2,186,972	3,630,054	5,817,026	-	285,582,139
Due in more than one year	6,500,480,141	6,274,453,154	12,774,933,295	3,242,754,581	166,505,034	3,409,259,615	-	10,537,192,910
Total liabilities	7,303,308,883	6,965,741,999	14,269,050,882	3,506,700,863	209,770,979	3,716,471,842	-	11,716,354,924
<b>DEFERRED INFLOW OF RESOURCES - Contributions to self</b>								
OPER deferrals	367,859,596	12,507,407	380,367,003	245,759,000	68,110,155	313,869,155	-	694,236,158
Pension and LOSAP deferrals	327,594,426	4,222,834	331,817,260	18,039,393	-	18,039,393	-	349,856,653
Other Deferrals	-	504	504	-	-	-	-	504
Total	695,454,022	16,730,745	712,184,767	263,798,393	68,110,155	331,908,548	-	1,044,093,315
<b>NET POSITION</b>								
Net investment in capital assets	1,484,985,592	273,326,712	1,758,312,304	1,442,185,874	350,820,061	1,793,005,935	(686,442,298)	2,864,875,941
Restricted for:								
Capital projects	69,813,508	-	69,813,508	-	-	-	-	69,813,508
Contingency reserve	188,595,465	-	188,595,465	-	-	-	-	188,595,465
Debt service	56,983,028	-	56,983,028	-	-	-	-	56,983,028
Restricted	7,673,692	-	7,673,692	16,123,556	-	16,123,556	-	23,797,248
Landfill closure	-	50,287,300	50,287,300	-	-	-	-	50,287,300
Preservation	-	2,066,669	2,066,669	-	-	-	-	2,066,669
Education	-	-	-	863,814	16,513,830	16,513,830	-	16,513,830
Community development	-	-	-	-	21,341,783	21,341,783	-	21,341,783
Unrestricted (deficit)	(4,388,604,162)	(145,699,141)	(4,534,303,303)	(2,616,199,933)	(17,817,026)	(2,634,016,959)	-	(6,481,877,964)
Total Net Position	(2,580,552,877)	179,981,540	(2,400,571,337)	(1,157,026,689)	370,856,648	(786,168,041)	686,442,298	(3,186,378,378)

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Activities  
For the Year ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues			Primary Government		Component Units	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Board of Education of Prince George's County	Other Component Units
<b>Expenses</b>	\$ 472,821,392	\$ 143,415,691	\$ -	\$ (183,084,048)	\$ -	\$ -	\$ -
General government	818,583,577	53,484,205	1,744,705	(735,379,429)	-	-	-
Public safety	7,667,262	272,587	2,552,551	(4,792,543)	-	-	-
Environmental	153,674,221	8,121,088	74,463,751	(70,414,060)	-	-	-
Health and Human Services	160,781,011	93,388,124	5,117,540	(44,569,140)	-	-	-
Infrastructure and Development							
Education:							
Board of Education	909,653,781	-	-	(909,653,781)	-	-	-
Community College	47,597,575	-	-	(47,597,575)	-	-	-
Memorial Library	27,135,061	-	-	(27,135,061)	-	-	-
Interest on long-term debt	90,922,807	-	-	(90,922,807)	-	-	-
Total governmental activities	2,688,836,687	298,681,695	10,090,118	(2,113,548,444)	-	-	-
Business-type activities:							
Solid Waste	98,569,276	96,419,715	-	(2,149,561)	-	-	-
Stormwater	66,328,182	8,555,414	-	(57,772,768)	-	-	-
Watershed Protection	11,232,671	14,746,000	-	3,513,329	-	-	-
Total business-type activities	176,130,129	119,721,129	-	(56,409,000)	-	-	-
Total primary government	\$ 2,864,966,816	\$ 418,402,824	\$ 10,090,118	\$ (2,113,548,444)	\$ (56,409,000)	\$ -	\$ -
Component units:							
Board of Education	2,514,357,089	2,997,553	153,953,887	-	-	(2,058,479,935)	-
Other Component Units:							
Infrastructure and Development	18,792,120	12,201,686	660,000	-	-	-	(5,893,826)
Education	174,052,760	23,936,717	4,951,304	-	-	-	(132,792,819)
Community development	100,409,595	3,399,377	96,760,180	-	-	-	9,910,984
Total component units	\$ 2,807,611,564	42,535,333	408,717,814	-	-	(2,058,479,935)	(128,775,661)
General Revenues:							
Property taxes				978,448,812	53,489,996	-	-
Income taxes				791,655,414	-	-	-
Transfer and recordation taxes				203,922,886	-	-	-
Energy taxes				73,332,473	-	-	-
Telecommunications tax				17,574,741	-	-	-
Other taxes				15,439,644	-	-	-
Unrestricted state shared tax				6,812,183	-	-	-
Earnings (loss) on investments				139,520	1,822,869	469,349	1,378,206
Unrestricted grants and contributions				810,364	-	2,090,011,121	149,005,858
Miscellaneous revenues				1,750,026	-	3,174,714	9,759,391
Total general revenues				2,089,886,063	55,312,865	2,093,655,184	160,143,455
Net transfers				(2,334,032)	2,334,032	-	-
Change in net position				(25,996,413)	1,237,897	35,175,249	31,367,794
Net position - beginning of year				(2,554,556,464)	178,743,643	(1,208,362,946)	339,490,854
Prior period adjustment - Note 23				-	-	16,161,008	-
Net position - beginning of year, restated				(2,554,556,464)	178,743,643	(1,192,201,938)	339,490,854
Net position - end of year				\$ (2,580,552,877)	\$ 179,981,540	\$ (1,157,026,689)	\$ 370,858,648

See accompanying notes to financial statements.



PRINCE GEORGE'S COUNTY, MARYLAND  
Balance Sheet  
Governmental Funds  
June 30, 2021

Assets	General	Federal and State Aided Programs	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Cash and investments	\$ 425,365,745	\$ 140,816,955	\$ 33,735	\$ 8,225,651	\$ 574,442,086
Cash with fiscal agents	-	-	-	34,520,556	34,520,556
Receivables (net of allowances for uncollectibles):					
Taxes	10,427,287	-	-	-	10,427,287
Accounts	48,843,951	4,309,709	851,000	-	54,004,660
Notes	-	27,411,719	-	-	27,411,719
Accrued interest receivable	727,516	-	-	-	727,516
Due from other funds	130,550,000	-	-	-	130,550,000
Due from component units	8,443,543	-	-	-	8,443,543
Due from other governmental units	188,471,949	85,508,309	3,335,262	47,060	277,362,580
Inventories	15,842,552	-	-	-	15,842,552
Restricted assets:					
Cash and investments	61,065,715	206,019	568,974,284	22,256,453	652,502,471
Other assets	50,000	-	-	-	50,000
Total assets	<u>889,788,258</u>	<u>258,252,711</u>	<u>573,194,281</u>	<u>65,049,720</u>	<u>1,786,284,970</u>
Liabilities:					
Compensated absences and termination benefits payable	856,450	-	-	-	856,450
Accounts payable	60,108,401	16,047,298	28,432,919	270,979	104,859,597
Retainages	-	77,237	11,154,457	-	11,231,694
Accrued liabilities	37,427,304	1,982,555	-	-	39,409,859
Unearned revenue	1,000,000	239,921,905	-	-	240,921,905
Deposits	35,326,186	17,697	25,332,275	-	60,676,158
Due to other funds	-	-	79,000,000	-	79,000,000
Due to component units	1,567,466	-	34,911,065	-	36,478,531
Total liabilities	<u>136,285,807</u>	<u>258,046,692</u>	<u>178,830,716</u>	<u>270,979</u>	<u>573,434,194</u>
Deferred inflows of resources					
Unavailable tax and other revenue	100,220,625	-	-	-	100,220,625
Total deferred inflow of resources	<u>100,220,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,220,625</u>
Fund balances:					
Nonspendable	15,842,552	-	-	-	15,842,552
Restricted	244,613,339	206,019	394,363,565	59,819,238	699,002,161
Committed	75,438,186	-	-	-	75,438,186
Assigned	81,976,606	-	-	4,959,503	86,936,109
Unassigned	235,411,143	-	-	-	235,411,143
Total fund balances	<u>653,281,826</u>	<u>206,019</u>	<u>394,363,565</u>	<u>64,778,741</u>	<u>1,112,630,151</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 889,788,258</u>	<u>\$ 258,252,711</u>	<u>\$ 573,194,281</u>	<u>\$ 65,049,720</u>	<u>\$ 1,786,284,970</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 Position  
 June 30, 2021

Total fund balances for governmental funds (Exhibit A-3) \$ 1,112,630,151

Amounts reported for governmental activities in the statement of net position 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

Land	\$ 109,200,124
Infrastructure, net of \$1,474,468,992, accumulated depreciation	1,627,840,193
Buildings and improvements, net of \$235,192,230, accumulated depreciation	551,969,195
Equipment, net of \$200,708,072 accumulated depreciation	65,399,960
Construction in progress	318,076,795
Total capital assets	2,672,486,267

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 position. Internal service fund net position is:

(129,889,317)

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 inflow of resources in the funds.

100,220,625

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, 2021 are:

(34,205,590)

Long-term liabilities, deferred inflows, and deferred outflows:

Bonded debt	(2,060,084,980)
Deferred outflow of resources - bond refunding costs	1,083,331
Unamortized discount (premium)	(261,191,661)
Capital lease obligations	(93,659,311)
Pension and OPEB obligations	(3,738,737,962)
Compensated absences and termination benefits payable	(83,492,680)
Notes payable	(282,348,480)
Deferred outflow of resources - pensions	165,594,351
Deferred inflow of resources - pensions	(324,869,535)
Deferred outflow of resources - OPEB	736,783,043
Deferred inflow of resources - OPEB	(360,871,129)
Total long-term liabilities	(6,301,795,013)

Total net position of governmental activities

\$ (2,580,552,877)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year ended June 30, 2021

	<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>
Revenues:					
Taxes	\$ 2,068,297,063	\$ -	\$ -	\$ 2,729,408	\$ 2,071,026,471
Licenses and permits	58,296,219	-	-	276,965	58,573,184
Fines and forfeitures	8,157,701	-	-	1,419,645	9,577,346
Use of money and property	4,167,465	2,638,613	1,072	11,946	6,819,096
Charges for services	46,743,783	542,397	21,819,285	43,025,776	112,131,241
Intergovernmental	39,998,777	278,882,800	2,584,721	2,286,137	323,752,435
Miscellaneous	3,192,108	3,267,845	13,576,507	-	20,036,460
Total revenues	<u>2,228,853,116</u>	<u>285,331,655</u>	<u>37,981,585</u>	<u>49,749,877</u>	<u>2,601,916,233</u>
Expenditures:					
Current:					
General government	250,735,204	79,996,909	-	445,286	331,177,399
Public safety	756,408,055	49,632,118	-	404,667	806,444,840
Environmental	4,581,979	3,092,499	-	-	7,674,478
Health and human services	47,766,162	105,489,658	-	348,000	153,603,820
Infrastructure and development	36,637,130	46,979,156	-	-	83,616,286
Capital projects	-	-	147,930,821	-	147,930,821
Education:					
Board of Education	815,795,000	-	93,858,781	-	909,653,781
Community College	43,922,300	-	3,675,275	-	47,597,575
Memorial Library	24,802,000	-	18,465,414	-	43,267,414
Debt service:					
Principal retirement	31,011,584	130,000	-	135,424,706	166,566,290
Interest	13,257,911	31,315	-	74,551,354	87,840,580
Total expenditures	<u>2,024,917,325</u>	<u>285,351,655</u>	<u>263,930,291</u>	<u>211,174,013</u>	<u>2,785,373,284</u>
Excess of revenues over (under) expenditures	<u>203,935,791</u>	<u>(20,000)</u>	<u>(225,948,706)</u>	<u>(161,424,136)</u>	<u>(183,457,051)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	219,920,000	-	219,920,000
Capital lease financing and Notes Payable	63,713,450	-	-	-	63,713,450
Bond and notes premium	10,501,912	-	30,745,528	16,541,745	57,789,185
Transfers in	-	-	1,990,955	150,187,593	152,178,548
Transfers out	(156,889,648)	-	(2,334,032)	-	(159,223,680)
Total other financing sources (uses)	<u>(82,674,286)</u>	<u>(20,000)</u>	<u>250,322,451</u>	<u>166,729,338</u>	<u>334,377,503</u>
Net change in fund balances	<u>121,261,505</u>	<u>(20,000)</u>	<u>24,373,745</u>	<u>5,305,202</u>	<u>150,920,452</u>
Fund balances, beginning of year	532,020,321	226,019	369,989,820	59,473,539	961,709,699
Fund balances, end of year	<u>\$ 653,281,826</u>	<u>\$ 206,019</u>	<u>\$ 394,363,565</u>	<u>\$ 64,778,741</u>	<u>\$ 1,112,630,151</u>

(Continued)

PRINCE GEORGES COUNTY, MARYLAND  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Net Activities  
 For the Year ended June 30, 2021

Amounts reported for governmental activities in the statement of activities is different because:		
Net change in fund balances - total governmental funds	\$	150,920,452
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		136,628,180
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.		(91,732,559)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.		22,776,640
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.		15,413,595
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.		(1,067,500)
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.		(14,018,282)
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, 2021 are:		
Debt Issued:		
Bond proceeds		(219,920,000)
Bond and notes premium		(57,789,184)
Capital lease and note proceeds		(63,713,450)
Payment to escrow agent		11,375,468
Principal payments		166,566,290
Net adjustment		(163,480,876)
Certain expenses 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.		
Accrued interest expense		(3,082,227)
Compensated absences		(1,130,675)
Pension and LOSAP expenses		2,124,247
Other post employment benefits		(121,423,929)
Amortization bond premium/discount and deferred charge on refunding		42,076,521
Change in net position of governmental activities	\$	(81,436,063)
See accompanying notes to financial statements.	\$	(25,996,413)

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,911,124,900	1,911,124,900	2,068,297,063	157,172,163
Licenses and permits	52,148,600	52,148,600	58,296,219	6,147,619
Fines and forfeitures	9,750,000	9,750,000	8,157,701	(1,592,299)
Use of money and property	15,210,100	15,210,100	4,167,465	(11,042,635)
Charges for services	62,774,300	62,774,300	46,743,783	(16,030,517)
Intergovernmental	43,195,800	43,195,800	39,998,777	(3,197,023)
Miscellaneous	2,139,300	2,139,300	3,192,108	1,052,808
Total revenues	<u>2,096,343,000</u>	<u>2,096,343,000</u>	<u>2,228,853,116</u>	<u>132,510,116</u>
<b>Expenditures:</b>				
General government:				
County Executive	8,066,200	8,330,900	8,330,900	-
Legislative Branch	24,202,700	24,202,700	19,729,728	4,472,972
Office of Ethics and Accountability	904,500	937,200	937,199	1
Circuit Court	20,003,200	20,003,200	19,895,746	107,454
Orphan's Court	565,600	565,600	565,600	-
Personnel Board	403,800	403,800	362,404	41,396
Office of Finance	4,577,900	4,730,600	4,730,600	-
Citizen Complaint Oversight Panel	391,500	391,500	344,020	47,480
Office of Community Relations	7,260,300	7,260,300	7,260,299	1
People's Zoning Council	250,000	250,000	250,000	-
Office of Management and Budget	3,027,600	3,027,600	2,831,706	195,894
Board of License Commissioners	1,606,600	1,726,500	1,726,499	1
Office of Law	4,469,300	4,469,300	4,469,300	-
Office of Human Resource Management	9,396,000	9,396,000	7,150,590	2,245,410
Board of Elections	6,594,600	6,594,600	6,293,345	301,255
Office of Central Services	22,734,800	26,344,500	26,077,361	267,139
Property Management	600,000	600,000	676,569	(76,569)
Collington Center	5,000	5,000	5,000	-
Non-departmental	162,693,600	162,693,600	161,706,656	986,944
Total general government	<u>277,753,200</u>	<u>281,932,900</u>	<u>273,343,522</u>	<u>8,589,378</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Office of the State's Attorney	\$ 20,661,900	20,661,900	19,003,845	1,658,055
Police Department	348,266,800	349,166,800	339,097,429	10,069,371
Fire Department	213,533,600	213,533,600	199,667,893	13,865,707
Sheriff's Department	51,756,700	51,756,700	49,624,997	2,131,703
Department of Corrections	94,849,200	94,849,200	94,849,200	-
Office of Homeland Security	38,181,600	38,481,600	37,278,848	1,202,752
Total Public Safety	767,249,800	768,449,800	739,522,212	28,927,588
Environmental				
Department of the Environment	4,238,700	4,238,700	4,238,628	72
Total Environment	4,238,700	4,238,700	4,238,628	72
Health and Human Services				
Department of Family Services	6,157,500	6,157,500	5,380,488	777,012
Health	28,798,300	41,189,700	36,450,250	4,739,450
Public Welfare	5,920,900	8,507,600	5,739,208	2,768,392
Total Health and Human Services	40,876,700	55,854,800	47,569,946	8,284,854
Infrastructure and Development				
Public Works and Transportation	15,792,400	15,792,400	14,594,596	1,197,804
Department of Permitting, Inspections and Enforcement	11,171,900	11,471,900	11,471,900	-
Department of Housing and Community Development	9,778,500	9,823,800	4,960,024	4,863,776
Total Infrastructure and Development	36,742,800	37,088,100	31,026,520	6,061,580
Education				
Total Expenditures	884,519,300	884,519,300	884,519,300	-
Excess of revenues over expenditures	2,011,380,500	2,032,083,600	1,980,220,128	51,863,472
Other financing sources (uses):				
Transfers in - other funds	-	-	248,632,988	184,373,588
Transfers out - other funds	(159,170,700)	(161,570,700)	(156,889,648)	4,681,052
Appropriated fund balance	74,208,200	97,311,300	(156,889,648)	(97,311,300)
Total other financing sources (uses)	(84,962,500)	(64,259,400)	(156,889,648)	(92,630,248)
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	-	-	91,743,340	91,743,340
Adjustments:				
Purchase agreement financing			74,215,362	
Capital financing expenditures			(44,697,197)	
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)			121,261,505	
Fund balance, beginning of year			532,020,321	
Fund balance, end of year			\$ 653,281,826	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund	
<b>Assets</b>				
<b>Current assets:</b>				
Cash and investments	\$ 14,936,165	\$ 20,271,833	\$ 852,582	\$ 101,360,836
Cash with fiscal agents	1,430,024	-	10,857,862	-
Taxes receivable	-	964,620	-	-
Less allowance for uncollectibles	-	(28,341)	-	-
Accounts receivable	4,230,016	-	1,603,728	-
Less allowance for uncollectibles	(1,395,985)	-	(21,571)	-
Accrued interest receivable	340,378	5,865	171,723	-
Due from component units	-	-	-	112,924
Due from other governmental units	483,591	59,075	-	418,657
Due from other funds	-	-	-	713,008
Inventories	-	-	-	22,600,000
Prepaid costs and deposits	-	-	-	1,317,948
	-	-	-	1,642,867
Total current assets	20,024,189	21,273,052	13,464,324	130,649,026
<b>Noncurrent assets:</b>				
Restricted cash and investments				
Sandy Hill Trust	1,890,485	-	-	-
Landfill closure	113,198,831	-	-	-
Unspent bond proceeds	25,514,566	65,006,580	-	-
Total restricted cash and investments	140,603,882	65,006,580	-	-
<b>Capital assets:</b>				
Land	11,306,081	15,776,896	-	1,000,000
Buildings and improvements	29,227,755	242,525	-	3,250,026
Accumulated depreciation	(16,301,197)	(242,525)	-	(2,722,107)
Improvements other than buildings	5,151,450	-	-	282,382
Accumulated depreciation	(4,694,748)	-	-	(282,382)
Equipment	25,395,885	3,240,288	-	4,622,708
Accumulated depreciation	(21,556,381)	(3,240,288)	-	(4,015,541)
Landfill property in service	143,511,240	-	-	-
Accumulated depreciation	(143,230,446)	-	-	-
Stormwater property in service	-	199,788,240	-	-
Accumulated depreciation	-	(82,858,852)	-	-
Construction in progress	40,388,290	289,153,669	152,382,922	-
Total capital assets	69,197,929	421,859,953	152,382,922	2,135,086
Total noncurrent assets	209,801,811	486,866,533	152,382,922	2,135,086
Total assets	229,826,000	508,139,585	165,847,246	132,784,112
<b>Deferred outflow of resources:</b>				
OPEB deferrals	10,017,856	15,300,948	-	14,601,153
Pension deferrals	2,324,190	3,628,833	293,837	3,599,943
Deferred charge on refunding	107,343	843,504	-	-
Total deferred outflow of resources	12,449,389	19,773,285	293,837	18,201,096

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Position, Continued  
Proprietary Funds  
June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Watershed Protection and Restoration Fund	Non-Major Watershed Protection and Restoration Fund	
<b>Liabilities</b>				<b>Total</b>	
Current liabilities:	\$	\$	\$	\$	\$
Payable from unrestricted assets:					
Current portion of bonded debt	3,414,339	15,984,505	-	19,398,844	-
Current portion of compensated absences and termination benefits payable	800,656	1,210,656	9,958	2,021,270	1,002,709
Current portion of notes payable	1,748,257	-	1,427,832	3,176,089	-
Current portion of estimated liability on pending claims	-	-	-	-	37,918,863
Current portion of postclosure liability	1,375,294	-	-	1,375,294	-
Accounts payable	11,687,038	12,940,360	4,882,804	29,510,202	11,194,436
Retainages	16,741	4,146,763	-	4,163,504	-
Accrued liabilities	579,930	936,390	1,358,490	2,874,810	884,533
Unearned revenue	1,004,720	-	-	1,004,720	9,172,827
Matured bonds and interest payable	-	5,164,999	-	5,164,999	-
Deposits	83,713	347,600	-	431,313	-
Due to other funds	-	-	36,450,000	36,450,000	22,600,000
Total current liabilities	<u>20,710,688</u>	<u>40,731,273</u>	<u>44,129,084</u>	<u>105,571,045</u>	<u>82,773,368</u>
Long-term liabilities:					
Bonded debt, less current portion	69,916,995	325,716,340	-	395,633,335	-
Notes Payable, less current portion	5,409,171	-	43,712,158	49,121,329	-
Compensated absences and termination benefits payable, less current portion	221,430	415,771	96,805	734,006	590,752
OPEB Liability	26,897,858	42,609,585	-	69,507,443	38,945,339
Net pension liability	8,165,563	13,009,142	2,341,049	23,515,754	13,066,359
Estimated liability on pending claims, less current portion	-	-	-	-	142,378,211
Estimated liability for landfill closure costs, less current portion	88,941,287	-	-	88,941,287	-
Total long-term liabilities	<u>199,552,304</u>	<u>381,750,838</u>	<u>46,150,012</u>	<u>627,453,154</u>	<u>194,980,661</u>
Total liabilities	<u>220,262,992</u>	<u>422,482,111</u>	<u>90,279,096</u>	<u>733,024,199</u>	<u>277,754,029</u>
Deferred inflow of resources:					
Deferred charge on refunding	504	-	-	504	-
Pension deferrals	1,433,196	2,605,218	184,420	4,222,834	2,724,891
OPEB deferrals	4,764,693	7,742,714	-	12,507,407	6,988,464
Total deferred inflow of resources	<u>6,198,393</u>	<u>10,347,932</u>	<u>184,420</u>	<u>16,730,745</u>	<u>9,713,355</u>
Net position:					
Net investment in capital assets	14,206,992	141,018,925	118,100,795	273,326,712	2,135,086
Restricted for Sandy Hill Trust	1,890,485	-	-	1,890,485	-
Restricted for landfill closure costs	48,396,815	-	-	48,396,815	-
Restricted for Chesapeake Bay and tree preservation activities	-	2,066,669	-	2,066,669	-
Restricted for Infrastructure	-	-	-	-	7,673,692
Unrestricted	(48,680,288)	(48,002,767)	(42,423,228)	(139,106,283)	(146,290,954)
Total net position	<u>15,814,004</u>	<u>95,082,827</u>	<u>75,677,567</u>	<u>186,574,398</u>	<u>(136,482,176)</u>
	\$	\$	\$	\$	\$
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					
Net position of business-type activities					(6,592,858)
See accompanying notes to financial statements.					<u>\$ 179,981,540</u>



PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year ended June 30, 2021

	Business-type Activities - Enterprise Funds				Total	Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund			
Operating revenues:	\$	\$	\$	\$	\$	\$
Premium contributions	-	-	-	-	8,555,414	148,536,827
Licenses and permits	-	8,555,414	-	-	256,257	43,677,198
Sales	256,257	-	-	-	110,604,562	12,338,395
Charges for services	95,978,700	-	14,625,862	-	-	184,892
Use of money and property - rentals	-	-	-	-	304,896	1,409,862
Miscellaneous	184,758	-	120,138	-	119,721,129	206,147,174
Total operating revenues	<u>96,419,715</u>	<u>8,555,414</u>	<u>14,746,000</u>	<u>-</u>	<u>119,721,129</u>	<u>206,147,174</u>
Operating expenses:						
Salaries	8,340,453	13,248,638	-	-	21,589,091	12,201,965
Project charges - salaries/recoveries	10,585,433	9,443,352	-	-	20,028,785	-
Fringe benefits	9,234,207	13,560,753	-	-	22,794,960	8,139,131
Contractual services	37,691,537	-	7,423,771	-	45,115,308	16,929,650
Materials	-	-	-	-	-	17,549,472
Rent	-	-	-	-	-	385,132
General and administrative	27,796,669	13,698,727	3,492,531	-	44,987,927	15,294,860
Depreciation and amortization	5,842,973	4,390,492	-	-	10,233,465	267,465
Insurance claims and premiums	-	-	-	-	-	150,540,772
Landfill postclosure costs	(3,459,075)	-	-	-	(3,459,075)	-
Repair and Maintenance	-	-	-	-	-	4,191,076
Total operating expenses	<u>96,032,197</u>	<u>54,341,962</u>	<u>10,916,302</u>	<u>-</u>	<u>161,290,461</u>	<u>225,499,523</u>
Operating income (loss)	<u>387,518</u>	<u>(45,786,548)</u>	<u>3,829,698</u>	<u>-</u>	<u>(41,569,332)</u>	<u>(19,352,349)</u>
Nonoperating revenues (expenses):						
Taxes	-	53,489,996	-	-	53,489,996	-
Interest income	1,462,749	74,375	285,745	-	1,822,869	292,315
Interest expense	(2,264,469)	(11,814,062)	(230,630)	-	(14,309,161)	-
Debt issuance costs	-	(96,775)	(85,739)	-	(182,514)	-
Gain (loss) on sale of capital assets	-	-	-	-	-	(17,339)
Total nonoperating revenues (expenses)	<u>(801,720)</u>	<u>41,653,534</u>	<u>(30,624)</u>	<u>-</u>	<u>40,821,190</u>	<u>274,976</u>
Income (loss) before contributions and transfers	<u>(414,202)</u>	<u>(4,133,014)</u>	<u>3,799,074</u>	<u>-</u>	<u>(748,142)</u>	<u>(19,077,373)</u>
Transfers in - other funds	2,334,032	3,624,700	-	-	5,958,732	17,657,500
Transfers Out - other funds	-	-	(3,624,700)	-	(3,624,700)	(12,946,400)
Change in net position	1,919,830	(508,314)	174,374	-	1,585,890	(14,366,273)
Net position - beginning of year	13,894,174	95,591,141	75,503,193	-	1,585,890	(122,115,903)
Net position - end of year	<u>\$ 15,814,004</u>	<u>\$ 95,082,827</u>	<u>\$ 75,677,567</u>	<u>\$</u>	<u>\$</u>	<u>(136,482,176)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(347,993)	
Change in net position of business-type activities					<u>1,237,897</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund	Total	
Cash flows from operating activities:					
Cash received from customers	\$ 98,717,266	8,555,414	14,532,482	121,805,162	31,719,326
Cash received from interfund charges	-	-	-	-	190,219,118
Cash payments to suppliers for goods and services	(65,779,764)	(5,604,369)	25,019,945	(46,364,188)	(159,399,010)
Cash payments to employees for services	(26,770,541)	(33,789,923)	-	(60,560,464)	(18,681,642)
Premium and claim payments	-	-	-	-	(52,752,664)
Other cash receipts	-	-	-	-	41,280
Net cash and cash equivalents provided (used) by operating activities	<u>6,166,961</u>	<u>(30,838,878)</u>	<u>39,552,427</u>	<u>14,880,510</u>	<u>(8,853,592)</u>
Cash flows from noncapital financing activities:					
Tax collections	-	53,381,620	-	53,381,620	-
Transfers in from other funds	2,334,032	3,624,700	-	5,958,732	17,657,500
Transfers out to other funds	-	-	(3,624,700)	(3,624,700)	(12,946,400)
Net cash and cash equivalents provided by noncapital financing activities	<u>2,334,032</u>	<u>57,006,320</u>	<u>(3,624,700)</u>	<u>55,715,652</u>	<u>4,711,100</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of property, plant and equipment	(9,983,826)	(40,555,501)	(41,951,471)	(92,490,798)	(97,286)
Proceeds of issuance of bonded debt	15,905,992	36,215,773	-	52,121,765	-
Proceeds of notes payable	1,185,000	-	59,307	1,244,307	-
Payment of bond issue costs	-	(96,775)	(85,739)	(182,514)	-
Principal payments on bonded debt	(2,963,742)	(14,996,552)	-	(17,960,294)	-
Principal payments on notes payable	(1,703,278)	-	(1,419,316)	(3,122,594)	-
Interest payments	(2,507,315)	(11,603,553)	(230,630)	(14,341,498)	-
Net cash and cash equivalents used in capital and related financing activities	<u>(67,169)</u>	<u>(31,036,608)</u>	<u>(43,627,849)</u>	<u>(74,731,626)</u>	<u>(97,286)</u>
Cash flows from investing activities:					
Interest on investments	1,462,749	89,054	225,982	1,777,785	253,014
Net cash and cash equivalents provided by investing activities	<u>1,462,749</u>	<u>89,054</u>	<u>225,982</u>	<u>1,777,785</u>	<u>253,014</u>
Net increase (decrease) in cash and cash equivalents	9,896,573	(4,780,112)	(7,474,140)	(2,357,679)	(3,986,764)
Cash and cash equivalents, beginning of year	147,073,498	90,058,525	19,184,584	256,316,607	105,347,600
Cash and cash equivalents, end of year	<u>\$ 156,970,071</u>	<u>85,278,413</u>	<u>11,710,444</u>	<u>253,958,928</u>	<u>101,360,836</u>
Cash classified as:					
Current assets	16,366,189	20,271,833	11,710,444	48,348,466	101,360,836
Restricted assets	140,603,882	65,006,580	-	205,610,462	-
	<u>\$ 156,970,071</u>	<u>\$ 85,278,413</u>	<u>\$ 11,710,444</u>	<u>\$ 253,958,928</u>	<u>\$ 101,360,836</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Cash Flows, Continued  
 Proprietary Funds  
 For the Year ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities-
	Solid Waste Fund	Stormwater Management Fund	Watershed Protection and Restoration Fund	Non-Major Fund	Internal Service Funds
				Total	
Reconciliation of operating loss to net cash provided (used in) operating activities:					
Operating income (loss)	\$ 387,518	\$ (45,786,548)	\$ 3,829,698	\$ (41,569,332)	\$ (19,352,349)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	5,842,973	4,390,492	-	10,233,465	267,465
Provision for doubtful receivables	230,735	-	3,464	234,199	-
Pension/Opneb Expense	1,385,673	2,180,661	-	3,566,334	1,593,760
Effect of changes in operating assets and liabilities:					
Accounts receivable	2,036,261	-	(216,982)	1,819,279	(386,853)
Inventories	-	-	-	-	(74,011)
Due from other governmental units	30,555	-	-	30,555	-
Prepaid costs	-	-	-	-	(1,271,386)
Due from other funds	-	-	31,950,000	31,950,000	-
Increase (decrease) in :					
Compensated absences and termination benefits payable	22,197	201,368	(11,933)	211,632	104,235
Accounts payable	873,000	7,495,825	1,766,548	10,135,373	(16,986,743)
Retainages	(19,631)	598,533	-	578,902	-
Accrued costs	(18,318)	80,791	-	62,473	(38,541)
Due to other funds	-	-	-	-	-
Deferred revenue	448,774	-	-	448,774	8,420,189
Pension Expense	-	-	2,231,632	2,231,632	-
Due from component units	-	-	-	-	8,899,214
Estimated liability for landfill closure costs	(5,052,776)	-	-	(5,052,776)	-
Estimated liability on pending claims	-	-	-	-	-
Total adjustments	5,779,443	14,947,670	35,722,729	56,449,842	9,971,428
Net cash and cash equivalents provided by (used in) operating activities	\$ 6,166,961	\$ (30,838,878)	\$ 39,552,427	\$ 14,880,510	\$ (8,853,592)
Non-cash investing, capital and related financing activities:					
Decrease (increase) in accrued interest receivable	\$ 116,944	\$ (14,679)	\$ 59,763	\$ 162,028	\$ (39,301)

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021

	Pension and Other Postemployment Benefit Trust Funds	Custodial Funds
Assets:		
Equity in pooled cash and investments	\$ 17,771,487	\$ 45,386,751
Collateral for loaned securities	14,065,480	-
Investments:		
Pooled separate accounts	684,847,224	-
U.S. Government & agency securities	44,613,290	-
Corporate bonds	19,792,967	-
Common stock	321,573,834	-
Real estate investment trust	10,783,015	-
International Government securities	2,365,788	-
Other International investments	390,122	-
Asset backed securities	24,270,109	-
Money market funds	885,714	-
Short-term investments	23,712,476	-
Commingled trust funds	76,123,168	-
Alternative investments	1,525,448,836	-
Receivables:		
Taxes	-	8,300,712
Accounts	8,148	10,116,529
Accrued interest receivable	1,345,339	-
Prepaid costs and deposits	503,957	-
Total assets	<u>2,768,500,954</u>	<u>63,803,992</u>
Liabilities:		
Collateral for loaned securities payable	14,065,480	-
Accounts payable	539,101	14,744,705
Accrued costs	1,457,881	-
Due to General Fund	15,100,000	-
Total liabilities	<u>31,162,462</u>	<u>14,744,705</u>
Net position:		
Net position restricted for pensions	2,672,587,544	-
Net position restricted for other post-employment benefits	64,750,948	-
Net position held for other governments or entities	-	49,059,287
Total Net position restricted for pensions, other post-employment benefits other governments or entities	<u>2,737,338,492</u>	<u>49,059,287</u>

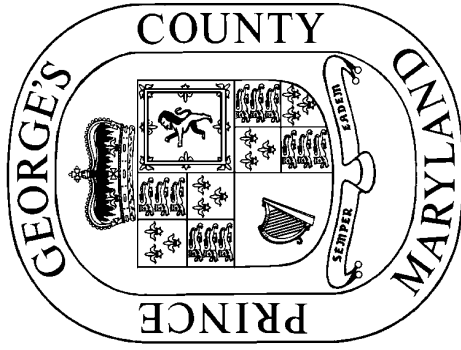
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Changes in Fiduciary Net Position  
 For the Year ended June 30, 2021

	Pension and Other Postemployment Benefit Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 197,097,189	\$ -
Employee	47,777,007	-
Property Taxes	-	648,214,316
Special Area Collections	-	3,679,134
Intergovernmental	-	12,168,900
Fees		1,522,106
Other	4,126,661	4,774,943
Total contributions	<u>249,000,857</u>	<u>670,359,399</u>
Net appreciation in fair value of investments	567,714,711	
Interest and dividends	41,666,717	
Total investment income	<u>609,381,428</u>	
Less investment expense	6,433,623	
Net investment Income	<u>602,947,805</u>	
Total additions	<u>851,948,662</u>	<u>670,359,399</u>
Deductions:		
Benefits	269,478,184	-
Refunds of contributions	10,745,106	-
General and administrative expenses	3,452,557	-
Property Taxes Remitted	-	617,965,170
Mass Transit	-	48,792,486
Special Area remittances	-	3,668,040
Fees	-	1,523,204
Other	-	4,360,517
Total deductions	<u>283,675,847</u>	<u>676,309,417</u>
Net increase	568,272,815	(5,950,018)
Net position restricted for pensions, other post-employment benefits and other governments or entities:		
Beginning of year	<u>2,169,065,677</u>	<u>55,009,305</u>
End of year	<u>\$ 2,737,338,492</u>	<u>\$ 49,059,287</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.

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(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 Sasser 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 II, 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. Resolution CR-69-2017 was adopted on October 24, 2017, by the County Council of Prince George's County, Maryland, it concerns winding down and termination of the Industrial Development Authority (IDA). There was no activity in FY21.
- (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.

(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, and 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 21, 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 position 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.

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, storm drain 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:

Non-Governmental Funds - These funds are special revenue funds which are used to report specific revenues that are legally restricted for particular purposes and the debt service fund which accounts for the payment of general long-term debt not paid by proprietary funds.

Non-Major Enterprise Fund - The Watershed Protection and Restoration Fund This fund was established July 1, 2013 in accordance with provisions of Maryland House Bill 987. The fund accounts for the services rendered to complete water quality and flood control management improvements.

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.

Custodial Funds - These custodial funds account for money held on behalf of other governmental entities for taxes collected by the County and deposits held for inmates.

(c) Basis of Accounting

Government-wide, Proprietary Funds and Fiduciary 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.

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, 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.

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.

The County reports unearned revenue in its financial statements. Unearned revenues arise in enterprise funds 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 the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. Unearned revenue is also reported in the government-wide statements.

The County reports deferred inflows and outflows of resources as separate financial statement elements. Deferred outflows of resources are the consumption of net position applicable to a future period. While deferred inflows of resources are the acquisition of net position applicable to a future period. The government-wide and proprietary fund financial statements report both deferred outflows and inflows of resources relating to debt refunding, pension and OPEB costs. The governmental funds report deferred inflows relating to unavailable revenue.

(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.
- 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 2021, such appropriations amounted to an \$20.7 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:
  - 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 Funds' 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 and trust funds are recorded at amortized cost or fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset as detailed in Note 4.

(g) 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	\$ 43,886,221
Federal and State Aided Fund	24,318,619
Solid Waste Fund	1,395,985
Stormwater Management Fund	28,341
Watershed Protection and Restoration Fund	-
	<u>\$ 69,629,166</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, 2021, there was approximately \$51.7 million of outstanding loans receivable under these programs. \$27.4 million of these loans are offset by equivalent unearned revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$24.3 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. The County has Economic Development and Housing Trust fund notes receivable of \$24,263,630 in the General fund that are offset by an equivalent allowance because collections are highly uncertain.

(h) Inventories

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

(i) Prepaid Costs and Deposits

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid expenses. The consumption method is used for prepaid items and expenditures or expenses are recognized when used in operations.

(j) 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. Federal and State Law require the County to set aside funds to finance closure and postclosure costs. The County has \$113,198,831 held for this purpose at June 30, 2021.

The primary government's restricted cash and investments consist of \$61,065,715 and \$568,974,284, the majority of which is MLGIP investment balances for capital activity, a debt service bond sinking fund of \$22,256,453, restricted cash and investments of \$140,603,882 related to landfill closure activities and \$65,006,580 that is restricted for capital activity related to stormwater management activities. Additionally, there is a \$206,019 balance set aside in the grant special revenue funds for the purpose of loan repayment.



(k) 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. Donated capital assets, donated works of art, similar items and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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 are not capitalized.

Depreciation is 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." Ten 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 11,461,806 tons.

(l) 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.

(m) 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 fiscal year 2021.

(n) 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 position. 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 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. Bond issuance costs are recorded as debt service expenses in the year of issuance.

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.

(o) Net Position and Fund Balance

Net position includes three categories: Net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets consists of capital assets, less accumulated depreciation, reduced by net outstanding debt related to capital assets and any deferred resources. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining residual balance.

The County reports fund balance in various governmental funds. The fund balance categories are listed below:

- Nonspendable – Includes amounts that cannot be spent because they are in nonspendable form (i.e. inventory) 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 specific purposes determined by a formal action by the County Council as the highest level of decision-making authority. This same formal action (Council Bill) used to create a commitment is required to rescind or modify 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.
- 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.

(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. Certain bills are eligible for semi-annual payments. Annual bills and the first installment of semi-annual bills are due on or before September 30<sup>th</sup> and become delinquent on October 1<sup>st</sup>. The second semi-annual installment is due on or before December 31<sup>st</sup> and becomes delinquent on January 1<sup>st</sup>. Delinquent taxes are subject to interest and penalty at the monthly rate of 1.67% until paid in full. 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 \$18,598,392 amounted to \$10,427,287.

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).

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 2021, the tax rate was set at one dollar (\$1.00) and two dollars fifty cents (\$2.50) 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

- 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.

(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 and expenditures during the reporting period. Actual results could differ from those estimates.

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

The total column for the reporting entity includes a reclassification for the unrestricted net position deficit related to component unit debt (\$686,442,298). 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 position for the County, while the capital assets are reported in net position invested in capital assets, net of related debt by the component units.

(s) Pension and OPEB

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of the Maryland State Retirement and Pension System (System), Police, Fire Service, Deputy Sheriff's Correctional Officers', and Supplemental Pension Plans (the County Plans) and the additions to/deductions from the System and County Plans' fiduciary net position have been determined on the same basis as they are reported by the System and County Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net Other Postemployment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(2) New Accounting Pronouncements

Implementation of New Accounting Principles - The County adopted the following accounting standards: Statement No. 84, "Fiduciary Activities," effective for reporting periods beginning after December 15, 2018 postponed by one year with Statement No. 95 to December 15, 2019. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The required changes are reflected in the County's financial statements.

Statement No. 90, "Majority Equity Interests-An Amendment of GASB Statement No. 14 and No. 61)," improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Adoption of this Statement did not have an impact on the financial statements.

Statement No. 98, "The Annual Comprehensive Financial Report," effective for fiscal years ending after December 15, 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Early adoption was chosen by the County and reflected in The County's financial statements.

(3) Compliance and Accountability

Net Position Deficit - Primary Government - Internal Service Fund - Workers' Compensation

The Primary Government's Workers' Compensation Internal Service Fund's net deficit at June 30, 2021 was \$183,083,144. The County's risk management contributions decreased by \$14.5 million during fiscal year 2021. Expenditures decreased by \$25.7 million. The County will continue to increase premium contributions and reduce certain administrative costs in future fiscal years to reduce this deficit. Additionally, the Computer Services and Vehicle Maintenance Funds had net deficits of \$11,227,601 and 1,350,421 respectively.

(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 and the Revenue Authority 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). The State Legislature created the MLGIP within the annotated code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Institutional Investments. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the Fund and to provide suggestions to enhance the Pool. The reported value of the County's position in the pool is the same as the fair value of the pool shares. MLGIP participants may withdraw from this account balance by notifying MLGIP management by 2 pm on the day of withdrawal.

The MLGIP was established under the Annotated Code of Maryland and is rated AAA by S&P Global Ratings, their highest rating for money market funds. MLGIP is a 2a7 like pool, which is not registered with the Securities and Exchange Commission (SEC), but generally operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940 (Rule 2a7). Unit value is computed using the amortized cost method and maintains a \$1 per share value.

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The Primary Government had the following recurring fair value measurements as of June 30, 2021 (in thousands) :

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2021
Investments by fair value level:	\$ -	\$ 94,949	\$ -	\$ 94,949
US Agency Securities				30,103
Investments carried at amortized cost:				888,213
Certificates of Deposit				567,370
Money Market Funds				1,580,635
Maryland Local Government Investment Pool				-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Further they are valued based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets.

The OPEB Plan had the following recurring fair value measurements (in thousands) :

	Level 1	Level 2	Level 3	Balance as of June 30, 2021
Investments carried at amortized cost:				
Equity in pooled cash and investments				\$ 3,115
Money Market Funds				886
Investments carried at the Net Asset Value (NAV):				
Common Trust Funds				76,123
Total				80,124

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table (in thousands).

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Trust Funds - Fixed Income Fund	\$ 32,464,709	-	Daily	1-2 days
Common Trust Funds – Equity Funds	43,630,840	-	Daily	1-2 days
Common Trust Funds - Real Estate Funds	27,620	-	Daily	1-2 days
Total	\$ 76,123,168	-		

Equity in pooled cash and investments is comprised of shares or units in the Prince Georges County cash pool, which are valued at its respective share of pooled cash and investments.

Common Trusts-Real Estate Fund consists of an investment in one trust; the objective of the fund is to approximate the performance of the Dow Jones U.S. Select REIT Index. This investment is valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Common Trusts-Equity Funds consist of investments in eight investment trusts. The Funds' investment objectives are to seek long-term capital appreciation through investing in other investment funds based on a custom index. These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Common Trusts-Fixed Income Funds consist of investments in six investment trusts; the objective of these funds is to approximate the performance of the Barclays U.S. Treasury Inflation Protects Securities, Barclays U.S. Long Credit Bond and Barclays High Yield \$200 Million Very Liquid Indexes. These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

The Pension Plans had the following recurring fair value measurements (in thousands) :

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2021
Equity in pooled cash and investments	\$ -	\$ 14,657	\$ -	\$ 14,657
Investments by fair value level:				
U.S. Government and agency securities	-	50,107	-	50,107
Corporate bonds	-	33,056	-	33,056
Common stock	527,263	-	-	527,263
Real Estate Investment Trust	14,131	-	-	14,131
International Government Securities	4,024	-	-	4,024
Other international investments	390	-	-	390
Asset-backed securities	-	45,286	-	45,286
	<u>545,808</u>	<u>128,449</u>	<u>-</u>	<u>674,257</u>
Investments carried at amortized cost:				
Short-term investments				33,872
Investments carried at Net Asset Value (NAV) :				
Collective trusts				387,559
Mutual Funds				240,298
Hedge Funds				246,076
International Equity Funds				129,839
Private Debt				119,309
Private Equity				363,351
Natural Resources				245,784
Real Estate				217,452
Total Investments				<u>1,949,668</u>
				<u>\$ 2,657,797</u>

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trusts	\$ 387,559	\$ -	daily	1-2 days
Mutual Funds	240,298	-	daily	1-2 days
Hedge Funds	246,076	-	See note (A)	30-90 days
International Equity Funds	129,839	-	Monthly	15 days
Private Debt	119,309	14,206	4-10 years	N/A
Private Equity	363,351	54,699	See note (B)	5-10 days
Natural Resources	245,784	20,005	7-15 years	N/A
Real Estate	217,452	17,313	See note (C)	30-90 days
	<u>\$ 1,949,668</u>	<u>\$ 106,223</u>		

(A) - Redemption frequency for these assets are either monthly, quarterly, or annually. Redemption notice periods also range from 2 to 90 days with assets requiring an annual notice.

(B) - Redemption frequency for these assets are either monthly, quarterly, or decennial with several investments requiring 7-10 years.

(C) - Redemption frequency for these assets are either monthly, quarterly, or decennial with several investments requiring 8-10 years.

Collective trust funds consist of investments in four investment trusts, the objectives of these fund is to approximate the performance of the Barclays U.S. Treasury Inflation Protects Securities, the S&P 500, and various other benchmarks. These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. International equity funds consist of one investment that invests in non-US developed markets with select exposure to emerging markets

Hedge Funds consist of approximately nine investments in limited partnerships that invest in hedge fund strategies that seek alpha in equity of credit makers. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

Private Equity Funds consist of approximately fifty-one investments in limited partnerships. The private equity investments span the venture capital, growth equity, fund of funds, energy and buyout strategies. Private equity is considered an illiquid investment strategy as funds generally have a life span of seven to ten years. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

International equity Funds consists of one investment that invests in non-US developed markets with select exposure to emerging markets.

Private Debt Funds consist of ten investments in limited partnerships. The private debt investments span direct lending, distressed, energy, mezzanine, mortgages, opportunistic and other strategies. Private debt is considered an illiquid investment strategy as funds generally have a life span of seven to ten years. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

Natural resource funds include fourteen investments in limited partnerships in the energy and natural resources industries. Distributions are received as the partnerships liquidate the underlying assets.



Real Estate Funds consists of nine investments in limited partnerships that invest in income producing equity securities of U.S and International real estate. Real estate is considered an illiquid investment strategy as funds generally have a life span of seven to ten years. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

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. For the Police and Fire Pension Plans, the policy establishes a strategic target for asset allocation among equity securities (45%), fixed income (20%), real assets (10%), hedge funds (10%), and private equity (15%). For other Comprehensive and Supplemental Plans, the policy establishes a strategic target for asset allocation among equity securities (43%), fixed income (27%) and real assets (10%), hedge funds (10%), and private equity (10%). The Plans are authorized to invest in U.S. Government securities, common and international stock, money market mutual funds, corporate bonds and real estate. State statutes do not prohibit the Plans from participating in securities lending activities. All investments are valued at fair value or amortized cost, as appropriate. 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, 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%.

(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, 2021, investments with maturities greater than one year at the time of purchase were 25.0% of the portfolio. The table below includes the Primary Government's fixed income holdings by investment type, fair value, and maturity:

Investment Type	Primary Government Investments (in thousands)			
	Fair Value	Less than 1 year	1 to 5	6 to 10
U.S. Agency Securities	\$ 94,949	\$ 54,993	\$ 19,734	\$ 20,222
Certificates of Deposit	30,103	25,103	5,000	-
Money Market Mutual Funds	888,213	888,213	-	-
Local Government Investment Pool	567,370	567,370	-	-
	<u>\$ 1,580,635</u>	<u>\$ 1,535,679</u>	<u>\$ 24,734</u>	<u>\$ 20,222</u>

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)				
	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10
U.S. Government Securities	\$ 34,203	\$ -	\$ 6,164	\$ 25,472	\$ 2,567
U.S. Agency Securities	15,904	-	4,742	9,063	2,099
Corporate Bonds	33,056	-	5,188	23,673	4,195
Asset-Backed Securities	45,286	454	2,304	2,337	40,191
Short-Term Investments	33,872	23,712	-	-	10,160
	<u>\$ 162,321</u>	<u>\$ 24,166</u>	<u>\$ 18,398</u>	<u>\$ 60,545</u>	<u>\$ 59,212</u>

Table does not include Common Stock, International Government Securities, Mutual Funds, or Real Estate Investment Trust investments, which do not have maturity dates. As of June 30, 2021, 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	OPEB Fund Investments (in thousands)			
	Fair Value	Less than 1 year	1 to 5	6 to 10 over 10
Short-term investments	\$ 886	\$ 886	\$ -	\$ -

(a) 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, 2021, the primary government had investments in the following issuers with credit quality ratings as a percent of the total investments in debt securities:

OPEB FUND INVESTMENTS					
INVESTMENT TYPE	AMOUNT	MOODY'S	CREDIT RISK		
			%	INVESTMENT TYPE	S&P
Money Market Funds	885,714	NR	1.15%	Money Market Funds	NR
Commingled Trust Funds	76,123,168	NR	98.85%	Commingled Trust Funds	NR
	<u>\$ 77,008,883</u>			<u>\$ 77,008,883</u>	
				885,714	NR
				76,123,168	NR
				<u>\$ 77,008,883</u>	
					1.15%
					98.85%

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 2021 the Plans' investments in government sponsored entities with ratings below AAA exceeded the 5% limit. As of June 30, 2021, 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						
Investment Type	Amount	Moody's	Credit Risk		Amount	S&P
			%	Investment Type		
U.S. Agency Securities	\$ 47,319	Aaa	29.15%	U.S. Agency Securities	\$ 33,403	NR
U.S. Agency Securities	1,313	AA	0.81%	U.S. Agency Securities	15,360	AA
U.S. Agency Securities	1,475	NR	0.91%	U.S. Agency Securities	1,345	AAA
Short-Term Investments	33,872	NR	20.87%	Short-Term Investments	33,872	NR
Corporate Bonds	1,446	Aa	0.89%	Corporate Bonds	1,432	AA
Corporate Bonds	25,251	A	15.56%	Corporate Bonds	13,983	A
Corporate Bonds	3,572	BBB	2.20%	Corporate Bonds	12,532	BBB
Corporate Bonds	211	Ba	0.13%	Corporate Bonds	2,897	BB
Corporate Bonds	2,577	NR	1.59%	Corporate Bonds	2,212	NR
Mortgage-Backed Securities	846	AAA	0.52%	Mortgage-Backed Securities	-	AAA
Mortgage-Backed Securities	335	A	0.21%	Mortgage-Backed Securities	97	A
Mortgage-Backed Securities	44,104	NR	27.17%	Mortgage-Backed Securities	45,188	NR
	\$ 162,321				\$ 162,321	

(b) 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:

Primary Government Investments	
Investment Type Name	Maximum %
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 OPEB Plan had no investments that exceed 5% that are required to be reported.

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		
		Police	Fire Service	Other
State Street /PIMCO Bond Fund	\$	-	\$ -	\$ 44,864,104
Percentage		0.00%	0.00%	6.69%
State Street /Causway International Equity Fund		99,435,462	49,238,964	33,906,040
Percentage		7.73%	7.64%	5.05%
State Street / SSGA S&P 500 Equity Fund		82,952,914	43,454,796	-
Percentage		6.45%	6.75%	0.00%
State Street / Balle Gifford Funds Equity Fund		78,765,844	47,725,093	-
Percentage		6.12%	7.41%	0.00%
State Street / Mondrian International Small Real Estate Investment Trust		-	33,817,760	36,709,751
Percentage		0.00%	5.25%	5.47%

(c) 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.

**Primary Government Cash and Investments Balances (in thousands)**  
as of June 30, 2021

Cash in Bank	44,094
Outstanding checks in zero balance accounts	(7,662)
Investments	1,580,635
	<u>\$ 1,617,067</u>

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, 2021, there were no investments exposed to custodial credit risk.

(d) 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, 2021.

Other Pension Fund Investments (in thousands)

Local Currency	Foreign Currency Exposure			Total	%
	Equity	Fixed Income	Other		
Australian Dollar	1,951	58	-	2,009	0.08%
Canadian Dollar	4,310	22	16,543	20,875	0.79%
Danish Krone	734	20	4,671	5,425	0.20%
Euro Currency	12,826	47	16,877	29,750	1.12%
Hong Kong Dollar	172	-	-	172	0.01%
Japanese Yen	8,421	153	-	8,574	0.32%
New Zealand Dollar	-	54	-	54	0.00%
Norwegian Krone	1,283	192	-	1,475	0.06%
Pound Sterling	6,613	157	3,352	10,122	0.38%
Singapore Dollar	-	213	-	213	0.01%
South Korean Won	2,429	-	-	2,429	0.09%
Swedish Krona	2,221	119	-	2,340	0.09%
Swish Franc	2,363	63	-	2,426	0.09%
Total Foreign Holdings	\$ 43,323	\$ 1,098	\$ 41,443	\$ 85,864	

(e) Securities Lending

The Board of Trustees for the Plans authorizes the lending of securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodian is the agent in lending the System's securities for 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 combined statement of plan net position of the Pension Trust Funds. Cash collateral is invested in the Plans' custodian's short-term investment pool, which at year-end has an average duration of 20 days and an average weighted maturity of 104 days. As of this date, the duration pool had an average duration of 23 days and an average weighted maturity of 1,017 days for USD collateral. The relationship between the maturities of the investment pool and the Plans' loans is affected by the maturities of the securities loans made by other entities that use the pool, which the Plans cannot determine. Securities lent for cash collateral are unclassified in the Combined Statement of Plan Net Position. Securities lent for securities or letters of credit collateral are classified according to the category of custodial risk for the collateral. The collateral held and the fair value of securities on loan as of June 30, 2021 totaled \$36,217,590 and \$35,506,432, respectively. Cash collateral held, amounting to \$14,065,480 is included as an asset and liability in the accompanying financial statements at year-end.

(f) 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 2021 the Plans invested directly in various derivatives including futures contracts, forward currency contracts, and rights. During the fiscal year, the plans had no derivative activity.

(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2021 are as follows:

Due from/to other funds:	Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Watershed Protection Fund Trust Fund - OPEB		\$ 79,000,000 36,450,000 15,100,000 <u>130,550,000</u>
General Liability Fund Auto Liability Fund	Workers Comp Fund Workers Comp Fund		\$ 19,600,000 3,000,000 <u>22,600,000</u>
Due from/to other entities:			
Receivable Entity Component Unit - Board of Education Component Unit - Community College	Payable Entity Primary Government - Capital Projects Fund Primary Government - Capital Projects Fund		Amount 68,990,392 869,759 <u>69,860,151</u>
Primary Government - General Fund Primary Government - General Fund Primary Government - General Fund Primary Government - Internal Service Funds	Component Unit - Housing Authority Component Unit - Community Television Component Unit - Revenue Authority Component Unit - Community College		\$ 7,493,790 450,000 499,752 418,658 <u>8,862,200</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, 2021 are as follows:

Transfers from/to other funds:	Transfers From	Transfers To	Amount
General Fund	General Fund	Nonmajor Governmental Funds	\$ 150,105,593
General Fund	General Fund	Capital Projects	1,990,955
General Fund	General Fund	Nonmajor Governmental Funds	82,000
General Fund	General Fund	Computer Services Fund (ISF)	4,711,100 <u>156,889,648</u>
Workers Compensation	Workers Compensation	Auto Liability	\$ 61,851
Workers Compensation	Workers Compensation	Property Liability	695,336
Workers Compensation	Workers Compensation	General Liability	9,047,226
Auto, Property and General Liability	Auto, Property and General Liability	Workers Compensation	3,141,987 <u>12,946,400</u>
Capital Projects	Capital Projects	Solid Waste Management Fund	\$ 2,334,032 <u>2,334,032</u>

Transfers are to support contributions to grants, capital projects, and debt service.

(6) Due from Other Governmental Units

The State owes the Primary Government \$162,430,774 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, 2021 is listed below:

	State of Maryland	Federal Government	Other Sources	Total
Primary Government	\$ 249,579,556	\$ 19,262,893	\$ 9,775,805	\$ 278,618,254
Component Units:				
Board of Education	43,804,603	24,044,040	1,141,749	68,990,392
Other Component Units	-	-	869,759	869,759
Total	43,804,603	24,044,040	2,011,508	69,860,151
Total Reporting Entity	\$ 293,384,159	\$ 43,306,933	\$ 11,787,313	\$ 348,478,405

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2021 were as follows:

	Balance July 1, 2020	Additions	Disposals and Completed Construction	Balance June 30, 2021
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 109,710,069	\$ 490,055	\$ -	\$ 110,200,124
Construction in progress	267,764,421	99,682,698	49,370,323	318,076,795
Total capital assets, not being depreciated:	377,474,490	100,172,753	49,370,323	428,276,919
Capital assets, being depreciated:				
Buildings and improvements	728,179,336	47,505,308	-	775,684,644
Equipment	237,938,999	37,042,771	4,251,033	270,730,737
Infrastructure	3,094,741,776	24,151,600	1,575,000	3,117,318,376
Total capital assets, being depreciated:	4,060,860,111	108,699,679	5,826,033	4,163,733,757
Less accumulated depreciation for:				
Buildings and improvements	220,623,409	17,573,311	-	238,196,720
Equipment	187,265,749	21,691,553	4,233,693	204,723,609
Infrastructure	1,422,241,332	52,735,161	507,501	1,474,468,992
Total accumulated depreciation	1,830,130,490	92,000,025	4,741,194	1,917,389,321
Total capital assets being depreciated, net	2,230,729,621	16,699,654	1,084,839	2,246,344,434
Governmental activities capital assets	\$ 2,608,204,111	\$ 116,872,407	\$ 50,455,162	\$ 2,674,621,356

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

Governmental Activities:	
General government	\$ 16,238,011
Public safety	21,035,906
Environmental	480,175
Health and Human Services	667,283
Infrastructure and Development	53,311,186
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets	<u>267,465</u>
Total depreciation expense - governmental activities	<u>\$ 92,000,025</u>

Construction of capital assets in progress for the Primary Government at June 30, 2021, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	Project No.	Expended through June 30, 2021
Training/Administration Headquarters	3.50.0006	\$ 80,432,634
County Food Distrib And Processing Ctr	3.26.0001	877
Other public facilities	Various	33,175,392
Other library projects	Various	42,809,638
Public safety projects	Various	102,066,935
Other road and bridge projects	Various	<u>59,591,316</u>
Total Primary Government		<u>\$ 318,076,791</u>



(b) Business-type Activities

Changes in capital assets during fiscal year 2021 were as follows:

	Balance July 1, 2020	Additions	Disposals and Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated:				
Land/Land Infrastructure	\$ 27,082,977	-	-	27,082,977
Construction in progress*	394,086,222	87,838,659	-	481,924,881
Total capital assets, not being depreciated:	421,169,199	87,838,659	-	509,007,858
Capital assets, being depreciated:				
Buildings and improvements	34,621,730	-	-	34,621,730
Equipment and vehicles	27,663,358	1,847,239	874,424	28,636,173
Landfill property in service	140,954,640	2,556,600	-	143,511,240
Stormwater property in service	199,539,940	248,300	-	199,788,240
Total capital assets being depreciated:	402,779,668	4,652,139	874,424	406,557,383
Less accumulated depreciation for:				
Buildings and improvements	20,379,524	858,947	-	21,238,471
Equipment and vehicles	24,477,325	1,193,768	874,424	24,796,669
Landfill property in service	139,440,189	3,790,258	-	143,230,447
Stormwater property in service	78,468,358	4,390,492	-	82,858,850
Total accumulated depreciation	262,765,396	10,233,465	874,424	272,124,437
Total capital assets being depreciated, net	140,014,272	(5,581,326)	-	134,432,946
Business-type activities capital assets	\$ 561,183,471	82,257,333	-	643,440,804

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

Solid Waste Fund	\$ 5,842,973
Stormwater Management Fund	4,390,492
Total depreciation expense - business-type activities	\$ 10,233,465

As of June 30, 2021, construction requisitions outstanding for governmental and proprietary funds of the Primary Government totaled approximately \$29.4 million and \$25.7 million, respectively.

Changes in capital assets for the Stormwater Management Fund during 2021 were as follows:

	Balance July 1, 2020	Additions	Disposals and Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated:				
Land/Land Infrastructure	\$ 15,776,896	-	-	15,776,896
Construction in progress	248,846,468	40,307,201	-	289,153,669
Total capital assets, not being depreciated:	<u>264,623,364</u>	<u>40,307,201</u>	<u>-</u>	<u>304,930,565</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	3,451,121	-	210,833	3,240,288
Stormwater property in service	199,539,940	248,300	-	199,788,240
Total capital assets being depreciated:	<u>203,233,586</u>	<u>248,300</u>	<u>210,833</u>	<u>203,271,053</u>
Less accumulated depreciation for:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	3,451,123	-	210,833	3,240,290
Stormwater property in service	78,468,358	4,390,492	-	82,858,850
Total accumulated depreciation	<u>82,162,006</u>	<u>4,390,492</u>	<u>210,833</u>	<u>86,341,665</u>
Total capital assets being depreciated, net	<u>121,071,580</u>	<u>(4,142,192)</u>	<u>-</u>	<u>116,929,388</u>
Stormwater Management Fund capital assets	<u>\$ 385,694,944</u>	<u>36,165,009</u>	<u>-</u>	<u>421,859,953</u>

Changes in capital assets for the Solid Waste Fund during 2021 were as follows:

	Balance July 1, 2020	Additions	Disposals and Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 11,306,081	-	-	11,306,081
Construction in progress	34,808,303	5,579,987	-	40,388,290
Total capital assets, not being depreciated:	<u>46,114,384</u>	<u>5,579,987</u>	<u>-</u>	<u>51,694,371</u>
Capital assets, being depreciated:				
Buildings and improvements	34,379,205	-	-	34,379,205
Equipment and vehicles	24,212,237	1,847,239	663,591	25,395,885
Landfill property in service	140,954,640	2,556,600	-	143,511,240
Total capital assets being depreciated:	<u>199,546,082</u>	<u>4,403,839</u>	<u>663,591</u>	<u>203,286,330</u>
Less accumulated depreciation for:				
Buildings and improvements	20,136,997	858,947	-	20,995,944
Equipment and vehicles	21,026,204	1,193,768	663,591	21,556,381
Landfill property in service	139,440,189	3,790,258	-	143,230,447
Total accumulated depreciation	<u>180,603,390</u>	<u>5,842,973</u>	<u>663,591</u>	<u>185,782,772</u>
Total capital assets being depreciated, net	<u>18,942,692</u>	<u>(1,439,134)</u>	<u>-</u>	<u>17,503,558</u>
Solid Waste Fund capital assets	<u>\$ 65,057,076</u>	<u>4,140,853</u>	<u>-</u>	<u>69,197,929</u>

- Watershed Restoration and Protection Fund's capital assets consisted of construction in progress of \$152,382,922.

Construction in progress in the enterprise funds as of June 30, 2021 consists of the following:

Primary Government - Business-type Activities:	
Stormwater Management Enterprise Fund	
- Stormdrain Relief Program (5.54.0005)	\$ 39,853,286
- Water Quality Control Facility (5.54.0006)	1,188,611
- Anacostia Retrofit (5.54.0008)	3,424,261
- Street Tree Removal & Replacement (5.66.0001)	726,744
- Stormwater Management Restoration (5.66.0002)	40,286,494
- Watershed Implementation Plan II (5.54.0017)	10,669,347
- Major Reconstruction – DOE (5.54.0011)	44,271,215
- Major Reconstruction – DPWT (5.66.0003)	28,381,387
- Clean Water Partnership/NPDES (5.54.0018)	45,524,260
- COE Anacostia Restoration (5.54.0012)	6,989,117
- MS4/NPDES Compliance & Restoration (5.54.0019)	54,737,413
- Bladensburg Environmental Revitalization (5.54.0013)	6,863,548
- Other miscellaneous projects	6,237,986
	<u>289,153,669</u>
Solid Waste Enterprise Fund	
- Brown Station Landfill Expansion (5.54.0001)	20,280,137
- Sandy Hill Landfill Expansion (5.54.0003)	3,184,153
- Commercial Manufacturer/Waste Transfer Station (5.54.0004)	920,777
- Organics Composting Facility	8,438,200
- Materials Recycling Facility	7,565,023
	<u>40,388,290</u>
Watershed Protection and Restoration Fund (5.54.0018)	<u>152,382,922</u>
	<u>481,924,881</u>
Total Primary Government - Business-type Activities	\$ 481,924,881

(c) Component Units Capital Assets Activity

BOE	Balance July 1, 2020	Additions	Disposals and Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 26,120,279	\$ -	133,540	25,986,739
Construction in progress	69,577,286	127,528,015	58,714,228	138,391,073
Total capital assets, not being depreciated:	95,697,565	127,528,015	58,847,768	164,377,812
Capital assets, being depreciated:				
Buildings and improvements	2,231,818,337	67,472,694	342,393	2,298,948,638
Equipment and vehicles	223,552,744	30,725,683	9,532,507	244,745,920
Total capital assets, being depreciated:	2,455,371,081	98,198,377	9,874,900	2,543,694,558
Less accumulated depreciation for:				
Buildings and improvements	1,009,699,427	69,104,336	302,237	1,078,001,526
Equipment and vehicles	135,071,623	16,194,093	9,177,738	142,087,978
Total accumulated depreciation	1,144,271,050	85,298,429	9,479,975	1,220,089,504
Total capital assets being, depreciated, net	1,311,100,031	12,899,948	394,925	1,323,605,054
Component units capital assets	1,406,797,596	140,427,963	59,242,693	1,487,982,866

Changes in other component units' capital assets during fiscal year 2021 were as follows:

	Balance July 1, 2020	Additions	Disposals and Completed Construction	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 78,003,407	25,101	197,400	76,111,108
Construction in progress	54,635,068	33,260,687	32,654,802	55,240,953
Total capital assets, not being depreciated:	132,638,475	33,285,788	34,572,202	131,352,061
Capital assets, being depreciated:				
Buildings and improvements	372,903,227	31,749,924	557,407	404,095,744
Equipment and vehicles	73,196,101	3,647,598	1,362,722	75,480,977
Total capital assets, being depreciated:	446,099,328	35,397,522	1,920,129	479,576,721
Less accumulated depreciation for:				
Buildings and improvements	127,656,249	11,578,449	557,408	138,156,290
Equipment and vehicles	55,144,749	6,153,681	1,347,163	59,951,267
Total accumulated depreciation	182,279,998	17,732,130	1,904,571	198,107,557
Total capital assets being, depreciated, net	263,819,330	17,665,392	15,558	281,469,164
Component units capital assets	396,457,805	50,951,180	34,587,760	412,821,225

(8) Risk Management  
 Details of estimated liabilities on pending claims, by fund, at June 30, 2021 are as follows:

		Risk Management Pools	Other Self-Insurance	Total
Primary Government:				
Internal Service Funds:				
Unemployment Compensation	\$	-	\$ 363,112	\$ 363,112
Property Loss		207,977	-	207,977
Automobile Liability		3,957,040	-	3,957,040
Workers' Compensation		151,409,392	-	151,409,392
General Liability		19,520,553	-	19,520,553
Life and Health Benefits		-	4,839,000	4,839,000
Total Primary Government	\$	<u>175,094,962</u>	<u>\$ 5,202,112</u>	<u>\$ 180,297,074</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 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 \$400,000 per person not to exceed \$800,000 per incident for all participants with the exception of the Board of Education, which retains immunity at \$400,000 per incident. These limits do not apply to claims brought under Federal jurisdiction.

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2021, the Primary Government made contributions amounting to \$51,225,290. The actuarially computed claims liability has been discounted at a rate of 1.328 percent, based on the pool's investment yield rate and current economic conditions. Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2019 there were no claim settlement payments processed in excess of the Local Government Tort Claims Act (LGTCA) limits. In fiscal year 2020, there were two claims paid in excess of the LGTCA and two more claims were paid in fiscal year 2021. The funds do not utilize annuity contracts from commercial insurers; therefore, all known liabilities have been disclosed during this reporting period.

The total claims liability of \$175,094,962 reported for the risk management pools at June 30, 2021 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, 2021. 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 2020 and 2021 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
Fiscal year 2020	\$ 166,554,367	\$ 54,196,926	\$(55,202,261)	\$ 165,549,032
Fiscal year 2021	165,549,032	57,419,425	(47,873,495)	175,094,962

The following is a summary of the fiscal year 2021 claims expense by fund:

	Total Claim Payments	Liability on Pending Claims Adjustment	Total Claims Expenses
Property Loss Fund	\$ 295,106	\$ 4,374	\$ 299,480
Auto Liability Fund	1,909,628	617,436	2,527,064
Workers' Compensation Fund	42,409,526	(318,753)	42,090,773
General Liability Fund	<u>3,259,235</u>	<u>9,242,873</u>	<u>12,502,108</u>
	<u>\$ 47,873,495</u>	<u>\$ 9,545,930</u>	<u>\$ 57,419,425</u>

The Primary Government maintains separate Internal Service Funds for unemployment compensation and life and health benefits. An independent actuary is involved in evaluating contribution levels and estimated claims Life and Health Benefits. Changes in these funds' claims liability amount in fiscal years 2020 and 2021 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
Fiscal year 2020	\$ 4,944,516	\$ 61,659,332	\$(61,827,234)	\$ 4,776,614
Fiscal year 2021	4,776,614	69,770,726	(69,345,228)	5,202,112

(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 Maryland State Retirement and Pension System (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 (MSRPS) - [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 MSRPS. 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 MSRPS 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. MSRPS 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 MSRPS' administrative offices located at 120 East Baltimore Street, Baltimore, Maryland 21202, or can be made by telephoning (410) 625-5555 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.

Participants of the Retirement System plan contribute 7% of annual compensation and upon retirement are entitled to unlimited cost-of-living adjustments or a contribution of 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. The Primary Government made the actuarially required contributions of \$20,571,210 for fiscal year 2021.

(ii) Police, Fire Service, Deputy Sheriffs, 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 firefighters, paramedics, deputy sheriffs and correctional officers under the Comprehensive Plans. Police officers hired after June 30, 2017 are eligible to retire with 25 years of service. For AFSCME Local 241 (Crossing Guards), AFSCME Locals 2462 and 2735, general schedule employees, and deputy sheriffs 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 sheriffs. 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 sheriffs, 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.

#### Funding Policy

Contributions to the Plans for 2021 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2020. The Primary Government's fiscal year 2021 total payroll was \$638,426,975. 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 2021 were as follows:

	Employee Rates	Employer Rates
Comprehensive Plans:		
Police	8.24 %	55.23 %
Fire Service	8.35	60.43
Deputy Sheriff's	9.12	43.33
Correctional Officers'	12.97	44.69
Supplemental Plans:		
Deputy Sheriff's	5.20	\$ 950,800 *
Correctional Officers'	5.75	7.88
Crossing Guards	5.71	7.28
AFSCME	1.32	6.04
General Schedule	3.48	7.74
Fire Civilian	5.54	14.24
Police Civilian	5.68	5.68

\* Employer contribution is a dollar amount.



For the Police Pension Plan, officers hired on or before July 1, 2013, contribute 10% for the first five years, 8% for the second five years, 8% for the second five years an 7.70% thereafter. Officers hired after July 1, 2013, contribute 10% of pay. For the Fire Service Pension Plan, members hired before July 1, 2008, contribute 7% of basic compensation and members hired on or after July 1, 2008, contribute 10% of basic compensation. For the Deputy Sheriffs' Pension Plan, 10% of base pay (11% of base pay for employees hired on or after July 1, 2005). For the correctional Officers Pension Plan, 12% of base pay (13% of base pay for officers hired on or after July 1, 1995). Participant information is as follows:

Group	Comprehensive Plans					Supplemental Plans					Total	
	Police	Fire Service	Deputy Sheriffs	Correctional Officers	Deputy Sheriffs	Correctional Officers	Crossing Guards	AFSCME	General Schedule	Fire Civilians		Police Civilian Employees
Retirees and beneficiaries currently receiving benefits	1,817	929	171	287	58	34	80	505	972	55	139	5,047
Vested terminated employees	23	25	12	15	1	1	8	165	207	3	52	512
Active employees	1,508	975	238	423	2	8	86	1,053	1,500	48	343	6,184
Total active employees												
Total participants	3,348	1,929	421	725	61	43	174	1,723	2,679	106	534	11,743

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2021, the County reported a liability of \$182,549,191 for its proportionate share of the net pension liability of the MSRPS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by and actuarial valuation as of that date. As of June 30, 2021, the County's proportionate share was 0.8077% an increase of .058 % from prior year.

At June 30, 2021, the County reported a liability of \$1,189,321,992 for its other County Plans. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles.

For fiscal year ended June 30, 2021, the County recognized pension expense of \$173,073,532.

County Plans	Proportionate share of MSRPS	Net Pension Liability/(Asset)	Pension Expense
Comprehensive Plans:			
Police		618,214,852	78,126,982
Fire Service		341,507,089	32,836,252
Deputy Sheriff's		77,377,609	22,217,665
Correctional Officers		99,319,463	10,839,522
Supplemental Plans:			
Deputy Sheriff's		2,471,068	(10,907)
Correctional Officers		(2,285,571)	(996,141)
Crossing Guards		190,201	(24,212)
AFSCME		(724,556)	(705,316)
General Schedule		41,154,220	4,306,768
Fire Civilian		3,807,797	214,100
Police Civilian		8,289,820	703,807
Total		\$ 1,371,871,183	\$ 173,073,532

The County's change in total pension liability, plan fiduciary net position and net pension liability for the year ended June 30, 2021, was as (in thousands) follows:

	Total Pension Liability/(Asset)	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A) - (B)
Balance as of June 30, 2020	\$ 3,639,561,090	\$ 2,105,331,147	\$ 1,534,229,943
Service Cost	88,518,600	-	88,518,600
Interest	259,499,605	-	259,499,605
Differences between expected and actual experience	40,258,014	-	40,258,014
Assumption Changes	45,249,270	-	45,249,270
Contributions-employer	-	160,374,203	(160,374,203)
Contributions-employee	-	30,212,140	(30,212,140)
Net Investment	-	590,254,824	(590,254,824)
Benefit Payments, including refunds of employee contributions	(211,177,043)	(211,177,043)	-
Administrative expenses	-	(2,407,727)	2,407,727
Balance as of June 30, 2021	<u>\$ 3,861,909,536</u>	<u>\$ 2,672,587,544</u>	<u>\$ 1,189,321,992</u>

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions		
Proportionate share of MSRPS	\$ 755,324	3,308,295
Police	26,716,211	-
Fire Service	12,505,161	-
Deputy Sheriff's	6,271,189	-
Correctional Officers'	5,558,624	-
Supplemental Plans:		
Crossing Guards	29,806	-
AFSCME	-	314,826
General Schedule	2,558,087	-
Fire Civilian	30,520	-
Police Civilian	2,498,779	-
Changes in proportions		
Proportionate share of MSRPS	25,259,791	7,451,906
Difference between expected and actuarial experience		
Comprehensive Plans:		
Difference between expected and actuarial experience of MSRPS	75,543	6,453,118
Proportionate share of MSRPS	29,747,244	3,478
Police	3,012,475	6,528,001
Fire Service	1,772,277	6,258,716
Deputy Sheriff's	5,100,782	1,062,630
Correctional Officers'		4,920,199
Supplemental Plans:		
Crossing Guards	24,098	465,463
AFSCME	615,249	1,716,934
General Schedule	3,605,754	539,659
Fire Civilian	507,000	36,676
Police Civilian	706,695	480,718
Net difference between projected and actual earnings on pension plan investments		
Proportionate share of MSRPS	13,759,508	-
Comprehensive Plans:		
Police	-	149,369,726
Fire Service	-	74,959,533
Deputy Sheriff's	-	10,558,475
Correctional Officers'	-	18,532,706
Supplemental Plans:		
Deputy Sheriff's	-	581,082
Correctional Officers'	-	1,174,674
Crossing Guards	-	199,922
AFSCME	-	11,721,269
General Schedule	-	18,641,528
Fire Civilian	-	1,008,538
Police Civilian	-	2,970,197
County contributions subsequent to the measurement		
Proportionate share of MSRPS	20,571,210	-
	<u>\$ 161,681,327</u>	<u>\$ 329,258,269</u>

The \$20,571,210 reported as deferred outflows of resources related to pensions resulting from the County's contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	MSRPS			Other Plans		Total
	June 30					
2022		\$ 1,866,616		(60,537,143)		(58,670,527)
2023		5,560,915		(32,777,974)		(27,217,059)
2024		8,373,968		(40,438,468)		(32,064,500)
2025		5,867,859		(78,943,921)		(73,076,062)
2026		964,011		1,895,953		2,859,964
Thereafter		-		20,032		20,032
Total		\$ 22,633,369		(210,781,521)		(188,148,152)

**Actuarially Assumptions**

Mortality rates were based on Pub-2010 Mortality Tables with projected generational mortality improvements based on the MP-2018 fully generational improvement scale. The economic and demographic actuarial assumptions used in the June 30, 2020 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2014-2018, after completion of the June 30, 2018 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and 2018 salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2019. As a result, an investment return assumption of 7.40% and an inflation assumption of 2.60% were used in the June 30, 2020 valuation for the MSRPS.

The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	MSRPS Plan June 30, 2020	County Plans July 1, 2020
Valuation Date	June 30, 2020	June 30, 2021
Measurement Date	June 30, 2020	June 30, 2021
Inflation	2.60% general, 3.10% Payroll growth rate	2.5% general, 3.00% Payroll growth rate, 2.75% general Supplemental
Salary Increases	3.10% - 11.60%, inflation	2.75% - 10.75%
Investment Rate of Return	7.40%	7.25%
Fully generational - Pub-2010 Mortality Table with projected mortality based on the MP2018		Experience-based table of rates that are specific to the type of eligibility condition. Updated for the 2018 valuation pursuant to an experience study of the period 2014-2017.
There were no benefit changes during the year. Adjustments to roll forward liabilities were made to reflect the following assumption changes in the 2020 valuation		Pub-2010 Healthy Retiree Mortality Table (for Safety Employees), sex distinct for non-disabled annuitants and Pub-2010 Disabled Retiree Mortality Table (for Safety Employees), sex distinct for disabled annuitants.  For the Police Pension Plan, the following death benefit provisions have been added: (1) Effective January 1, 2016, the surviving spouse of a participant who died while an active employee on or before November 30, 2002, will receive a monthly annuity equal to \$1,000 per month payable for the spouse's remaining lifetime; (2) Effective July 1, 2016, the surviving spouse of a participant who died while an active employee with 15 or more years of service and did not meet normal retirement eligibility conditions will receive a 50 percent contingent annuitant benefit.

The long-term expected rate of return on pension plan investments are determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation are presented in the table below:

Asset Class	MSRPS		Police and Fire Service Plans			Other Comprehensive and Supplemental Plans			
	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Contribution	Target Allocation	Long-Term Expected Real Rate of Return	Asset Contribution
Public Equity	37.00%	5.20%	Domestic Equity	22.50%	7.50%	1.69%	21.50%	7.50%	1.61%
Private Equity	13.00%	6.50%	International Equity	22.50%	8.50%	1.91%	21.50%	8.50%	1.83%
Rate Sensitive	19.00%	-0.30%	Domestic Bonds (1)	20.00%	2.50%	0.50%	22.00%	2.50%	0.55%
Credit Opportunity	9.00%	2.80%	International Bonds	0.00%	3.50%	0.00%	0.00%	3.50%	0.00%
Real Assets	14.00%	4.30%	Real Estate	10.00%	4.50%	0.45%	10.00%	4.50%	0.45%
Absolute Return	8.00%	1.80%	Alternative Assets (2)	25.00%	6.07%	1.52%	25.00%	5.92%	1.48%

(1) The long-term real return expectations removes the 2.5% inflation rate embedded in each nominal return assumptions.

(2) The 20% Alternative Assets long-term real return assumption represents a relational combination of the remaining 80% of the policy target.

\* The Long Term Expected Real Rate of Return is an arithmetic calculation

For the year ended June 30, 2020 the money-weighted weight of return on pension plan investments, net of pension plan investment expense, for the MSRPS was 3.50%. For the year ended June 30, 2021 the money-weighted weight of return on pension plan investments, net of pension plan investment expense, for the Police, Fire Service, and Other Comprehensive and Supplemental Plans was 27.87%, 28.37%, and 26.7% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Discount Rate

Single discount rates of 7.40% and 7.25% were used to measure the total pension liability for the MSRPS and Other County Plans, respectively. The single discount rates were based on the expected rate of return on pension plan investments of 7.40 and 7.25%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using single discount rate that is 1-percent-point lower or 1-percent-point higher

Sensitivity of Net Pension (Asset) Liability to the Single Discount Rate Assumption

Plan	Current Single Discount Rate (SDR) Assumption	1% Decrease	SDR	1% Increase
MSRPS	7.40%	\$ 259,888,334	\$ 182,549,191	\$ 118,132,955
Police	7.25%	857,542,045	618,214,852	420,254,480
Fire Service	7.25%	463,704,124	341,507,089	240,308,897
Deputy Sheriffs' Comprehensive	7.25%	101,148,962	77,377,609	57,596,499
Correctional Officers' Comprehensive	7.25%	136,042,209	99,319,463	68,787,901
Deputy Sheriffs' Supplemental	7.25%	3,251,995	2,471,068	1,798,502
Correctional Officers' Supplemental	7.25%	(1,360,818)	(2,285,571)	(3,075,669)
Crossing Guards	7.25%	382,943	190,201	22,431
AFSCME	7.25%	13,591,095	(724,556)	(12,837,500)
General Schedule	7.25%	67,881,474	41,154,220	18,537,236
Fire Civilian	7.25%	5,265,951	3,807,797	2,563,108
Police Civilian	7.25%	13,725,631	8,289,820	3,799,099
		<u>\$ 1,921,063,945</u>	<u>\$ 1,371,871,183</u>	<u>\$ 915,887,939</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's net position is available in the separately issued financial reports. The MSRPS plan may be obtained on the Internet at <http://www.sra.maryland.gov/AgencyDownloads/GAFRL/>; by writing to the MSRPS at 120 East Baltimore Street, Baltimore, Maryland 21202; or by calling (410)- 625-5555 or 1-800-492-5909. The County's other reports may be obtained by contacting the Prince George's County Office of Personnel at 1400 McCormick Drive, Room 110, Largo, Maryland 20774.

(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 MSRPS. Additional MSRPS information is included in the table below:

	Board of Education	Community College	Memorial Library
Proportionate share of MSRPS	0.91900%	0.01720%	0.13344%
Net Pension Liability	\$ 207,678,490	\$ 3,878,655	\$ 3,377,570
Pension Expense	27,567,080	469,033	319,963
Deferred Outflows	51,728,281	941,862	889,401
Deferred Inflows	18,039,393	665,429	306,117

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 2021 amounted to \$111,116,628, \$5,760,418 and \$2,187,048, 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 \$1,106,497 to these plans during fiscal year 2021. 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.

(10) Postemployment Benefits Other Than Pensions  
 (a) Plan Description and Accounting Policies

Prince George's County, Maryland (the County) extends certain health care and life insurance benefits to retired persons. The legal authority for providing these benefits was established by the Prince George's County Council (the Council); Executive Orders 42-1980 and 43A-1980, "Continuation of Life and Health Benefits at Retirement," and certain collective bargaining agreements. The Prince George's County Maryland Other Postemployment Benefit Plan (the OPEB Plan) is a single-employer defined benefit health care plan. All State Retirement and Pension System of Maryland (SRPS) and Comprehensive Pension Plan (Police, Fire Service Correctional Officers', and Deputy Sheriffs') retirees who are enrolled in a qualified plan at the time of retirement are eligible for medical insurance, vision care, prescription, and reduced coverage life insurance benefits. The OPEB Plan also includes employees of the Prince George's Memorial Library and the Housing Authority of Prince George's County. 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 Pension 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.

Membership in the plan consisted of the following based on the July 1, 2020 valuation data rolled forward to June 30, 2021:

Active	6,825
Retired	4,461
Total participants	<u>11,286</u>



(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/PO (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 pretfund benefits as approved in the annual budget. The County contributed \$36.8 million, during fiscal year 2021 for current employer premiums (approximately 67.6% of total premium contributions). Plan members contributed \$18 million (approximately 32% of total premium contributions) to the OPEB Plan.

(c) Other Postemployment Benefit (OPEB) Expense, Liability and Deferred Outflows/Inflows of Resources

The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The County's proportionate share of the net OPEB liability was based on a projection of the County's long-term share of contributions to the OPEB plan relative the projected contribution of all participating agencies. The County's proportionate share was \$2,362,474 or 98%.

The OPEB plan liability was allocated as follows (in thousands):

	COUNTY	PLAN
Total OPEB liability		
Service cost	\$ 91,046	\$ 93,257
Interest	49,667	50,753
Differences between expected and actual experience		
Changes of assumptions	296,007	298,342
Benefit payments	(130,847)	(133,514)
Net change in total OPEB liability	(66,436)	(69,046)
Total OPEB liability - beginning	239,437	239,792
Total OPEB liability - ending (a)	2,189,341	2,237,580
	<u>\$ 2,428,778</u>	<u>\$ 2,477,372</u>
Plan fiduciary net position		
Contributions - employer	\$ 36,237	\$ 36,723
Contributions - employee	17,116	17,565
Net investment income	12,692	12,692
Benefit payments	(63,015)	(69,046)
Administrative expense	(1,009)	(1,045)
Other	-	4,127
Net change in plan fiduciary net position	2,021	1,016
Total fiduciary net position - beginning	64,283	63,735
Total fiduciary net position - ending (b)	<u>\$ 66,304</u>	<u>\$ 64,751</u>
County's net OPEB liability - ending (a) - (b)	<u>\$ 2,362,474</u>	<u>\$ 2,412,621</u>

The County Plan was allocated as follows:

	OPEB Liability 06/30/21
County	\$ 2,362,474,000
Housing	13,181,000
Library	<u>36,966,000</u>
	<u><u>2,412,621,000</u></u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 430,043	\$ 182,312
Changes of assumptions	346,660	191,702
Total	<u><u>776,703</u></u>	<u><u>6,353</u></u> <u><u>380,367</u></u>

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

Fiscal Year Ending June 30	Amount
2022	\$ 46,316
2023	46,179
2024	46,351
2025	46,038
2026	47,808
Thereafter	<u>163,644</u>
	<u><u>\$ 396,336</u></u>

(d) 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 Assumptions and Methods		
Valuation Date	6/30/2020	
Measurement Date	6/30/2021	
Actuarial Cost Method	Entry Age Normal	
Discount Rate	2.16%	
20 Yr. Municipal Bond Rate	2.16%	
Municipal Bond Rate Basis	Bond Buyers General Obligation 20 year Municipal Bond Index	
Expected Return on Assets	6.50%	
Salary Increases	1.00% - 6.50%, depending on service	
General Inflation	3.00%	
Census Data	7/1/2020	
Mortality:		
Pre-retirement	Healthy and Disabled	
	Pub-2010, "General" Classification, Employees and Healthy Annuitant Mortality Table, projected using scale MP	
	Pub-2010, "General" Classification, Survivor Beneficiary Mortality Table, projected using scale MP-2020,sex-dist	
	Disabled mortality is assumed to be Pub-2010 Disable Retirement Mortality Table, projected using scale MP-2021	
Health care cost trend rates:		
Medical /Prescription Pre-65		
		Initial      Ultimate
	Medical	5.93%      4.50%
	Rx	7.64%      4.50%
	Composite	6.30%      4.50%
Medical /Prescription Post-65		Initial      Ultimate
	Medical	5.36%      4.50%
	Rx	8.21%      4.50%
	Composite	7.20%      4.50%

Actuarial valuations of the OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of future events. Actuarially determined amounts are subject to revisions as actual results are compared to past expectations and new estimates are made about the future. Required supplementary information following the notes to the financial statements, present multiyear trend information.

The net OPEB liability was calculated using a discount rate of 2.16%. The following presents the plan's net OPEB liability calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher. The Health care rate shows what the net OPEB liability would be if health care trend rates were applied at 1-percent-point lower or 1-percent-point higher than the current healthcare trend rates.

Based on these assumptions, the OPEB Fund's fiduciary net position was projected to be insufficient to make all projected future benefit payments current plan members. Therefore, the long-term expected rate of return on OPEB Plan investment was blended with a municipal bond rate and the blended rate was applied to all periods of projected benefit payments to determine the OPEB liability. The municipal bond rate was 2.16% which was based on the Bond Buyer GO 20-Bond (BBGO20) municipal bond index on the date nearest the valuation date rounded to the nearest 25 basis points. The BBGO20 index represents the return on a portfolio of approximately 20 general obligation bonds that mature in about 20 years with an average rating of Aa2 or AA.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate Assumption for Plan

	1% Decrease 1.16%	Current Rate 2.16%	1% Increase 3.16%
Net OPEB Liability	\$ 3,100,226	\$ 2,412,621	\$ 1,929,621

Sensitivity of Net OPEB Liability to Changes in the Discount Rate Assumption for County

	1% Decrease 1.16%	Current Rate 2.16%	1% Increase 3.16%
County OPEB	\$ 2,334,298	\$ 2,362,474	\$ 2,439,221

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates for Plan

	1% Decrease 3.50%	Trend Rate 4.50%	1% Increase 5.50%
Net OPEB Liability	\$ 1,918,304	\$ 2,412,621	\$ 3,119,429

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates for County

	1% Decrease 3.50%	Trend Rate 4.50%	1% Increase 5.50%
County OPEB	\$ 2,277,465	\$ 2,362,474	\$ 2,496,055

OPEB money weighted rate of return is as follows:

Fiscal year ending June 30 2021

Money-weighted rate of return, net of investment expense 21.86%

(f) Component Units

The Housing Authority and the Memorial Library participate in the County's retiree life and health insurance benefit plan. Fiscal year 2021 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$147,000 and \$618,062 respectively. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid \$30 million to the OPEB Trust Fund with \$72.88 million towards retiree healthcare costs and recognized a Net OPEB Liability of \$2.9 billion in fiscal year 2021. The Community College contributed \$2 million in employer contribution with a Net OPEB Liability of \$3.5 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

**General Pension Information:** Pension Plans Plan description: The Prince George's County Length of Service Award Program (LOSAP) is a single-employer defined benefit retirement plan administered by Prince George's County, Maryland. The LOSAP was established and operates under the provisions of Prince George's County, MD Code Sec. 11-328. It was established in 1974 and last amended under CB-22-2014 effective July 1, 2014. Separate financial statements for the program are not issued.

**Benefits provided:** Under the LOSAP, participants become vested after 25 years of certified active service beginning at age 55. A volunteer at age 55 with less than 25 years' active service, who is disabled in the line of duty based on Workers Compensation determination (see Section 2.1.4) will receive benefits equal to the benefits of a qualified volunteer at age 55 and with 25 years of service. A death benefit equal to 50% of the volunteer's benefit is paid to the designated beneficiary. In addition, \$5,000 is paid to the designated beneficiary for burial expenses. Participants aged 55 years with 25 years of eligibility service are entitled to a normal retirement benefit. Effective January 1, 1991, and thereafter volunteers and spouses receiving benefits under this Act shall receive a cost of living (COLA) increase. The monthly amount representing 1% of the current starting salary of a trainee cannot exceed \$770.25 based on limitations presented in the County Code. All benefits are paid from the Fire and Rescue Reserve Fund as they become due. This is an unfunded program; therefore, there are no assets in the program.

Employees covered by benefit terms: At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	622
Inactive plan members entitled to but not yet receiving benefits	122
Active plan members	1,250
	<u>1,994</u>

Net Pension Liability - LOSAP

The County's total pension liability of \$149,427,675 was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date June 30, 2020  
 Measurement Date June 30, 2021  
 Actuarial Cost Method Entry Age Normal  
 Discount Rate 1.92% for the measurement date as of June 30, 2021  
 Retirement Age 100 percent of the members are assumed to commence benefits at the earliest eligibility of:

1. Age 55 with 25 years of LOSAP service
2. Age 70 with 10 years of LOSAP service

**Mortality**  
 For Post retirement non-disabled: Pub-2010 Healthy Retiree Mortality Table (for Safety Employees). Sex distinct. For Post-retirement disabled: Pub-2010 Disabled Retiree Mortality Table (for Safety Employees), sex distinct. For Pre-retirement non-service connected: 10% of the rates from the Pub-2010 Employee Mortality Table (for Safety Employees), sex distinct. For Pre-Retirement service connected: 10% of the rates from the Pub-2010 Employee Mortality Table (for Safety Employees), sex distinct.

The mortality tables are based on Prince George's Fire Service Pension Plan actuarial valuation assumptions. The rates are projected from 2010 using projection scale MP-2018 (generational mortality) and therefore include a provision for future mortality improvement.

Because gender was not provided for most active members, mortality rates for active members follow applicable tables above with a unisex mix of 65% male and 35% female.

**Other information:  
Notes**

Beginning July 1, 2005 any person who has reached the age of fifty-five and who has completed a minimum of twenty-five years of certified active volunteer fire company or volunteer rescue squad or combination thereof shall be eligible to participate in the Length of Service Award Program (LOSAP). One year of credited LOSAP service for each fiscal year in which the member accumulates a minimum of 50 points.

**Discount Rate**

The rate at the end of the year is the fixed-income municipal bonds rate with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021, which was 1.92. In describing this index, fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

**Sensitivity of the Total Pension liability to a Single Discount Rate**

Regarding the sensitivity of the total pension liability to changes in the single discount rate, the following presents the plan's total pension liability, calculated using single discount rate that is 1-percent-point lower or 1-percent-age-point higher:

Current Single			
Discount Rate	0.92%		2.92%
(SDR) Assumption	1% Decrease	SDR	1% Increase
1.92%	\$ 179,920,722	\$ 149,427,675	\$ 126,413,469
<b>Total Pension Liability</b>			

Changes in the Total Pension Liability

	Total Pension Liability
	(A)
Balance as of June 30, 2020	\$ 139,710,908
Service Cost	761,012
Interest	3,380,723
Difference between Expected and Actual Experience	(3,370,122)
Assumption Changes	13,171,563
Benefit Payments	(4,226,409)
Balance as of June 30, 2021	<u>\$ 149,427,675</u>

Pension plan fiduciary net position: There are no separately issued financial reports for the LOSAP.

For the year ended June 30, 2021, the County recognized LOSAP pension adjustment of \$11,363,700. The County reported deferred inflows resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Outflow/Inflow of Resources
Difference between expected and actual experience	\$ -	\$ (2,559,027)	\$ (2,559,027)
Changes in assumptions	13,759,828	-	13,759,828
	<u>\$ 13,759,828</u>	<u>\$ (2,559,027)</u>	<u>\$ 11,200,801</u>

Amounts reported as deferred inflows of resources related LOSAP will be recognized as LOSAP pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2022	8,238,928
2023	2,961,873
Total	<u>\$ 11,200,801</u>

(11) Unavailable and Unearned Revenue

Unavailable revenue reported in the General and other Governmental Funds represents tax billings and other receivables not available at June 30, 2021 for funding of current operations. These amounts are reported as a deferred inflow of resources in the governmental funds. Unearned 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 governmental and internal service funds deferred and unearned revenue as of June 30, 2021:

	Unavailable	Unearned	Total
General Fund			
Income Taxes Receivable	\$ 91,878,016	-	\$ 91,878,016
Property Taxes Receivable	8,342,609	-	8,342,609
Notes Receivable	-	1,000,000	1,000,000
Subtotal	<u>100,220,625</u>	<u>1,000,000</u>	<u>101,220,625</u>
Federal And State Aided Programs			
Grant Drawdowns in Excess of Expenditures	-	239,921,905	239,921,905
Internal Service Funds			
Receipt of Revenue prior to Service Provided	-	9,172,827	9,172,827
	<u>\$ 100,220,625</u>	<u>\$ 250,094,732</u>	<u>\$ 350,315,357</u>

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 by a third party for the exclusive benefit of the participants and their beneficiaries and are not reflected in the accompanying financial statements.

(13) Long-term Liabilities

(a) Outstanding Long-term Liabilities

The following is a summary of all primary government outstanding long-term liabilities as of June 30, 2021 – See next page.



	Governmental Activities		Business-type Activities		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
<b>Bonds payable</b>	\$ 143,591,156	\$ 1,916,493,824	\$ 19,398,844	\$ 387,526,176	\$ 162,990,000	\$ 2,304,020,000
General obligation bonds	-	261,191,661	-	8,107,159	-	269,298,820
Bond premium	\$ 143,591,156	\$ 2,177,685,485	\$ 19,398,844	\$ 395,633,335	\$ 162,990,000	\$ 2,573,318,820
<b>Total bonds payable</b>	10,635,000	271,713,480	3,176,089	49,121,329	13,811,089	320,834,809
Notes payable	17,650,616	76,008,695	-	-	17,650,616	76,008,695
Capital lease obligations	37,918,863	142,378,211	-	-	37,918,863	142,378,211
Estimated liabilities on pending claims	43,997,981	41,944,610	2,021,270	734,006	46,019,251	42,678,616
Compensated absences and termination benefits payable	-	1,348,355,428	-	23,515,755	-	1,371,871,183
Net pension liability	-	2,292,966,557	-	69,507,443	-	2,362,474,000
Net OPEB liability	-	149,427,675	-	-	-	149,427,675
Net pension liability - LOSAP	-	-	1,375,294	88,941,286	1,375,294	88,941,286
Landfill closure / postclosure	-	-	-	-	-	-
Other long-term liabilities	10,202,460	4,322,794,656	6,572,653	23,181,819	16,775,113	4,554,614,475
<b>Total long-term liabilities</b>	\$ 253,793,616	\$ 6,500,480,141	\$ 25,971,497	\$ 627,453,154	\$ 279,765,113	\$ 7,127,933,295

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the primary government for the fiscal year ended June 30, 2021:

	7/1/2020	Additions	Reductions	6/30/2021
<b>Governmental Activities</b>				
General obligation bonds	\$ 1,975,589,686	\$ 219,920,000	\$ (135,424,706)	\$ 2,060,084,980
Bond premium	244,891,310	57,789,185	(41,488,834)	261,191,661
<b>Business Type Activities</b>				
Solid Waste				
General obligation bonds	58,599,719	15,655,000	(2,963,742)	71,290,977
Bond premium	2,145,278	250,992	(355,914)	2,040,357
Stormwater				
General obligation bonds	314,540,595	36,090,000	(14,996,552)	335,634,043
Bond premium	7,309,165	125,773	(1,368,136)	6,066,802
<b>Total bonded debt</b>	\$ 2,603,075,753	\$ 329,830,951	\$ (196,597,883)	\$ 2,736,308,820

The following is a summary of bonded debt transactions of the component for the fiscal year ended June 30, 2021:

Component Units				
General obligation bonds	\$ 95,815,000	\$ -	\$ (2,570,000)	\$ 93,245,000
Bond premium (discount)	1,707,433	-	(164,951)	1,542,482
Total bonded debt	\$ 97,522,433	\$ -	\$ (2,734,951)	\$ 94,787,482

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2021 are as follows:

Year ended June 30,	Primary Government										Total
	Governmental Activities		Business-type Activities						Component Units		
	Principal	Interest	Solid Waste		Stormwater Management		Principal	Interest	Principal	Interest	
2022	\$ 143,591,156	78,023,451	3,414,339	2,547,337	15,984,505	12,533,810	256,094,598	2,715,000	3,731,914	262,541,512	3,731,914
2023	153,968,111	75,237,652	3,895,205	2,620,431	17,321,683	12,293,372	265,336,454	2,845,000	3,629,800	271,811,254	3,629,800
2024	149,323,469	69,026,922	4,065,039	2,466,859	17,896,492	11,527,396	254,306,178	3,805,000	3,481,347	261,592,525	3,481,347
2025	146,555,377	62,733,992	4,001,720	2,313,662	17,732,903	10,765,410	244,103,063	4,075,000	3,334,095	251,512,158	3,334,095
2026	196,632,085	56,340,455	3,844,009	2,153,948	17,943,906	10,017,413	286,931,816	4,360,000	3,173,449	294,465,265	3,173,449
2027 - 2031	710,216,848	179,550,900	19,294,143	8,265,325	95,169,010	38,343,494	1,050,839,720	23,455,000	12,900,417	1,087,195,137	12,900,417
2032 - 2036	424,222,934	55,913,631	17,206,522	4,323,049	87,905,544	18,563,992	608,135,671	16,455,000	8,637,897	633,228,568	8,637,897
2037 - 2041	132,050,000	7,673,281	14,375,000	1,348,188	62,920,000	4,608,700	222,975,169	17,960,000	4,212,916	245,148,085	4,212,916
2042 - 2046	3,525,000	35,250	1,195,000	11,950	2,760,000	27,600	7,554,800	9,045,000	1,968,645	18,568,445	1,968,645
2047 - 2051	-	-	-	-	-	-	-	8,530,000	419,202	8,949,202	419,202
	\$ 2,060,084,980	584,535,535	71,290,977	26,050,748	335,634,043	118,681,187	3,196,277,470	93,245,000	45,489,682	3,335,012,152	45,489,682

(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2021 are as follows:

	Primary Government				Component Units	Total
	Governmental Activities	Business-type Activities				
		Solid Waste	Stormwater Management	Total		
Bonded debt at July 1, 2020	\$ 1,975,589,686	\$ 58,599,719	\$ 314,540,595	\$ 2,348,730,000	\$ 95,815,000	\$ 2,444,545,000
Debt issued	219,920,000	15,655,000	36,090,000	271,665,000	-	271,665,000
Debt retired	(135,424,706)	(2,963,742)	(14,996,552)	(153,385,000)	(2,570,000)	(155,955,000)
Bonded debt (including current portion)						
As of June 30, 2021	2,060,084,980	71,290,977	335,634,043	2,467,010,000	93,245,000	2,560,255,000
Less current portion	(143,591,156)	(3,414,339)	(15,984,505)	(162,990,000)	(2,715,000)	(165,705,000)
Noncurrent portion as of June 30, 2021	\$ 1,916,493,824	\$ 67,876,638	\$ 319,649,538	\$ 2,304,020,000	\$ 90,530,000	\$ 2,394,550,000

Primary Government:

Governmental Activities:

General obligation bonds:

	Interest Rates	Calendar Year Maturity Dates	Amount Issued	Amount Outstanding
2009B CPI; 2009A TOSC, 2009B TESC; 2010A; 2011 TOSC, 2011A/B, 2013A/B/C, 2014A, 2016A/B, 2017A/B, 2018A, 2019A, 2020A/B/C, 2021A	0.453 - 5.00%	2041	\$ 3,495,901,304	\$ 2,060,084,980

<u>Business-type Activities:</u>	<u>Interest Rates</u>	<u>Calendar Year Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2010A, 2011A/B, 2013A/B/C, 2014A, 2016B, 2017A/B, 2018A, 2019A, 2020A/B/C, 2021A stormwater management - general obligation	0.453 - 5.00%	2041	\$ 457,407,361	\$ 335,634,043
2009B, 2010A, 2011A/B, 2013A/B/C, 2014A, 2016A/B, 2017A/B, 2018A, 2020 A/B/C, 2021A solid waste management system - general obligation	0.453 - 5.00%	2041	\$ 163,539,335	\$ 71,290,977
Total business-type activities long-term bonded debt			\$ 620,946,696	\$ 406,925,020
Total primary government long-term bonded debt			\$ 4,116,848,000	\$ 2,467,010,000
Component Units:				
Revenue bonds:				
Revenue Authority -				
2016 Special Obligation Bonds	4.375 - 5.00%	2038	\$ 28,000,000	\$ 27,725,000
Series 2018A/B Lease Revenue Refunding Bonds	3.98 - 5.00%	2030	\$ 33,755,000	\$ 25,305,000
Series 2020 Revenue Bonds	2.15 - 3.713%	2049	\$ 40,000,000	\$ 40,000,000
Housing Authority -				
Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	\$ 1,465,000	\$ 215,000
Total Component Units revenue bonds			\$ 103,220,000	\$ 93,245,000
Total long-term bonded debt			\$ 4,220,068,000	\$ 2,560,255,000

(e) Bond Additions

On May 18, 2021, the Primary Government issued \$271,665,000 of General Obligation Consolidated Public Improvement Bonds, Series 2021A dated June 03, 2021, maturing on July 01 of the years 2022 through 2041 to provide funds for planning, construction, reconstruction, extension, enlargement, demolition, improvement or acquisition of certain capital projects. Of the total \$271,665,000 bonds issued, \$51,745,000 (\$15,655,000 for Solid Waste and \$36,090,000 for Stormwater) 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, 2021 is summarized as follows:

Enabled by authority of the State of Maryland:	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Health	\$ 65,000,000	\$ 40,303,000
Roads, parking and mass transit	1,351,835,000	256,765,000
Public buildings	950,899,765	252,140,000
Public Safety	<u>735,443,000</u>	<u>208,626,000</u>
	<u>\$ 3,103,177,765</u>	<u>\$ 757,834,000</u>

The legal debt limit and margin at June 30, 2021 were \$7,035,240,205 and \$5,446,778,596 respectively. The County was in compliance with all significant bond covenants at June 30, 2021.

(g) 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, 2021 are as follow:

- 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, 2021, \$25,835,000 of the refunded bonds outstanding that mature in the years 2022 through 2024 are considered defeased.
- 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 2003A, 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. At June 30, 2021, \$44,435,000 of the refunded bonds outstanding that mature in the years 2022 through 2025 are considered defeased.
- On February 20, 2013, the Primary Government issued \$200,390,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2013B, dated February 5, 2013 to advance refund \$190,055,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2005, dated Jul 1, 2005, (ii) General Obligation Consolidated Public Improvement Bonds, Series 2006, dated May 15, 2006, and (iii) General Obligation Consolidated Public Improvement Bonds, Series 2007 A, dated June 1, 2007. Of the \$190,055,000 advance refunded bonds, \$8,865,000 (\$6,765,000 for Stormwater and \$2,100,000 for Solid Waste) is reported as business-type activities. The remaining \$181,190,000 Refunded Bonds relate to governmental activities. At June 30, 2021, \$100,285,000 of the refunded bonds outstanding that mature in the years 2022 through 2028 are considered defeased.
- On June 07, 2016, the Primary Government issued \$58,350,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2016B, dated June 22, 2016 to advance refund \$66,155,000 of certain maturities of the County's General Obligation Consolidated Public Improvement Bonds, Series 2008, dated June 1, 2008. Of the \$66,155,000 advance refunded bonds, \$7,730,000 (\$5,470,000 for Stormwater and \$2,260,000 for Solid Waste) is reported as business-type activities. The remaining \$58,425,000 Refunded Bonds relate to governmental activities. At June 30, 2021, \$50,070,000 of the refunded bonds outstanding that mature in the years 2022 through 2029 are considered defeased.
- On August 29, 2017, the Primary Government issued \$104,965,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2017B, dated September 12, 2017 to advance refund \$115,165,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2007B, dated June 1, 2007 and (ii) General Obligation Consolidated Public Improvement Bonds, Series 2011A, dated September 15, 2011.

- Of the \$115,165,000 advance refunded bonds, \$23,530,000 (\$2,755,000 for Solid Waste and \$20,775,000 for Stormwater) is reported as business-type activities. The remaining \$91,635,000 Refunded Bonds relate to governmental activities. At June 30, 2021, \$78,130,000 of the refunded bonds outstanding that mature in the years 2022 through 2032 are considered defeased.
- On June 09, 2020, the Primary Government issued \$64,200,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2020B, dated June 16, 2020 to current refund \$84,265,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2009B Tax-Exempt School Construction Bonds, dated December 17, 2009, (ii) General Obligation Consolidated Public Improvement Bonds, Series 2009B Taxable Build America Bonds, dated September 15, 2009 and (iii) General Obligation Consolidated Public Improvement Bonds, Series 2010B, dated September 8, 2010. Of the \$84,265,000 current refunded bonds, \$22,435,000 (\$7,290,000 for Solid Waste and \$15,145,000 for Stormwater) is reported as business-type activities. The remaining \$61,830,000 Refunded Bonds relate to governmental activities. At June 30, 2021, \$84,265,000 of the refunded bonds outstanding that mature in the years 2022 through 2031 are considered defeased.
- On June 09, 2020, the Primary Government issued \$120,005,000 of General Obligation Consolidated Public Improvement Taxable Refunding Bonds, Series 2020C, dated June 16, 2020 to advance refund \$107,025,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2011B, dated September 15, 2011 and (ii) General Obligation Consolidated Public Improvement Bonds, Series 2013C, dated June 04, 2013. Of the \$107,025,000 advance refunded bonds, \$22,600,000 (\$3,065,000 for Solid Waste and \$19,535,000 for Stormwater) is reported as business-type activities. The remaining \$84,425,000 Refunded Bonds relate to governmental activities. At June 30, 2021, \$107,025,000 of the refunded bonds outstanding that mature in the years 2022 through 2034 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, 2021, there were one hundred and seventy-four series of Economic Development Revenue Bonds outstanding. The aggregate principal amount, for the ten series issued after July 1, 1995 that remain outstanding, is \$126.7 million. The aggregate principal amount payable on June 30, 2021 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, 2021 are as follow.

Bond	Project	Issuance Date	Amount Issued	Amount Outstanding	Maturity
Prince George's County, Maryland Taxable Special Obligation Bonds, Series 2005	National Harbor Convention Center Project - Gaylord	05/11/2005	\$ 95,000,000	\$ 69,530,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	9,968,000	07/01/2035
Prince George's County, Maryland Special Obligation Bonds, Series 2005	National Harbor Project - Peterson	09/21/2005	65,000,000	47,925,000	07/01/2034
Prince George's County, Maryland Special Obligation Bonds, Series 1997A	Woodview Village Improvements Projects	10/25/2006	7,450,000	2,990,000	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	4,975,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project - Gaylord	04/02/2008	50,000,000	50,000,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project - Peterson	01/27/2009	35,000,000	34,357,000	01/01/2039
Prince George's County Woodmore Towne Centre at Glenarden SOB Developer Note, Series 2012	Woodmore Town Center	01/18/2012	17,000,000	11,451,352	01/01/2032
Prince George's County Brandywine Shopping Center Phase II SOB Developer Notes, Series 2014A	Brandywine Shopping Center	05/06/2014	2,220,000	1,734,193	01/01/2043
Prince George's County Brandywine Shopping Center Phase II SOB Developer Notes, Series 2014B	Brandywine Shopping Center	05/06/2014	2,280,000	1,781,063	01/01/2043
Prince George's County Town Center at Camp Springs SOB Developer Note, Series 2014A	Camp Springs Town Center	06/30/2014	4,900,000	3,999,157	01/01/2043
Prince George's County, Maryland Special Obligation Developer Note, Series 2015	Calvert Tract Project	09/17/2015	3,000,000	2,908,000	01/01/2035
(Allure Apollo Project) SOB Developer Note, Series 2018 (Taxable)	Camp Springs Town Center (Allure Apollo Project)	04/24/2018	6,200,000	5,583,321	04/01/2048
Prince George's County, MD Special Obligation Bonds (Westphalia Town Center Project) 2018 Series	Westphalia Town Center Project	11/29/2018	39,755,000	39,755,000	07/01/2048
Prince George's County, MD Special Obligation Bonds (South Lake Project) 2019 Series	South Lake Project	05/30/2019	33,000,000	11,515,000	07/01/2048
Prince George's County, MD Senior Special Obligation Bonds (Hampton Park Project) 2019 Series	Hampton Park Project	06/06/2019	11,100,000	11,100,000	07/01/2048
Prince George's County, MD Subordinate Special Obligation Bonds (Hampton Park Project) 2019 Series	Hampton Park Project	06/06/2019	3,115,000	3,115,000	07/01/2048
* Periodic construction draws will increase outstanding bonds to \$33 million maximum.			\$ 395,225,000	\$ 312,687,086	

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

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

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Net Pension Liability	\$ 1,665,770,277	\$ 41,567,853	\$ 358,982,701	\$ 1,348,355,429
Net OPEB Liability	2,063,326,398	229,640,159	-	2,292,966,557
Net Pension Liability - LOSAP	139,710,908	16,854,058	7,137,291	149,427,675
Compensated absences and termination benefits payable	84,467,792	45,472,780	43,997,981	85,942,591
Estimated liabilities on pending claims and judgements	170,325,646	126,596,189	116,624,761	180,297,074
Capital lease obligations	98,477,446	16,298,450	21,116,584	93,659,312
Notes payable:				
Purchase agreements and certificates of participation	254,190,000	47,415,000	21,140,000	280,465,000
University of Maryland, College Park	1,418,480	-	-	1,418,480
Commercial Building Loan Fund	595,000	-	130,000	465,000
Total notes payable	<u>256,203,480</u>	<u>47,415,000</u>	<u>21,270,000</u>	<u>282,348,480</u>
	<u>\$ 4,478,281,947</u>	<u>\$ 523,844,489</u>	<u>\$ 569,129,318</u>	<u>\$ 4,432,997,118</u>

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

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021
Compensated absences and termination benefits payable	\$ 2,543,645	\$ 2,232,901	\$ 2,021,270	\$ 2,755,276
Landfill closure / postclosure costs	95,369,357	-	4,752,776	90,616,581
Net Pension Liability	23,033,997	5,981,663	5,499,905	23,515,755
Net OPEB Liability	61,731,602	7,775,841	-	69,507,443
Notes payable:				
Purchase agreements and certificates of participation	7,675,707	1,185,000	1,703,278	7,157,429
Maryland Water Quality	46,499,998	59,307	1,419,317	45,139,988
Total notes payable	<u>54,175,705</u>	<u>1,244,307</u>	<u>3,122,595</u>	<u>52,297,417</u>
	<u>\$ 236,854,306</u>	<u>\$ 17,234,712</u>	<u>\$ 15,396,546</u>	<u>\$ 238,692,472</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, \$1,593,461 (\$1,002,709 within one year, and \$590,752 due in more than one year) of internal service fund compensated absences are included in the above amounts. For the remainder of compensated absences, the General Fund normally liquidates over 90 percent and the remainder is liquidated by the Federal and State Aided Programs Special Revenue Fund. Also, for governmental activities net pension obligations, net other post-employment benefit obligations, and capital lease obligations are generally liquidated by the General Fund.

Estimated liability on pending claims and judgments is reported in risk management internal service funds and will be liquidated by those funds. Notes payable are generally liquidated by the General Fund with the exception of the Commercial Building Loan Fund which is liquidated by the Federal and State Aided Programs Special Revenue Fund.



Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The County maintains capital leasing agreements with Banc of America Public Finance, WESBANCO (acquired Old Line Bank) and Signature Public Funding. The lease agreements financed the acquisition of essential equipment for public safety, including emergency vehicles, ambulances and fire trucks. Self-liquidating semi-annual lease payments are scheduled between 2022 and 2027. The County has issued certificates of participation (COPs) to fund the acquisition of essential equipment for public safety. The COPs have maturities between 2022 and 2028. The County has issued certificates of participation (COPs) in support of regional health facilities and the County's Revenue Authority. The COPs have maturities between 2022 and 2048. The County has issued certificates of participation (COPs) in support of public infrastructure improvements. The COPs have maturities between 2022 and 2038. The County has entered into direct loans with the Maryland Water Quality Financing Administration. The loans have maturities between 2022 and 2050.

The County has provided a debt service reserve fund (DSRF) make-up provision for the \$27.2 million Lease Revenue Refunding Bonds (Metrorail Parking Projects) Series 2014 for the Maryland Transportation Authority. The County has pledged to replenish any DSRF draws in the subsequent fiscal year. Primary security is parking garage revenues which have always been sufficient to pay debt service, and the \$2.5 million DSRF has never required replenishment. This bond issue was refunded during FY 2021, releasing the County from the DSRF pledge.

Due to the steady rise in insurance premiums for the Volunteer Fire Workers' Compensation, Risk Management recognized the need to change the program from a fully insured based program to a claims paid and administered program. The Vol. Fire WC program established a bank Letter of Credit (LOC) of \$6 million. There is no balance on the LOC at June 30, 2021.

a) Capital Lease Obligations

The County entered into agreements with Banc of America Public Capital Corporation, Old Line Bank and WesBanco to finance the purchase of Public Safety and other County agency vehicles and equipment in June 2015; Fire equipment Self Contained Breathing Apparatus (SCBA) in April 2016; Public Safety and other County agency vehicles in December 2016; Public Safety and other County agency vehicles in June 2017; Public Safety vehicles and other County agency equipment in December 2017; Public Safety and other County agency vehicles and equipment in August 2018; Public Safety and other County agency vehicles and equipment in December 2018; Public Safety and other County agency vehicles and equipment in June 2019; Public Safety and other county agency vehicles and equipment in March 2020; and Public Safety and other county agency vehicles and equipment in September 2020.

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. In September 2020, the County entered into a lease agreement for \$16,298,450 of this amount \$7,002,141 was spent as of June 30, 2021.

The assets acquired through capital leases are as follows:

	Governmental
	<u>Activities</u>
Asset:	
Equipment	\$ 121,989,076
Less: Accumulated depreciation	<u>(81,456,935)</u>
Total	<u>\$ 40,532,141</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 20,048,252
2023	21,564,836
2024	18,479,597
2025	13,403,632
2026	10,752,304
2027-2031	18,657,087
Total minimum lease payments	<u>102,905,708</u>
Less: amount representing interest	<u>(9,246,396)</u>
Present value of minimum lease payments	<u>\$ 93,659,312</u>

b) Pension Liability and OPEB Liability

The Net Pension Liability represents the difference between the actuarially determined total pension liability and plan fiduciary net position. The balance as of June 30, 2021 for the Pension and OPEB liabilities was \$1,371,871,183 (see note 9 – Pension Plans) and \$2,362,474,000 (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. An employee separated or dismissed from County employment is entitled to payment for any accrued, unused annual leave as authorized by the appropriate salary schedule or collective bargaining agreement.

Vested or accumulated vacation and sick leave that relates to employees who terminated employment with the County on or before June 30, 2021 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, 2021 (in thousands):

	Primary Government													
	Governmental Activities		Business-type Activities								Component Units			
			Solid Waste	Stormwater Management	Watershed Protection and Restoration	Total	Total	Total	Total					
Primary Government	\$	85,942	\$	1,022	\$	1,627	\$	107	\$	2,756	\$	88,698	\$	-
Component Units:														
Board of Education	-	-	-	-	-	-	-	-	-	-	-	-	-	66,919
Housing Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	570
Memorial Library	-	-	-	-	-	-	-	-	-	-	-	-	-	3,291
Community College	-	-	-	-	-	-	-	-	-	-	-	-	-	3,259
		85,942		1,022		1,627		107		2,756		88,698		74,039
Less current portion		43,998		801		1,211		10		2,022		46,020		2,906
Total long-term portion	\$	41,944	\$	221	\$	416	\$	97	\$	734	\$	42,678	\$	71,133

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 5.0%. The liability for the debt is carried as notes payable in various funds as listed below.

(ii) Maryland Water Quality Financing

On September 25, 2019, the County closed on a \$46.5 million MD Water Quality tax-exempt draw-down note, Note Series 2019A and a \$1.5 million MD Water Quality taxable draw-down note, Note Series 2019B. The interest rate on the tax-exempt note is 0.60%. The interest rate on the taxable note is 0.00%. The taxable note does not have scheduled debt service. Assuming continuous County compliance under the trust and loan agreements, the Series 2019B Note is planned to be forgiven after September 25, 2029. Draw-downs will increase the principal outstanding of the Series 2019A note up to \$46.5 million, which, together with the \$1.5 million draw from the Series 2019B note constitute the maximum authorized amount. As of June 30, 2021, the principal amount outstanding is \$45,139,989. There is a debt service reserve fund pledged as security for the loan as well as revenue and annual appropriation pledges. The debt service reserve fund is held by a trustee. The \$1.5 million loan is forgivable under certain conditions and may become payable on demand.

Following is a schedule by year of future principal and interest payments as of June 30, 2021 (in thousands):

Year ending June 30,	Primary Government									
	Governmental Activities					Business-type Activities				
	Principal	Interest	Principal	Interest	Total	Solid Waste	Watershed Protection and Restoration	Principal	Interest	Total
2022	\$ 10,490	11,280	1,748	153	1,428			1,428	270	3,599
2023	13,410	11,201	1,907	126	1,436			1,436	262	3,731
2024	12,980	10,565	1,454	85	1,445			1,445	253	3,237
2025	13,375	9,955	845	56	1,454			1,454	245	2,600
2026	10,155	9,409	650	36	1,462			1,462	236	2,384
2027- 2031	51,545	39,538	553	37	8,945			8,945	1,047	10,582
2032- 2036	44,890	29,538	-	-	7,671			7,671	821	8,492
2037-2041	49,815	20,136	-	-	7,904			7,904	588	8,492
2042-2046	47,060	10,662	-	-	8,143			8,143	348	8,491
2047-2051	26,745	1,596	-	-	5,252			5,252	100	5,352
Total note payments	\$ 280,465	153,880	7,157	493	45,140			45,140	4,170	56,960
										491,305

(iii) Current Refunding

On June 9, 2021, the Primary Government issued \$48,425,000 of Certificates of Participation, Series 2021, dated June 17, 2021. A portion of the series, \$9,305,000 was used to current refund \$11,245,000 of certain maturities of the County's Certificates of Participation, Series 2011, dated February 23, 2011. The refunded Certificates of Participation relate to governmental activities. The net Refunding proceeds of \$11,375,468, inclusive of a premium of \$2,154,025, were deposited in a trust with an escrow agent to redeem certain serial maturities and term bond plus accrued interest to June 25, 2021, the redemption date. The \$148,357 deferred inflow of resources generated by this refunding was amortized in the current year, to the redemption date of June 25, 2021. The refunding generated a net present value savings of \$2,465,493, or 21.92% of refunded certificates of participation.

(iv) Other General Long-Term Debt Notes Payable

The Primary Government entered into an agreement with The State of Maryland for the Use of the University System of Maryland on behalf of Its Constituent Institution, The University of Maryland, College Park, to convey to Prince George's County, Maryland Property and, in addition, a Utility Relocation Easement in exchange for equal value in the form of certain public works projects to be performed by the County or, alternatively, deferred cash payment by the County. Consummation of the conveyance of the Property occurred on November 16, 2016. The parties agreed that the fair market value of the Property and the Easements is \$1,418,480. At any time before the fifth anniversary of the date of Closing, the County may satisfy its payment obligation by identifying, funding, and completing one or more public works and engineering projects that are mutually agreed upon, in writing, by the University, the University System of Maryland, the Maryland Board of Public Works and the County. The cost at completion of the projects will not be less than the FMV plus interest at an annual rate of 2%, compounded annually, on each anniversary of the date of closing. If the County fails to identify, fully fund and commence construction of mutually agreeable projects at a cost at least equal to the FMV by the fifth anniversary of the date of closing, the County shall pay the FMV plus accrued interest to the University. At June 30, 2021, \$1,418,480 was outstanding. 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 first principal payment of \$25,000 was paid on August 1, 2004.

The loan was paid in full on February 14, 2019. 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, 2021, \$465,000 remains 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 loan was paid in full on February 1, 2017.

Following is a schedule by year of future principal and interest payments as of June 30, 2021 (in thousands):

Primary Government - Governmental Activities

Year ending	CBLF		
	Principal	Interest	Total
2022	\$ 145	23	168
2023	155	14	169
2024	165	5	170
* Total note payments	\$ 465	42	507

\* Does not include a note for 1,418,480. Does not have an amortization table.

(17) Fund Balance Policy and Reporting

The County has not adopted a minimum fund balance policy for its governmental funds. 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.

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. Withdrawals may be used only for appropriations which have become unfunded. The balance in the stabilization fund is disclosed in the table below.

A schedule of fund balance classifications at June 30, 2021 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	\$ 188,595,465	\$ 188,595,465	\$ -	\$ -	\$ -
General Government	27,250,468	-	-	27,250,468	-
Public safety	82,405,105	-	-	82,405,105	-
Health and human services	21,959,981	-	-	21,959,981	-
Infrastructure and development	90,601,288	-	-	90,601,288	-
Education	171,947,600	-	-	171,947,600	-
Environmental	199,123	-	-	199,123	-
Debt Service	56,983,028	-	206,019	-	56,777,009
Restricted for other purposes					
Domestic Violence	250,677	-	-	-	250,677
Drug Enforcement and Education	2,791,552	-	-	-	2,791,552
Unspent Proceeds from debt issuances:					
Equipment purchases	56,017,874	56,017,874	-	-	-
Total restricted fund balances	\$ 699,002,161	244,613,339	\$ 206,019	\$ 394,363,565	\$ 59,819,238

	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
<b>Nonspendable:</b>					
Inventory	\$ 15,842,552	\$ 15,842,552	\$ -	\$ -	\$ -
<b>Committed Fund Balance</b>					
Operating Reserve	\$ 75,438,186	\$ 75,438,186	\$ -	\$ -	\$ -
Total committed fund balances	\$ 75,438,186	\$ 75,438,186	\$ -	\$ -	\$ -
<b>Assigned Fund Balance</b>					
Economic Development	\$ 26,868,493	\$ 26,868,493	\$ -	\$ -	\$ -
Property Sales and Acquisitions	5,551,807	5,551,807	-	-	-
Drug Enforcement and Education	4,959,503	-	-	-	4,959,503
Other	49,556,306	49,556,306	-	-	-
Total assigned fund balances	\$ 86,936,109	\$ 81,976,606	\$ -	\$ -	\$ 4,959,503
<b>Unassigned:</b>					
	\$ 235,411,143	\$ 235,411,143	\$ -	\$ -	\$ -
<b>Total fund balance</b>	<b>\$ 1,112,630,151</b>	<b>\$ 653,281,826</b>	<b>\$ 206,019</b>	<b>\$ 394,363,565</b>	<b>\$ 64,778,741</b>

(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. All outstanding encumbrances were closed as of the end of fiscal year 2021.

(19) Tax Abatements

A tax abatement as defined by GASB 77 is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity through which the government promises to forgo tax revenues to which they are otherwise entitled, and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefit the government or its citizens. As of June 30, 2021, the County provides tax abatements through the following programs:

The Enterprise Zone program provides real property tax credits for businesses located in a Maryland enterprise zone in return for job creation and investments. State and local incentives and assistance are offered to encourage the expansion of existing businesses and the attraction of new business activity and jobs in economically distressed areas. See MD Annotated Code –Section 9-103.

Enterprise Zone Tax Abatement Program Amount of Taxes Abated: Real Property - \$1,109,544 Personal Property - \$1,248  
 Payment in Lieu of Taxes (PILOT) program. State law provides, among other things, that real property may be exempt from county property tax under certain conditions: (1) the property is located in a designated focus area; (2) the owner of the real property agrees to maintain the real property as rental housing for lower income persons; (3) the project is an economic development project; (4) the property is an electricity generation facility; and (5) the owner enters into an agreement with the governing body of the county to pay a negotiated amount in lieu of the applicable county property tax. See MD Annotated Code –Section 7-211.3; 7-505; 7-506.1; 7-514; 7-516.

Payment in Lieu of Taxes Tax Abatement Program Amount of Taxes Abated: \$3,217,360

Admissions and Amusement Tax-This tax is collected by the State of Maryland and paid to the County quarterly. In 2009, the County passed CR-87-2009 which gave certain incentives for events in Prince George's County in the form of a reduction in the amount of the County admissions and amusement tax levy on the events subject to certain conditions.

This was offered as an incentive for events to be held at FedEx field. An admissions and amusement tax waiver in the amount of 50% to 80% of the admission and amusement tax may be exercised upon the gross receipts derived from the amount charged for admission on the event.

Admissions and Amusement Tax Abatement Program Amount of Taxes Abated: \$0

The County has other various tax credit incentives that are not defined as tax abatements under generally accepted accounting principles and therefore are not described and included here.

(20) 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 Uniform Grant Guidance. The final results of this examination for fiscal year 2021 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.

(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 89.3% of total estimated capacity has been utilized as of June 30, 2021. It is expected to operate beyond 2025.

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 \$16.0 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$66.6 million. Estimated costs are "as if incurred" in fiscal year 2021 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, 2021, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$61.3 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, 2021, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$113,198,831 for landfill closure costs for Brown Station Road Landfill as well as Sandy Hill Landfill.

(iii) Sandy Hill Landfill

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 daily operations and responsibility to develop and to maintain the "Existing Landfill" through closure and one year of post-closure of this refuse disposal facility had been contracted to Waste Management, Inc., for the period May 1977 to March 2007. Since 2007, post-closure activities have been the responsibility of the County.

As part of the 1992 Agreement, the County received \$1,890,485 from M-NCPPC when responsibility for the landfill was assigned to the County. The funds are held in a Trust Fund for post-closure construction phase and maintenance of the Landfill and its environmental control facilities including monitoring.

In May 1997, the County was granted a permit by the Maryland Department of the Environment (MDE) to vertically expand the operation. The Landfill stopped accepting waste in June 2000 and was certified closed by the State effective August 6, 2012.

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 Primary Government has recorded an estimated liability for 30 years of post-closure costs of \$29 million because this landfill is substantially full. Estimated costs for post-closure activities, are "as if incurred," and will be updated annually for changes in technology, applicable regulations and inflation.

(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):

2022	\$	9,639
2023		9,928
2024		10,226
2025		10,532
2026		10,848
2027-2031		57,595
2032-2036		66,771
2037-2041		77,407
	\$	<u>252,946</u>

During fiscal year 2021, rent expense under these lease agreements amounted to approximately \$9.3 million.

(21) 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 2021 amounted to \$69,904.

(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, 2021, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$96,377,957.

(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 2016, 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.

(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 2979

(22) Jointly Governed Organization

The Metropolitan Washington Council of Governments (COG) provides resources to participating local governments within the Washington, D.C. metropolitan area 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 2021 contributions to COG amounted to approximately \$656,965.

(23) Restatement

The Board adopted GASB Statement No. 84, Fiduciary Activities, which resulted in changing the presentation of the financial statements by eliminating fiduciary activities from presentation in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The fiduciary activities are instead reported in the governmental fund financial statements and as governmental activities in the government-wide financial statements. The beginning fund balance was restated by \$16,161,008.

**APPENDIX B**

**NOTICE OF SALE  
PRINCE GEORGE'S COUNTY, MARYLAND  
\$273,610,000\* GENERAL OBLIGATION CONSOLIDATED  
PUBLIC IMPROVEMENT BONDS, SERIES 2022A**

ELECTRONIC BIDS will be received by the County Executive of Prince George's County, Maryland (the "County") or by the Director of Finance, acting with the authority of the County Executive, in Suite 1100, Wayne K. Curry Administration Building, 1301 McCormick Drive, Largo, Maryland 20774, for the Prince George's County, Maryland General Obligation Consolidated Public Improvement Bonds, Series 2022A (the "Bonds"), until:

**10:45 a.m. Prevailing Eastern Time, Tuesday, May 17, 2022\***

ELECTRONIC BIDS must be submitted to i-Deal LLC/BiDCOMP/PARITY® Competitive Bidding System at the place and time on the sale date indicated above. Electronic bids will be subject to the terms and conditions of this complete Notice of Sale. Further information about PARITY, including any fee charged, may be obtained from PARITY/BiDCOMP, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, (212) 849-5029.

If any provision of this Notice of Sale shall conflict with the information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control.

**Maturities:** The Bonds will be dated the date of delivery with interest payable from the date of the Bonds and will mature annually and/or be payable in annual sinking fund installments, subject to prior redemption of the Bonds described herein, on the 1st day of July in the following years and principal amounts:

**\$273,610,000\* General Obligation Consolidated Public Improvement Bonds, Series 2022A**

<u>Maturity</u> <u>July 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Maturity</u> <u>July 1</u>	<u>Principal</u> <u>Amount*</u>
2023	\$ 7,080,000	2033	\$ 19,440,000
2024	9,305,000	2034	19,545,000
2025	10,100,000	2035	18,220,000
2026	10,890,000	2036	15,445,000
2027	12,410,000	2037	13,410,000
2028	13,930,000	2038	12,095,000
2029	16,175,000	2039	11,520,000
2030	17,705,000	2040	10,210,000
2031	20,685,000	2041	8,200,000
2032	20,780,000	2042	6,465,000

\*Preliminary, subject to change and/or adjustment as provided herein.

**Adjustments to Maturity Schedule:** Pre-sale, the County reserves the right to increase or decrease the aggregate principal amount of the Bonds and/or change the maturity schedule set forth above from time to time up until 9:30 a.m. Prevailing Eastern Time on the date of sale. Any pre-sale revisions to the aggregate principal amount of the bonds or the maturity schedule will be made available on the PARITY system (<http://www.i-dealprospectus.com>) no later than 9:30 a.m. Prevailing Eastern Time on the date of sale. In the event any such pre-sale revisions are made to the aggregate principal amount of the bonds or the maturity schedule and so communicated not later than 9:30 a.m. Prevailing Eastern Time on the date of sale, the last pre-sale revisions so published shall constitute the applicable maturity schedule for purposes of submitting electronic bids with respect to the Bonds.

After selecting the winning bid, the aggregate principal amount of the Bonds and the principal amortization schedule may be adjusted as determined by the County. Any adjustment pursuant to this paragraph will not reduce or increase the aggregate principal amount of the Bonds by more than 15 percent of such amount. THE WINNING BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE AGGREGATE PRINCIPAL AMOUNTS OF THE BONDS WITHIN THESE LIMITS. One or more maturities may be dropped in their entirety. The dollar amount bid by the winning bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters discount and original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Bonds from the selling compensation that would have been received based on the purchase price of the winning bid and the initial public offering prices. The interest rate specified by the winning bidder for each maturity at the initial reoffering prices will not change. Any such adjustment to the principal amount of the Bonds and the adjusted purchase price will be communicated to the winning bidder as soon as possible, but no later than 5:00 P.M. Prevailing Eastern Time on the day of the sale.

**Serial and/or Term Bonds:** Bidders may designate in their proposals two or more consecutive annual principal payments beginning no earlier than July 1, 2033 and in any year thereafter as a term bond which matures on the maturity date of the last annual principal payment of the sequence. The stated maturity date for any such term bond so designated may not be earlier than July 1, 2034. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire final principal amount of each annual principal payment designated for inclusion in such term bond.

**Form of Bonds:** The Bonds will be issued in fully registered form and sold through a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to Cede & Co., the partnership nominee of The Depository Trust Company, New York, New York ("DTC"), and immobilized in DTC's custody. The book-entry system will evidence ownership of the Bonds in the principal amount of \$5,000 and integral multiples thereof, with transfers of ownership interests of each actual purchaser of a Bond effected on the records of DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., DTC's partnership nominee.

DTC may determine not to continue to act as securities depository for the Bonds at any time by giving notice to the County. The County may determine to select a different securities depository or the County may determine not to continue the book-entry system at any time by giving notice to DTC. If the County does not identify another qualified securities depository to replace DTC, the County will deliver replacement bonds in the form of fully registered certificates.

**Principal and Interest Payments:** So long as the Bonds are held by DTC under a book-entry only system, payments of the principal of and interest on the Bonds will be made to Cede & Co., or other nominee of DTC, as registered owner of the Bonds, on the date such payment is due or if such date is not a Business Day

(hereinafter defined) then on the next succeeding Business Day (or as otherwise required by DTC). Interest on the Bonds from the date of delivery is payable initially on January 1, 2023 and semiannually thereafter on July 1 and January 1 of each year until maturity, unless the Bonds are redeemed prior to maturity.

Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

"Business Day" means any day of the year on which (i) banking institutions in New York or in Maryland are not authorized or obligated by law to remain closed or on which the New York Stock Exchange is not closed or (ii) the offices of the County are not authorized or obligated by law or required by Executive Order of the County Executive of the County to be closed.

The County will act as the Bond Registrar and as the Paying Agent for the Bonds (the "Bond Registrar and Paying Agent"). The office of the Bond Registrar and Paying Agent is located at the Office of the Director of Finance, Wayne K. Curry Administration Building, Suite 1100, 1301 McCormick Drive, Largo, Maryland 20774.

All payments of the principal and interest on the Bonds shall be in such coin or currency of the United States as at the time of payment is legal tender for payment of public and private debts. If the book-entry only system of registration is discontinued, interest on the Bonds will be payable by check mailed by the Bond Registrar and Paying Agent to the persons in whose names the Bonds are registered as of the close of business on the 15<sup>th</sup> day of the month immediately preceding the month in which such interest payment date occurs at the addresses as they appear on the registration books maintained by the Bond Registrar and Paying Agent, and the principal of the Bonds and any redemption premium will be paid upon presentation and surrender of the Bonds at the office of the Bond Registrar and Paying Agent.

**Optional Redemption:** The Bonds maturing on and after July 1, 2033 are subject to redemption prior to maturity at the option of the County at any time on and after July 1, 2032 as a whole or in part (and if in part, as directed by the County) from time to time, at a redemption price equal to 100% of the principal amount of such Bonds or portions thereof to be redeemed together with accrued interest to the redemption date.

**Authority to Issue:** The Bonds are being issued under the authority of Section 10-203 and Title 21, Subtitle 6 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2020 Supplement) (the "Local Government Article"), the Charter of Prince George's County, Maryland (the "County Charter"), County Council of the County, Maryland Bill No. CB-94-2021 (the "Authorization Ordinance"), the bond enabling laws cited in the Authorization Ordinance and certain executive orders of the County Executive.

**Purpose:** The Bonds are being issued to: (1) provide funds for financing in whole or in part the costs of planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition, or improvement of certain capital projects including public school facilities; roads and bridges; public buildings; police, fire, and correctional facilities; community college, health and library facilities; courthouse projects; soil conservation projects; and environmental and stormwater management facilities; and (2) pay the costs and expenses of issuing and delivering the Bonds.

**Sources of Payment:** The County has pledged its full faith and credit and taxing power for the payment of the principal of and interest on the Bonds. To provide for the payment of the Bonds, the County is empowered and directed to levy ad valorem taxes upon all legally assessable property within the corporate limits of the County; such tax is subject, however, to the limitations set forth in Sections 812 and 813 of the County Charter. Section 812 of the County Charter provides, in part, that the County shall not levy "a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979; [except that the County] may levy a real property tax which would result in a total collection of real property taxes greater than the amount collected in fiscal year 1979 if the real property tax rate does not exceed Two Dollars and Forty Cents (\$2.40) for each One Hundred Dollars (\$100.00) of assessed value." Section 813 of the County Charter provides, in part, that any ordinance or resolution levying or charging taxes or certain fees in excess of the amount levied or charged in the preceding fiscal year shall be referred to a referendum of the qualified voters of the County. In the 2000 legislation session, the Maryland legislature enacted a law providing that beginning fiscal 2002, the property tax for real property shall be applied to 100 percent, instead of 40 percent, of the phase-in value of the real property and that the tax rate shall be adjusted to make the impact revenue neutral. Such Maryland law also provides that any limit on a local real property tax rate in a local law or charter provision shall be construed to mean a rate equal to 40 percent times the rate stated in the local law or charter provision. Pursuant to this law, the \$2.40 real property tax rate limitation stated in Section 812 of the County Charter shall be construed as \$0.96 for each \$100 assessed value.

Section 5-104 of the Education Article of the Annotated Code of Maryland provides, under certain circumstances, for the property tax rate to be set higher than the rate authorized under the County Charter. Additional revenue as a result of the increase in the property tax rate is for the sole purpose of funding the approved budget of the local school board. In compliance with such State law, County Council Resolution CR-59-2020 set the tax rates for fiscal year 2022 (including taxes levied with respect to County general obligation bonds issued prior to the effective date of County Charter Section 812 and its predecessors) at \$1.00 for real property and \$2.50 for personal property upon each \$100 assessed value of all assessable property, real and personal, assessed according to the State laws and subject to taxation in the County. The property tax rate may be increased beyond this amount, as long as the purpose of the increase is to fund the local school board's budget.

As further described in the Preliminary Official Statement, portions of the Bonds are payable, in the first instance, from certain specified sources as authorized by the State of Maryland and the County.

**Minority Participation:** The County encourages each bidder for the Bonds to make a good faith effort to include minority business enterprises in the syndicate purchasing of the Bonds. Each bidder is requested to submit with its bid a listing of the initial members of the purchasing syndicate, setting forth the initial contribution of each member and identifying the minority business enterprises with an asterisk (\*). Upon request, the Director of Finance of the County and Public Resources Advisory Group as the Financial Advisor to the County will make available a non-exclusive list of underwriters and investment bankers the County has identified as minority business enterprises.

**Price and Interest Rate Bid:** Each bidder shall submit one bid on an "all-or-none" basis. Each proposal must specify the amount of the bid for the Bonds. All bonds shall bear a 5.00% interest rate.

**Electronic Bids:** Electronic bids will be received via PARITY, in the manner described below, until 10:45 a.m., Prevailing Eastern Time, Tuesday, May 17, 2022\*.

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\*Preliminary, subject to change.

Bids may be submitted electronically via PARITY pursuant to this notice until 10:45 a.m., Prevailing Eastern Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this notice, the terms of this notice shall control. For further information about PARITY, potential bidders may contact PARITY at i-Deal LLC (817) 885-8900 or (212) 849-5021.

**Disclaimer:** Each prospective electronic bidder shall be solely responsible to submit its bid via PARITY as described above. Each prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor PARITY shall have any duty or obligation to provide or assure access to PARITY to any prospective bidder, nor shall neither the County nor PARITY be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of PARITY to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid parameters set forth herein. All costs and expenses incurred by prospective bidders in connection with their submission of bids via PARITY are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying, or withdrawing a bid for the Bonds, such bidder should telephone PARITY at i-Deal LLC (817) 885-8900 or (212) 849-5021 and notify the County's Financial Advisor, Public Resources Advisory Group, by contacting Monika Conley at 917-749-2426 ([mconley@pragadvisors.com](mailto:mconley@pragadvisors.com)) or Christian Lund at (615) 812-3358 ([clund@pragadvisors.com](mailto:clund@pragadvisors.com)).

**Electronic Bidding Procedures:** Electronic bids must be submitted for the purchase of the Bonds (all or none) via PARITY. Bids will be communicated electronically to the County at 10:45 a.m., Prevailing Eastern Time, on Tuesday, May 17, 2022\*. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bids via PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY shall constitute the official time.

**Good Faith Deposit:** The successful bidder of the Bonds shall submit a good faith deposit in the amount of \$2,700,000 (the "Good Faith Deposit") for the winning bid on the Bonds to the County as provided below. The Good Faith Deposit will secure the County from any loss resulting from the failure of the successful bidder to comply with the terms of the bid. The successful bidder shall transfer the Good Faith Deposit by wire transfer directly to the County upon notification of the preliminary award of the Bonds, as indicated on PARITY (the "Preliminary Award"), but in any case no later than 2:00 p.m., Prevailing Eastern Time, on the Bid Date. Wire instructions will be provided to the successful bidder by the County's Financial Advisor upon notification of the Preliminary Award.

The successful bidder will provide as quickly as it is available evidence of wire transfer to the County's Financial Advisor by providing to the County's Financial Advisor the federal funds reference number. The formal award of the Bonds shall not be made until the County's Financial Advisor has confirmation of receipt of the Good Faith Deposit, and if successful bidder fails to so deliver the Good Faith Deposit by the time designated above, the County will have the option to withdraw the Preliminary Award and the successful bidder shall be responsible to the County for all consequential damages arising from such withdrawal.

At the time of the delivery of the Bonds, the Good Faith Deposit will be applied against the purchase price for the Bonds or will be retained as liquidated damages upon the failure of the successful bidder to take and pay for the Bonds in accordance with the terms of its proposal. The successful bidder shall have no right

in or to the Good Faith Deposit if it fails to complete the purchase of, and payment in full of, the Bonds for any reason whatsoever, unless such failure of performance shall be caused by an act or omission of the County. No interest will be paid upon the Good Faith Deposit to the successful bidder.

**Award of Bonds:** The Director of Finance of the County, acting with the authority of the County Executive, will not consider and will reject any bid for the purchase of less than all of the Bonds. No bid at less than par plus accrued interest, if any, will be considered. The right is reserved to reject any and all bids. The award, if made, will be made as promptly as possible after the bids are opened to the bidder naming the lowest true interest cost for all the Bonds in any legally acceptable proposal. The lowest true interest cost will be determined with respect to each proposal by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the date of the Bonds and to the price bid. Each bidder shall include in its bid a statement of the true interest cost offered in its bid, but this statement shall not be deemed to be part of the bid. If there is more than one such proposal making said offer at the same lowest true interest cost, the Bonds will be sold to the bidder whose proposal was submitted first among all such proposals at the same lowest true interest cost.

Each bidder for the Bonds shall make a good faith effort to solicit minority business enterprises to participate in the syndicate purchasing the Bonds, but such requirement shall in no way affect the award of the Bonds.

**Issue Price Determination:** The County expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a “Qualified Competitive Bid”). **By submitting a bid for the Bonds, a bidder represents and warrants to the County that the bidder has an established industry reputation for underwriting new issuances of municipal bonds unless the bidder notifies the County otherwise.** The Director of Finance will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a “Nonqualified Competitive Bid”).

If the bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the Director of Finance will notify the successful bidder, and such bidder, upon such notice, shall advise the Director of Finance of the reasonably expected initial offering price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the County information to establish the initial expected offering prices for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel to the County, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix E-1 to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the Director of Finance will notify the successful bidder, and such bidder, upon such notice, shall advise the Director of Finance of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the County information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel in substantially the form set forth in Appendix E-2 to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds for up to 5 business days after the sale date, as further specified in the form of such certification.**

**Delivery and Payment:** The Bonds will be delivered on May 25, 2022\* or at such other time or on such earlier or later date as shall be mutually agreed upon by the County and the successful bidder (the "Closing"), at the expense of the County, at the offices of DTC in New York, New York, or at such other place as shall be mutually agreed upon by the County and the successful bidder, upon payment of the amount of the successful bid (including any premium), plus accrued interest to the date of delivery, less the amount of the good faith deposit. Such payment shall be made in federal funds by wire transfer to a designated bank account of the County. At the time of Closing, there will be delivered to the successful bidder the other closing documents hereinafter mentioned and the successful bidder will provide evidence satisfactory to the County that funds have been transferred and are immediately available to the County.

When delivered, the Bonds shall be duly executed and authenticated and registered in the name of Cede & Co., the partnership nominee of DTC, with one Bond representing each maturity of the Bonds, each in the aggregate principal amount of such respective maturity.

The Bonds may be inspected by the successful bidder at the office of DTC at least one business day prior to Closing.

**Legal Opinions:** The issuance of the Bonds will be subject to legal approval by Squire Patton Boggs (US) LLP, as Bond Counsel to the County, and McKennon Shelton & Henn LLP, as Tax Counsel, whose approving opinions will be delivered upon request, without charge, to the successful bidder for the Bonds. Such opinions shall be substantially in the applicable forms included in the Preliminary Official Statement.

**CUSIP Numbers:** It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print any such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale. The Financial Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by MSRB Rule G-34. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the County. However, the CUSIP Global Services charge for the assignment of such numbers shall be the responsibility of and shall be paid by the successful bidder.

**Official Statement:** Within seven (7) business days after the award of the Bonds to the successful bidder on the date of sale, the County will authorize and deliver to the successful bidder an Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement. If so requested by the successful bidder at or before the close of business on the date of the sale, the County will include in the Official Statement pricing and other information with respect to the terms of the reoffering of the Bonds by the successful bidder (the "Reoffering Information"). If no Reoffering Information is specified and furnished by the successful bidder, the Official Statement will include the interest rates on the Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. The successful bidder shall be responsible to the County and its officials for the Reoffering Information, and for all decisions made by the successful bidder with respect to the use or omission of the Reoffering Information in any reoffering of the Bonds, including the presentation or exclusion of any Reoffering Information in any documents, including the Official Statement. The successful bidder will also be furnished, without cost, with up to 300 copies of the Official Statement (and any amendment or supplement thereto that is prepared other than as a result of incorrect underwriting information or Reoffering Information furnished by the successful bidder or that is prepared because of a failure of the successful bidder).

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\* Preliminary, subject to change.



The County will undertake to provide the successful bidder with further additional information to be included in such Official Statement when, in the opinion of the County or of Bond Counsel, such additional information constitutes a material change to such Official Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is 25 days after the "end of the underwriting period," as such term is defined in Securities and Exchange Commission Rule 15c2-12. The successful bidder for the Bonds agrees to provide promptly copies of the Official Statement to a nationally recognized municipal securities information repository in accordance with Securities and Exchange Commission Rule 15c2-12.

**Continuing Disclosure:** In order to assist bidders in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the County will undertake, pursuant to a Continuing Disclosure Agreement, to provide (i) certain financial information and operating data annually, and (ii) notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and also will be set forth in the final Official Statement.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished with a fully-executed copy of the Continuing Disclosure Agreement.

**Closing Documents:** The Bonds will be accompanied by customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending affecting the validity of the Bonds.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that simultaneously with or before delivery and payment for the Bonds such successful bidder shall be furnished a certificate of the appropriate County officials to the effect that to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information, information concerning DTC and its book-entry system, and information regarding any municipal bond insurance obtained with respect to the Bonds, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenue of the County, except as reflected or contemplated in the Official Statement.

The successful bidder for the Bonds, by submitting its bid, agrees to provide a comparative coupon and yields statement for an uninsured transaction if it bids with insurance.

**Right to Modify or Amend Notice of Sale; Right to Change Sale:** The County reserves the right to modify or amend this Notice of Sale, including as described under "Adjustments to Maturity Schedule" above. If any modifications occur, they will be made available on the PARITY system (<http://www.idealprospectus.com>) no later than 9:30 a.m. Prevailing Eastern Time on the date of sale, and bidders shall submit their electronic bids based on the terms of this Notice of Sale, as so modified. In addition, the County reserves the right to change the date of sale. Any such change will be communicated through the PARITY system (<http://www.idealprospectus.com>). If any date fixed for the receipt of bids and sale of the Bonds is changed, any alternative sale date and time and any revised date of expected delivery will be announced via the PARITY system (<http://www.idealprospectus.com>) at least 24 hours prior to such alternative sale date and time.

**Contact Persons:** The Preliminary Official Statement concerning the Bonds, together with the Notice of Sale and the required form of Bid for Bonds, and a list of underwriters and investment bankers that the County has identified as minority business enterprises, will be supplied to prospective bidders upon request made to the Director of Finance of Prince George's County, Maryland, Wayne K. Curry Administration Building, Suite 1100, 1301 McCormick Drive, Largo, Maryland 20774, (301) 952-5025; or from Public Resources Advisory Group, by contacting Monika Conley at (917) 749-2426 ([mconley@pragadvisors.com](mailto:mconley@pragadvisors.com)) or Christian Lund at (615) 812-3358 ([clund@pragadvisors.com](mailto:clund@pragadvisors.com)). Such Preliminary Official Statement is deemed final as of its date by the County for purposes of Securities and Exchange Commission Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above.

PRINCE GEORGE'S COUNTY, MARYLAND

By: Angela D. Alsobrooks  
County Executive

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**APPENDIX C-1**

**OPINION OF BOND COUNSEL**

**PRINCE GEORGE'S COUNTY, MARYLAND**

**\$273,610,000 General Obligation Consolidated Public Improvement Bonds, Series 2022A**

\_\_\_\_\_, 2022

To: County Executive and County Council  
of Prince George's County, Maryland  
Upper Marlboro, Maryland

We have served as bond counsel to our client, Prince George's County, Maryland (the "County"), in connection with the issuance by the County of its \$273,610,000 General Obligation Consolidated Public Improvement Bonds, Series 2022A (the "Bonds"), dated the date of this letter, for the purpose of financing, in whole or in part, the costs of (i) the planning, acquisition, construction, reconstruction, establishment, extension, enlargement, demolition or improvement of certain capital projects, including public school facilities, roads and bridges, public buildings, police, fire and correctional facilities, a community college, health facilities, library facilities, courthouse projects, soil conservation projects, and environmental and stormwater management facilities, and (ii) issuing and delivering the Bonds.

The Bonds are issued under the authority of Section 10-203 and Title 21, Subtitle 6 of the Local Government Article of the Annotated Code of Maryland, as amended (the "Enabling Laws"), the Charter of Prince George's County, Maryland (the "County Charter"), County Council Bill CB-94-2021 (the "Authorization Ordinance"), the bond enabling acts cited therein (the "Enabling Acts"), and certain orders of the County Executive (collectively, the "Executive Orders").

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, the signed and authenticated Bonds and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The County is a validly existing body corporate and politic and a political subdivision of the State of Maryland, possessing authority under the Enabling Laws, the County Charter, the Enabling Acts, the Authorization Ordinance, and the Executive Orders to issue the Bonds.
2. The Bonds have been duly authorized and issued in accordance with the Enabling Laws, the County Charter, the Enabling Acts, the Authorization Ordinance, and the Executive Orders, and constitute valid and binding general obligations of the County, enforceable in accordance with their terms, to which the faith and credit of the County is pledged for the payment of the principal of, premium, if any, and interest on the Bonds when due.

3. To provide for the payment of the principal of and interest on the Bonds, the County, by the adoption of the Authorization Ordinance, has covenanted, subject to the limitations set forth in Sections 812 and 813 of the County Charter, to levy ad valorem taxes upon all property subject to taxation by the County, in rate and amount sufficient for such payment in each fiscal year in which provision must be made for the payment of such principal and interest.

We express no opinion as to any federal, state or local tax consequences of acquiring, carrying, owning or disposing of any of the Bonds. McKennon Shelton & Henn LLP, retained by the County to render its tax counsel opinion with respect to the Bonds, may rely upon the description of the issue of the Bonds set forth herein and in the opinions expressed in paragraph (2) to the effect that the Bonds have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the County for the purpose of rendering such opinion.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the County.

The rights of the owners of the Bonds and the enforceability of the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer, and other laws relating to or affecting the rights and remedies of creditors generally; to the application of equitable principles, whether considered in a proceeding at law or in equity; to the exercise of judicial discretion; and to limitations on legal remedies against public entities.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are stated only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

[to be signed by "Squire Patton Boggs (US) LLP"]

**APPENDIX C-2**

**OPINION OF TAX COUNSEL**

**PRINCE GEORGE'S COUNTY, MARYLAND**

**\$273,610,000 General Obligation Consolidated Public Improvement Bonds, Series 2022A**

[Closing Date]

County Executive and County Council  
of Prince George's County, Maryland  
Upper Marlboro, Maryland

Ladies and Gentlemen:

As tax counsel in connection with the execution and delivery by Prince George's County, Maryland, a body corporate and politic, (the "County") of the \$273,610,000 Consolidated Public Improvement Bonds, Series 2022A (the "Bonds") dated the date hereof, we have examined:

- (i) the form of Bond;
- (ii) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder;
- (iii) relevant provisions of the Constitution and laws of the State of Maryland; and
- (iv) other proofs submitted to us relative to the execution and delivery of the Bonds.

In rendering this opinion, we have relied upon (i) the legal opinion of Squire Patton Bonds (US) LLP, Bond Counsel, to the effect that the Bonds have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of the County, and with respect to the description of the issue of the Bonds and (ii) the County's Tax and Section 148 Certificate, including all Exhibits attached thereto, of even date herewith, executed in connection with the Bonds, and made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County. We have made no independent investigation of the matters contained in such Certificate.

Based upon the foregoing and upon such other examinations as we deem necessary or appropriate, and under existing statutes, regulations and decisions, we are of the opinion that:

- (a) The Series Bonds, their transfer, the interest payable on them and any income derived from them, including any profit realized from their sale and exchange, shall be exempt from taxation of any kind by the State of Maryland, any of its political subdivisions, or any other public entity. Interest on the Bonds and profit realized from their sale or exchange will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.
  
- (b) Assuming compliance with certain covenants described herein, interest on the Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds, in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the Bonds be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of Bonds; and (iii) requirements applicable to the use of the proceeds of the Bonds and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability of interest on the Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.
  
- (c) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. Interest income on the Bonds will be includable in the applicable taxable base for the purposes of determining the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States.

This opinion expressed above is limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

This opinion may be relied upon by Squire Patton Boggs (US) LLP retained by the County to render its bond counsel opinion with respect to the Bonds.

Very Truly Yours

[to be signed by “McKennon Shelton & Henn LLP”]

## APPENDIX D

### **FORM OF CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by Prince George’s County, Maryland (the “County”) in connection with the issuance of its General Obligation Consolidated Public Improvement Bonds, Series 2022A (the “Bonds”). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, covenants and agrees as follows.

**SECTION 1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the County for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission (the “SEC”) Rule 15c2-12(b)(5) (the “Rule”).

**SECTION 2. Definitions.** In addition to the definitions set forth above, which apply to any such capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any person designated by the County in writing to act as its agent hereunder and which has filed with the County a written acceptance of such designation.

“EMMA” shall mean the continuing disclosure service established by the MSRB known as the Electronic Municipal Market Access System. For more information on EMMA, see [www.emma.msrb.org](http://www.emma.msrb.org).

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

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

“State” shall mean the State of Maryland.

### **SECTION 3. Provision of Annual Financial Information and Operating Data.**

(a) The County shall provide annually, by the thirtieth (30<sup>th</sup>) day of the ninth calendar month immediately following the end of its fiscal years (March 30<sup>th</sup>) commencing with the fiscal year ending June 30, 2022, to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB, financial information and operating data of the type set forth on Exhibit A to this Disclosure Agreement, such financial information and operating data to be updated as of the end of the preceding fiscal year.



(b) The County shall provide annually, by the thirtieth (30<sup>th</sup>) day of the ninth calendar month immediately following the end of its fiscal years (March 30<sup>th</sup>) commencing with the fiscal year ending June 30, 2022, to the MSRB in an electronic format and accompanied by identifying information as prescribed by the MSRB, the audited financial statements of the County for the preceding fiscal year, if prepared and available by such date. If such audited financial statements are not available on or before such date, the County promptly shall provide such audited financial statements, when and if available. In the event that such audited financial statements are not prepared and available by March 30<sup>th</sup>, the County shall provide, not later than March 30<sup>th</sup>, unaudited financial statements.

(c) The presentation of any financial statements provided in accordance with subsections (a) and (b) above shall be made in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Government Accounting Standards Board.

(d) If any of the financial information or operating data to be provided annually pursuant to subsections (a) or (b) above can no longer be generated because the operations to which it related have been materially changed or discontinued, the County shall include a statement to such effect in the financial information or operating data to be provided annually pursuant to subsections (a) or (b) above, as applicable.

(e) Any or all of the information to be provided pursuant to subsections (a) or (b) above may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on the MSRB's internet website or filed with the SEC. The County shall identify clearly each other document so included by specific reference.

(f) If the County is unable to provide to the MSRB any financial information or operating data required by subsections (a) or (b) above by the date specified in subsections (a) or (b) above, as applicable, the County shall provide, in a timely manner, a notice of such failure to the MSRB, in an electronic format as prescribed by the MSRB.

(g) If the fiscal year of the County changes, the County shall provide notice of such change to the MSRB in an electronic format as prescribed by the MSRB, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year, as changed.

#### **SECTION 4. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 4, the County shall provide notice of the occurrence of any of the following events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

- (7) modifications to rights of Beneficial Owners, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (14) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Bond holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(b) In a timely manner, not in excess of ten business days after the occurrence of an event listed in Section 4(a), the County shall file a notice of such occurrence of such event with EMMA.

**SECTION 5. Termination of Obligations.** The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance or payment in full of the Bonds or when the County is no longer an obligated person with respect to the Bonds within the meaning of the Rule. In addition, the County may terminate its obligations under this Disclosure Agreement in any other circumstance permitted by the Rule or SEC interpretations of the Rule. If any such termination occurs prior to the scheduled final maturity of the Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 4(b).

**SECTION 6. Amendment.**

(a) Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, provided that such amendment is permitted by the Rule or SEC interpretations of the Rule.

(b) In the event this Disclosure Agreement is amended pursuant to subsection (a) above with respect to the financial information or operating data to be provided annually in accordance with Section 3(a)

or (b), the financial information and operating data provided by the County in accordance with Section 3(a) or (b), as applicable, that contains the amended financial information or operating data shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data being provided.

(c) If an amendment is made to this Disclosure Agreement regarding the accounting principles to be followed in preparing financial statements, the financial information provided pursuant to Section 3(a) or (b), as applicable, for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison also shall be quantitative. The County shall provide to the MSRB, in an electronic format as prescribed by the MSRB, a notice of the change in the accounting principles.

**SECTION 7. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any financial information or operating data provided annually pursuant to Section 3 or in any notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any financial information or operating data provided annually pursuant to Section 3 or in any notice of the occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future financial information or operating data provided annually pursuant to Section 3 or in any future notice of the occurrence of a Listed Event.

**SECTION 8. Failure to Comply.** In the event of a failure of the County to comply with any provision of this Disclosure Agreement, any registered owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. A failure to comply with the provisions of this Disclosure Agreement shall not be deemed an event of default under the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 9. Limitation of Forum.**

(a) This Disclosure Agreement, and any claim made with respect to the performance by the County of its obligations hereunder, shall be governed by, subject to, and construed in accordance with, the laws of the State of Maryland. Any suit or other proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Prince George's County, Maryland.

(b) The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County must be filed in the Circuit Court for Prince George's County, Maryland and any party maintaining such suit shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to the Director, Office of Finance, 1301 McCormick Drive, Suite 1100, Largo, Maryland 20774 or at such alternate address as shall be specified by the County with disclosures made pursuant to Section 3(a) or 3(b) hereof or a notice of occurrence of a Listed Event.

**SECTION 10. Performance of Obligations.** Notwithstanding anything to the contrary contained in this Disclosure Agreement, the County's obligations as set forth in this Disclosure Agreement shall be undertaken and performed in accordance with the Rule, SEC interpretations of the Rule as published or provided from time to time, and applicable federal securities laws.

**SECTION 11. Filing with Electronic Municipal Market Access System (EMMA).** Unless otherwise required by the MSRB, all filings with the MSRB shall be made with EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

**SECTION 12. Dissemination Agent.** The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement.

**SECTION 13. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the County and the registered owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, this Continuing Disclosure Agreement has been executed on behalf of the County by its duly authorized signatory as of the date set forth below.

PRINCE GEORGE'S COUNTY, MARYLAND

By: \_\_\_\_\_  
Tara H. Jackson  
Chief Administrative Officer

Dated: May \_\_\_\_\_, 2022

**EXHIBIT A**

FINANCIAL INFORMATION AND OPERATING DATA TO BE PROVIDED ANNUALLY PURSUANT TO SECTION 3(a):

- (1) Information regarding assessed and estimated actual value of taxable property.
- (2) Information regarding real and personal property taxes
- (3) Information regarding property tax rates
- (4) Information regarding direct, overlapping and underlying debt.
- (5) Information regarding statutory debt limit

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APPENDIX E-1

FORM OF ISSUE PRICE CERTIFICATE FOR QUALIFIED COMPETITIVE BID

PRINCE GEORGE'S COUNTY, MARYLAND  
\$273,610,000 GENERAL OBLIGATION CONSOLIDATED  
PUBLIC IMPROVEMENT BONDS, SERIES 2022A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF WINNING BIDDER] (the "[SHORT FORM NAME OF WINNING BIDDER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT FORM NAME OF WINNING BIDDER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for each Maturity of the Bonds used by [SHORT FORM NAME OF WINNING BIDDER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT FORM NAME OF WINNING BIDDER] to purchase the Bonds.

(b) [SHORT FORM NAME OF WINNING BIDDER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT FORM NAME OF WINNING BIDDER] constituted a firm bid to purchase the Bonds.

2. ***Defined Terms.***

(a) *Issuer* means Prince George's County, Maryland.

(b) *Maturity* means the Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is Tuesday, May 17, 2022.



(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Squire Patton Boggs (US) LLP, as Bond Counsel to the Issuer, and McKennon Shelton & Henn LLP, as Tax Counsel to the Issuer, in connection with rendering its opinions that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER],

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022

SCHEDULE A

Expected Initial Offering Prices of the Bonds

[Insert]

SCHEDULE B

Copy of Bid

[See Attached]

APPENDIX E-2

FORM OF ISSUE PRICE CERTIFICATE FOR NONQUALIFIED COMPETITIVE BID

PRINCE GEORGE'S COUNTY, MARYLAND  
\$273,610,000 GENERAL OBLIGATION CONSOLIDATED  
PUBLIC IMPROVEMENT BONDS, SERIES 2022A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF THE WINNING BIDDER] (the "[SHORT FORM NAME OF WINNING BIDDER]"), on behalf of itself and [NAMES OF MEMBERS OF THE UNDERWRITING SYNDICATE] (together, the "Underwriting Syndicate"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by [SHORT FORM NAME OF WINNING BIDDER] [THE UNDERWRITING GROUP] to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT FORM NAME OF WINNING BIDDER] [THE MEMBERS OF THE UNDERWRITING SYNDICATE] offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [SHORT FORM NAME OF WINNING BIDDER] [MEMBERS OF THE UNDERWRITING SYNDICATE] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities.*”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which participants within the Underwriting Group have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Prince George’s County, Maryland.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is Tuesday, May 17, 2022.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Squire Patton Boggs (US) LLP, as Bond Counsel to the Issuer, and McKennon Shelton & Henn LLP, as Tax Counsel to the Issuer, in connection with rendering its opinions that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER], as

[\_\_\_\_\_]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022

SCHEDULE A

Sale Prices of the General Rule Maturities

[Insert]

Initial Offering Prices of the Hold-The-Offering-Price Maturities

[Insert]

SCHEDULE B

Pricing Wire or Equivalent Communication

[See Attached]