

While the above definition of “fund balance” is used for the ending balances shown in the General Fund and Special Revenue Funds, somewhat different definitions are used in connection with Internal Service and Enterprise Funds. The ending balance for an Internal Service Fund corresponds to net assets. On the other hand, the ending balance shown for an Enterprise Fund corresponds to the sum of available cash, and cash equivalents. The ending balance takes into account net operating revenues and expenditures and increases based on bond proceeds, offset by capital expenditures and by funds that must be held in reserve for future obligations.

Unless otherwise noted, the Budgetary Basis is used in this document when referring to the fund balance for the General Fund. Although the Budgetary Basis is clear, convenient, and widely used, it differs somewhat from the fund balance computed according to Generally Accepted Accounting Principles (GAAP). The Budgetary Basis differs from GAAP by excluding encumbrances, inventories, and designated expenditures for non-General Fund purposes (e.g. certain equipment expenditures). In particular, the Budgetary Basis treats reserves for encumbrances, which have not yet materialized by June 30 as expenses; GAAP shows them as a reservation of fund balance. Inventories are booked as an asset on the balance sheet and a reservation of fund balance under GAAP; they are reflected as an expense at the time of purchase under the Budgetary Basis. Under GAAP, certain purchase agreements for acquiring equipment are recorded as restricted assets, and related proceeds are shown as an Other Financing Source with a reservation for future years on the balance sheet; under the Budgetary Basis, annual payments to retire leases are shown as an expense to the General Fund, and the proceeds are not counted as a revenue.

SEMI-AUTONOMOUS AGENCIES

Those departments and agencies whose operating budgets are approved directly by the County Executive and County Council are included in this document. There are several semi-autonomous agencies whose operating budgets are not included in the County budget document. Certain semi-autonomous agencies also are not included in the County’s Capital Improvement Program (CIP). The accompanying table lists the semi-autonomous agencies and indicates whose budgets are not included in the County’s budget documents.

The Maryland-National Capital Park and Planning Commission (M-NCPPC), the Washington Suburban Sanitary Commission (WSSC), and the Washington Suburban Transit Commission - Washington Metropolitan Area Transit Authority (WSTC-WMATA) do not receive any of their funding from County General Fund revenues and prepare separate operating budget documents. Their operating budgets are not included in the County budget, nor is the WSSC’s or WSTC-WMATA’s capital budget included in the County CIP. However, the County Executive reviews and makes recommendations to the County Council on each of the budgets proposed by these agencies. The Council must then approve these budgets (or the portions affecting Prince George’s County).

The Board of Education, Library, and Community College are all financed at least in part from County General Fund revenues, and their operating and capital budgets are included in the County budgets. In addition, the Board of Education prepares a separate operating budget document that describes the Board’s spending plan in detail.

	RECEIVES COUNTY GENERAL FUND REVENUE	OPERATING BUDGET INCLUDED IN COUNTY DOCUMENT	PREPARES SEPARATE OPERATING BUDGET DOCUMENT
WSTC-WMATA*	No	No	Yes
Board of Education	Yes	Yes	Yes
Community College	Yes	Yes	No
Library	Yes	Yes	No
M-NCPPC	No	No	Yes
WSSC*	No	No	Yes
Industrial Development Authority	Yes	Yes	No
Redevelopment Authority	Yes	No	Yes
Housing Authority	No	No	Yes
Revenue Authority	No	No	Yes

*Also prepares separate capital budget document. All other agencies' capital projects are included in the County's CIP.

COUNTY GOVERNMENT ORGANIZATION

Prince George's County operates under a "home rule" Charter which was adopted in November 1970. Under the Charter, the County is composed of an executive and a legislative branch. The *executive branch* enforces the laws and administers the day-to-day business of the County. It consists of a County Executive (elected by the qualified voters of the entire County) and all other officers, agents, and employees under the County Executive's supervision and authority, including the Chief Administrative Officer who is responsible for the day-to-day administration of the County. The *legislative branch* of the County consists of a nine-member County Council (elected by Councilmanic District) and its staff. The Charter limits the County Executive and the members of the County Council to two consecutive four-year terms in office.

The *judicial branch* of government, as specified by the Constitution and laws of the State of Maryland, consists at the local level of the Circuit Court, the District Court, and the Orphans' Court (which oversees the probate of decedents' estates, as well as the appointment and supervision of guardians for minors). In Prince George's County, the County Executive and the County Council approve the operating budgets of the Circuit and Orphans' courts. (However, the State provides funding for the Circuit Court judges, their law clerks, the Clerk of the Court, and certain other Circuit Court expenses.) The District Court is a State entity funded entirely by the State of Maryland.

The chart on page I-8 shows the organization of the County's executive branch. To avoid unduly complicating the organization chart, the Deputy Chief Administrative Officers (DCAOs) have not been