

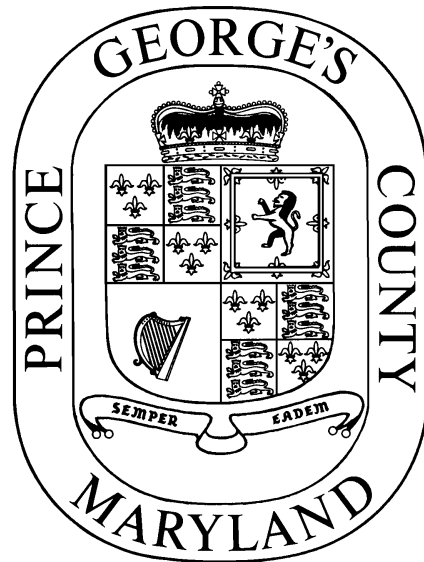
# **PRINCE GEORGE'S COUNTY, MARYLAND**

## **PENSION TRUST FUNDS**

Annual Financial Report

For the year ended June 30, 2018

(With Independent Auditors' Report Thereon)



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## INTRODUCTION

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### LETTER OF TRANSMITTAL

November, 21, 2018

Honorable County Executive and  
Members of the Prince George's County Council:

#### **Members of the Boards of Trustees**

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Prince George's County Comprehensive and Supplemental Pension Plans (Plans) for the fiscal year that ended June 30, 2018. This annual report provides information on the structure and financial status of the Plans, as well as significant changes that have occurred during the past year.

The Fire Service, Police Pension, Deputy Sheriffs' Comprehensive, Correctional Officers Comprehensive and the Supplemental Pension Plans are responsible for administering retirement benefits for approximately 11,450 participants.

The Report contains four sections: (1) the Independent Auditor's Report; (2) Management's Discussion and Analysis; (3) the Basic Financial Statements; which include the Combined Statement of Plan Net Position, Combined Statement of Changes in Plan Net Position, and Notes to the Financial Statements; and, (4) Required Supplementary Information; which includes the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Employer Contributions, Schedule of Investment Returns, and Summary of Significant Changes to the Comprehensive and Supplemental Plans.

## **HISTORY OF THE PLANS**

### **Fire Service and Police Pension Plans**

The Board of County Commissioners for Prince George's County adopted retirement plans for members of the Police Department effective May 1, 1962, and for members of the Fire Department effective July 1, 1966. New England Mutual Life Insurance Company was designated as the funding agency for the Plans. The Fire Service and Police Pension Plans were amended and the group annuity policies were terminated and assets from the insurance company were transferred to Mercantile Safe Deposit and Trust Company. A corporate trust agreement between the County and the Mercantile Safe Deposit and Trust was established on October 12, 1973. In April 1978, Boards of Trustees were established for the Fire Service and Police Pension Plans and replaced the corporate trustee. The Boards provided for the administration, investment, and member benefit service responsibilities for the Plans.

The Boards continued to implement portfolio enhancements to further diversify the investments and better manage the Plan's risk. Toward this effort, the Boards approved new investments in private equity and real assets funds. The Boards also continue to build risk budgeting capabilities to provide support for recommendations on asset allocation, portfolio structure and manager weightings.

As of June 30, 2018, the Plans had a total of one hundred ten (110) investment funds (6 domestic equity, 6 international equity, 4 fixed income, 22 real assets, 61 private equity and 11 hedge funds). The Boards have a "Statement of Investment Objectives, Policy and Guidelines" to provide the Boards of Trustees, investment managers and investment consultant guidance in the course of managing the assets. It includes appropriate risk/return parameters, establishes investment guidelines regarding managers and specifies the criteria for evaluating the performance of the managers and of the fund.

### **Correctional Officers and Deputy Sheriffs' Comprehensive and Supplemental Pension Plans**

The Deputy Sheriffs' Association and the County agreed to establish a Supplemental Pension Plan effective June 30, 1985. The Correctional Officers' Association and the County agreed to establish a Supplemental Pension Plan effective July 1, 1990. Comprehensive Pension Plans were established for Correctional Officers and Deputy Sheriffs effective July 1, 1996. They replaced the Maryland State Retirement and Pension Systems and the County sponsored Supplemental Pension Plans. All correctional officers and deputy sheriffs hired on or after July 1, 1996, became participants in their respective comprehensive plan as well as participants electing to transfer from the Supplemental Pension Plans. Boards of Trustees have been established for each plan and are responsible for the administrative, investment and benefit services for participants.

Prior to July 1, 2009, Correctional Officers had two stand-alone plans that were separately funded – the Comprehensive Plan and the Supplemental Plan. Based on the recommendation of the actuary, the Correctional Officers’ Plans were combined for funding and accounting purposes only. The combination of the Plans does not change eligibility conditions, benefits or employee contributions. The combination of the Plans only has an impact on the pattern of future County contributions and financial reporting. As a result, one total contribution rate is calculated for the combined Plan. The member contributions are fixed. They are based on the bargaining agreements and pension plan documents. The County contributes the remainder of the total contribution.

Prior to July 1, 2011, the Deputy Sheriffs had two stand-alone plans that were separately funded – The Comprehensive Plan and the Supplemental Plan. Based on the recommendation of the actuary, the Board approved a closed funding method for the Supplemental Plan. As a result, two contribution rates are calculated for each Plan. The member contributions are fixed. They are based on the bargaining agreements and pension plan documents. The County contributes the remainder of the total contribution for each Plan.

#### Supplemental Pension Plans

As a result of collective bargaining agreements between the County and respective unions, the following Supplemental Pension Plans were established:

Supplemental Pension Plans	Effective Date
AFSCME Local 241 (Crossing Guards)	July 1, 1990
AFSCME Locals 1170, 2462, 2735, 3389	July 1, 1990
General Schedule	December 30, 1990
Fire Civilians	July 1, 1991
Police Civilians	October 1, 1992

Boards of Trustees have been established for each plan and are responsible for the administrative, investment and benefit services for participants. On July 1, 2010, the Comprehensive and Supplemental Pension Plans adopted a resolution to establish a Master Trust Agreement for investment purposes. The combined assets of the Plans will provide a larger investment pool of funds to meet the minimum investment requirements for private equity, hedge funds and real assets.

As of June 30, 2018, the Plans had a total of seventy-six (76) investment funds (4 domestic equity, 6 international equity, 4 fixed income, 19 real assets, 33 private equity and 10 hedge funds). A “Statement of Investment Objectives, Policy and Guidelines” provides guidance for fiduciaries, the Boards of Trustees, investment managers and investment consultant in the course of managing the assets of the retirement fund. It includes appropriate risk/return parameters, establishes investment guidelines regarding managers and specifies the criteria for evaluating the performance of the managers and of the fund.

## **MANAGEMENT OF THE FUNDS**

### **Fire Service and Police Pension Plans**

As part of an ongoing strategy to increase asset diversification, the Boards of Trustees, in conjunction with its staff and the Plans’ investment consultant, Summit Strategies Group, continued making changes to the portfolios to achieve the target asset allocations. As of June 30, 2018, the asset allocations compared to the target allocations were as follows:

	<b>Fire Service Pension Plan</b>			<b>Police Pension Plan</b>		
	Market Value (\$)	Allocation (%)	Target (%)	Market Value (\$)	Allocation (%)	Target (%)
US Equity	109,773,180	23.48	22.50	239,629,656	23.77	22.50
Int’l Equity	107,023,812	22.90	22.50	232,134,719	23.03	22.50
Fixed Income	104,902,374	22.44	25.00	233,055,756	23.12	25.00
Hedge Fund	45,357,064	9.70	10.00	101,026,779	10.02	10.00
Real Assets	43,638,596	9.34	10.00	91,443,801	9.07	10.00
Private Equity	50,988,604	10.91	10.00	104,273,611	10.34	10.00
Cash	5,757,551	1.23	0.00	6,408,978	0.64	0.00
Total Fund	467,441,182	100.00		1,007,973,299	100.00	

As of June 30, 2018, the combined plan assets totaled \$1,475,414,481 and the portfolios returned approximately 10.2%, underperforming the policy index by 320 basis points. (Amounts in table do not include adjustments for alternative investments and may differ from amounts in Combined Statement of Plan Net Assets.)

### Correctional Officers' and Deputy Sheriffs' Comprehensive Plans and County Supplemental Pension Plans

As part of an ongoing strategy to increase asset diversification, the Boards of Trustees, in conjunction with its staff and the Plans' investment consultant, Summit Strategies Group, continued making changes to the portfolios to achieve the target asset allocations. As of June 30, 2018, the asset allocations compared to the target allocations were as follows:

	<b>Comprehensive and Supplemental Pension Plans</b>		
	Market Value (\$)	Allocation (%)	Target (%)
US Equity	115,704,978	23.06	21.50
Int'l Equity	112,350,903	22.39	21.50
Fixed Income	128,953,157	25.70	27.00
Real Assets	43,702,554	8.71	10.00
Private Equity	50,820,221	10.13	10.00
Hedge Fund	43,166,838	8.60	10.00
Cash	7,031,801	1.40	0.00
Total Fund	501,730,452	100.00	

As of June 30, 2018, total assets were \$501,730,452 for the Comprehensive and Supplemental Pension Plans and the portfolio returned approximately 9.4%, underperforming the policy index by 270 basis points. (Amounts in table do not include adjustments for alternative investments and may differ from amounts in Combined Statement of Plan Net Assets.)

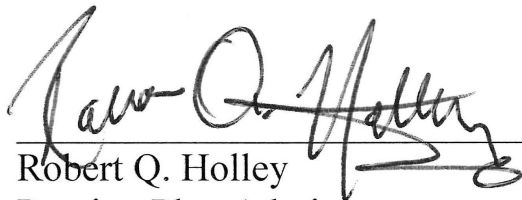
### PROFESSIONAL CONSULTANT SERVICES

The Plans contract for the services of various independent consultants, investment advisory and financial professionals to assist the Boards of Trustees in carrying out their fiduciary duty to prudently manage the funds. Actuarial services are provided by Gabriel Roeder Smith & Company. Consulting services are provided by Summit Strategies Group. State Street Bank & Trust Company provides asset custody and portfolio accounting services. Legal services for the Fire Service and Police Pension Plans are performed by Thomas J. Manning of Daneker, McIntire, Schumm, Prince, Goldstein, Manning & Widmann, PC. Legal services for the other Plans are performed by Cheryl Guth of McGuire Woods, LLP. Specialized legal services for alternative investments are performed by Thompson Coburn, LLP.

## ACKNOWLEDGEMENTS

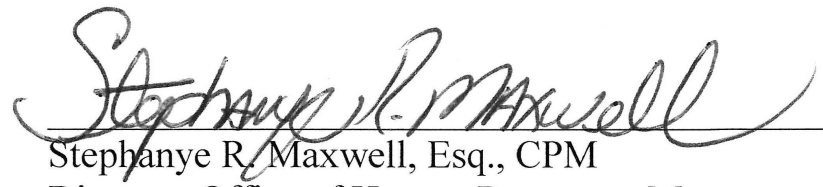
This annual report reflects the dedicated efforts of the Boards of Trustees. We extend our sincere gratitude to each member, Board advisors and the many people who worked so diligently to ensure the successful operation of the Plans.

Respectfully submitted,



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Robert Q. Holley  
Pension Plan Administrator



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Stephanye R. Maxwell, Esq., CPM  
Director, Office of Human Resources Management





## INDEPENDENT AUDITORS' REPORT

The Honorable County Council  
Prince George's County, Maryland

The Board of Trustees of the Prince George's County  
Pension Trust Funds

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

We have audited the accompanying combined statement of plan net position of the Prince George's County, Maryland Pension Trust Funds (the Plans), a component unit of Prince George's County, Maryland as of June 30, 2018, the related combined statement of changes in plan net position for the year ended and the related notes to the financial statements, which collectively comprise the Plans' 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of the Plans as of June 30, 2018, and the respective combined changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the schedule of changes in net pension liability and related ratios, the schedule of employer contributions, the schedule of investment returns, and the summary of significant changes to the Plans as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019 on our consideration of the Plans' 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 Plans' 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 Plans' internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
January 31, 2019

**PRINCE GEORGE'S COUNTY, MARYLAND  
PENSION TRUST FUNDS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Prince George's County Pension Trust Funds (the Plans), we offer readers of the annual financial report this narrative overview and analysis of the financial activities of the Plans as of and for the fiscal year ended June 30, 2018 and 2017.

**FINANCIAL HIGHLIGHTS**

- The Plans' total assets exceeded total liabilities at June 30, 2018 by \$2.0 billion (net position). The net position is restricted and held in trust for pension benefits.
- Total net position of the Plans increased \$232 million from the previous year.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Plans' combined basic financial statements and notes to the financial statements.

Basic Financial Statements

The Plans are composed of four Comprehensive (Police, Fire Service, Correctional Officers' and Deputy Sheriffs') and seven Supplemental (Deputy Sheriffs', Correctional Officers', Crossing Guards, AFSCME, General Schedule, Fire Civilian, and Police Civilian) single-employer, defined benefit pension plans. The combined financial statements include individual columns for each pension plan.

The Plans' financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. They include a Combined Statement of Plan Net Position and a Combined Statement of Changes in Plan Net Position.

The Combined Statement of Plan Net Position shows the Plans' assets less related liabilities at June 30, 2018. The difference between assets and liabilities are reported as plan net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

The Combined Statement of Changes in Plan Net Position presents additions and deductions to plan net position during the fiscal year. These financial statements present all underlying events, which give rise to the changes, regardless of the timing of the related cash flows. Items such as accrued interest receivable will produce changes in cash in a future fiscal period.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Notes are presented on pages 14 to 34 of the report.

RSI

This report also includes required supplementary information related to net pension liabilities, employer contributions, and investment returns.

**PRINCE GEORGE'S COUNTY, MARYLAND  
PENSION TRUST FUNDS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS**

Summary of Assets, Liabilities, and Net Position (in thousands)

	All Trust Funds		Police		Fire Service	
	June 30,		June 30,		June 30,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Investments and other assets	\$ 2,003,730	\$ 1,801,668	1,019,672	921,645	475,456	425,313
Current liabilities	5,563	35,836	2,904	19,734	1,865	8,832
Net position held in trust	<u>\$ 1,998,167</u>	<u>\$ 1,765,832</u>	<u>1,016,768</u>	<u>901,911</u>	<u>473,591</u>	<u>416,481</u>

The net position increased \$114.9 million and \$57.1 million in fiscal year 2018 for the Police and Fire Service Plans, respectively. Key elements of these increases are as follows:

- The Police and Fire Service Pension Plans had net investment gain of \$133.6 million and \$60.1 million compared to prior year's gains of \$76.6 million and \$36.1 million.
- Total employee and employer contributions increased by \$4.2 million (6%) for the Police Pension Fund and increased by \$3.1 million (6%) for Fire Service Pension Plans in fiscal year 2018.
- Benefit payments for the Police and Fire Service Pension Plans increased by \$4.3 million (5%) and \$1.6 million (2%) respectively, in fiscal year 2018.
- Administrative expenses increased for the Police Service Pension Plan by 14% and increased for the Fire Service Pension Plan by 12% in fiscal year 2018.

The Trust Funds' net position increased by approximately \$232 million in fiscal year 2018. This increase is attributable to investment performance during the fiscal year and an increase in contributions.

**PRINCE GEORGE'S COUNTY, MARYLAND  
PENSION TRUST FUNDS  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Summary of Changes in Net Position (in thousands)

	All Plans		Police		Fire Service	
	Year ended June 30,		Year ended June 30,		Year ended June 30,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Additions:						
Contributions	\$ 163,300	\$ 152,807	\$ 74,637	\$ 70,472	\$ 47,628	\$ 44,570
Investment gain (losses)	254,119	144,712	133,598	76,628	60,100	36,065
Total additions (other than transfers)	<u>417,419</u>	<u>297,519</u>	<u>208,235</u>	<u>147,100</u>	<u>107,728</u>	<u>80,635</u>
Deductions						
Pension benefits and refunds	183,074	175,589	92,754	88,487	50,138	49,048
Administrative expenses and net transfers	2,010	1,912	624	715	481	428
Total deductions	<u>185,084</u>	<u>177,501</u>	<u>93,378</u>	<u>89,202</u>	<u>50,619</u>	<u>49,476</u>
Increase (decrease) in net assets	232,335	120,018	114,857	57,898	57,110	31,159
Net position held in trust, beginning of year	<u>1,765,832</u>	<u>1,645,814</u>	<u>901,911</u>	<u>844,013</u>	<u>416,481</u>	<u>385,322</u>
Net position held in trust, end of year	<u>\$ 1,998,167</u>	<u>\$ 1,765,832</u>	<u>\$ 1,016,768</u>	<u>\$ 901,911</u>	<u>\$ 473,591</u>	<u>\$ 416,481</u>

**REQUEST FOR INFORMATION**

This discussion and analysis is designed to provide a general overview of the Prince George's County Pension Trust Funds' finances. Questions concerning any of the information provided in this annual financial report or requests for additional information should be addressed to the Prince George's County Office of Personnel, 1400 McCormick Drive, Room 110, Largo, Maryland 20774.

PRINCEGEORGE'S COUNTY, MARYLAND

Pension Trust Funds

Combined Statement of Plan Net Position

June 30, 2018

	Comprehensive Plans				Supplemental Plans							Total
	Police	Fire Service	Deputy Sheriffs	Correctional Officers	Deputy Sheriffs	Corrections	Crossing Guard	AFSCME	General Schedule	Fire Civilian	Police Civilian	
Assets:												
Equity in pooled cash and investments (note 2)	\$ 2,992,963	\$ 2,670,611	\$ 512,245	\$ 745,339	\$ 89,933	\$ 78,146	\$ 33,281	\$ 358,632	\$ 637,072	\$ 112,032	\$ 270,404	\$ 8,500,658
Investments (note 2):												
Collateral for loaned securities	2,456,374	1,648,300	79,402	143,097	4,672	10,196	1,679	95,202	147,745	8,535	23,376	4,618,578
Pooled separate accounts	-	-	77,978,183	140,529,782	4,588,494	10,013,119	1,649,054	93,494,415	145,094,344	8,381,807	22,956,208	504,685,406
U.S. Government & agency securities	22,782,514	11,460,840	-	-	-	-	-	-	-	-	-	34,243,354
Corporate bonds	20,710,324	8,216,021	-	-	-	-	-	-	-	-	-	28,926,345
Common stock	182,867,952	83,135,690	-	-	-	-	-	-	-	-	-	266,003,642
Real Estate Investment Trust	5,183,604	2,392,378	-	-	-	-	-	-	-	-	-	7,575,982
International government securities	290,295	138,126	-	-	-	-	-	-	-	-	-	428,421
Other International investments	203,205	84,816	-	-	-	-	-	-	-	-	-	288,021
Asset-backed securities	3,916,325	2,146,691	-	-	-	-	-	-	-	-	-	6,063,016
Short-term investments	13,355,096	8,866,373	-	-	-	-	-	-	-	-	-	22,221,469
Alternative Investments	764,524,969	354,518,183	-	-	-	-	-	-	-	-	-	1,119,043,152
Total Investments	1,016,290,658	472,607,418	78,057,585	140,672,879	4,593,166	10,023,315	1,650,733	93,589,617	145,242,089	8,390,342	22,979,584	1,994,097,386
Accrued interest receivable	365,536	167,604	88,354	154,153	5,005	10,921	1,799	101,972	158,251	9,142	25,038	1,087,775
Prepaid expenses	22,852	10,508	1,759	3,303	-	-	38	2,123	3,300	191	534	44,608
Total assets	1,019,672,009	475,456,141	78,659,943	141,575,674	4,688,104	10,112,382	1,685,851	94,052,344	146,040,712	8,511,707	23,275,560	2,003,730,427
Liabilities:												
Collateral for loaned securities payable (note 2)	2,456,374	1,648,300	79,402	143,097	4,672	10,196	1,679	95,202	147,745	8,535	23,376	4,618,578
Accounts payable	11,809	17,441	5,390	8,756	2,340	458	2,339	2,339	5,216	2,339	2,338	60,765
Accrued expenses	436,089	199,395	12,425	23,080	3,383	7,474	1,280	69,512	107,708	6,354	17,386	884,086
Total liabilities	2,904,272	1,865,136	97,217	174,933	10,395	18,128	5,298	167,053	260,669	17,228	43,100	5,563,429
Net position held in trust for pension benefits	\$ 1,016,767,737	\$ 473,591,005	\$ 78,562,726	\$ 141,400,741	\$ 4,677,709	\$ 10,094,254	\$ 1,680,553	\$ 93,885,291	\$ 145,780,043	\$ 8,494,479	\$ 23,232,460	\$ 1,998,166,998

See accompanying notes to basic financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Pension Trust Funds  
Combined Statement of Changes in Plan Net Position  
For the year ended June 30, 2018

	Comprehensive Plans				Supplemental Plans							
	Police	Fire Service	Deputy Sheriffs	Correctional Officers	Deputy Sheriffs	Correctional Officers	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	Total
Additions:												
Contributions:												
Employer	\$ 65,648,402	\$ 42,487,727	\$ 8,042,355	\$ 9,794,685	\$ 819,100	\$ 406,628	\$ 80,300	\$ 3,097,126	\$ 7,144,886	\$ 467,026	\$ 810,064	138,798,299
Employee	8,988,620	5,140,356	1,953,989	3,522,944	16,571	54,413	63,199	678,435	3,249,612	181,882	651,526	24,501,547
Total contributions	74,637,022	47,628,083	9,996,344	13,317,629	835,671	461,041	143,499	3,775,561	10,394,498	648,908	1,461,590	163,299,846
Investment income:												
Net appreciation in fair value of assets	119,833,565	52,822,858	8,171,150	15,144,898	499,185	1,101,801	188,219	10,250,669	15,885,072	935,671	2,560,445	227,393,533
Interest and dividends	16,654,569	8,638,210	1,137,586	2,071,881	68,371	150,699	25,815	1,401,686	2,171,855	128,118	350,569	32,799,359
Total investment gain	136,488,134	61,461,068	9,308,736	17,216,779	567,556	1,252,500	214,034	11,652,355	18,056,927	1,063,789	2,911,014	260,192,892
Less investment expense	2,890,512	1,360,686	256,265	478,748	8,475	18,721	6,708	364,430	564,744	33,290	91,166	6,073,745
Net investment income	133,597,622	60,100,382	9,052,471	16,738,031	559,081	1,233,779	207,326	11,287,925	17,492,183	1,030,499	2,819,848	254,119,147
Total additions	208,234,644	107,728,465	19,048,815	30,055,660	1,394,752	1,694,820	350,825	15,063,486	27,886,681	1,679,407	4,281,438	417,418,993
Deductions:												
Benefits	87,719,094	48,024,267	7,187,220	10,986,348	794,211	568,473	196,741	4,664,882	11,103,416	685,272	1,656,985	173,586,909
Refunds of contributions	5,034,971	2,113,111	96,694	924,489	60,573	16,691	-	189,095	683,483	41,406	326,337	9,486,850
General and administrative expenses	623,566	481,437	172,591	275,040	38,378	35,202	20,123	104,461	131,789	62,079	65,186	2,009,852
Total deductions	93,377,631	50,618,815	7,456,505	12,185,877	893,162	620,366	216,864	4,958,438	11,918,688	788,757	2,048,508	185,083,611
Net increase (decrease) in plan net position	114,857,013	57,109,650	11,592,310	17,869,783	501,590	1,074,454	133,961	10,105,048	15,967,993	890,650	2,232,930	232,335,382
Net position held in trust for pension benefits,												
beginning of year	901,910,724	416,481,355	66,970,416	123,530,958	4,176,119	9,019,800	1,546,592	83,780,243	129,812,050	7,603,829	20,999,530	1,765,831,616
Net position held in trust for pension benefits,												
end of year	\$ 1,016,767,737	\$ 473,591,005	\$ 78,562,726	\$ 141,400,741	\$ 4,677,709	\$ 10,094,254	\$ 1,680,553	\$ 93,885,291	\$ 145,780,043	\$ 8,494,479	\$ 23,232,460	1,998,166,998

See accompanying notes to basic financial statements.

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1. Description of the Plans

a. General Information

Prince George's County, Maryland (the County) has adopted separate single-employer, defined benefit pension plans covering all County sworn police officers, firefighters (including paramedics), deputy sheriffs, and correctional officers. These Plans are included in the County's Basic Financial Statements as Fiduciary (Pension Trust) Funds. Each Plan is reported in a separate Pension Trust Fund and is referred throughout this report as "Pension Plans" or "Plans". The Deputy Sheriffs' and Correctional Officers' Comprehensive Pension Plans were established July 1, 1996 for all new hires and participants electing to transfer from the State Retirement and Pension System of Maryland (SRPS) and the Deputy Sheriffs' and Correctional Officers' Supplemental Pension Plans. The Police, Fire Service, Deputy Sheriffs', and Correctional Officers' Pension Plans "the Comprehensive Plans" provide retirement and disability benefits for all full-time persons covered by the Plans. All other qualified general service employees and officers of the County are covered by the SRPS. In addition, the County has established seven single-employer, defined benefit supplemental pension plans, which are hereafter collectively referred to in this report as "the Supplemental Plans." The Plans and the dates each Plan was established are as follows:

- Police Pension Plan (established May 1, 1962);
- Fire Service Pension Plan (established July 1, 1966);
- Deputy Sheriffs' Comprehensive Pension Plan (established July 1, 1996);
- Correctional Officers' Comprehensive Pension Plan (established July 1, 1996);
- Deputy Sheriffs' Supplemental Pension Plan (established June 30, 1985);
- Correctional Officers' Supplemental Pension Plan (established July 1, 1990);
- American Federation of State, County, and Municipal Employees (AFSCME) Local 241 (Crossing Guards) Supplemental Pension Plan (established July 1, 1990);
- American Federation of State, County, and Municipal Employees (AFSCME) Locals 2462 and 2735 Supplemental Pension Plan (established July 1, 1990);
- General Schedule Employees Supplemental Pension Plan (established December 30, 1990);
- Fire Civilians' Supplemental Pension Plan (established July 1, 1991); and
- Police Civilian Employees' Supplemental Pension Plan (established October 1, 1992).



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In accordance with the benefit provisions contained in the plan documents, administrative, investment, and participant benefit service responsibilities are provided for each plan by a separate board of trustees. The Boards of Trustees of the Police and Fire Service Plans are comprised of seven trustees designated in the plan document and one trustee selected by the respective employee association group. The Boards of Trustees of the Deputy Sheriffs' Comprehensive Pension Plan, the Correctional Officers' Comprehensive Pension Plan, and the Supplemental Plans (other than General Schedule) are composed of three trustees designated in the plan document and one trustee elected by the respective employee association group. The General Schedule Supplemental Pension Plan has four trustees designated in the plan document and one trustee elected by plan participants per CB-101-1994. These trustees have the authority to amend benefit provisions and contribution requirements. Currently, each pension plan has the same retirement administrator, who is also an employee of the County.

The number of participants in the plans as of June 30, 2018, was as follows:

<u>Group</u>	<u>Comprehensive Plans</u>				<u>Supplemental Plans</u>							<u>Total</u>
	<u>Police</u>	<u>Fire Service</u>	<u>Deputy Sheriffs'</u>	<u>Correctional Officers'</u>	<u>Deputy Sheriffs'</u>	<u>Correctional Officers'</u>	<u>Crossing Guards</u>	<u>AFSCME</u>	<u>General Schedule</u>	<u>Fire Civilians'</u>	<u>Police Civilian Employees'</u>	
Retirees and beneficiaries currently receiving benefits	1,632	873	141	231	62	31	70	450	898	43	126	4,557
Vested terminated employees	27	17	10	14	1	1	8	121	182	1	44	426
Active employees	<u>1,694</u>	<u>909</u>	<u>244</u>	<u>437</u>	<u>3</u>	<u>12</u>	<u>93</u>	<u>975</u>	<u>1,274</u>	<u>50</u>	<u>342</u>	<u>6,033</u>
Total participants	<u>3,353</u>	<u>1,799</u>	<u>395</u>	<u>682</u>	<u>66</u>	<u>44</u>	<u>171</u>	<u>1,546</u>	<u>2,354</u>	<u>94</u>	<u>512</u>	<u>11,016</u>

Source: Actuarial Valuation as of July 1, 2017.

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b. Employee and Employer Contributions

The contribution rates as a percentage of covered payroll during fiscal year 2018 were as follows:

	Employee <u>Rate</u>		Employer <u>Rate</u>
Comprehensive Plans:			
Police	6.00 %		51.27 %
Fire Service	6.00		63.33
Deputy Sheriffs'	10.00		43.77
Correctional Officers'	12.00		36.72
Supplemental Plans:			
Deputy Sheriffs'	5.20	\$ 819,100 *	
Correctional Officers'	5.75		42.97
Crossing Guards	4.25		5.40
AFSCME	1.30		5.94
General Schedule	3.13		6.97
Fire Civilians'	4.65		11.94
Police Civilian Employees'	3.74		4.65

\*Employer pays set dollar amount per the Boards of Trustees decision.

The employees' contribution rates for the Comprehensive Pension Plans, Deputy Sheriffs' Supplemental Plan, and Correctional Officers' Supplemental Plan are the result of collective bargaining. The Boards of Trustees determine the employees' contribution rates for the other five Plans. The County contributes the remaining amounts necessary to fund the actuarially determined contribution requirement for all Supplemental Plans. Participant contributions are included in the Plans' net position and are 100% vested with the employee. Upon termination of employment before normal retirement age, a participant may elect to receive a refund of contributions, including interest credited at the rate of 5% per annum. If there has been at least five years of credited service, the participant may instead elect a retirement annuity upon attaining retirement age.

For the Police Pension Plan, officers hired on or before July 1, 2013, contribute 9% for the first five years, 8% for the second five years and 6% thereafter. Officers hired after July 1, 2013, contribute 9% of pay. For the Fire Service Pension Plan, members hired before July 1, 2008, contribute 6% of basic compensation. Members hired on or after July 1, 2008, contribute 10% of basic compensation. For the Deputy Sheriffs' Pension Plan, members hired before July 1, 2005, contribute 10% of base pay. Members hired on or after July 1, 2005, contribute 11% of base pay. For the correctional Officers Pension Plan, officers hired before July 1, 1995 contribute 12% of base pay. Officers hired on or after July 1, 1995 contribute 13% of base pay.

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c. Benefits

Participants are vested after 5 years of credited service. Qualification for normal retirement is the earliest of the following:

	Comprehensive Plans				Supplemental Plans						
	<u>Police</u>	<u>Fire Service</u>	<u>Deputy Sheriffs'</u>	<u>Correctional Officers'</u>	<u>Deputy Sheriffs'</u>	<u>Correctional Officers'</u>	<u>Crossing Guards</u>	<u>AFSCME</u>	<u>General Schedule</u>	<u>Fire Civilian</u>	<u>Police Civilian</u>
Age and five years of service	55	55	55	55	62	60	62	62	62	62	62
Service (regardless of age)	25 years *	20 years	20 years	20 years	25 years	25 years	30 years	30 years	30 years	30 years	30 years
Combination	-	-	-	-	Age 55 with 15 years of service	-	Age 55 with 15 years of service	Age 55 with 15 years of service	Age 55 with 15 years of service	Age 55 with 15 years of service	Age 55 with 15 years of service

\* Members hired before July 1, 2016 are eligible to retire with 20 years of service.

The Comprehensive Plans calculate retirement benefits 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 and paramedics, deputy sheriffs, and correctional officers. Future retirees are guaranteed a minimum monthly pension benefit of \$100. The Supplemental Plans calculate retirement benefits as a percentage of average compensation, with such percentage determined by the length of credited service up to a maximum of 36% for 30 years of service for deputy sheriffs, 38.75% for 30 years of service for correctional officers, 30% for 30 years of service for general schedule employees, fire civilian, AFSCME, and police civilian, and 22.5% for 30 years for crossing guards.

The cost-of-living increase for the Police, Deputy Sheriffs', and Correctional Officers' Comprehensive plans is based on total investment returns in excess of 8%, not to exceed \$135 per month for Police retirees or \$100 per month for Correctional Officers' retirees. Police retirees receive a minimum \$35 increase annually, regardless of plan earnings. Deputy Sheriffs' and Correctional Officers' retirees receive no cost-of-living increase unless the total investment returns in excess of 8% are sufficient to provide at least a \$10 per month increase. On February 1, 2007, Fire Service retirees received a one-time cost of living adjustment of \$70 per month. Thereafter, a permanent increase equal to the minimum of \$35 per month or 4.9% of the monthly benefit is granted.

d. Plan Termination Provisions

Upon termination of the Plans, or upon complete discontinuance of County contributions, the rights of all participants to benefits accrued to the date of said termination or discontinuance shall be nonforfeitable. The assets of the trust funds shall be allocated to provide the following benefits in the order indicated:

(i) Benefits called for by the Plan for each participant or beneficiary, to whom payments are being made at the termination date.

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- (ii) Benefits called for by the Plan for each participant who has reached normal retirement date on the termination date.
- (iii) Benefits called for by the Plan for each participant who has a vested right to receive benefits as of the termination date.
- (iv) Benefits for each of the remaining participants.

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The Plans' financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized as revenue in the period earned. Expenses, benefits, and refunds are recognized when corresponding liabilities are incurred, regardless of when payment is made.

b. Investments

The Plan 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 and give the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- 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.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The Boards of Trustees establish general investment policies for the Plans, but have delegated to investment managers the selection of specific investments. The investment managers adhere to the standards of prudence and diversification of investments required by applicable laws and regulations. The investment policies allow the Plans' to invest in Alternative Investments which the Plans enter into under limited partnership agreements. The majority of the alternative investments are hedge funds and private equity funds. The plans use a third party administrator to aid in the evaluation of the Alternative Investments.

The Police and Fire Service Plans had the following recurring fair value measurements:

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	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, 2018
Equity in pooled cash and investments	-	5,663,574	-	5,663,574
<b>Investments by fair value level:</b>				
U.S. Government and agency securities	-	34,243,354	-	34,243,354
Corporate bonds	-	28,926,345	-	28,926,345
Common stock	266,003,642	-	-	266,003,642
Real Estate Investment Trust	7,575,982	-	-	7,575,982
International Government Securities	428,421	-	-	428,421
Other international investments	288,021	-	-	288,021
Asset-backed securities	-	6,063,016	-	6,063,016
	274,296,066	69,232,715	-	343,528,781
<b>Investments carried at amortized cost:</b>				
Short-term investments				22,221,469
<b>Investments carried at Net Asset Value (NAV):</b>				
Collective trusts				304,210,882
Mutual Funds				223,269,035
Hedge Funds				143,929,851
International Equity Funds				69,673,251
Private Debt				72,846,863
Private Equity				165,222,219
Natural Resources				27,240,488
Real Estate				112,650,563
				1,119,043,152
Total Investments				1,484,793,402

The Deputy Sheriffs', Correctional Officers' and Supplemental Plans had the following recurring fair value measurements:

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	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, 2018
Equity in pooled cash and investments	-	2,837,084	-	2,837,084
<b>Investments by fair value level:</b>				
U.S. Government and agency securities	-	2,734,815	-	2,734,815
Corporate bonds	-	1,872,579	-	1,872,579
Common stock	142,460,638	-	-	142,460,638
Real Estate Investment Trust	2,298,077	-	-	2,298,077
International Government Securities	1,385,965	-	-	1,385,965
Other international investments	282,720	-	-	282,720
Asset-backed securities	-	33,208,296	-	33,208,296
	146,427,400	37,815,690	-	184,243,090
<b>Investments carried at amortized cost:</b>				
Short-term investments				11,024,917
<b>Investments carried at Net Asset Value (NAV):</b>				
Collective trusts				51,390,316
Mutual Funds				58,852,438
Hedge Funds				42,914,226
International Equity Funds				25,090,356
Private Debt				32,352,894
Private Equity				46,741,297
Natural Resources				9,080,163
Real Estate				42,995,709
				309,417,399
Total Investments				504,685,406

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

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Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trusts	\$ 355,601,198	\$ -	See note (A)	30-90 days
Mutual Funds	282,121,473	-	daily	1-2 days
Hedge Funds	186,844,077	-	See note (A)	30-90 days
International Equity Funds	94,763,607	-	Monthly	15 days
Private Debt	105,199,757	4,453,021	4-10 years	N/A
Private Equity	211,963,516	71,844,243	See note (B)	5-10 days
Natural Resources	36,320,651	27,937,012	7-15 years	N/A
Real Estate	155,646,272	4,710,814	See note (C)	30-90 days
	<u>\$ 1,428,460,551</u>	<u>\$ 108,945,090</u>		

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

(B) - Redemption frequency for these assets are either monthly, quarterly, or decennial with several investment 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 primary objective of a collective fund is, through economies of scale, to lower costs with a combination of profit-sharing funds and pensions. The pooled funds are grouped into a master trust account that is controlled by the bank, which acts as a trustee or executor. 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.

Mutual funds consist of a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds. Each share represents an investor's part ownership in the fund and the income it generates.

Hedge Funds consist of approximately 12 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.

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

Private Equity Funds consist of approximately 33 investments in limited partnerships. The private equity investments span the venture capital, growth equity,

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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 10 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.

Private Debt Funds consist of 16 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 10 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 10 investments in limited partnerships in the energy and natural resources industries. Distributions are received as the partnerships liquidate the underlying assets.

Real Estate Funds consist of 11 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 10 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 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 2018 the Plans invested directly in various derivatives. During the fiscal year the plans had the following derivative instrument activity:

**Police Pension Fund Derivatives**

<b>Investment Type</b>	<b>Notional Amount</b>	<b>Changes in Fair Value</b>	<b>Classification</b>	<b>Fair Value at June 30, 2018</b>
Warrants	\$ 9,127	-	Common Stock	-
	\$ 9,127	-		-

**Other Pension Fund Derivatives**

<b>Investment Type</b>	<b>Notional Amount</b>	<b>Changes in Fair Value</b>	<b>Classification</b>	<b>Fair Value at June 30, 2018</b>
Rights	\$ 23,800	\$ (2,088)	Common Stock	\$ 17,159
	\$ 23,800	\$ (2,088)		\$ 17,159



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c. Categories of Asset Risk

Investment Policy – The Plans' investment policy (the Policy) seeks to achieve a long-term rate of return on investments, net of expenses that exceeds 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 (25%), real assets (10%), hedge funds (10%), and private equity (10%). For other Comprehensive and Supplemental Plans, the policy establishes a strategic target for asset allocation among equity securities (58%), fixed income (32%) and real estate (10%). The Plans are authorized to invest in U.S. Government securities, common and international stock, money market mutual funds, corporate bonds, repurchase agreements, and real estate. State statutes do not prohibit the Plans from participating in securities lending activities.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not have a policy that limits interest rate risk. The table below includes the Plans' debt holdings by investment type, fair value, and maturity:

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<b>Police Pension Fund Investments</b>						
<b>Investment Type</b>	<b>Base Market Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>over 10</b>	
U.S. Government Securities	\$ 8,051,059	\$ 2,181,331	\$ -	\$ -	\$ 5,869,728	
U.S. Agency Securities	14,731,455	-	8,750,407	5,981,048	-	
Corporate Bonds	20,710,324	-	16,887,596	3,821,708	1,020	
Asset Backed Securities	3,916,325	-	-	2,663,798	1,252,527	
Short-Term Investments	13,355,096	13,355,096	-	-	-	
	<u>\$ 60,764,259</u>	<u>\$ 15,536,427</u>	<u>\$ 25,638,003</u>	<u>\$ 12,466,554</u>	<u>\$ 7,123,275</u>	

<b>Fire Service Pension Fund Investments</b>						
<b>Investment Type Name</b>	<b>Base Market Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>over 10</b>	
U.S. Government Securities	\$ 636,257	\$ -	\$ 636,257	\$ -	\$ -	
U.S. Agency Securities	10,824,583	1,137,504	4,177,887	2,824,604	2,684,588	
Corporate Bonds	8,216,021	-	5,493,665	2,721,929	427	
Asset Backed Securities	2,146,691	-	-	1,802,723	343,968	
Short-Term Investments	8,866,373	8,866,373	-	-	-	
	<u>\$ 30,689,925</u>	<u>\$ 10,003,877</u>	<u>\$ 10,307,809</u>	<u>\$ 7,349,256</u>	<u>\$ 3,028,983</u>	

<b>Other Pension Fund Investments*</b>						
<b>Investment Type Name</b>	<b>Base Market Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>over 10</b>	
U.S. Government Securities	2,373,723	-	-	-	2,373,723	
U.S. Agency Securities	361,092	-	-	-	361,092	
Corporate Bonds	1,872,579	-	-	1,457,577	415,002	
Asset-Backed Securities	33,208,296	876,198	3,750,328	6,355,696	22,226,074	
Short-Term Investments	11,024,917	11,024,917	-	-	-	
	<u>\$ 48,840,607</u>	<u>\$ 11,901,115</u>	<u>\$ 3,750,328</u>	<u>\$ 7,813,273</u>	<u>\$ 25,375,891</u>	

\*All amounts are included in pooled separate accounts in the combined statement of plan net position.

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Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution the Plans will not be able to recover deposits or collateral securities that are in the possession of an outside party. The plan has deposits that are included in County Bank accounts. Deposits at these financial institutions were fully insured or collateralized at year-end.

Concentration risk is the risk of loss attributed to the magnitude of the Plans' investment in a single issuer. The Policy limits certain investments to less than 5% of total investments. The following investments represent over 5% of total investments with a single investor.

	Pension Plans		
	<u>Police</u>	<u>Fire Service</u>	<u>Other</u>
State Street /PIMCO			
Bond Fund	\$ 96,757,756	\$ 44,178,572	\$ 58,852,437
Percentage	9.61%	9.47%	11.76%
State Street /Causway International			
Equity Fund	79,390,794	38,090,974	25,807,886
Percentage	7.89%	8.16%	5.16%
State Street /Dollar Senior Loan Offshore FD			
Alternative Investments	50,616,507	-	-
Percentage	5.03%	0.00%	0.00%
State Street / SSGA S&P 500			
Equity Fund	63,253,095	29,372,940	-
Percentage	6.28%	6.29%	0.00%
State Street / Ballie Gifford Funds			
Equity Fund	55,813,280	26,519,427	-
Percentage	5.54%	5.68%	0.00%
State Street / Mondrian International Small			
Real Estate Investment Trust	-	-	25,090,355
Percentage	0.00%	0.00%	5.01%

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Credit risk involves disclosing the credit quality of investment securities as described by nationally recognized rating agencies. The Investment Policy does 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.

Police Pension Fund Investments							
Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Treasury/Agency Securities	22,782,514	Aaa	37.49%	U.S. Treasury/Agency Securities	22,782,514	NR	37.49%
Short-Term Investments	13,355,096	NR	21.98%	Short-Term Investments	13,355,096	NR	21.98%
Corporate Bonds	3,066,901	Aa	5.05%	Corporate Bonds	6,648,673	AA	10.94%
Corporate Bonds	17,643,423	A	29.04%	Corporate Bonds	11,342,964	A	18.67%
				Corporate Bonds	2,718,687	BBB	4.47%
Mortgage-Backed Securities	3,916,325	NR	6.45%	Mortgage-Backed Securities	3,916,325	NR	6.45%
	<u>60,764,259</u>				<u>60,764,259</u>		

\*Schedule does not include U.S. Government Securities

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**Fire Service Pension Fund Investments**

Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Treasury/Agency Securities	\$ 11,460,840	Aaa	37.34%	U.S. Treasury/Agency Securities	\$ 11,460,840	AA	37.34%
Short-Term Investments	8,866,373	NR	28.89%	Short-Term Investments	8,866,373	NR	28.89%
Corporate Bonds	1,049,949	Aa	3.42%	Corporate Bonds	1,049,950	AA	3.42%
Corporate Bonds	7,166,072	A	23.35%	Corporate Bonds	5,701,275	A	18.58%
			0.00%	Corporate Bonds	1,464,796	BBB	4.77%
Mortgage-Backed Securities	2,146,691	NR	6.99%	Mortgage-Backed Securities	2,146,691	NR	6.99%
	<u>\$ 30,689,925</u>				<u>\$ 30,689,925</u>		

\*Schedule does not include U.S. Government Securities

**Other Pension Fund Investments (1)**

Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Treasury/Agency Securities	2,734,815	NR	5.60%	U.S. Treasury/Agency Securities	2,734,815	NR	5.60%
Short-Term Investments	11,024,917	NR	22.57%	Short-Term Investments	11,024,917	NR	22.57%
Corporate Bonds	1,872,579	A	3.83%	Corporate Bonds	1,872,579	A	3.83%
Asset-Backed Securities	470,922	Aaa	0.96%				
Asset-Backed Securities	260,298	A	0.53%	Asset-Backed Securities	260,298	A	0.53%
Asset-Backed Securities	7,753,671	NR	15.88%	Asset-Backed Securities	8,224,593	NR	16.84%
				Mortgage-Backed Securities	12,542,114	AA	25.68%
Mortgage-Backed Securities	24,723,405	NR	50.62%	Mortgage-Backed Securities	12,181,291	NR	24.94%
	<u>\$ 48,840,607</u>				<u>\$ 48,840,607</u>		

\*Schedule does not include U.S. Government Securities

(1) All amounts are included in pooled separate accounts in the combined statement of plan net position.

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Basic Financial Statements  
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Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Investment Policy does allow 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:

Local Currency	Foreign Currency Exposure												
	Police				Fire Service				Other				
	Fixed Income	Other	Amount	%	Fixed Income	Other	Amount	%	Equity	Fixed Income	Other	Amount	%
Australian Dollar	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	0.00%	\$ 2,156,754	\$ 242,358	\$ 420,960	\$ 2,820,072	0.56%
Canadian Dollar	(4,085)	3,430,339	3,426,254	0.34%	4,085	2,069,816	2,073,901	0.44%	3,980,423	213,219	296,864	4,490,506	0.89%
Danish Krone	-	-	-	0.00%	-	-	-	0.00%	341,491	150,397	-	491,888	0.10%
Euro Currency	-	2,507,825	2,507,825	0.25%	-	1,253,914	1,253,914	0.27%	9,826,042	1,315	1,271,234	11,098,591	2.20%
Hong Kong Dollar	-	-	-	0.00%	-	-	-	0.00%	975,517	119,166	-	1,094,683	0.22%
New Israeli Shekel	-	-	-	0.00%	-	-	-	0.00%	-	64	-	64	0.00%
Japanese Yen	1,629	-	1,629	0.00%	904	-	904	0.00%	7,785,644	30,310	-	7,815,954	1.55%
New Zealand Dollar	-	-	-	0.00%	-	-	-	0.00%	-	587	-	587	0.00%
Norwegian Krone	(1,833)	-	(1,833)	0.00%	(1,047)	-	(1,047)	0.00%	646,094	159,354	-	805,448	0.16%
Pound Sterling	-	1,044,710	1,044,710	0.10%	-	261,169	261,169	0.06%	7,135,484	57,463	522,353	7,715,300	1.53%
Singapore Dollar	-	-	-	0.00%	-	-	-	0.00%	-	35,969	-	35,969	0.01%
South Korean Won	-	-	-	0.00%	-	-	-	0.00%	2,063,066	3	-	2,063,069	0.41%
Swedish Krona	-	-	-	0.00%	-	-	-	0.00%	325,249	176,480	-	501,729	0.10%
Swiss Franc	-	-	-	0.00%	-	-	-	0.00%	595,941	29,582	-	625,523	0.12%
Total Foreign Holdings			\$ 6,978,585	0.69%			\$ 3,588,841	0.76%				\$ 39,559,383	7.84%

For the year ended June 30, 2018 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 10.04%, 10.10%, and 9.27% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Basic Financial Statements  
June 30, 2018

d. 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 27 days and an average weighted maturity of 114 days. As of this date, the duration pool had an average duration of 20 days and an average weighted maturity of 1,666 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, 2018 totaled \$19,942,463 and \$19,545,388, respectively. Cash collateral held, amounting to \$4,618,578 is included as an asset and liability in the accompanying financial statements at year-end.

e. Equity in County's Pooled Cash

The County maintains a cash and investment pool that is available for use by all funds, including the Pension Plans. The Plans' equity in the County's pooled cash represents funds held in insured or collateralized bank accounts that have not yet been transferred to the investment managers. Investment income is allocated based on the percentage of each Plan's cash at month-end to the total pool.

f. 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 during the reporting period. Actual results could differ from those estimates.

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Basic Financial Statements  
June 30, 2018

3. Net Pension Liability

The components of the net pension liability of the Plans at June 30, 2018 were as follows:

	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>	<b>Plan Net Position as a % of Total Pension Liability</b>
<b>Comprehensive Pension Plans:</b>				
Police	\$ 1,611,990,389	\$ 1,016,767,737	595,222,652	63.08%
Fire Service	853,501,000	473,591,005	379,909,995	55.49%
Deputy Sheriffs'	138,135,833	78,562,726	59,573,107	56.87%
Correctional Officers'	241,761,512	141,400,741	100,360,771	58.49%
<b>Supplemental Pension Plans:</b>				
Deputy Sheriffs'	9,244,055	4,677,709	4,566,346	50.60%
Correctional Officers'	9,891,110	10,094,254	(203,144)	102.05%
Crossing Guards	2,464,159	1,680,553	783,606	68.20%
AFSCME	105,570,228	93,885,291	11,684,937	88.93%
General Schedule	205,001,009	145,780,043	59,220,966	71.11%
Fire Civilian	12,334,032	8,494,479	3,839,553	68.87%
Police Civilian	31,229,198	23,232,460	7,996,738	74.39%



Prince George's County, Maryland  
Pension Trust Funds  
Notes to Basic Financial Statements  
June 30, 2018

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2017 and measurement date of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% general, 3.00% Payroll growth rate
Salary Increases	1.00% - 7.00%
Investment Rate of Return	7.50%

Experience-based table of rates that are specific to the type of eligibility condition. Updated for the 2014 valuation pursuant to an experience study of the period 2008-2013.

RP 2014 Health Annuitant Mortality Table with rates multiplied by 0.75 for males and 1.10 for females for non-disabled annuitants and 1.00 and 1.35 for disabled annuitants.

**Other Information:**

For the Fire Service Pension Plan, the following death benefit provision has been changed: (1) The benefit accrual rate for non-service connected disability benefits for years in excess of 20 has been reduced from 2.5 percent to 2.0 percent of average annual compensation per years of service for all future disability awards. (2) The number of annual leave hours needed to purchase one month of pension credit was increased from 40 hours to 80 hours for members hired on or after June 1, 2016. The number of sick leave hours to purchase one month of pension credit remains at 80 hours for all members.

#### 4. Long-Term Expected Return of Plan Assets

The long-term expected rate of return on pension plan investment is 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 of June 30, 2018 are presented in the table below:

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Basic Financial Statements  
June 30, 2018

Asset Class	Police and Fire Service Plans		Other Comprehensive and Supplemental Plans	
	Target Allocation	Long-Term Expected	Target Allocation	Long-Term Expected
		Real Rate of Return		Real Rate of Return
Hedge Funds	10.00%	4.30%	10.00%	4.30%
Private Equity	10.00%	8.30%	10.00%	8.30%
Real Estate	7.00%	6.30%	7.00%	6.30%
MLPs	1.50%	6.80%	1.50%	6.80%
Private Energy	1.50%	8.30%	1.50%	8.30%
Core Plus/Core Fixed Income	15.00%	2.25%	19.00%	2.25%
Public Bank Loans	5.00%	3.80%	4.00%	3.80%
TIPS	5.00%	1.80%	4.00%	1.80%
Emerging Market	4.50%	7.00%	4.50%	7.00%
International Large Cap	18.00%	5.50%	17.00%	5.50%
Small Cap	4.50%	5.50%	4.50%	5.50%
Large Cap	18.00%	4.80%	17.00%	4.80%

\*The Long Term Expected Real Rate of Return was calculated using the average Expected Long Term Rate of Return.

#### 5. Single Discount Rate

A single discount rate of 7.5% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.5%. 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 assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total 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-percentage-point higher:

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Basic Financial Statements  
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Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Plan	Current Single Discount Rate (SDR) Assumption	1% Decrease	SDR	1% Increase
Police	7.50%	\$ 785,893,372	\$ 595,222,652	\$ 436,421,040
Fire Service	7.50%	481,212,240	379,909,995	295,575,629
Deputy Sheriffs' Comprehensive	7.50%	75,828,807	59,573,107	45,948,195
Correctional Officers' Comprehensive	7.50%	129,939,002	100,360,771	75,700,781
Deputy Sheriffs' Supplemental	7.50%	5,411,105	4,566,346	3,842,379
Correctional Officers' Supplemental	7.50%	762,742	(203,144)	(1,025,614)
Crossing Guards	7.50%	993,111	783,606	599,767
AFSCME	7.50%	23,592,663	11,684,937	1,567,089
General Schedule	7.50%	81,010,057	59,220,966	40,655,207
Fire Civilian	7.50%	5,109,413	3,839,553	2,751,102
Police Civilian	7.50%	11,831,747	7,996,738	4,790,158
Net Pension Liability		\$ 1,601,584,259	\$ 1,222,955,527	\$ 906,825,733

6. Federal Income Taxes

The Internal Revenue Service has determined that the Plans are qualified trusts under Section 401 of the Internal Revenue Code and that employees' payroll contributions to the Plans are exempt from federal income taxes.

7. Ten-Year Historical Trend Information

Historical trend information which provides an indication of the progress made in accumulating sufficient assets to pay benefits when due is presented as required supplementary information following the notes to the basic financial statements. The latest actuarial valuation was performed as of July 1, 2017 for the Plans.

REQUIRED SUPPLEMENTARY INFORMATION  
(Unaudited)

Ten-year historical trend information (when available) about the Plans is presented herewith as required supplementary information. This information is intended to help users assess the Plans' funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

Prince Georges County Maryland  
Police Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018<sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	33,082,200	32,364,400	32,875,100	32,427,700	38,339,800
Interest	115,877,515	112,147,767	108,826,271	104,196,812	97,116,878
Difference between expected and actual experience	(18,545,350)	(4,552,241)	(10,608,284)	7,177,558	-
Assumption changes	-	-	-	-	40,734,204
Benefit payments	(87,719,094)	(83,930,734)	(82,938,604)	(79,160,257)	(76,560,744)
Refunds	(5,034,971)	(4,557,046)	(1,753,711)	(823,760)	(1,272,420)
<b>Net change in total pension liability</b>	<b>37,660,300</b>	<b>51,472,146</b>	<b>46,400,772</b>	<b>63,818,053</b>	<b>98,357,718</b>
<b>Total pension liability - beginning</b>	<b>1,574,330,089</b>	<b>1,522,857,943</b>	<b>1,476,457,171</b>	<b>1,412,639,118</b>	<b>1,314,281,400</b>
<b>Total pension liability - ending (a)</b>	<b>1,611,990,389</b>	<b>1,574,330,089</b>	<b>1,522,857,943</b>	<b>1,476,457,171</b>	<b>1,412,639,118</b>
<b>Plan fiduciary net position</b>					
Employer contributions	65,648,402	61,636,821	58,726,423	65,705,413	66,113,037
Employee contributions	8,988,620	8,835,456	8,415,273	8,710,935	8,190,741
Net investment income	133,597,622	76,628,221	(19,270,258)	31,033,375	120,575,139
Benefit payments	(87,719,094)	(83,930,734)	(82,938,604)	(79,160,257)	(76,560,744)
Refunds	(5,034,971)	(4,557,046)	(1,753,711)	(823,760)	(1,272,420)
Administrative expense	(623,566)	(545,459)	(628,194)	(585,034)	(517,840)
Net transfers	-	(169,993)	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>114,857,013</b>	<b>57,897,266</b>	<b>(37,449,071)</b>	<b>24,880,672</b>	<b>116,527,913</b>
<b>Plan fiduciary net position - beginning</b>	<b>901,910,724</b>	<b>844,013,458</b>	<b>881,462,529</b>	<b>856,581,857</b>	<b>740,053,944</b>
<b>Plan fiduciary net position - end (b)</b>	<b>1,016,767,737</b>	<b>901,910,724</b>	<b>844,013,458</b>	<b>881,462,529</b>	<b>856,581,857</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>595,222,652</b>	<b>672,419,365</b>	<b>678,844,485</b>	<b>594,994,642</b>	<b>556,057,261</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>63.08%</b>	<b>57.29%</b>	<b>55.42%</b>	<b>59.70%</b>	<b>60.64%</b>
<b>Covered payroll (2)</b>	<b>128,434,100</b>	<b>125,230,400</b>	<b>127,185,700</b>	<b>123,481,300</b>	<b>121,886,100</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>463.45%</b>	<b>536.95%</b>	<b>533.74%</b>	<b>481.85%</b>	<b>456.21%</b>

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Fire Service Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	19,808,900	18,947,200	18,580,700	18,272,700	17,384,400
Interest	60,517,930	59,295,587	56,434,441	53,654,660	49,506,707
Benefit changes	(20,583)	-	-	-	-
Difference between expected and actual experience	1,536,296	(12,785,431)	10,729,376	10,759,866	-
Assumption changes	-	-	-	-	31,788,934
Benefit payments	(48,024,267)	(46,448,040)	(46,067,060)	(43,816,726)	(41,916,128)
Refunds	(2,113,111)	(2,599,305)	(482,418)	(1,210,716)	(719,912)
<b>Net change in total pension liability</b>	<b>31,705,165</b>	<b>16,410,011</b>	<b>39,195,039</b>	<b>37,659,784</b>	<b>56,044,001</b>
<b>Total pension liability - beginning</b>	<b>821,795,835</b>	<b>805,385,824</b>	<b>766,190,785</b>	<b>728,531,001</b>	<b>672,487,000</b>
<b>Total pension liability - ending (a)</b>	<b>853,501,000</b>	<b>821,795,835</b>	<b>805,385,824</b>	<b>766,190,785</b>	<b>728,531,001</b>
<b>Plan fiduciary net position</b>					
Employer contributions	42,487,727	39,887,570	38,078,291	37,391,396	34,826,767
Employee contributions	5,140,356	4,682,622	4,303,868	4,159,906	3,835,790
Net investment income	60,100,382	36,065,184	(7,803,168)	12,392,319	56,155,443
Benefit payments	(48,024,267)	(46,448,040)	(46,067,060)	(43,816,726)	(41,916,128)
Refunds	(2,113,111)	(2,599,305)	(482,418)	(1,210,716)	(719,912)
Administrative expense	(481,437)	(428,428)	(479,212)	(456,462)	(413,936)
<b>Net change in plan fiduciary net position</b>	<b>57,109,650</b>	<b>31,159,603</b>	<b>(12,449,699)</b>	<b>8,459,717</b>	<b>51,768,024</b>
<b>Plan fiduciary net position - beginning</b>	<b>416,481,355</b>	<b>385,321,752</b>	<b>397,771,451</b>	<b>389,311,734</b>	<b>337,543,710</b>
<b>Plan fiduciary net position - end (b)</b>	<b>473,591,005</b>	<b>416,481,355</b>	<b>385,321,752</b>	<b>397,771,451</b>	<b>389,311,734</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>379,909,995</b>	<b>405,314,480</b>	<b>420,064,072</b>	<b>368,419,334</b>	<b>339,219,267</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>55.49%</b>	<b>50.68%</b>	<b>47.84%</b>	<b>51.92%</b>	<b>53.44%</b>
<b>Covered payroll (2)</b>	<b>65,580,700</b>	<b>62,427,600</b>	<b>60,992,900</b>	<b>59,216,400</b>	<b>58,003,300</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>579.30%</b>	<b>649.26%</b>	<b>688.71%</b>	<b>622.16%</b>	<b>584.83%</b>

<sup>(1)</sup> GASB67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Deputy Sheriff's Comprehensive Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	4,793,000	4,384,500	4,359,000	4,085,500	3,871,100
Interest	9,832,823	9,357,745	8,922,118	8,333,756	7,628,903
Difference between expected and actual experience	(1,533,330)	(375,209)	(372,277)	2,253,312	-
Assumption changes	-	-	-	-	4,557,828
Benefit payments	(7,187,220)	(7,045,429)	(6,954,174)	(6,730,533)	(6,582,813)
Refunds	(96,694)	(138,885)	(90,039)	(152,216)	(68,733)
<b>Net change in total pension liability</b>	<b>5,808,579</b>	<b>6,182,722</b>	<b>5,864,628</b>	<b>7,789,819</b>	<b>9,406,285</b>
<b>Total pension liability - beginning</b>	<b>132,327,254</b>	<b>126,144,532</b>	<b>120,279,904</b>	<b>112,490,085</b>	<b>103,083,800</b>
<b>Total pension liability - ending (a)</b>	<b>138,135,833</b>	<b>132,327,254</b>	<b>126,144,532</b>	<b>120,279,904</b>	<b>112,490,085</b>
<b>Plan fiduciary net position</b>					
Employer contributions	8,042,355	6,841,157	6,780,148	6,613,913	5,853,975
Employee contributions	1,953,989	1,696,697	1,580,443	1,562,200	1,405,110
Net investment income	9,052,471	4,627,591	(432,595)	1,894,023	8,305,560
Benefit payments	(7,187,220)	(7,045,429)	(6,954,174)	(6,730,533)	(6,582,813)
Refunds	(96,694)	(138,885)	(90,039)	(152,216)	(68,733)
Administrative expense	(172,591)	(211,728)	(280,425)	(220,964)	(211,737)
Net transfers	-	279,252	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>11,592,310</b>	<b>6,048,655</b>	<b>603,358</b>	<b>2,966,423</b>	<b>8,701,362</b>
<b>Plan fiduciary net position - beginning</b>	<b>66,970,416</b>	<b>60,921,761</b>	<b>60,318,403</b>	<b>57,351,980</b>	<b>48,650,618</b>
<b>Plan fiduciary net position - end (b)</b>	<b>78,562,726</b>	<b>66,970,416</b>	<b>60,921,761</b>	<b>60,318,403</b>	<b>57,351,980</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>59,573,107</b>	<b>65,356,838</b>	<b>65,222,771</b>	<b>59,961,501</b>	<b>55,138,105</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>56.87%</b>	<b>50.61%</b>	<b>48.30%</b>	<b>50.15%</b>	<b>50.98%</b>
<b>Covered payroll (2)</b>	<b>17,414,000</b>	<b>15,839,200</b>	<b>15,679,200</b>	<b>15,222,500</b>	<b>14,251,600</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>342.10%</b>	<b>412.63%</b>	<b>415.98%</b>	<b>393.90%</b>	<b>386.89%</b>

<sup>(1)</sup> GASB67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Correctional Officers' Comprehensive Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	7,130,600	7,041,300	7,200,400	6,809,700	6,838,600
Interest	17,444,975	16,849,899	15,560,139	14,532,414	12,993,205
Difference between expected and actual experience	(5,849,797)	(4,787,673)	4,780,950	1,847,358	-
Assumption changes	-	-	-	-	9,933,562
Benefit payments	(10,986,348)	(9,854,847)	(9,305,786)	(8,724,601)	(8,354,218)
Refunds	(924,489)	(685,157)	(697,058)	(640,680)	(742,136)
<b>Net change in total pension liability</b>	<b>6,814,941</b>	<b>8,563,522</b>	<b>17,538,645</b>	<b>13,824,191</b>	<b>20,669,013</b>
<b>Total pension liability - beginning</b>	<b>234,946,571</b>	<b>226,383,049</b>	<b>208,844,404</b>	<b>195,020,213</b>	<b>174,351,200</b>
<b>Total pension liability - ending (a)</b>	<b>241,761,512</b>	<b>234,946,571</b>	<b>226,383,049</b>	<b>208,844,404</b>	<b>195,020,213</b>
<b>Plan fiduciary net position</b>					
Employer contributions	9,794,685	9,263,190	9,525,885	9,198,374	7,363,022
Employee contributions	3,522,944	3,416,254	3,416,276	3,282,970	3,054,222
Net investment income	16,738,031	8,625,807	(795,879)	3,510,171	15,128,737
Benefit payments	(10,986,348)	(9,854,847)	(9,305,786)	(8,724,601)	(8,354,218)
Refunds	(924,489)	(685,157)	(697,058)	(640,680)	(742,136)
Administrative expense	(275,040)	(264,234)	(219,077)	(175,666)	(240,480)
Net transfers	-	(109,259)	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>17,869,783</b>	<b>10,391,754</b>	<b>1,924,361</b>	<b>6,450,568</b>	<b>16,209,147</b>
<b>Plan fiduciary net position - beginning</b>	<b>123,530,958</b>	<b>113,139,204</b>	<b>111,214,843</b>	<b>104,764,275</b>	<b>88,555,128</b>
<b>Plan fiduciary net position - end (b)</b>	<b>141,400,741</b>	<b>123,530,958</b>	<b>113,139,204</b>	<b>111,214,843</b>	<b>104,764,275</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>100,360,771</b>	<b>111,415,613</b>	<b>113,243,845</b>	<b>97,629,561</b>	<b>90,255,938</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>58.49%</b>	<b>52.58%</b>	<b>49.98%</b>	<b>53.25%</b>	<b>53.72%</b>
<b>Covered payroll (2)</b>	<b>27,679,600</b>	<b>27,281,900</b>	<b>27,898,000</b>	<b>27,085,400</b>	<b>25,445,200</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>362.58%</b>	<b>408.39%</b>	<b>405.92%</b>	<b>360.45%</b>	<b>354.71%</b>

<sup>(1)</sup> GASB67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.



Prince Georges County Maryland  
Deputy Sheriff's Supplemental Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	26,800	31,900	40,300	39,600	45,400
Interest	667,599	677,418	694,511	695,358	658,384
Difference between expected and actual experience	96,614	(19,004)	(152,939)	87,731	-
Assumption changes	-	-	-	-	615,240
Benefit payments	(794,211)	(735,685)	(790,199)	(819,027)	(805,234)
Refunds	(60,573)	(48,281)	(36,363)	(22,784)	-
<b>Net change in total pension liability</b>	<b>(63,771)</b>	<b>(93,652)</b>	<b>(244,690)</b>	<b>(19,122)</b>	<b>513,790</b>
<b>Total pension liability - beginning</b>	<b>9,307,826</b>	<b>9,401,478</b>	<b>9,646,168</b>	<b>9,665,290</b>	<b>9,151,500</b>
<b>Total pension liability - ending (a)</b>	<b>9,244,055</b>	<b>9,307,826</b>	<b>9,401,478</b>	<b>9,646,168</b>	<b>9,665,290</b>
<b>Plan fiduciary net position</b>					
Employer contributions	819,100	809,300	846,400	815,900	768,500
Employee contributions	16,571	23,845	26,337	30,157	29,030
Net investment income	559,081	296,564	(17,544)	131,609	521,224
Benefit payments	(794,211)	(735,685)	(790,199)	(819,027)	(805,234)
Refunds	(60,573)	(48,281)	(36,363)	(22,784)	-
Administrative expense	(38,378)	(34,008)	(31,822)	(31,774)	(27,614)
<b>Net change in plan fiduciary net position</b>	<b>501,590</b>	<b>311,735</b>	<b>(3,191)</b>	<b>104,081</b>	<b>485,906</b>
Plan fiduciary net position - beginning	4,176,119	3,864,384	3,867,575	3,763,494	3,277,588
<b>Plan fiduciary net position - end (b)</b>	<b>4,677,709</b>	<b>4,176,119</b>	<b>3,864,384</b>	<b>3,867,575</b>	<b>3,763,494</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>4,566,346</b>	<b>5,131,707</b>	<b>5,537,094</b>	<b>5,778,593</b>	<b>5,901,796</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>50.60%</b>	<b>44.87%</b>	<b>41.10%</b>	<b>40.09%</b>	<b>38.94%</b>
<b>Covered payroll (2)</b>	<b>379,100</b>	<b>493,500</b>	<b>600,800</b>	<b>583,300</b>	<b>574,600</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>1204.52%</b>	<b>1039.86%</b>	<b>921.62%</b>	<b>990.67%</b>	<b>1027.11%</b>

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Correctional Officers' Supplemental Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	92,500	114,300	136,800	128,100	140,000
Interest	751,291	752,543	682,481	651,696	581,835
Difference between expected and actual experience	(626,611)	(336,423)	573,596	17,577	-
Assumption changes	-	-	-	-	557,170
Benefit payments	(568,473)	(463,704)	(398,513)	(369,988)	(309,055)
Refunds	(16,691)	(25,673)	(8,936)	(5,512)	-
<b>Net change in total pension liability</b>	<b>(367,984)</b>	<b>41,043</b>	<b>985,428</b>	<b>421,873</b>	<b>969,950</b>
<b>Total pension liability - beginning</b>	<b>10,259,094</b>	<b>10,218,051</b>	<b>9,232,623</b>	<b>8,810,750</b>	<b>7,840,800</b>
<b>Total pension liability - ending (a)</b>	<b>9,891,110</b>	<b>10,259,094</b>	<b>10,218,051</b>	<b>9,232,623</b>	<b>8,810,750</b>
<b>Plan fiduciary net position</b>					
Employer contributions	406,628	517,388	620,834	675,703	559,655
Employee contributions	54,413	70,755	83,472	90,308	84,396
Net investment income	1,233,779	651,124	(32,724)	281,057	1,045,836
Benefit payments	(568,473)	(463,704)	(398,512)	(369,988)	(309,055)
Refunds	(16,691)	(25,673)	(8,936)	(5,512)	-
Administrative expense	(35,202)	(34,548)	(31,822)	(31,774)	(27,614)
<b>Net change in plan fiduciary net position</b>	<b>1,074,454</b>	<b>715,342</b>	<b>232,312</b>	<b>639,794</b>	<b>1,353,218</b>
<b>Plan fiduciary net position - beginning</b>	<b>9,019,800</b>	<b>8,304,458</b>	<b>8,072,146</b>	<b>7,432,352</b>	<b>6,079,134</b>
<b>Plan fiduciary net position - end (b)</b>	<b>10,094,254</b>	<b>9,019,800</b>	<b>8,304,458</b>	<b>8,072,146</b>	<b>7,432,352</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>(203,144)</b>	<b>1,239,294</b>	<b>1,913,593</b>	<b>1,160,477</b>	<b>1,378,398</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>102.05%</b>	<b>87.92%</b>	<b>81.27%</b>	<b>87.43%</b>	<b>84.36%</b>
<b>Covered payroll (2)</b>	<b>1,113,200</b>	<b>1,387,800</b>	<b>1,669,100</b>	<b>1,620,500</b>	<b>1,519,300</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>-18.25%</b>	<b>89.30%</b>	<b>114.65%</b>	<b>71.61%</b>	<b>90.73%</b>

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Crossing Guards Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	64,900	54,600	60,700	60,100	66,300
Interest	152,365	152,094	151,447	149,464	140,397
Difference between expected and actual experience	347,378	(27,662)	(37,977)	(15,625)	-
Assumption changes	-	-	-	-	81,491
Benefit payments	(196,741)	(160,109)	(145,303)	(150,128)	(144,342)
Refunds	-	(4,698)	(15,063)	(24,818)	(9,611)
<b>Net change in total pension liability</b>	<u>367,902</u>	<u>14,225</u>	<u>13,804</u>	<u>18,993</u>	<u>134,235</u>
<b>Total pension liability - beginning</b>	<u>2,096,257</u>	<u>2,082,032</u>	<u>2,068,228</u>	<u>2,049,235</u>	<u>1,915,000</u>
<b>Total pension liability - ending (a)</b>	<u><u>2,464,159</u></u>	<u><u>2,096,257</u></u>	<u><u>2,082,032</u></u>	<u><u>2,068,228</u></u>	<u><u>2,049,235</u></u>
<b>Plan fiduciary net position</b>					
Employer contributions	80,300	77,415	85,297	87,270	81,888
Employee contributions	63,199	60,826	66,985	68,869	64,330
Net investment income	207,326	109,888	(11,504)	89,869	222,555
Benefit payments	(196,741)	(160,109)	(145,303)	(150,128)	(144,342)
Refunds	-	(4,698)	(15,063)	(24,818)	(9,611)
Administrative expense	(20,123)	(29,075)	(29,501)	(28,122)	(21,310)
Net transfers	-	-	-	-	(220)
<b>Net change in plan fiduciary net position</b>	<u>133,961</u>	<u>54,247</u>	<u>(49,089)</u>	<u>42,940</u>	<u>193,290</u>
<b>Plan fiduciary net position - beginning</b>	<u>1,546,592</u>	<u>1,492,345</u>	<u>1,541,434</u>	<u>1,498,494</u>	<u>1,305,204</u>
<b>Plan fiduciary net position - end (b)</b>	<u><u>1,680,553</u></u>	<u><u>1,546,592</u></u>	<u><u>1,492,345</u></u>	<u><u>1,541,434</u></u>	<u><u>1,498,494</u></u>
<b>Net Pension Asset - (a) - (b)</b>	<u>783,606</u>	<u>549,665</u>	<u>589,687</u>	<u>526,794</u>	<u>550,741</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	68.20%	73.78%	71.68%	74.53%	73.12%
<b>Covered payroll (2)</b>	1,570,300	1,326,600	1,460,700	1,418,200	1,402,400
<b>Net pension liability as a percentage of Covered payroll</b>	49.90%	41.43%	40.37%	37.15%	39.27%

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
AFSCME Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018<sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	2,487,600	2,337,800	2,405,400	2,404,200	2,949,000
Interest	7,574,972	7,387,324	7,166,483	6,865,340	6,434,666
Difference between expected and actual experience	(1,799,787)	(2,470,329)	(1,961,698)	(864,476)	-
Assumption changes	-	-	-	-	755,549
Benefit payments	(4,664,882)	(4,597,996)	(4,339,973)	(4,075,963)	(3,860,360)
Refunds	<u>(189,095)</u>	<u>(201,760)</u>	<u>(131,065)</u>	<u>(236,734)</u>	<u>(92,288)</u>
<b>Net change in total pension liability</b>	<b>3,408,808</b>	<b>2,455,039</b>	<b>3,139,147</b>	<b>4,092,367</b>	<b>6,186,567</b>
<b>Total pension liability - beginning</b>	<b><u>102,161,420</u></b>	<b><u>99,706,381</u></b>	<b><u>96,567,234</u></b>	<b><u>92,474,867</u></b>	<b><u>86,288,300</u></b>
<b>Total pension liability - ending (a)</b>	<b><u>105,570,228</u></b>	<b><u>102,161,420</u></b>	<b><u>99,706,381</u></b>	<b><u>96,567,234</u></b>	<b><u>92,474,867</u></b>
<b>Plan fiduciary net position</b>					
Employer contributions	3,097,126	3,034,645	3,248,913	4,203,607	3,924,252
Employee contributions	678,435	671,040	715,902	924,937	862,630
Net investment income	11,287,925	6,110,266	(583,438)	2,579,265	11,124,936
Benefit payments	(4,664,882)	(4,597,996)	(4,339,971)	(4,075,963)	(3,860,360)
Refunds	<u>(189,095)</u>	<u>(201,760)</u>	<u>(131,065)</u>	<u>(236,734)</u>	<u>(92,288)</u>
Administrative expense	<u>(104,461)</u>	<u>(101,249)</u>	<u>(99,769)</u>	<u>(96,546)</u>	<u>(116,210)</u>
Net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(51,363)</u>	<u>(125,063)</u>
<b>Net change in plan fiduciary net position</b>	<b>10,105,048</b>	<b>4,914,946</b>	<b>(1,189,428)</b>	<b>3,247,203</b>	<b>11,717,897</b>
<b>Plan fiduciary net position - beginning</b>	<b><u>83,780,243</u></b>	<b><u>78,865,297</u></b>	<b><u>80,054,725</u></b>	<b><u>76,807,522</u></b>	<b><u>65,089,625</u></b>
<b>Plan fiduciary net position - end (b)</b>	<b><u>93,885,291</u></b>	<b><u>83,780,243</u></b>	<b><u>78,865,297</u></b>	<b><u>80,054,725</u></b>	<b><u>76,807,522</u></b>
<b>Net Pension Asset - (a) - (b)</b>	<b>11,684,937</b>	<b>18,381,177</b>	<b>20,841,084</b>	<b>16,512,509</b>	<b>15,667,345</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>88.93%</b>	<b>82.01%</b>	<b>79.10%</b>	<b>82.90%</b>	<b>83.06%</b>
<b>Covered payroll (2)</b>	<b>52,605,700</b>	<b>51,301,100</b>	<b>52,869,200</b>	<b>51,329,300</b>	<b>51,111,200</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>22.21%</b>	<b>35.83%</b>	<b>39.42%</b>	<b>32.17%</b>	<b>30.65%</b>

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
General Schedule Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	4,899,200	4,566,800	4,712,000	4,665,500	5,213,600
Interest	14,009,676	13,676,412	13,234,761	12,468,033	11,683,071
Difference between expected and actual experience	7,701,766	(2,238,092)	(650,926)	3,639,626	-
Assumption changes	-	-	-	-	3,805,637
Benefit payments	(11,103,416)	(10,729,870)	(10,377,212)	(9,850,377)	(9,661,847)
Refunds	(683,483)	(935,030)	(641,289)	(292,878)	(135,253)
<b>Net change in total pension liability</b>	<b>14,823,743</b>	<b>4,340,220</b>	<b>6,277,334</b>	<b>10,629,904</b>	<b>10,905,208</b>
<b>Total pension liability - beginning</b>	<b>190,177,266</b>	<b>185,837,046</b>	<b>179,559,712</b>	<b>168,929,808</b>	<b>158,024,600</b>
<b>Total pension liability - ending (a)</b>	<b>205,001,009</b>	<b>190,177,266</b>	<b>185,837,046</b>	<b>179,559,712</b>	<b>168,929,808</b>
<b>Plan fiduciary net position</b>					
Employer contributions	7,144,886	6,432,619	6,607,768	7,757,860	7,189,526
Employee contributions	3,249,612	2,910,222	2,983,908	3,531,597	3,338,347
Net investment income	17,492,183	9,510,800	(913,560)	4,006,797	17,349,257
Benefit payments	(11,103,416)	(10,729,870)	(10,377,212)	(9,850,377)	(9,661,847)
Refunds	(683,483)	(935,030)	(641,289)	(292,878)	(135,253)
Administrative expense	(131,789)	(122,954)	(117,761)	(115,975)	(153,155)
Net transfers	-	-	-	21,670	152,316
<b>Net change in plan fiduciary net position</b>	<b>15,967,993</b>	<b>7,065,787</b>	<b>(2,458,146)</b>	<b>5,058,694</b>	<b>18,079,191</b>
Plan fiduciary net position - beginning	129,812,050	122,746,263	125,204,409	120,145,715	102,066,524
<b>Plan fiduciary net position - end (b)</b>	<b>145,780,043</b>	<b>129,812,050</b>	<b>122,746,263</b>	<b>125,204,409</b>	<b>120,145,715</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>59,220,966</b>	<b>60,365,216</b>	<b>63,090,783</b>	<b>54,355,303</b>	<b>48,784,093</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>71.11%</b>	<b>68.26%</b>	<b>66.05%</b>	<b>69.73%</b>	<b>71.12%</b>
<b>Covered payroll (2)</b>	<b>98,417,500</b>	<b>93,107,700</b>	<b>95,570,500</b>	<b>92,786,900</b>	<b>90,154,600</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>60.17%</b>	<b>64.83%</b>	<b>66.01%</b>	<b>58.58%</b>	<b>54.11%</b>

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Fire Civilian Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	194,600	187,000	187,400	180,400	218,900
Interest	939,446	899,836	854,877	836,587	789,219
Difference between expected and actual experience	(860,507)	120,092	186,157	(154,697)	-
Assumption changes	-	-	-	-	256,389
Benefit payments	(685,272)	(628,337)	(599,487)	(572,118)	(603,003)
Refunds	(41,406)	(11,606)	(18,593)	(53,345)	-
<b>Net change in total pension liability</b>	<b>(453,139)</b>	<b>566,985</b>	<b>610,354</b>	<b>236,827</b>	<b>661,505</b>
<b>Total pension liability - beginning</b>	<b>12,787,171</b>	<b>12,220,186</b>	<b>11,609,832</b>	<b>11,373,005</b>	<b>10,711,500</b>
<b>Total pension liability - ending (a)</b>	<b>12,334,032</b>	<b>12,787,171</b>	<b>12,220,186</b>	<b>11,609,832</b>	<b>11,373,005</b>
<b>Plan fiduciary net position</b>					
Employer contributions	467,026	436,162	474,312	511,188	455,754
Employee contributions	18,182	169,640	181,788	198,816	177,317
Net investment income	1,030,499	544,896	(52,155)	232,048	1,014,503
Benefit payments	(685,272)	(628,337)	(599,487)	(572,118)	(603,003)
Refunds	(41,406)	(11,606)	(18,593)	(53,345)	-
Administrative expense	(62,079)	(68,218)	(67,687)	(65,939)	(57,930)
Net transfers	-	-	-	-	(4,197)
<b>Net change in plan fiduciary net position</b>	<b>890,650</b>	<b>442,537</b>	<b>(81,822)</b>	<b>250,650</b>	<b>982,444</b>
<b>Plan fiduciary net position - beginning</b>	<b>7,603,829</b>	<b>7,161,292</b>	<b>7,243,114</b>	<b>6,992,464</b>	<b>6,010,020</b>
<b>Plan fiduciary net position - end (b)</b>	<b>8,494,479</b>	<b>7,603,829</b>	<b>7,161,292</b>	<b>7,243,114</b>	<b>6,992,464</b>
<b>Net Pension Asset - (a) - (b)</b>	<b>3,839,553</b>	<b>5,183,342</b>	<b>5,058,894</b>	<b>4,366,718</b>	<b>4,380,541</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>68.87%</b>	<b>59.46%</b>	<b>58.60%</b>	<b>62.39%</b>	<b>61.48%</b>
<b>Covered payroll (2)</b>	<b>3,930,800</b>	<b>4,005,800</b>	<b>3,987,900</b>	<b>3,871,700</b>	<b>3,638,800</b>
<b>Net pension liability as a percentage of Covered payroll</b>	<b>97.68%</b>	<b>129.40%</b>	<b>126.86%</b>	<b>112.79%</b>	<b>120.38%</b>

<sup>(1)</sup> GASB67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland  
Police Civilian Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2018 <sup>(1)</sup>

Fiscal year ending June 30	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	746,100	770,000	799,900	795,600	1,023,800
Interest	2,195,303	2,118,233	2,034,463	1,938,410	1,908,551
Difference between expected and actual experience	392,980	34,381	51,023	212,896	-
Assumption changes	-	-	-	-	(785,355)
Benefit payments	(1,656,985)	(1,587,910)	(1,474,674)	(1,397,887)	(1,395,958)
Refunds	(326,337)	(198,885)	(247,230)	(218,740)	(260,381)
<b>Net change in total pension liability</b>	<u>1,351,061</u>	<u>1,135,819</u>	<u>1,163,482</u>	<u>1,330,279</u>	<u>490,657</u>
<b>Total pension liability - beginning</b>	<u>29,878,137</u>	<u>28,742,318</u>	<u>27,578,836</u>	<u>26,248,557</u>	<u>25,757,900</u>
<b>Total pension liability - ending (a)</b>	<u><u>31,229,198</u></u>	<u><u>29,878,137</u></u>	<u><u>28,742,318</u></u>	<u><u>27,578,836</u></u>	<u><u>26,248,557</u></u>
<b>Plan fiduciary net position</b>					
Employer contributions	810,064	746,382	845,730	1,089,407	1,068,827
Employee contributions	651,526	587,101	654,575	838,457	802,285
Net investment income	2,819,848	1,541,066	(148,154)	649,268	2,833,208
Benefit payments	(1,656,985)	(1,587,910)	(1,474,674)	(1,397,887)	(1,395,958)
Refunds	(326,337)	(198,885)	(247,230)	(218,740)	(260,381)
Administrative expense	(65,186)	(72,477)	(69,349)	(67,533)	(64,464)
Net transfers	-	-	-	29,693	(22,836)
<b>Net change in plan fiduciary net position</b>	<u>2,232,930</u>	<u>1,015,277</u>	<u>(439,102)</u>	<u>922,665</u>	<u>2,960,681</u>
Plan fiduciary net position - beginning	<u>20,999,530</u>	<u>19,984,253</u>	<u>20,423,355</u>	<u>19,500,690</u>	<u>16,540,009</u>
<b>Plan fiduciary net position - end (b)</b>	<u><u>23,232,460</u></u>	<u><u>20,999,530</u></u>	<u><u>19,984,253</u></u>	<u><u>20,423,355</u></u>	<u><u>19,500,690</u></u>
<b>Net Pension Asset - (a) - (b)</b>	<u>7,996,738</u>	<u>8,878,607</u>	<u>8,758,065</u>	<u>7,155,481</u>	<u>6,747,867</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	74.39%	70.28%	69.53%	74.05%	74.29%
<b>Covered payroll (2)</b>	<u>17,068,000</u>	<u>18,061,900</u>	<u>18,662,200</u>	<u>18,118,600</u>	<u>17,183,600</u>
<b>Net pension liability as a percentage of Covered payroll</b>	46.85%	49.16%	46.93%	39.49%	39.27%

<sup>(1)</sup> GASB 67 implemented in Fiscal Year 2014. Ultimately 10 years will be displayed.

<sup>(2)</sup> Payroll from actuarial valuation performed at fiscal year end.

Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Employer Contributions  
(UNAUDITED)

Comprehensive Pension Plans:

	Year Ended	Actuarially Determined	Actual Contribution	Contribution	Covered Payroll	Contribution as a % of
	<u>June 30</u>	<u>Contribution</u>	<u>Made</u>	<u>Deficiency</u>	<u>July 1</u>	<u>Covered Payroll</u>
<u>Police</u>	2018	\$ 65,648,402	\$ 65,648,402	\$ -	\$ 132,727,218	49.46%
	2017	61,636,821	61,636,821	-	125,322,184	49.18%
	2016	58,726,423	58,726,423	-	119,399,271	49.18%
	2015	65,705,413	65,705,413	-	121,869,863	53.91%
	2014	66,113,037	66,113,037	-	132,856,596	49.76%
	2013	56,265,491	56,265,491	-	113,612,283	49.52%
	2012	52,792,772	52,792,772	-	110,472,635	47.79%
	2011	47,358,991	47,358,991	-	105,941,115	44.70%
	2010	40,746,884	40,746,884	-	105,067,297	38.78%
	2009	41,312,456	41,312,456	-	110,266,912	37.47%
<u>Fire Service</u>	2018	42,487,727	42,487,727	-	68,350,412	62.16%
	2017	39,887,570	39,887,570	-	63,976,346	62.35%
	2016	38,078,291	38,078,291	-	60,833,272	62.59%
	2015	37,391,396	37,391,396	-	58,868,793	63.52%
	2014	34,826,767	34,826,767	-	61,520,842	56.61%
	2013	29,993,835	29,993,835	-	51,609,161	58.12%
	2012	31,141,432	31,141,432	-	58,769,965	52.99%
	2011	25,956,943	25,956,943	-	49,076,124	52.89%
	2010	23,247,348	23,247,348	-	48,791,822	47.65%
	2009	25,628,801	25,628,801	-	54,472,521	47.05%



Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Employer Contributions (continued)  
(UNAUDITED)

Comprehensive Pension Plans (cont.):

	Year Ended	Actuarially Determined	Actual Contribution	Contribution	Covered Payroll	Contribution as a % of
	<u>June 30</u>	<u>Contribution</u>	<u>Made</u>	<u>Deficiency</u>	<u>July 1</u>	<u>Covered Payroll</u>
<u>Deputy Sheriffs'</u>	2018	8,042,355	8,042,355	-	18,114,070	44.40%
	2017	6,841,157	6,841,157	-	15,470,232	44.22%
	2016	6,780,148	6,780,148	-	15,130,115	44.81%
	2015	6,613,913	6,613,913	-	14,760,637	44.81%
	2014	5,853,975	5,853,975	-	14,819,114	39.50%
	2013	5,171,709	5,171,709	-	13,408,926	38.57%
	2012	5,243,696	5,243,696	-	13,689,694	38.30%
	2011	4,627,135	4,627,135	-	13,180,174	35.11%
	2010	3,898,491	3,898,491	-	13,060,220	29.85%
	2009	4,110,295	4,110,295	-	13,868,817	29.64%
<u>Correctional Officers'</u>	2018	9,794,685	9,794,685	-	27,442,054	35.69%
	2017	9,263,190	9,263,190	-	26,127,022	35.45%
	2016	9,525,885	9,525,885	-	26,668,372	35.72%
	2015	9,198,374	9,198,374	-	25,545,117	36.01%
	2014	7,363,022	7,363,022	-	26,087,235	28.22%
	2013	7,424,683	7,424,683	-	23,470,084	31.63%
	2012	6,655,547	6,655,547	-	25,215,683	26.39%
	2011	6,196,486	6,196,486	-	24,347,628	25.45%
	2010	5,082,212	5,082,212	-	23,217,583	21.89%
	2009	5,001,190	5,001,190	-	24,013,591	20.83%

Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Employer Contributions (continued)  
(UNAUDITED)

Supplemental Pension Plans:

	Year Ended	Actuarially Determined	Actual Contribution	Contribution	Covered Payroll	Contribution as a % of
	<u>June 30</u>	<u>Contribution</u>	<u>Made</u>	<u>Deficiency</u>	<u>July 1</u>	<u>Covered Payroll</u>
Deputy Sheriffs'	2018	\$ 819,100	819,100	-	318,671	257.04%
	2017	809,300	809,300	-	458,558	176.49%
	2016	846,400	846,400	-	506,489	167.11%
	2015	815,900	815,900	-	579,946	140.69%
	2014	768,500	768,500	-	558,262	137.66%
	2013	652,200	652,200	-	717,237	90.93%
	2012	274,717	274,717	-	1,021,708	26.89%
	2011	257,053	257,053	-	1,105,715	23.25%
	2010	255,608	255,608	-	1,307,494	19.55%
	2009	214,001	214,001	-	1,259,659	16.99%
Correctional Officers'	2018	406,628	406,628	-	950,013	42.80%
	2017	517,388	517,388	-	1,211,915	42.69%
	2016	620,834	620,834	-	1,451,278	42.78%
	2015	675,703	675,703	-	1,567,767	43.10%
	2014	559,655	559,655	-	1,613,254	34.69%
	2013	528,851	528,851	-	1,547,850	34.17%
	2012	568,320	568,320	-	1,689,161	33.65%
	2011	546,421	546,421	-	1,726,284	31.65%
	2010	142,397	142,397	-	1,825,432	7.80%
	2009	149,743	149,743	-	1,940,038	7.72%

Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Employer Contributions (continued)  
(UNAUDITED)

Supplemental Pension Plans (cont.):

	Year Ended	Actuarially Determined	Actual Contribution	Contribution	Covered Payroll	Contribution as a % of
	<u>June 30</u>	<u>Contribution</u>	<u>Made</u>	<u>Deficiency</u>	<u>July 1</u>	<u>Covered Payroll</u>
Crossing Guards	2018	80,300	80,300	-	1,515,563	5.30%
	2017	77,415	77,415	-	1,458,659	5.31%
	2016	85,297	85,297	-	1,606,345	5.31%
	2015	87,270	87,270	-	1,568,767	5.56%
	2014	81,888	81,888	-	1,478,859	5.54%
	2013	86,674	86,674	-	1,576,052	5.50%
	2012	85,002	85,002	-	1,560,515	5.45%
	2011	79,090	79,090	-	1,480,461	5.34%
	2010	74,880	74,880	-	1,635,018	4.58%
	2009	85,965	85,965	-	1,666,680	5.16%
AFSCME	2018	3,097,126	3,097,126	-	47,442,986	6.53%
	2017	3,034,645	3,034,645	-	46,925,851	6.47%
	2016	3,248,913	3,248,913	-	50,063,087	6.49%
	2015	4,203,607	4,203,607	-	51,962,760	8.09%
	2014	3,924,252	3,924,252	-	54,596,819	7.19%
	2013	3,876,642	3,876,642	-	54,115,932	7.16%
	2012	4,063,116	4,063,116	-	56,189,039	7.23%
	2011	3,907,035	3,907,035	-	54,702,748	7.14%
	2010	3,761,772	3,761,772	-	57,385,298	6.56%
	2009	4,100,704	4,100,704	-	59,410,466	6.90%

Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Employer Contributions (continued)  
(UNAUDITED)

Supplemental Pension Plans (cont.):

	Year Ended	Actuarially Determined	Actual Contribution	Contribution	Covered Payroll	Contribution as a % of
	<u>June 30</u>	<u>Contribution</u>	<u>Made</u>	<u>Deficiency</u>	<u>July 1</u>	<u>Covered Payroll</u>
General Schedule	2018	7,144,886	7,144,886	-	99,248,176	7.20%
	2017	6,432,619	6,432,619	-	89,346,878	7.20%
	2016	6,607,768	6,607,768	-	91,566,772	7.22%
	2015	7,757,860	7,757,860	-	92,547,260	8.38%
	2014	7,189,526	7,189,526	-	96,687,856	7.44%
	2013	6,269,930	6,269,930	-	83,866,383	7.48%
	2012	6,225,415	6,225,415	-	84,317,601	7.38%
	2011	5,687,109	5,687,109	-	79,224,231	7.18%
	2010	5,355,284	5,355,284	-	81,358,176	6.58%
	2009	5,477,978	5,477,978	-	81,562,184	6.72%
Fire Civilian	2018	467,026	467,026	-	3,936,834	11.86%
	2017	436,162	436,162	-	3,671,858	11.88%
	2016	474,312	474,312	-	3,934,806	12.05%
	2015	511,188	511,188	-	3,772,598	13.55%
	2014	455,754	455,754	-	4,007,893	11.37%
	2013	412,724	412,724	-	3,634,202	11.36%
	2012	425,660	425,660	-	3,879,187	10.97%
	2011	374,931	374,931	-	3,935,198	9.53%
	2010	339,173	339,173	-	4,213,435	8.05%
	2009	346,042	346,042	-	4,280,833	8.08%

Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Employer Contributions (continued)  
(UNAUDITED)

Supplemental Pension Plans (cont.):

	Year Ended	Actuarially Determined	Actual Contribution	Contribution	Covered Payroll	Contribution as a % of
	<u>June 30</u>	<u>Contribution</u>	<u>Made</u>	<u>Deficiency</u>	<u>July 1</u>	<u>Covered Payroll</u>
Police Civilian	2018	810,064	810,064	-	17,327,807	4.67%
	2017	746,382	746,382	-	15,614,385	4.78%
	2016	845,730	845,730	-	17,408,900	4.86%
	2015	1,089,407	1,089,407	-	17,614,642	6.18%
	2014	1,068,827	1,068,827	-	19,058,383	5.61%
	2013	998,499	998,499	-	17,251,532	5.79%
	2012	1,050,281	1,050,281	-	17,910,236	5.86%
	2011	968,151	968,151	-	17,347,443	5.58%
	2010	882,194	882,194	-	17,631,392	5.00%
	2009	956,128	956,128	-	17,799,883	5.37%

Prince George's County, Maryland  
Pension Trust Funds  
Required Supplementary Information  
Schedule of Investment Returns  
Last Ten Fiscal Years  
(UNAUDITED)

Fiscal Year	<u>Police</u>	<u>Fire Service</u>	<u>Other Comprehensive Supplemental</u>
2009	-20.34%	-19.71%	-15.81%
2010	15.33%	15.71%	11.50%
2011	23.09%	23.03%	25.81%
2012	0.77%	0.73%	0.85%
2013	11.91%	11.78%	12.39%
2014	17.27%	17.38%	17.27%
2015	4.25%	4.38%	3.38%
2016	-2.78%	-2.72%	-0.77%
2017	14.18%	13.90%	12.36%
2018	10.04%	10.10%	9.27%

(1) Money weighted rate of return, net of investment expenses.

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Required Supplementary Information  
Summary of Significant Changes to Plans  
(UNAUDITED)

SUMMARY OF SIGNIFICANT CHANGES TO THE COMPREHENSIVE PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (Unaudited):

1. Eligibility and Contribution Requirements and Benefits Due

a. Normal retirement benefits for the Comprehensive Plans were amended several times as noted below:

- (i) Effective July 1, 1989, the Fire Service Plans' annual retirement benefit is calculated using average annual compensation based on high 24 months base pay rather than 36 months.
- (ii) "Plan B" for the Police Pension Plan became effective for all future police officers hired after December 31, 1989. Current employees have made a one-time election between "Plan A" (the old plan) and "Plan B." Annual retirement benefit calculation under "Plan A" is 2.5% of the first 20 years (per year), plus 2% for each year of credited service over 20 years (maximum 70%). The annual retirement benefit calculation under "Plan B" is 2.75% of the first 20 years (per year), plus 2% for each year of credited service over 20 years (maximum 75%).
- (iii) The Retirement Incentive Program, under CB-113-1991, provided that on or before January 17, 1992, eligible persons participating in the Police and Fire Service Pension Plans could elect to retire between February 1, 1992 and December 31, 1992. Participants who have twenty years of service by June 30, 1992, are qualified to take advantage of the Retirement Incentive Program, which offers the following:
  - Credited service for retirement pension purposes for all or a portion of accumulated annual and sick leave at an exchange rate of one week of leave for one month of credited service;
  - Full credit for sick leave exchanged for pension benefit credit;
  - A pension benefit ceiling of 94% of average annual compensation, rather than the 80% ceiling effective beginning July 1, 1992;
  - Average annual compensation computed and based on a participant's prior twelve (12) months of active service; and
  - An automatic spousal survivor annuity benefit of 50% of the full retirement benefit should the participant die during the period of credited time exchanged for sick or annual leave.
- (iv) Effective July 1, 1992, annual retirement benefit calculations for participants of the Police Pension Plan "Plan B" and the Fire Service Plan are 3% of the first 20 years plus 2.5% for each year of credited service over 20 years (maximum 85%).

Prince George's County, Maryland  
Pension Trust Funds  
Notes to Required Supplementary Information  
Summary of Significant Changes to Plans  
(UNAUDITED)

SUMMARY OF SIGNIFICANT CHANGES TO THE COMPREHENSIVE PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (continued):

- (v) Effective July 1, 1992, annual retirement benefit calculations for participants of the Police Pension Plan "Plan A" are 2.5% of the first 20 years plus 2.5% for each year of credited service over 20 years (maximum 75%).
- b. Paramedics, as a class of employees, were allowed to participate in the Fire Service Plan beginning September 5, 1984, with a normal retirement date after 25 years of continuous service and an employee contribution rate of 8% of base compensation. Benefits are calculated at 2% for each year of actual service and credited service (maximum 80%). The contribution rate for paramedics was reduced from 8% to 4%, 3%, 2%, and 1% effective July 1, 1988, 1990, 1991, and 1992, respectively. The normal retirement date for paramedics was reduced to 20 years effective July 1, 1989.
- c. A cost-of-living increase to retirees was added to the Plans effective February 1, 1988, 1990, and every year thereafter. Retirees will receive an increase in their benefit based on total investment returns in excess of 8% annually since the last increase. All retirees will receive an identical dollar monthly increase not to exceed \$135 for Police, \$125 for Fire Service and Deputy Sheriffs', and \$100 for Correctional Officers' per month. Effective February 1, 1990 and 1991, the cost-of-living increase for Police retirees will be at least \$30 per month and \$35 per month thereafter, and the benefit increase is not based on any investment returns. Effective February 1, 1991, no cost-of-living increase for Fire retirees will be provided if the total investment returns in excess of 8% is not sufficient to provide at least a \$10 per month increase. Effective February 1, 1998, no cost-of-living increase for deputy sheriff and correctional officer retirees will be provided if the total investment returns in excess of 8% are not sufficient to provide at least a \$10 per month increase.
- d. Effective July 1, 1996, the County established two new comprehensive pension plans - Deputy Sheriffs' Pension Plan and the Correctional Officers' Pension Plan. Eligible participants could transfer from the State Pension and Retirement System of Maryland and the County Supplemental Plans to the new Comprehensive Pension Plans. 126 deputy sheriffs and 208 correctional officers elected to transfer from the Supplemental Plans.
- e. Effective July 1, 1999, eligible participants could transfer from the State Pension and Retirement System of Maryland and the County Supplemental Plans to the Comprehensive Pension Plans. Subsequent to June 30, 1999, 15 deputy sheriffs and 54 correctional officers elected to transfer from the Supplemental Plans to the Comprehensive Plans.
- f. For the Police Pension Plan, officers hired on or before July 1, 2013, contribute 9% for the first five years, 8% for the second five years and 6% thereafter. Officers hired after July 1, 2013, contribute 9% of pay. For the Fire Service Pension Plan, members hired before July 1, 2008, contribute 6% 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).
- g. Officers hired after January 1, 2016, are eligible to retire within 25 years of service. 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. 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% contingent annuitant benefit.



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SUMMARY OF SIGNIFICANT CHANGES TO THE COMPREHENSIVE PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (continued):

2. Actuarial Assumptions

The unfunded actuarial accrued liability is based on the assumption of full funding for all benefits and on certain economic assumptions. Changes in assumptions were made as follows:

- a. A provision was added to the Fire Service Plan effective July 1, 1988, which added Education Incentive Pay (EIP) to the base compensation for calculation of retirement pension benefits.
- b. Effective January 1, 1992, the assumed annual rate of salary increases was reduced from 6 1/2% to 5% for both Police and Fire Service Plans.
- c. Effective July 1, 1996, projected salary increases were reduced from 5% to 2% for 1996 and 1997 and 5% thereafter.
- d. Plan changes from post-retirement increases are now amortized over 30 years with the other plan changes instead of over six years with the actuarial gains and losses.
- e. Effective January 1, 2002, all the Comprehensive Plans made the following changes to the actuarial assumptions:
  - Asset valuation method changed to a five-year smoothed market method.
  - The amortization policy changed to a 30-year open period level percentage of pay amortization.

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SUMMARY OF SIGNIFICANT CHANGES TO THE COMPREHENSIVE PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (continued):

f. Effective July 1, 2003, the following changes occurred in the retirement benefit allowance for the comprehensive pension plans:

Actuarial valuation date:	% of Annual Compensation		Service Years		Additional benefit		Maximum Annual Retirement Benefit	
	1/1/2002	7/1/2003	1/1/2002	7/1/2003	1/1/2002	7/1/2003	1/1/2002	7/1/2003
Comprehensive Plans:								
Deputy Sheriff's'	2.50%	3.00%	30	20	-	25% b	75%	85%
Correctional Officers'	2.60%	3.00%	20	20	19% a	25% b	71%	85%
(a) Additional 2.8% times years of service in excess of 20 (not to exceed 5) plus 1% times years of service in excess of 25 (not to exceed 5).								
(b) Additional 2.5% times years of service in excess of 20 (not to exceed 10) plus 1% times additional years of service converted from leave in excess of 30 years (sick leave not included in calculation above).								

g. Effective July 1, 2009, the following changes occurred in the retirement benefit allowance for the comprehensive pension plans:

- Wage inflation is now assumed to be 3.5 percent, up from 3.0 percent.
- Change the service-based retirement rates to reflect higher rates of retirement for members with at least 15 and less than 20 years of service and modified rates of retirement for all other years of service to reflect an overall decrease in rates. Also the 100 percent retirement is assumed at the earlier of 35 years of service and age 65. Previously, 100 percent retirement was assumed to occur at the earlier of 31 years of service and age 65.
- Change the service-based turnover rates to reflect higher turnover for turnover for members with less than five years of service.
- Change the age-based disability to reflect a higher incidence of disability.
- Change the mortality table for the 1983 Group Annuity Mortality Table, sex distinct with a three-year set forward for females to the RP2000 Mortality Table, sex distinct with a one-year set-forward for females.
- Change the assumption for expenses for use in the Normal Cost from a flat dollar assumption to the amount of the actual non-investment administrative expense incurred in the latest fiscal year that are supplied by the County.
- Change the percent of member assumed to be married for purposes of valuing the death-in-service benefits from 100 to 85 percent.

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SUMMARY OF SIGNIFICANT CHANGES TO THE SUPPLEMENTAL PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (Unaudited):

1. Deputy Sheriffs' Plans' annual retirement benefit changed from 0.4% to 0.6% of average annual compensation (high 36 months base) times years of service (not to exceed 25) effective July 1, 1989.
2. On June 26, 1990, the County and the employees represented by the American Federation of State, County and Municipal Employees, Locals 2462 and 2735 (AFSCME Council 67) entered into a collective bargaining agreement for the establishment of a supplemental pension plan. Effective date of the plan was July 1, 1990. Each participant of the plan accrues benefits at the rate of 0.4% of average annual compensation for each year of continuous service to a maximum of 25 years.
3. Effective July 1, 1990, a supplemental pension plan was established for persons employed as crossing guards and represented by the American Federation of State, County and Municipal Employees Local 241 (AFSCME 241). Benefit accrual is 0.4% of average annual compensation for each year of actual and continuous service to a maximum of 25 years.
4. Employees represented by the Prince George's Correctional Officers' Association, Inc. entered into a collective bargaining agreement with the County for the establishment of a supplemental pension plan for its members on June 26, 1990. Effective date of this plan was July 1, 1990. Each participant accrues benefits at the rate of 0.6% of average annual compensation for each year of actual and continuous service to a maximum of 25 years.
5. On July 1, 1990, a supplemental pension plan was established for all employees under the General Schedule salary class. Effective date of the plan was December 30, 1990. Each participant accrues benefits at the rate of 0.4% of average annual compensation for each year of actual and continuous service to a maximum of 25 years.
6. Effective July 1, 1991, the Fire Civilian Supplemental Pension Plan was established for the fire dispatcher class of work assigned to the Fire Department. Each participant accrues benefits at the rate of 0.4% of average annual compensation for each year of actual and continuous service to a maximum of 25 years.
7. Effective January 1, 1992, annual retirement benefits for participants of the Deputy Sheriffs' Plan increased from .6% to .8% of their average annual compensation multiplied by the number of years of service, for the first 25 years plus 1% of average annual compensation in excess of 25 years (not to exceed 5 years).

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SUMMARY OF SIGNIFICANT CHANGES TO THE SUPPLEMENTAL PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (continued):

8. From February 1, 1992 to August 14, 1995, all Supplemental Plan participants (except Police Civilian) with 15 years of continuous service who are involuntarily separated from County employment for any reason unrelated to disciplinary action or disability are eligible to receive a discontinued service benefit. In addition, a lump sum benefit equal to 100% of all or any portion of the unused annual and sick leave balance multiplied by the employee's final base hourly rate of pay shall be payable upon retirement.
9. Effective July 1, 1993, the maximum retirement benefit for participants of the Correctional Officers Plan is 20% for 25 years of service, plus 1% of average annual compensation multiplied by the years of service in excess of 25 (not to exceed 5).
10. On May 1, 1994, all Supplemental Plan participants (except Police Civilians) who retire on a discontinued service benefit are entitled to receive 150% of their basic benefit (deleted effective August 14, 1995).
11. Effective June 26, 1994, the percentage of average compensation used in the retirement benefit allowance for General Schedule participants increased from .6% to .8%. The benefit accrual is .8% of average annual compensation (high 36 months) times years of actual and continuous service to a maximum of 20%.
12. Effective December 1, 1994, General Schedule retirees who receive a discontinued service benefit may elect to receive their first year's benefit in an actuarially reduced lump sum (deleted effective August 14, 1995).
13. Effective July 1, 1999, eligible participants could transfer from the State Pension and Retirement System of Maryland and the County Supplemental Plans to the new Comprehensive Pension Plans. Subsequent to June 30, 1999, 15 deputy sheriffs and 54 correctional officers elected to transfer from the Supplemental Plans to the Comprehensive Plans.
14. Effective January 1, 2002, the Deputy Sheriff's and Correctional Officers' Plans made the following changes to the actuarial assumptions:
  - Asset valuation method changed to a five-year smoothed market method.
  - The amortization policy changed to a 30-year open period level percentage of pay amortization.
15. Effective January 1, 2003, the Supplemental Pension Plans, with the exception of the Deputy Sheriffs' and Correctional Officers', made the following changes to the actuarial assumptions:
  - Asset valuation method changed to a five-year smoothed market method.
  - The amortization policy changed to an 18-year open period level percentage of pay amortization.

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SUMMARY OF SIGNIFICANT CHANGES TO THE SUPPLEMENTAL PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (continued):

16. Effective January 1, 2003 or July 1, 2003, the following changes occurred in the retirement benefit allowance for the supplemental pension plans:

	% of Annual Compensation		Service Years		Additional benefit		Maximum Annual Retirement Benefit	
Actuarial valuation date	01/01/02	07/01/03	01/01/02	07/01/03	01/01/02	07/01/03	01/01/02	07/01/03
Supplemental Plan								
Correctional Officers'	1.2%	1.3%	25	25	5%a	6.25%b	35%	38.75%
Actuarial valuation date:	01/01/01	01/01/03	01/01/01	01/01/03	01/01/01	01/01/03	01/01/01	01/01/03
Crossing Guards	0.4%	0.6%	25	25	-	-	10%	15%
AFSCME	0.6%	0.8%	25	25	-	-	15%	20%
General Schedule	0.8%	1.0%	25	30	-	-	20%	30%
Fire Civilian	0.6%	1.0%	25	30	-	-	15%	30%
Police Civilian	0.6%	0.8%	25	30	-	-	15%	24%

(a) Additional 1% times years of service in excess of 25 (not to exceed 5).

(b) Additional 1.25% times years of service in excess of 25 (not to exceed 5).

17. Effective July 1, 2003, the benefit accrual rate for the Crossing Guards was increased from 0.6% to 0.7% of average annual compensation per year up to thirty (30) years of service a maximum retirement benefit of 21%.
18. Effective July 1, 2005, the benefit accrual rate for the Crossing Guards was increased from 0.7% to 0.75% of average annual compensation per year up to thirty (30) years of service a retirement benefit of 22.5%.

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SUMMARY OF SIGNIFICANT CHANGES TO THE SUPPLEMENTAL PENSION PLANS DURING FISCAL YEARS 1988 TO 2018 (continued):

19. Effective July 1, 2006, the benefit accrual rate for the AFSCME Locals 2462 and 2735 was increased from 0.8% to 1.0% of average annual compensation per year up to thirty (30) years of service a retirement benefit of 30.0%.
20. Effective July 1, 2006, 495 employees transferred from the General Schedule to the AFSCME Locals 2462 and 2735 (AFSCME) pension plan.
21. Effective July 1, 2009, the following changes occurred in the retirement benefit allowance for the comprehensive pension plans:
  - Wage inflation is now assumed to be 3.5 percent, up from 3.0 percent.
  - Change the age-based retirement rates to reflect higher rates of retirement at 30 and 31 years of service for given ages and lower rates less than 30 and for 32 or more years of service. Increase the age at which 100 percent retirement is assumed from 65 to 70.
  - Change the service-based turnover rates to reflect higher turnover for turnover for members with less than ten years of service and lower turnover for members with 10 or more years of service.
  - Change the mortality table for the 1983 Group Annuity Mortality Table, sex distinct with a three-year set forward for females to the RP2000 Mortality Table, sex distinct with a one-year set-forward for females.
  - Change the assumption for use in the Normal Cost from a flat dollar assumption to the amount of the actual non-investment administrative expense incurred in the latest fiscal year that are supplied by the County.
22. For the fire Service Pension Plan, the following death benefit provisions have been changed:
  - The benefit accrual rate for non-service connected disability benefits for years in excess of 20 has been reduced from 2.5 percent to 2.0 percent of average annual compensation per year of service for all future disability awards.
  - The number of annual leave hours needed to purchase one month of pension credit was increased from 40 hours to 80 hours for members hired on or after June 1, 2016. The number of sick leave hours to purchase one month of pension credit remains at 80 hours for all members.