



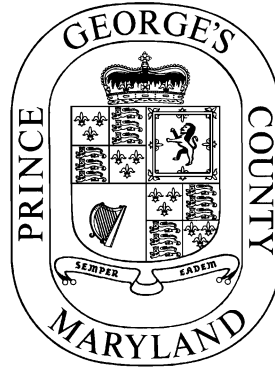
Rushern L. Baker, III  
County Executive

# Comprehensive Annual Financial Report

## For the Year Ended June 30, 2017

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

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



***2016 - 2017***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2017**

**Prepared by Office of Finance**

**Gail D. Francis**

**Director of Finance**

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## **INTRODUCTORY SECTION**

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

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**Prince George's County, Maryland  
Comprehensive Annual Financial Report  
Year Ended June 30, 2017**

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## ELECTED OFFICIALS

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

**Derrick Leon Davis**  
**COUNTY COUNCIL**  
**Chairman**

Mel Franklin  
Dannielle M. Glaros  
Andrea C. Harrison  
Mary A. Lehman

Obie Patterson  
Deni Taveras  
Karen R. Toles  
Todd M. Turner

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## CERTAIN OTHER EXECUTIVE BRANCH APPOINTED OFFICIALS

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Nicholas A. Majett, Chief Administrative Officer

Betty Hager Francis, Deputy Chief Administrative Officer

Glenda R. Wilson, Chief of Staff

Thomas Himler, Deputy Chief Administrative Officer

Jared M. McCarthy, County Attorney

Mark A. Magaw, Deputy Chief Administrative Officer

Gail D. Francis, Director of Finance

Barry L. Stanton, Deputy Chief Administrative Officer

Stanley A. Earley, Director, Office of Management and Budget

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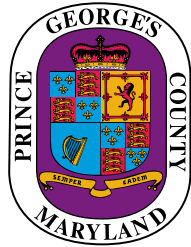
## INDEPENDENT AUDITORS

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CliftonLarsonAllen LLP



Rushern L. Baker, III  
County Executive



Rushern L. Baker, III  
County Executive

# Prince George's County Elected Officials



Derrick Leon Davis  
Chair, District 6



Dannielle M. Glaros  
Vice Chair, District 3



Mary A. Lehman  
District 1



Deni Taveras  
District 2



Todd M. Turner, Esq.  
District 4



Andrea C. Harrison  
District 5



Karen R. Toles  
District 7



Obie Patterson  
District 8

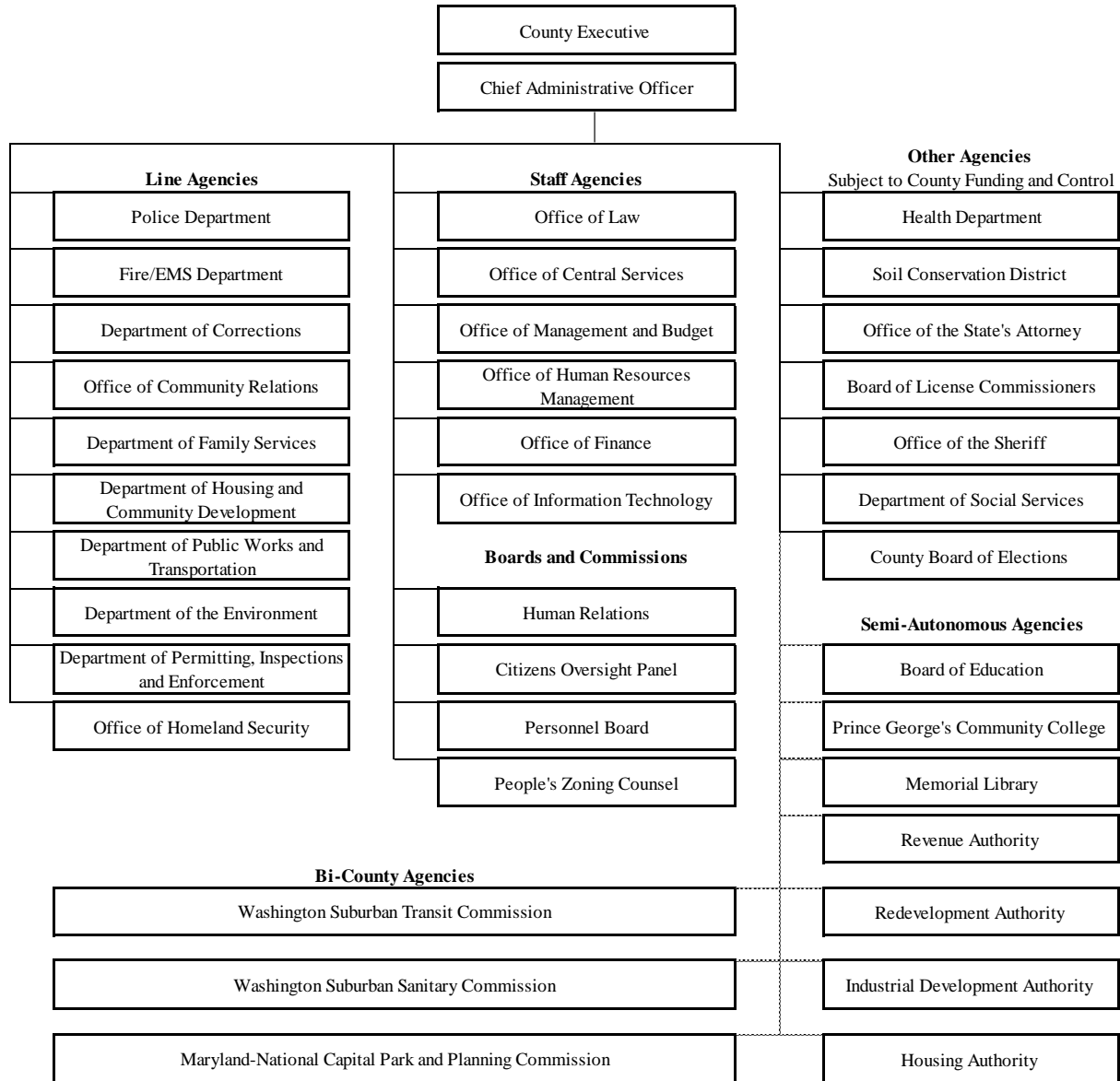


Mel Franklin  
District 9

# PRINCE GEORGE'S COUNTY GOVERNMENT

## ORGANIZATIONAL CHART

### Executive Branch





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Prince George's County  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO



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## THE PRINCE GEORGE'S COUNTY GOVERNMENT OFFICE OF FINANCE

14741 Governor Oden Bowie Drive\*Suite 3200\*Upper Marlboro, Maryland 20772

Telephone: 301-952-5025\*Fax: 301-952-3148\*711 Maryland Relay Service \*[www.princegeorgescountymd.gov](http://www.princegeorgescountymd.gov)

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**RUSHERN L. BAKER, III, COUNTY EXECUTIVE**  
**GAIL D. FRANCIS, DIRECTOR OF FINANCE**

March 20, 2018

The Honorable County Executive,  
Members of the County Council, and  
Citizens of Prince George's County, Maryland

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Prince George's County (the County) for the fiscal year ended June 30, 2017 required by local ordinances and state statutes. These ordinances and statutes stipulate that the County annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The public accounting firm of CliftonLarsonAllen LLP was engaged to perform this task for fiscal year 2017. The auditor's report on the Basic Financial Statements and the combining and individual fund statements and schedules is included in the Financial Section of this report. The County is also required to undergo an annual single audit in conformity with the provisions above. Information related to the County's Uniform Grants Guidance audit, including a Schedule of Expenditures of Federal Awards, the independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, and a Schedule of Findings and Questioned Costs will be included in a separately issued single audit report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a way that presents fairly the financial position and results of operations of the governmental and business-type activities, various funds, and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental activities require the County to provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of the Management's Discussion and Analysis (the MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report behind the Financial Section tab.

## **PROFILE OF THE GOVERNMENT**

Prince George's County, Maryland - a body corporate and politic - is a political subdivision of the State of Maryland, which operates under a "home rule" Charter which was adopted in November 1970. The powers of the County are contained in the Charter of Prince George's County, Maryland (the "Charter") and in the Constitution and laws of the State of Maryland. The Charter controls two branches of government. The executive branch enforces the laws and manages the business affairs of the County. It consists of a County Executive (elected by the qualified voters of the entire County) and all other officers, agents, and employees under the County Executive's supervision and authority, including the Chief Administrative Officer who is responsible for the day-to-day administration of the County. The legislative branch of the County consists of a nine-member County Council (elected by Councilmanic District) and its staff. The Charter limits the County Executive and members of the Council to two consecutive four-year terms in office. The judicial branch is independent and separate from the other branches of government and gets its authority from the Maryland Constitution. It is primarily comprised of the Court System and the State's Attorney's Office.

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

Prince George's County is the second largest jurisdiction in the State of Maryland (and the third largest in the metropolitan Washington area) with a population of nearly 908,049 residents. It encompasses 483 square miles that borders Washington, D.C., Montgomery, Howard and Anne Arundel Counties and is 37 miles south of the City of Baltimore. The County's centralized location and its rich diversity has attracted more than 14,728 businesses to its twenty-seven unique municipalities. Having a robust transportation system allows easy access to the region's national and international airports and to the Port of Baltimore.

County residents enjoy a diversity of leisure options, including a park system encompassing over 29,000 acres of parkland and open space. Leisure facilities and services provided by the Maryland-National Capital Park and Planning Commission (the "M-NCPPC") include a sports and concert facility (Show Place Arena); a 10,000 seat AA Minor League Baseball stadium (Bowie Baysox) and community centers; recreational buildings; aquatic facilities; ice rinks; golf courses; an equestrian center; tennis courts; a performing arts and cultural center; and a gymnastic center. Other major recreational facilities include an 87,052-seat National Football League stadium



(FedEx Field – Home of the Washington Redskins); an amusement park (Six Flags America) featuring rides, attractions and shows; a 240,000 square foot Olympic-quality recreational Sports and Learning Complex, and the National Harbor home to MGM Casino, the Gaylord Resort and Convention Center, Tanger Outlets, and the Waterfront. In addition, recreational and cultural opportunities of the nation's capital, Washington, D.C., are located just across the County line. The County is home to six universities and colleges, including the flagship campus of the University System of Maryland.

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

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

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

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



## **MANAGEMENT INITIATIVES**

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

The County's vision, "Path to Greatness", is a critical part of the strategic planning. It guides the government's services to its residents, businesses and visitors and serves as the basis for spending priorities. This vision as stated is: "Prince George's County is a nationally recognized jurisdiction that will be a leader in the Washington Metropolitan Region because of our thriving economy, great schools, safe neighborhoods and high quality healthcare. We will govern with policies and practices that are innovative, results oriented and sustainable. The residents and businesses of Prince George's County will know that this is one of the best places to live, invest, work and visit."

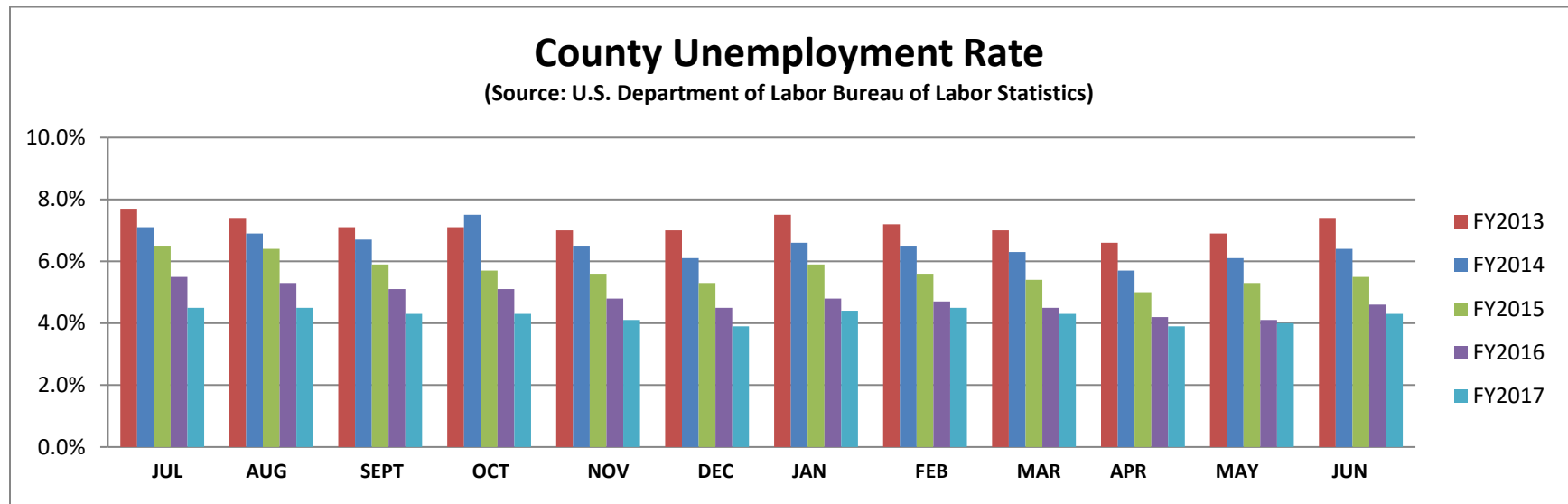
In order to transform the vision into a reality, the County has focused its resources on seven priorities: (1) a thriving economy, (2) an excellent education system, (3) safe neighborhoods, (4) quality health care, (5) effective human services, (6) a clean and sustainable environment, and (7) high performance government operations.

## **FACTORS AFFECTING FINANCIAL CONDITION**

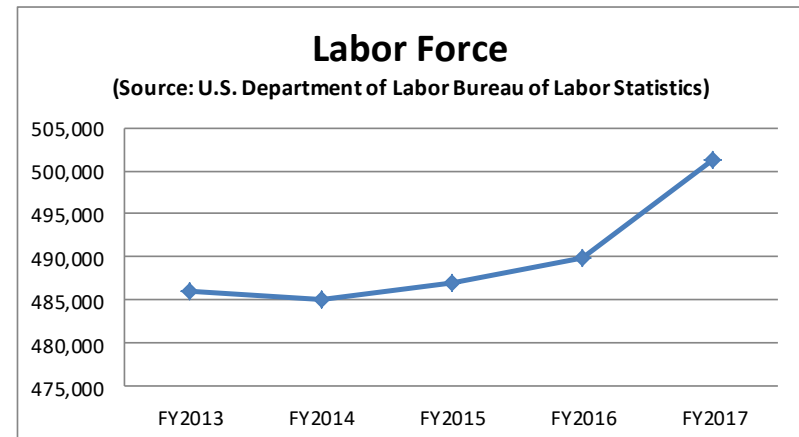
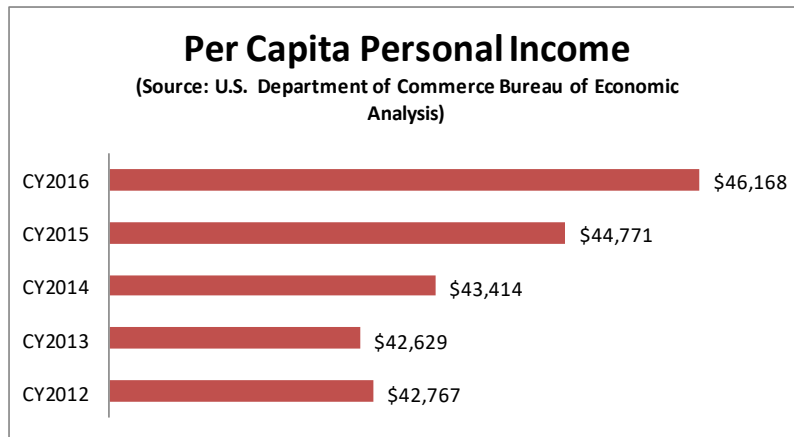
Economic Development is a core priority of Prince George's County's commitment to ensuring a high quality of life and securing the long-term viability of the County. The County established the Economic Development Incentive (EDI) Fund to assist the County in expanding its tax base; attracting businesses, retaining existing businesses; and growing job opportunities through loans, grants and guarantees to businesses throughout the County. These loans have leveraged \$714.7 million in total private investments, and assisted in the creation and/or retention of almost 8,600 jobs in Prince George's County.

Contracting opportunities with government, research, technology and defense industry anchors contribute to the maintenance of a relatively stable market. There are fourteen federal agencies mostly with research-focused activities within the County. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, the Army Research Laboratory, the Institute for Defense Analysis, the Internal Revenue Service, and the U.S. Census Bureau Supercomputer Center support the local technology business base. The University of Maryland at College Park is building several new facilities, some for national security-related tenants, on its 100-acre Enterprise Campus research park.

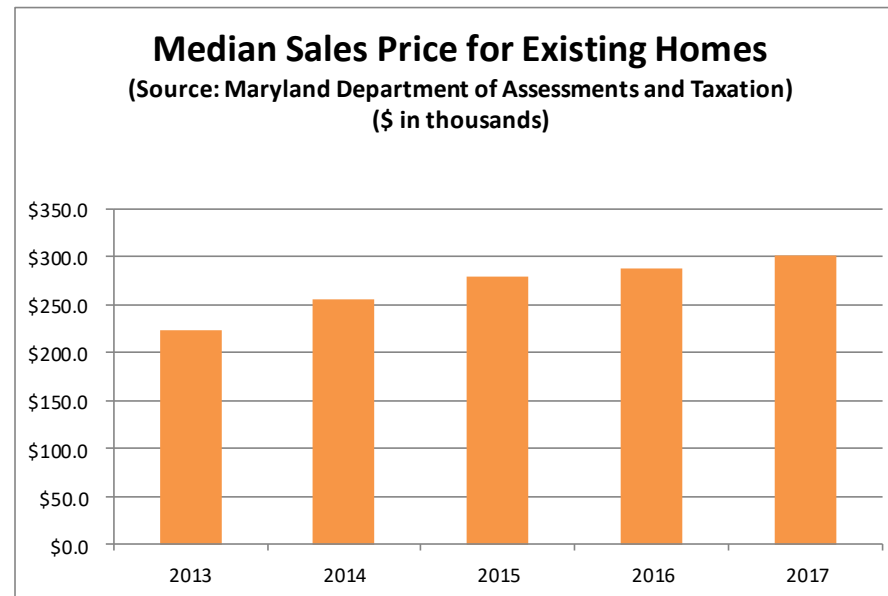
The unemployment rate for the County continues to decline with a rate of 4.3% in fiscal year 2017 from 4.8% in fiscal year 2016.



The County's per capita personal income for calendar year 2016 was \$46,168 compared to \$44,771 in calendar year 2015. With the completion of various economic development projects in the coming years, job growth should continue to climb. The labor force in fiscal year 2017 was \$501,252 compared to \$489,859 in fiscal year 2016.



The County's median home sales price of \$302,300 for fiscal year 2017 was 5% higher than in fiscal year 2016. Median sales prices have steadily increased since 2013.



### **LOCAL ECONOMY**

County revenue sources such as taxes, fees, licenses and permits, service charges, use of money and property, etc. are used to fund the majority of government programs and services. Real property taxes represent the largest portion of County source funding for government operations, increasing in FY2017 by 4.0%. Local income tax is another large revenue source for the County. Income tax collections along with the State Income Disparity Grant increased in FY2017 by 5.9% affirming a recovery in the local job market and regional economy. The County's real estate market is continuing to show improvement with combined Transfer and Recordation tax receipts increasing by 2.0%. Licenses and permit fee revenue increased by 16.7% in FY2017. This revenue includes building, grading, and street use and other permits, along with revenue from video lottery terminals and table games generated from the MGM and National Harbor.

## **LONG-TERM FINANCIAL PLANNING**

The County implements its long-range financial planning policies using two methods – (1) The legislative approval of its six-year capital improvement program (CIP) budget, and (2) Internal financial forecasting and modeling. These practices are essential in order to plan for potential liabilities early and allocation of resources accordingly. This ensures that the County policies and/or decisions do not lead to unexpected financial burdens and measures the fiscal impact of present day decisions on long-term outcomes, thus maintaining long-term financial sustainability.

## **FINANCIAL POLICIES**

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

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

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

Prince George's County, Maryland received AAA bond ratings from Moody's Investor Services Inc., Fitch Ratings, and S&P Global Ratings, despite continuing economic challenges due to the ups and downs in market conditions and having to operate under various tax rate constraints. This reflects the County's continued sound financial management, the ongoing and significant economic development occurring and its extremely diverse local economy.



Management of the County is responsible for establishing and maintaining effective internal controls designed to ensure that the assets of the County are protected from loss, theft or misuse, and to ensure that accurate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state, and local financial assistance, the County is also responsible for establishing and maintaining effective internal control over compliance with requirements, laws, and regulations applicable to these programs. The internal control structure is subject to periodic evaluation by management and the County's Office of Audits and Investigations.

The Primary Government maintains an Office of Audits and Investigations as required by Charter. The duties and responsibilities of this office include: annual financial audits of all agencies receiving or disbursing County funds; special audits of the accounts of any such agency upon request by the Council or County Executive; special audits of the accounts maintained by various County officers upon their death, resignation, removal, or expiration of term; and performance audits of any agency which is a recipient of funds appropriated or approved by the Council.

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

### **AWARDS AND ACKNOWLEDGEMENTS**

#### **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prince George's County, Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the 37th consecutive year (fiscal years ended 1980 – 2016) that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a one-year period. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **Distinguished Budget Presentation**

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2016. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

**Acknowledgements**

County leadership, especially County Executive Rushern L. Baker, III, Chief Administrative Officer Nicholas A. Majett and Deputy Chief Administrative Officer Thomas Himler – as well as the esteemed members of the Prince George’s County Council – have established a spirit of collaboration and an earnest commitment to excellence to support and escalate continued successes throughout the government.

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

**Office of Finance – Accounting Division**

Jennifer Abell  
Linda Chialastri

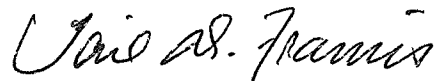
Charles M. Curtis, Jr.  
Mekonnen Dibaba

Teresa Hayward  
Jean Huber

Muriel Logan  
Dejuan Shambley

Brenda Sigaran  
Aleece Palmer

Respectfully submitted,



Gail D. Francis  
Director of Finance

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## **FINANCIAL SECTION**

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



CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

The Honorable County Council  
Prince George's County Government

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Prince George's County Government (the "County"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Prince George's County Memorial Library System and Prince George's Community Television, Inc., which represent 1 percent, 4 percent, and 2 percent, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Prince George's County Memorial Library System and Prince George's Community Television, Inc., is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Prince George's Community Television, Inc. were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

### ***Opinions***

In our opinion, based on our opinion and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

*Correction of Errors*

As described in Note 23 to the financial statements, the County restated beginning balances resulting from the correction of accounting errors that occurred in the prior period. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

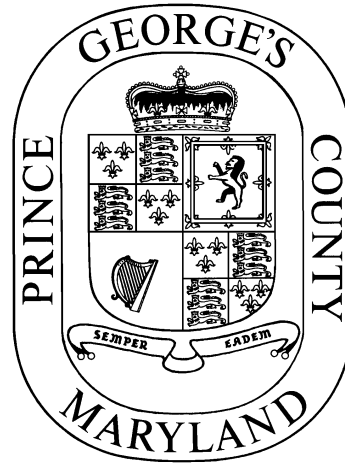
**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**



Baltimore, Maryland  
February 28, 2018



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

Management is pleased to present this narrative overview and analysis of the financial activities of Prince George's County, Maryland (the County) for the fiscal year ended June 30, 2017. We encourage the readers to consider the information presented here in conjunction with the additional information that we furnished in our letter of transmittal. The following discussion focuses on the County's primary government and, unless otherwise noted, component unit information is not included.

**FINANCIAL HIGHLIGHTS**

- The County's liabilities and deferred inflows exceed assets and deferred outflows at June 30, 2017 by \$803.4 million (net position). The primary government has an unrestricted net deficit balance of \$2.9 billion, partially due to debt related to assets owned by its component units - the Board of Education and the Community College and the reporting requirements for pension liabilities (\$1.5 billion).
- The County's total net position decreased by \$228.8 million from the previous year. Net position of governmental activities decreased \$225.9 million, while the net position of business-type activities decreased \$2.9 million. Restatement of net position due to a prior period adjustment decreased governmental and fiduciary fund balances by and \$14.4 million (see note 23).
- At June 30, 2017, the County's governmental funds report combined ending fund balances of \$259.9 million, a decrease of \$195.7 million in comparison to the previous fiscal year. Of this amount, \$167.5 million remains in the General Fund of the County as unassigned, which represents approximately 9.9% of total general fund expenditures for fiscal year 2017.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

Government-Wide Financial Statements

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

The statement of net position shows the County's assets and deferred outflows less its liabilities and deferred inflows at June 30, 2017. The difference between the assets, deferred outflow of resources, liabilities and deferred inflow of resources is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of the County's facilities, should be considered to assess the overall health of the County.

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



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

Both statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-wide financial statements of the County (known as the primary government) include general government, public safety, public works and transportation, health, public welfare, and education. The government-wide financial statements also include the legally separate component units for which the County is financially accountable. Financial information for these component units is reported separately from the primary government.

Fund Financial Statements

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

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

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

Governmental funds individually presented in the County's basic financial statements include three major funds: the General Fund, the Capital Projects Fund, and the Federal and State Aided Programs Fund. The remaining three funds have been combined and presented in one column as "Other Governmental Funds." Combining statements for these other governmental funds are presented on pages 131 to 134 of this report.

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

Enterprise funds are used to report, in detail, the same information presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste, stormwater management, and water protection and restoration. The solid waste and stormwater activities are considered major funds of the County. Internal service funds are an accounting device used to accumulate and allocate costs internally for the County. The County uses internal service funds to account for self-insurance, vehicle maintenance, and computer services. Because the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide statements. The internal service funds are presented in total in the fund financial statements, but may be viewed separately in the combining statements on pages 135 to 140 in this report.

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

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements. Notes are presented on pages 33 to 98 of this report.

Other Information

This report also includes required supplementary information related to the funding progress, net pension liability and contributions of the County's Trust Funds. This information is included on pages 99 through 114.

Combining and individual statements and schedules referred to earlier, which present more detailed views of the General Fund, nonmajor governmental funds, internal service funds, fiduciary funds, and nonmajor component units are presented on pages 115 to 150.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, changes in net position over time is a useful indicator of a business enterprise's financial position. The County's total net position as of June 30, 2017 was a deficit of \$803.4 million. Investment in capital assets such as land, roads, bridges, buildings, machinery and equipment accounts for \$1.9 billion of net position. The amount is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The County uses capital assets to provide services to the citizens, and consequently, these assets are not available for future spending. Although assets are reported net of related debt, the capital assets themselves cannot be used to liquidate that liability, and other resources will be needed to repay any associated debt.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

**Schedules of Net Position**  
**June 30, 2017 and 2016**  
(in thousands)

	Governmental activities		Business-type activities		Total	
	2017	2016 Restated*	2017	2016	2017	2016 Restated*
Current and other assets	\$ 785,524	864,414	157,844	197,190	943,368	1,061,604
Capital assets	2,372,175	2,365,386	372,429	330,799	2,744,604	2,696,185
<b>Total assets</b>	<u>3,157,699</u>	<u>3,229,800</u>	<u>530,273</u>	<u>527,989</u>	<u>3,687,972</u>	<u>3,757,789</u>
Deferred outflow of resources	191,471	238,356	6,077	5,935	197,548	244,291
Long-term liabilities	3,704,363	3,631,430	283,592	282,422	3,987,955	3,913,852
Other liabilities	585,066	471,670	38,509	34,966	623,575	506,636
<b>Total liabilities</b>	<u>4,289,429</u>	<u>4,103,100</u>	<u>322,101</u>	<u>317,388</u>	<u>4,611,530</u>	<u>4,420,488</u>
Deferred inflow of resources	75,409	23,942	1,955	1,315	77,364	25,257
Net position						
Net investment in capital assets	1,659,749	1,522,174	211,705	150,379	1,871,454	1,672,553
Restricted	199,109	282,143	73,794	71,280	272,903	353,423
Unrestricted (deficit)	(2,874,526)	(2,463,203)	(73,205)	(6,438)	(2,947,731)	(2,469,641)
<b>Total net position</b>	<u>\$ (1,015,668)</u>	<u>(658,886)</u>	<u>212,294</u>	<u>215,221</u>	<u>(803,374)</u>	<u>(443,665)</u>

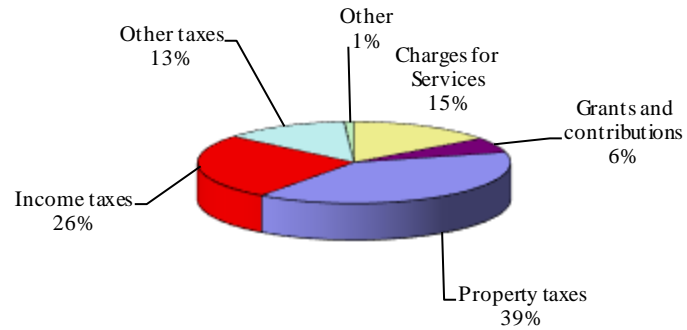
\*Fiscal year 2016 amounts restated due to accounting error. See note 23 on page 96 for more information.

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

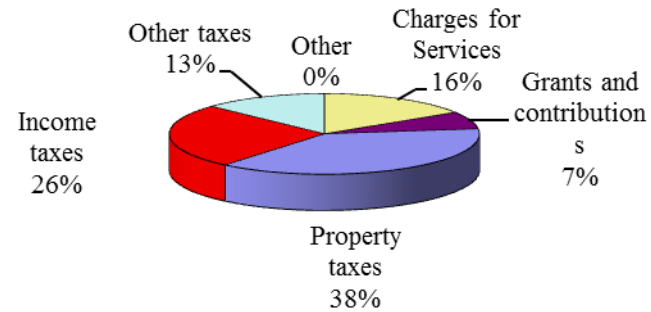
PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

The following represents revenues by source and expenses by function of primary government for the years ended June 30, 2016 and 2017.

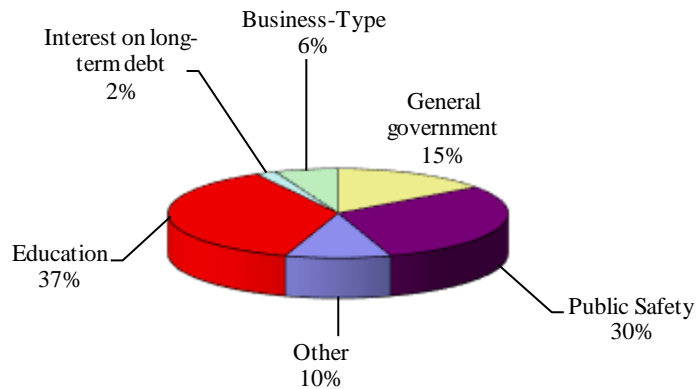
**Revenue by Source FY 2017**



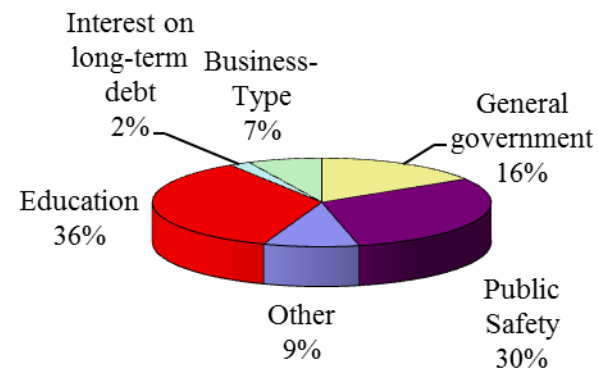
**Revenue by Source FY 2016**



**Expenses by Function FY 2017**



**Expenses by Function FY 2016**

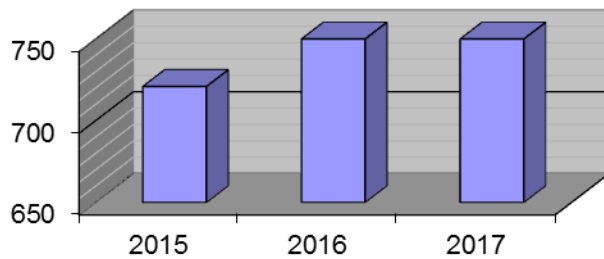


PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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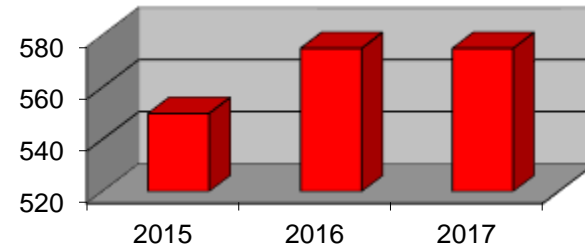
Governmental Activities

Net position for the County's governmental activities decreased by approximately \$225.9 million in fiscal year 2017. The County's total revenue from governmental activities was approximately \$2.1 billion in fiscal year 2017 (approximately \$51.4 million greater than fiscal year 2016.) Property and income taxes make up approximately 68 percent of this revenue. Income taxes increased by approximately \$18.4 million or 3.2 percent. A large portion of this amount is based on estimates from the State of Maryland which creates some volatility in the amount. Property tax revenue increased approximately \$47.9 million or 6.2%. The growth was related to an increase in assessable value of 13.5% above the property assessments of three years ago.

**Property Taxes (in millions)**

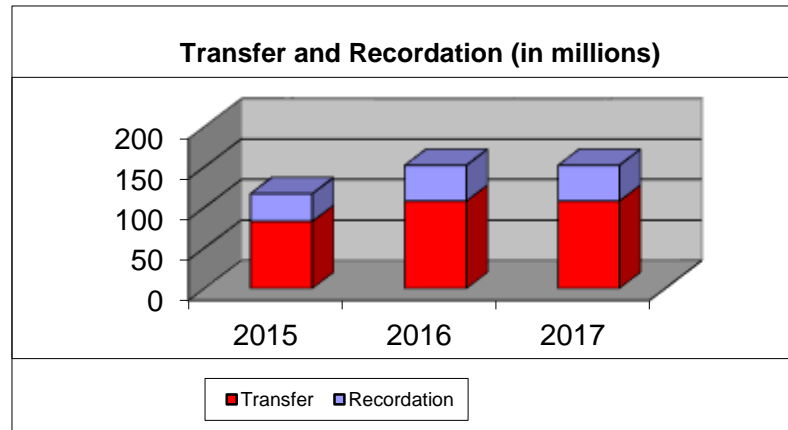


**Income Taxes (in millions)**



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Transfer and recordation taxes (\$160 million), telecommunications taxes (\$31.8 million), and energy taxes (\$66.4 million) comprise the majority of the remaining other taxes. Other taxes increased by approximately \$38.8 million or 16.2 percent. The \$71.9 million increase in transfer and recordation taxes relates to an increase in home sales (10.5%) and an increase in the median sales price (10.5%) during fiscal year 2017.



The County's total expense from governmental activities was approximately \$2.3 billion in fiscal year 2017 (approximately \$162.2 million greater than fiscal year 2016.) The categories experiencing the largest increases were Public Safety (approximately \$40.2 million – 6% increase) and education (approximately \$109.3 million–14% increase). Some of the factors affecting the changes include:

- Public safety expenditures increased by \$40.2 million, mainly driven by increased adjustments to the pension liability \$25.6 million and \$30.7 million in equipment purchases. The equipment purchases in the past two years lead to an increase in depreciation expense for public safety of \$4.9 million. Fire Department operating costs increased \$9.0 million related to salary adjustments and related benefits.
- State mandated payments to the Prince George's County Public Schools increased by \$30.2 million in fiscal year 2017.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

**Schedule of Changes in Net Position**  
**For the years ended June 30, 2017 and 2016**

(in thousands)

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
		Restated*				Restated*
Revenues:						
Program Revenues:						
Charges for services	\$ 218,140	232,644	119,819	113,895	337,959	346,539
Operating grants and contributions	133,467	139,789	-	-	133,467	139,789
Capital grants and contributions	3,875	13,581	136	2,555	4,011	16,136
General revenue:						
Property taxes	827,354	779,979	42,775	39,550	870,129	819,529
Income taxes	593,750	575,334	-	-	593,750	575,334
Other taxes	292,055	278,463	-	-	292,055	278,463
Other revenues	9,489	6,925	2,611	1,433	12,100	8,358
Total revenues	2,078,130	2,026,715	165,341	157,433	2,243,471	2,184,148
Expenses:						
General government	363,670	374,565	-	-	363,670	374,565
Public safety	736,128	695,922	-	-	736,128	695,922
Environmental	5,053	4,136	-	-	5,053	4,136
Health and Human Services	97,028	96,398	-	-	97,028	96,398
Infrastructure and Development	138,752	115,701	-	-	138,752	115,701
Education	908,276	798,961	-	-	908,276	798,961
Interest on long-term debt	55,142	56,148	-	-	55,142	56,148
Solid waste	-	-	114,620	94,062	114,620	94,062
Stormwater management	-	-	51,400	55,217	51,400	55,217
Water Protection and Restoration	-	-	2,248	1,165	2,248	1,165
Total expenses	2,304,049	2,141,831	168,268	150,444	2,472,317	2,292,275
Change in net position	(225,919)	(115,116)	(2,927)	6,989	(228,846)	(108,127)
Net position - beginning of year	(658,886)	(529,351)	215,221	208,232	(443,665)	(321,119)
Prior period adjustment	(130,863)	(14,419)	-	-	(130,863)	(14,419)
Net position - end of year	\$ (1,015,668)	(658,886)	212,294	215,221	(803,374)	(443,665)

\*Fiscal year 2016 amounts restated due to accounting error. See note 23 on page 96 for more information. Prior period adjustment for 2017 due to implementation of GASB Statement 73. See note 2 page 45. The 2016 amounts have not been restated for the effect of the implementation due to the lack of available information.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

Business-type Activities

Business-type activities decreased the County's net position by approximately \$2.9 million in fiscal year 2017. Key elements of this decrease are as follows:

- Total operating expenses for the Solid Waste Fund increased by approximately \$21 million. This was primarily a result of an increase in landfill postclosure expense of \$13.9 million for Brown Station Road Landfill and a 6.4 million acquisition of trash toters.
- Total operating expenses for the Stormwater Management Fund decreased by \$3.1 million. The majority of the decrease pertained to a \$2.6 million reduction of general and administrative expenses. In particular, chargeback operating expenses decreased by \$1.6 million which was attributable to a decrease in emergency operations associated with a milder winter.
- Total operating revenue for the Watershed Protection and Restoration Fund was \$14.7 million which offset the net position described in the two previously stated funds.

**FINANCIAL ANALYSIS OF GOVERNMENT FUNDS**

Governmental Funds

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

As of June 30, 2017, County governmental funds reported combined fund balances of \$259.9 million, a decrease of \$195.7 million in comparison to the prior year balances. Restricted Governmental fund balance was \$224.1 million which includes, \$157.5 million for a charter-mandated contingency reserve (Rainy Day Fund), \$8.1 million for drug enforcement, \$30.4 million for debt service and \$28.1 million for other purposes.

The General Fund is the chief operating fund of the County. At June 30, 2017, total fund balance in the general fund was \$466.1 million of which \$167.5 million was unassigned. The General Fund balance increased by \$92.6 million as a result of current fiscal year operations. The following key factors were responsible for the changes:

- Total revenues increased \$95.5 million from fiscal year 2016, which exceeded the final budget by \$51.7 million. The majority of the increase (\$168.1 million) related to the tax revenue which was discussed earlier in the governmental activities analysis
- Total expenditures and transfers out increased by \$100.1 million or approximately 7.0 percent. The County spent \$30.7 million on equipment purchases in fiscal year 2016 compared to \$23.8 million in the prior fiscal year.
- Transfers to the debt service fund and other debt payments increased \$13.6 million in fiscal year 2017
- State mandated contribution to the Prince George's County Public Schools increased by 30.2 million.



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Capital Projects Fund expenditures totaled \$295.5 million for fiscal year 2017 compared to \$203.0 million in fiscal year 2016. There was an increase of \$33.7 million in spending on Board of Education projects including an increase of \$37.2 million for Fairmount Heights High School and \$10.2 million for the Glenarden Woods ES Renovation Project. The Board of Education increases were partially offset by the \$8.2 million decrease in spending related to the Major Renovations Project. Prince George's Community College spending also increased by \$38.2 million including an increase of \$20.1 million for the Queen Anne Academic Center Project. The County spent an increase of \$11.3 million on Curb & Road Rehabilitation Projects. These increases were partially offset by the decrease in spending related to the Police Training/Administrative Headquarters Project and the Laurel Library Replacement Project. Both Projects had a decreased spending of \$10 million each.

Expenditures in the Federal and State Aided Programs Fund decreased by approximately \$8.8 million (8.5 percent) in comparison to fiscal year 2016. The majority of the decrease is in infrastructure and development grants. Several multiyear infrastructure and development grants experienced decreases in spending in fiscal year 2017 including MEMA Slope Failure \$1.3 million, MDOT Reconstruction Project \$2.2 million and HOME \$2.4 million.

Proprietary Funds

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

**Enterprise Funds.** At June 30, 2017, total net position for enterprise funds amounted to \$219 million as compared to \$222 million at June 30, 2016. Unrestricted net position for both the Solid Waste Fund and Stormwater Management Fund were negative \$15 million and \$52 million, respectively. The total net position increased in the Watershed Protection and Restoration and the Stormwater Management Fund by \$12.8 million and \$0.3 million, respectively. Whereas, the total net position decreased in the Solid Waste Management Fund by \$16.5 million.

**BUDGETARY HIGHLIGHTS**

The County's final General Fund budget was increased by \$24.9 million from the original budget. The additional funding was used to pay for winter snow events, public safety overtime and primary election spending. The funding for this was a declaration of additional tax revenue (\$5.9 million) and use of fund balance.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017 was \$2.7 billion (net of accumulated depreciation.) This investment in capital assets includes land, buildings and improvements, equipment and vehicles, road networks, bridges, landfill property in service, and stormwater property in service. The total increase in the County's investment in capital assets for the current fiscal year was 1.8% (0.3% increase for governmental activities and 12.6% increase for business-type activities.)

Major capital asset events during the year include the following:

- Buildings and improvements increased by \$23.4 million including \$23.7 million for the Laurel Library expansion.
- \$22.1 million added to construction in progress for the Watershed Implementation Plan.
- Landfill property in service decreased by \$4.9 million.

The County's capital assets, net of accumulated depreciation, are presented in the following table as of June 30, 2017 and 2016:

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

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 106,029,195	103,107,571	27,072,977	27,044,477	133,102,172	130,152,048
Buildings and improvements	463,360,063	441,112,546	16,819,049	17,677,996	480,179,112	458,790,542
Equipment	39,987,495	40,848,570	2,930,469	3,764,163	42,917,964	44,612,733
Infrastructure	1,670,168,170	1,682,901,824	-	-	1,670,168,170	1,682,901,824
Landfill property in service	-	-	6,678,280	11,612,624	6,678,280	11,612,624
Stormwater property in service	-	-	134,241,195	137,179,294	134,241,195	137,179,294
Construction in progress	92,629,640	97,415,464	184,686,611	133,520,195	277,316,251	230,935,659
Total	\$ <u>2,372,174,563</u>	<u>2,365,385,975</u>	<u>372,428,581</u>	<u>330,798,749</u>	<u>2,744,603,144</u>	<u>2,696,184,724</u>

Additional information on the County's capital assets is located in note 7 on pages 58 to 62 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$1.37 billion.

**Outstanding Debt**

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 1,193,963,805	1,286,868,805	176,434,056	180,041,195	1,370,397,861	1,466,910,000
Total	\$ 1,193,963,805	1,286,868,805	176,434,056	180,041,195	1,370,397,861	1,466,910,000

Total bonded debt of the County decreased by \$110.5 million (7.5%) from the previous fiscal year due to retirement of General Obligation and Revenue Bonds.

The underlying ratings of the County's general obligation bonds as of June 20, 2017, were as follows:

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

Additional information on the County's long-term debt is located in note 13 starting on page 81 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017

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

Factors considered in preparing the County's budget for fiscal year 2018 included:

- Property values grew in 2017. Group 2's assessable value increased by 13.5% in January 2017 from three years ago, resulting in the growth of property tax revenues.
- Home sales increased by 10.5% in fiscal year 2017 compared to fiscal year 2016. The average median sale price rose to \$266,900 in FY 2017, up from \$241,500 in FY 2016. These two factors contributed to an increase in transfer and recordation tax revenues in FY 2017.
- Foreclosures decreased by 28.6% in fiscal year 2017 compared to fiscal year 2016 for a total of 6,983 events. The number of foreclosures in fiscal year 2017 decreased on a quarterly basis from 1,839 in the first quarter to 1,925 in the fourth quarter.
- General Fund Income tax revenue rose to \$559.4 in fiscal year 2017, a 2.2% increase from fiscal year 2016.

During fiscal year 2017, the unassigned fund balance in the General Fund was \$167.5 million. The County has not appropriated a use of general fund fund balance for fiscal year 2018.

Requests for Information

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

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## **BASIC FINANCIAL STATEMENTS**

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Position  
June 30, 2017

	Primary Government			Component Units			Reclassifications (See note 1-r)	Total Reporting Entity
	Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County	Other Component Units	Total Component Units		
<b>ASSETS</b>								
Cash and investments	\$ 195,252,756	55,027,956	250,280,712	269,147,352	52,260,886	321,408,238	-	571,688,950
Cash with fiscal agents	20,728,047	156,482	20,884,529	-	-	-	-	20,884,529
Receivables (net of allowances for uncollectibles):								
Taxes	4,547,447	602,756	5,150,203	-	-	-	-	5,150,203
Accounts	49,335,830	3,606,783	52,942,613	33,373,373	39,227,131	72,600,504	-	125,543,117
Notes	32,371,107	-	32,371,107	-	1,305,900	1,305,900	-	33,677,007
Accrued interest receivable	244,472	245,750	490,222	-	9,962	9,962	-	500,184
Internal balance	31,273,152	(31,273,152)	-	-	-	-	-	-
Due from component units	5,903,352	-	5,903,352	-	-	-	-	5,903,352
Due from primary government	-	-	-	38,416,036	31,994,315	70,410,351	-	70,410,351
Due from other governmental units	213,253,984	778,206	214,032,190	41,854,723	2,493,486	44,348,209	-	258,380,399
Inventories	2,717,214	-	2,717,214	8,611,064	101,652	8,712,716	-	11,429,930
Prepaid costs and deposits	101,652	375,000	476,652	111,210	2,911,651	3,022,861	-	3,499,513
Restricted assets:								
Cash and investments	229,745,569	128,324,659	358,070,228	-	13,479,455	13,479,455	-	371,549,683
Land	-	-	-	-	12,164,002	12,164,002	-	12,164,002
Capital assets:								
Nondepreciable assets	198,658,835	211,759,588	410,418,423	181,962,743	139,540,457	321,503,200	-	731,921,623
Depreciable assets, net	2,173,515,728	160,668,993	2,334,184,721	1,172,073,281	192,411,478	1,364,484,759	-	3,698,669,480
Other assets	50,000	-	50,000	-	3,982,243	3,982,243	-	4,032,243
Total assets	<u>3,157,699,145</u>	<u>530,273,021</u>	<u>3,687,972,166</u>	<u>1,745,549,782</u>	<u>491,882,618</u>	<u>2,237,432,400</u>	<u>-</u>	<u>5,925,404,566</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>								
Pension deferrals	191,289,381	5,980,496	197,269,877	68,738,365	3,243,939	71,982,304	-	269,252,181
Deferred charge on refunding	181,204	96,941	278,145	-	626,318	626,318	-	904,463
Total deferred outflow of resources	<u>191,470,585</u>	<u>6,077,437</u>	<u>197,548,022</u>	<u>68,738,365</u>	<u>3,870,257</u>	<u>72,608,622</u>	<u>-</u>	<u>270,156,644</u>
<b>LIABILITIES</b>								
Accounts payable	94,401,344	18,255,206	112,656,550	75,586,838	27,453,334	103,040,172	-	215,696,722
Retainages payable	5,514,062	1,855,034	7,369,096	8,969,516	-	8,969,516	-	16,338,612
Accrued liabilities	48,003,524	1,024,440	49,027,964	107,290,640	1,227,978	108,518,618	-	157,546,582
Unearned revenue	92,071,640	-	92,071,640	22,079,134	1,815,382	23,894,516	-	115,966,156
Matured bonds and interest payable	-	2,670,147	2,670,147	-	687,188	687,188	-	3,357,335
Deposits	63,878,387	83,713	63,962,100	-	340,743	340,743	-	64,302,843
Due to primary government	-	-	-	-	5,903,352	5,903,352	-	5,903,352
Due to component units	70,410,351	-	70,410,351	-	-	-	-	70,410,351
Noncurrent liabilities:								
Due within one year	210,786,385	14,620,853	225,407,238	40,396,310	6,889,888	47,286,198	-	272,693,436
Due in more than one year	3,704,363,100	283,592,235	3,987,955,335	1,742,103,416	84,889,894	1,826,993,310	-	5,814,948,645
Total liabilities	<u>4,289,428,793</u>	<u>322,101,628</u>	<u>4,611,530,421</u>	<u>1,996,425,854</u>	<u>129,207,759</u>	<u>2,125,633,613</u>	<u>-</u>	<u>6,737,164,034</u>
<b>DEFERRED INFLOW OF RESOURCES -</b>								
Pension deferrals	66,180,236	1,954,619	68,134,855	6,588,583	1,350,552	7,939,135	-	76,073,990
Pension deferrals - LOSAP	9,229,161	-	9,229,161	-	-	-	-	9,229,161
Other Deferrals	-	-	-	-	122,704	122,704	-	122,704
Total	<u>75,409,397</u>	<u>1,954,619</u>	<u>77,364,016</u>	<u>6,588,583</u>	<u>1,473,256</u>	<u>8,061,839</u>	<u>-</u>	<u>85,425,855</u>
<b>NET POSITION</b>								
Net investment in capital assets	1,659,749,133	211,704,766	1,871,453,899	1,231,536,296	282,499,821	1,514,036,117	(454,176,281)	2,931,313,735
Restricted for:								
Capital projects	420,875	63,006,792	63,427,667	1,596,144	-	1,596,144	-	65,023,811
Contingency reserve	157,467,470	-	157,467,470	-	-	-	-	157,467,470
Debt service	30,433,927	-	30,433,927	-	-	-	-	30,433,927
Restricted for I-net	10,787,145	-	10,787,145	-	-	-	-	10,787,145
Landfill closure	-	7,426,381	7,426,381	-	-	-	-	7,426,381
Preservation	-	1,544,692	1,544,692	-	-	-	-	1,544,692
Education	-	-	-	-	8,485,136	8,485,136	-	8,485,136
Community development	-	-	-	5,091,764	22,199,979	27,291,743	-	27,291,743
Unrestricted (deficit)	(2,874,527,010)	(71,388,420)	(2,945,915,430)	(1,426,950,494)	51,886,924	(1,375,063,570)	454,176,281	(3,866,802,719)
Total Net Position	<u>\$ (1,015,668,460)</u>	<u>\$ 212,294,211</u>	<u>\$ (803,374,249)</u>	<u>\$ (188,726,290)</u>	<u>\$ 365,071,860</u>	<u>\$ 176,345,570</u>	<u>\$ -</u>	<u>\$ (627,028,679)</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Activities  
For the year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Board of Education of Prince George's County	Other Component Units
					Governmental Activities	Business-type Activities			
Primary government:									
Governmental activities:									
General government	\$ 363,670,444	90,201,920	21,593,271	860,962	(251,014,291)	-	(251,014,291)	-	-
Public safety	736,127,867	49,748,474	25,765,885	1,504,442	(659,109,066)	-	(659,109,066)	-	-
Environmental	5,053,254	450,345	885,281	-	(3,717,628)	-	(3,717,628)	-	-
Health and Human Services	97,028,095	6,361,895	74,068,373	-	(16,597,827)	-	(16,597,827)	-	-
Infrastructure and Development	138,751,700	71,376,976	11,154,653	1,509,878	(54,710,193)	-	(54,710,193)	-	-
Education:									
Board of Education	806,245,925	-	-	-	(806,245,925)	-	(806,245,925)	-	-
Community College	77,580,269	-	-	-	(77,580,269)	-	(77,580,269)	-	-
Memorial Library	24,450,003	-	-	-	(24,450,003)	-	(24,450,003)	-	-
Interest on long-term debt	55,141,905	-	-	-	(55,141,905)	-	(55,141,905)	-	-
Total governmental activities	<u>2,304,049,462</u>	<u>218,139,610</u>	<u>133,467,463</u>	<u>3,875,282</u>	<u>(1,948,567,107)</u>	<u>-</u>	<u>(1,948,567,107)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste	114,620,132	97,111,766	-	-	-	(17,508,366)	(17,508,366)	-	-
Stormwater	51,399,872	8,029,372	-	135,823	-	(43,234,677)	(43,234,677)	-	-
Watershed Protection	2,248,552	14,678,046	-	-	-	12,429,494	12,429,494	-	-
Total business-type activities	<u>168,268,556</u>	<u>119,819,184</u>	<u>-</u>	<u>135,823</u>	<u>-</u>	<u>(48,313,549)</u>	<u>(48,313,549)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 2,472,318,018</u>	<u>337,958,794</u>	<u>133,467,463</u>	<u>4,011,105</u>	<u>(1,948,567,107)</u>	<u>(48,313,549)</u>	<u>(1,996,880,656)</u>	<u>-</u>	<u>-</u>
Component units:									
Board of Education	2,228,904,019	17,813,159	275,064,959	118,722,889	-	-	-	(1,817,303,012)	-
Other Component Units:									
General Government	22,503,160	26,006,386	660,000	163,410	-	-	-	-	4,326,636
Education	165,075,235	29,277,180	10,659,849	6,634,309	-	-	-	-	(118,503,897)
Community development	87,200,950	2,230,010	83,570,504	4,030,960	-	-	-	-	2,630,524
Total component units	<u>\$ 2,503,683,364</u>	<u>75,326,735</u>	<u>369,955,312</u>	<u>129,551,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,817,303,012)</u>	<u>(111,546,737)</u>
General Revenues:									
Property taxes					827,354,415	42,775,442	870,129,857	-	-
Income taxes					593,750,012	-	593,750,012	-	-
Transfer and recordation taxes					159,972,580	-	159,972,580	-	-
Energy taxes					71,865,024	-	71,865,024	-	-
Telecommunications tax					31,746,691	-	31,746,691	-	-
Other taxes					28,470,988	-	28,470,988	-	-
Unrestricted state shared tax					3,107,973	-	3,107,973	-	-
Earnings (loss) on investments					2,968,323	2,611,181	5,579,504	1,515,840	709,919
Unrestricted grants and contributions					486,635	-	486,635	1,787,166,622	119,896,515
Miscellaneous revenues					2,925,716	-	2,925,716	-	1,946,474
Total general revenues					<u>1,722,648,357</u>	<u>45,386,623</u>	<u>1,768,034,980</u>	<u>1,788,682,462</u>	<u>122,552,908</u>
Change in net position					(225,918,750)	(2,926,926)	(228,845,676)	(28,620,550)	11,006,171
Net position - beginning of year					(644,514,538)	215,221,137	(429,293,401)	(160,105,740)	306,035,834
Prior period adjustment - Note 2 and 23					(145,235,172)	-	(145,235,172)	-	48,029,855
Net position - beginning of year, restated					<u>(789,749,710)</u>	<u>215,221,137</u>	<u>(574,528,573)</u>	<u>(160,105,740)</u>	<u>354,065,689</u>
Net position - end of year					<u>\$ (1,015,668,460)</u>	<u>212,294,211</u>	<u>(803,374,249)</u>	<u>(188,726,290)</u>	<u>365,071,860</u>

See accompanying notes to financial statements.



PRINCE GEORGE'S COUNTY, MARYLAND  
Balance Sheet  
Governmental Funds  
June 30, 2017

<u>Assets</u>	<u>General</u>	<u>Federal and State Aided Programs</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and investments	\$ 79,935,180	4,379,835	379,070	12,384,139	97,078,224
Cash with fiscal agents	-	-	-	20,728,047	20,728,047
Receivables (net of allowances for uncollectibles):					
Taxes	4,547,447	-	-	-	4,547,447
Accounts	41,674,729	3,750,778	-	-	45,425,507
Notes	16,849,107	15,522,000	-	-	32,371,107
Accrued interest receivable	208,764	-	-	-	208,764
Due from other funds	335,625,000	-	-	-	335,625,000
Due from component units	5,903,352	-	-	-	5,903,352
Due from other governmental units	151,190,777	59,780,136	1,860,067	36,010	212,866,990
Inventories	2,010,022	-	-	-	2,010,022
Restricted assets:					
Cash and investments	27,864,382	601,452	192,175,307	9,104,428	229,745,569
Other assets	50,000	-	-	-	50,000
<b>Total assets</b>	<b>665,858,760</b>	<b>84,034,201</b>	<b>194,414,444</b>	<b>42,252,624</b>	<b>986,560,029</b>
<u>Liabilities, Deferred Inflows, and Fund Balances</u>					
Liabilities:					
Compensated absences and termination benefits payable	417,877	-	-	-	417,877
Accounts payable	36,991,548	10,582,224	41,163,443	14,997	88,752,212
Retainages	-	-	5,514,062	-	5,514,062
Accrued liabilities	27,215,624	953,806	-	-	28,169,430
Unearned revenue	15,483,213	71,853,930	-	-	87,337,143
Deposits	36,787,948	42,789	27,047,650	-	63,878,387
Due to other funds	-	-	309,500,000	-	309,500,000
Due to component units	10,181,942	-	60,228,409	-	70,410,351
Total liabilities	127,078,152	83,432,749	443,453,564	14,997	653,979,462
Deferred inflows of resources					
Unavailable tax and other revenue	72,705,764	-	-	-	72,705,764
Total deferred inflow of resources	72,705,764	-	-	-	72,705,764
Fund balances:					
Nonspendable	2,010,022	-	-	-	2,010,022
Restricted	185,338,448	601,452	-	38,162,157	224,102,057
Committed	62,986,988	-	-	-	62,986,988
Assigned	48,288,562	-	-	4,075,470	52,364,032
Unassigned	167,450,824	-	(249,039,120)	-	(81,588,296)
Total fund balances	466,074,844	601,452	(249,039,120)	42,237,627	259,874,803
Total liabilities, deferred inflows of resources, and fund balances	\$ 665,858,760	84,034,201	194,414,444	42,252,624	986,560,029

See accompanying notes to financial statements.

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2017

Total fund balances for governmental funds (Exhibit A-3)		\$ 259,874,803
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Amounts reported for governmental activities in the statement of net position is different because:

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

Land	\$ 105,029,195	
Infrastructure, net of \$1,266,515,081, accumulated depreciation	1,668,139,105	
Buildings and improvements, net of \$171,683,114, accumulated depreciation	465,389,128	
Equipment, net of \$161,339,178 accumulated depreciation	39,327,113	
Construction in progress	92,629,640	
Total capital assets		2,370,514,181

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

(90,434,342)

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

72,705,764

Long-term liabilities for governmental funds activity are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Balances at June 30, 2017 are:

Unmatured accrued interest		(19,232,629)
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Long-term liabilities, deferred inflows, and deferred outflows:

Bonded debt	(1,193,963,805)	
Deferred outflow of resources - bond refunding costs	181,204	
Unamortized discount (premium)	(99,187,505)	
Capital lease obligations	(61,140,500)	
Pension and OPEB obligations	(2,240,153,406)	
Compensated absences and termination benefits payable	(73,103,591)	
Notes payable	(55,218,480)	
Deferred outflow of resources - pensions	187,669,527	
Deferred inflow of resources - pensions	(74,179,681)	
Total long-term liabilities		(3,609,096,237)
Total net position of governmental activities		\$ (1,015,668,460)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the year ended June 30, 2017

	<u>General</u>	<u>Federal and State Aided Programs</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 1,706,425,548	-	-	2,441,219	1,708,866,767
Licenses and permits	47,551,850	-	-	381,485	47,933,335
Fines and forfeitures	14,070,017	-	-	1,143,970	15,213,987
Use of money and property	3,724,472	2,149,500	86,612	123,551	6,084,135
Charges for services	48,991,951	636,321	3,682,294	28,504,887	81,815,453
Intergovernmental	47,347,209	90,056,021	2,370,840	3,421,759	143,195,829
Miscellaneous	3,905,879	279,918	484,510	83,062	4,753,369
Total revenues	<u>1,872,016,926</u>	<u>93,121,760</u>	<u>6,624,256</u>	<u>36,099,933</u>	<u>2,007,862,875</u>
Expenditures:					
Current:					
General government	211,424,101	3,494,475	-	48,181	214,966,757
Public safety	655,742,034	14,336,986	-	1,034,108	671,113,128
Environmental	3,502,882	949,364	-	-	4,452,246
Health and human services	28,885,737	67,236,952	-	347,468	96,470,157
Infrastructure and development	22,951,425	6,635,794	-	-	29,587,219
Capital projects	-	-	132,580,862	-	132,580,862
Education:					
Board of Education	699,448,100	-	106,797,825	-	806,245,925
Community College	34,872,800	-	42,707,469	-	77,580,269
Memorial Library	19,615,000	-	13,447,009	-	33,062,009
Debt service:					
Principal retirement	22,004,860	1,421,000	-	92,905,000	116,330,860
Interest	3,053,889	172,653	-	50,029,119	53,255,661
Total expenditures	<u>1,701,500,828</u>	<u>94,247,224</u>	<u>295,533,165</u>	<u>144,363,876</u>	<u>2,235,645,093</u>
Excess of revenues over (under) expenditures	<u>170,516,098</u>	<u>(1,125,464)</u>	<u>(288,908,909)</u>	<u>(108,263,943)</u>	<u>(227,782,218)</u>
Capital lease financing	30,686,760	-	1,418,480	-	32,105,240
Transfers in	-	-	4,993,446	105,918,332	110,911,778
Transfers out	(108,643,201)	-	(2,268,577)	-	(110,911,778)
Total other financing sources (uses)	<u>(77,956,441)</u>	<u>-</u>	<u>4,143,349</u>	<u>105,918,332</u>	<u>32,105,240</u>
Net change in fund balances	<u>92,559,657</u>	<u>(1,125,464)</u>	<u>(284,765,560)</u>	<u>(2,345,611)</u>	<u>(195,676,978)</u>
Fund balances, beginning of year	<u>387,887,045</u>	<u>1,726,915</u>	<u>35,726,440</u>	<u>44,583,238</u>	<u>469,923,638</u>
Prior period adjustment - Note 23	<u>(14,371,858)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,371,858)</u>
Fund balances, end of year	<u>\$ 466,074,844</u>	<u>601,452</u>	<u>(249,039,120)</u>	<u>42,237,627</u>	<u>259,874,803</u>

See accompanying notes to financial statements.

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Net Activities  
For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds		\$ (195,676,978)
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		74,786,908
Depreciation expense on governmental capital assets is included as an expense in the statement of activities, but does not require the use of current financial resources, and therefore, is not reported as expenditures in governmental funds.		(79,455,688)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.		34,150,480
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the funds. This represents changes in deferred revenue at the fund level.		8,246,340
In the statement of activities the loss on disposal of equipment is reported, whereas in the governmental funds, disposal of capital assets are not recorded. Thus the change in net assets differs from the change in fund balance.		(22,843,372)
Internal Service Funds are used by management to charge the cost of fleet maintenance, information technology, and self insurance. The net revenue is reported with governmental activities.		(3,021,910)
Long-term liabilities for governmental funds activity are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Balances at June 30, 2017 are:		
Debt Issued:		
Capital lease and note proceeds	(32,105,240)	
Principal payments	116,330,860	
Net adjustment		84,225,620
Certain expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Accrued interest expense	(1,886,244)	
Compensated absences	2,121,411	
Pension and LOSAP expenses	(62,258,502)	
Other post employment benefits	(84,407,617)	
Amortization bond premium/discount and deferred charge on refunding	20,100,802	
		(126,330,150)
Change in net position of governmental activities		\$ (225,918,750)

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,665,220,200	1,672,539,100	1,706,425,548	33,886,448
Licenses and permits	44,434,300	44,434,300	47,551,850	3,117,550
Fines and forfeitures	12,958,600	12,913,000	14,070,017	1,157,017
Use of money and property	7,254,600	7,254,600	3,724,472	(3,530,128)
Charges for services	41,831,800	42,424,000	48,991,951	6,567,951
Intergovernmental	39,192,500	39,442,500	47,347,209	7,904,709
Miscellaneous	1,260,200	1,305,800	3,905,879	2,600,079
Total revenues	<u>1,812,152,200</u>	<u>1,820,313,300</u>	<u>1,872,016,926</u>	<u>51,703,626</u>
Expenditures:				
General government:				
County Executive	5,718,000	5,718,000	5,385,698	332,302
Legislative Branch	16,227,500	16,227,500	13,754,746	2,472,754
Office of Ethics and Accountability	596,800	586,800	586,800	-
Circuit Court	15,935,600	16,162,000	15,317,796	844,204
Orphan's Court	419,200	421,900	417,749	4,151
Personnel Board	327,800	331,400	319,148	12,252
Office of Finance	3,642,000	3,673,200	3,614,292	58,908
Citizen Complaint Oversight Panel	264,600	264,600	264,600	-
Office of Community Relations	4,520,800	4,320,800	3,957,318	363,482
People's Zoning Council	-	250,000	250,000	-
Office of Management and Budget	2,420,500	2,420,500	2,414,870	5,630
Board of License Commissioners	1,403,800	1,403,800	1,156,776	247,024
Office of Law	3,828,900	3,728,900	3,728,900	-
Office of Human Resource Management	6,133,700	5,908,700	5,193,736	714,964
Board of Elections	5,476,200	5,491,800	5,384,310	107,490
Office of Central Services	19,371,100	19,046,100	17,849,159	1,196,941
Property Management	300,000	300,000	195,405	104,595
Collington Center	5,000	5,000	5,000	-
Non-departmental	164,790,200	172,975,900	155,877,574	17,098,326
Total general government	<u>251,381,700</u>	<u>259,236,900</u>	<u>235,673,877</u>	<u>23,563,023</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Office of the State's Attorney	\$ 16,573,200	16,737,700	16,461,393	276,307
Police Department	307,013,400	310,649,900	297,734,494	12,915,406
Fire Department	169,972,500	175,806,500	175,290,807	515,693
Sheriff's Department	43,795,800	45,993,800	44,962,270	1,031,530
Department of Corrections	82,008,000	84,098,200	81,370,936	2,727,264
Office of Homeland Security	25,548,500	25,631,400	25,036,615	594,785
Total Public Safety	644,911,400	658,917,500	640,856,515	18,060,985
Environmental				
Department of the Environment	3,850,000	3,850,000	3,417,906	432,094
Total Environment	3,850,000	3,850,000	3,417,906	432,094
Health and Human Services				
Department of Family Services	4,088,600	4,116,900	3,985,872	131,028
Health	20,593,800	21,785,000	21,433,943	351,057
Public Welfare	3,781,800	4,281,800	3,465,922	815,878
Total Health and Human Services	28,464,200	30,183,700	28,885,737	1,297,963
Infrastructure and Development				
Public Works and Transportation	9,382,000	9,597,400	9,597,400	-
Department of Permitting, Inspections and Enforcement	8,518,700	8,518,700	8,518,700	-
Department of Housing and Community Development	3,875,100	3,875,100	3,781,429	93,671
Total Infrastructure and Development	21,775,800	21,991,200	21,897,529	93,671
Education	752,816,900	753,935,900	753,935,900	-
Total Expenditures	1,703,200,000	1,728,115,200	1,684,667,464	43,447,736
Excess of revenues over expenditures	108,952,200	92,198,100	187,349,462	95,151,362
Other financing sources (uses):				
Transfers out - other funds	(116,088,600)	(116,088,600)	(108,643,201)	7,445,399
Appropriated fund balance	7,136,400	23,890,500	-	(23,890,500)
Total other financing sources (uses)	(108,952,200)	(92,198,100)	(108,643,201)	(16,445,101)
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	-	-	78,706,261	78,706,261
Adjustments:				
Purchase agreement financing			30,686,760	
Capital financing expenditures			(16,833,364)	
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)			92,559,657	
Fund balance, beginning of year			387,887,045	
Prior Period Adjustment - Note 23			(14,371,858)	
Fund balance, end of year			\$ 466,074,844	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

Assets	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund	Total	
Current assets:					
Cash and investments	\$ 557,727	1,450,468	53,019,761	55,027,956	98,174,532
Cash with fiscal agents	156,482	-	-	156,482	-
Taxes receivable	-	637,131	-	637,131	-
Less allowance for uncollectibles	-	(34,375)	-	(34,375)	-
Accounts receivable	3,568,503	-	893,800	4,462,303	2,785,323
Less allowance for uncollectibles	(840,227)	-	(15,293)	(855,520)	-
Accrued interest receivable	103,909	104,326	37,515	245,750	35,708
Due from other governmental units	642,383	135,823	-	778,206	386,994
Inventories	-	-	-	-	707,192
Prepaid costs and deposits	-	-	375,000	375,000	101,652
Total current assets	4,188,777	2,293,373	54,310,783	60,792,933	102,191,401
Noncurrent assets:					
Restricted cash and investments					
Revenue bond operation and maintenance	9,000,000	-	-	9,000,000	-
Sandy Hill Trust	1,890,485	-	-	1,890,485	-
Landfill closure	97,847,123	-	-	97,847,123	-
Unspent bond proceeds	-	19,587,051	-	19,587,051	-
Total restricted cash and investments	108,737,608	19,587,051	-	128,324,659	-
Capital assets:					
Land	11,306,081	15,766,896	-	27,072,977	1,000,000
Buildings and improvements	29,227,755	242,525	-	29,470,280	2,640,889
Accumulated depreciation	(13,644,392)	(242,525)	-	(13,886,917)	(2,640,889)
Improvements other than buildings	5,151,450	-	-	5,151,450	328,014
Accumulated depreciation	(3,915,764)	-	-	(3,915,764)	(328,014)
Equipment	21,632,293	4,038,582	-	25,670,875	6,901,381
Accumulated depreciation	(18,772,094)	(3,968,312)	-	(22,740,406)	(6,240,999)
Landfill property in service	121,336,027	-	-	121,336,027	-
Accumulated depreciation	(114,657,747)	-	-	(114,657,747)	-
Stormwater property in service	-	199,539,940	-	199,539,940	-
Accumulated depreciation	-	(65,298,745)	-	(65,298,745)	-
Construction in progress	34,851,332	149,835,279	-	184,686,611	-
Total capital assets	72,514,941	299,913,640	-	372,428,581	1,660,382
Total noncurrent assets	181,252,549	319,500,691	-	500,753,240	1,660,382
Total assets	185,441,326	321,794,064	54,310,783	561,546,173	103,851,783
Deferred outflow of resources:					
Pension deferrals	2,287,590	3,692,906	-	5,980,496	3,619,854
Deferred charge on refunding	23,799	73,142	-	96,941	-
Total deferred outflow of resources	2,311,389	3,766,048	-	6,077,437	3,619,854

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Position, Continued  
Proprietary Funds  
June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	Solid	Stormwater	Non-Major		Activities-
	Waste	Management	Watershed Protection		Internal
<u>Liabilities</u>	<u>Fund</u>	<u>Fund</u>	<u>and Restoration</u>	<u>Total</u>	<u>Service</u>
			<u>Fund</u>		<u>Funds</u>
Current liabilities:					
Payable from unrestricted assets:					
Current portion of bonded debt	\$ 2,100,000	7,970,000	-	10,070,000	-
Current portion of compensated absences and termination benefits payable	931,640	1,380,408	-	2,312,048	1,360,515
Current portion of notes payable	896,582	-	-	896,582	-
Current portion of estimated liability on pending claims	-	-	-	-	47,315,568
Current portion of postclosure liability	1,342,223	-	-	1,342,223	-
Accounts payable	7,983,300	9,967,915	303,991	18,255,206	5,649,132
Retainages	16,741	1,838,293	-	1,855,034	-
Accrued liabilities	392,802	631,638	-	1,024,440	601,465
Unearned revenue	-	-	-	-	4,734,497
Matured bonds and interest payable	566,187	2,103,960	-	2,670,147	-
Deposits	83,713	-	-	83,713	-
Due to other funds	-	25,000,000	-	25,000,000	-
Total current liabilities	<u>14,313,188</u>	<u>48,892,214</u>	<u>303,991</u>	<u>63,509,393</u>	<u>59,661,177</u>
Long-term liabilities:					
Bonded debt, less current portion	32,116,006	134,248,050	-	166,364,056	-
Notes Payable, less current portion	5,296,866	-	-	5,296,866	-
Compensated absences and termination benefits payable, less current portion	-	-	-	-	108,076
Net pension liability	8,618,986	14,159,129	-	22,778,115	14,301,824
Estimated liability on pending claims, less current portion	-	-	-	-	128,878,338
Estimated liability for landfill closure costs, less current portion	89,153,198	-	-	89,153,198	-
Total long-term liabilities	<u>135,185,056</u>	<u>148,407,179</u>	<u>-</u>	<u>283,592,235</u>	<u>143,288,238</u>
Total liabilities	<u>149,498,244</u>	<u>197,299,393</u>	<u>303,991</u>	<u>347,101,628</u>	<u>202,949,415</u>
Deferred inflow of resources:					
Pension deferrals	739,708	1,214,911	-	1,954,619	1,229,716
Total deferred outflow of resources	<u>739,708</u>	<u>1,214,911</u>	<u>-</u>	<u>1,954,619</u>	<u>1,229,716</u>
Net position:					
Net investment in capital assets	34,422,125	177,282,641	-	211,704,766	1,660,382
Restricted for capital improvements and future maintenance	9,000,000	-	54,006,792	63,006,792	-
Restricted for Sandy Hill Trust	1,890,485	-	-	1,890,485	-
Restricted for landfill closure costs	5,535,896	-	-	5,535,896	-
Restricted for Chesapeake Bay and tree preservation activities	-	1,544,692	-	1,544,692	-
Restricted for I-Net	-	-	-	-	10,787,145
Unrestricted	(13,333,743)	(51,781,525)	-	(65,115,268)	(109,155,021)
Total net position	<u>\$ 37,514,763</u>	<u>127,045,808</u>	<u>54,006,792</u>	<u>218,567,363</u>	<u>(96,707,494)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(6,273,152)	
Net position of business-type activities				<u>\$ 212,294,211</u>	

See accompanying notes to financial statements.



PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the year ended June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	<u>Solid Waste Fund</u>	<u>Stormwater Management Fund</u>	<u>Non-Major Watershed Protection and Restoration Fund</u>	<u>Total</u>	
Operating revenues:					
Premium contributions	\$ -	-	-	-	127,722,895
Licenses and permits	-	8,029,372	-	8,029,372	-
Sales	235,840	-	-	235,840	29,823,189
Charges for services	96,811,382	-	14,512,911	111,324,293	12,569,028
Use of money and property - rentals	-	-	-	-	157,178
Miscellaneous	64,544	-	165,135	229,679	1,473,605
Total operating revenues	<u>97,111,766</u>	<u>8,029,372</u>	<u>14,678,046</u>	<u>119,819,184</u>	<u>171,745,895</u>
Operating expenses:					
Salaries	7,380,503	10,968,204	-	18,348,707	9,698,443
Project charges - salaries/recoveries	8,927,211	8,860,029	-	17,787,240	-
Fringe benefits	6,958,401	9,872,781	-	16,831,182	5,888,070
Contractual services	36,412,865	-	-	36,412,865	8,724,476
Materials	-	-	-	-	8,860,681
Rent	-	-	-	-	298,238
General and administrative	32,800,301	12,510,611	2,248,552	47,559,464	9,371,187
Depreciation and amortization	7,370,231	4,577,143	-	11,947,374	150,047
Insurance claims and premiums	-	-	-	-	127,136,256
Landfill postclosure costs	13,801,553	-	-	13,801,553	-
Other	-	-	-	-	4,474,928
Total operating expenses	<u>113,651,065</u>	<u>46,788,768</u>	<u>2,248,552</u>	<u>162,688,385</u>	<u>174,602,326</u>
Operating income (loss)	<u>(16,539,299)</u>	<u>(38,759,396)</u>	<u>12,429,494</u>	<u>(42,869,201)</u>	<u>(2,856,431)</u>
Nonoperating revenues (expenses):					
Taxes	-	42,775,442	-	42,775,442	-
Interest income	1,336,491	952,164	322,526	2,611,181	343,138
Interest expense	(1,279,030)	(4,808,936)	-	(6,087,966)	-
Gain (loss) on sale of capital assets	-	-	-	-	(822)
Total nonoperating revenues (expenses)	<u>57,461</u>	<u>38,918,670</u>	<u>322,526</u>	<u>39,298,657</u>	<u>342,316</u>
Income (loss) before contributions and transfers	<u>(16,481,838)</u>	<u>159,274</u>	<u>12,752,020</u>	<u>(3,570,544)</u>	<u>(2,514,115)</u>
Capital contributions	-	135,823	-	135,823	-
Change in net position	<u>(16,481,838)</u>	<u>295,097</u>	<u>12,752,020</u>	<u>(3,434,721)</u>	<u>(2,514,115)</u>
Net position - beginning of year	<u>53,996,601</u>	<u>126,750,711</u>	<u>41,254,772</u>		<u>(94,193,379)</u>
Net position - end of year	<u>\$ 37,514,763</u>	<u>127,045,808</u>	<u>54,006,792</u>		<u>(96,707,494)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				507,795	
Change in net position of business-type activities				<u>\$ (2,926,926)</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	<u>Solid Waste Fund</u>	<u>Stormwater Management Fund</u>	<u>Non-Major Watershed Protection and Restoration Fund</u>	<u>Total</u>	
Cash flows from operating activities:					
Cash received from customers	\$ 98,929,823	8,029,372	14,633,720	121,592,915	24,900,265
Cash received from interfund charges	-	-	-	-	144,126,907
Cash payments to suppliers for goods and services	(73,641,230)	13,326,837	(2,127,657)	(62,442,050)	(106,266,480)
Cash payments to employees for services	(23,384,181)	(29,000,186)	-	(52,384,367)	(14,934,020)
Premium and claim payments	-	-	-	-	(55,722,628)
Other cash receipts	-	-	-	-	138,857
Net cash and cash equivalents provided (used) by operating activities	<u>1,904,412</u>	<u>(7,643,977)</u>	<u>12,506,063</u>	<u>6,766,498</u>	<u>(7,757,099)</u>
Cash flows from noncapital financing activities:					
Tax collections	-	42,679,253	-	42,679,253	-
Transfers in from other funds	-	-	-	-	2,460,904
Transfers out to other funds	-	-	-	-	(2,460,904)
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>42,679,253</u>	<u>-</u>	<u>42,679,253</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of property, plant and equipment	(3,300,184)	(50,277,022)	-	(53,577,206)	(301,129)
Capital grants	-	1,196,460	-	1,196,460	-
Proceeds of notes payable	150,000	-	-	150,000	-
Principal payments on bonded debt	(1,920,000)	(7,880,000)	-	(9,800,000)	-
Principal payments on notes payable	(436,831)	-	-	(436,831)	-
Interest payments	<u>(1,015,439)</u>	<u>(6,064,922)</u>	<u>-</u>	<u>(7,080,361)</u>	<u>-</u>
Net cash and cash equivalents used in capital and related financing activities	<u>(6,522,454)</u>	<u>(63,025,484)</u>	<u>-</u>	<u>(69,547,938)</u>	<u>(301,129)</u>
Cash flows from investing activities:					
Interest on investments	<u>1,336,491</u>	<u>876,999</u>	<u>291,827</u>	<u>2,505,317</u>	<u>319,640</u>
Net cash and cash equivalents provided by investing activities	<u>1,336,491</u>	<u>876,999</u>	<u>291,827</u>	<u>2,505,317</u>	<u>319,640</u>
Net increase (decrease) in cash and cash equivalents	(3,281,551)	(27,113,209)	12,797,890	(17,596,870)	(7,738,588)
Cash and cash equivalents, beginning of year	<u>112,733,368</u>	<u>48,150,728</u>	<u>40,221,871</u>	<u>201,105,967</u>	<u>105,913,120</u>
Cash and cash equivalents, end of year	<u>\$ 109,451,817</u>	<u>21,037,519</u>	<u>53,019,761</u>	<u>183,509,097</u>	<u>98,174,532</u>
Cash classified as:					
Current assets	\$ 714,209	1,450,468	53,019,761	55,184,438	98,174,532
Restricted assets	<u>108,737,608</u>	<u>19,587,051</u>	<u>-</u>	<u>128,324,659</u>	<u>-</u>
	<u>\$ 109,451,817</u>	<u>21,037,519</u>	<u>53,019,761</u>	<u>183,509,097</u>	<u>98,174,532</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Cash Flows, Continued  
Proprietary Funds  
For the year ended June 30, 2017

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	<u>Solid</u>	<u>Stormwater</u>	<u>Non-Major</u>	<u>Total</u>	<u>Activities-</u>
	<u>Waste</u>	<u>Management</u>	<u>Watershed Protection</u>		<u>Internal</u>
	<u>Fund</u>	<u>Fund</u>	<u>and Restoration</u>		<u>Service</u>
			<u>Fund</u>		<u>Funds</u>
Reconciliation of operating loss to net cash provided (used in) operating activities:					
Operating income (loss)	\$ <u>(16,539,299)</u>	<u>(38,759,396)</u>	<u>12,429,494</u>	<u>(42,869,201)</u>	<u>(2,856,431)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	7,370,231	4,577,143	-	11,947,374	150,047
Provision for doubtful receivables	561,101	-	15,293	576,394	-
Pension Expense	312,613	542,065	-	854,678	575,358
Effect of changes in operating assets and liabilities:					
Accounts receivable	1,610,075	-	(59,619)	1,550,456	24
Inventories	-	-	-	-	10,294
Due from other governmental units	(353,119)	-	-	(353,119)	-
Prepaid costs	-	-	125,000	125,000	124,966
Compensated absences and termination benefits payable	18,986	76,945	-	95,931	(7,871)
Accounts payable	1,104,551	619,172	(4,105)	1,719,618	(3,531,479)
Retainages	(32,614)	218,276	-	185,662	-
Accrued costs	(449,665)	81,818	-	(367,847)	106,756
Due to other funds	(5,500,000)	25,000,000	-	19,500,000	-
Deferred revenue	-	-	-	-	(3,391,765)
Due from component units	-	-	-	-	247,861
Estimated liability for landfill closure costs	13,801,552	-	-	13,801,552	-
Estimated liability on pending claims	-	-	-	-	815,141
Total adjustments	<u>18,443,711</u>	<u>31,115,419</u>	<u>76,569</u>	<u>49,635,699</u>	<u>(4,900,668)</u>
Net cash and cash equivalents provided by (used in) operating activities	\$ <u>1,904,412</u>	\$ <u>(7,643,977)</u>	\$ <u>12,506,063</u>	\$ <u>6,766,498</u>	\$ <u>(7,757,099)</u>
Non-cash investing, capital and related financing activities:					
Decrease (increase) in accrued interest receivable	\$ <u>(78,918)</u>	<u>952,164</u>	<u>322,526</u>	<u>1,195,772</u>	<u>(23,498)</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2017

	Pension and Other Postemployment <u>Benefit Trust Funds</u>	Agency <u>Funds</u>
Assets:		
Equity in pooled cash and investments	\$ 5,636,666	\$ 29,606,088
Collateral for loaned securities	34,673,639	-
Investments:		
Pooled separate accounts	445,067,140	-
U.S. Government & agency securities	29,249,378	-
Corporate bonds	17,850,876	-
Common stock	228,734,514	-
Real estate investment trust	6,887,747	-
International Government securities	995,578	-
Other International investments	343,826	-
Asset backed securities	10,748,704	-
Money market funds	229,375,531	-
Short-term investments	25,243,222	-
Collective trusts	288,426,648	-
Commingled trust funds	53,608,718	-
Alternative investments	478,087,932	-
Receivables:		
Taxes	-	7,212,784
Accounts	-	-
Accrued interest receivable	1,164,171	-
Prepaid costs and deposits	179,037	-
Total assets	<u>1,856,273,328</u>	<u>\$ 36,818,872</u>
Liabilities:		
Collateral for loaned securities payable	34,673,639	-
Accounts payable	1,666,164	110,186
Accrued costs	1,315,933	-
Due to other funds	1,125,000	-
Due to other governmental units	-	32,730,445
Funds held in trust	-	3,978,241
Total liabilities	<u>38,780,736</u>	<u>\$ 36,818,872</u>
Net position:		
Net position restricted for pensions and other post-employment benefits	<u>\$ 1,817,492,592</u>	

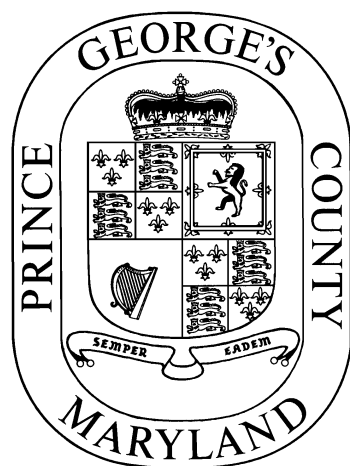
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Changes in Fiduciary Net Position  
For the year ended June 30, 2017

	<u>Pension and Other Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 165,380,911
Employee	36,874,033
Other	1,466,122
Total contributions	<u>203,721,066</u>
Net appreciation in fair value of investments	113,252,317
Interest and dividends	40,462,606
Total investment income (loss)	<u>153,714,923</u>
Less investment expense	5,991,616
Net investment loss	<u>147,723,307</u>
Total additions	<u>351,444,373</u>
Deductions:	
Benefits	218,916,609
Refunds of contributions	9,406,326
General and administrative expenses	3,212,659
Total deductions	<u>231,535,594</u>
Net increase	119,908,779
Net position restricted for pensions and other post-employment benefits	
Beginning of year	1,686,094,679
Prior Period Adjustment - Note 23	11,489,134
End of year	<u><u>\$ 1,817,492,592</u></u>

See accompanying notes to financial statements.

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## NOTES TO FINANCIAL STATEMENTS

The notes are an integral part of the  
financial statements.

Prince George's County, Maryland  
Notes Financial Statements

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Prince George's County, Maryland  
Notes Financial Statements

(1) Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

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

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

- (i) The Board of Education of Prince George's County, Maryland (Board of Education or the Board) - The Board operates all public schools (grades K through 12) within the County. The Board is fiscally dependent because the County: approves its budget, is legally obligated to fund the Board's operations, and issues and is obligated to pay debt for the Board. A complete financial report is available through the Board's administrative offices, which are located at the Sasscer Administration Building, 14201 School Lane, Upper Marlboro, Maryland 20772.
- (ii) The Housing Authority of Prince George's County (Housing Authority) - The Housing Authority was created to develop safe, sanitary, and decent housing for County citizens. The governing body and management personnel are appointed by the County Executive. The County also approves the budget of the Housing Authority. Requests for copies of financial statements should be addressed to the administrative offices of the Housing Authority, which are located at Inglewood Center III, 9400 Peppercorn Place, Suite 200, Landover, Maryland 20785.
- (iii) The Industrial Development Authority of Prince George's County (IDA) - The IDA is a public building authority providing physical facilities to local governments located in the State of Maryland. The County appoints a majority of the governing body and is able to impose its will through approval of the IDA's budget and substantial involvement in IDA operations. Requests for copies of financial statements should be addressed to the administrative offices of the Industrial Development Authority, which are located at 14741 Governor Oden Bowie Drive, Suite 3151, Upper Marlboro, Maryland 20772.

Resolution CR-69-2017 was adopted on October 24, 2017, by the County Council of Prince George's County, Maryland, it concerns winding down and termination of the Industrial Development Authority (IDA). See IDA Annual Financial Statements Note 8 for more information.

- (iv) The Prince George's County Memorial Library System (Memorial Library or Library) - The Memorial Library operates the County's public library system. The County is legally obligated to provide financial support to the Library. The County approves its budget, holds title to its assets, and can unilaterally abolish the Library. Requests for the Library's financial statements should be made to the administrative offices, which are located at 6532 Adelphi Road, Hyattsville, Maryland 20785.
- (v) The Prince George's Community College (Community College or College) - The College operates a higher education institution within the County. The County is legally obligated to provide financial support to the College. In addition, the fiscal dependency criterion applies because of the County's substantial budgetary approval authority. Individuals interested in obtaining detailed financial statements for the College should contact its administrative offices, which are located at 301 Largo Road, Landover, Maryland 20772.

Prince George's County, Maryland  
Notes Financial Statements

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

As discussed in Note 21, the Washington Suburban Sanitary Commission, Washington Suburban Transit Commission, Washington Metropolitan Area Transit Authority, and the Maryland-National Capital Park and Planning Commission are not part of the reporting entity, but rather are considered joint ventures for financial reporting purposes.

(b) Basis of Presentation

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

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

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

The County reports the following major governmental funds:

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

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

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

Prince George's County, Maryland  
Notes Financial Statements

The County reports the following major proprietary funds:

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

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

The County also reports the following additional funds:

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

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

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

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

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

(c) Basis of Accounting

Government-wide, Proprietary and Trust Funds are accounted for using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred.

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

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

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

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

## Prince George's County, Maryland Notes Financial Statements

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

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

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

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

The County reports unearned revenue in its financial statements. Unearned revenues arise in governmental funds when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods when the County has a legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. Unearned revenue is also reported in the government-wide statements.

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

### (d) Budgetary Data

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

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

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

Prince George's County, Maryland  
Notes Financial Statements

- Public hearings are conducted by the County Council to obtain taxpayer comments.
- Prior to June 1, the budget is legally enacted through passage of an ordinance.
- The appropriated budget is prepared by fund and by object within an agency. The County Executive is authorized to transfer budgeted amounts within an agency within any fund; however, the County Council must approve any revisions that alter the total expenditures of any agency or fund. No agency of the Primary Government shall during any fiscal year expend, or contract to expend, in excess of the amounts appropriated in the budget for such fiscal year. The level of budgetary control (level at which expenditures/expenses are monitored) is maintained at three major object classifications: compensation, other current expenditures/expenses (which include debt service payments, expenditure recoveries, and operating transfers out), and capital outlays. The legal level of control is exercised at the agency level in the General Fund. No County liability shall be incurred or contracted by any department, agency, or employee, and no bill or invoice shall be approved or paid, unless the Council has authorized by budget adoption or a specific appropriation to cover payment out of public funds. Any person willfully violating this provision shall be deemed to be responsible for the contract, debt, or expenditure. The agency head allowing such action shall be subject to such disciplinary action as the Council shall determine.
- Subsequent to passage of the budget ordinance, the County Council may approve supplemental appropriations. During fiscal year 2017, such appropriations amounted to a \$24.9 million increase in the Primary Government's General Fund budget (major fund).
- All unencumbered appropriations in the General Fund lapse at the end of the fiscal year.

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

General Fund  
Nonmajor governmental funds:  
Domestic Violence Fund  
Drug Enforcement and Education Fund

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

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

(e) Cash and Cash Equivalents

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

(f) Investments

Investments of the Primary Government and trust funds are recorded at amortized cost or fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset as detailed in Note 4.

Prince George's County, Maryland  
Notes Financial Statements

(g) Allowance for Uncollectible Receivables

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

Primary Government:	
General Fund	\$ 14,835,056
Federal and State Aided Fund	28,914,473
Solid Waste Fund	840,227
Stormwater Management Fund	34,375
Watershed Protection and Restoration Fund	15,293
	<u>\$ 44,639,424</u>

As part of the County's Community Development Block Grant and Rental Rehabilitation federal financial assistance programs, the County makes loans to residents and developers to restore and repair low-income housing units. At June 30, 2017, there was approximately \$44.4 million of outstanding loans receivable under these programs. Approximately \$15.5 million of these loans are offset by equivalent unearned revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$28.9 million is completely offset by an allowance for uncollectible notes receivable (included in the table above), because collections are highly uncertain. In many cases, the County has agreed to forgive loan repayment if the resident/developer complies with certain requirements that may include residing in the property for a certain number of years.

(h) Inventories

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

(i) Prepaid Costs and Deposits

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid expenses. The consumption method is used for prepaid items and expenditures or expenses are recognized when used in operations.

(j) Restricted Assets

Proceeds from debt and funds set aside for payment of revenue bonds and other general obligation debt are classified as restricted assets since their use is limited by applicable debt agreements. Federal and State Law require the County to set aside funds to finance closure and postclosure costs. The County has \$97,847,123 held for this purpose at June 30, 2017.



Prince George's County, Maryland  
Notes Financial Statements

(k) Capital Assets

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

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

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

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

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

(l) Self-Insurance Funds

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

(m) Arbitrage Rebate Liability

This liability represents the excess investment earnings on unspent bond proceeds over the bond yield, in accordance with the Internal Revenue Code of 1986 as amended. The County has no liability for fiscal year 2017.

Prince George's County, Maryland  
Notes Financial Statements

(n) Long-term Obligations

(i) Long-term Debt

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

(ii) Bond Premiums/Discounts and Issuance Costs

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

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

(iii) Bond Covenants

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

(o) Net Position and Fund Balance

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

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

- Nonspendable – Includes amounts that cannot be spent because they are in nonspendable form (i.e. inventory) or contractually required to remain intact.
- Restricted - Includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - Includes amounts that can be used only for specific purposes determined by a formal action by the County Council as the highest level of decision-making authority. This same formal action (Council Bill) used to create a commitment is required to rescind or modify it.
- Assigned – Includes government's intent to use for specific purposes but does not meet the criteria to be classified as restricted or committed. County Council Resolution CR-36-2011 granted the authority to assign fund balance in the General Fund to a three-person committee consisting of the Director of the Office of Management and Budget, or their designee, the Director of Finance or their designee, and the County Council Administrator, or their designee.
- Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification can be used only to report a deficit balance.
- When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed, except for capital projects which use unrestricted resources first. Furthermore, within the unrestricted fund balance the County will apply expenditures against committed, then assigned, and then unassigned amounts.

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(p) Revenues, Expenditures, and Expenses

(i) Property Tax Revenue Recognition

The County's real property taxes are due and payable on the first day of July each year, the levy date and the date on which an enforceable lien attaches to the property. Levies are based on assessments as certified to the County by the State of Maryland Department of Assessments and Taxation. Certain bills are eligible for semi-annual payments. Annual bills and the first installment of semi-annual bills are due on or before September 30<sup>th</sup> and become delinquent on October 1<sup>st</sup>. The second semi-annual installment is due on or before December 31<sup>st</sup> and becomes delinquent on January 1<sup>st</sup>. Delinquent taxes are subject to interest and penalty at the monthly rate of 1.67% until paid in full. Personal property and real property taxes levied for fractions of a year are due when billed and are overdue within 30 days of billing. General property taxes receivable, net of the allowance for uncollectibles of \$13,745,787, amounted to \$4,547,447.

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

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

An amendment to TRIM was approved by the voters of the County at the November 1984 General Election, authorizing the Council to levy taxes beginning in 1986 on a maximum rate basis as an alternative to the maximum amount basis. The maximum rate authorized was two dollars and forty cents (\$2.40) for each one hundred dollars (\$100) of assessed value. Beginning in fiscal year 1992, the Court of Appeals upheld the authority of the County to increase the tax rate to pay principal and interest on bonds outstanding prior to the effective date of "TRIM". Prior to fiscal year 2002, real property in the County was assessed at 40% of the phased-in market value. Pursuant to a change in State law, real property in fiscal year 2002 was assessed at 100% of the phased-in market value. For fiscal year 2017, the tax rate was set at ninety-six cents (\$0.96) and two dollars forty cents (\$2.40) for each one hundred dollars (\$100) of assessed value for real and personal property, respectively. There were no bonds outstanding issued before the effective date of "TRIM".

(ii) Landfill Operations - Primary Government

- Closure and Post-closure Care Costs

The October 9, 1991 U.S. Environmental Protection Agency rule, "Solid Waste Disposal Facility Criteria", establishes certain closure and thirty (30) year postclosure care requirements affecting municipal solid waste landfills. In accordance with GAAP, the County accrues for closure and post-closure costs related to its landfill operations.

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(q) Use of Estimates

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

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

The total column for the reporting entity includes a reclassification for the unrestricted net position deficit related to component unit debt (\$454,176,281). The reclassification is necessary because the County issues debt to finance construction projects for its component units (Board of Education and Community College); however, the component units own the assets. The debt reduces unrestricted net position for the County, while the capital assets are reported in net position invested in capital assets, net of related debt by the component units.

(2) New Accounting Pronouncements

The County implemented the following GASB pronouncements:

Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68." This Statement applies the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are not set aside through GASB defined trusts should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. The required changes are reflected in the County's financial statements. Statement No. 73 required the restatement of beginning net position as follows:

Governmental Activities

Net Position June 30, 2016	(644,514,538)
Net Pension Liability	(130,863,314)
Other restatement (see note 23)	<u>(14,371,858)</u>
Net Position, as restated	<u><u>(789,749,710)</u></u>

Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement requires the net OPEB liability to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. This Statement improves financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The required changes had no effect on the County's financial statements since a separate financial statement is issued for the OPEB trust.

Statement No. 77, "Tax Abatement Disclosure." This Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. Statement No. 77 addresses the ability for financial statement users to assess limitations on a government's ability to raise resources resulting from government programs that use tax abatements. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The required changes are reflected in the County's financial statements.

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(3) Compliance and Accountability

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

The Primary Government's Workers' Compensation Internal Service Fund's net deficit at June 30, 2017 was \$135,479,913. The County's risk management contributions increased by \$1.5 million during fiscal year 2017. Expenditures decreased by \$7.0 million driven by a \$13.9 million decrease in the estimated liability for pending claims. The County will continue to increase premium contributions and reduce certain administrative costs in future fiscal years to reduce this deficit.

(4) Cash and Investments

(a) Investment Policy

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

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

The Primary Government, the Board of Education, the Revenue Authority, and the Memorial Library participate in the Maryland Local Government Investment Pool (MLGIP). The MLGIP is an external investment pool that is not subject to regulation by the Securities and Exchange Commission (SEC). The State Legislature created the MLGIP within the annotated code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Institutional Investments. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the Fund and to provide suggestions to enhance the Pool. The reported value of the County's position in the pool is the same as the fair value of the pool shares. MLGIP participants may withdraw from this account balance by notifying MLGIP management by 2 pm on the day of withdrawal.

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

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

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and

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- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The Primary Government had the following recurring fair value measurements as of June 30, 2017 (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2017
<b>Investments by fair value level:</b>				
US Agency Securities	\$ -	153,410	-	\$ 153,410
<b>Investments carried at amortized cost:</b>				
Certificates of Deposit				141,522
Money Market Funds				14,127
Maryland Local Government Investment Pool				316,372
				<u>\$ 625,431</u>

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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

	Level 1	Level 2	Level 3	Balance as of June 30, 2017
<b>Equity in pooled cash and investments</b>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>
<b>Investments carried at amortized cost:</b>				
Money Market Funds				<u>\$ 835</u>
<b>Investments carried at the Net Asset Value (NAV):</b>				
Common Trust Funds				53,609
Total				<u>\$ 54,444</u>

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

<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Common Trust Funds - Fixed Income Fund	\$ 26,322	-	Daily	1-2 days
Common Trust Funds – Equity Funds	27,259	-	Daily	1-2 days
Common Trust Funds - Real Estate Funds	<u>28</u>	<u>-</u>	Daily	1-2 days
Total	<u>\$ 53,609</u>	<u>-</u>		

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

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

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

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

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2017
Equity in pooled cash and investments	-	5,610	-	5,610
<b>Investments by fair value level:</b>				
U.S. Government and agency securities	-	32,180	-	32,180
Municipal bonds	-	2,377	-	2,377
Corporate bonds	-	29,764	-	29,764
Common stock	228,735	140,978	-	369,713
Real Estate Investment Trust	6,888	2,306	-	9,194
Mutual Funds	228,540	55,468	-	284,008
Foreign Currency	996	672	-	1,668
Other international investments	344	115	-	459
Asset-backed securities	-	30,756	-	30,756
	465,503	294,616	-	760,119
<b>Investments carried at amortized cost:</b>				
Short-term investments				32,125
<b>Investments carried at Net Asset Value (NAV):</b>				
Collective trusts				341,796
Hedge Funds				112,886
International Equity Funds				84,129
Private Debt				133,741
Private Equity				161,817
Natural Resources				52,142
Real Estate				81,421
				967,932
Total Investments				1,760,176



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

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trusts	\$ 341,796	\$ -	daily	1-2 days
Hedge Funds	112,886	-	See note (A)	30-90 days
International Equity Funds	84,129	-	Monthly	15 days
Private Debt	133,741	25,240	4-10 years	N/A
Private Equity	161,817	74,876	See note (B)	5-10 days
Natural Resources	52,142	-	7-15 years	N/A
Real Estate	81,421	-	See note (C)	30-90 days
	<u>\$ 967,932</u>	<u>\$ 100,116</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.

Commingled trust funds consist of investments in fifteen investment trusts, the objectives of these fund is to approximate the performance of the Barclays U.S. Treasury Inflation Protects Securities, Barclays U.S. Long Credit Bond, Barclays high Yield \$200 Million Very Liquid Indexes, the Dow Jones U. Select REIT Index and various other benchmarks These investments are valued at the net asset value (NAV) of units of the collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

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

Hedge Funds consist of approximately 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.

Private Equity Funds consist of approximately 33 investments in limited partnerships. The private equity investments span the venture capital, growth equity, fund of funds, energy and buyout strategies. Private equity is considered an illiquid investment strategy as funds generally have a life span of seven to 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.

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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 consists 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 Pension Plans of the Primary Government have separate investment policies that are set by each Pension Plan's Board of Trustees to assure overall diversification of investments. Custody of Plan assets is maintained at financial institutions selected by each Board, but the responsibility for selection of specific investments is delegated to appointed investment managers. The Policy seeks to achieve a long-term rate of return on investments, net of expenses that exceed benchmarks established by the investment committee and maintains sufficient income and liquidity to pay monthly retirement benefits. For the Police and Fire Pension Plans, the policy establishes a strategic target for asset allocation among equity securities (45%), fixed income (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. All investments are valued at fair value. Fair value for investments in pooled separate accounts is determined using quoted market value or fair value as determined by valuation committees when quoted market value is not available. Assets of each Plan are held in separate trust funds. Within each trust, assets are held in custodial accounts for which the custodian makes no investment decisions. The investment policies allow the Plans' to invest in Alternative Investments which the Plans enter into under limited partnership agreements. The limited partnership determines the fair value of alternative investments when quoted market value is not available. The Plans use a third-party administrator to aid in the evaluation of the Alternative Investments.

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

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting the exposure to fair value losses arising from rising interest rates, the Primary Government's investment policy limits investments with maturities greater than one year to a calculation based on 50% of the average of the investment low point for the last three years. Investments made with unspent bond proceeds may not have a maturity greater than 3 years at time of purchase. At June 30, 2017, investments with maturities greater than one year at the time of purchase were 25.0% of the portfolio. The table below includes the Primary Government's fixed income holdings by investment type, fair value, and maturity:

<b>Primary Government Investments (in thousands)</b>				
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>	
U.S. Agency Securities	\$ 153,410	\$ 34,932	\$ 118,478	
Certificates of Deposit	141,522	136,522	5,000	
Money Market Mutual Funds	14,127	14,127	-	
Local Government Investment Pool	316,372	316,372	-	
	<u>\$ 625,431</u>	<u>\$ 501,953</u>	<u>\$ 123,478</u>	

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

<b>Pension Fund Investments (in thousands) <sup>(1)</sup></b>						
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>over 10</b>	
U.S. Government Securities	\$ 12,602	\$ -	\$ -	\$ -	\$ 12,602	
U.S. Agency Securities	19,578	6,116	10,531	-	2,931	
Municipal bonds	2,377	-	-	-	2,377	
Corporate Bonds	29,764	-	12,020	12,684	5,060	
Asset-Backed Securities	30,756	-	2,034	11,254	17,469	
Short-Term Investments	32,125	32,125	-	-	-	
	<u>\$ 127,202</u>	<u>\$ 38,241</u>	<u>\$ 24,585</u>	<u>\$ 23,938</u>	<u>\$ 40,439</u>	

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

(c) Credit Risk

Credit risk involves disclosing the credit quality of investments in debt securities as described by nationally recognized rating agencies. The Primary Government's investment policy prescribes the following credit quality standards. Bankers' acceptances and commercial paper must have a debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the SEC. As of June 30, 2017, the primary government had investments in the following issuers with credit quality ratings as a percent of the total investments in debt securities:

As of June 30, 2017, the OPEB Plan had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

<b>OPEB FUND INVESTMENTS</b>							
<b>CREDIT RISK</b>							
<b>INVESTMENT TYPE</b>	<b>AMOUNT</b>	<b>MOODY'S</b>	<b>%</b>	<b>INVESTMENT TYPE</b>	<b>AMOUNT</b>	<b>S&amp;P</b>	<b>%</b>
Money Market Funds	835	NR	1.53%	Money Market Funds	835	NR	1.53%
Commingled Trust Funds	53,609	NR	98.47%	Commingled Trust Funds	53,609	NR	98.47%
	<u>\$ 54,444</u>				<u>\$ 54,444</u>		

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The Pension Plans' policies do not address credit quality, except a requirement that no more than 5% of investments can be committed to government sponsored entities unless they are AAA rated. During fiscal year 2017 the Plans' investments in government sponsored entities with ratings below AAA exceeded the 5% limit. As of June 30, 2017, the Plans had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

Pension Fund Investments							
Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Agency Securities	\$ 17,027	Aaa	13.57%	U.S. Agency Securities	17,025	AA	13.57%
U.S. Agency Securities	2,551	NR	2.03%	U.S. Agency Securities	2,553	NR	2.03%
Municipal bonds	1,201	Baa	0.96%	Municipal bonds	679	AAA	0.54%
Municipal bonds	994	NR	0.79%	Municipal bonds	792	AA	0.63%
Municipal bonds	182	NR	0.15%	Municipal bonds	906	NR	0.72%
Short-Term Investments	32,125	NR	25.61%	Short-Term Investments	32,125	NR	25.61%
Corporate Bonds	4,714	Aa	3.76%	Corporate Bonds	6,300	AA	5.02%
Corporate Bonds	18,186	A	14.50%	Corporate Bonds	13,260	A	10.57%
Corporate Bonds	3,419	Baa	2.73%	Corporate Bonds	8,104	BBB	6.46%
Corporate Bonds	67	Caa	0.05%	Corporate Bonds	67	CCC	0.05%
Corporate Bonds	3,378	NR	2.69%	Corporate Bonds	2,033	NR	1.62%
International Government Securities	1,668	NR	1.33%	International Government Securities	1,668	NR	1.33%
Real Estate Investment Trust	9,194	NR	7.33%	Real Estate Investment Trust	125	B	0.10%
Real Estate Investment Trust	9,194	NR	7.33%	Real Estate Investment Trust	9,069	NR	7.23%
Asset-Backed Securities	216	Aaa	0.17%	Asset-Backed Securities	310	A	0.25%
Asset-Backed Securities	310	A	0.25%	Asset-Backed Securities	7,467	NR	5.95%
Asset-Backed Securities	7,251	NR	5.78%	Asset-Backed Securities	7,467	NR	5.95%
			0.00%	Mortgage-Backed Securities	9	AA	0.01%
Mortgage-Backed Securities	22,979	NR	18.32%	Mortgage-Backed Securities	22,970	NR	18.31%
	<u>\$ 125,462</u>				<u>\$ 125,462</u>		

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(d) Concentration of Credit Risk

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

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

The OPEB Plan had no investments that exceed 5% that are required to be reported.

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

	Pension Plans		
	<u>Police</u>	<u>Fire Service</u>	<u>Other</u>
State Street /PIM CO			
Bond Fund	\$ 91,468,964	\$ 40,791,072	\$ 42,202,766
Percentage	24.32%	23.65%	9.48%
State Street /Causway International			
Equity Fund	76,284,965	36,638,055	26,041,619
Percentage	20.28%	21.25%	5.85%
State Street /Dollar Senior Loan Offshore FD			
Alternative Investments	42,842,684	37,913,087	-
Percentage	11.39%	21.99%	-
State Street / SSGA S&P 500			
Equity Fund	60,635,296	25,677,905	-
Percentage	16.12%	14.89%	-
State Street / Ballie Gifford Funds			
Equity Fund	63,037,434	33,242,826	-
Percentage	16.76%	19.28%	-
State Street / Ajo Emerging Markets All CAP			
Alternative Investment	47,482,921	-	22,222,996
Percentage	12.62%	-	4.99%
State Street / Mondrian International Small			
Real Estate Investment Trust	-	-	22,274,756
Percentage	-	-	5.00%

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(e) Custodial Credit Risk

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

**Primary Government Cash and Investments Balances (in thousands)**

**as of June 30, 2017**

Cash in Bank	\$ 14,632
Outstanding checks in zero balance accounts	(23,373)
Investments	<u>625,431</u>
	<u><u>\$ 616,690</u></u>

Custodial credit risk for investments is the risk that securities are uninsured, unregistered, and held by the counterparty, or by its trust department or agent, but not in the County or the Plans' name. As of June 30, 2017, there were no investments exposed to custodial credit risk.

(f) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The primary government's policy does not allow investments in foreign denominations. The Pension Plans' policy allows the Plans to invest in foreign currency denominations, but does not address foreign currency exposure. The table below lists the Plans' foreign currency exposure for fixed income and equity securities as of June 30, 2017.

**Other Pension Fund Investments (in thousands)**

**Foreign Currency Exposure**

<b>Local Currency</b>	<b>Equity</b>	<b>Fixed Income</b>	<b>Other</b>	<b>Total</b>	<b>%</b>
Australian Dollar	3,010	-	231	3,241	0.33%
Canadian Dollar	2,583	58	6,838	9,479	0.95%
Danish Krone	948	1	-	949	0.10%
Euro Currency	10,672	100	2,584	13,356	1.34%
Hong Kong Dollar	1,707	16	342	2,065	0.21%
Japanese Yen	7,602	113	-	7,715	0.78%
New Zealand Dollar	-	1	-	1	0.00%
Norwegian Krone	893	29	-	922	0.09%
Pound Sterling	6,005	6	-	6,011	0.60%
Singapore Dollar	250	95	-	345	0.03%
South Korean Won	2,323	-	-	2,323	0.23%
Swedish Krona	1,075	1	-	1,076	0.11%
Swiss Franc	1,395	8	-	1,403	0.14%
Total Foreign Holdings	<u><u>\$ 38,463</u></u>	<u><u>\$ 428</u></u>	<u><u>\$ 9,995</u></u>	<u><u>\$ 48,886</u></u>	

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(g) Securities Lending

The Board of Trustees for the Pension Plans authorizes the lending of securities to broker-dealers for collateral that will be returned for the same securities in the future. The collateral securities, letters of credit and cash are initially pledged at 100% of the market value of the securities lent and revalued daily to ensure that the collateral does not fall below 100%. The Plans are indemnified of 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 had an average duration of 29 days and an average weighted maturity of 108 days. As of the date of the report the duration pool had an average duration of 23 days and an average weighted maturity of 3,187 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, 2017 totaled \$34,673,638 and \$33,845,817, respectively. Cash collateral held, amounting to \$21,849,257 is included as an asset and liability in the accompanying financial statements at year-end.

(h) Derivatives

The Investment Policy of the Pension Plans allows the plans to invest in certain derivatives in order to increase potential earnings and hedge against potential losses. In fiscal year 2017 the Plans invested directly in various derivatives including futures contracts, forward currency contacts, and rights. During the fiscal year, the plans had the following derivative instrument activity:

<b>Investment Type</b>	<b>Notional Amount</b>	<b>Changes in Fair Value</b>	<b>Classification</b>	<b>Fair Value at June 30, 2017</b>
Rights	\$ 9,400	\$ 25,107	Common Stock	\$ 7,505
Warrants	2,793	-	Common Stock	-
Total	<u>\$ 12,193</u>	<u>\$ 25,107</u>		<u>\$ 7,505</u>

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(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2017 are as follows:

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 309,500,000
	Stormwater	25,000,000
	Trust Fund - OPEB	1,125,000
		<u>\$ 335,625,000</u>

Due from/to other entities:

Receivable Entity	Payable Entity	Amount
Component Unit - Revenue Authority	Primary Government - General Fund	\$ 10,181,942
Component Unit - Board of Education	Primary Government - Capital Projects Fund	38,416,036
Component Unit - Memorial Library	Primary Government - Capital Projects Fund	1,826,427
Component Unit - Community College	Primary Government - Capital Projects Fund	19,985,946
		<u>\$ 70,410,351</u>
Primary Government - General Fund	Component Unit - Housing Authority	\$ 4,979,032
Primary Government - General Fund	Component Unit - Community Television	450,000
Primary Government - General Fund	Component Unit - Revenue Authority	474,320
		<u>\$ 5,903,352</u>

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

Interfund transfers for the Primary Government as of June 30, 2017 are as follows:

Transfers from/to other funds:

Transfers From	Transfers To	Amount
General Fund	Nonmajor Governmental Funds	103,649,755
General Fund	Capital Projects	4,993,446
Capital Projects	Nonmajor Governmental Funds	2,268,577
		<u>\$ 110,911,778</u>

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



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(6) Due from Other Governmental Units

The State owes the Primary Government \$120,904,185 for its share of income tax collections. The other Primary Government amounts are primarily grant-related receivables. A summary of amounts due from other governmental units at June 30, 2017 is listed below:

	State of <u>Maryland</u>	Federal <u>Government</u>	Other <u>Sources</u>	<u>Total</u>
Primary Government	\$ 178,944,158	21,173,986	13,914,046	214,032,190
Component Units:				
Board of Education	19,731,164	11,633,046	10,490,513	41,854,723
Other Component Units	968,167	1,307,336	217,983	2,493,486
Total	<u>20,699,331</u>	<u>12,940,382</u>	<u>10,708,496</u>	<u>44,348,209</u>
Total Reporting Entity	<u>\$ 199,643,489</u>	<u>34,114,368</u>	<u>24,622,542</u>	<u>258,380,399</u>

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2017 were as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2017</u>
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 103,107,571	2,921,624	-	106,029,195
Construction in progress	97,415,464	59,044,773	63,830,597	92,629,640
Total capital assets, not being depreciated:	<u>200,523,035</u>	<u>61,966,397</u>	<u>63,830,597</u>	<u>198,658,835</u>
Capital assets, being depreciated:				
Buildings and improvements	603,392,638	34,869,738	219,199	638,043,177
Equipment	193,050,418	16,057,462	7,781,207	201,326,673
Infrastructure	2,903,094,899	60,175,916	26,587,564	2,936,683,251
Total capital assets, being depreciated:	<u>3,699,537,955</u>	<u>111,103,116</u>	<u>34,587,970</u>	<u>3,776,053,101</u>
Less accumulated depreciation for:				
Buildings and improvements	162,280,092	12,620,029	217,007	174,683,114
Equipment	152,201,848	16,857,564	7,720,234	161,339,178
Infrastructure	1,220,193,075	50,128,143	3,806,137	1,266,515,081
Total accumulated depreciation	<u>1,534,675,015</u>	<u>79,605,736</u>	<u>11,743,378</u>	<u>1,602,537,373</u>
Total capital assets being depreciated, net	<u>2,164,862,940</u>	<u>31,497,380</u>	<u>22,844,592</u>	<u>2,173,515,728</u>
Governmental activities capital assets	<u>\$ 2,365,385,975</u>	<u>93,463,777</u>	<u>86,675,189</u>	<u>2,372,174,563</u>

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

Governmental Activities:		
General government	\$	14,125,237
Public safety		15,941,977
Environmental		342,599
Health and Human Services	\$	434,957
Infrastructure and Development		48,610,918
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets		150,047
Total depreciation expense - governmental activities	\$	<u>79,605,736</u>

Construction of capital assets in progress for the Primary Government at June 30, 2017, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	<u>Project No.</u>	Expended through <u>June 30, 2017</u>
Training/Administration Headquarters	3.50.0006	\$ 35,043,084
Records Management System	8.31.0001	7,984,935
Blight Eradication Program	4.66.0007	611,153
Other public facilities	Various	3,106,653
Other library projects	Various	4,684,250
Public safety projects	Various	14,574,353
Other road and bridge projects	Various	26,625,212
Total Primary Government		<u>\$ 92,629,640</u>

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(b) Business-type Activities

Changes in capital assets during fiscal year 2017 were as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	Disposals and <u>Completed Construction</u>	Balance <u>June 30, 2017</u>
Capital assets, not being depreciated:				
Land/Land Infrastructure	\$ 27,044,477	28,500	-	27,072,977
Construction in progress	<u>133,520,195</u>	<u>52,635,881</u>	<u>1,469,465</u>	<u>184,686,611</u>
Total capital assets, not being depreciated:	<u>160,564,672</u>	<u>52,664,381</u>	<u>1,469,465</u>	<u>211,759,588</u>
Capital assets, being depreciated:				
Buildings and improvements	34,621,730	-	-	34,621,730
Equipment and vehicles	25,671,532	941,324	941,981	25,670,875
Landfill property in service	121,336,027	-	-	121,336,027
Stormwater property in service	<u>198,098,975</u>	<u>1,440,965</u>	<u>-</u>	<u>199,539,940</u>
Total capital assets being depreciated:	<u>379,728,264</u>	<u>2,382,289</u>	<u>941,981</u>	<u>381,168,572</u>
Less accumulated depreciation for:				
Buildings and improvements	16,943,734	858,947	-	17,802,681
Equipment and vehicles	21,907,369	1,775,018	941,981	22,740,406
Landfill property in service	109,723,403	4,934,344	-	114,657,747
Stormwater property in service	<u>60,919,681</u>	<u>4,379,064</u>	<u>-</u>	<u>65,298,745</u>
Total accumulated depreciation	<u>209,494,187</u>	<u>11,947,373</u>	<u>941,981</u>	<u>220,499,579</u>
Total capital assets being depreciated, net	<u>170,234,077</u>	<u>(9,565,084)</u>	<u>-</u>	<u>160,668,993</u>
Business-type activities capital assets	<u>\$ 330,798,749</u>	<u>43,099,297</u>	<u>1,469,465</u>	<u>372,428,581</u>

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

Solid Waste Fund	\$ 7,370,230
Stormwater Management Fund	<u>4,577,143</u>
Total depreciation expense - business-type activities	<u>\$ 11,947,373</u>

As of June 30, 2017, construction requisitions outstanding for governmental and proprietary funds of the Primary Government totaled approximately \$4.7 million and \$19.0 million, respectively.

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Changes in capital assets for the Stormwater Management Fund during 2017 were as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2017</u>
Capital assets, not being depreciated:				
Land/Land Infrastructure	\$ 15,738,396	28,500	-	15,766,896
Construction in progress	<u>101,027,722</u>	<u>50,277,022</u>	<u>1,469,465</u>	<u>149,835,279</u>
Total capital assets, not being depreciated:	<u>116,766,118</u>	<u>50,305,522</u>	<u>1,469,465</u>	<u>165,602,175</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	4,038,582	-	-	4,038,582
Stormwater property in service	<u>198,098,975</u>	<u>1,440,965</u>	<u>-</u>	<u>199,539,940</u>
Total capital assets being depreciated:	<u>202,380,082</u>	<u>1,440,965</u>	<u>-</u>	<u>203,821,047</u>
Less accumulated depreciation for:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	3,770,233	198,079	-	3,968,312
Stormwater property in service	<u>60,919,681</u>	<u>4,379,064</u>	<u>-</u>	<u>65,298,745</u>
Total accumulated depreciation	<u>64,932,439</u>	<u>4,577,143</u>	<u>-</u>	<u>69,509,582</u>
Total capital assets being depreciated, net	<u>137,447,643</u>	<u>(3,136,178)</u>	<u>-</u>	<u>134,311,465</u>
Stormwater Management Fund capital assets	<u>\$ 254,213,761</u>	<u>47,169,344</u>	<u>1,469,465</u>	<u>299,913,640</u>

Changes in capital assets for the Solid Waste Fund during 2017 were as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2017</u>
Capital assets, not being depreciated:				
Land	\$ 11,306,081	-	-	11,306,081
Construction in progress	<u>32,492,473</u>	<u>2,358,859</u>	<u>-</u>	<u>34,851,332</u>
Total capital assets, not being depreciated:	<u>43,798,554</u>	<u>2,358,859</u>	<u>-</u>	<u>46,157,413</u>
Capital assets, being depreciated:				
Buildings and improvements	34,379,205	-	-	34,379,205
Equipment and vehicles	21,632,950	941,324	941,981	21,632,293
Landfill property in service	<u>121,336,027</u>	<u>-</u>	<u>-</u>	<u>121,336,027</u>
Total capital assets being depreciated:	<u>177,348,182</u>	<u>941,324</u>	<u>941,981</u>	<u>177,347,525</u>
Less accumulated depreciation for:				
Buildings and improvements	16,701,209	858,947	-	17,560,156
Equipment and vehicles	18,137,136	1,576,939	941,981	18,772,094
Landfill property in service	<u>109,723,403</u>	<u>4,934,344</u>	<u>-</u>	<u>114,657,747</u>
Total accumulated depreciation	<u>144,561,748</u>	<u>7,370,230</u>	<u>941,981</u>	<u>150,989,997</u>
Total capital assets being depreciated, net	<u>32,786,434</u>	<u>(6,428,906)</u>	<u>-</u>	<u>26,357,528</u>
Solid Waste Fund capital assets	<u>\$ 76,584,988</u>	<u>(4,070,047)</u>	<u>-</u>	<u>72,514,941</u>

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Construction in progress in the enterprise funds as of June 30, 2017 consists of the following:

Primary Government - Business-type Activities:

o Stormwater Management Enterprise Fund	
- Stormdrain Relief Program (5.54.0005)	\$ 18,969,647
- Water Quality Control Facility (5.54.0006)	718,190
- Anacostia Retrofit (5.54.0008)	3,424,261
- Street Tree Removal & REplacement (5.66.0001)	726,744
- Stormwater Management Restoration (5.66.0002)	20,007,098
- Watershed Implementation Plan II (5.54.0017)	12,056,059
- Major Reconstruction – DPWT (5.54.0011)	36,981,150
- Clean Water Partnership/NPDES (5.54.0018)	32,928,717
- COE Anacostia Restoration (5.54.0012)	5,372,376
- MS4/NPDES Compliance & Restoration (5.54.0019)	7,474,219
- Bladensburg Environmental Revitalization (5.54.0013)	6,866,210
- Other miscellaneous projects	4,310,608
	<u>149,835,279</u>
o Solid Waste Enterprise Fund	
- Brown Station Landfill Expansion (5.54.0001)	13,807,923
- Rural Convenience Center (5.54.0002)	318,703
- Sandy Hill Landfill Expansion (5.54.0003)	19,804,980
- Commercial Manufacturer/Waste Transfer Station (5.54.0004)	919,726
	<u>34,851,332</u>
Total Primary Government - Business-type Activities	\$ <u>184,686,611</u>

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(c) Component Units Capital Assets Activity

Changes in Board of Education capital assets during fiscal year 2017 were as follows:

	Balance July 1, 2016	Additions	Disposals and Completed Construction	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 23,619,039	-	-	23,619,039
Construction in progress	116,241,318	103,800,416	61,698,030	158,343,704
Total capital assets, not being depreciated:	139,860,357	103,800,416	61,698,030	181,962,743
Capital assets, being depreciated:				
Buildings and improvements	1,817,349,663	71,412,105	10,548,156	1,878,213,612
Equipment and vehicles	191,256,892	21,008,614	21,495	212,244,011
Total capital assets, being depreciated:	2,008,606,555	92,420,719	10,569,651	2,090,457,623
Less accumulated depreciation for:				
Buildings and improvements	759,298,596	56,615,652	10,491,387	805,422,861
Equipment and vehicles	98,340,501	14,642,475	21,495	112,961,481
Total accumulated depreciation	857,639,097	71,258,127	10,512,882	918,384,342
Total capital assets being, depreciated, net	1,150,967,458	21,162,592	56,769	1,172,073,281
Component units - Board of Education capital assets	\$ 1,290,827,815	124,963,008	61,754,799	1,354,036,024

Changes in other component units' capital assets during fiscal year 2017 were as follows:

	Balance July 1, 2016	Additions	Disposals and Completed Construction	Balance June 30, 2017
Capital assets, not being depreciated:				
Land	\$ 69,741,150	12,010,245	5,169,531	76,581,864
Construction in progress	22,924,641	51,786,641	11,752,689	62,958,593
Total capital assets, not being depreciated:	92,665,791	63,796,886	16,922,220	139,540,457
Capital assets, being depreciated:				
Buildings and improvements	294,215,605	1,906,364	(5,881,660)	302,003,629
Equipment and vehicles	57,710,931	2,312,002	1,664,777	58,358,156
Total capital assets, being depreciated:	351,926,536	4,218,366	(4,216,883)	360,361,785
Less accumulated depreciation for:				
Buildings and improvements	113,845,025	8,325,336	1,350,566	120,819,795
Equipment and vehicles	42,431,479	6,880,473	2,181,440	47,130,512
Total accumulated depreciation	156,276,504	15,205,809	3,532,006	167,950,307
Total capital assets being, depreciated, net	195,650,032	(10,987,443)	(7,748,889)	192,411,478
Other component units - capital assets	\$ 288,315,823	52,809,443	9,173,331	331,951,935

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(8) Risk Management

Details of estimated liabilities on pending claims, by fund, at June 30, 2017 are as follows:

	Risk Management <u>Pools</u>	Other <u>Self-Insurance</u>	<u>Total</u>
Primary Government:			
Internal Service Funds:			
Unemployment Compensation	\$ -	\$ 154,278	\$ 154,278
Property Loss	71,760	-	71,760
Automobile Liability	3,324,594	-	3,324,594
Workers' Compensation	147,502,179	-	147,502,179
General Liability	11,411,064	-	11,411,064
Life and Health Benefits	-	13,730,031	13,730,031
Total Primary Government	<u>\$ 162,309,597</u>	<u>\$ 13,884,309</u>	<u>\$ 176,193,906</u>

The Primary Government, together with the Board of Education, the Board of Trustees for Prince George's Community College, and the Board of Trustees of Prince George's County Memorial Library are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains various pooled risk management Internal Service Funds (comprised of the above-mentioned members) to account for and finance its uninsured losses. Under this program, the County is an approved self-insurer by the State of Maryland, and as such, is subject to provide coverage according to State mandatory limits of \$500,000 per injury. Property coverage is self-insured for \$250,000 per incident with excess insurance above this level provided by American International Group, Inc. (AIG), which includes replacement values of both structures and contents. Liability coverage is self-insured. The County has a liability limit under the State Tort Claims Act of \$400,000 per person not to exceed \$800,000 per incident for all participants with the exception of the Board of Education, which retains immunity at \$400,000 per incident. These limits do not apply to claims brought under Federal jurisdiction.

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2017, the Primary Government made contributions amounting to \$48,702,262. The actuarially computed claims liability has been discounted at a rate of .5 percent, based on the pool's investment yield rate and current economic conditions. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The total claims liability of \$162,309,597 reported for the risk management pools at June 30, 2017 is based upon the requirements of GAAP, which requires that a liability for claims be recognized if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, including claims incurred but not reported. The liability estimates are supported by an independent actuarial review made as of June 30, 2017. The funds do not utilize annuity contracts from commercial insurers; therefore, all known liabilities have been disclosed during this reporting period. Changes in the funds' claims liability amounts in fiscal years 2016 and 2017 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
Fiscal year 2016	\$ 145,700,806	\$ 59,186,751	\$ (43,916,420)	\$ 160,971,137
Fiscal year 2017	160,971,137	52,249,029	(50,910,569)	162,309,597

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The following is a summary of the fiscal year 2017 claims expense by fund:

	Total Claim Payments	Liability on Pending Claims Adjustment	Total Claims Expenses
Property Loss Fund	\$ 204,342	\$ (501,435)	\$ (297,093)
Auto Liability Fund	1,809,907	723,152	2,533,059
Workers' Compensation Fund	39,955,599	6,221,125	46,176,724
General Liability Fund	<u>8,940,721</u>	<u>(5,104,382)</u>	<u>3,836,339</u>
	<u><u>\$ 50,910,569</u></u>	<u><u>\$ 1,338,460</u></u>	<u><u>\$ 52,249,029</u></u>

The Primary Government maintains separate Internal Service Funds for unemployment compensation and life and health benefits. An independent actuary is not involved in evaluating contribution levels and estimated claims for the Unemployment Compensation or Life and Health Benefits Internal Service Funds. Changes in these funds' claims liability amount in fiscal years 2016 and 2017 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
Fiscal year 2016	\$12,795,561	\$56,686,500	\$(55,561,192)	\$13,920,869
Fiscal year 2017	13,920,869	55,461,115	(55,497,675)	13,884,309



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(9) Pension Plans

(a) Primary Government

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

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

- Employees Retirement and Pension System of Maryland

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

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

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

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

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

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

Article 73B of the Annotated Code of Maryland assigns the authority to establish and amend benefit and contribution provisions to SRPS' Board of Trustees. MSRPS issues a publicly available financial report that includes financial statements and required supplementary information on the Plans. Requests for copies of annual financial reports should be addressed to MSRPS' administrative offices located at 120 East Baltimore Street, Baltimore, Maryland 21202, or can be made by telephoning (410) 625-5555 or 1-800-492-5909.

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

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Participants of the Retirement System plan contribute 7% of annual compensation and upon retirement are entitled to unlimited cost-of-living adjustments, or contribute 5% of annual compensation and upon retiring are limited to 5% cost-of living increases annually. Retirement System participants may retire with full benefits after attaining age 60, or after completing 30 years of service, regardless of age. Annual retirement benefits are equal to 1/55 of the average of the participant's three highest years of annual compensation, multiplied by the number of years of credited service. The Primary Government made the actuarially required contributions of \$12,613,132 for fiscal year 2017.

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

Plan Descriptions

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

Normal retirement is at age 55 or after 20 years of service for firefighters, paramedics, deputy sheriffs and correctional officers under the Comprehensive Plans. Police officers hired after June 30, 2017 are eligible to retired with 25 years of services. For AFSCME Local 241 (Crossing Guards), AFSCME Locals 2462 and 2735, general schedule employees, and deputy sheriffs under the supplemental plan, normal retirement age is the earliest of age 62 with 5 years of service, age 55 with 15 years of service, any age with 30 years of service, or 25 years of service for deputy sheriff's. For correctional officers under the supplemental plan, normal retirement is the earliest of age 60 or 25 years of County service. Retirement benefits are calculated as a percentage of average compensation, with such percentage determined by length of credited service up to a maximum of 85% for 30 years of service for police officers, firefighters, paramedics, deputy sheriffs, and correctional officers under the Comprehensive Plans. For general schedule, fire civilian employees, AFSCME Locals 2462, and 2735, and police civilian employees the maximum retirement benefit is 30% for 30 years of service, 22.5% for 30 years of service for AFSCME Local 241 (crossing guards), 36% for 30 years of service for deputy sheriff's, and 38.75% for 30 years of service for correctional officers under the Supplemental Plans.

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

Funding Policy

Contributions to the Plans for 2017 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2015. The Primary Government's fiscal year 2017 total payroll was \$536,044,045. Employee contribution rates are determined by collective-bargaining agreements or by the Board of Trustees for each Plan. Participant contributions are included in the plan assets and are 100% vested with the employee. Upon termination of employment, a participant may elect to receive a refund of contributions; if there has been at least five years of credited service, the participant may instead elect a retirement annuity upon attaining retirement age. Participants begin vesting in employer contributions after 5 years of credited service.

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The contribution rates as a percentage of covered payrolls during fiscal year 2017 were as follows:

	<u>July 1, 2016 to June 30, 2017</u>	
	Employee	Employer
	<u>Rates</u>	<u>Rates</u>
Comprehensive Plans:		
Police	6.00 %	49.17 %
Fire Service	6.00	63.80
Deputy Sheriff's	10.00	43.04
Correctional Officers'	12.00	35.78
Supplemental Plans:		
Deputy Sheriff's	5.20	\$ 809,300 *
Correctional Officers'	5.75	42.03
Crossing Guards	3.96	5.04
AFSCME	1.31	5.97
General Schedule	3.06	6.82
Fire Civilian	4.43	11.39
Police Civilian	3.52	4.47

\*Employer contribution is a dollar amount.

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).

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

At June 30, 2017, the County reported a liability of \$161,881,386 for its proportionate share of the net pension liability of the MSRPS. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. As of June 30, 2017, the County's proportionate share was 0.686%.

At June 30, 2017, the County reported a liability of \$1,354,235,304 for its other County Plans. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2017 using generally accepted actuarial principles.

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For fiscal year ended June 30, 2017, the County recognized pension expense of \$209,657,419.

	Net Pension Liability	Pension Expense
Proportionate share of MSRPS	\$ 16,188,138	\$ 19,645,847
County Plans		
Comprehensive Plans:		
Police	672,419,365	92,727,362
Fire Service	405,314,480	56,128,375
Deputy Sheriff's	65,356,838	9,628,393
Correctional Officers'	111,415,613	15,021,638
Supplemental Plans:		
Deputy Sheriff's	5,131,707	500,411
Correctional Officers'	1,239,294	51,324
Crossing Guards	549,665	75,396
AFSCME	18,381,177	4,371,683
General Schedule	60,365,216	9,431,473
Fire Civilian	5,183,342	664,157
Police Civilian	8,878,607	1,411,360
Total	<u>\$ 151,116,690</u>	<u>\$ 209,657,419</u>

The County's change in total pension liability, plan fiduciary net position and net pension liability for the year ended June 30, 2017, was as (in thousands) follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A)- (B)
Balance as of June 30, 2016	\$ 3,028,979	\$ 1,645,814	\$ 1,383,165
Service Cost	70,800	-	70,800
Interest	223,315	-	223,315
Differences between expected and actual experience	(27,438)	-	(27,438)
Contributions-employer	-	129,683	(129,683)
Contributions-employee	-	23,124	(23,124)
Net Investment	-	144,711	(144,711)
Benefit Payments, including refunds of employee contributions	(175,589)	(175,589)	-
Administrative expenses	-	(1,911)	1,911
Balance as of June 30, 2017	<u>\$ 3,120,067</u>	<u>\$ 1,765,832</u>	<u>\$ 1,354,235</u>

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At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions		
Proportionate share of MSRPS	\$ 8,580,626	-
Changes in proportions		
Proportionate share of MSRPS	3,708,909	7,117,322
Difference between expected and actuarial experience		
Comprehensive Plans:		
Proportionate share of MSRPS	1,822,345	4,238,889
Police	3,505,609	10,640,611
Fire Service	12,588,802	10,704,706
Deputy Sheriff's	1,225,965	574,602
Correctional Officers'	4,529,047	4,079,825
Supplemental Plans:		
Crossing Guards	-	46,739
AFSCME	-	3,922,053
General Schedule	1,735,625	2,252,591
Fire Civilian	189,925	49,481
Police Civilian	217,734	-
Net difference between projected and actual earnings on pension plan investments		
Proportionate share of MSRPS	26,064,323	6,760,346
Comprehensive Plans:		
Police	64,019,822	11,213,538
Fire Service	29,143,460	5,877,348
Deputy Sheriff's	3,975,517	4,906
Correctional Officers'	7,324,464	60,273
Supplemental Plans:		
Deputy Sheriff's	244,739	4,942
Correctional Officers'	504,566	20,740
Crossing Guards	83,754	9
AFSCME	5,221,493	191,506
General Schedule	8,165,356	315,888
Fire Civilian	473,807	9,254
Police Civilian	1,330,857	49,286
County contributions subsequent to the measurement		
Proportionate share of MSRPS	12,613,132	-
	<u>\$ 197,269,877</u>	<u>\$ 68,134,855</u>

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The \$12,613,132 reported as deferred outflows of resources related to pensions resulting from the County's contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended			
June 30	MSRPS	Other Plans	Total
2018	\$ 5,746,418	39,991,212	45,737,630
2019	5,746,418	40,013,515	45,759,933
2020	7,849,193	26,390,253	34,239,446
2021	4,222,447	(7,814,943)	(3,592,496)
2022	(1,504,830)	(3,215,562)	(4,720,392)
Thereafter	-	(902,234)	(902,234)
Total	<u>\$ 22,059,646</u>	<u>94,462,241</u>	<u>116,521,887</u>

Actuarially Assumptions

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

MSRPS Plan		County Plans	
Valuation Date	June 30, 2016	Valuation Date	July 1, 2016
Measurement Date	June 30, 2016	Measurement Date	June 30, 2017
Inflation	2.70% general, 3.20% Payroll growth rate	Inflation	2.75% general, 3.00% Payroll growth rate
Salary Increases	3.30% - 9.20%, inflation	Salary Increases	1.00% - 7.00%
Investment Rate of Return	7.55%	Investment Rate of Return	7.50%
Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006-2010.		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 2000 Combined Healthy Mortality Table projected to the year 2025		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	
There were no benefit changes during the year. Adjustments to roll forward liabilities were made to reflect the following assumption changes in the 2016 valuation		For the Police Pension Plan, the following death benefit provisions have been added: (1) Effective January 1, 2016, the surviving spouse of a participant who died while an active employee on or before November 30, 2002, will receive a monthly annuity equal to \$1000 per month payable for the spouse's remaining lifetime. (2) Effective July 1, 2016, the surviving spouse of a participant who died while an active employee with 15 or more years of service and did not meet normal retirement eligibility conditions will receive a 50 percent contingent annuitant benefit.	
Investment rate of return changed from 7.65% to 7.55%		The total pension liability was rolled forward from the actuarial valuation date to the measurement date.	
Inflation assumption changed from 2.9% to 2.7%			

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

MSRPS			Police and Fire Service Plans			Other Comprehensive and Supplemental Plans	
Asset Class	Target Allocation	Long-Term Expected	Asset Class	Target Allocation	Long-Term Expected	Target Allocation	Long-Term Expected
		Real Rate of Return			Real Rate of Return		Real Rate of Return
Public Equity	37.00%	6.60%	Hedge Funds	10.00%	3.75%	10.00%	3.75%
Rate Sensitive	20.00%	1.30%	Private Equity	10.00%	8.75%	10.00%	8.75%
Credit Opportunity	9.00%	4.20%	Real Assets	10.00%	7.75%	10.00%	7.75%
Absolute Return	9.00%	3.70%	TIPS	5.00%	1.50%	4.00%	1.50%
Private Equity	10.00%	7.40%	High Yield	5.00%	3.50%	4.00%	3.50%
Real Estate	15.00%	4.70%	Core/Core Fixed Income	15.00%	2.50%	19.00%	2.25%
			Emerging Market	4.50%	8.00%	4.50%	8.00%
			International Developed	18.00%	6.05%	17.00%	6.05%
			Domestic Small Cap	4.50%	5.75%	4.50%	5.75%
			Domestic Large Cap	18.00%	5.50%	17.00%	5.50%

For the year ended June 30, 2016 the money-weighted weight of return on pension plan investments, net of pension plan investment expense, for the MSRPS was 1.10%. For the year ended June 30, 2017 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 14.18%, 13.90%, and 12.36% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Discount Rate

Single discount rates of 7.55% and 7.5% were used to measure the total pension liability for the MSRPS and Other County Plans, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 7.5 and 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 assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Net Pension Liability

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

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

Plan	Current Single Discount Rate (SDR) Assumption	1% Decrease	SDR	1% Increase
MSRPS	7.55%	\$ 222,358,119	\$ 161,881,386	\$ 111,555,677
Police	7.50%	856,934,013	672,419,365	518,885,246
Fire Service	7.50%	502,403,623	405,314,480	324,534,542
Deputy Sheriffs' Comprehensive	7.50%	81,050,907	65,356,838	52,218,102
Correctional Officers' Comprehensive	7.50%	140,334,139	111,415,613	87,326,140
Deputy Sheriffs' Supplemental	7.50%	5,996,052	5,131,707	4,391,747
Correctional Officers' Supplemental	7.50%	2,244,064	1,239,294	385,949
Crossing Guards	7.50%	718,993	549,665	400,828
AFSCME	7.50%	29,823,947	18,381,177	8,655,179
General Schedule	7.50%	80,476,874	60,365,216	43,198,921
Fire Civilian	7.50%	6,514,434	5,183,342	4,046,776
Police Civilian	7.50%	12,519,519	8,878,607	5,833,715
		<u>\$ 1,941,374,684</u>	<u>\$ 1,516,116,690</u>	<u>\$ 1,161,432,822</u>

Pension Plan Fiduciary Net Position

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

(b) Component Units

Generally, all employees of the Board of Education, the Housing Authority, the Community College, the Memorial Library, and certain employees of the PGCT participate in one of the statewide Employee's Retirement and Pension Systems or Teacher's Retirement and Pension Systems. Information covering the Housing Authority and PGCT is included with the Primary Government because those individuals are also employees of the Primary Government. Separate financial statements prepared for the Board of Education, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their participation in MSRPS. Review of these financial statements indicates the Component Units individually met the actuarially determined contribution requirements for fiscal years 2017, 2016, and 2015. Additional MSRPS information is included in the table below:



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	Board of Education	Community College	Memorial Library
Proportionate share of MSRPS	0.87440%	0.01930%	0.01050%
Net Pension Liability	\$ 206,301,992	\$ 4,551,004	\$ 2,484,638
Pension Expense	13,016,979	572,232	697,537
Deferred Outflows	68,735,635	1,643,455	94,732
Deferred Inflows	6,588,583	554,643	161,393

The State of Maryland is required to contribute certain amounts to the Teacher's Retirement and Pension Systems on behalf of the Board of Education, Community College, and Memorial Library. Such contributions, made by the State on behalf of these Component Units during fiscal year 2017 amounted to \$113,081,815, \$5,573,425 and \$2,015,435, respectively, and are reflected in the Component Units' financial statements.

In addition to the statewide plans mentioned above, the Community College also offers to its employees two single-employer, defined contribution pension plans. The State of Maryland made "on behalf" employer contributions totaling \$865,412 to these plans during fiscal year 2017. The Revenue Authority established a single-employer, defined contribution pension plan for its employees on July 1, 1987. Detailed information concerning these plans may also be obtained from the separately issued financial reports of these Component Units.

(10) Postemployment Benefits Other Than Pensions

(a) Plan Description

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

Medical Insurance

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

Life Insurance

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

Vision Care and Prescription Drug Insurance

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

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

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(b) Funding Policy

The County negotiates the contribution percentages between the County and the plan members through union contracts and personnel policy. A non-public safety and public safety retiree pays the same percentage of the premium contribution for the HMOs (20%), POS/PPO (25%), and dental (100%) plans. Non-public safety retirees pay 10% to 100% of the premium cost for each of the prescription and vision plans; whereas, the public safety retirees pay 1% to 10% of the premium contribution for each of the same two plans. The public safety group bargained these premium contributions for the retirees of this group during prior bargaining negotiations. The premium contribution share outlined above applies to a retiree who qualifies for retirement under their specified pension plan and is enrolled in the plans at the time of retirement. The County contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as approved in the annual budget. The County contributed \$35.7 million, during fiscal year 2017 for current employer premiums (approximately 68% of total premium contributions). Plan members contributed \$13.7 million (approximately 29% of total premium contributions) to the OPEB Plan.

(c) Annual Other Postemployment Benefit (OPEB) Costs

Annual OPEB costs (AOC) are the actuarially determined annual required contribution (ARC) to the OPEB plan. The net OPEB obligation (NOPEBO) represents the difference between the AOC and the actual employer contributions. The County's AOC for fiscal year 2017 was \$121.6 million. Actual contributions for the fiscal year were \$37.2 million. The resulting change in NOPEBO of \$84.4 million along with the \$558.7 million NOPEBO from fiscal year 2017, results in a total NOPEBO at the end of the year of \$643.2 million. Three-year trend information for the County's AOC, percentage of AOC contributed to the plan, and net NOPEBO are as follows (in thousands):

Year Ended <u>June 30</u>	NOPEBO <u>beginning of year</u>	<u>Annual OPEB Cost (AOC)</u>				<u>Decrease in NOPEBO</u>	<u>NOPEBO end of year</u>	<u>Percentage of AOC Contributed</u>
		<u>ARC</u>	<u>Interest</u>	<u>Adjustment</u>	<u>Total</u>			
2017	\$ 558,748	\$ 121,978	\$ 19,556	\$ (19,962)	\$ 121,572	\$ (37,164)	\$ 643,156	31%
2016	464,906	125,978	16,936	(17,287)	125,627	(31,785)	558,748	25%
2015	378,336	119,906	13,242	(13,517)	119,631	(33,061)	464,906	28%

(d) Funding Status and Funding Progress

The following is the funded status for the OPEB plan as of July 1, 2016, the most recent actuarial valuation date:

<u>Actuarial Valuation</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>((b-a)/c)</u>
07/01/16	53,092	\$ 1,736,989	\$ 1,683,897	3.06%	\$ 536,044	314.13%

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(e) Actuarial Methods and Assumptions

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

Actuarial valuation date	07/01/2016		
Actuarial cost method	Projected unit credit cost method		
Discount rate	3.50% which is based on paygo funding		
Salary Increases	3.00%		
Investment Rate of Return	6.25%, net of OPEB plan investment expense, including inflation		
Health care trend rates		Initial	Ultimate
Medical/Prescription PRE-65	Active	7.67%	4.71%
	Kaiser	7.52%	4.77%
	HMO	7.70%	4.70%
	POS	7.67%	4.72%
Medical/Prescription 65+		Initial	Ultimate
	Active	8.36%	4.69%
	Kaiser	8.57%	4.76%
	HMO	8.39%	4.68%
	POS	8.32%	4.69%
Vision and administrative expenses	5%		
Amortization method	Level percent of payroll, open		
Remaining amortization period	30 years		
Mortality	RP-2014 Mortality Table fully generational projected using scale MP-2016		

Actuarial valuations of the OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of future events. Actuarially determined amounts are subject to revisions as actual results are compared to past expectations and new estimates are made about the future.

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(f) Component Units

The Housing Authority and the Memorial Library participate in the County's retiree life and health insurance benefit plan. Fiscal year 2017 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$87,000 and \$370,988, respectively. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid employer contribution of \$116.7 million and recognized a NOPEBO of \$1.38 billion in fiscal year 2017. The Community College contributed \$5.3 million in employer contribution with an NOPEBO of \$0.5 million. Separate financial statements prepared for the Board of Education, Housing Authority, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their OPEB plans.

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(g) Other Benefits - LOSAP

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

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

Employees covered by benefit terms: At July 1, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	594
Inactive plan members entitled to but not yet receiving benefits	121
Active plan members	1,552
	<u>2,267</u>

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Net Pension Liability

The County's net pension liability of \$117,961,053 was determined by an actuarial valuation as of July 1, 2016 rolled forward to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	July 1, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Discount Rate	2.85% for the measurement date as of June 30, 2016 / 3.56% as of June 30, 2017
Retirement Age	100 percent of the members are assumed to commence benefits at the earliest eligibility of: <ul style="list-style-type: none"> <li>1. Age 55 with 25 years of LOSAP service</li> <li>2. Age 55 with 25 years of LOSAP service</li> </ul>
Mortality	<p>RP-2014 Health Annuitant Mortality Table, with 0.75 multiplier for male and 1.1 multiplier for female, sex-distinct for healthy annuitant.</p> <p>RP-2014 Healthy Annuitant Mortality Table, with no multiplier for male and 1.35 multiplier for female, sex-distinct for annuitant disabled mortality assumption.</p> <p>RP-2014 Blue Collar Employee Mortality Table, with 0.95 multiplier for male and 1.3 multiplier for female, sex-distinct for pre-retirement nonservice connected mortality. RP-2014 Blue Collar Employee Mortality Table, with 0.10 multiplier for male and 0.13 multiplier for female, sex-distinct for pre-retirement service connected mortality.</p> <p>These mortality assumptions have an estimated margin of 10 percent for future mortality improvements based on the most recent experience study performed for the Prince Georges County Fire Service Pension Plan. Mortality rates for active members follow the applicable tables above with a unisex mix of 65% male and 35% female.</p>
Other information:	
Notes	Benefits are scheduled to increase from \$375 per month to \$400 per month to \$450 per month from fiscal year 2017 to 2018 to 2019 for volunteers with 25 years of LOSAP service. These increases are reflected in the total pension liability. Effective December 13, 2017 additional changes will be made to the LOSAP benefits. these additional changes have not been reflected in the total pension liability measures as of June 30, 2017.

Discount Rate

The discount rate at the beginning of the year is based on the rate as of June 30, 2016 from the Bond Buyer "20-Bond GO Index" general obligation, 20 years to maturity, mixed quality. In describing this index the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's investors Service's rating and Standard and Poor's Corp.'s AA.

The rate at the end of the year is the fixed-income municipal bonds rate with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2017. In describing this index, fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

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Sensitivity of the Total Pension liability to a Single Discount Rate

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:

	Current Single Discount Rate (SDR) Assumption	1% Decrease	SDR	1% Increase
Total Pension Liability	3.56%	\$ 137,577,693	\$ 117,961,053	\$ 102,705,226

Changes in the Net Pension Liability

	<b>Total Pension Liability</b>
	(A)
Balance as of June 30, 2016	\$ 130,863,314
Service Cost	539,067
Interest	3,685,363
Assumption Changes	(13,460,974)
Benefit Payments	(3,665,717)
Balance as of June 30, 2017	<u>\$ 117,961,053</u>

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

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

For the year ended June 30, 2017, the County recognized LOSAP pension expense of \$(7,383). The County reported deferred inflows resources related to pensions from the following sources:

	<u>Deferred Inflow of Resources</u>
Changes in assumptions	<u>\$ (9,229,161)</u>
	<u>\$ (9,229,161)</u>

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2018	\$ 4,231,813
2019	4,231,813
2020	765,535
Total	<u>\$ 9,229,161</u>

(11) Unavailable and Unearned Revenue

Unavailable revenue reported in the General and other Governmental Funds represents tax billings and other receivables not available at June 30, 2017 for funding of current operations. These amounts are reported as a deferred inflow of resources in the governmental funds. Unearned revenue in the Federal and State Aided Programs Fund represents the unexpended portion of funds received for various grants and unrealized revenue relating to notes receivable arising from the sale of property. The Enterprise Funds' unearned revenue represents billings or receipts for future services collected in advance. Unearned revenue in the Internal Service funds is a combination of premiums paid in advance for life and health benefits, and accumulated premium contributions of component units in excess of related risk management expenses. Unearned revenue reported in the Government-wide statements represents billings and receivables collected in advance related to items such as property tax deferrals and grant programs. The following is a summary of all primary government deferred and unearned revenue as of June 30, 2017:

	Unavailable	Unearned	Total
General Fund			
Income Taxes Receivable	\$ 4,547,446	\$ -	\$ 4,547,446
Property Taxes Receivable	-	-	-
Notes Receivable	1,365,893	15,483,213	16,849,106
Subtotal	<u>5,913,339</u>	<u>15,483,213</u>	<u>21,396,552</u>
Federal And State Aided Programs			
Grant Drawdowns in Excess of Expenditures	-	7,185,930	7,185,930
Internal Service Funds			
Receipt of Revenue prior to Service Provided	-	4,734,497	4,734,497
	<u>\$ 5,913,339</u>	<u>\$ 92,071,640</u>	<u>\$ 97,984,979</u>

12) Deferred Compensation Plans

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

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(13) Long-term Liabilities

(a) Outstanding Long-term Liabilities

The following is a summary of all primary government outstanding long-term liabilities as of June 30, 2017:

	Governmental Activities		Business-type Activities		Total		Total
	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	
Bonds payable							
General obligation bonds	\$ 97,765,000	1,096,198,805	10,070,000	160,171,195	107,835,000	1,256,370,000	1,364,205,000
Bond premium	-	99,187,505	-	6,192,861	-	105,380,366	105,380,366
Total bonds payable	97,765,000	1,195,386,310	10,070,000	166,364,056	107,835,000	1,361,750,366	1,469,585,366
Notes payable	5,703,000	49,515,480	896,582	5,296,866	6,599,582	54,812,346	61,411,928
Capital lease obligations	12,846,724	48,293,776	-	-	12,846,724	48,293,776	61,140,500
Estimated liabilities on pending claims	47,315,568	128,878,338	-	-	47,315,568	128,878,338	176,193,906
Compensated absences and termination benefits payable	47,156,093	27,833,966	2,312,048	-	49,468,141	27,833,966	77,302,107
Net pension liability	-	1,493,338,575	-	22,778,115	-	1,516,116,690	1,516,116,690
OPEB obligations	-	643,155,602	-	-	-	643,155,602	643,155,602
Net pension liability - LOSAP	-	117,961,053	-	-	-	117,961,053	117,961,053
Landfill closure / postclosure	-	-	1,342,223	89,153,198	1,342,223	89,153,198	90,495,421
Other long-term liabilities	113,021,385	2,508,976,790	4,550,853	117,228,179	117,572,238	2,626,204,969	2,743,777,207
Total long-term liabilities	\$ 210,786,385	3,704,363,100	14,620,853	283,592,235	225,407,238	3,987,955,335	4,213,362,573

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the primary government for the fiscal year ended June 30, 2017:

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017
Governmental Activities				
General obligation bonds	1,286,868,805	-	(92,905,000)	1,193,963,805
Bond premium	122,925,719	-	(23,738,214)	99,187,505
Business Type Activities				
Solid Waste				
General obligation bonds	35,062,545	-	(1,920,000)	33,142,545
Bond premium	1,371,182	-	(297,721)	1,073,461
Stormwater				
General obligation bonds	144,978,650	-	(7,880,000)	137,098,650
Bond premium	6,420,256	-	(1,300,856)	5,119,400
Total bonded debt	1,597,627,157	-	(128,041,791)	1,469,585,366



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The following is a summary of bonded debt transactions of the component for the fiscal year ended June 30, 2017:

Component Units				
General obligation bonds	46,245,000	28,000,000	(5,605,000)	68,640,000
Bond premium (discount)	<u>161,313</u>	<u>-</u>	<u>(91,323)</u>	<u>69,990</u>
Total bonded debt	<u><u>46,406,313</u></u>	<u><u>28,000,000</u></u>	<u><u>(5,696,323)</u></u>	<u><u>68,709,990</u></u>

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2017 are as follows:

Primary Government										
Governmental Activities			Business-type Activities							
			Solid Waste		Stormwater Management		Component Units			Total
Year ended June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Total	Principal	Interest	
2018	\$ 97,765,000	49,039,700	2,100,000	1,409,610	7,970,000	5,762,094	164,046,405	5,865,000	3,497,910	173,409,315
2019	99,610,000	44,714,032	2,110,000	1,313,385	8,345,000	5,370,594	161,463,011	6,230,000	3,213,929	170,906,940
2020	101,933,639	40,022,541	2,378,030	1,210,225	8,993,331	4,950,178	159,487,943	2,205,000	2,909,102	164,602,045
2021	103,421,033	35,223,597	2,370,627	1,099,939	8,978,339	4,514,719	155,608,254	2,350,000	2,799,230	160,757,484
2022	103,911,061	30,366,018	2,402,483	989,277	9,086,456	4,087,661	150,842,955	2,240,000	1,321,265	154,404,220
2023 - 2027	462,835,235	89,086,845	11,154,717	3,375,640	43,470,048	14,615,052	624,537,537	14,990,000	11,239,199	650,766,736
2028 - 2032	188,270,837	22,734,677	8,123,688	1,239,065	39,080,476	6,202,995	265,651,738	18,050,000	7,578,685	291,280,423
2033 - 2037	36,217,000	2,191,740	2,503,000	159,260	11,175,000	533,100	52,779,100	14,355,000	2,896,500	70,030,600
2038 - 2042	-	-	-	-	-	-	-	2,355,000	11,775	2,366,775
	\$ 1,193,963,805	313,379,150	33,142,545	10,796,400	137,098,650	46,036,393	1,734,416,944	68,640,000	35,467,595	1,838,524,539

(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2017 are as follows:

Primary Government:	Interest Rates	Calendar Year Maturity Dates	Amount Issued	Amount Outstanding
Governmental Activities:				
General obligation bonds:				
2007A, 2007B, 2008, 2009A, 2009B CPI; 2009A TQSC, 2009B TESC; 2010 A/B; 2011 TQSC, 2011A/11B, 2013 A/B/C, 2014A/B, 2016A/B	1.615 - 6.05%	2036	\$ 2,022,556,805	\$ 1,193,963,805
Total governmental activities long-term bonded debt			<u>\$ 2,022,556,805</u>	<u>\$ 1,193,963,805</u>

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<u>Business-type Activities:</u>	<u>Interest Rates</u>	<u>Calendar Year Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2007A, 2007B, 2008, 2010 A/B, 2011A/B, 2013 A/B/C, 2014 A, 2016 B stormwater management - general obligation	2.50 - 5.50%	2034	\$ 179,728,650	\$ 137,098,650
2007B, 2008, 2009A and 2009B, 2010A/B, 2011A/B, 2013A/B/C, 2014A/B, 2016 A/B solid waste management system - general obligation	2.50 - 5.50%	2036	<u>\$ 104,697,545</u>	<u>\$ 33,142,545</u>
Total business-type activities long-term bonded debt			<u>\$ 284,426,195</u>	<u>\$ 170,241,195</u>
Total primary government long-term bonded debt			<u>\$ 2,306,983,000</u>	<u>\$ 1,364,205,000</u>
Component Units:				
Revenue bonds:				
Revenue Authority - 2016 Special Obligation Bonds	4.375 - 5.00%	2038	\$ 28,000,000	\$ 28,000,000
Housing Authority - Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	\$ 1,465,000	\$ 595,000
Industrial Development Authority -				
2003A refunding lease revenue	2.0 - 5.125%	2019	27,430,000	8,220,000
2003B subordinated lease revenue	3.5 - 4.75%	2030	22,085,000	13,550,000
2009 taxable lease revenue bonds	0.64 - 6.169%	2030	<u>23,850,000</u>	<u>18,275,000</u>
Total Component Units revenue bonds			<u>\$ 102,830,000</u>	<u>\$ 68,640,000</u>
Total long-term bonded debt			<u>\$ 2,409,813,000</u>	<u>\$ 1,432,845,000</u>

(e) Bond Authorizations

The County Charter requires that any borrowing to finance capital projects must be authorized by an enabling act of the General Assembly of Maryland or by an enabling act of the County Council. The County Council is required by the Charter to submit to voter referendum any act enabling the County to borrow money to finance capital projects, except for school construction bonds. In addition, the County Council is required by the Charter to adopt a bond authorization act before bonds may be issued. The amount of bonds enabled and authorized but not yet issued at June 30, 2017 is summarized as follows:

	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Enabled by authority of the State of Maryland:		
Health	\$ 22,144,000	6,120,000
Roads, parking and mass transit	1,025,398,000	289,559,000
Public buildings	692,710,765	209,715,000
Public Safety	<u>634,913,000</u>	<u>155,980,000</u>
	<u>\$ 2,375,165,765</u>	<u>661,374,000</u>

The legal debt limit and margin at June 30, 2017 were \$5,697,761,199 and \$4,799,749,164 respectively. The County was in compliance with all significant bond covenants at June 30, 2017.

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(f) Prior Period Defeasance of Debt

In prior periods, the County defeased or participated in the defeasance of certain long-term bonded debt. The proceeds of new bonds were placed in an irrevocable trust to provide for future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the County's financial statements. A general description of the defeased debt and the amounts outstanding at June 30, 2017 follows:

- On December 15, 2004, the Primary Government issued \$141,130,000 of General Obligation Public Improvement Bonds, 2004 Refunding Series A, B, C, D, E and F, dated December 1, 2004 to advance refund certain portions of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1996 (ii) General Obligation Public Improvement Bonds, Series 1997A, (iii) General Obligation Public Improvement Bonds, Series 1998, (iv) General Obligation Public Improvement Bonds, Series 1999, (v) General Obligation Public Improvement Bonds, Series 2000, and (vi) General Obligation Public Improvement Bonds, Series 2001. Of the \$141,170,000 advance refunded bonds, \$8,490,000 are bonds of the Solid Waste Enterprise Funds. The remaining \$132,680,000 Refunded Bonds relate to governmental activities. At June 30, 2017, \$4,580,000 of the refunded bonds outstanding that mature in fiscal year 2018 are considered defeased.
- On June 21, 2007, the Primary Government issued \$80,735,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2007B, dated June 1, 2007 to (a) currently refund \$1,600,000 of certain maturities of the County's Unlimited Tax General Obligation Stormwater Management Bonds, Series 1997B and b) advance refund certain portions of the County's (i) Consolidated Public Improvement Bonds, Series 1998, (ii) Consolidated Public Improvement Bonds, Series 1999, (iii) Consolidated Public Improvement Bonds, Series 2000, (iv) Consolidated Public Improvement Bonds, Series 2001, and (v) Consolidated Public Improvement Bonds, Series 2003A. Of the \$80,070,000 advance refunded bonds, \$7,960,000 are bonds of the Stormwater Enterprise Fund, \$2,710,000 are bonds of the Solid Waste Enterprise Fund and the remaining \$69,400,000 refunded bonds relate to governmental activities. At June 30, 2017, \$72,230,000 of the refunded bonds outstanding that mature in the years 2018 through 2024 are considered defeased.
- On September 15, 2011, the Primary Government issued \$182,375,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2011B, dated September 27, 2011 to advance refund \$201,895,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2001, dated November 28, 2001, (ii) General Obligation Consolidated Public Improvement Bonds, Series 2002, dated September 15, 2002, (iii) General Obligation Consolidated Public Improvement Bonds, Series 2003 A, dated June 15, 2003, and (iv) General Obligation Consolidated Public Improvement Bonds, Series 2004, dated June 15, 2004. Of the \$201,895,000 advance refunded bonds, \$7,440,000 (\$4,570,000 for Stormwater and \$2,870,000 for Solid Waste) is reported as business-type activities. The remaining \$194,455,000 Refunded Bonds relate to governmental activities. At June 30, 2017, \$126,860,000 of the refunded bonds outstanding that mature in the years 2018 through 2025 are considered defeased.
- On February 20, 2013, the Primary Government issued \$200,390,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2013B, dated February 5, 2013 to advance refund \$190,055,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2005, dated Jul 1, 2005, (ii) General Obligation Consolidated Public Improvement Bonds, Series 2006, dated May 15, 2006, and (iii) General Obligation Consolidated Public Improvement Bonds, Series 2007 A, dated June 1, 2007. Of the \$190,055,000 advance refunded bonds, \$8,865,000 (\$6,765,000 for Stormwater and \$2,100,000 for Solid Waste) is reported as business-type activities. The remaining \$181,190,000 Refunded Bonds relate to governmental activities. At June 30, 2017, \$183,095,000 of the refunded bonds outstanding that mature in the years 2018 through 2028 are considered defeased.
- On September 16, 2014, the Primary Government issued \$28,800,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2014B, dated September 30, 2014 to advance refund \$30,305,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, 2004 Refunding Series C, dated December 1, 2004, (ii) General Obligation Consolidated Public Improvement Bonds, 2004 Refunding Series D, dated December 1, 2004, and (iii) General Obligation Consolidated Public Improvement Bonds, Refunding Series E, dated December 1, 2004, (iv) General Obligation Consolidated Public Improvement Bonds, 2004 Refunding Series F, dated December 1, 2004. Of the \$30,305,000 advance refunded bonds, \$1,325,000 (\$1,325,000 for Solid Waste) is reported as business-type activities. The remaining \$28,980,000 Refunded Bonds relate to governmental activities. At June 30, 2017, \$4,590,000 of the refunded bonds outstanding that mature in fiscal year 2018 are considered defeased.
- On June 07, 2016, the Primary Government issued \$58,350,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2016B, dated June 22, 2016 to advance refund \$66,155,000 of certain maturities of the County's General Obligation Consolidated Public Improvement Bonds, Series 2008, dated June 1, 2008. Of the \$66,155,000 advance refunded bonds, \$7,730,000 (\$5,470,000 for Stormwater and \$2,260,000 for Solid Waste) is reported as business-type activities. The remaining \$58,425,000 Refunded Bonds relate to governmental activities. At June 30, 2017, \$66,155,000 of the refunded bonds outstanding that mature in the years 2020 through 2029 are considered defeased.

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(14) Conduit Debt Transactions

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

As of June 30, 2017, there were one hundred and seventy-four series of Economic Development Revenue Bonds outstanding. The aggregate principal amount, for the five series issued after July 1, 1995 that remain outstanding, is \$120.8 million. The aggregate principal amount payable on June 30, 2017 for the one hundred and sixty-eight series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled approximately \$1.1 billion.

(15) Special Taxing Districts

The County has issued various special taxing district bonds pursuant to Section 10-279 of the Prince George's County Code and Section 9-1301 of Article 24 of the Annotated Code of Maryland. Neither the full faith and credit nor the taxing power of the County is pledged for the payment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. Details of the outstanding debt as of June 30, 2017 are as follows.

Bond	Project	Issuance Date	Amount Issued	Amount Outstanding	Final Maturity
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2005	National Harbor Convention Center Project - Gaylord	05/11/2005	\$ 95,000,000	80,210,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	11,017,000	07/01/2035
Prince George's County, Maryland Special Obligation Bonds, Series 2005	National Harbor Project - Peterson	09/21/2005	65,000,000	56,440,000	07/01/2034
Prince George's County, Maryland Special Obligation Bonds, Series 1997A	Woodview Village Improvements Projects	10/25/2006	7,450,000	4,575,000	07/01/2026
Prince George's County, Maryland Special Obligation Refunding Bonds, Series 2006	Woodview Village Phase II Infrastructure Improvements	11/20/2006	8,205,000	6,105,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project - Gaylord	04/02/2008	50,000,000	50,000,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project - Peterson	01/27/2009	35,000,000	34,357,000	01/01/2039
Prince George's County Woodmore Towne Centre at Glenarden SOB Developer Note, Series 2012	Woodmore Town Center	01/18/2012	17,000,000	14,191,685	01/01/2032
Prince George's County Brandywine Shopping Center Phase II SOB Developer Notes, Series 2014A	Brandywine Shopping Center	05/06/2014	2,220,000	1,901,512	01/01/2043
Prince George's County Brandywine Shopping Center Phase II SOB Developer Notes, Series 2014B	Brandywine Shopping Center	05/06/2014	2,280,000	1,952,904	01/01/2043
Prince George's County Town Center at Camp Springs SOB Developer Note, Series 2014A	Camp Springs Town Center	06/30/2014	4,900,000	4,790,103	01/01/2043
Prince George's County, Maryland Special Obligation Developer Note, Series 2015	Calvert Tract Project	09/17/2015	3,000,000	2,135,291	01/01/2035
			<u>\$ 302,055,000</u>	<u>267,675,495</u>	

Prince George's County, Maryland  
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(16) Other Long-term and Short-term Debt

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

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2017</u>
Net Pension Liability	\$ 1,512,318,094	33,853,050	52,832,569	\$ 1,493,338,575
OPEB obligations	558,747,985	12,572,000	37,164,383	643,155,602
Net Pension Liability - LOSAP	130,863,314	4,224,430	17,126,691	117,961,053
Compensated absences and termination benefits payable	77,041,020	45,105,132	47,156,093	74,990,059
Estimated liabilities on pending claims and judgments	174,892,006	107,216,940	105,915,040	176,193,906
Capital lease obligations	41,962,400	30,686,760	11,508,660	61,140,500
Notes payable:				
Purchase agreements and certificates of participation	61,740,000	-	10,235,000	51,505,000
University of Maryland, College Park	-	1418,480	-	1418,480
Commercial Building Loan Fund	3,716,000	-	1,421,000	2,295,000
Maryland CDA Infrastructure Financing	261,200	-	261,200	-
Total notes payable	<u>65,717,200</u>	<u>1418,480</u>	<u>11,917,200</u>	<u>55,218,480</u>
	<u>\$ 2,430,678,705</u>	<u>344,076,792</u>	<u>283,620,636</u>	<u>\$ 2,621,998,175</u>

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

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2017</u>
Compensated absences and termination benefits payable	\$ 2,216,117	2,407,979	2,312,048	\$ 2,312,048
Landfill closure / postclosure costs	76,693,869	13,801,552	-	90,495,421
Net Pension Liability	22,328,688	2,038,940	1,589,513	22,778,115
Notes payable:				
Purchase agreements and certificates of participation	6,480,279	150,000	436,831	6,193,448
Total notes payable	<u>6,480,279</u>	<u>150,000</u>	<u>436,831</u>	<u>6,193,448</u>
	<u>\$ 107,718,953</u>	<u>18,398,471</u>	<u>4,338,392</u>	<u>\$ 121,779,032</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above for governmental activities. At year-end, \$1,468,591 (\$1,360,515 within one year, and \$108,076 due in more than one year) of internal service fund compensated absences are included in the above amounts. For the remainder of compensated absences, the General Fund normally liquidates over 90 percent and the remainder is liquidated by the Federal and State Aided Programs Special Revenue Fund. Also, for governmental activities net pension obligations, net other post-employment benefit obligations, and capital lease obligations are generally liquidated by the General Fund. Estimated liability on pending claims and judgments is reported in risk management internal service funds and will be liquidated by those funds. Notes payables are generally liquidated by the General Fund with the exception of the Commercial Building Loan Fund which is liquidated by the Federal and State Aided Programs Special Revenue Fund.

a) Capital Lease Obligations

The County entered into agreements with Grant Capital Management, Banc of America Public Capital Corporation, and Old Line Bank to finance the purchase of snow removal equipment and Fire/EMS ambulances in April of 2011; snow removal equipment and Fire/EMS ambulances in May 2013; Fire/EMS ambulances and other Public Safety vehicles in June 2014; Public Safety and other County agency vehicles and equipment in June 2015; Fire equipment Self Contained Breathing Apparatus (SCBA) in April 2016; Public Safety and other County agency vehicles in December 2016; and Public Safety and other County agency vehicles in June 2017. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. In June 2017 the County entered into a lease agreement for \$22,486,760 of this amount \$34,676 was spent as of June 30, 2017.

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The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 56,712,420
Less: Accumulated depreciation	(26,769,312)
Total	<u>\$ 29,943,107</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

<u>Year ending June 30</u>	Governmental Activities
2018	\$ 13,754,239
2019	13,935,966
2020	10,810,195
2021	8,771,404
2022	6,732,614
2023	6,732,614
2024	<u>3,651,074</u>
Total minimum lease payments	64,388,106
Less: amount representing interest	<u>(3,247,606)</u>
Present value of minimum lease payments	<u>\$ 61,140,500</u>

b) Pension Liability and OPEB Obligations

The Net Pension Liability represents the difference between the actuarially determined total pension liability and plan fiduciary net position and Net OPEB obligations represents the difference between the actuarially required and the actual employer contributions. The balance as of June 30, 2017 for the Pension and OPEB liabilities was \$1,516,116,690 (see note 9 – Pension Plans) and \$643,155,602 (see note 10 – Postemployment Benefits Other Than Pensions), respectively.

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c) Compensated Absences and Termination Benefits

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

Vested or accumulated vacation and sick leave that relates to employees who terminated employment with the County on or before June 30, 2017 are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation and sick leave that do not meet the above criteria are not reported in the governmental funds.

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

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

The following is a summary of compensated absences and termination benefits payable at June 30, 2017 (in thousands):

		Primary Government				
	Governmental Activities	Business-type Activities				Component Units
		Solid Waste	Stormwater Management	Total	Total	
Primary Government	\$ 74,990	932	1,380	2,312	77,302	-
Component Units:						
Board of Education	-	-	-	-	-	69,084
Housing Authority	-	-	-	-	-	537
Memorial Library	-	-	-	-	-	1,691
Community College	-	-	-	-	-	2,502
	74,990	932	1,380	2,312	77,302	73,814
Less current portion	47,156	932	1,380	2,312	49,468	422
Total long-term portion	\$ 27,834	-	-	-	27,834	73,392

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d) Notes Payable

(i) Purchase Agreement and Certificates of Participation Notes Payable

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

The interest rates on all financing/purchasing agreements in force range from 2.0% to 6.5%. The liability for the debt is carried as notes payable in various funds as listed below. Following is a schedule by year of future principal and interest payments as of June 30, 2017 (in thousands):

Year ending <u>June 30,</u>	Primary Government				
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Solid Waste</u>		<u>Total</u>
			<u>Principal</u>	<u>Interest</u>	
2018	\$ 5,435	2,194	897	103	8,629
2019	5,520	1,957	924	88	8,489
2020	5,670	1,706	940	72	8,388
2021	5,780	1,448	956	55	8,239
2022	5,775	1,191	973	39	7,978
2023- 2027	17,705	2,783	1,503	26	22,017
2028- 2031	<u>5,620</u>	<u>580</u>	<u>-</u>	<u>-</u>	<u>6,200</u>
Total note payments \$	<u><u>51,505</u></u>	<u><u>11,859</u></u>	<u><u>6,193</u></u>	<u><u>383</u></u>	<u><u>69,940</u></u>



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(ii) Other General Long-Term Debt Notes Payable

The Primary Government entered into an agreement with The State of Maryland for the Use of the University System of Maryland on behalf of Its Constituent Institution, The University of Maryland, College Park, to convey to Prince George's County, Maryland Property and, in addition, a Utility Relocation Easement in exchange for equal value in the form of certain public works projects to be performed by the County or, alternatively, deferred cash payment by the County. Consummation of the conveyance of the Property occurred on November 16, 2016. The parties agreed that the fair market value of the Property and the Easements is \$1,418,480. At any time before the fifth anniversary of the date of Closing, the County may satisfy its consideration payment obligation by identifying, funding, and completing one or more public works and engineering projects that are mutually agreed upon, in writing, by the University, the University System of Maryland, the Maryland Board of Public Works and the County. The cost at completion of the projects will not be less than the FMV plus interest at an annual rate of 2%, compounded annually, on each anniversary of the date of closing. If the County fails to identify, fully fund and commence construction of mutually agreeable projects at a cost at least equal to the FMV by the fifth anniversary of the date of closing, the County shall pay the FMV plus accrued interest to the University. At June 30, 2017, \$1,418,480 was outstanding.

The Primary Government entered into an agreement with HUD to administer a \$10,000,000 Section 108 Commercial Building Loan Fund. The first project financed under the loan fund was a \$2,000,000 loan paid to a private partnership for land acquisition. The first principal payment of \$165,000 was paid August 1, 2002. The loan was paid in full on August 1, 2011. The second project financed under the loan fund was a \$2,600,000 loan paid to a developer for the construction of a restaurant. The developer is responsible for servicing the loan balance that matures August 1, 2022, at rates ranging from 1.21% to 5.69%. At June 30, 2017, \$1,337,000 remains outstanding. The third project financed under this loan was a \$1,900,000 loan paid to a developer for land acquisition and the construction of rental housing units. The first principal payment of \$70,000 was paid on August 1, 2006. The developer is responsible for servicing the loan balance that matures August 1, 2023, at rates ranging from 2.31% to 5.97%. At June 30, 2017, \$958,000 was outstanding. The fourth project financed under this loan was a \$1,837,000 loan paid to a sign manufacturing company for building acquisition and construction renovations to relocate the company. The first principal payment of \$46,000 was paid on August 1, 2006. The loan was paid in full on February 1, 2017.

On March 10, 1999, the Primary Government issued for the benefit of the Community Development Administration ("CDA"), a division of the Maryland Department of Housing and Community Development, a general obligation bond designated as "Prince George's County, Maryland Infrastructure Bond, 1999 Series A" in the amount of \$1,217,800 secured by the full faith and credit of the County. Secured by the pledges of seven participating local governments, including the Primary Government, the CDA issued on March 10, 1999 Infrastructure Financing Bonds (MBIA Insured) 1999 Series A in the aggregate principal amount of \$6,985,000. The Primary Government used the proceeds to provide funds to refinance certain outstanding loans and to purchase a fire truck for Accokeek Volunteer Fire Department, Inc. ("AVFD") and to pay the costs of issuance of bonds. Because the County issued the obligation to obtain a loan for the benefit of AVFD, the latter executed a promissory note on March 11, 1999 promising to pay to the Primary Government the principal sum of \$1,217,800, plus interest on the unpaid principal amount. The debt service payment made by AVFD to the Primary Government equals the Primary Government's debt service payments to the CDA. The debt is repayable to the State in 20 annual installments with interest rates ranging from 4.125% to 5.0%, and matures May 1, 2019. The debt was paid in full on July 13, 2016.

Following is a schedule by year of future principal and interest payments as of June 30, 2017 (in thousands):

Primary Government - Governmental Activities

Year	CBLF		Total
	Principal	Interest	
2018	\$ 268	123	391
2019	293	107	400
2020	312	90	402
2021	325	72	397
2022	355	53	408
2023- 2026	742	31	773
* Total note payments \$	2,295	476	2,771
* Does not include a note for 1,418,000. Does not have an amortization table.			

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(17) Fund Balance Policy and Reporting

The County has not adopted a minimum fund balance policy for its governmental funds. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed, except for capital projects which use unrestricted resources first. Furthermore, within the unrestricted fund balance the County will apply expenditures against committed, then assigned, and then unassigned amounts.

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

A schedule of fund balance classifications at June 30, 2017 follows:

	Primary Government				
	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Restricted Fund Balances					
Restricted for contingencies:					
Economic Stabilization	\$157,467,470	\$ 157,467,470	\$ -	\$ -	\$ -
Debt Service	30,433,927	-	601,452	-	29,832,475
Restricted for other purposes					
Domestic Violence	180,213	-	-	-	180,213
Drug Enforcement and Education	8,149,469	-	-	-	8,149,469
Unspent Proceeds from debt issuances:					
Equipment purchases	27,870,978	27,870,978	-	-	-
Total restricted fund balances	<u>\$224,102,057</u>	<u>185,338,448</u>	<u>\$ 601,452</u>	<u>\$ -</u>	<u>\$ 38,162,157</u>

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	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Nonspendable:					
Inventory	\$ 2,010,022	\$ 2,010,022	\$ -	\$ -	\$ -
Unrestricted - Committed Fund Balance					
Operating Reserve	\$ 62,986,988	62,986,988	\$ -	\$ -	\$ -
Unrestricted - Assigned Fund Balance					
Economic Development	\$ 35,624,910	\$ 35,624,910	\$ -	\$ -	\$ -
Property Sales and Acquisitions	1,473,415	1,473,415	-	-	-
Drug Enforcement and Education	4,075,470	-	-	-	4,075,470
Other	11,190,237	11,190,237			
Total assigned fund balances	<u>\$ 52,364,032</u>	<u>48,288,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,075,470</u>
Unassigned:	\$ (81,588,296)	\$ 167,450,824	\$ -	\$ (249,039,120)	\$ -
Total fund balance	<u><u>\$ 259,874,803</u></u>	<u><u>\$ 466,074,844</u></u>	<u><u>\$ 601,452</u></u>	<u><u>\$ (249,039,120)</u></u>	<u><u>\$ 42,237,627</u></u>

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(18) Encumbrances

Certain governmental funds use encumbrance accounting for budgetary purposes. Encumbrances represent claims against appropriations for purchase order and executed contracts that have not been expended. All outstanding encumbrances were closed as of three end of fiscal year 2017.

(19) Tax Abatements

A tax abatement as defined by GASB 77 is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity through which the government promises to forgo tax revenues to which they are otherwise entitled, and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefit the government or its citizens. As of June 30, 2017, the County provides tax abatements through the following programs:

The Enterprise Zone program provides real property tax credits for businesses located in a Maryland enterprise zone in return for job creation and investments. State and local incentives and assistance are offered to encourage the expansion of existing businesses and the attraction of new business activity and jobs in economically distressed areas. See MD Annotated Code –Section 9-103.

Enterprise Zone Tax Abatement Program Amount of Taxes Abated: \$973,776

Payment in Lieu of Taxes (PILOT) program. State law provides, among other things, that real property may be exempt from county property tax under certain conditions: (1) the property is located in a designated focus area; (2) the owner of the real property agrees to maintain the real property as rental housing for lower income persons; (3) the project is an economic development project; (4) the property is an electricity generation facility; and (5) the owner enters into an agreement with the governing body of the county to pay a negotiated amount in lieu of the applicable county property tax. See MD Annotated Code –Section 7-211.3; 7-505; 7-506.1; 7-514; 7-516.

Payment in Lieu of Taxes Tax Abatement Program Amount of Taxes Abated: \$1,296,833

Admissions and Amusement Tax-This tax is collected by the State of Maryland and paid to the County quarterly. In 2009, the County passed CR-87-2009 which gave certain incentives for events in Prince George's County in the form of a reduction in the amount of the County admissions and amusement tax levy on the events subject to certain conditions. This was offered as an incentive for events to be held at FedEx field. An admissions and amusement tax waiver in the amount of 50% to 80% of the admission and amusement tax may be exercised upon the gross receipts derived from the amount charged for admission on the event.

Admissions and Amusement Tax Abatement Program Amount of Taxes Abated: \$482,344

The County has other various tax credit incentives that are not defined as tax abatements under generally accepted accounting principles and therefore are not described and included here.

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(20) Summary Disclosure of Significant Contingencies

(a) Litigation

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

(b) Contingent Liabilities

(i) Questioned Costs

The County participates in a number of Federally-assisted grant programs. These programs are currently under examination in accordance with Uniform Grant Guidance. The final results of this examination for fiscal year 2017 have not yet been determined. The amount of expenditures which may be disallowed by the granting agencies cannot be specifically determined at this time. The County expects any disallowed costs to be immaterial, as has been the case in previous audits.

(ii) Brown Station Road Landfill

The Primary Government owns and operates the Brown Station Road Landfill, which is accounted for in the Solid Waste Enterprise Fund. Phase I of the landfill was closed in September 1993 after 25 years of operation. Phase II of the landfill began operations on May 13, 1992 and approximately 79.7% of total estimated capacity has been utilized as of June 30, 2017. It is expected to operate through the year 2028.

To close both Phase I and Phase II of the landfill, State and Federal laws and regulations require the County to place a final cover on both landfill phases. (The closure and post-closure plan for both phases is pending final State approval.) These laws also require the County to perform certain maintenance and monitoring functions at the landfill site. In accordance with statutory requirements, the Primary Government estimates closure costs only for Phase I, of approximately \$15.7 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$69.7 million. Estimated costs are "as if incurred" in fiscal year 2017 and may change due to inflation, technological enhancements, and revisions to State and Federal requirements - as well as any additional measures that may be undertaken to safeguard the quality of life for residents. These estimates are updated annually.

At June 30, 2017, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$58.3 million for Phases I and II based on the percentage of capacity of Phases I and II utilized to date multiplied by the total capacity of Phases I and II. As of June 30, 2017, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$97,847,123 for landfill closure costs for Brown Station Road Landfill as well as Sandy Hill Landfill.

(iii) Sandy Hill Landfill

On July 1, 1992, the Primary Government entered into a three-part agreement with The Maryland-National Capital Park and Planning Commission (M-NCPPC), a joint venture, to operate the Sandy Hill Landfill. The daily operations and responsibility to develop and to maintain the "Existing Landfill" through closure and one year of post-closure of this refuse disposal facility had been contracted to Waste Management, Inc., for the period May 1977 to March 2007. Since 2007, post-closure activities have been the responsibility of the County.

As part of the 1992 Agreement, the County received \$1,890,485 from M-NCPPC when responsibility for the landfill was assigned to the County. The funds are held in a Trust Fund for post-closure construction phase and maintenance of the Landfill and its environmental control facilities including monitoring.

In May 1997, the County was granted a permit by the Maryland Department of the Environment (MDE) to vertically expand the operation. The Landfill stopped accepting waste in June 2000 and was certified closed by the State effective August 6, 2012.

Prince George's County, Maryland  
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As with the Brown Station Road Landfill, State and Federal laws and regulations require a final landfill cover and 30 years of post-closure activities. The Primary Government has recorded an estimated liability for 30 years of post-closure costs of \$34 million because this landfill is substantially full. Estimated costs for post-closure activities, are "as if incurred," and will be updated annually for changes in technology, applicable regulations and inflation.

(c) Operating Leases

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

Year ending <u>June 30,</u>	
2018	\$ 15,425
2019	15,646
2020	11,463
2021	11,701
2022	11,947
2023-2027	62,374
2028-2032	62,655
2033-2037	<u>60,632</u>
	<u>\$ 251,843</u>

During fiscal year 2017, rent expense under these lease agreements amounted to approximately \$15.3 million.

(21) Joint Ventures

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

(a) Washington Suburban Transit Commission (WSTC)

The WSTC is a State of Maryland bi-county agency, which receives funds from Montgomery and Prince George's Counties, both of which participate in the Washington Metropolitan Area Transit Authority (WMATA), to construct and maintain a cohesive and uniform transportation system. WSTC is composed of seven members; two from each county, two members appointed by the Governor of Maryland, and one ex officio representative from the Maryland Department of Transportation. WSTC acts as a coordinator for transit-related information and provides a forum for the discussion, formulation and transmittal of Federal, state and local funds paid to WMATA on behalf of the Maryland region. The annual operating costs of WSTC are shared equally by Montgomery and Prince George's Counties. The Primary Government's share of these costs for fiscal year 2017 amounted to \$117,760.

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

M-NCPPC is a bi-county agency servicing Montgomery and Prince George's Counties' regional system of parks. It also conducts the recreation program for Prince George's County. The Commission consists of ten members - five from each County. The County can modify its share of the budget and also approves applicable fees and sets the recreational tax rate. The County must also approve any debt issuances and is obligated to honor any bonded debt deficiencies (which to date have not occurred). At June 30, 2017, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$61,061,181.

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(c) Washington Metropolitan Area Transit Authority (WMATA)

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

In 2016, the State contributed \$4.9 million toward the payment of principal and interest on WMATA revenue bonds. This was provided pursuant to amended Chapter 530, Acts of Maryland General Assembly 1980, which provides for State payment of 100% of the debt service bond repayment costs.

(d) Washington Suburban Sanitary Commission (WSSC)

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

(e) Availability of Financial Statements

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

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

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

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

Washington Suburban Sanitary Commission  
14501 Sweitzer Lane  
Laurel, Maryland 29797

(22) Jointly Governed Organization

The Metropolitan Washington Council of Governments (COG) provides resources to participating local governments within the Washington, D.C. metropolitan area for a regional approach to local urban problems, emphasizing regional planning, community and economic development and conservation. Under COG's bylaws, contributions of participating local governments are calculated on a per capita basis. The twenty-four board members are elected by the local jurisdiction which they represent; two members are appointed by the Primary Government. The Primary Government's fiscal year 2017 contributions to COG amounted to approximately \$562,157.

(23) Prior Period Adjustment/Correction of Error

The net position of the governmental activities and the fund balance of the General Fund were restated to correct an error in the accounting for a payroll liability/clearing account. In fiscal year 2017 the County identified an error in the balance of the payroll clearing account that had accumulated over previous fiscal years. The adjustment of \$14,371,858 should have been recorded as an increase to accounts payable and payroll expense. The restatement resulted in a decrease of \$14,371,858 in the net position for the governmental activities and the fund balance in the General Fund for June 30, 2016.

The net position of the OPEB trust fund was restated to correct an error in the accrual of claim expenditures. The adjustment of \$11,489,134 resulted in an overstatement of expenditures and accrued liabilities in prior fiscal years. The restatement resulted in an increase of \$11,489,134 in the net position for the fiduciary funds for June 30, 2016.

Prince George's County, Maryland  
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(24) Subsequent events

On August 29, 2017, The County issued General Obligation Bonds in the amount of 471,425,000 (2017 A - \$366,460,000, 2017B - \$104,965,000). Series 2017A was issued provide funds for financing in whole or in part the costs of planning, construction, reconstruction, establishment, extension, enlargement, demolition, improvement or acquisition of certain capital projects including enterprise resource program; public school facilities; roads and bridges; public buildings; police, fire and correctional facilities; and environmental resource and stormwater management facilities and pay the costs and expense of issuing and delivering the Series 2017A Bonds. 2017B was issued to provide funds to advance refund or currently refund certain maturities of certain general obligation bonds originally issued to finance certain public improvement projects, including portions of the County's Consolidated Public Improvement Bonds, Series 2007B and 2011A, collectively referred to as the "Refunded Bonds"; and to pay the costs and expenses of issuing and delivering the Series 2017B Refunding Bonds.

On September 12, 2017, the County issued Certificate of Participation 2017 in the amount of \$104,000,000. The Series 2017 Certificates are being issued in order to fund the County's contribution for a portion of the costs of the design, construction and equipping of the Regional Medical Center to be located in Largo, Maryland and to pay the costs of issuance of the Series 2017 Certificates.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Prince George's County, Maryland  
Schedule of Funding Progress - Other Post Employment Benefits  
For the fiscal year ended June 30, 2017

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of the plan over time indicates whether the plans are becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plans' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan. The OPEB Plan had actuarial valuations as of July 1, 2008, July 1, 2010, July 1, 2012, July 1, 2014 and July 1, 2017. The significant actuarial assumptions used to compute the accrued actuarial liability are the same as those used to compute the actuarially determined contribution requirements.

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u>Date</u>	<u>(a)</u>	<u>(b)</u>	<u>(b-a)</u>	<u>(a/b)</u>	<u>(c)</u>	<u>((b-a)/c)</u>
07/01/16	53,092	\$ 1,736,989	\$ 1,683,897	3.06%	\$ 536,044	314.13%
07/01/15	49,825	1,735,132	1,685,307	2.87%	521,315	323.28%
07/01/14	48,140	1,651,196	1,603,056	2.92%	524,603	305.58%
07/01/13	49,856	1,690,289	1,640,433	2.95%	504,339	325.26%
07/01/12	47,938	1,584,584	1,536,646	3.03%	494,980	310.45%
07/01/11	44,457	875,301	830,844	5.08%	477,915	173.85%
07/01/10	42,444	825,330	782,886	5.14%	419,062	186.82%
07/01/09	35,295	842,813	807,518	4.19%	460,100	175.51%

Prince Georges County Maryland  
Police Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2017<sup>(1)</sup>

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

<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  
Fire Service Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2017<sup>(1)</sup>

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

<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 2017<sup>(1)</sup>

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

<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 2017<sup>(1)</sup>

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

<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 2017<sup>(1)</sup>

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

<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' Supplemental Pension Plan  
 Required Supplementary Information  
 Schedule of Changes in Net Pension Liability and Related Ratios  
 Fiscal Year 2014 through 2017<sup>(1)</sup>

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

<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  
Crossing Guards Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2017<sup>(1)</sup>

Fiscal year ending June 30	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 54,600	60,700	60,100	66,300
Interest	152,094	151,447	149,464	140,397
Benefit changes			-	-
Difference between expected and actual experience	(27,662)	(37,977)	(15,625)	-
Assumption changes	-	-		81,491
Benefit payments	(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>14,225</u>	<u>13,804</u>	<u>18,993</u>	<u>134,235</u>
<b>Total pension liability - beginning</b>	<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>\$ 2,096,257</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	77,415	85,297	87,270	81,888
Employee contributions	60,826	66,985	68,869	64,330
Net investment income	109,888	(11,504)	89,869	222,555
Benefit payments	(160,109)	(145,303)	(150,128)	(144,342)
Refunds	(4,698)	(15,063)	(24,818)	(9,611)
Administrative expense	(29,075)	(29,501)	(28,122)	(21,310)
Net transfers	-	-	-	(220)
<b>Net change in plan fiduciary net position</b>	<u>54,247</u>	<u>(49,089)</u>	<u>42,940</u>	<u>193,290</u>
Plan fiduciary net position - beginning	<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>\$ 1,546,592</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 liability - (a) - (b)</b>	<u><u>\$ 549,665</u></u>	<u><u>589,687</u></u>	<u><u>526,794</u></u>	<u><u>550,741</u></u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	73.78%	71.68%	74.53%	73.12%
<b>Covered payroll <sup>(2)</sup></b>	\$ 1,326,600	1,460,700	1,418,200	1,402,400
<b>Net pension liability as a percentage of covered payroll</b>	41.43%	40.37%	37.15%	39.27%

<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  
AFSCME Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2017<sup>(1)</sup>

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

<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  
General Schedule Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2017<sup>(1)</sup>

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

<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  
Fire Civilian Pension Plan  
Required Supplementary Information  
Schedule of Changes in Net Pension Liability and Related Ratios  
Fiscal Year 2014 through 2017<sup>(1)</sup>

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

<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 2017<sup>(1)</sup>

Fiscal year ending June 30	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 770,000	799,900	795,600	1,023,800
Interest	2,118,233	2,034,463	1,938,410	1,908,551
Benefit changes			-	-
Difference between expected and actual experience	34,381	51,023	212,896	-
Assumption changes	-	-	-	(785,355)
Benefit payments	(1,587,910)	(1,474,674)	(1,397,887)	(1,395,958)
Refunds	(198,885)	(247,230)	(218,740)	(260,381)
<b>Net change in total pension liability</b>	<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>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>\$ 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	746,382	845,730	1,089,407	1,068,827
Employee contributions	587,101	654,575	838,457	802,285
Net investment income	1,541,066	(148,154)	649,268	2,833,208
Benefit payments	(1,587,910)	(1,474,674)	(1,397,887)	(1,395,958)
Refunds	(198,885)	(247,230)	(218,740)	(260,381)
Administrative expense	(72,477)	(69,349)	(67,533)	(64,464)
Net transfers	-	-	29,693	(22,836)
<b>Net change in plan fiduciary net position</b>	<u>1,015,277</u>	<u>(439,102)</u>	<u>922,665</u>	<u>2,960,681</u>
Plan fiduciary net position - beginning	<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>\$ 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 liability - (a) - (b)</b>	<u><u>\$ 8,878,607</u></u>	<u><u>8,758,065</u></u>	<u><u>7,155,481</u></u>	<u><u>6,747,867</u></u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	70.28%	69.53%	74.05%	74.29%
<b>Covered payroll <sup>(2)</sup></b>	<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>	49.16%	46.93%	39.49%	39.27%

<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  
Maryland State Retirement and Pension System  
Required Supplementary Information  
Schedule of Proportionate Share of Net Pension Liability  
Fiscal Year 2014 through 2017<sup>(1)</sup>

Measurement Date	2016	2015	2014
County's proportionate share of net pension liability	0.6861117%	0.7289217%	0.6960475%
County's proportionate share of net pension liability	\$ 161,881,386	151,482,409	123,525,669
County's covered payroll	\$ 198,403,627	195,770,350	196,774,400
County's proportionate share of the net pension liability as a percentage of its covered employee payroll	81.59%	77.38%	62.78%
Plan fiduciary net position as a percentage of the total pension liability	68.78%	68.78%	71.87%

<sup>(1)</sup> GASB68 implemented in Fiscal Year 2015. Ultimately 10 years will be displayed.

Prince Georges County Maryland  
Length of Service Awards Program  
Required Supplementary Information  
Schedule of Changes in Pension Liability  
Fiscal Year 2017<sup>(1)</sup>

Actuarial Valuation Date	July 1, 2016
Measurement Date	June 30, 2017
Employer Fiscal Year Ending Date for GASB 73	June 30, 2017
<b>Total Pension Liability</b>	
Service cost	\$ 539,067
Difference between expected and actual experience	-
Assumption changes	(13,460,974)
Refunds	-
<b>Net change in total pension liability</b>	(12,902,261)
<b>Total pension liability - beginning</b>	130,863,314
<b>Total pension liability - ending (a)</b>	<u>\$ 117,961,053</u>
<b>Covered payroll</b>	\$ -
<b>Total pension liability as a percentage of covered payroll</b>	N/A

<sup>(1)</sup> GASB73 implemented in Fiscal Year 2017. Ultimately 10 years will be displayed.

The change in Total Pension Liability due to the change in the Singe Discount rate from 2.85 percent as of the beginning of the year to 3.56 percent as of the end of the year is included as an assumption change.

There are no assets accumulated in a trust that meet the criteria in Paragraph 4 of Statement 73 to pay related benefits.

Prince Georges County Maryland  
Required Supplementary Information  
Schedule of County Contributions  
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Police</b>										
Actuarially determined contribution	\$ 61,636,821	\$ 58,726,423	\$ 65,705,413	\$ 66,113,037	\$ 56,265,491	\$ 52,792,772	\$ 47,358,991	\$ 40,746,884	\$ 41,312,456	\$ 40,899,662
Contributions in relation to the actuarially determined contribution	61,636,821	58,726,423	65,705,413	66,113,037	56,265,491	52,792,772	47,358,991	40,746,884	41,312,456	40,899,662
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 125,322,184	\$ 119,399,271	\$ 121,869,863	\$ 132,856,596	\$ 113,612,283	\$ 110,472,635	\$ 105,941,115	\$ 105,067,297	\$ 110,266,912	\$ 97,043,082
Contributions as a percentage of covered payroll	49.18%	49.18%	53.91%	49.76%	49.52%	47.79%	44.70%	38.78%	37.47%	42.15%
<b>Fire</b>										
Actuarially determined contribution	\$ 39,887,570	\$ 38,078,591	\$ 37,391,396	\$ 34,826,767	\$ 29,993,835	\$ 31,141,432	\$ 25,956,943	\$ 23,247,348	\$ 25,628,801	\$ 25,411,809
Contributions in relation to the actuarially determined contribution	39,887,570	38,078,591	37,391,396	34,826,767	29,993,835	31,141,432	25,956,943	23,247,348	25,628,801	25,411,809
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 63,976,346	\$ 60,833,272	\$ 58,868,793	\$ 61,520,842	\$ 51,609,161	\$ 58,769,965	\$ 49,076,124	\$ 48,791,822	\$ 54,472,521	\$ 50,944,023
Contributions as a percentage of covered payroll	62.35%	62.60%	63.52%	56.61%	58.12%	52.99%	52.89%	47.65%	47.05%	49.88%
<b>Deputy Sheriff's Comprehensive</b>										
Actuarially determined contribution	\$ 6,841,157	\$ 6,780,148	\$ 6,613,913	\$ 5,853,975	\$ 5,171,709	\$ 5,243,696	\$ 4,627,135	\$ 3,898,491	\$ 4,110,295	\$ 4,138,909
Contributions in relation to the actuarially determined contribution	6,841,157	6,780,148	6,613,913	5,853,975	5,171,709	5,243,696	4,627,135	3,898,491	4,110,295	4,138,909
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,470,323	\$ 15,130,115	\$ 14,760,637	\$ 14,819,114	\$ 13,408,926	\$ 13,689,694	\$ 13,180,174	\$ 13,060,220	\$ 13,868,817	\$ 12,455,970
Contributions as a percentage of covered payroll	44.22%	44.81%	44.81%	39.50%	38.57%	38.30%	35.11%	29.85%	29.64%	33.23%
<b>Correctional Officers' Comprehensive</b>										
Actuarially determined contribution	\$ 9,263,190	\$ 9,525,885	\$ 9,198,374	\$ 7,363,022	\$ 6,361,469	\$ 6,655,547	\$ 6,196,486	\$ 5,082,212	\$ 5,001,190	\$ 4,932,268
Contributions in relation to the actuarially determined contribution	9,263,190	9,525,885	9,198,374	7,363,022	6,361,469	6,655,547	6,196,486	5,082,212	5,001,190	4,932,268
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,127,022	\$ 26,668,372	\$ 25,545,117	\$ 26,087,235	\$ 23,470,084	\$ 25,215,683	\$ 24,347,628	\$ 23,217,583	\$ 24,013,591	\$ 22,030,546
Contributions as a percentage of covered payroll	35.45%	35.72%	36.01%	28.22%	27.10%	26.39%	25.45%	21.89%	20.83%	22.39%



Prince Georges County Maryland  
Required Supplementary Information  
Schedule of County Contributions  
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Deputy Sheriff's Supplemental</b>										
Actuarially determined contribution	\$ 809,300	\$ 846,400	\$ 815,900	\$ 768,500	\$ 652,200	\$ 274,717	\$ 257,053	\$ 255,608	\$ 214,001	\$ 224,419
Contributions in relation to the actuarially determined contribution	809,300	846,400	815,900	768,500	652,200	274,717	257,053	255,608	214,001	224,419
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 458,558	\$ 506,489	\$ 579,946	\$ 558,262	\$ 717,237	\$ 1,021,708	\$ 1,105,715	\$ 1,307,494	\$ 1,259,659	\$ 1,292,922
Contributions as a percentage of covered payroll	176.49%	167.11%	140.69%	137.66%	90.93%	26.89%	23.25%	19.55%	16.99%	17.36%
<b>Correctional Officers' Supplemental</b>										
Actuarially determined contribution	\$ 517,388	\$ 620,834	\$ 675,703	\$ 559,655	\$ 528,851	\$ 568,320	\$ 546,421	\$ 142,397	\$ 149,743	\$ 167,390
Contributions in relation to the actuarially determined contribution	517,388	620,834	675,703	559,655	528,851	568,320	546,421	142,397	149,743	167,390
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,211,915	\$ 1,451,278	\$ 1,567,767	\$ 1,613,254	\$ 1,547,850	\$ 1,689,161	\$ 1,726,284	\$ 1,825,432	\$ 1,940,038	\$ 2,075,209
Contributions as a percentage of covered payroll	42.69%	42.78%	43.10%	34.69%	34.17%	33.65%	31.65%	7.80%	7.72%	8.07%
<b>Crossing Guards</b>										
Actuarially determined contribution	\$ 77,415	\$ 85,297	\$ 87,270	\$ 81,888	\$ 86,674	\$ 85,002	\$ 79,090	\$ 74,880	\$ 85,965	\$ 78,794
Contributions in relation to the actuarially determined contribution	77,415	85,297	87,270	81,888	86,674	85,002	79,090	74,880	85,965	78,794
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,458,659	\$ 1,606,345	\$ 1,568,767	\$ 1,478,859	\$ 1,576,052	\$ 1,560,515	\$ 1,480,461	\$ 1,635,018	\$ 1,666,680	\$ 1,596,052
Contributions as a percentage of covered payroll	5.31%	5.31%	5.56%	5.54%	5.50%	5.45%	5.34%	4.58%	5.16%	4.94%
<b>AFSCME</b>										
Actuarially determined contribution	\$ 3,034,645	\$ 3,248,913	\$ 4,203,607	\$ 3,924,252	\$ 3,876,642	\$ 4,063,116	\$ 3,907,035	\$ 3,761,772	\$ 4,100,704	\$ 3,978,481
Contributions in relation to the actuarially determined contribution	3,034,645	3,248,913	4,203,607	3,924,252	3,876,642	4,063,116	3,907,035	3,761,772	4,100,704	3,978,481
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 46,925,851	\$ 50,063,087	\$ 51,962,760	\$ 54,596,819	\$ 54,115,932	\$ 56,189,039	\$ 54,702,748	\$ 57,385,298	\$ 59,410,466	\$ 55,667,983
Contributions as a percentage of covered payroll	6.47%	6.49%	8.09%	7.19%	7.16%	7.23%	7.14%	6.56%	6.90%	7.15%

Prince Georges County Maryland  
Required Supplementary Information  
Schedule of County Contributions  
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Schedule</b>										
Actuarially determined contribution	\$ 6,432,619	\$ 6,607,768	\$ 7,757,860	\$ 7,189,526	\$ 6,269,930	\$ 6,225,415	\$ 5,687,109	\$ 5,355,284	\$ 5,477,978	\$ 5,104,563
Contributions in relation to the actuarially determined contribution	6,432,619	6,607,768	7,757,860	7,189,526	6,269,930	6,225,415	5,687,109	5,355,284	5,477,978	5,104,563
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 89,346,878	\$ 91,566,772	\$ 92,547,260	\$ 96,687,856	\$ 83,866,383	\$ 84,317,601	\$ 79,224,231	\$ 81,358,176	\$ 81,562,184	\$ 77,971,726
Contributions as a percentage of covered payroll	7.20%	7.22%	8.38%	7.44%	7.48%	7.38%	7.18%	6.58%	6.72%	6.55%
<b>Fire Civilian</b>										
Actuarially determined contribution	\$ 436,162	\$ 474,312	\$ 511,188	\$ 455,754	\$ 412,724	\$ 425,660	\$ 374,931	\$ 339,173	\$ 346,042	\$ 350,325
Contributions in relation to the actuarially determined contribution	436,162	474,312	511,188	455,754	412,724	425,660	374,931	339,173	346,042	350,325
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,671,858	\$ 3,934,806	\$ 3,772,598	\$ 4,007,893	\$ 3,634,202	\$ 3,879,187	\$ 3,935,198	\$ 4,213,435	\$ 4,280,833	\$ 4,154,906
Contributions as a percentage of covered payroll	11.88%	12.05%	13.55%	11.37%	11.36%	10.97%	9.53%	8.05%	8.08%	8.43%
<b>Police Civilian</b>										
Actuarially determined contribution	\$ 746,382	\$ 845,730	\$ 1,089,407	\$ 1,068,827	\$ 998,499	\$ 1,050,281	\$ 968,151	\$ 882,194	\$ 956,128	\$ 892,370
Contributions in relation to the actuarially determined contribution	746,382	845,730	1,089,407	1,068,827	998,499	1,050,281	968,151	882,194	956,128	892,370
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,614,385	\$ 17,408,900	\$ 17,614,642	\$ 19,058,383	\$ 17,251,532	\$ 17,910,236	\$ 17,347,443	\$ 17,631,392	\$ 17,799,883	\$ 16,006,191
Contributions as a percentage of payroll	4.78%	4.86%	6.18%	5.61%	5.79%	5.86%	5.58%	5.00%	5.37%	5.58%

Prince Georges County Maryland  
Required Supplementary Information  
Schedule of County Contributions  
Fiscal Year 2014 through 2016

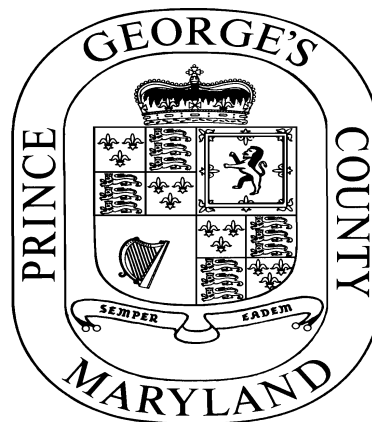
<b>MSRPS</b>				
Contractually required contribution	\$ 13,366,027	\$ 15,363,699	\$ 16,220,418	
Contributions in relation to the contractually determined contribution	13,366,027	15,363,699	16,220,418	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 198,403,627	\$ 195,770,350	\$ 196,774,400	
Contributions as a percentage of covered payroll	6.74%	7.85%	8.24%	

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## **INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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



## **GENERAL FUND**

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Balance Sheet  
General Fund  
June 30, 2017

<u>Assets</u>		<u>Liabilities, Deferred Inflow of Resources, and Fund Balance</u>	
Cash and investments	\$ 79,935,180	Liabilities:	
Taxes receivable:		Compensated absences and termination benefits payable	\$ 417,877
Property taxes	18,293,234	Accounts payable	36,991,548
Less allowance for uncollectible taxes	(13,745,787)	Accrued costs	27,215,624
Net property taxes	<u>4,547,447</u>	Unearned revenue	15,483,213
Accounts receivable	42,763,998	Deposits	36,787,948
Less allowance for uncollectible accounts	(1,089,269)	Due to Revenue Authority	10,181,942
Net accounts receivable	<u>41,674,729</u>	Total liabilities	<u>127,078,152</u>
Notes receivable	16,849,107	Deferred Inflow of Resources:	
		Unavailable revenue - income taxes	66,792,425
		Unavailable revenue - property tax	4,547,446
		Unavailable revenue - other	1,365,893
		Total deferred inflow of resources	<u>72,705,764</u>
Accrued interest receivable	208,764		72,705,764
Due from other funds:		Fund balance:	
Capital Projects	309,500,000	Nonspendable	2,010,022
Stormwater Management	25,000,000	Restricted	
OPEB	1,125,000	Economic stabilization	157,467,470
Total due from other funds	<u>335,625,000</u>	Equipment purchases	27,870,978
		Total Restricted	<u>185,338,448</u>
Due from component units:		Committed - Operating Reserve	62,986,988
Housing Authority, net of allowance	4,979,032	Assigned	
Revenue Authority	474,320	Economic Development	35,624,910
Community Television	450,000	Local Impact Grant	178,659
Total due from component units	<u>5,903,352</u>	Summer Youth Enrichment Program	1,572,940
Due from other governmental units:		Property Sales and Acquisition	1,473,415
State	138,831,773	Other	9,438,638
Federal	277,656	Total Assigned	<u>48,288,562</u>
Other	12,081,348		
Total due from other governmental units	<u>151,190,777</u>	Unassigned	<u>167,450,824</u>
Inventories, at average cost	2,010,022	Total fund balance	<u>466,074,844</u>
Cash and investments-restricted	27,864,382		
Other assets	50,000		
	<u>\$ 665,858,760</u>		<u>\$ 665,858,760</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Revenue, Expenditures, and Changes in Fund Balance  
General Fund  
For the year ended June 30, 2017

Revenues:	
Taxes	\$ 1,706,425,548
Licenses and permits	47,551,850
Fines and forfeitures	14,070,017
Use of money and property	3,724,472
Charges for services	48,991,951
Intergovernmental	47,347,209
Miscellaneous	3,905,879
Total revenues	<u>1,872,016,926</u>
Expenditures:	
General government	211,424,101
Public safety	655,742,034
Environmental	3,502,882
Health and Human Services	28,885,737
Infrastructure and Development	22,951,425
Payments to component units	753,935,900
Debt Service	25,058,749
Total expenditures	<u>1,701,500,828</u>
Excess of revenues over expenditures	<u>170,516,098</u>
Other financing sources (uses):	
Purchase agreement financing	30,686,760
Transfers out - other funds	(108,643,201)
Total other financing sources (uses)	<u>(77,956,441)</u>
Excess of revenues and other financing sources under expenditures and other uses	<u>92,559,657</u>
Fund balance, beginning of year	387,887,045
Prior Period Adjustment - Note 23	(14,371,858)
Fund balance, end of year	<u>\$ 466,074,844</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Budget As Revised	Actual Revenues				Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management	Total	
General property taxes:						
Real property (net of credits)	\$ 723,300,600	740,984,626	-	-	740,984,626	17,684,026
Unincorporated business personal property	4,260,600	1,421,594	-	-	1,421,594	(2,839,006)
Railroad and public utility	34,249,400	35,134,073	-	-	35,134,073	884,673
Corporate personal property	33,553,800	49,644,272	-	-	49,644,272	16,090,472
Total general property taxes	795,364,400	827,184,565	-	-	827,184,565	31,820,165
Local taxes:						
Income	561,316,900	559,400,547	-	-	559,400,547	(1,916,353)
State income disparity grant	30,175,200	26,631,763	-	-	26,631,763	(3,543,437)
Recordation	45,272,700	46,617,973	-	-	46,617,973	1,345,273
Interest and penalties on delinquent taxes	3,201,400	3,454,875	-	-	3,454,875	253,475
Transfer	105,525,500	113,354,607	-	-	113,354,607	7,829,107
Trailer camp	35,000	41,685	-	-	41,685	6,685
Hotel/motel	9,600,200	9,971,743	-	-	9,971,743	371,543
Amusement	16,838,000	15,002,686	-	-	15,002,686	(1,835,314)
Telecommunications tax	32,289,700	29,305,472	-	-	29,305,472	(2,984,228)
Energy tax	69,188,600	71,865,024	-	-	71,865,024	2,676,424
Total local taxes	873,443,200	875,646,375	-	-	875,646,375	2,203,175
Shared taxes:						
Gas and motor vehicle	2,981,500	3,107,973	-	-	3,107,973	126,473
State transfer taxes	750,000	486,635	-	-	486,635	(263,365)
	3,731,500	3,594,608	-	-	3,594,608	(136,892)
Total taxes	1,672,539,100	1,706,425,548	-	-	1,706,425,548	33,886,448

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued  
General Fund  
For the year ended June 30, 2017

	Budget As Revised	Actual Revenues				Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management	Total	
Licenses and permits:						
Street privileges and permits	\$ 5,215,700	4,671,350	-	-	4,671,350	(544,350)
Liquor license and permits	1,900,000	2,328,566	-	-	2,328,566	428,566
Traders	900,700	875,928	-	-	875,928	(24,772)
Hawkers and peddlers	57,300	105,072	-	-	105,072	47,772
Taxicab	537,600	407,900	-	-	407,900	(129,700)
Bonder's license fees	485,000	621,669	-	-	621,669	136,669
Animal registration	125,000	98,879	-	-	98,879	(26,121)
Mechanics	13,100	17,869	-	-	17,869	4,769
Electrical licenses	140,700	299,828	-	-	299,828	159,128
Building permits	16,281,900	19,918,411	-	-	19,918,411	3,636,511
Single family and apartment rental license fee	2,734,300	3,789,081	-	-	3,789,081	1,054,781
New sign permits	87,400	100,463	-	-	100,463	13,063
Burglar alarm	524,300	445,582	-	-	445,582	(78,718)
Benefit performance and casino permits	-	3,491	-	-	3,491	3,491
Board of registration - contractor's fee	5,100	11,256	-	-	11,256	6,156
Health permits	2,200,000	2,591,506	-	-	2,591,506	391,506
Secondhand dealers	7,500	29,768	-	-	29,768	22,268
Casino Revenue	11,600,400	11,153,583	-	-	11,153,583	(446,817)
Other	1,618,300	81,648	-	-	81,648	(1,536,652)
Total licenses and permits	44,434,300	47,551,850	-	-	47,551,850	3,117,550
Fines and forfeitures:						
Motor vehicles	1,177,400	654,747	-	-	654,747	(522,653)
Animal	45,000	62,840	-	-	62,840	17,840
Automated Speed Enforcement	7,961,200	7,173,439	-	-	7,173,439	(787,761)
Traffic Light	3,679,400	6,010,934	-	-	6,010,934	2,331,534
Other	50,000	168,057	-	-	168,057	118,057
Total fines and forfeitures	12,913,000	14,070,017	-	-	14,070,017	1,157,017

(Continued)



PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued  
General Fund  
For the year ended June 30, 2017

	Budget As Revised	Actual Revenues				Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management	Total	
Use of money and property:						
Interest and dividends	\$ 3,975,000	632,471	238,971	-	871,442	(3,103,558)
Telephone commissions	377,300	333,352	-	-	333,352	(43,948)
Rental of County-owned property	2,182,500	1,185,453	-	-	1,185,453	(997,047)
Xerox commissions	69,300	84,520	-	-	84,520	15,220
Vending machines and cafeteria commissions	75,000	47,015	-	-	47,015	(27,985)
Other use of money and property	575,500	27,339	1,175,351	-	1,202,690	627,190
Total use of money and property	7,254,600	2,310,150	1,414,322	-	3,724,472	(3,530,128)
Charges for services:						
Sheriff's fees	3,416,000	3,181,167	-	-	3,181,167	(234,833)
Zoning Appeals Board fee	23,500	36,376	-	-	36,376	12,876
Tax certification fees	37,650	26,200	-	-	26,200	(11,450)
Tax collection service	65,000	65,000	-	-	65,000	-
Health fees	1,792,200	1,441,503	-	-	1,441,503	(350,697)
Appearance and witness fees	173,900	164,825	-	-	164,825	(9,075)
Emergency transport and related services	13,313,800	14,857,735	-	-	14,857,735	1,543,935
Tax sale cost recoveries	61,450	62,079	-	-	62,079	629
Housing - State prisoners	548,900	463,725	-	-	463,725	(85,175)
Housing - Federal prisoners	269,900	69,058	-	-	69,058	(200,842)
Contractual police services	201,000	867,542	-	-	867,542	666,542
Fire inspection fee	300,000	302,566	-	-	302,566	2,566
Inmate commissions	356,200	268,627	-	-	268,627	(87,573)
County sales	400	-	-	-	-	(400)
Animal control fees	165,400	189,941	-	-	189,941	24,541
Circuit Court marriage ceremonies	20,900	33,500	-	-	33,500	12,600
Public safety surcharge	-	1,530,495	-	-	1,530,495	1,530,495
Local 911 fee	6,336,100	6,717,571	-	-	6,717,571	381,471
Cable franchise fees	12,651,000	13,309,259	-	-	13,309,259	658,259
Stadium contract revenue	1,112,000	1,824,191	-	-	1,824,191	712,191
MGM Contract Revenue	-	1,682,720	-	-	1,682,720	1,682,720
Jury fees reimbursements	786,400	595,380	-	-	595,380	(191,020)
Sex offenders registration fee	170,000	-	-	-	-	(170,000)
Interpreter fee	382,000	453,121	-	-	453,121	71,121
Other	240,300	849,370	-	-	849,370	609,070
Total charges for services	42,424,000	48,991,951	-	-	48,991,951	6,567,951

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued  
General Fund  
For the year ended June 30, 2017

	Budget As Revised	Actual Revenues				Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management	Total	
Intergovernmental revenues:						
Police protection	\$ 11,517,700	11,441,046	-	-	11,441,046	(76,654)
Land management	-	10,514	-	-	10,514	10,514
Health Department - State share	6,644,500	12,449,545	-	-	12,449,545	5,805,045
Racing grant	1,000,000	1,000,000	-	-	1,000,000	-
Fish and wildlife service	150,000	180,403	-	-	180,403	30,403
Teacher Retirement grant	9,628,700	9,628,702	-	-	9,628,702	2
FEMA Reimbursement	-	639,193	-	-	639,193	639,193
State grants	50,000	492,131	-	-	492,131	442,131
Federal grants	268,500	1,410,062	-	-	1,410,062	1,141,562
DSS salary reimbursement	228,200	146,839	-	-	146,839	(81,361)
M-NCPPC reimbursement	9,954,900	9,045,476	-	-	9,045,476	(909,424)
Other	-	903,298	-	-	903,298	903,298
Total intergovernmental revenues	39,442,500	47,347,209	-	-	47,347,209	7,904,709
Miscellaneous revenues:						
Cedarville state forest	-	20,978	-	-	20,978	20,978
Sale of surplus property	200,000	212,794	-	-	212,794	12,794
Sale of voter lists	6,700	4,728	-	-	4,728	(1,972)
Sale of accident reports and photos	138,800	120,928	-	-	120,928	(17,872)
Other miscellaneous sales	60,300	63,570	-	956,806	1,020,376	960,076
Miscellaneous revenue	900,000	2,526,075	-	-	2,526,075	1,626,075
Total miscellaneous revenues	1,305,800	2,949,073	-	956,806	3,905,879	2,600,079
	\$ 1,820,313,300	1,869,645,798	1,414,322	956,806	1,872,016,926	51,703,626

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government:			
County Executive:			
Compensation	\$ 4,274,200	4,105,445	168,755
Fringe benefits	1,072,800	938,195	134,605
Other current expenses	371,000	342,058	28,942
Total County Executive	5,718,000	5,385,698	332,302
Legislative Branch:			
Compensation	10,000,800	9,519,762	481,038
Fringe benefits	3,080,300	2,620,872	459,428
Other current expenses	4,305,100	2,807,377	1,497,723
Capital Outlay	29,400	-	29,400
Project charges	(1,188,100)	(1,193,265)	5,165
Total Legislative Branch	16,227,500	13,754,746	2,472,754
Office of Ethics and Accountability:			
Compensation	419,100	417,520	1,580
Fringe benefits	117,500	119,031	(1,531)
Other current expenses	50,200	50,249	(49)
Total Office of Ethics and Accountability	586,800	586,800	-
Circuit Court:			
Compensation	9,539,500	9,256,660	282,840
Fringe benefits	3,173,100	2,755,107	417,993
Other current expenses	3,578,800	3,352,282	226,518
Project charges	(129,400)	(46,253)	(83,147)
Total Circuit Court	16,162,000	15,317,796	844,204

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget <u>as revised</u>	<u>Expenditures</u>	Variance Positive <u>(Negative)</u>
General Government, continued:			
Orphan's Court:			
Compensation	\$ 314,400	315,910	(1,510)
Fringe benefits	90,400	87,294	3,106
Other current expenses	<u>17,100</u>	<u>14,545</u>	<u>2,555</u>
Total Orphan's Court	<u>421,900</u>	<u>417,749</u>	<u>4,151</u>
Personnel Board:			
Compensation	196,100	196,985	(885)
Fringe benefits	51,200	46,471	4,729
Other current expenses	<u>84,100</u>	<u>75,692</u>	<u>8,408</u>
Total Personnel Board	<u>331,400</u>	<u>319,148</u>	<u>12,252</u>
Office of Finance:			
Compensation	4,461,700	4,474,203	(12,503)
Fringe benefits	1,462,100	1,406,848	55,252
Other current expenses	883,600	867,192	16,408
Project charges	<u>(3,134,200)</u>	<u>(3,133,951)</u>	<u>(249)</u>
Total Office of Finance	<u>3,673,200</u>	<u>3,614,292</u>	<u>58,908</u>
Citizen Complaint Oversight Panel:			
Compensation	127,200	140,790	(13,590)
Fringe benefits	44,300	44,200	100
Other current expenses	<u>93,100</u>	<u>79,610</u>	<u>13,490</u>
Total Citizen Complaint Oversight Panel	<u>264,600</u>	<u>264,600</u>	<u>-</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government, continued:			
Office of Community Relations:			
Compensation	\$ 3,020,700	2,766,374	254,326
Fringe benefits	918,400	843,818	74,582
Other current expenses	381,700	347,126	34,574
Total Office of Community Relations	4,320,800	3,957,318	363,482
Peoples Zoning Council:			
Other current expenses	250,000	250,000	-
Total Peoples Zoning Council	250,000	250,000	-
Office of Management and Budget:			
Compensation	2,133,900	1,977,004	156,896
Fringe benefits	648,700	558,286	90,414
Other current expenses	146,300	151,873	(5,573)
Project charges	(508,400)	(272,293)	(236,107)
Total Office of Management and Budget	2,420,500	2,414,870	5,630
Board of License Commissioners:			
Compensation	883,600	738,727	144,873
Fringe benefits	334,000	304,355	29,645
Other current expenses	86,200	113,694	(27,494)
Capital Outlay	100,000	-	100,000
Total Board of License Commissioners	1,403,800	1,156,776	247,024
Office of Law:			
Compensation	4,692,200	4,587,090	105,110
Fringe benefits	1,428,100	1,321,980	106,120
Other current expenses	441,400	414,200	27,200
Project charges	(2,832,800)	(2,594,370)	(238,430)
Total Office of Law	3,728,900	3,728,900	-

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government, continued:			
Office of Human Resource Management:			
Compensation	\$ 5,418,400	4,794,873	623,527
Fringe benefits	1,383,200	1,233,936	149,264
Other current expenses	1,083,100	1,097,976	(14,876)
Project charges	<u>(1,976,000)</u>	<u>(1,933,049)</u>	<u>(42,951)</u>
Total Office of Human Resource Management	<u>5,908,700</u>	<u>5,193,736</u>	<u>714,964</u>
Board of Elections:			
Compensation	4,118,800	4,047,649	71,151
Fringe benefits	555,900	536,369	19,531
Other current expenses	<u>817,100</u>	<u>800,292</u>	<u>16,808</u>
Total Board of Elections	<u>5,491,800</u>	<u>5,384,310</u>	<u>107,490</u>
Office of Central Services:			
Compensation	9,390,100	8,345,148	1,044,952
Fringe benefits	3,074,200	2,775,919	298,281
Other current expenses	8,383,600	7,767,178	616,422
Project charges	<u>(1,801,800)</u>	<u>(1,039,086)</u>	<u>(762,714)</u>
Total Office of Central Services	<u>19,046,100</u>	<u>17,849,159</u>	<u>1,196,941</u>
Property Management:			
Other current expenses	<u>300,000</u>	<u>195,405</u>	<u>104,595</u>
Total Property Management	<u>300,000</u>	<u>195,405</u>	<u>104,595</u>
Collington Center:			
Other current expenses	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Collington Center	<u>5,000</u>	<u>5,000</u>	<u>-</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government, continued:			
Non-Departmental:			
Grants to community organizations	\$ 4,616,600	4,758,990	(142,390)
Grants to governmental groups	250,000	274,325	(24,325)
Grants and contributions to component units	14,586,800	14,586,800	-
Memberships	646,800	634,784	12,016
Economic Development	5,150,800	4,567,612	583,188
Economic Development Incentive	9,000,000	2,703,972	6,296,028
Conference and Visitors Bureau	743,200	743,200	-
Discretionary Grants	3,582,000	2,632,000	950,000
General Fund insurance payments	8,956,600	8,956,600	-
Judgments - associated legal and professional expenses	200,000	642	199,358
Professional Service	13,858,300	15,031,133	(1,172,833)
Postage	1,510,000	1,087,858	422,142
Utilities and leases	58,702,500	51,908,441	6,794,059
Vehicle Purchase	3,324,300	2,329,605	994,695
Debt payments	2,884,200	266,696	2,617,504
Debt issuance costs	9,200	11,925	(2,725)
Project charges	(3,517,700)	(3,592,254)	74,554
Grant to Dimensions Health Corporation	15,000,000	15,000,000	-
Interest	700,000	378,278	321,722
Group Health (Retirees)	28,048,400	28,048,400	-
Group Life (Retirees)	1,000,000	1,089,608	(89,608)
Unemployment Compensation	524,100	461,590	62,510
Deferred compensation contributions	100,000	94,875	5,125
Retired county personnel pension payments	50,000	44,602	5,398
Compensated Absences	-	77,815	(77,815)
Summer Youth Programs	2,337,200	2,198,678	138,522
Workers Compensation	-	521,516	(521,516)
Other miscellaneous	712,600	1,059,883	(347,283)
Total Non-Departmental	172,975,900	155,877,574	17,098,326
Total General Government	259,236,900	235,673,877	23,563,023

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
Public Safety:			
Office of the State's Attorney:			
Compensation	\$ 11,604,200	11,492,436	111,764
Fringe benefits	3,761,400	3,410,433	350,967
Other current expenses	1,551,100	1,647,928	(96,828)
Project charges	(179,000)	(89,404)	(89,596)
Total Office of the State's Attorney	16,737,700	16,461,393	276,307
Police Department:			
Compensation	176,733,200	172,558,879	4,174,321
Fringe benefits	102,500,800	97,157,145	5,343,655
Other current expenses	30,855,900	27,563,455	3,292,445
Capital Outlay	955,000	710,925	244,075
Project charges	(395,000)	(255,910)	(139,090)
Total Police Department	310,649,900	297,734,494	12,915,406
Fire Department:			
Fire Department			
Compensation	90,301,300	90,367,457	(66,157)
Fringe benefits	63,567,300	64,611,329	(1,044,029)
Other current expenses	21,313,900	20,394,354	919,546
Capital Outlay	722,000	237,518	484,482
Project charges	(98,000)	(319,851)	221,851
Total Fire Department	175,806,500	175,290,807	515,693
Sheriff's Department:			
Compensation	25,903,100	25,453,055	450,045
Fringe benefits	14,862,800	15,189,890	(327,090)
Other current expenses	5,227,900	4,332,895	895,005
Project charges	-	(13,570)	13,570
Total Sheriff's Department	45,993,800	44,962,270	1,031,530

(Continued)



PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
Public Safety, continued:			
Department of Corrections:			
Compensation	\$ 49,891,500	48,321,143	1,570,357
Fringe benefits	22,693,900	22,014,480	679,420
Other current expenses	11,692,800	11,222,929	469,871
Project charges	(180,000)	(187,616)	7,616
Total Department of Corrections	84,098,200	81,370,936	2,727,264
Office of Homeland Security:			
Compensation	12,884,800	12,465,474	419,326
Fringe benefits	3,852,600	3,530,152	322,448
Other current expenses	8,811,100	9,039,249	(228,149)
Capital outlay	82,900	29,600	53,300
Project charges	-	(27,860)	27,860
Total Office of Homeland Security	25,631,400	25,036,615	594,785
Total Public Safety	658,917,500	640,856,515	18,060,985
Environmental:			
Soil Conservation:			
Compensation	1,040,200	1,006,198	34,002
Fringe benefits	325,600	290,537	35,063
Other current expenses	14,400	14,020	380
Project charges	(1,380,200)	(1,310,755)	(69,445)
Total Soil Conservation	-	-	-
Department of the Environment:			
Compensation	6,378,500	5,700,584	677,916
Fringe benefits	2,047,200	2,218,604	(171,404)
Other current expenses	1,095,600	1,054,898	40,702
Project charges	(5,671,300)	(5,556,180)	(115,120)
Total Department of the Environment	3,850,000	3,417,906	432,094
Total Environmental	3,850,000	3,417,906	432,094

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
Health and Human Services:			
Department of Family Services:			
Compensation	\$ 1,573,300	1,471,701	101,599
Fringe benefits	406,900	400,881	6,019
Other current expenses	2,294,900	2,161,394	133,506
Project charges	(158,200)	(48,104)	(110,096)
Total Department of Family Services	4,116,900	3,985,872	131,028
Health Department:			
Compensation	13,810,100	13,256,133	553,967
Fringe benefits	4,931,400	4,248,205	683,195
Other current expenses	5,310,500	5,842,874	(532,374)
Project charges	(2,267,000)	(1,913,269)	(353,731)
Total Health Department	21,785,000	21,433,943	351,057
Department of Social Services:			
Compensation	2,138,500	1,628,724	509,776
Fringe benefits	478,600	374,534	104,066
Other current expenses	1,664,700	1,462,664	202,036
Total Department of Social Services	4,281,800	3,465,922	815,878
Total Health and Human Services	30,183,700	28,885,737	1,297,963

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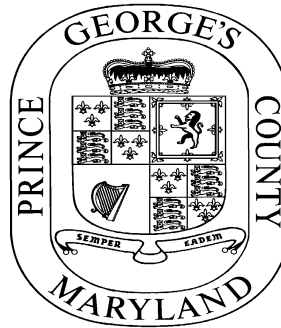
PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
Infrastructure and Development:			
Department of Public Works and Transportation:			
Compensation	\$ 14,396,100	14,059,674	336,426
Fringe benefits	5,119,200	4,372,842	746,358
Other current expenses	40,611,500	40,274,834	336,666
Capital Outlay	1,910,000	-	1,910,000
Project charges	(52,439,400)	(49,109,950)	(3,329,450)
Total Department of Public Works and Transportation	9,597,400	9,597,400	-
Department of Permitting, Inspections and Enforcement:			
Compensation	17,163,600	16,930,244	233,356
Fringe benefits	5,869,800	5,230,559	639,241
Other current expenses	4,590,600	4,814,132	(223,532)
Project charges	(19,105,300)	(18,456,235)	(649,065)
Total Department of Permitting, Inspections and Enforcement	8,518,700	8,518,700	-
Department of Housing and Community Development:			
Compensation	2,258,500	2,140,422	118,078
Fringe benefits	713,700	664,886	48,814
Other current expenses	902,900	976,121	(73,221)
Total Department of Housing and Community Development	3,875,100	3,781,429	93,671
Total Infrastructure and Development	21,991,200	21,897,529	93,671

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Expenditures and Other Financing  
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)  
General Fund  
For the year ended June 30, 2017

	Year ended June 30, 2017		
	Budget as revised	Expenditures	Variance Positive (Negative)
Payments to Component Units:	\$		
Board of Education	699,448,100	699,448,100	-
Community College	34,872,800	34,872,800	-
Memorial Library	19,615,000	19,615,000	-
Total payments to component units	753,935,900	753,935,900	-
Total expenditures	\$ 1,728,115,200	1,684,667,464	43,447,736
Transfers out:			
Special revenue funds	\$ (82,000)	(82,000)	-
Capital projects fund	(5,252,400)	(4,993,446)	258,954
Debt service fund	(110,754,200)	(103,567,755)	7,186,445
Total transfers out	(116,088,600)	(108,643,201)	7,445,399
Total other financing sources (uses)	\$ (116,088,600)	(108,643,201)	7,445,399



## **NONMAJOR GOVERNMENTAL**

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

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

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

The *Debt Service Fund* accounts for the payment of general long-term debt of the County (not serviced by Enterprise Funds), including state participation loans and service charges.

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

<u>Assets</u>	<u>Domestic Violence</u>	<u>Drug Enforcement and Education</u>	<u>Total</u>	<u>Debt Service</u>	<u>Total</u>
Cash and investments	\$ 144,203	12,227,114	12,371,317	12,822	12,384,139
Cash with fiscal agents	-	-	-	20,728,047	20,728,047
Due from other governmental units	36,010	-	36,010	-	36,010
Restricted cash and investments	-	-	-	9,104,428	9,104,428
	<u>180,213</u>	<u>12,227,114</u>	<u>12,407,327</u>	<u>29,845,297</u>	<u>42,252,624</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	-	2,175	2,175	12,822	14,997
Total liabilities	-	2,175	2,175	12,822	14,997
Fund balances:					
Restricted	180,213	8,149,469	8,329,682	29,832,475	38,162,157
Assigned	-	4,075,470	4,075,470	-	4,075,470
Total fund balances	<u>180,213</u>	<u>12,224,939</u>	<u>12,405,152</u>	<u>29,832,475</u>	<u>42,237,627</u>
	<u>\$ 180,213</u>	<u>12,227,114</u>	<u>12,407,327</u>	<u>29,845,297</u>	<u>42,252,624</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the year ended June 30, 2017

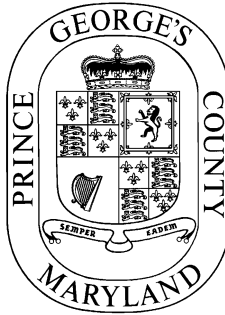
	Domestic <u>Violence</u>	Drug Enforcement and <u>Education</u>	<u>Total</u>	Debt <u>Service</u>	<u>Total</u>
Revenues:					
Taxes	\$ -	-	-	2,441,219	2,441,219
Licenses and permits	381,485	-	381,485	-	381,485
Fines and forfeitures	-	1,143,970	1,143,970	-	1,143,970
Use of money and property:					
Interest and dividends	-	51,446	51,446	72,105	123,551
Charges for services	-	-	-	28,504,887	28,504,887
Intergovernmental	-	-	-	3,421,759	3,421,759
Sale of property	-	83,062	83,062	-	83,062
Total revenues	<u>381,485</u>	<u>1,278,478</u>	<u>1,659,963</u>	<u>34,439,970</u>	<u>36,099,933</u>
Expenditures:					
General government	-	35,359	35,359	12,822	48,181
Public safety	-	1,034,108	1,034,108	-	1,034,108
Health and Human Services	347,468	-	347,468	-	347,468
Debt service:					
Principal retirement	-	-	-	92,905,000	92,905,000
Interest	-	-	-	50,029,119	50,029,119
Total expenditures	<u>347,468</u>	<u>1,069,467</u>	<u>1,416,935</u>	<u>142,946,941</u>	<u>144,363,876</u>
Excess of revenues over (under) expenditures	<u>34,017</u>	<u>209,011</u>	<u>243,028</u>	<u>(108,506,971)</u>	<u>(108,263,943)</u>
Other financing sources (uses):					
Bond premium	-	-	-	-	-
Transfers in - other funds	82,000	-	82,000	105,836,332	105,918,332
Transfers out- other funds	-	-	-	-	-
Bonds issued - refunding	-	-	-	-	-
Bond premium - refunding	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>82,000</u>	<u>-</u>	<u>82,000</u>	<u>105,836,332</u>	<u>105,918,332</u>
Net change in fund balances	116,017	209,011	325,028	(2,670,639)	(2,345,611)
Fund balances, beginning of year	<u>64,196</u>	<u>12,015,928</u>	<u>12,080,124</u>	<u>32,503,114</u>	<u>44,583,238</u>
Fund balances, end of year	<u>\$ 180,213</u>	<u>12,224,939</u>	<u>12,405,152</u>	<u>29,832,475</u>	<u>42,237,627</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual, Continued  
Nonmajor Governmental Funds - Special Revenue  
For the year ended June 30, 2017

	Domestic Violence				Drug Enforcement and Education				Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:												
Licenses and permits	\$ 308,000	308,000	381,485	73,485	-	-	-	-	308,000	308,000	381,485	73,485
Interest and Dividends					50,000	50,000	51,446	1,446	50,000	50,000	51,446	1,446
Fines and forfeitures	-	-	-	-	1,450,000	1,450,000	1,143,970	(306,030)	1,450,000	1,450,000	1,143,970	(306,030)
Sale of property	-	-	-	-	10,000	10,000	83,062	73,062	10,000	10,000	83,062	73,062
Total revenues	<u>308,000</u>	<u>308,000</u>	<u>381,485</u>	<u>73,485</u>	<u>1,510,000</u>	<u>1,510,000</u>	<u>1,278,478</u>	<u>(231,522)</u>	<u>1,818,000</u>	<u>1,818,000</u>	<u>1,659,963</u>	<u>(158,037)</u>
Expenditures:												
General government	-	-	-	-	-	-	35,359	(35,359)	-	-	35,359	(35,359)
Public safety	-	-	-	-	1,815,000	1,815,000	1,034,108	780,892	1,815,000	1,815,000	1,034,108	780,892
Health and human services	390,000	440,000	347,468	92,532	-	-	-	-	390,000	440,000	347,468	92,532
Total expenditures	<u>390,000</u>	<u>440,000</u>	<u>347,468</u>	<u>92,532</u>	<u>1,815,000</u>	<u>1,815,000</u>	<u>1,069,467</u>	<u>745,533</u>	<u>2,205,000</u>	<u>2,255,000</u>	<u>1,416,935</u>	<u>838,065</u>
Excess of revenues over (under) expenditures	<u>(82,000)</u>	<u>(132,000)</u>	<u>34,017</u>	<u>166,017</u>	<u>(305,000)</u>	<u>(305,000)</u>	<u>209,011</u>	<u>514,011</u>	<u>(387,000)</u>	<u>(437,000)</u>	<u>243,028</u>	<u>680,028</u>
Other financing sources (uses):												
Transfers in - other funds	82,000	59,000	82,000	(23,000)	-	-	-	-	82,000	59,000	82,000	23,000
Appropriated fund balance	<u>-</u>	<u>73,000</u>	<u>-</u>	<u>73,000</u>	<u>305,000</u>	<u>305,000</u>	<u>-</u>	<u>(305,000)</u>	<u>305,000</u>	<u>378,000</u>	<u>-</u>	<u>(378,000)</u>
Total other financing sources (uses)	<u>82,000</u>	<u>132,000</u>	<u>82,000</u>	<u>50,000</u>	<u>305,000</u>	<u>305,000</u>	<u>-</u>	<u>(305,000)</u>	<u>387,000</u>	<u>437,000</u>	<u>82,000</u>	<u>(355,000)</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>116,017</u>	<u>216,017</u>	<u>-</u>	<u>-</u>	<u>209,011</u>	<u>209,011</u>	<u>-</u>	<u>-</u>	<u>325,028</u>	<u>325,028</u>
Fund balances, beginning of year basis)			<u>64,196</u>				<u>12,015,928</u>				<u>12,080,124</u>	
			<u>180,213</u>				<u>12,224,939</u>				<u>12,405,152</u>	



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## **INTERNAL SERVICE FUNDS**

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2017

	Self-Insurance Funds						Vehicle	Computer	
<u>Assets</u>	<u>Unemployment</u>	<u>Property</u>	<u>Automobile</u>	<u>Worker's</u>	<u>General</u>	<u>Life and</u>	<u>Maintenance</u>	<u>Services</u>	<u>Total</u>
	<u>Compensation</u>	<u>Loss</u>	<u>Liability</u>	<u>Compensation</u>	<u>Liability</u>	<u>Health</u>	<u>Fund</u>	<u>Fund</u>	
						<u>Benefits</u>			
Current assets:									
Cash and investments	\$ 254,773	75,055	3,335,325	16,974,321	11,505,424	42,778,334	11,721,099	11,530,201	98,174,532
Accounts receivable	-	-	108,575	115,384	103,822	296,962	285,555	1,875,025	2,785,323
Accrued interest receivable	-	77	1,116	33,745	770	-	-	-	35,708
Due from other governmental units	-	-	-	-	-	-	-	386,994	386,994
Inventories, at cost	-	-	-	-	-	-	669,084	38,108	707,192
Prepaid costs and deposits	-	-	-	-	6,564	95,088	-	-	101,652
Total current assets	<u>254,773</u>	<u>75,132</u>	<u>3,445,016</u>	<u>17,123,450</u>	<u>11,616,580</u>	<u>43,170,384</u>	<u>12,675,738</u>	<u>13,830,328</u>	<u>102,191,401</u>
Noncurrent assets:									
Capital assets:									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(2,640,889)	-	(2,640,889)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(328,014)	-	(328,014)
Equipment	-	-	-	-	-	-	6,900,849	532	6,901,381
Accumulated depreciation	-	-	-	-	-	-	(6,240,999)	-	(6,240,999)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,659,850</u>	<u>532</u>	<u>1,660,382</u>
Total assets	<u>254,773</u>	<u>75,132</u>	<u>3,445,016</u>	<u>17,123,450</u>	<u>11,616,580</u>	<u>43,170,384</u>	<u>14,335,588</u>	<u>13,830,860</u>	<u>103,851,783</u>
Deferred outflow of resources									
Pension deferrals	-	-	-	-	-	-	1,361,195	2,258,659	3,619,854
Total deferred outflow of resources	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,361,195</u>	<u>2,258,659</u>	<u>3,619,854</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2017

<u>Liabilities</u>	Self-Insurance Funds						Vehicle Maintenance Fund	Computer Services Fund	<u>Total</u>
	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>			
Current liabilities:									
Current portion of compensated absences and termination benefits payable	\$ -	-	-	-	-	-	597,454	763,061	1,360,515
Accounts payable	97,815	3,372	120,422	366,687	205,504	2,334,196	232,555	2,288,581	5,649,132
Accrued costs	-	-	-	-	12	21,773	231,406	348,274	601,465
Unearned revenue	-	-	-	4,734,497	-	-	-	-	4,734,497
Current portion of estimated liability on pending claims	154,278	28,345	1,548,928	29,397,184	2,456,802	13,730,031	-	-	47,315,568
Total current liabilities	252,093	31,717	1,669,350	34,498,368	2,662,318	16,086,000	1,061,415	3,399,916	59,661,177
Noncurrent liabilities:									
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	11,504	96,572	108,076
Estimated liability on pending claims, less current portion	-	43,415	1,775,666	118,104,995	8,954,262	-	-	-	128,878,338
Net pension liability	-	-	-	-	-	-	5,384,582	8,917,242	14,301,824
Total long-term liabilities	-	43,415	1,775,666	118,104,995	8,954,262	-	5,396,086	9,013,814	143,288,238
Total liabilities	252,093	75,132	3,445,016	152,603,363	11,616,580	16,086,000	6,457,501	12,413,730	202,949,415
<u>Deferred inflow of resources</u>									
Pension deferrals	-	-	-	-	-	-	465,800	763,916	1,229,716
Total deferred inflow of resources	-	-	-	-	-	-	465,800	763,916	1,229,716
<u>Net position</u>									
Net investment in capital assets	-	-	-	-	-	-	1,659,850	532	1,660,382
Restricted	-	-	-	-	-	-	-	10,787,145	10,787,145
Unrestricted	2,680	-	-	(135,479,913)	-	20,987,979	7,113,632	(7,875,804)	(109,155,021)
Total net position	\$ 2,680	-	-	(135,479,913)	-	27,084,384	8,773,482	2,911,873	(96,707,494)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Revenue, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the year ended June 30, 2017

	Self-Insurance Funds						Vehicle Maintenance Fund	Computer Services Fund	Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits			
Operating revenues:									
Premium contributions	\$ 461,590	2,259,684	3,574,162	36,709,190	6,159,226	78,559,043	-	-	127,722,895
Sales									
Fuel sales	-	-	-	-	-	-	388,372	-	388,372
Office automation sales	-	-	-	-	-	-	-	29,434,817	29,434,817
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	12,569,028	-	12,569,028
Use of money and property - rentals	-	-	-	-	-	-	157,178	-	157,178
Miscellaneous - subrogations and other	-	120,453	465,052	749,233	10	126,736	12,121	-	1,473,605
Total operating revenues	461,590	2,380,137	4,039,214	37,458,423	6,159,236	78,685,779	13,126,699	29,434,817	171,745,895
Operating expenses:									
Salaries	-	-	-	-	-	-	3,846,781	5,851,662	9,698,443
Fringe benefits	-	-	-	-	-	-	2,263,726	3,624,344	5,888,070
Contractual services	-	-	-	-	-	-	31,782	8,692,694	8,724,476
Materials	-	-	-	-	-	-	89,590	8,771,091	8,860,681
Facility and equipment rental	-	-	-	-	-	-	237,233	61,005	298,238
General and administrative:									
Administrative expenses	17,557	166,155	1,147,669	2,959,718	1,586,838	2,470,505	220,441	470,526	9,039,409
State worker's compensation tax	-	-	-	331,778	-	-	-	-	331,778
Depreciation	-	-	-	-	-	-	150,047	-	150,047
Insurance claims	443,058	(297,093)	2,533,059	46,176,724	3,836,339	55,018,057	-	-	107,710,144
Insurance premiums	-	1,564,162	-	2,733,201	27,937	15,100,812	-	-	19,426,112
Other:									
Repair and maintenance	-	-	-	-	-	-	4,352,436	122,492	4,474,928
Total operating expenses	460,615	1,433,224	3,680,728	52,201,421	5,451,114	72,589,374	11,192,036	27,593,814	174,602,326
Operating income (loss)	975	946,913	358,486	(14,742,998)	708,122	6,096,405	1,934,663	1,841,003	(2,856,431)
Nonoperating revenue (expenses):									
Interest income	-	796	13,759	317,617	10,966	-	-	-	343,138
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	(822)	(822)
Total nonoperating revenue (expenses)	-	796	13,759	317,617	10,966	-	-	(822)	342,316
Income (loss) before transfers	975	947,709	372,245	(14,425,381)	719,088	6,096,405	1,934,663	1,840,181	(2,514,115)
Interfund transfer in	-	83,684	6,769	2,249,973	120,478	-	-	-	2,460,904
Intrafund transfers out	-	(1,031,393)	(379,014)	(210,931)	(839,566)	-	-	-	(2,460,904)
Change in net position	975	-	-	(12,386,339)	-	6,096,405	1,934,663	1,840,181	(2,514,115)
Total net position - beginning	1,705	-	-	(123,093,574)	-	20,987,979	6,838,819	1,071,692	(94,193,379)
Total net position - end	\$ 2,680	-	-	(135,479,913)	-	27,084,384	8,773,482	2,911,873	(96,707,494)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2017

	Self-Insurance Funds						Vehicle	Computer	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Maintenance Fund	Services Fund	Total
Cash flows from operating activities:									
Cash received from customers	\$ -	947,157	1,147,450	10,732,362	942,902	2,093,870	512,928	8,523,596	24,900,265
Cash received from interfund charges	461,590	1,430,384	3,416,695	23,909,763	5,112,512	76,272,901	12,501,715	21,021,347	144,126,907
Cash payments to suppliers for goods and services	(392,178)	(166,155)	(1,147,669)	(3,050,632)	(1,598,272)	(73,030,893)	(5,032,729)	(21,847,952)	(106,266,480)
Cash payments to employees for services	-	-	-	-	-	-	(5,841,934)	(9,092,086)	(14,934,020)
Premium and claim payments	-	(1,768,504)	(2,296,666)	(42,688,800)	(8,968,658)	-	-	-	(55,722,628)
Other cash receipts	-	-	-	-	-	126,736	12,121	-	138,857
Net cash and cash equivalents provided (used) by operating activities	69,412	442,882	1,119,810	(11,097,307)	(4,511,516)	5,462,614	2,152,101	(1,395,095)	(7,757,099)
Cash flows from noncapital financing activities:									
Interfund transfers in	-	83,684	6,769	2,249,973	120,478	-	-	-	2,460,904
Intrafund transfers in (out)	-	(1,031,393)	(379,014)	(210,931)	(839,566)	-	-	-	(2,460,904)
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(947,709)	(372,245)	2,039,042	(719,088)	-	-	-	-
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(301,529)	400	(301,129)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(301,529)	400	(301,129)
Cash flows from investing activities:									
Interest on Investments	-	739	13,008	295,454	10,439	-	-	-	319,640
Net cash and cash equivalents provided by investing activities	-	739	13,008	295,454	10,439	-	-	-	319,640
Net increase (decrease) in cash and cash equivalents	69,412	(504,088)	760,573	(8,762,811)	(5,220,165)	5,462,614	1,850,572	(1,394,695)	(7,738,588)
Cash and cash equivalents, beginning of year	185,361	579,143	2,574,752	25,737,132	16,725,589	37,315,720	9,870,527	12,924,896	105,913,120
Cash and cash equivalents, end of year	\$ 254,773	75,055	3,335,325	16,974,321	11,505,424	42,778,334	11,721,099	11,530,201	98,174,532

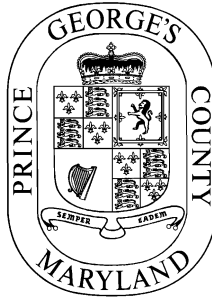
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PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2017

	Self-Insurance Funds						Vehicle	Computer	
	Unemployment	Property	Automobile	Worker's	General	Life and	Maintenance	Services	Total
	Compensation	Loss	Liability	Compensation	Liability	Health	Fund	Fund	
						Benefits			
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	\$ 975	946,913	358,486	(14,742,998)	708,122	6,096,405	1,934,663	1,841,003	(2,856,431)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	150,047	-	150,047
Pension expense	-	-	-	-	-	-	211,463	363,895	575,358
Accounts receivable	-	-	(41,679)	278,518	(103,822)	(143,184)	(99,935)	110,126	24
Inventories	-	-	-	-	-	-	31,494	(21,200)	10,294
Prepaid costs	-	-	-	-	398	(13,248)	-	137,816	124,966
Compensated absences and termination benefits payable	-	-	-	-	-	-	10,233	(18,104)	(7,871)
Accounts payable	47,057	(2,596)	566,610	240,864	(11,809)	(392,104)	(132,741)	(3,846,760)	(3,531,479)
Accrued costs	-	-	-	-	(23)	21,773	46,877	38,129	106,756
Unearned revenue	-	-	-	(3,342,677)	-	(49,088)	-	-	(3,391,765)
Due from component units	-	-	-	247,861	-	-	-	-	247,861
Estimated liability on pending claims	21,380	(501,435)	236,393	6,221,125	(5,104,382)	(57,940)	-	-	815,141
Total adjustments	68,437	(504,031)	761,324	3,645,691	(5,219,638)	(633,791)	217,438	(3,236,098)	(4,900,668)
Net cash and cash equivalents provided (used) by operating activities	69,412	442,882	1,119,810	(11,097,307)	(4,511,516)	5,462,614	2,152,101	(1,395,095)	(7,757,099)
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	(57)	(751)	(22,163)	(527)	-	-	-	(23,498)
	\$ -	(57)	(751)	(22,163)	(527)	-	-	-	(23,498)

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## **FIDUCIARY FUNDS**

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Fiduciary Plan Net Position  
Pension and Other Postemployment Benefit Trust Funds  
June 30, 2017

	Pension Trust Funds	Other Post- Employment Benefit Trust Fund	Total
Assets:			
Equity in pooled cash and investments	\$ 5,609,948	26,718	5,636,666
Collateral for loaned securities	34,673,639	-	34,673,639
Investments:			
Pooled separate accounts	445,067,140	-	445,067,140
U. S. Government & agency securities	29,249,378	-	29,249,378
Corporate bonds	17,850,876	-	17,850,876
Common stock	228,734,514	-	228,734,514
Real estate investment trust	6,887,747	-	6,887,747
International Government securities	995,578	-	995,578
Other International investments	343,826	-	343,826
Asset-backed securities	10,748,704	-	10,748,704
Money market funds	228,540,296	835,235	229,375,531
Short-term investments	25,243,222	-	25,243,222
Collective trusts	288,426,648	-	288,426,648
Commingled trust funds	-	53,608,718	53,608,718
Alternative investments	478,087,932	-	478,087,932
Accrued interest receivable	1,163,593	578	1,164,171
Prepaid expenses	44,608	134,429	179,037
	<u>1,801,667,649</u>	<u>54,605,679</u>	<u>1,856,273,328</u>
Total assets			
Liabilities:			
Collateral for loaned securities payable	34,673,639	-	34,673,639
Accounts payable	173,721	1,492,443	1,666,164
Accrued costs	963,673	352,260	1,315,933
Due to other funds	25,000	1,100,000	1,125,000
	<u>35,836,033</u>	<u>2,944,703</u>	<u>38,780,736</u>
Total liabilities			
Net assets held in trust for benefit payments	<u>\$ 1,765,831,616</u>	<u>51,660,976</u>	<u>1,817,492,592</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Changes in Fiduciary Plan Net Position  
Pension and Other Postemployment Benefit Trust Funds  
For the year ended June 30, 2017

	Pension Trust Funds	Other Post- Employment Benefit Trust Funds	Total
Additions:			
Contributions:			
Employer	\$ 129,682,649	35,698,262	165,380,911
Member	23,124,458	13,749,575	36,874,033
Other	-	1,466,122	1,466,122
Total contributions	<u>152,807,107</u>	<u>50,913,959</u>	<u>203,721,066</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	110,230,839	3,021,478	113,252,317
Interest and dividends	40,362,197	100,409	40,462,606
Total investment income (loss)	<u>150,593,036</u>	<u>3,121,887</u>	<u>153,714,923</u>
Less investment expense	5,881,629	109,987	5,991,616
Net investment income (loss)	<u>144,711,407</u>	<u>3,011,900</u>	<u>147,723,307</u>
Total additions	<u>297,518,514</u>	<u>53,925,859</u>	<u>351,444,373</u>
Deductions:			
Benefits	166,182,661	52,733,948	218,916,609
Refunds of contributions	9,406,326	-	9,406,326
General and administrative expenses	1,912,378	1,300,281	3,212,659
Total deductions	<u>177,501,365</u>	<u>54,034,229</u>	<u>231,535,594</u>
Net increase (decrease)	120,017,149	(108,370)	119,908,779
Net position restricted for benefit payments, beginning of year	1,645,814,467	40,280,212	1,686,094,679
Prior period adjustment	-	11,489,134	11,489,134
Net position restricted for benefit payments, end of year	<u>1,765,831,616</u>	<u>51,660,976</u>	<u>1,817,492,592</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Fiduciary Plan Net Position  
Pension Trust Funds  
June 30, 2017

	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
Assets:												
Equity in pooled cash and investments	\$ 2,535,309	972,611	677,518	387,181	109,930	37,014	15,723	294,913	451,514	4,038	124,197	5,609,948
Collateral for loaned securities	19,243,743	8,597,349	1,017,177	1,889,518	62,325	137,686	23,586	1,280,612	1,984,295	117,054	320,294	34,673,639
Investments:												
Pooled separate accounts	-	-	66,258,179	123,081,810	4,059,837	8,968,753	1,536,343	83,418,151	129,255,523	7,624,792	20,863,752	445,067,140
U. S. Government & agency securities	19,163,743	10,085,635	-	-	-	-	-	-	-	-	-	29,249,378
Corporate bonds	12,562,218	5,288,658	-	-	-	-	-	-	-	-	-	17,850,876
Common stock	161,518,027	67,216,487	-	-	-	-	-	-	-	-	-	228,734,514
Real Estate Investment Trust	4,787,072	2,100,675	-	-	-	-	-	-	-	-	-	6,887,747
International Government securities	658,566	337,012	-	-	-	-	-	-	-	-	-	995,578
Other International investments	237,795	106,031	-	-	-	-	-	-	-	-	-	343,826
Asset-backed securities	7,112,832	3,635,872	-	-	-	-	-	-	-	-	-	10,748,704
Money market funds	154,506,398	74,033,898	-	-	-	-	-	-	-	-	-	228,540,296
Short-term investments	15,604,411	9,638,811	-	-	-	-	-	-	-	-	-	25,243,222
Collective trusts	200,471,639	87,955,009	-	-	-	-	-	-	-	-	-	288,426,648
Alternative investments	322,898,293	155,189,639	-	-	-	-	-	-	-	-	-	478,087,932
Accrued interest receivable	321,806	145,160	103,828	192,663	6,352	14,033	2,404	130,524	202,246	11,931	32,646	1,163,593
Prepaid expenses	22,955	10,449	1,737	3,269	-	-	39	2,127	3,306	191	535	44,608
Total assets	921,644,807	425,313,296	68,058,439	125,554,441	4,238,444	9,157,486	1,578,095	85,126,327	131,896,884	7,758,006	21,341,424	1,801,667,649
Liabilities:												
Collateral for loaned securities payable	19,243,743	8,597,349	1,017,177	1,889,518	62,325	137,686	23,586	1,280,612	1,984,295	117,054	320,294	34,673,639
Accounts payable	43,343	27,180	22,478	43,134	-	-	6,860	7,106	9,822	6,878	6,920	173,721
Accrued costs	446,997	207,412	48,368	90,831	-	-	1,057	58,366	90,717	5,245	14,680	963,673
Due to other funds	-	-	-	-	-	-	-	-	-	25,000	-	25,000
Total liabilities	19,734,083	8,831,941	1,088,023	2,023,483	62,325	137,686	31,503	1,346,084	2,084,834	154,177	341,894	35,836,033
Net position restricted for pension benefits	\$ 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

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Changes in Fiduciary Plan Net Position  
Pension Trust Funds  
For the year ended June 30, 2017

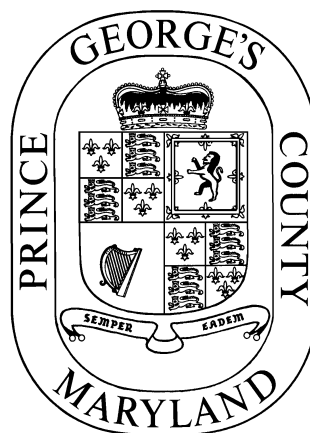
	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff's	Correctional Officers'	Crossing Guards	AFCSCME	General Schedule	Fire Civilian	Police Civilian	
Additions:												
Contributions:												
Employer	\$ 61,636,821	39,887,570	6,841,157	9,263,190	809,300	517,388	77,415	3,034,645	6,432,619	436,162	746,382	129,682,649
Employee	8,835,456	4,682,622	1,696,697	3,416,254	23,845	70,755	60,826	671,040	2,910,222	169,640	587,101	23,124,458
Total contributions	70,472,277	44,570,192	8,537,854	12,679,444	833,145	588,143	138,241	3,705,685	9,342,841	605,802	1,333,483	152,807,107
Investment income:												
Net depreciation in fair value of assets	54,631,488	25,700,420	4,326,654	8,070,876	266,167	584,281	102,505	5,710,322	8,889,149	508,725	1,440,252	110,230,839
Interest and dividends	24,846,069	11,658,496	566,467	1,053,068	34,897	76,746	13,350	729,579	1,134,011	65,787	183,727	40,362,197
Total investment income	79,477,557	37,358,916	4,893,121	9,123,944	301,064	661,027	115,855	6,439,901	10,023,160	574,512	1,623,979	150,593,036
Less investment expense	2,849,336	1,293,732	265,530	498,137	4,500	9,903	5,967	329,635	512,360	29,616	82,913	5,881,629
Net investment income	76,628,221	36,065,184	4,627,591	8,625,807	296,564	651,124	109,888	6,110,266	9,510,800	544,896	1,541,066	144,711,407
Total additions	146,930,505	80,635,376	13,444,697	21,195,992	1,129,709	1,239,267	248,129	9,815,951	18,853,641	1,150,698	2,874,549	297,518,514
Deductions:												
Benefits	83,930,734	46,448,040	7,045,429	9,854,847	735,685	463,704	160,109	4,597,996	10,729,870	628,337	1,587,910	166,182,661
Refunds of contributions	4,557,046	2,599,305	138,885	685,157	48,281	25,673	4,698	201,760	935,030	11,606	198,885	9,406,326
General and administrative expenses	545,459	428,428	211,728	264,234	34,008	34,548	29,075	101,249	122,954	68,218	72,477	1,912,378
Total deductions	89,033,239	49,475,773	7,396,042	10,804,238	817,974	523,925	193,882	4,901,005	11,787,854	708,161	1,859,272	177,501,365
Net increase (decrease)	57,897,266	31,159,603	6,048,655	10,391,754	311,735	715,342	54,247	4,914,946	7,065,787	442,537	1,015,277	120,017,149
Net position restricted for pension benefits, beginning of year	844,013,458	385,321,752	60,921,761	113,139,204	3,864,384	8,304,458	1,492,345	78,865,297	122,746,263	7,161,292	19,984,253	1,645,814,467
Net position restricted for pension benefits, end of year	<u>\$ 901,910,724</u>	<u>416,481,355</u>	<u>66,970,416</u>	<u>123,530,958</u>	<u>4,176,119</u>	<u>9,019,800</u>	<u>1,546,592</u>	<u>83,780,243</u>	<u>129,812,050</u>	<u>7,603,829</u>	<u>20,999,530</u>	<u>1,765,831,616</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Agency Funds - Primary Government  
 Combining Statement of Changes in Assets and Liabilities  
 For the year ended June 30, 2017

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2017</u>
State of Maryland property taxes:				
Assets:				
Cash and investments	\$ 231	84,281,572	(84,281,115)	688
Taxes receivable	<u>544,809</u>	<u>91,104,214</u>	<u>(90,924,244)</u>	<u>724,779</u>
Total assets	<u>545,040</u>	<u>175,385,786</u>	<u>(175,205,359)</u>	<u>725,467</u>
Liabilities:				
Due to State of Maryland	<u>545,040</u>	<u>91,557,707</u>	<u>(91,377,280)</u>	<u>725,467</u>
Total Liabilities	<u>\$ 545,040</u>	<u>91,557,707</u>	<u>(91,377,280)</u>	<u>725,467</u>
M-NCPPC property taxes:				
Assets:				
Cash and investments	\$ 2,047,064	253,500,071	(255,546,791)	344
Taxes receivable	<u>2,977,411</u>	<u>253,693,419</u>	<u>(253,258,641)</u>	<u>3,412,189</u>
Total assets	<u>\$ 5,024,475</u>	<u>507,193,490</u>	<u>(508,805,432)</u>	<u>3,412,533</u>
Liabilities:				
Due to M-NCPPC	<u>\$ 5,024,475</u>	<u>255,457,778</u>	<u>(257,069,720)</u>	<u>3,412,533</u>
Total liabilities	<u>\$ 5,024,475</u>	<u>255,457,778</u>	<u>(257,069,720)</u>	<u>3,412,533</u>
Washington Suburban Sanitary Commission charges:				
Assets:				
Cash and investments	\$ 10,351	12,406,913	(12,407,732)	9,532
Taxes receivable	<u>230,707</u>	<u>12,393,181</u>	<u>(12,395,300)</u>	<u>228,588</u>
Total assets	<u>\$ 241,058</u>	<u>24,800,094</u>	<u>(24,803,032)</u>	<u>238,120</u>
Liabilities:				
Liability - due to Washington Suburban Sanitary Commission	<u>\$ 241,058</u>	<u>12,428,881</u>	<u>(12,431,819)</u>	<u>238,120</u>
Total liabilities	<u>\$ 241,058</u>	<u>12,428,881</u>	<u>(12,431,819)</u>	<u>238,120</u>
Incorporated towns property taxes:				
Assets:				
Cash and investments	\$ 268	117,932,940	(117,907,672)	25,536
Taxes receivable	<u>-</u>	<u>118,795,100</u>	<u>(118,276,282)</u>	<u>518,818</u>
Total assets	<u>\$ 268</u>	<u>236,728,040</u>	<u>(236,183,954)</u>	<u>544,354</u>
Liabilities:				
Due to towns	<u>268</u>	<u>120,472,955</u>	<u>(119,928,869)</u>	<u>544,354</u>
Total liabilities	<u>\$ 268</u>	<u>120,472,955</u>	<u>(119,928,869)</u>	<u>544,354</u>
Washington Suburban Transit Commission taxes:				
Assets:				
Cash and investments	\$ 8,557,335	51,841,303	(33,331,277)	27,067,361
Taxes receivable	<u>283,946</u>	<u>23,390,585</u>	<u>(23,345,033)</u>	<u>329,498</u>
Total assets	<u>\$ 8,841,281</u>	<u>75,231,888</u>	<u>(56,676,310)</u>	<u>27,396,859</u>
Liabilities:				
Due to Washington Suburban Transit Commission	<u>\$ 8,841,281</u>	<u>39,186,212</u>	<u>(20,630,634)</u>	<u>27,396,859</u>
Total liabilities	<u>\$ 8,841,281</u>	<u>39,186,212</u>	<u>(20,630,634)</u>	<u>27,396,859</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Agency Funds - Primary Government  
 Combining Statement of Changes in Assets and Liabilities, Continued  
 For the year ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Special taxes:				
Assets:				
Cash and investments	\$ 1,475,584	33,807,870	(33,347,315)	1,936,139
Taxes Receivable	1,719,345	36,967,876	(36,688,309)	1,998,912
Total assets	\$ 3,194,929	70,775,746	(70,035,624)	3,935,051
Liabilities:				
Due to other participants	\$ 3,194,929	36,967,876	(36,227,754)	3,935,051
Total liabilities	\$ 3,194,929	36,967,876	(36,227,754)	3,935,051
Agricultural transfer taxes:				
Assets:				
Cash and investments	\$ 455,739	90,230	(132,857)	413,112
Total assets	\$ 455,739	90,230	(132,857)	413,112
Liabilities:				
Due to other governmental units	\$ 455,739	90,230	(132,857)	413,112
Total liabilities	\$ 455,739	90,230	(132,857)	413,112
Inmate Holding Account:				
Assets:				
Cash and investments	\$ 210,207	800,757	(857,588)	153,376
Accounts receivable	94	-	(94)	-
Total assets	\$ 210,301	800,757	(857,682)	153,376
Liabilities:				
Accounts payable	\$ 169,010	-	(58,824)	110,186
Due to participants	41,291	800,663	(798,764)	43,190
Total liabilities	\$ 210,301	800,663	(857,588)	153,376
<u>Totals</u>				
Assets:				
Cash and investments	\$ 12,756,779	554,661,656	(537,812,347)	29,606,088
Taxes receivable	5,756,218	536,344,375	(534,887,809)	7,212,784
Accounts receivable	94	-	(94)	-
Total assets	\$ 18,513,091	1,091,006,031	(1,072,700,250)	36,818,872
Liabilities:				
Accounts payable	\$ 169,010	-	(58,824)	110,186
Due to other governmental units	15,107,861	519,193,763	(501,571,179)	32,730,445
Due to participants	3,236,220	37,768,539	(37,026,518)	3,978,241
Total liabilities	\$ 18,513,091	556,962,302	(538,656,521)	36,818,872



**NONMAJOR COMPONENT UNITS**



PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Position  
Nonmajor Component Units  
June 30, 2017

	General Government			Education		Community Development		
	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	Total
<u>ASSETS</u>								
Current assets:								
Cash and investments	\$ 807,803	13,372,416	4,505,980	5,194,939	16,579,766	6,066,220	5,733,762	52,260,886
Receivables (net of allowances for uncollectibles)								
Accounts	133,409	18,006,456	-	305,484	20,074,668	707,114	-	39,227,131
Notes	-	-	-	-	-	-	1,305,900	1,305,900
Accrued interest receivable	-	-	481	-	9,481	-	-	9,962
Due from component units	-	10,181,942	-	1,826,427	19,985,946	-	-	31,994,315
Due from other governmental units	-	-	819,912	148,255	1,217,562	307,757	-	2,493,486
Inventories	-	-	-	290	101,362	-	-	101,652
Prepaid costs and deposits	26,393	153,549	-	483,374	2,247,861	-	474	2,911,651
Total current assets	967,605	41,714,363	5,326,373	7,958,769	60,216,646	7,081,091	7,040,136	130,304,983
Restricted assets:								
Cash and investments	-	3,708,625	2	-	7,835,438	819,878	1,115,512	13,479,455
Land held for transfer and other	-	-	-	-	-	2,651,832	9,512,170	12,164,002
Total restricted assets	-	3,708,625	2	-	7,835,438	3,471,710	10,627,682	25,643,457
Noncurrent assets:								
Land	-	19,448,259	-	-	3,184,932	1,116,278	52,832,395	76,581,864
Construction in progress	-	-	-	-	61,206,833	-	1,751,760	62,958,593
Buildings and improvements	-	-	73,043,523	-	184,057,096	30,972,821	-	288,073,440
Accumulated depreciation	-	-	(31,083,230)	-	(57,755,659)	(19,637,214)	-	(108,476,103)
Improvements other than buildings	229,112	13,701,077	-	-	-	-	-	13,930,189
Accumulated depreciation	(229,112)	(12,101,257)	-	-	-	-	-	(12,330,369)
Equipment	174,105	2,294,128	-	13,094,944	41,208,755	1,562,216	24,008	58,358,156
Accumulated depreciation	(141,679)	(1,709,108)	-	(8,597,618)	(35,010,092)	(1,676,335)	(9,003)	(47,143,835)
Other noncurrent Assets	-	3,158,656	-	-	-	823,587	-	3,982,243
Total noncurrent assets	32,426	24,791,755	41,960,293	4,497,326	196,891,865	13,161,353	54,599,160	335,934,178
Total assets	\$ 1,000,031	70,214,743	47,286,668	12,456,095	264,943,949	23,714,154	72,266,978	491,882,618
<u>DEFERRED OUTFLOW OF RESOURCES</u>								
Pension deferrals	-	-	-	697,537	1,634,455	911,947	-	3,243,939
Deferred charge on refunding	-	-	626,318	-	-	-	-	626,318
Total deferred outflow of resources	-	-	626,318	697,537	1,634,455	911,947	-	3,870,257

(Continued)

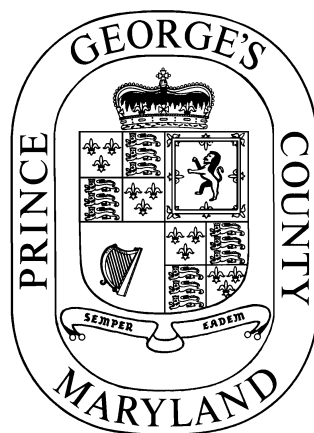
PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Position  
Nonmajor Component Units  
June 30, 2017

	General Government			Education		Community Development		
	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	Total
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	\$ 6,533	1,286,475	-	1,340,364	22,141,874	1,826,360	692,854	27,294,460
Accrued liabilities	76,732	-	225,272	925,974	-	-	-	1,227,978
Due to primary government	450,000	474,320	-	-	-	4,979,032	-	5,903,352
Due to other governmental units	-	149,272	-	-	-	9,602	-	158,874
Unearned revenue	-	-	-	206,567	1,608,815	-	-	1,815,382
Matured bonds and interest payable	-	687,188	-	-	-	-	-	687,188
Deposits	-	-	-	-	-	143,243	197,500	340,743
Current portion of bonded debt	-	-	5,780,000	-	-	85,000	-	5,865,000
Current portion of capital lease obligations	-	159,721	-	-	441,569	-	4,755	606,045
Current portion of compensated absences and termination benefits payable	-	-	-	76,683	315,311	26,849	-	418,843
Total current liabilities	533,265	2,756,976	6,005,272	2,549,588	24,507,569	7,070,086	895,109	44,317,865
Noncurrent liabilities:								
Bonded debt, less current portion	-	28,000,000	34,265,000	-	-	510,000	-	62,775,000
Unamortized premium (discount)	-	168,781	(102,875)	-	-	4,084	-	69,990
Capital lease obligations, less current portion	-	200,201	-	-	211,172	-	11,087	422,460
Compensated absences and termination benefits payable, less current portion	-	-	-	1,614,376	2,186,754	510,144	-	4,311,274
Notes payable, less current portion	-	31,444	-	-	-	-	6,975,549	7,006,993
Net pension liability	-	-	-	2,484,638	4,551,004	2,797,237	-	9,832,879
Net OPEB obligation	-	-	-	-	471,298	-	-	471,298
Total noncurrent liabilities	-	28,400,426	34,162,125	4,099,014	7,420,228	3,821,465	6,986,636	84,889,894
Total liabilities	533,265	31,157,402	40,167,397	6,648,602	31,927,797	10,891,551	7,881,745	129,207,759
<b>DEFERRED INFLOW OF RESOURCES</b>								
Subsidy Received in Advance	-	-	-	-	-	122,704	-	122,704
Pension Deferrals	-	-	-	161,393	554,643	634,516	-	1,350,552
Total deferred Inflow of resources	-	-	-	161,393	554,643	757,220	-	1,473,256
<b>NET POSITION</b>								
Net investment in capital assets	32,426	2,980,091	20,715,302	4,497,326	193,092,469	11,738,682	49,443,525	282,499,821
Restricted	8,378	12,065,033	-	-	8,476,758	227,455	9,907,491	30,685,115
Unrestricted (deficit)	425,962	24,012,217	(12,969,713)	1,846,311	32,526,737	1,011,193	5,034,217	51,886,924
Total net position (deficit)	\$ 466,766	39,057,341	7,745,589	6,343,637	234,095,964	12,977,330	64,385,233	365,071,860

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Activities  
Nonmajor Component Units  
For the year ended June 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets								
					General Government			Education		Community Development			
Programs / Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	Total	
Component Units:													
General government													
PGCT	\$ 1,811,853	428,982		-	(1,382,871)	-	-	-	-	-	-	(1,382,871)	
Revenue Authority	16,666,037	17,711,026	660,000	163,410	-	1,868,399	-	-	-	-	-	1,868,399	
IDA	4,025,270	7,866,378	-	-	-	-	3,841,108	-	-	-	-	3,841,108	
Education													
Library	36,843,589	893,579	385,350	6,634,309	-	-	-	(28,930,351)	-	-	-	(28,930,351)	
PGCC	128,231,646	28,383,601	10,274,499	-	-	-	-	-	(89,573,546)	-	-	(89,573,546)	
Community Development													
Housing Authority	85,261,984	2,105,049	81,941,688	380,960	-	-	-	-	-	(834,287)	-	(834,287)	
Redevelopment Authority	1,938,966	124,961	1,628,816	3,650,000	-	-	-	-	-	-	3,464,811	3,464,811	
Total component units	\$ 274,779,345	57,513,576	94,890,353	10,828,679	(1,382,871)	1,868,399	3,841,108	(28,930,351)	(89,573,546)	(834,287)	3,464,811	(111,546,737)	
General revenues:													
Other grants and contributions					1,260,022	2,613,727	-	28,869,137	87,153,629	-	-	119,896,515	
Investment income					365	191,060	486	436	492,696	24,876		709,919	
Miscellaneous					131	775,594	-	146,620	783,952	240,177	-	1,946,474	
Total general revenues					1,260,518	3,580,381	486	29,016,193	88,430,277	265,053	-	122,552,908	
Change in net assets					(122,353)	5,448,780	3,841,594	85,842	(1,143,269)	(569,234)	3,464,811	11,006,171	
Net position - beginning of year					589,119	33,608,561	3,903,995	6,257,795	185,117,171	13,546,564	63,012,629	306,035,834	
Prior period adjustment					-	-	-	-	50,122,062	-	(2,092,207)	48,029,855	
Net position - end of year					\$ 466,766	39,057,341	7,745,589	6,343,637	234,095,964	12,977,330	64,385,233	365,071,860	

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Capital Assets Used in the Operation of Governmental Funds -  
By Function and Activity (1)  
June 30, 2017

Exhibit G-1

<u>Function and activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Vehicles</u>
Primary government:						
General government:						
Control - legislative, executive and judicial	\$ 334,069,399	23,487,757	310,352,272	-	-	229,370
Staff agencies:						
Finance	29,550	-	-	-	29,550	-
Personnel	52,140	-	-	-	52,140	-
Central services	50,147,142	-	-	48,613,973	323,134	1,210,035
General government buildings	73,412,332	12,667,199	60,745,133	-	-	-
Other	49,046,222	-	-	-	-	49,046,222
Total staff agencies	172,687,386	12,667,199	60,745,133	48,613,973	404,824	50,256,257
Total general government	506,756,785	36,154,956	371,097,405	48,613,973	404,824	50,485,627
Public safety:						
State's Attorney	346,026	-	-	-	27,435	318,591
Police services	71,791,852	2,124,313	45,328,126	-	5,227,236	19,112,177
Fire services	102,430,815	5,979,918	56,232,988	-	11,254,864	28,963,045
Sheriff services	2,573,297	-	32,684	-	409,715	2,130,898
Corrections	111,978,349	1,953,617	109,492,362	-	146,603	385,767
Homeland Security	53,636,805	-	-	48,952,026	1,837,435	2,847,344
Total public safety	342,757,144	10,057,848	211,086,160	48,952,026	18,903,288	53,757,822
Environmental:						
Environmental resources	15,418,275	604,804	14,256,906	-	34,939	521,626
Health and human services:						
Health	16,345,780	165,800	15,176,754	-	455,717	547,509
Total health and human services	16,345,780	165,800	15,176,754	-	455,717	547,509
Infrastructure and Development:						
Public works and transportation	2,973,203,069	55,189,199	20,916,528	2,839,117,252	215,709	57,764,381
Federal programs	16,730,958	2,856,588	2,540,519	-	7,967,802	3,366,049
Total governmental fund capital assets allocated	3,871,212,011	105,029,195	635,074,272	2,936,683,251	27,982,279	166,443,014
Construction-in-progress:	92,629,640					
Total primary government	\$ 3,963,841,651					

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Changes in Capital Assets Used in the Operation of Governmental Funds -  
By Function and Activity (1)  
For the year ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions and adjustments	Net Inter-agency transfers	Balance June 30, 2017
Primary government:					
General government:					
Control, legislative, executive and judicial	\$ 304,380,983	29,937,953	(249,537)	-	334,069,399
Staff agencies:					
Finance	29,550	-	-	-	29,550
Personnel	52,140	-	-	-	52,140
Central services	41,047,661	9,099,481	-	-	50,147,142
General government buildings	73,412,332	-	-	-	73,412,332
Other	52,207,840	1,227,925	(4,389,543)	-	49,046,222
Total staff agencies	166,749,523	10,327,406	(4,389,543)	-	172,687,386
Total general government	471,130,506	40,265,359	(4,639,080)	-	506,756,785
Public safety:					
State's attorney	221,431	124,595	-	-	346,026
Police services	69,154,296	2,918,439	(280,883)	-	71,791,852
Fire services	91,146,990	11,746,694	(462,869)	-	102,430,815
Sheriff services	2,143,645	465,405	(35,753)	-	2,573,297
Corrections	108,744,430	3,315,208	(81,289)	-	111,978,349
Homeland Security	53,663,067	34,739	(61,001)	-	53,636,805
Total public safety	325,073,859	18,605,080	(921,795)	-	342,757,144
Environmental	15,369,500	84,976	(36,201)	-	15,418,275
Health and human services:					
Health	16,426,420	-	(80,640)	-	16,345,780
Infrastructure and Development:					
Public works and transportation	2,946,292,586	54,370,898	(27,460,415)	-	2,973,203,069
Federal programs	16,334,058	396,900	-	-	16,730,958
Construction-in-progress:	97,415,464	57,626,292	(62,412,116)	-	92,629,640
Total governmental fund capital assets	\$ 3,888,042,393	171,349,505	(95,550,247)	-	3,963,841,651

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Schedule of Capital Assets Used in the Operation of Governmental Funds -  
By Source  
June 30, 2017

	Primary Government
Governmental fund capital assets	
Land	\$ 105,029,195
Buildings	635,074,272
Infrastructure	2,936,683,251
Equipment	194,425,293
Construction in progress	92,629,640
Total governmental fund capital assets	<u>\$ 3,963,841,651</u>
Investment in governmental fund capital assets from:	
Capital projects funds:	
General obligation bonds	\$ 70,225,726
Intergovernmental	3,851,041
General fund revenue	3,836,139,126
Special revenue fund revenue	18,341,928
Federal programs	16,730,957
Other	18,552,873
	<u>\$ 3,963,841,651</u>

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



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## **STATISTICAL SECTION (UNAUDITED)**

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

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

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

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

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

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

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

**Table 1**

	FISCAL YEAR									
	2008	2009	2010	2011	2012	Restated (2) 2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 1,421,477,574	\$ 1,481,956,322	\$ 1,475,449,993	\$ 1,466,248,839	\$ 1,621,314,368	\$ 1,499,391,740	\$ 1,487,561,224	\$ 1,615,022,591	\$ 1,522,174,313	\$ 1,659,749,133
Restricted	\$ 475,649,709	422,228,258	351,254,119	361,876,157	349,076,708	341,015,595	309,177,376	304,406,663	282,142,696	199,109,417
Unrestricted (deficit) (2)	\$ (567,350,879)	(663,421,910)	(558,755,424)	(562,309,599)	(624,691,441)	(705,176,214)	(954,659,608)	(2,448,779,934)	(2,448,831,547)	(2,874,527,010)
Total governmental activities net position	\$ 1,329,776,404	1,240,762,670	1,267,948,688	1,265,815,397	1,345,699,635	1,135,231,121	842,078,993	(529,350,680)	(644,514,538)	(1,015,668,460)
Business-type activities										
Net investment in capital assets	131,283,415	143,085,674	156,560,233	148,934,828	143,858,665	107,572,137	142,374,427	139,610,243	150,378,944	211,704,766
Restricted	19,900,630	18,389,718	20,916,015	19,500,275	18,481,818	19,212,114	28,976,024	47,598,939	71,280,452	71,977,865
Unrestricted (deficit)	46,861,226	40,119,901	40,427,579	56,189,966	59,916,152	94,141,653	50,603,289	21,023,001	(6,438,259)	(71,388,420)
Total business-type activities net position	198,045,271	201,595,293	217,903,827	224,625,069	222,256,635	220,925,904	221,953,740	208,232,183	215,221,137	212,294,211
Primary government										
Net investment in capital assets	1,552,760,989	1,625,041,996	1,632,010,226	1,615,183,667	1,765,173,033	1,606,963,877	1,629,935,651	1,754,632,834	1,672,553,257	1,871,453,899
Restricted	495,550,339	440,617,976	372,170,134	381,376,432	367,558,526	360,227,709	338,153,400	352,005,602	353,423,148	271,087,282
Unrestricted (deficit) (1)	(520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)	(564,775,289)	(611,034,561)	(904,056,319)	(2,427,756,933)	(2,455,269,806)	(2,945,915,430)
Total primary government net position	\$ 1,527,821,675	\$ 1,442,357,963	\$ 1,485,852,515	\$ 1,490,440,466	\$ 1,567,956,270	\$ 1,356,157,025	\$ 1,064,032,733	\$ (321,118,497)	\$ (429,293,401)	\$ (803,374,249)

Notes:

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

Unrestricted (deficit) net assets noted above	\$ (520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)	(564,775,289)	(611,034,561)	(904,056,319)	(2,427,756,933)	(2,455,269,806)	(2,945,915,430)
Debt issued for capital on behalf of others	481,969,501	470,259,263	435,418,383	399,196,957	445,921,535	483,621,901	486,417,276	483,674,784	503,035,085	454,176,281
County net assets absent effect of this relationship	\$ (38,520,152)	\$ (153,042,746)	\$ (82,909,462)	\$ (106,922,676)	\$ (118,853,754)	\$ (127,412,660)	\$ (417,639,043)	\$ (1,944,082,149)	\$ (1,952,234,721)	\$ (2,491,739,149)

(2) Fiscal Year 2012 amounts restated due to implementation of GASB 65.

Table 2

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012 (restated)	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental activities:										
General government (1)	\$ 276,079,032	\$ 264,000,847	\$ 293,993,880	\$ 278,735,961	\$ 335,347,065	\$ 402,876,040	\$ 413,676,920	\$ 322,214,792	\$ 374,611,539	\$ 363,670,444
Public safety (2)	523,937,600	535,747,925	510,354,496	543,688,542	551,296,748	600,225,256	626,789,316	678,934,030	695,921,598	736,127,867
Environmental (3)	-	-	-	-	-	-	4,432,568.00	5,560,232	4,136,436	5,053,254
Health and Human Services (4)	100,602,469	103,468,096	104,844,923	98,491,351	95,750,683	97,589,420	97,846,141	99,155,575	96,398,021	97,028,095
Infrastructure and Development (5)	82,256,246	76,563,498	73,726,841	86,362,933	55,761,006	91,413,306	104,325,736	107,710,388	115,700,759	138,751,700
Board of Education	665,957,080	652,303,197	684,470,305	656,525,606	649,326,640	715,792,239	716,497,118	684,661,903	742,360,976	806,245,925
Community College	28,438,902	38,415,219	33,644,625	40,125,724	31,862,246	31,383,689	30,767,855	35,644,365	36,129,002	77,580,269
Memorial Library	19,568,825	19,397,277	19,802,615	19,494,605	27,027,089	23,313,523	21,490,903	23,326,087	20,471,180	24,450,003
Interest on long-term debt	59,042,614	54,873,156	49,295,577	51,136,299	47,505,779	46,733,055	57,748,877	58,988,913	56,147,749	55,141,905
Total governmental activities expenses	1,755,882,768	1,744,769,215	1,770,133,262	1,774,561,021	1,793,877,256	2,009,326,528	2,073,575,434	2,016,196,285	2,141,877,260	2,304,049,462
Business-type activities:										
Solid Waste	97,039,320	99,930,368	87,486,790	95,955,265	98,663,436	95,739,816	95,482,526	91,898,001	94,062,499	114,620,132
Stormwater	33,743,601	35,724,787	48,297,374	42,103,279	42,169,443	43,080,734	52,371,683	54,402,786	55,216,649	51,399,872
Watershed Protection	-	-	-	-	-	-	316,175	1,134,078	1,164,724	2,248,552
Total business-type activities expenses	130,782,921	135,655,155	135,784,164	138,058,544	140,832,879	138,820,550	148,170,384	147,434,865	150,443,872	168,268,556
Total primary government expenses	\$ 1,886,665,689	\$ 1,880,424,370	\$ 1,905,917,426	\$ 1,912,619,565	\$ 1,934,710,135	\$ 2,148,147,078	\$ 2,221,745,818	\$ 2,163,631,150	\$ 2,292,321,132	\$ 2,472,318,018
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services :										
General government (1)	\$ 63,137,800	\$ 47,130,404	\$ 60,275,045	\$ 55,529,493	\$ 87,727,105	\$ 94,431,227	\$ 83,203,693	\$ 79,730,348	\$ 88,751,746	\$ 90,201,920
Public safety (2)	33,963,072	34,964,503	38,398,284	41,420,265	52,677,652	56,363,172	37,430,678	44,390,006	48,168,338	49,748,474
Environmental (3)	-	-	-	-	-	-	287,158.00	313,784	325,470	450,345
Health and Human Services (4)	13,540,038	12,642,837	9,278,928	10,430,145	12,369,621	10,299,291	7,075,381	4,508,261	4,436,424	6,361,895
Infrastructure and Development (5)	25,581,816	43,153,508	57,097,256	29,476,879	130,701,054	33,769,227	56,250,140	49,411,650	90,962,207	71,376,976
Operating grants and contributions:										
General government (1)	59,178,382	39,248,215	56,606,758	57,182,264	26,281,362	25,222,907	12,192,715	24,419,173	22,137,203	21,593,271
Public safety (2)	18,475,021	17,538,135	29,537,332	28,884,685	32,508,021	26,524,768	24,989,052	18,335,079	22,761,497	25,765,885
Environmental (3)	-	-	-	-	-	-	230,114	567,867	84,423	885,281
Health and Human Services (4)	61,984,042	65,449,596	65,178,448	71,886,283	68,530,281	67,629,045	69,120,126	79,342,253	73,622,970	74,068,373
Infrastructure and Development (5)	386,975	1,868,144	2,233,204	4,513,987	8,581,718	2,917,851	13,478,641	22,955,481	21,182,326	11,154,653
Capital grants and contributions:										
General government (1)	5,767,776	5,756,794	36,514,825	7,466,894	2,949,658	198,425	1,775,255	6,235,669	3,813,609	860,962
Public safety (2)	3,462,729	3,847,755	4,881,000	8,519,103	3,696,298	4,896,876	2,747,572	8,056,602	684,709	1,504,442
Environmental (3)	-	-	117,954	351,545	-	169,076	211,498	257,127	50,715	0
Health and Human Services (4)	-	-	-	-	-	-	22,000	180,474	54,589	-
Infrastructure and Development (5)	4,414,109	4,138,715	7,887,841	18,914,344	7,186,862	10,076,015	13,572,964	687,926	8,977,424	1,509,878
Total governmental activities program revenues	289,891,760	275,738,606	368,006,875	334,575,887	433,209,632	332,497,880	322,586,987	339,391,700	386,013,650	355,482,355

The County revised its functional categories for governmental activity expenses in fiscal year 2014. The following represents changes to expenses categories from 2005-2013. (1) General Government- no longer includes States Attorney, Soil Conservation, Department of Family Services, and Department of Housing and Community Development. (2) Public safety added State's Attorney and dropped Department of the Environment. (3) Environment added Department of the Environmental and Soil Conservation. (4) Health and Human Services (Health and Public Welfare - Department of Social Services) merged categories with the Department of Family Services. (5) Infrastructure added the new Department of Permitting, Inspections, and Enforcement and Department of Housing and Community Development to the existing Public Works (Department of Public Works and Transportation) Category.

continued

Table 2, continued

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

	FISCAL YEAR									
	2008	2009	2010	2011	2012 (restated)	2013	2014	2015	2016	2017
<b>Program Revenues, continued</b>										
Business-type activities:										
Charges for services:										
Solid waste	84,240,272	86,550,100	90,575,778	90,451,449	89,987,217	91,459,801	90,893,287	92,113,510	95,380,258	97,111,766
Stormwater	3,729,657	3,057,990	3,369,309	2,150,063	1,829,457	2,811,579	3,677,700	3,332,530	3,803,795	8,029,372
Watershed Protection							14,199,502	14,741,320	14,710,922	14,678,046
Capital grants and contributions:										
Stormwater	2,356,379	210,096	1,432,137	1,627,916	1,064,605	2,005,401	1,262,405	92,153	2,555,148	135,823
Total business-type activities program revenues	90,326,308	89,818,186	95,377,224	94,229,428	92,881,279	96,276,781	110,032,894	110,279,513	116,450,123	119,955,007
Total primary government program revenues	\$ 366,064,914	\$ 457,825,061	\$ 429,953,111	\$ 527,439,060	\$ 425,379,159	\$ 418,863,768	\$ 449,424,594	\$ 449,671,213	\$ 502,463,773	\$ 475,437,362
<b>Net (Expense)/Revenue</b>										
Governmental activities	(1,469,030,609)	(1,402,126,387)	(1,439,985,134)	(1,360,667,624)	(1,676,828,648)	(1,750,988,447)	(1,676,804,585)	(1,676,804,585)	(1,755,863,610)	(1,948,567,107)
Business-type activities	(45,328,847)	(45,965,978)	(42,681,320)	(46,603,451)	(45,939,271)	(51,893,603)	(37,401,971)	(37,155,352)	(33,993,749)	(48,313,549)
Total primary government net expense	\$ (1,514,359,456)	\$ (1,448,092,365)	\$ (1,482,666,454)	\$ (1,407,271,075)	\$ (1,722,767,919)	\$ (1,802,882,050)	\$ (1,714,206,556)	\$ (1,713,959,937)	\$ (1,789,857,359)	\$ (1,996,880,656)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 610,202,347	\$ 659,038,907	\$ 732,832,234	\$ 733,197,993	\$ 722,138,728	\$ 707,228,408	\$ 709,669,105	\$ 720,937,819	\$ 779,978,896	\$ 827,354,415
Income taxes	423,422,141	435,714,262	440,257,032	480,489,026	504,817,831	529,764,061	513,350,683	549,887,248	575,334,071	593,750,012
Transfer and recordation taxes	136,725,597	92,709,263	95,796,346	90,645,343	85,069,002	100,116,901	104,407,509	117,209,045	152,241,144	159,972,580
Energy taxes	62,747,183	66,805,287	71,280,769	63,880,450	59,651,917	56,588,560	55,240,457	66,785,516	66,394,765	71,865,024
Telecommunications tax	52,611,249	49,513,889	44,357,561	41,982,171	37,827,000	36,926,752	33,914,325	33,645,771	33,733,670	31,746,691
Unrestricted State shared tax	28,739,189	25,080,807	1,334,216	1,334,399	2,064,874	2,613,510	2,701,111	2,867,440	2,970,706	3,107,973
Other taxes	22,023,675	19,803,811	21,402,102	20,494,339	19,664,177	21,988,466	21,666,726	22,065,496	26,092,859	28,470,988
Investment earnings	38,333,826	29,435,697	9,101,595	3,122,028	3,698,357	(2,115,280)	2,944,473	4,460,524	2,884,002	2,968,323
Grants and contributions	9,875,131	1,371,225	1,970,627	1,865,679	3,212,453	11,822,540	13,355,751	862,813	549,897	486,635
Miscellaneous	7,811,548	543,727	1,492,071	840,412	5,197,518	1,426,216	586,179	462,854	519,742	2,925,716
Total governmental activities	1,392,491,886	1,380,016,875	1,419,824,553	1,437,851,840	1,443,341,857	1,466,360,134	1,457,836,319	1,519,184,526	1,640,699,752	1,722,648,357
Business-type activities:										
Property taxes	37,941,543	44,151,124	49,419,329	47,579,296	43,625,750	39,629,544	37,999,606	38,090,056	39,550,173	42,775,442
Investment earnings	8,200,687	5,235,867	3,953,359	2,971,062	2,333,788	1,583,464	1,165,720	1,382,411	1,432,530	2,611,181
Total business-type activities	46,142,230	49,386,991	53,372,688	50,550,358	45,959,538	41,213,008	39,165,326	39,472,467	40,982,703	45,386,623
Total primary government	\$ 1,438,634,116	\$ 1,429,403,866	\$ 1,473,197,241	\$ 1,488,402,198	\$ 1,489,301,395	\$ 1,507,573,142	\$ 1,497,001,645	\$ 1,558,656,993	\$ 1,681,682,455	\$ 1,768,034,980
Governmental activities:										
Extraordinary items:										
Asset impairment / insurance recovery (1)	8,653,648	-	-	-	-	-	-	-	-	-
Special items:										
Legal Recovery	-	-	10,700,000	-	-	-	-	-	-	-
Business-type activities:										
Special items:										
Gain on capital asset due to change in estimat	-	-	3,342,786	-	-	-	-	-	-	-
<b>Change in Net Position</b>										
Governmental activities	(67,885,075)	(22,109,512)	(9,460,581)	77,184,216	(233,486,791)	(284,628,313)	(218,968,266)	(157,620,059)	(115,163,858)	(225,918,750)
Business- type activities	813,383	3,421,013	14,034,154	3,946,907	20,267	(10,680,595)	1,763,355	2,317,115	6,988,954	(2,926,926)
Total primary government	\$ (67,071,692)	\$ (18,688,499)	\$ 4,573,573	\$ 81,131,123	\$ (233,466,524)	\$ (295,308,908)	\$ (217,204,911)	\$ (155,302,944)	\$ (108,174,904)	\$ (228,845,676)

## Notes:

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

(2) Fiscal Year 2012 amounts restated due to implementation of GASB 65.

Table 3

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

	FISCAL YEAR									
	2008	2009	2010	2011(3)	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	\$ 148,641,724	\$ 146,494,025	\$ 144,338,502							
Unreserved	153,501,293	131,730,338	186,520,591							
Nonspendable	-	-	-	\$ 1,593,534	\$ 1,619,282	\$ 1,532,552	\$ 1,549,546	\$ 1,641,389	\$ 2,134,534	\$ 2,010,022
Restricted	-	-	-	144,187,959	164,668,289	156,735,799	160,797,750	170,778,503	161,051,114	185,338,448
Committed	-	-	-	52,389,072	53,570,342	54,968,228	55,424,074	57,807,206	59,356,790	62,986,988
Assigned	-	-	-	85,733,302	87,170,249	63,342,963	52,361,681	53,937,841	48,926,434	48,288,562
Unassigned	-	-	-	94,256,531	76,659,622	82,782,432	30,953,395	34,028,162	116,418,173	167,450,824
Sub-total General Fund	<u>344,595,800</u>	<u>302,143,017</u>	<u>278,224,363</u>	<u>330,859,093</u>	<u>378,160,398</u>	<u>359,361,974</u>	<u>301,086,446</u>	<u>318,193,101</u>	<u>387,887,045</u>	<u>466,074,844</u>
All Other Governmental Funds:										
Reserved	\$ 208,115,317	\$ 200,562,222	\$ 147,214,598							
Unreserved:										
Special revenue funds	10,253,895	12,254,369	14,585,859							
Capital projects funds	120,072,592	(10,280,606)	6,600,247							
Restricted	-	-	-	\$ 145,408,266	\$ 140,131,186	\$ 315,273,781	\$ 99,653,204	\$ 130,699,334	\$ 73,443,535	\$ 38,763,609
Committed	-	-	-	-	10,301,182	6,498,711	2,323,282	3,255,831	4,915,107	-
Assigned				5,481,651	6,525,555	6,357,576	6,264,232	3,277,611	3,677,951	4,075,470
Unassigned				-	-	-	-	-	-	(249,039,120)
Sub-total all other Governmental Funds	<u>\$ 363,213,955</u>	<u>\$ 338,441,804</u>	<u>\$ 202,535,985</u>	<u>\$ 168,400,704</u>	<u>\$ 150,889,917</u>	<u>\$ 328,130,068</u>	<u>\$ 108,240,718</u>	<u>\$ 137,232,776</u>	<u>\$ 82,036,593</u>	<u>\$ (206,200,041)</u>
Total all Governmental Funds	<u>\$ 707,809,755</u>	<u>\$ 640,584,821</u>	<u>\$ 480,760,348</u>	<u>\$ 499,259,797</u>	<u>\$ 529,050,315</u>	<u>\$ 687,492,042</u>	<u>\$ 409,327,164</u>	<u>\$ 455,425,877</u>	<u>\$ 469,923,638</u>	<u>\$ 259,874,803</u>

## Notes:

- (1) The County was required to maintain a contingency reserve equal to 3% of General Fund estimated revenues beginning in the fiscal year 1998. The reserve is intended to help stabilize County budgets against future economic fluctuations and unforeseen emergencies.
- (2) In November 2002, County voters approved a charter amendment to increase the contingency reserve requirement from 3% to 5% of General Fund estimated revenues.
- (3) Beginning in fiscal year 2011 the County implemented GASB Statement No. 54 which revised the fund balance categories for Governmental Funds.

Table 4

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

	<b>FISCAL YEARS</b>									
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 (restated)</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Revenues</b>										
Taxes	\$ 1,335,935,914	\$ 1,348,462,490	\$ 1,412,184,766	\$ 1,423,616,459	\$ 1,427,541,836	\$ 1,449,168,044	\$ 1,440,900,965	\$ 1,509,634,512	\$ 1,633,462,779	\$ 1,708,866,767
Licenses and permits	20,960,406	17,751,849	17,471,856	18,577,036	18,127,287	22,710,061	21,830,867	25,430,085	37,734,749	47,933,335
Fines and forfeitures	3,506,178	4,444,315	4,351,788	5,877,508	13,459,810	19,684,818	19,885,245	14,964,293	15,239,542	15,213,987
Use and money and property	46,107,420	31,177,059	11,966,421	5,821,464	7,871,454	1,705,533	8,138,507	12,864,236	9,243,883	6,084,135
Charges for services	55,874,984	47,463,048	52,725,012	53,795,309	67,300,432	76,580,819	65,128,244	73,501,819	86,038,845	81,815,453
Intergovernmental	128,630,290	132,186,494	212,201,660	207,706,513	161,533,603	155,741,974	155,812,040	161,173,020	155,192,779	143,195,829
Miscellaneous	2,493,716	6,066,125	6,810,373	5,184,078	7,752,696	6,119,301	10,305,705	2,989,077	3,782,573	4,753,369
Total revenues	<u>1,625,083,516</u>	<u>1,593,508,908</u>	<u>1,587,551,380</u>	<u>1,717,711,876</u>	<u>1,720,578,367</u>	<u>1,731,710,550</u>	<u>1,722,001,573</u>	<u>1,800,557,042</u>	<u>1,940,695,150</u>	<u>2,007,862,875</u>
<b>Expenditures</b>										
General Government (1)	209,100,631	187,025,859	195,276,748	214,101,638	229,901,474	229,989,658	264,913,081	197,409,489	196,167,715	214,966,757
Public safety (2)	515,162,619	512,181,110	509,526,761	535,858,802	543,037,453	577,535,728	615,372,626	635,615,369	652,773,699	671,113,128
Environmental (3)	-	-	-	-	-	10,219,798.00	4,323,358.00	4,718,117	3,559,225	4,452,246
Health and Human Services (4)	93,190,158	96,918,135	103,841,312	98,190,664	95,249,039	98,493,348	95,977,561	97,388,090	95,240,267	96,470,157
Infrastructure & Development (5)	16,821,432	16,986,921	15,855,250	26,947,228	20,670,130	25,068,942	32,234,093	34,712,960	34,356,611	29,587,219
Capital projects	109,892,836	103,289,706	82,735,106	82,297,319	74,151,921	90,316,298	138,911,039	122,161,533	108,617,981	132,580,862
Education:										
Board of Education	665,957,080	652,303,197	684,470,305	656,525,606	649,326,640	715,792,239	716,497,118	684,661,903	742,360,976	806,245,925
Community College	28,438,902	38,415,219	33,644,625	40,125,724	31,862,246	31,383,689	30,767,855	35,644,365	36,129,002	77,580,269
Memorial Library	19,568,825	19,397,277	19,802,615	19,494,605	27,027,089	23,313,523	21,490,903	26,534,954	35,357,559	33,062,009
Debt service:										
Interest	69,302,123	74,766,318	78,850,997	86,457,546	86,523,482	83,252,080	85,839,156	97,332,619	109,598,004	116,330,860
Principal	51,231,609	54,073,418	53,598,362	49,896,532	47,537,190	47,206,911	53,855,034	58,141,936	58,313,589	53,255,661
Total expenditures	<u>1,778,666,215</u>	<u>1,778,666,215</u>	<u>1,755,357,160</u>	<u>1,777,602,081</u>	<u>1,809,895,664</u>	<u>1,932,572,214</u>	<u>2,060,181,824</u>	<u>1,994,321,335</u>	<u>2,072,474,628</u>	<u>2,235,645,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,157,307)</u>	<u>(167,805,780)</u>	<u>(59,890,205)</u>	<u>(89,317,297)</u>	<u>(101,699,546)</u>	<u>(200,861,664)</u>	<u>(338,180,251)</u>	<u>(193,764,293)</u>	<u>(131,779,478)</u>	<u>(227,782,218)</u>

The County revised its functional categories for expenditures in fiscal year 2014. Fiscal year 2013 expenditures are restated. The following represents changes to expenditures categories from 2005-2012. (1) General Government- no longer includes States Attorney, Soil Conservation, Department of Family Services, and Department of Housing and Community Development. (2) Public safety added State's Attorney and dropped Department of the Environment. (3) Environment added Department of the Environment and Soil Conservation. (4) Health and Human Services (Health and Public Welfare - Department of Social Services) merged categories with the Department of Family Services. (5) Infrastructure added the new Department of Permitting, Inspections, and Enforcement and Department of Housing and Community Development to the existing Public Works (Department of Public Works and Transportation) Category.

Continued

Table 4, continued

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

	<b>FISCAL YEARS</b>									
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Other Financing Sources (Uses)</b>										
General obligation bonds issued	141,475,827	13,494,208	83,110,000	91,480,000	74,315,000	285,748,000	-	189,689,000	113,835,000	-
Bond and note premium	1,662,626	-	2,599,354	6,959,315	21,373,503	43,355,574	5,419,224	30,413,518	21,734,711	-
Other financing notes payable	-	-	-	-	-	-	-	-	-	-
Capital lease financing	-	2,764,699	-	27,781,000	33,825,000	16,055,642	54,596,149	19,612,680	10,161,624	32,105,240
Reallocation of notes payable	-	-	-	-	-	-	-	-	-	-
Transfers in - other funds	78,314,642	100,694,719	94,629,227	98,837,759	101,999,940	89,092,924	94,902,164	92,543,661	95,034,167	110,911,778
Debt Issued:										
Bond proceeds - refunding	-	-	-	-	175,530,000	191,130,000	-	27,520,000	51,511,805	-
Bond premium - refunding	-	-	-	-	36,132,555	20,981,662	-	2,234,722	7,990,279	-
Payment to bond refunding escrow agent	-	-	-	-	(221,094,720)	(209,562,879)	-	(29,606,914)	(58,956,180)	-
Transfers out - other funds	(87,758,842)	(108,972,319)	(101,948,927)	(105,950,259)	(108,786,340)	(89,092,924)	(94,902,164)	(92,543,661)	(95,034,167)	(110,911,778)
Total other financing sources (uses)	133,694,253	7,981,307	78,389,654	119,107,815	113,294,938	347,707,999	60,015,373	239,863,006	146,277,239	32,105,240
<b>Extraordinary items</b>										
Insurance recoveries (2)	8,653,648	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (25,457,879)</u>	<u>\$ (51,908,898)</u>	<u>\$ 18,499,449</u>	<u>\$ 29,790,518</u>	<u>\$ 11,595,392</u>	<u>\$ 146,846,335</u>	<u>\$ (278,164,878)</u>	<u>\$ 46,098,713</u>	<u>\$ 14,497,761</u>	<u>\$ (195,676,978)</u>
Debt service as a percentage of noncapital expenditures (3)	7.0%	7.7%	7.8%	7.7%	7.8%	7.8%	7.7%	8.8%	9.0%	8.4%

## Notes:

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

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

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



Table 5

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

Fiscal Year Ended June 30	Real Property (1)		Total Direct Tax Rate	Personal Property (2)				Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Value		Unincorporated Personal Property	Public Utilities	Incorporated Ordinary Business	Total Assessed Value			
2008	72,900,955,419	82,244,049,810	0.9149	32,590,380	1,175,976,540	1,609,855,442	2,818,422,362	2.3269	85,062,472,172	87.86
2009	85,155,247,625	99,986,180,539	0.9066	29,129,440	1,232,270,320	1,392,949,067	2,654,348,827	2.2940	102,640,529,366	89.02
2010	96,054,707,346	102,512,190,089	0.8996	32,392,590	1,291,979,150	1,458,374,079	2,782,745,819	2.2724	105,294,935,908	85.55
2011	95,135,150,806	96,199,089,410	0.8998	48,907,200	1,334,149,600	1,366,211,620	2,749,268,420	2.0000	98,948,357,830	93.87
2012	82,964,524,929	83,404,281,380	0.9054	57,630,140	1,332,876,260	1,322,818,970	2,713,325,370	2.0000	86,117,606,750	98.92
2013	75,993,572,331	76,633,200,500	0.9028	50,405,620	1,364,625,200	1,789,642,154	3,204,672,974	2.2830	79,837,873,474	99.49
2014	73,425,415,435	74,563,618,491	0.8971	48,314,610	1,393,889,690	1,313,144,919	2,755,349,219	2.2684	77,318,967,710	99.20
2015	74,172,498,186	76,307,098,100	0.9019	48,442,950	1,485,591,490	1,371,592,328	2,905,626,768	2.2780	79,212,724,868	97.31
2016	76,751,695,412	80,392,825,800	0.9451	61,518,930	1,458,733,380	1,488,314,420	3,008,566,730	2.3720	83,401,392,530	95.63
2017	82,315,032,205	86,941,639,900	0.9364	63,432,820	1,499,376,630	1,645,609,250	3,208,418,700	2.3521	90,150,058,600	94.87

## Notes:

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

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

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

Source: State Department of Assessments and Taxation

Table 6

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

<b>County Direct Rates - Real Property (1)</b>					<b>Overlapping Rates - Real Property</b>		
<b>Fiscal Year</b>	<b>General (2)</b>	<b>Pre-Trim (4)</b>	<b>Stormwater Management</b>	<b>Total Direct (3)</b>	<b>State of Maryland</b>	<b>M-NCPPC</b>	<b>WSTC</b>
2008	0.9149	-	0.0540	0.9689	0.1320	0.2790	0.0260
2009	0.9066	-	0.0540	0.9606	0.1120	0.2790	0.0260
2010	0.8996	-	0.0540	0.9536	0.1120	0.2790	0.0260
2011	0.8998	-	0.0540	0.9538	0.1120	0.2790	0.0260
2012	0.9054	-	0.0540	0.9594	0.1120	0.2790	0.0260
2013	0.9028	-	0.0540	0.9568	0.1120	0.2790	0.0260
2014	0.8971	-	0.0540	0.9511	0.1120	0.2790	0.0260
2015	0.9019	-	0.0540	0.9559	0.1120	0.2790	0.0260
2016	0.9451	-	0.0540	0.9991	0.1120	0.2940	0.2600
2017	0.9364	-	0.0540	0.9904	0.1120	0.2940	0.0260

<b>County Direct Rates - Personal Property (1)</b>					<b>Overlapping Rates - Personal Property</b>		
<b>Fiscal Year</b>	<b>General (2)</b>	<b>Pre-Trim (4)</b>	<b>Stormwater Management</b>	<b>Total Direct (3)</b>	<b>State of Maryland</b>	<b>M-NCPPC</b>	<b>WSTC</b>
2008	2.3269	-	0.1350	2.4619	0.2800	0.6975	0.0650
2009	2.2940	-	0.1350	2.4290	0.2800	0.6975	0.0650
2010	2.2724	-	0.1350	2.4074	0.2800	0.6975	0.0650
2011	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650
2012	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650
2013	2.2830	-	0.1350	2.4180	0.2800	0.6975	0.0650
2014	2.2684	-	0.1350	2.4034	0.2800	0.6975	0.0650
2015	2.2780	-	0.1350	2.4130	0.2800	0.6975	0.0650
2016	2.3723	-	0.1350	2.5073	0.2800	0.7351	0.0650
2017	2.3521	-	0.1350	2.4871	0.2800	0.7350	0.0650

## Notes:

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

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

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

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

Table 7

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

Cities									
Fiscal Year	Bowie	College Park	District Heights	Greenbelt	Hyattsville	Laurel	Mount Rainier	New Carrollton	Seat Pleasant
2008	0.352	0.299	0.650	0.766	0.630	0.720	0.790	0.450	0.580
2009	0.352	0.299	0.730	0.786	0.630	0.720	0.790	0.450	0.580
2010	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580
2011	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580
2012	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580
2013	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580
2014	0.400	0.322	1.000	0.790	0.630	0.710	0.790	0.7136	0.580
2015	0.400	0.335	1.000	0.805	0.630	0.710	0.860	0.7121	0.580
2016	0.400	0.335	0.9488	0.8125	0.630	0.710	0.860	0.6652	0.580
2017	0.400	0.335	0.8840	0.8125	0.630	0.710	0.860	0.6652	0.580

Towns										
Fiscal Year	Berwyn Heights	Bladensburg	Brentwood	Capitol Heights	Cheverly	Colmar Manor	Cottage City	Eagle Harbor	Edmonston	Fairmount Heights
2008	0.486	0.676	0.248	0.412	0.450	0.490	0.670	0.292	0.500	0.420
2009	0.486	0.740	0.476	0.412	0.480	0.880	0.640	0.292	0.500	0.420
2010	0.486	0.740	0.443	0.412	0.480	1.000	0.600	0.292	0.600	0.388
2011	0.486	0.740	0.382	0.401	0.480	1.038	0.560	0.292	0.600	0.420
2012	0.486	0.740	0.382	0.392	0.480	1.038	0.520	0.292	0.600	0.420
2013	0.516	0.740	0.382	0.392	0.480	1.028	0.488	0.292	0.600	0.420
2014	0.516	0.740	0.3864	0.4619	0.580	1.490	0.650	0.480	0.600	0.460
2015	0.516	0.740	0.4107	0.4619	0.580	1.490	0.650	0.480	0.660	0.460
2016	0.530	0.740	0.4107	0.4619	0.580	1.310	0.650	0.480	0.660	0.460
2017	0.530	0.740	0.4107	0.4455	0.560	1.222	0.650	0.473	0.638	0.460

continued

Table 7, continued

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

Fiscal Year	Towns							
	Forest Heights	Glenarden	Landover Hills	Morningside	North Brentwood	Riverdale Park	University Park	Upper Marlboro (4)
2008	0.470	0.296	0.480	0.800	0.288	0.641	0.600	0.240
2009	0.510	0.275	0.480	0.800	0.288	0.641	0.600	0.240
2010	0.530	0.296	0.480	0.800	0.347	0.641	0.600	0.240
2011	0.530	0.296	0.480	0.780	0.347	0.641	0.541	0.240
2012	0.567	0.336	0.480	0.780	0.347	0.677	0.584	0.240
2013	0.567	0.336	0.480	0.740	0.347	0.654	0.579	0.240
2014	0.625	0.336	0.480	0.740	0.347	0.654	0.582	0.240
2015	0.625	0.336	0.480	0.740	0.440	0.654	0.632	0.240
2016	0.625	0.331	0.520	0.740	0.440	0.654	0.653	0.240
2017	0.625	0.331	0.520	0.740	0.440	0.654	0.608	0.240

## Notes:

(1) Tax rates are per \$100 of assessed value.

(2) The County does not collect personal property taxes for the Cities or Towns.

(3) Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.

(4) During fiscal years 2000 through 2004, the Town of Upper Marlboro did not collect town taxes.

Table 8

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

<u>Taxpayer</u>	<b>2017</b>					
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total County Taxable Assessed Value</b>
Potomac Electric Power Co.	\$ 638,663,220	1	2.11%	\$ 408,070,450	2	1.76%
Gaylord National, LLC	596,270,566	2	1.97%	175,619,200	6	0.76%
National Harbor, LLC	477,716,582	3	1.58%			
Verizon Maryland	281,655,140	4	0.93%	388,721,010	3	1.68%
Empirian Village of Maryland, LLC	274,809,530	5	0.91%			
Washington Gas Light Company	258,974,520	6	0.85%	211,925,358	4	0.92%
JKC Stadium (FedEx Field)	208,927,300	7	0.69%	184,912,132	5	0.80%
Terrapin Row Prop Owners LLC	199,791,601	8	0.66%			
Greenbelt Homes, Incorporated	198,096,200	9	0.65%	138,604,603	7	0.60%
Baltimore Gas and Electric Co.	180,785,370	10	0.60%	133,597,130	8	0.58%
Zell, Samuel TRS				112,316,399	10	0.49%
Silver Oaks Campus LLC				115,463,500	9	0.50%
Mirant Chalk Point LLC				486,861,570	1	2.10%

Notes:

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

TABLE 9

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	777,425,089	770,467,248	99.35	6,461,305	776,928,553	99.93
2009	903,375,110	897,803,030	99.35	4,911,241	902,714,271	99.92
2010	1,001,271,795	995,260,491	99.38	5,346,409	1,000,606,900	99.93
2011	987,400,083	981,984,336	99.40	4,630,688	986,615,024	99.10
2012	869,334,583	866,278,838	99.45	2,180,545	868,459,383	99.89
2013	803,094,590	798,920,671	99.64	2,940,104	801,860,775	99.83
2014	778,008,663	773,446,612	99.48	3,055,449	776,502,061	99.84
2015	791,690,172	787,981,697	99.41	1,894,548	789,876,245	99.80
2016	853,046,726	852,874,411	99.98	(3,645,426)	849,228,985	99.58
2017	909,650,941	905,652,881	99.98	-	905,652,882	99.56

## Notes:

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

Table 10

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Delinquent Taxes and Service Charges Receivable - By Fund**  
**As of June 30, 2017**

General Fund									
Delinquent taxes by year	Unincorporated					Total			
	Real <u>Property</u>	Business Personal <u>Property</u>	Railroads and Public <u>Utilities</u>	Corporate Personal <u>Property</u>		General			
Fund									
Year ended									
June 30:									
2017	\$ 2,246,469	71,906	708	1,528,555		3,847,638			
2016	1,633,980	36,732	22	668,245		2,338,979			
2015	1,269,604	28,127	-	464,534		1,762,265			
2014	1,080,835	15,870	-	367,587		1,464,292			
2013	962,703	6,565	-	234,402		1,203,670			
2012	633,043	13,610	72	201,140		847,865			
2011	554,924	6,205	8	200,310		761,447			
2010	470,947	10,375	41	165,476		646,839			
2009	423,373	7,308	-	211,735		642,416			
2008 and prior	1,792,141	2,204,726	206	780,750		4,777,823			
	<u>\$ 11,068,019</u>	<u>2,401,424</u>	<u>1,057</u>	<u>4,822,734</u>		<u>18,293,234</u>			

Agency Funds							Enterprise Funds		
Delinquent taxes by year	Maryland-National Capital Park and Planning		Washington Suburban Sanitary	Incorporated	Washington Suburban Transit		Total Agency Funds	Stormwater Management Fund	Total All Funds
	State <u>Commission</u>	Commission	Commission	Towns	Commission	Special	Funds	Fund	Funds
Year ended									
June 30:									
2017	\$ 146,267	885,934	33,676	102,793	80,540	1,998,912	3,248,122	150,420	7,246,180
2016	90,776	434,434	19,814	89,532	40,038	-	674,594	75,308	3,088,881
2015	57,727	281,749	16,153	57,221	27,174	-	440,024	51,662	2,253,951
2014	50,602	231,174	16,348	42,504	22,251	-	362,879	42,309	1,869,480
2013	36,709	160,383	18,094	40,199	15,225	-	270,610	30,145	1,504,425
2012	36,433	144,277	21,973	34,341	13,931	-	250,955	27,335	1,126,155
2011	26,398	123,902	19,723	24,863	11,979	-	206,865	23,612	991,924
2010	17,757	94,221	16,167	16,372	9,258	-	153,775	18,056	818,670
2009	177,359	94,172	11,806	11,687	9,267	-	304,291	18,424	965,131
2008 and prior	84,751	961,943	54,834	99,306	99,835	-	1,300,669	199,860	6,278,352
	<u>\$ 724,779</u>	<u>3,412,189</u>	<u>228,588</u>	<u>518,818</u>	<u>329,498</u>	<u>1,998,912</u>	<u>7,212,784</u>	<u>637,131</u>	<u>26,143,149</u>

Table 11

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

Fiscal Year	General Bonded Debt				Other Governmental Activities Debt			
	General Obligation Bonds (1)	LGIT GOB	Maryland CDA Infrastructure Bonds	Certificates of Participation	HUD Section 108 Notes	Maryland Industrial Land Act Loans	Other Loans	Capital Leases
2008	1,074,343,312	6,675,000	796,500	55,351,920	6,801,000	262,720	3,760,309	-
2009	1,012,942,759	5,490,000	739,300	42,384,528	6,361,000	238,154	2,643,957	2,764,699
2010	1,032,870,640	4,235,000	679,600	28,935,874	5,893,000	211,859	1,466,254	2,764,699
2011	1,058,301,880	2,905,000	617,300	34,717,732	5,395,000	183,713	982,088	10,664,091
2012	1,076,197,571	1,495,000	552,600	59,875,481	4,907,000	153,586	-	6,491,697
2013	1,356,817,910	-	484,300	51,777,027	4,636,000	121,336	-	19,365,264
2014	1,268,290,559	-	413,300	83,039,920	4,347,000	86,817	-	29,738,883
2015	1,385,801,745	-	339,000	72,116,502	4,038,000	49,867	-	41,572,611
2016	1,409,794,524	-	261,200	61,740,000	3,716,000	-	-	41,962,400
2017	1,293,151,310	-	-	51,505,000	2,295,000	-	1,418,480	61,140,500

Fiscal Year	Business-Type Activities				Capital Leases	Total Primary Government	Percentage of	
	General Obligation Bonds (1)	Revenue Bonds	Certificates of Participation (2)	WSSC Loans			Personal Income	Per Capita
2008	84,531,033	16,747,810	687,929	1,420,000	-	1,251,377,533	3.79%	1,506.75
2009	79,350,231	12,028,800	482,209	745,000	-	1,166,170,637	3.51%	1,397.35
2010	84,285,855	7,083,800	266,208	-	-	1,168,692,789	3.41%	1,349.99
2011	108,816,464	5,042,425	39,326	-	-	1,227,665,019	3.50%	1,404.58
2012	126,235,054	2,934,277	-	-	19,419	1,278,861,685	3.32%	1,451.38
2013	192,949,424	758,943	-	-	10,090	1,626,920,294	4.22%	1,827.83
2014	182,450,700	385,998	-	-	-	1,568,753,177	3.90%	1,734.52
2015	198,374,541	-	-	-	-	1,702,292,266	4.17%	1,871.61
2016	187,832,633	-	6,480,279	-	-	1,711,787,036	4.08%	1,885.13
2017	176,434,056	-	6,193,448	-	-	1,592,137,794	n.a..	n.a..

(1) Amounts are net of related premiums, discounts, and adjustments.

(2) Amounts include the 2016 solid waste lease purchase agreement and 2017 lease purchase agreement related to solid waste.



Table 12

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

Fiscal Year	Governmental-Type Activities		Business-Type Activities	Total	Percentage of Actual Property Value	Per Capita
	General Obligation Bonds (1)	LGIT General Obligation Bonds	General Obligation Bonds (1)			
2008	1,074,343,312	6,675,000	84,531,033	1,165,549,345	1.37%	1,403.41
2009	1,012,942,759	5,490,000	79,350,231	1,097,782,990	1.07%	1,315.40
2010	1,032,870,640	4,235,000	84,285,855	1,121,391,495	1.07%	1,295.35
2011	1,058,301,880	2,905,000	108,816,464	1,170,023,344	1.18%	1,338.63
2012	1,076,197,571	1,495,000	126,235,054	1,203,927,625	1.40%	1,366.33
2013	1,356,817,910	-	192,949,424	1,549,767,334	1.94%	1,741.15
2014	1,268,290,559	-	182,450,700	1,450,741,259	1.88%	1,604.04
2015	1,385,801,745	-	198,374,541	1,584,176,286	2.00%	1,741.74
2016	1,409,794,524	-	187,832,633	1,597,627,157	1.92%	1,759.41
2017	1,293,151,310	-	176,434,056	1,469,585,366	1.63%	n.a.

(1) Amounts are net of related premiums, discounts, and adjustments.

Table 13

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2017**

<b>Governmental Unit:</b>	<u>Debt Outstanding</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
Prince George's County:			
County Government	\$ 1,409,510,290 (1)	100.00%	\$ 1,409,510,290
Overlapping areas:			
Maryland-National Capital Park and Planning Commission	61,061,181	0%	-
Washington Suburban Sanitary Commission	773,164,043	0%	-
Underlying towns and cities within the County	41,576,030	0%	-
<b>Component Unit:</b>			
IDA of PG County lease revenue bonds	40,045,000	100.00%	40,045,000
Total Direct and Overlapping Debt	<u>\$ 2,325,356,544</u>		<u>\$ 1,449,555,290</u>

(1) Includes bonds, notes, certificates of participation, loans, and capital leases of governmental activities. Amounts are net of related premiums, discounts, and adjustments.

Table 14

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2017**

	Gross debt <u>principal amount</u> <sup>(9)</sup>	Self-supporting <u>debt</u>	Net debt <u>principal amount</u>
Direct debt:			
Primary government:			
General obligation bonds:			
General purpose	\$ 898,012,035	-	898,012,035
Stormwater management	137,098,650	137,098,650 <sup>(1)</sup>	-
Solid waste management system	33,142,545	33,142,545 <sup>(2)</sup>	-
School facilities surcharge - supported	270,251,443	270,251,443 <sup>(3)</sup>	-
Telecommunications - supported	18,731,670	18,731,670 <sup>(4)</sup>	-
Mass transit	<u>6,968,657</u>	<u>6,968,657</u> <sup>(5)</sup>	<u>-</u>
Total direct debt	<u>1,364,205,000</u>	<u>466,192,965</u>	<u>898,012,035</u>
Overlapping debt:			
Other governmental units:			
Maryland-National Capital Park and Planning Commission general obligation bonds	61,061,181	61,061,181 <sup>(6)</sup>	-
Washington Suburban Sanitary Commission	773,164,043	773,164,043	-
Underlying towns and cities within the County	41,576,030	41,576,030 <sup>(7)</sup>	-
Component unit:			
Industrial Development Authority of Prince George's County lease revenue bonds	<u>40,045,000</u>	<u>-</u> <sup>(8)</sup>	<u>40,045,000</u>
Total overlapping debt	<u>915,846,254</u>	<u>875,801,254</u>	<u>40,045,000</u>
Total direct and overlapping debt	<u>\$ 2,280,051,254</u>	<u>1,341,994,219</u>	<u>938,057,035</u>

## Notes:

(1) The debt service payments on bonds issued by the County for stormwater management facilities are supported by a special ad valorem tax and, accordingly, such bonds are considered self-supporting.

(2) County solid waste bonds are repaid from user charges.

(3) Debt service payments on a portion of the school construction bonds are supported by the school facilities surcharge on new residential construction. This portion is considered self-supporting.

(4) Debt service payments on the bonds issued for School Renovation Projects are supported by the Telecommunication Tax, levied on telecommunication service in the county.

(5) These bonds are a liability of the Washington Suburban Transit Commission. The Washington Suburban Transit Commission reimburses the debt service payments on bonds issued by the County for mass transit projects and, accordingly, such bonds are considered self-supporting.

(6) At June 30, 2012, the County was contingently liable as guarantor on these bonds issued by the Maryland-National Capital Park and Planning Commission.

(7) The debt issued by the towns and cities within the County is supported by the revenue sources of the respective towns and cities.

(8) Debt service costs for the 1994A Lease Revenue Bonds are reimbursed to the County by the State of Maryland pursuant to a lease agreement relating to the Hyattsville Multi-Service Center.

(9) Amounts do not include related premiums, discounts, and adjustments.

Table 15

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

**Legal Debt Margin Calculation for Fiscal Year 2017:**

<b>Assessable base of Real Property</b>	\$ 86,941,639,900
<b>Assessable base of Personal Property</b>	3,208,418,700
<b>Debt limit (a total of 6% Real property &amp; 15% of Personal property)</b>	5,697,761,199
<b>Debt applicable to limit:</b>	
<b>General obligation bonds</b>	898,012,035
<b>Total net debt applicable to limit</b>	898,012,035
<b>Legal debt margin</b>	4,799,749,164

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Assessable Base - Real property	\$ 82,244,049,810	\$ 99,986,180,539	\$ 102,512,190,089	\$ 96,199,089,410	\$ 83,404,281,380	\$ 76,633,200,500	\$ 74,563,618,491	\$ 76,307,098,100	\$ 80,392,825,800	\$ 86,941,639,900
Assessable Base - Personal property and operating real property	2,818,422,362	2,654,348,827	2,782,745,819	2,749,268,420	2,713,325,370	3,204,672,974	2,755,349,219	2,905,626,768	3,008,566,730	3,208,418,700
Debt limit - Percentage of Assessable Base: Debt limit (a total of 6% of Real Property Assessable base and 15% of Personal Property Assessable base).	5,357,406,343	6,397,323,156	6,568,143,278	6,184,335,628	5,411,255,688	5,078,692,976	4,887,119,492	5,014,269,901	5,274,854,558	5,697,761,199
Total net debt applicable to limit	<u>1,020,223,283</u>	<u>963,055,594</u>	<u>701,045,978</u>	<u>711,514,526</u>	<u>713,200,331</u>	<u>899,514,499</u>	<u>844,289,449</u>	<u>944,926,424</u>	<u>968,882,035</u>	<u>898,012,035</u>
Legal debt margin	<u>\$ 4,337,183,060</u>	<u>\$ 5,434,267,562</u>	<u>\$ 5,867,097,300</u>	<u>\$ 5,472,821,102</u>	<u>\$ 4,698,055,357</u>	<u>\$ 4,179,178,477</u>	<u>\$ 4,042,830,043</u>	<u>\$ 4,069,343,477</u>	<u>\$ 4,305,972,523</u>	<u>\$ 4,799,749,164</u>
Total net debt applicable to the limit as a percentage of debt limit	19.04%	15.05%	10.67%	11.51%	13.18%	17.71%	17.28%	18.84%	18.37%	15.76%

Notes:

1) Prior to fiscal year 2002, real property had been assessed at 40% of the phased-in market value, and personal property at 100% of market value. The debt limit was 15% of the total assessed value. Effective fiscal 2002, the real property is assessed at 100% of the phased-in market value. Therefore, effective in fiscal year 2002, the debt limit is a total of 6% of the real property assessable base and 15% of the personal property assessable base.

Table 16

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

Primary Government (1)							Component Units (1)					
Fiscal Year	Total Revenues (2)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage	Total Revenues (2)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest (4)					Principal	Interest (4)	
2008	90,150,726	81,910,241	8,240,485	4,498,391	901,821	1.53	7,114,384	9,740	7,104,644	2,681,618	4,301,679	1.02
2009	90,038,702	82,890,321	7,148,381	4,719,010	683,014	1.32	6,781,700	12,524	6,769,176	2,454,034	4,273,567	1.01
2010	93,076,593	79,534,255	13,542,338	4,945,000	453,396	2.51	6,829,328	13,145	6,816,183	2,482,842	4,255,642	1.01
2011	92,447,372	80,517,079	11,930,293	2,041,375	220,568	5.27	7,877,002	18,205	7,858,797	1,877,068	5,493,438	1.07
2012	91,620,951	84,288,431	7,332,520	2,108,148	157,476	3.24	7,873,840	18,878	7,854,962	2,259,349	5,522,879	1.01
2013	92,564,690	82,820,258	9,744,432	2,175,333	88,014	4.31	7,878,061	18,563	7,859,498	4,615,000	3,170,292	1.01
2014	91,655,085	81,336,092	10,318,993	372,945	16,899	26.47	7,867,809	18,500	7,849,309	4,805,000	3,062,800	1.00
2015	92,897,601	82,056,019	10,841,582	385,998	6,305	27.64	7,872,234	18,563	7,853,671	5,025,000	3,065,464	0.97
2016	96,169,647	87,936,833	8,232,814	-	-		7,897,893	18,500	7,879,393	5,265,000	2,829,368	0.97
2017	98,448,257	92,471,059	5,977,198	-	-		7,866,378	8,510	7,857,868	5,510,000	2,360,290	1.00

(1) The Primary Government's debt is comprised of revenue bonds of the Solid Waste Enterprise Fund. The Component Units include revenue bonds of the Industrial Development Authority of Prince George's County. The first bond issues of these entities were on December 1, 1990 and September 1, 1987, respectively. The Solid Waste Enterprise bonds were paid in full in December 2015.

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

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

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

Table 17

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

<b>Fiscal year</b>	<b>Net revenues available for debt service (1)</b>				<b>Net debt service requirements</b>			<b>Coverage</b>		
	<b>Gross revenues (2)</b>	<b>Operating expenses (3)</b>	<b>Net revenues available for debt service</b>	<b>Cash balances available for debt service (4)</b>	<b>Principal</b>	<b>Interest (5)</b>	<b>Total</b>	<b>Gross (6)</b>	<b>Net (7)</b>	<b>Net alternative (8)</b>
2008	84,240,272	64,034,265	20,206,007	109,795,144	4,498,391	901,821	5,400,212	15.60	3.74	20.33
2009	86,550,100	66,452,151	20,097,949	101,193,079	4,719,010	683,014	5,402,024	16.02	3.72	18.73
2010	93,122,207	64,057,763	29,064,444	113,001,227	4,945,000	453,396	5,398,396	17.25	5.38	20.93
2011	92,402,715	63,943,106	28,459,609	112,924,596	2,041,375	220,568	2,261,943	40.85	12.58	49.92
2012	91,651,787	67,660,904	23,990,883	106,135,079	2,108,148	157,476	2,265,624	40.45	10.59	46.85
2013	92,552,052	70,106,124	22,445,928	108,817,130	2,175,333	88,014	2,263,347	40.89	9.92	48.08
2014	92,020,057	63,998,949	28,021,108	118,214,793	372,945	16,899	389,845	236.04	71.88	303.24
2015	92,897,601	65,113,510	27,784,091	122,529,149	385,998	6,305	392,303	236.80	70.82	312.33
2016	96,169,647	71,958,454	24,211,193	119,597,798	-	-	-	0.00	0.00	0.00
2017	98,448,257	74,336,986	24,111,271	122,516,122	-	-	-	0.00	0.00	0.00

## Notes:

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

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

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

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

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

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

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

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

Table 18

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

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita personal Income (2)</u>	<u>Civilian Labor Force (3)</u>	<u>Unemployment Rate (3)</u>	<u>Registered pupils (4)</u>
2007	832,699	31,753,583	37,361	448,144	3.7	131,014
2008	830,514	33,026,742	38,847	454,201	4.5	129,752
2009	834,560	33,227,622	38,810	452,754	7.1	127,977
2010	865,705	34,302,938	39,647	462,138	7.7	127,039
2011	874,045	35,036,640	40,215	466,787	7.2	126,671
2012	881,138	38,481,250	43,672	469,150	6.8	123,833
2013	890,081	38,595,921	43,362	467,318	6.9	123,737
2014	904,430	40,215,913	44,465	469,359	6.2	125,136
2015	909,535	40,806,805	44,866	495,449	4.7	127,576
2016	908,049	41,922,938	46,168	498,002	4.4	128,936

## Notes:

(1) Population estimates for 2010 - 2016 are from the U.S. Bureau of the Census, updated July 1, 2016. Estimates for 2017 are not available.

(2) Bureau of Economic Analysis, U.S. Department of Commerce, updated November 16, 2017.

(3) Maryland Department of Labor, Career and Workforce Information, updated June 2016.

(4) [www.mdreportcard.org](http://www.mdreportcard.org), updated 6/29/2016.

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

**Table 19**

	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
<b><u>Private Sector Employer</u></b>						
United Parcel Service	3,000	1	0.60%	4,220	2	1.35%
MGM National Harbor	2,830	2	0.57%			
Inovalon (MedAssurant)	2,500	3	0.50%			
Dimensions Healthcare System	2,400	4	0.48%	2,500	4	0.80%
Marriott International	2,200	5	0.44%			
Verizon	1,800	6	0.36%	2,738	3	0.88%
Melwood	1,400	7	0.28%			
Doctor's Community Hospital	1,300	8	0.26%			
MedStar Health Southern Maryland Hospital Center	1,240	9	0.25%			
Crosby Corporation	1,000	10	0.20%			
Safeway **				2,400	5	0.77%
Giant Food **				5,394	1	1.73%
Target **				1,400	8	0.45%
Shoppers Food Warehouse **				1,975	6	0.63%
Southern MD Hospital Center				1,300	9	0.42%
Chevy Chase Bank				1,456	7	0.47%
Computer Science Corporation				1,200	10	0.38%
<b><u>Public Sector Employers</u></b>						
University System of Maryland 1/	18,780	1		12,454	3	
Joint Base Andrews Naval Air Facility Washington*	17,500	2		15,000	2	
U.S. Internal Revenue Service*	4,735	3		5,539	5	
United States Census Bureau*	4,605	4		4,158	6	
NASA/Goddard Space Flight Center*	3,000	5		3,083	7	
Prince George's Community College	2,170	6		1,863	9	
National Maritime Intelligence-Integration Office*	1,890	7				
US Department of Agriculture	1,725	8				
National Oceanic and Atmospheric Administration*	1,375	9				
Adelphi Laboratory Center*	1,235	10				
USDA - Beltsville Agricultural Research Center				1,700	10	
Prince George's County Public Schools				18,888	1	
Prince George's County Government				6,889	4	
University of Maryland University College (UMUC)				2,618	8	

**Notes:**

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

\* Employee counts for federal and military facilities exclude contractors.

Sources: Economic development agencies statewide and Maryland Department of Business and Economic Development, revised October 2015.

1/ Includes UMCP, UMUC and Bowie State University.

\*\* National Retail and Food Service Chains have been excluded.



Table 20

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

<u>Function/Agency</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>4</sup></u>
General Government										
County Executive	48	48	46	45	45	45	45	45	45	45
County Council	111	113	103	101	108	112	114	121	113	157
Human Relations Commission <sup>3</sup>	12	15	13	13	11	11	11	11	-	-
Office of Ethics and Accountability	-	-	-	-	-	4	4	4	4	4
Personnel Board	2	2	2	2	2	2	2	2	2	2
Circuit Court	124	130	130	130	130	130	130	130	135	136
Orphans' Court	6	6	6	6	6	6	6	6	6	6
Citizen Complaint Oversight Panel	2	2	1	1	1	1	1	1	1	1
Office of Finance	75	76	74	73	67	67	67	67	67	67
Office of Community Relations <sup>3</sup>	26	26	26	38	35	50	65	65	65	65
Office of Management and Budget	27	27	27	26	25	25	25	24	24	25
Board of License Commissioners	7	7	7	7	7	7	7	7	7	8
Office of Law	60	61	60	60	54	54	54	54	54	55
Office of Human Resources Management	69	70	70	70	66	65	65	65	65	65
Office of Info. Tech. & Communications	0	0	0	0	0	0	0	0	-	-
Board of Elections	18	19	19	19	18	18	18	18	18	18
Office of Central Services	182	182	178	170	151	154	158	162	167	171
<b>Subtotal</b>	<b>769</b>	<b>784</b>	<b>762</b>	<b>761</b>	<b>726</b>	<b>751</b>	<b>772</b>	<b>782</b>	<b>773</b>	<b>825</b>
Public Safety										
Office of the State's Attorney	151	154	152	149	151	167	169	169	175	178
Police Department	2056	2132	2123	2122	2097	2097	2095	2095	2,096	2,096
Fire/EMS Department	833	849	837	846	848	887	892	920	938	958
Office of the Sheriff	338	347	342	335	333	340	342	342	344	347
Department of Corrections	630	646	637	644	639	640	640	640	640	640
Office of Homeland Security	204	214	214	211	210	211	211	211	211	215
<b>Subtotal</b>	<b>4,212</b>	<b>4,342</b>	<b>4,305</b>	<b>4,307</b>	<b>4,278</b>	<b>4,342</b>	<b>4,349</b>	<b>4,377</b>	<b>4,404</b>	<b>4,434</b>
Environment										
Soil Conservation District	13	13	13	13	13	13	13	15	15	15
Department of the Environment <sup>1</sup>	264	263	250	251	236	156	65	61	113	113
<b>Subtotal</b>	<b>277</b>	<b>276</b>	<b>263</b>	<b>264</b>	<b>249</b>	<b>169</b>	<b>78</b>	<b>76</b>	<b>128</b>	<b>128</b>
Human Service										
Department of Public Works & Transportation	288	333	329	319	294	294	249	254	254	254
Department of Permitting, Inspections, and Enforcement <sup>2</sup>	-	-	-	-	-	-	279	279	285	287
Housing & Community Development	22	22	22	21	18	22	22	27	28	27
<b>Subtotal</b>	<b>310</b>	<b>355</b>	<b>351</b>	<b>340</b>	<b>312</b>	<b>316</b>	<b>550</b>	<b>560</b>	<b>567</b>	<b>568</b>
Infrastructure and Development										
Department of Family Services	28	28	28	31	28	27	16	15	17	18
Health Department	291	302	289	261	238	242	231	193	193	198
Department of Social Services	14	15	15	14	14	15	15	15	15	20
<b>Subtotal</b>	<b>333</b>	<b>345</b>	<b>332</b>	<b>306</b>	<b>280</b>	<b>284</b>	<b>262</b>	<b>223</b>	<b>225</b>	<b>236</b>
<b>Grand Total</b>	<b>5,901</b>	<b>6,102</b>	<b>6,013</b>	<b>5,978</b>	<b>5,845</b>	<b>5,862</b>	<b>6,011</b>	<b>6,018</b>	<b>6,097</b>	<b>6,191</b>

Source: Office of Management and Budget Current Expense Budget

<sup>1</sup> Prior to fiscal year 2015 the department name was the Department of Environmental Resources.

<sup>2</sup> New agencies created in fiscal year 2013 and assumed some of the duties previously assigned to the Department of Environmental Resources.

<sup>3</sup> Fiscal year 2016, the Human Relations Commission was renamed Office of Community Relations.

<sup>4</sup> The County revised its functional categories in fiscal year 2014. Fiscal years 2008 through 2016 subtotals are restated to reflect the revised categories. The following represents changes to expenditures categories from 2005-2012. General Government no longer includes States Attorney, Soil Conservation, Department of Family Services, and Department of Housing and Community Development. Public safety added State's Attorney and dropped Department of the Environment. Environment added Department of the Environment and Soil Conservation. Health and Human Services (Health and Public Welfare - Department of Social Services) merged categories with the Department of Family Services. Infrastructure added the new Department of Permitting, Inspections, and Enforcement and Department of Housing and Community Development to the existing Public Works (Department of Public Works and Transportation) Category.

Table 20

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

<u>Function/Agency</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017<sup>4</sup></u>
General Government										
County Executive	48	48	46	45	45	45	45	45	45	45
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Human Relations Commission <sup>3</sup>	12	15	13	13	11	11	11	11	-	-
Office of Ethics and Accountability	-	-	-	-	-	4	4	4	4	4
Personnel Board	2	2	2	2	2	2	2	2	2	2
Circuit Court	124	130	130	130	130	130	130	130	135	136
Orphans' Court	6	6	6	6	6	6	6	6	6	6
Citizen Complaint Oversight Panel	2	2	1	1	1	1	1	1	1	1
Office of Finance	75	76	74	73	67	67	67	67	67	67
Office of Community Relations <sup>3</sup>	26	26	26	38	35	50	65	65	65	65
Office of Management and Budget	27	27	27	26	25	25	25	24	24	25
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Office of Law	60	61	60	60	54	54	54	54	54	55
Office of Human Resources Management	69	70	70	70	66	65	65	65	65	65
Office of Info. Tech. & Communications	0	0	0	0	0	0	0	0	-	-
Board of Elections	18	19	19	19	18	18	18	18	18	18
Office of Central Services	182	182	178	170	151	154	158	162	167	171
<b>Subtotal</b>	<b>769</b>	<b>784</b>	<b>762</b>	<b>761</b>	<b>726</b>	<b>751</b>	<b>772</b>	<b>782</b>	<b>773</b>	<b>825</b>
Public Safety										
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Office of Homeland Security	204	214	214	211	210	211	211	211	211	215
<b>Subtotal</b>	<b>4,212</b>	<b>4,342</b>	<b>4,305</b>	<b>4,307</b>	<b>4,278</b>	<b>4,342</b>	<b>4,349</b>	<b>4,377</b>	<b>4,404</b>	<b>4,434</b>
Environment										
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Department of the Environment <sup>1</sup>	264	263	250	251	236	156	65	61	113	113
<b>Subtotal</b>	<b>277</b>	<b>276</b>	<b>263</b>	<b>264</b>	<b>249</b>	<b>169</b>	<b>78</b>	<b>76</b>	<b>128</b>	<b>128</b>
Human Service										
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Department of Permitting, Inspections, and Enforcement <sup>2</sup>	-	-	-	-	-	-	279	279	285	287
Housing & Community Development	22	22	22	21	18	22	22	27	28	27
<b>Subtotal</b>	<b>310</b>	<b>355</b>	<b>351</b>	<b>340</b>	<b>312</b>	<b>316</b>	<b>550</b>	<b>560</b>	<b>567</b>	<b>568</b>
Infrastructure and Development										
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Department of Social Services	14	15	15	14	14	15	15	15	15	20
<b>Subtotal</b>	<b>333</b>	<b>345</b>	<b>332</b>	<b>306</b>	<b>280</b>	<b>284</b>	<b>262</b>	<b>223</b>	<b>225</b>	<b>236</b>
<b>Grand Total</b>	<b>5,901</b>	<b>6,102</b>	<b>6,013</b>	<b>5,978</b>	<b>5,845</b>	<b>5,862</b>	<b>6,011</b>	<b>6,018</b>	<b>6,097</b>	<b>6,191</b>

Source: Office of Management and Budget Current Expense Budget

<sup>1</sup> Prior to fiscal year 2015 the department name was the Department of Environmental Resources.

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Table 21

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

<u>Agency/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>estimated 2016</u>	<u>projected 2017</u>
Circuit Court										
Criminal cases filed	7,823	7,907	8,783	8,684	8,191	9,299	8,033	6,414	7,960	7,942
Juvenile cases filed or reopened	2,301	2,633	2,242	2,079	2,038	1,984	1,410	1,162	1,429	1,319
Office of the Sheriff										
Number of warrants on file	42,063	48,307	53,703	48,433	45,770	43,599	41,299	39,737	38,000	36,000
Number of domestic related documents served	9,514	7,496	6,410	7,673	10,013	10,567	10,520	9,870	10,900	11,400
Department of Corrections										
Average daily Correctional Center population	1,462	1,461	1,229	1,175	1,200	n/a	n/a	n/a	1,103	1,000
Number of inmate court appearances	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Police Department										
Number of calls for service	700,000	676,662	807,592	746,486	616,180	615,000	613,000	611,000	657,100	657,200
Number of documented property crimes	36,457	30,714	31,011	27,757	25,816	24,100	23,800	23,200	18,700	18,700
Fire/EMS Department										
Number of fire calls for service	25,252	24,625	21,737	22,593	24,196	23,765	23,934	24,000	20,000	20,000
Office of Homeland Security										
Annual call volume	1,561,500	1,546,600	1,547,600	1,548,493	1,334,972	1,258,319	1,300,000	1,350,000	1,400,000	1,400,000
Public Works & Transportation										
Road miles maintained	1,818	1,818	1,834	1,841	1,873	1,873	1,874	1,882	1,886	1,890
Street resurfacing (in miles)	30	15	22	22	18	13	27	25	4	4
Department of the Environment										
Abandoned vehicles impounded	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Permits issued by Permits and Review Division	45,000	29,331	24,682	25,775	24,850	26,000	27,000	n/a	n/a	n/a
Soil Conservation District										
Number of new acres covered by completed soil and water quality plans	1,760	1,320	1,300	8,151	3,367	4,881	4,200	4,200	4,000	4,000
Department of Family Services										
Number of people requesting disability information and assistance	1,567	2,667	2,500	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Housing & Community Development										
Number of new units created	781	1,192	1,200	1,839	2,092	2,350	2,350	2,374	2,506	3,173
Department of Social Services										
Total households receiving energy assistance	8,085	9,629	11,483	13,764	11,201	10,536	10,468	9,140	9,336	9,336

Source: Office of Management and Budget Current Expense Budget

Table 22

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

<b><u>Function/Program</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Public Facilities										
District Police Stations	6	6	6	6	6	6	6	6	6	7
Fire and Emergency Rescue Stations	44	44	44	44	44	51	51	51	49	49
Emergency Medical Units	57	57	58	58	60	59	59	59	59	62
Parks/Recreation Facilities (active parks)	564	560	582	583	584	590		595	599	599
Multi-Purpose Senior Centers	8	8	7	7	7	7	8	8	8	6
Libraries	18	18	18	19	19	19	19	19	19	19
Public Schools										
Elementary Schools	142	132	131	131	130	129	135	118	118	122
Middle Schools	32	31	29	29	29	29	29	24	24	24
High Schools	24	30	30	30	30	30	30	32	30	24
Special Centers	12	12	11	9	9	7	7	8	13	13
Department of Public Works and Transportation										
Miles of County-maintained Paved Roads	1,818	1,821	1,834	1,862	1,873	1,873	1,900	1,900	1,900	2000
Signals in Service *	183	266	266	267	259	260	249	261	263	293

\* Added signal beacons for 2017

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

<https://www.princegeorgescountymd.gov/288/Our-Stations>

Source: Office of Management and Budget Current Expense Budget

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