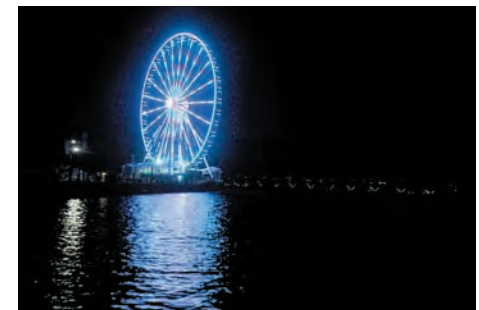




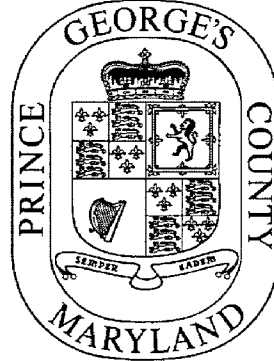
Comprehensive Annual Financial Report

For the Year Ending June 30, 2014

Rushern L. Baker, III
County Executive

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

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



2013 - 2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

Prepared by Office of Finance

Gail D. Francis

Director of Finance

INTRODUCTORY SECTION

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

**Prince George's County, Maryland
Comprehensive Annual Financial Report
Year Ended June 30, 2014**



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ELECTED OFFICIALS



COUNTY EXECUTIVE
Rushern L. Baker, III

Mel Franklin
COUNTY COUNCIL
Chairman

Will A. Campos
Derrick Leon Davis
Andrea C. Harrison
Mary A. Lehman

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

CERTAIN OTHER EXECUTIVE BRANCH APPOINTED OFFICIALS

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

M. Andree Green, County Attorney

Victor L. Hoskins, Deputy Chief Administrative Officer

Gail D. Francis, Director of Finance

Barry L. Stanton, Deputy Chief Administrative Officer

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

INDEPENDENT AUDITORS

CliftonLarsonAllen LLP



Rushern L. Baker, III
County Executive



Rushern L. Baker, III
County Executive

Prince George's County Elected Officials



Mel Franklin
Chair, District 9



Will Campos
Vice Chair, District 2



Mary A. Lehman
District 1



Eric Olson
District 3



Ingrid M. Turner
District 4



Andrea Harrison
District 5



Derrick L. Davis
District 6

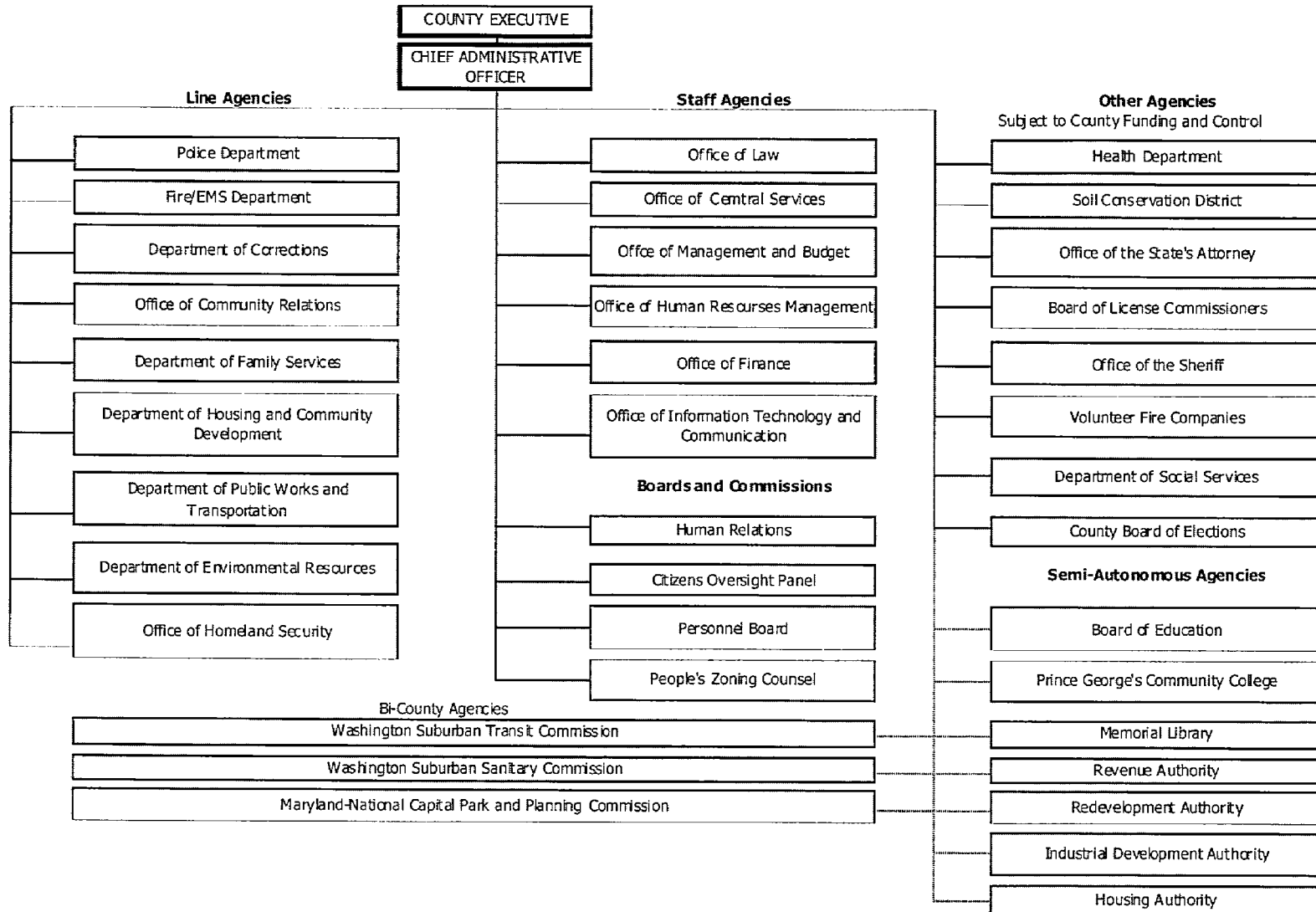


Karen R. Toles
District 7



Obie Patterson
District 8

**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, 2013

Executive Director/CEO

The Honorable County Council,
County Executive, and County Citizens

Prince George's County,
Maryland



Office of Finance
Gail D. Francis, Director

March 13, 2015

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

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Prince George's County (the County) for the fiscal year ended June 30, 2014 required by local ordinances and state statutes. These ordinances and statutes stipulate that the County annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a way that presents fairly the financial position and results of operations of the governmental and business-type activities, various funds, and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

The Honorable County Council,
County Executive, and County Citizens

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

THE REPORTING ENTITY AND ITS SERVICES

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

The Washington Suburban Sanitary Commission (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, Economic Development Corporation, and the Local Government Insurance Trust are deemed to be neither component units, nor joint venture activities as such, and accordingly are excluded from this report.

The services provided by the Primary Government include police, fire and emergency services, health and human services, family and environmental service programs, public works, and court and correctional services. The Primary Government also adopts and maintains building codes, regulates licenses and permits, collects taxes and revenue, maintains records, conducts elections, and collects, 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.

The Honorable County Council,
County Executive, and County Citizens

GOVERNMENTAL STRUCTURE AND DEMOGRAPHICS

Prince George's County, Maryland - a body corporate and politic - is a political subdivision of the State of Maryland, which operates under a "home rule" Charter which was adopted in November 1970. The powers of the County are contained in the Charter of Prince George's County, Maryland (the "Charter") and in the Constitution and laws of the State of Maryland. 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 Swansons Creeks on the south to the Pennsylvania line on the north, thus encompassing the area which today is comprised of the District of Columbia, Montgomery, Frederick, Washington, Allegany, and Garrett Counties, the northwest half of Carroll County, and that part of Charles County lying north of Mattawoman Creek. Named for Prince George of Denmark, husband of Princess Anne, heir to the throne of England, our County was founded in 1696. Between 1696 and 1800, Prince George's County was reduced to its present size by acts of Maryland's General Assembly.

Prince George's County encompasses 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 nearly 890,081 residents and more than 16,000 businesses to its twenty-seven unique municipalities. Having a robust transportation system allows easy accessibility to the region's national and international airports and to the Port of Baltimore.

The Honorable County Council,
County Executive, and County Citizens

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

MAJOR INITIATIVES

In fiscal year 2014, the Prince George's County Government continued to be faced with challenging economic times. The impact from the ups and downs of real property assessed values and associated weakening of other segments of the economy continue to impact the County's revenue stream causing reductions in funding to County agencies. With that said, the County had to be fiscally prudent and make critical investments to maintain its commitment to quality services across all levels – education, public safety, health/human services, transportation, environmental, economic development and community revitalization. The County Executive's Path to Greatness vision provides the basis for the spending priorities, while the fiscal policies provide the balance between accomplishing these spending priorities within the framework of sound financial management policies and practices. These policies are the foundation of both short-term and long-term planning decisions. The Transforming Neighborhoods Initiative (TNI) prioritizes spending and targets resources to our most vulnerable areas of the County while still providing resources to our most vulnerable citizens. It means to strengthen and expand our economy – commercial property base, job base, and income base – to provide additional resources for major priorities – education and public safety. It means to provide quality healthcare and effective human services. It means to continue along the Path to Greatness to transform Prince George's County into a major force in the economic development world from both a regional and national perspective.

The County's commitment to programs and services has improved the quality of life for its citizens and residents. Some of the major investments in the multiple facets of the TNI as contained in the fiscal year 2014 budget are in the areas of Economic Development, Education, Public Safety, Healthcare, Human Services and the Environment.

The Honorable County Council,
County Executive, and County Citizens

Education

Funding to the Board of Education (BOE) was increased in fiscal year 2014 and remains one of the County's major priorities, making up 62.4% of all General Fund spending. The fiscal year 2014 budget included \$1.69 billion to the BOE, an increase of approximately \$23.4 million from fiscal year 2013. A portion of this increase includes approximately \$121.1 million in other funding sources. The total County contribution for fiscal year 2014 to the BOE was approximately \$623.7 million, a decrease of \$9.3 million from fiscal year 2013. The Path to Greatness does not exist unless there is a first-class school system to educate our children. The investments that have been made are beginning to produce academic gains. This positive direction allows our children to have the high-quality educational system that they deserve. A high-performing system will produce both a highly educated and skilled workforce for businesses to recruit from now and in the future. The County's investment in the public school system has helped to ensure that all students are prepared to meet the challenges of an economically competitive, technologically advanced and culturally diverse society.

In fiscal year 2014, the County invested funds in the continued construction of the new Oxon Hill High School replacement, Fairmont Heights High School replacement and Eugene Burroughs Middle School renovations. In fiscal year 2014, the Prince George's Community College received \$106.0 million, an increase of 3.4% from fiscal year 2013. The County's contribution for fiscal year 2014 was \$30.5 million, which is 28.8% of total agency funding. The Community College is a campus under continuous change as evidenced by the number of construction projects underway at the main campus located in Largo, Maryland. Funding included renovations at the College's Facilities Management Building, to upgrade the Campus Fire Alarm System and various infrastructure improvement projects. It completed construction of the new Center for Health Studies, a new 110,075 square foot academic building which will be utilized to develop new allied health programs that will house and attract faculty and other support resources. It also included capital funds to renovate and expand the Queen Anne Academic Center.

Despite spending cuts, the County is fortunate to have one of the best library systems in the State of Maryland. The Prince George's County Memorial Library System received \$27.1 million in fiscal year 2014, an increase of \$1.7 million from fiscal year 2013. The County contribution for fiscal year 2014 was \$18.7 million, an increase of 8.4% from fiscal year 2013. An increase in Fiscal year 2014 funding helped restore Sunday operating hours at three branches. It will contribute to construction of a new Laurel Library and the planning and design for the Hyattsville Branch Library replacement, the New Carrollton Branch Library renovations and various improvement projects.

The Honorable County Council,
County Executive, and County Citizens

Public Safety

Public Safety is a vital aspect of the Path to Greatness and is one of the County's major priorities. It is essential that the extraordinary progress continue in reducing crime and maintaining safe communities. In total, the County invested \$539.3 million in public safety – Police, Fire/EMS, Corrections, Sheriff, Homeland Security and Volunteer Fire – in fiscal year 2014, an increase of nearly \$10.1 million from fiscal year 2013.

The Police Department received the majority of these funds (\$270.8 million). This was an increase of 4.6% from fiscal year 2013 to provide patrol, emergency police response and investigative services to protect the lives and property of County citizens, residents and visitors. The Office of Homeland Security has also played a critical role in improving the safety of our residents. The fiscal year 2014 budget provided \$23.9 million in funds to Homeland Security which was an increase of 2.2% from fiscal year 2013.

The Fire/EMS Department received \$130.9 million in fiscal year 2014, an increase of 14.1%, to assist in the delivery of fire and emergency medical system services to our residents. This reflects a combined funding for Volunteer Fire companies which have been merged within the Volunteer Services Command of the Fire/EMS Department.

In fiscal year 2014, the Department of Corrections received approximately \$66.8 million. The Department of Corrections' budget was decreased by 1.9% from fiscal year 2013. The Office of the Sheriff also experienced a decrease in funding this fiscal year of 1.0% from fiscal year 2013 bringing its fiscal year 2014 funding to \$32.5 million.

Funding for several major public safety capital projects was also included in the fiscal year 2014 budget to include completion of the District 7 police station, the construction of three new police stations, renovations at a new Police Headquarters building and consolidated forensic labs. Corrections completed construction of a new kitchen facility at the Detention Center, renovations at the newly purchased building to house the Work Release facility and renovations on the original 14 housing units that opened in 1987. Under Fire/EMS services, construction will begin on the new Brandywine Fire/EMS and Hyattsville stations and construction of the Shady Glen Fire/EMS and Oxon Hill stations will be completed. It also includes funds to renovate the former 9-1-1 Center into a Combined Communications Center that will serve as an Operations Center during emergencies and as the backup hub for the County's emergency call center.

The Honorable County Council,
County Executive, and County Citizens

Health and Human Services

Another critical component to a thriving community is quality healthcare and effective human services. Despite an overall decrease in County-source funding in these areas from \$31.5 million in fiscal year 2013 to \$29.1 million in fiscal year 2014, overall funding to these agencies increased by 2.3% from fiscal year 2013 for various health and human services programs, including services for the elderly and disabled and also for families and children in need. Funding continued to support the County's Family Crisis Center for intact homeless families, outreach and counseling services for troubled and at risk youth, and the Regional Health and Human Services Center, which will be a new state-of-the-art one-stop full-service health and human service facility.

The Department of Family Services received \$2.6 million in fiscal year 2014, a decrease of \$854,400 from fiscal year 2013. It also received grant revenues of approximately \$16.6 million. Major changes in the fiscal year 2014 grant budget included increased funding for the Nutrition for the Elderly-Congregate Meals grant, new Youthbuild grant, new Project Launch grant, and the new Senior Care grant to provide "Gapfilling" funds for services to seniors that are not available through other means.

The Department of Social Services (DSS) partners with the community to stabilize and strengthen families, protect children and vulnerable adults, and encourage self-sufficiency and personal responsibility. In fiscal year 2014, DSS received \$2.8 million to continue those services, an increase of \$71,000 from fiscal year 2013.

The Health Department received \$20.3 million in fiscal year 2014, a decrease of \$1.9 million of general funding from fiscal year 2013, to continue its mission of protecting and promoting a better quality of life for individuals within Prince George's County. The Health Department received \$50.6 million in grant funding, an increase of approximately \$2.9 million from fiscal year 2013. This increase included funding for the following programs: Recovery Housing for Women, Health Enterprise Zone and Maryland Million Hearts. This funding is also anticipated for the Infants and Toddlers Part B and Drug and Alcohol Prevention programs.

The Honorable County Council,
County Executive, and County Citizens

Another piece of the Path to Greatness and TNI is housing and community development where the goal is to promote and increase the supply of quality affordable housing by creating safe, well-planned and attractive communities to support families and individuals in need. The Department of Housing and Community Development (DHCD) builds and revitalizes homes, businesses and communities for individuals and families of low, moderate, and middle incomes residing and working in the County. This is achieved through the collaborative efforts of DHCD, the Housing Authority of Prince George's County and the Redevelopment Authority of Prince George's County. In fiscal year 2014, the DHCD received \$3.4 million, an increase of \$290,700 from fiscal year 2013. It also received grant funding in the amount of \$92.4 million this fiscal year, an increase of approximately \$4.4 million from fiscal year 2013. Major changes in the fiscal year 2014 approved grant budget include an increase in funding for the National Mortgage Settlement Fund and renewal of the Neighborhood Conservation Initiative (NCI) Program. This funding supports a broad range of physical improvements for those areas of the County designated for redevelopment and revitalization. Major programs support infrastructure improvements, public housing renovations and modernization, handicapped accessibility improvements, employment and educational training, job creation and retention for low and moderate-income people and businesses, health care, and general assistance to immigrants, the elderly and homeless. During fiscal year 2014, the DHCD provided housing subsidies to 5,875 families and funding maintained from fiscal year 2013 to fiscal year 2014 at \$73.8 million in the Section 8 Housing Choice Voucher program.

Economic Development

Economic development is a vital component of the Path to Greatness commitment to ensure a high quality of life and the long-term viability of Prince George's County. In fiscal year 2014, the County invested \$4.5 million in three economic development-related organizations - the Economic Development Corporation, the Prince George's Financial Services Corporation, and the Prince George's County Conference and Visitors Bureau. These groups work to attract, retain and expand businesses, revitalize our established communities, promote the County's tourism activities and provide financial assistance to businesses.

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

The Honorable County Council,
County Executive, and County Citizens

Grant Programs

Grants are used to account for and administer several State and Federal funded programs. These grants support County agency core responsibilities in an effort to provide expanded and/or increased services to Prince George's County citizens and residents. While human service agencies continue to administer the majority of the grants awarded to the County, many grants can be found in other areas such as Public Safety and Criminal/Civil Justice. For example, the Sheriff's Department received approximately \$3.2 million in grant funds this fiscal year, a \$944,400 increase from fiscal year 2013 and includes approximately \$2.3 million for Child Support Enforcement (Cooperative Reimbursement). Other areas receiving the additional funding include approximately \$4.6 million for the Police Department (a \$94,300 increase from the fiscal year 2013 budget and includes nearly \$2.3 million in funding to address violent crime). Major grant increases for fiscal year 2014 include funding for the Office of Homeland Security (a \$1.8 million increase from fiscal year 2013) and the Fire Department (a \$1.3 million increase from fiscal year 2013) for the Urban Areas Security Initiative Grant.

KEY ECONOMIC FACTORS

Property values fell in fiscal year 2014. The assessable value for Group 1 dropped by 10.6% in January 2013, the lowest negative growth rate since fiscal year 2010. Home sales fell 2.6% in fiscal year 2014 compared to fiscal year 2013. Median sales price rose to \$209,000 in fiscal year 2014, up from \$179,800 in fiscal year 2013, indicating stable growth in the housing market. These two factors contributed to an increase in transfer and recordation tax revenues in fiscal year 2014.

Foreclosure events remained high in the County, increasing by 73.7% in fiscal year 2014 for a total of 9,862 events. The County continued to lead the State of Maryland in foreclosure activity, accounting for a fifth of total foreclosure activity. Additionally, the number of foreclosures in fiscal year 2014 increased on a quarterly basis (with the exception of the fourth quarter) from 2,019 in the first quarter to 2,278 in the fourth quarter.

Income tax revenues fell to \$492.3 million in fiscal year 2014, a 2.6% decrease over fiscal year 2013. The decrease was primarily attributable to the formula used by the State to distribute income tax revenues, the impact of the federal government's 2013 sequestration policy on regional employment, and weak wage growth. Income tax revenues exceeded expectations in FY 2013, increasing by \$31.5 million or 6.6% over the FY 2013 budget level.

The Honorable County Council,
County Executive, and County Citizens

LONG-TERM FINANCIAL PLANNING

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

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

FINANCIAL POLICIES

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

Management of the County is responsible for establishing and maintaining effective internal controls designed to ensure that the assets of the County are protected from loss, theft or misuse, and to 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.

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

The Honorable County Council,
County Executive, and County Citizens

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

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

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

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

INDEPENDENT AUDIT

County ordinances and state statutes require an annual audit by independent certified public accountants. The public accounting firm of CliftonLarsonAllen LLP was engaged to perform this task for fiscal year 2014. Besides meeting requirements set forth in these ordinances and statutes, the audit must also meet the requirements of the federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accountability Office's *Government Auditing Standards* were used by the auditors to perform the audit work. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

The Honorable County Council,
County Executive, and County Citizens

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prince George's County, Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 34th consecutive year (fiscal years ended 1980 – 2013) 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.

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, 2013. 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.

ACKNOWLEDGMENTS

Prince George's County, Maryland received AAA bond ratings from Moody's Investor Services Inc., Fitch Ratings, and Standard and Poor's Ratings Services, despite continuing economic challenges due to the ups and downs in market conditions and having to operate under various tax rate constraints. This reflects the County's continued sound financial management, the ongoing and significant economic development occurring and its extremely diverse local economy. County leadership, especially County Executive Rushern L. Baker, Chief Administrative Officer 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.

The Honorable County Council,
County Executive, and County Citizens

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

Office of Finance – Accounting Division

Jennifer Abell
Tracy Chatman
Linda Chialastri
Tracey Clayton
Elizabeth Dixon

Mary Hatfield
Teresa Hayward
Rita Houston
Muriel Logan
Dejuan Shambley

Respectfully submitted,



Gail D. Francis
Director of Finance

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FINANCIAL SECTION

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



CliftonLarsonAllen LLP
CLAAconnect.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, 2014, 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 Prince George's Community College, Prince George's County Memorial Library System and Prince George's Community Television, Inc., which represent 11 percent, 32 percent, and 8 percent, respectively, of the assets, 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 Community College, 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 Prince George's Community Television, Inc. were not audited in accordance with *Government Auditing Standards*.

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.



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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 Prince George's County Government as of June 30, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress - pension and other postemployment benefits plans, 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

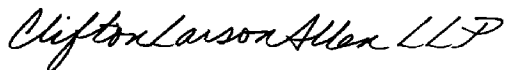
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Prince George's County Government's basic financial statements. The combining and individual fund statements and schedules and other information including the introductory section and 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.

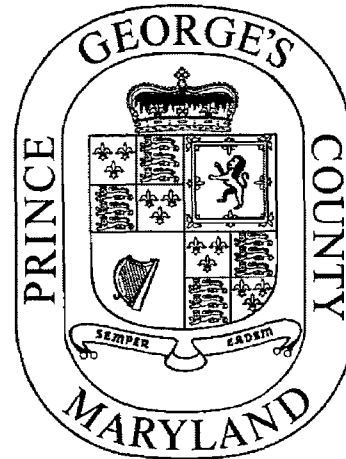
The introductory section and statistical section as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2015, on our consideration of the Prince George's County Government's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Prince George's County Government's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP
Baltimore, Maryland
March 12, 2015



**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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, 2014. We encourage the readers to consider the information presented here in conjunction with the additional information that we furnished in our letter of transmittal. The following discussion focuses on the County's primary government and, unless otherwise noted, component unit information is not included.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2014 by \$1.1 billion (net position). The primary government has an unrestricted net deficit balance of \$904.1 million, partially due to debt related to assets owned by its component units - the Board of Education and the Community College.
- The County's total net position decreased by \$292.1 million from the previous year. Net position of governmental activities decreased \$293.1 million, while the net position of business-type activities increased \$1.0 million.
- At June 30, 2014, the County's governmental funds report combined ending fund balances of \$409.3 million, a decrease of \$278.2 million in comparison to the previous fiscal year. Of this amount, \$31.0 million remains in the General Fund of the County as unassigned, which represents approximately 1.9% of total general fund expenditures for fiscal year 2014.

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, 2014. 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, 2014

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

Fund Financial Statements

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

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

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

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

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

Enterprise funds are used to report, in detail, the same information presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste, 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 117 to 121 in this report.

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

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Notes to the Financial Statements

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

Other Information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, changes in net position over time is a useful indicator of a business enterprise's financial position. The County's total net position as of June 30, 2014 was \$1.1 billion. Investment in capital assets such as land, roads, bridges, buildings, machinery and equipment accounts for \$1.6 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, 2014

Schedules of Net Position
June 30, 2014 and 2013
(in thousands)

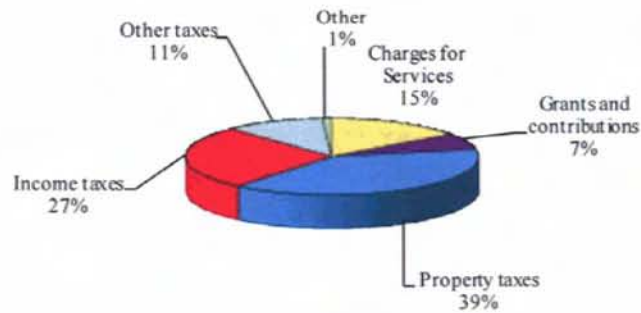
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 733,010	1,056,452	206,214	225,843	939,224	1,282,295
Capital assets	2,248,982	2,187,339	299,956	287,740	2,548,938	2,475,079
Total assets	<u>2,981,992</u>	<u>3,243,791</u>	<u>506,170</u>	<u>513,583</u>	<u>3,488,162</u>	<u>3,757,374</u>
Deferred outflow of resources	17,738	27,874	21,936	19,041	39,674	46,915
Long-term liabilities	1,816,355	1,767,942	276,123	281,667	2,092,478	2,049,609
Other liabilities	341,296	368,492	30,029	30,031	371,325	398,523
Total liabilities	<u>2,157,651</u>	<u>2,136,434</u>	<u>306,152</u>	<u>311,698</u>	<u>2,463,803</u>	<u>2,448,132</u>
Net assets						
Net investment in capital assets	1,487,561	1,499,392	142,375	107,572	1,629,936	1,606,964
Restricted	309,177	341,016	28,976	19,212	338,153	360,228
Unrestricted (deficit)	(954,659)	(705,177)	50,603	94,142	(904,056)	(611,035)
Total net position	<u>\$ 842,079</u>	<u>1,135,231</u>	<u>221,954</u>	<u>220,926</u>	<u>1,064,033</u>	<u>1,356,157</u>

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 activities unrestricted net position deficit is primarily attributable to outstanding debt that has been issued on behalf of the County's component units. The majority of this debt is for the Board of Education as the County continues to issue bonds to finance school construction projects. Counties in the State of Maryland issue debt for school construction; however, the buildings are owned by the County's Board of Education. All other governmental and business-type activities had positive net asset balances as of June 30, 2014.

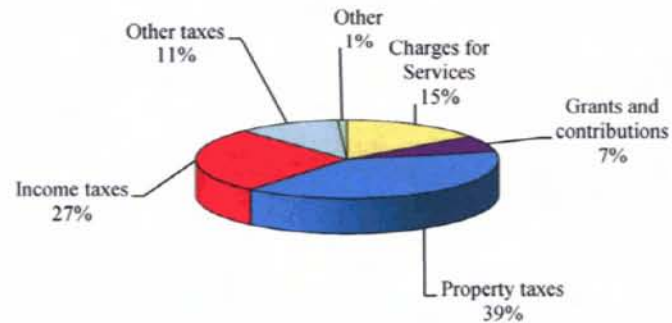
PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The following represents revenues by source and expenses by function of primary government for the years ended June 30, 2013 and June 30, 2014.

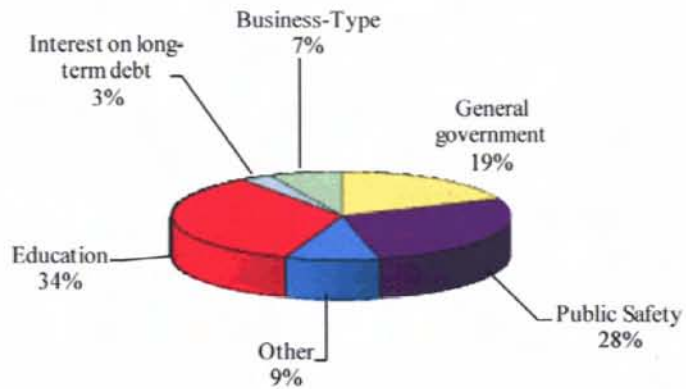
Revenue by Source FY 2014



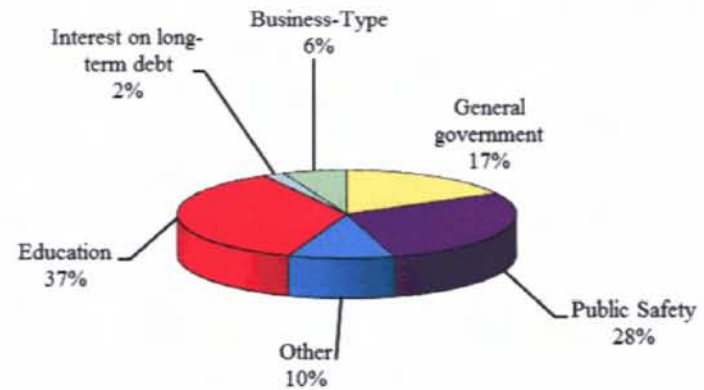
Revenue by Source FY 2013



Expenses by Function FY 2014



Expenses by Function FY 2013, restated



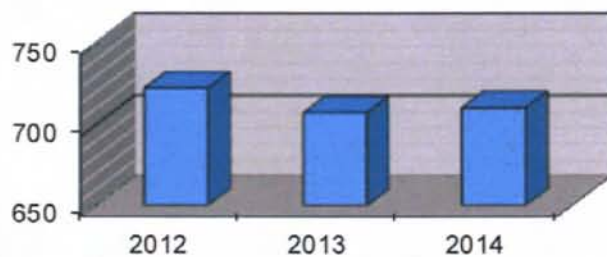
PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Governmental Activities

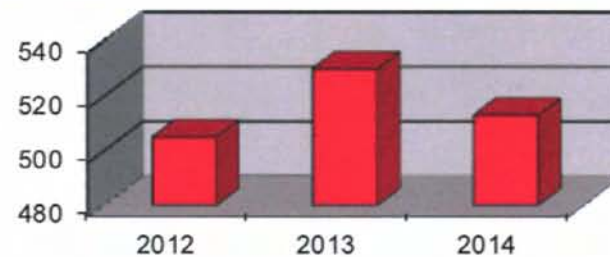
Net position for the County's governmental activities decreased by approximately \$293.2 million in fiscal year 2014.

The County's total revenue from governmental activities was approximately \$1.78 billion in fiscal year 2014 (approximately \$18.4 million less than fiscal year 2013.) Property and income taxes make up approximately 69 percent of this revenue. Income taxes decreased by approximately \$16.4 million or 3.1 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 was relatively flat with a growth of approximately \$2.1 million or less than 0.5%.

Property Taxes (in millions)

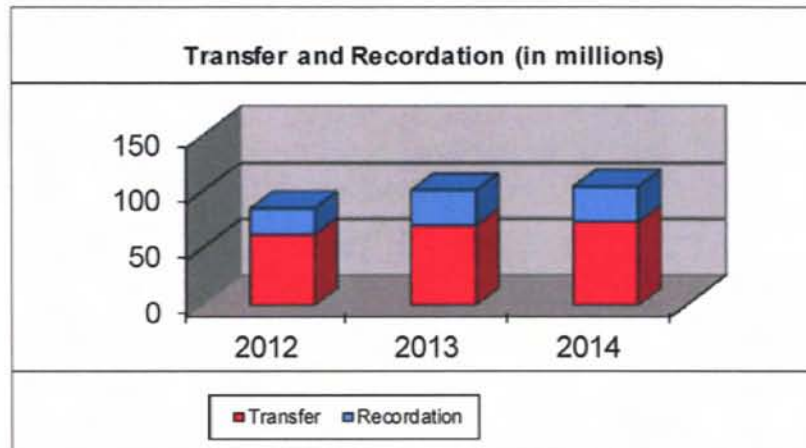


Income Taxes (in millions)



PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Transfer and recordation taxes (\$104.4 million), telecommunications taxes (\$33.9 million), and energy taxes (\$55.2 million) comprise the majority of the remaining other taxes. Other taxes increased by approximately \$0.4 million or 0.2 percent. The \$4.3 million increase in transfer and recordation relates to a slight increase in home sales and an increase in the median sales price.



The County's total expense from governmental activities was approximately \$2.07 billion in fiscal year 2014 (approximately \$64.3 million more than fiscal year 2013.) The categories experiencing the largest increases were general government (approximately \$40.3 million—10.8% increase) and public safety (approximately \$21.8 million—3.6% increase), and interest on long-term debt (approximately \$11.0 million—23.6% increase). Some of the factors affecting the changes include:

- General government expenses included \$44.6 million to redeem Dimensions Health Corporation Revenue Bonds
- 16.9 million increase in public safety fringe benefit costs relating to contributions to the comprehensive pension plans.
- The increase in interest is due to three large debt issuances in fiscal year 2013. The first interest payments for all three issuances occurred in FY2014

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Schedule of Changes in Net Position
For the years ended June 30, 2014 and 2013

(in thousands)

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
		Restated*		Restated*		Restated*
Revenues:						
Program Revenues:						
Charges for services	\$ 184,247	194,863	108,770	94,272	293,017	289,135
Operating grants and contributions	120,011	122,295	-	-	120,011	122,295
Capital grants and contributions	18,329	15,340	1,262	2,005	19,591	17,345
General revenue:						
Property taxes	709,669	707,228	38,000	39,630	747,669	746,858
Income taxes	513,351	529,764	-	-	513,351	529,764
Other taxes	215,229	215,621	-	-	215,229	215,621
Other revenues	19,587	13,747	1,166	1,583	20,753	15,330
Total revenues	<u>1,780,423</u>	<u>1,798,858</u>	<u>149,198</u>	<u>137,490</u>	<u>1,929,621</u>	<u>1,936,348</u>
Expenses:						
General government	413,676	373,407	-	-	413,676	373,407
Public safety	626,789	604,969	-	-	626,789	604,969
Environmental	4,433	10,925	-	-	4,433	10,925
Health and Human Services	97,846	100,544	-	-	97,846	100,544
Infrastructure and Development	104,326	102,259	-	-	104,326	102,259
Education	768,756	770,490	-	-	768,756	770,490
Interest on long-term debt	57,749	46,733	-	-	57,749	46,733
Solid waste	-	-	95,483	95,740	95,483	95,740
Stormwater management	-	-	52,372	43,080	52,372	43,080
Water Protection and Restoration	-	-	315	-	315	-
Total expenses	<u>2,073,575</u>	<u>2,009,327</u>	<u>148,170</u>	<u>138,820</u>	<u>2,221,745</u>	<u>2,148,147</u>
Change in net position	(293,152)	(210,469)	1,028	(1,330)	(292,124)	(211,799)
Net position - beginning of year	1,135,231	1,345,700	220,926	222,256	1,356,157	1,567,956
Net position - end of year	<u>\$ 842,079</u>	<u>1,135,231</u>	<u>221,954</u>	<u>220,926</u>	<u>1,064,033</u>	<u>1,356,157</u>

*Fiscal year 2013 amounts restated due to change in functional categories for governmental activity expenditures. Summary of changes is included in table below.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Adjustments to Functional Expenses for FY13 Government-wide Statement of Activities

	General Government	Public Safety	Public Works	Health	Public Welfare			
Fiscal Year 2013 CAFR								
State's Attorney	15,575	-	-	-	-			
Soil Conversation	94	-	-	-	-			
Family Services	2,955	-	-	-	13,877			
Department of Housing and Community Development	10,845	-	1,125	-	-			
Department of Environmental Resources	-	10,831	-	-	-			
Public Works and Transportation	-	-	90,289	-	-			
Health Department	-	-	-	69,429	-			
Department of Social Services	-	-	-	-	14,284			
Total	29,469	10,831	91,414	69,429	28,161			

	General Government	Public Safety			Environment	Health and Human Services	Infrastructure and Development
Fiscal Year 2013 CAFR restated							
State's Attorney	-	15,575	-	-	-	-	-
Soil Conversation	-	-	-	-	94	-	-
Family Services	-	-	-	-	-	16,832	-
Department of Housing and Community Development	-	-	-	-	-	-	11,970
Department of Environmental Resources	-	-	-	-	10,831	-	-
Public Works and Transportation	-	-	-	-	-	-	90,289
Health Department	-	-	-	-	-	69,429	-
Department of Social Services	-	-	-	-	-	14,284	-
Total	-	15,575	-	-	10,925	100,545	102,259
Net Change	(29,469)	4,744	(91,414)	(69,429)	(28,161)	100,545	102,259

Business-type Activities

Business-type activities increased the County's net position by approximately \$1 million in fiscal year 2014. Key elements of this increase are as follows:

- Total operating expenses for the Solid Waste Fund increased by approximately \$3.2 million. This was primarily a result of two significant factors. First there was an increase in General and Administrative expenses associated with an increase in landfill postclosure expense of \$1.5 million as a result of the increase of tonnage at the Brown Station Road Landfill. Secondly, there was an increase in Fringe Benefits of \$1.7 million primarily a result of the increased OPEB contribution.
- Total operating expenses for the Stormwater Management Fund increased by \$8.8 million. This was primarily a result of four factors. First, there was an increase of approximately \$1.8 million to Fringe Benefits for the OPEB contribution. Secondly, General and Administrative expenses increased significantly due to the funding of tree removal and Woodland Conservation of \$1.2 million. Thirdly, Depreciation Expense increased by \$1.3 million as a result of new Stormwater Property in Service fixed assets. Lastly, there was an increase in chargeback expenses of approximately \$4.2 million primarily from the newly created agency of Department of Permitting, Inspections and Enforcements.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

- Total operating revenue for the new Watershed Protection and Restoration Fund was \$13.9 million which offset the decrease in 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, unreserved fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year.

As of June 30, 2014, County governmental funds reported combined fund balances of \$409.3 million, an increase of \$278.2 million in comparison to the prior year balances. Restricted Governmental fund balance was \$260.5 million which includes, \$138.6 million for a charter-mandated contingency reserve (Rainy Day Fund), \$53.3 million for various construction projects, \$7.6 million for drug enforcement, \$38.7 million for debt service and \$22.3 million for other purposes.

The General Fund is the chief operating fund of the County. At June 30, 2014, total fund balance in the general fund was \$301.1 million of which \$31.0 million was unassigned. The General Fund balance decreased by \$58.3 million as a result of current fiscal year operations. The following key factors were responsible for the changes:

- Total revenues decreased \$16.3 million from fiscal year 2014, which was \$20.2 million below the final budget. The majority of the decrease related to income, taxes which were discussed earlier in the governmental activities analysis
- Total expenditures and transfers out increased by \$61.6 million or approximately 4 percent. public safety costs increased by \$37 million mainly due to salary increases driven by cost of living raises. Contribution to public safety retirement plans increased by approximately \$16.9 million (17.6 percent)
- The County spent approximately \$58.2 million on equipment purchases related to proceeds received in fiscal year 2014 (\$54.6 million) and prior fiscal years.

Capital Projects Fund expenditures totaled \$236.2 million for fiscal year 2014 compared to \$180.9 million in fiscal year 2013. There was an increase of \$10.0 million in spending on Board of Education projects including a \$20.6 million Oxon Hill Replacement and \$12.6 million on Henry Ferguson High School. The County also spent \$23.4 million on a public safety training facility and \$16.7 million on an Enterprise Resource Program. The County did not issue any bonds in fiscal year 2014, compared to \$285.7 million in fiscal year 2013. These factors led to a total decrease in fund balance of approximately \$215.2 million in fiscal year 2014.

Expenditures in the Federal and State Aided Programs Fund in increased by approximately \$0.6 million (0.56 percent) in comparison to fiscal year 2013. Slight increases in various grants were offset by 4.5 million decrease in ARRA spending which were one time awards to stimulate the economy. Most of the funding periods for these awards have ended.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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, 2014, total net position amounted to \$227.8 million for enterprise funds as compared to \$226.7 million at June 30, 2014. Unrestricted net position of the Stormwater Management Fund at the end of the year amounted to \$65 million, and those for the Solid Waste Fund were negative \$8.5 million. Total net position decreased by \$8.9 million in the Stormwater Management Fund and decreased by \$3.8 million in the Solid Waste Fund. The total net position for the newly created fund, Watershed Protection and Restoration Fund was \$13.9 million.

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

BUDGETARY HIGHLIGHTS

The County's final General Fund budget was increased by \$65.0 million from the original budget. The additional funding was used to pay for increases in fringe benefit costs for public safety, COLA's, and fringe benefit rate changes for all other employees that were not included in the original budget. The funding for this was a combination of additional use of fund balance (\$30.8 million) and declaration of additional tax revenue.

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, 2014 was \$2.5 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 3.0% (2.8% increase for governmental activities and 4.2% increase for business-type activities.)

Major capital asset events during the year include the following:

- \$13.2 million relating to County Administration Building flood wall and other building improvements transferred to the Land and Buildings categories from construction in progress.
- \$44.2 million added to construction in process related to Public Safety projects including \$23.5 million for the training facility and \$10.7 million for the forensics facility.
- Additional \$8.7 million added to construction in property relating Stormwater projects.

The County's capital assets, net of accumulated depreciation, are presented in the following table as of June 30, 2014 and 2013:

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

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

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 91,293,138	89,777,502	26,904,308	26,791,702	118,197,446	116,569,204
Buildings and improvements	368,179,437	362,670,637	19,399,124	18,252,206	387,578,561	380,922,843
Equipment	42,921,449	50,061,561	10,526,671	9,838,717	53,448,120	59,900,278
Infrastructure	1,621,748,252	1,642,524,665	-	-	1,621,748,252	1,642,524,665
Landfill property in service	-	-	23,131,307	28,164,439	23,131,307	28,164,439
Stormwater property in service	-	-	139,898,372	135,527,630	139,898,372	135,527,630
Construction in progress	124,840,016	42,304,878	80,096,539	69,165,055	204,936,555	111,469,933
Total	\$ <u>2,248,982,292</u>	<u>2,187,339,243</u>	<u>299,956,321</u>	<u>287,739,749</u>	<u>2,548,938,613</u>	<u>2,475,078,992</u>

Additional information on the County's capital assets is located in note 7 on pages 56 to 60 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$1.332 billion. Of this amount \$0.4 million represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 1,159,218,000	1,231,983,000	172,582,000	181,312,000	1,331,800,000	1,413,295,000
Revenue bonds	-	-	385,998	758,943	385,998	758,943
Total	\$ <u>1,159,218,000</u>	<u>1,231,983,000</u>	<u>172,967,998</u>	<u>182,070,943</u>	<u>1,332,185,998</u>	<u>1,414,053,943</u>

Total bonded debt of the County decreased by \$81.9 million (5.8%) from the previous fiscal year due to the retirement of General Obligation and Revenue Bonds.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The underlying ratings of the County's general obligation bonds as of June 20, 2014, were as follows:

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

The County's Stormwater Management general obligation underlying bond ratings as of June 30, 2014, were as follows:

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

The underlying ratings of the County's Solid Waste Management Refunding Revenue Bonds, series 2003, as of June 30, 2014, were as follows:

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

Additional information on the County's long-term debt is located in note 13 starting on page 74 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Factors considered in preparing the County's budget for fiscal year 2015 included:

- Property values rose in FY 2014. Group 2's assessable value rose by 5.3% in January 2014 from three years ago, causing an increase in the growth rate of property tax revenue.
- Home sales fell 2.6% in FY 2014 compared to FY 2013. Median sales price rose to \$209,000 in FY 2014, up from \$179,800 in FY 2013. These two factors contributed to an increase in transfer and recordation tax revenues in FY 2014.
- Foreclosure events remained high in the County, increasing by 73.7% in fiscal year 2014 for a total of 9,862 events. The County continued to lead the State of Maryland in foreclosure activity, accounting for a fifth of total foreclosure activity. Additionally, the number of foreclosures in fiscal year 2014 increased on a quarterly basis (with the exception of the fourth quarter) from 2,019 in the first quarter to 2,278 in the fourth quarter.
- Income tax revenues decreased to \$492.3 million in FY 2014, a 2.6% decrease from FY 2013.

During fiscal year 2014, the unassigned fund balance in the General Fund was \$31.0 million. The County has appropriated \$4.1 million of fund balance for fiscal year 2015.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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, 2014

	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		
ASSETS								
Cash and investments	\$ 227,245,643	\$ 83,379,277	\$ 310,624,920	\$ 271,014,655	\$ 77,386,761	\$ 348,401,416	\$ -	\$ 659,026,336
Cash with fiscal agents	11,190,807	-	11,190,807	-	-	-	-	11,190,807
Receivables (net of allowances for uncollectibles):								
Taxes	7,308,682	601,721	7,910,403	-	-	-	-	7,910,403
Accounts	31,933,986	2,247,563	34,181,549	43,461,107	24,660,410	68,121,517	-	102,303,066
Notes	16,830,353	-	16,830,353	-	-	-	-	16,830,353
Accrued interest receivable	(57,455)	(64,590)	(122,045)	-	33,591	33,591	-	(88,454)
Internal balance	10,488,959	(10,488,959)	-	-	-	-	-	-
Due from component units	13,075,663	-	13,075,663	-	-	-	-	13,075,663
Due from primary government	-	-	-	798,259	845,011	1,643,270	-	1,643,270
Due from other governmental units	171,447,507	1,682,395	173,129,902	66,811,141	3,870,946	70,682,087	-	243,811,989
Inventories	2,155,151	-	2,155,151	7,955,314	98,249	8,053,563	-	10,208,714
Prepaid costs and deposits	87,024	-	87,024	516,659	2,401,442	2,918,101	-	3,005,125
Restricted assets:								
Cash and investments	241,253,382	128,856,025	370,109,407	-	17,582,655	17,582,655	-	387,692,062
Land	-	-	-	-	3,624,333	3,624,333	-	3,624,333
Capital assets:								
Nondepreciable assets	216,133,154	107,000,847	323,134,001	107,108,538	65,492,140	172,600,678	-	495,734,679
Depreciable assets, net	2,032,849,138	192,955,474	2,225,804,612	1,117,462,426	200,401,268	1,317,863,694	-	3,543,668,306
Other assets	50,000	-	50,000	1,998,994	162,300	2,161,284	-	2,211,284
Total assets	2,981,991,994	505,169,753	3,488,161,747	1,617,127,083	395,559,106	2,013,686,189	-	5,501,847,936
DEFERRED OUTFLOW OF RESOURCES								
Deferred landfill closure costs	-	20,980,167	20,980,167	-	-	-	-	20,980,167
Deferred charge on refunding	17,737,940	955,641	18,693,581	-	1,565,794	1,565,794	-	20,259,375
Total deferred outflow of resources	17,737,940	21,935,808	39,673,748	-	1,565,794	1,565,794	-	41,239,542
LIABILITIES								
Accounts payable	32,199,857	10,366,623	42,566,480	81,395,504	23,695,990	105,091,494	-	147,657,974
Retainages payable	6,379,409	1,583,464	7,962,873	6,763,768	-	6,763,768	-	14,726,641
Accrued liabilities	39,490,784	1,292,269	40,783,053	97,336,953	1,009,083	98,346,036	-	139,129,089
Unearned revenue	28,048,287	-	28,048,287	36,278,443	2,220,104	38,498,547	-	66,546,834
Matured bonds and interest payable	-	2,126,988	2,126,988	-	-	-	-	2,126,988
Deposits	52,073,657	195,013	52,268,670	-	365,132	365,132	-	52,633,802
Due to primary government	-	-	-	3,987,647	9,088,016	13,075,663	-	13,075,663
Due to component units	1,643,270	-	1,643,270	-	-	-	-	1,643,270
Noncurrent liabilities:								
Due within one year	181,460,918	14,464,366	195,925,284	21,231,024	7,261,524	28,492,548	-	224,417,832
Due in more than one year	1,816,354,759	276,123,098	2,092,477,857	1,090,807,153	62,017,826	1,152,824,979	-	3,245,302,836
Total liabilities	2,157,650,941	306,151,821	2,463,802,762	1,337,800,492	105,657,675	1,443,458,167	-	3,907,260,929
NET POSITION								
Net investment in capital assets	1,487,561,224	142,374,427	1,629,935,651	987,745,237	225,986,232	1,213,731,469	(486,417,276)	2,357,249,845
Restricted for:								
Capital projects	112,730,447	22,899,695	135,630,142	-	-	-	-	135,630,142
Contingency reserve	138,560,185	-	138,560,185	-	-	-	-	138,560,185
Debt service	38,658,461	-	38,658,461	-	-	-	-	38,658,461
Restricted for I-net	19,228,283	-	19,228,283	-	-	-	-	19,228,283
Landfill	-	4,798,162	4,798,162	-	-	-	-	4,798,162
Preservation	-	1,278,167	1,278,167	-	-	-	-	1,278,167
Education	-	-	-	-	2,877,137	2,877,137	-	2,877,137
Community development	-	-	-	-	5,877,394	5,877,394	-	5,877,394
Unrestricted (deficit)	(954,659,608)	50,603,289	(904,056,319)	(708,418,646)	57,726,462	(650,692,184)	486,417,276	(1,068,331,227)
Total Net Position	\$ 842,078,993	\$ 221,953,740	\$ 1,064,032,733	\$ 279,326,591	\$ 292,467,225	\$ 571,793,816	\$ -	\$ 1,635,826,549

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Activities
For the year ended June 30, 2013

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Assets						
		Program Revenues			Primary Government			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County Other Component Units
Primary government:								
Governmental activities:								
General government	\$ 413,676,920	\$ 83,203,693	\$ 12,192,715	\$ 1,775,255	\$ (316,505,257)	-	\$ (316,505,257)	-
Public safety	626,789,316	37,430,678	24,989,052	2,747,572	(561,622,014)	-	(561,622,014)	-
Environmental	4,432,568	287,158	230,114	211,498	(3,703,798)	-	(3,703,798)	-
Health and Human Services	97,846,141	7,075,381	69,120,126	22,000	(21,628,634)	-	(21,628,634)	-
Infrastructure and Development	104,325,736	56,250,140	13,478,641	13,572,964	(21,023,991)	-	(21,023,991)	-
Education:								
Board of Education	716,497,118	-	-	-	(716,497,118)	-	(716,497,118)	-
Community College	30,767,855	-	-	-	(30,767,855)	-	(30,767,855)	-
Memorial Library	21,490,903	-	-	-	(21,490,903)	-	(21,490,903)	-
Interest on long-term debt	57,748,877	-	-	-	(57,748,877)	-	(57,748,877)	-
Total governmental activities	2,073,575,434	184,247,050	120,010,648	18,329,289	(1,750,988,447)	-	(1,750,988,447)	-
Business-type activities:								
Solid Waste	95,482,526	90,893,287	-	-	-	(4,589,239)	(4,589,239)	-
Stormwater	52,371,683	3,677,700	-	1,262,405	-	(47,431,578)	(47,431,578)	-
Watershed Protection	316,175	14,199,502	-	-	-	13,883,327	13,883,327	-
Total business-type activities	148,170,384	108,770,489	-	1,262,405	-	(38,137,490)	(38,137,490)	-
Total primary government	\$ 2,221,745,818	\$ 293,017,539	\$ 120,010,648	\$ 19,591,694	\$ (1,750,988,447)	\$ (38,137,490)	\$ (1,789,125,937)	-
Component units:								
Board of Education	2,095,087,751	22,453,499	249,457,142	90,116,253	-	-	-	(1,733,060,857)
Other Component Units:								
General Government	22,049,131	23,280,073	660,000	127,262	-	-	-	2,018,204
Education	153,812,118	28,702,080	31,525,315	3,419,896	-	-	-	(90,164,827)
Community development	94,854,716	2,072,774	83,632,381	1,593,199	-	-	-	(7,556,362)
Total component units	\$ 2,365,803,716	\$ 76,508,426	\$ 365,274,838	\$ 95,256,610	-	-	-	\$ (1,733,060,857)
General Revenues:								
Property taxes					709,669,105	37,999,606	747,668,711	-
Income taxes					513,350,683	-	513,350,683	-
Transfer and recordation taxes					104,407,509	-	104,407,509	-
Energy taxes					55,240,457	-	55,240,457	-
Telecommunications tax					33,914,325	-	33,914,325	-
Other taxes					21,666,726	-	21,666,726	-
Unrestricted state shared tax					2,701,111	-	2,701,111	-
Earnings (loss) on investments					2,944,473	1,165,720	4,110,193	330,119
Unrestricted grants and contributions					13,355,751	-	13,355,751	1,570,024,341
Miscellaneous revenues					586,179	-	586,179	254,126
Total general revenues					1,457,836,319	39,165,326	1,497,001,645	1,570,608,586
Change in net position					(293,152,128)	1,027,836	(292,124,292)	(162,452,271)
Net position - beginning of year					1,135,231,121	220,925,904	1,356,157,025	443,494,098
Prior period adjustment					-	-	-	(1,715,236)
Net position - beginning of year, restated					1,135,231,121	220,925,904	1,356,157,025	441,778,862
Net position - end of year					\$ 842,078,993	\$ 221,953,740	\$ 1,064,032,733	\$ 279,326,591

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Balance Sheet
Governmental Funds
June 30, 2014

<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	\$ 93,784,990	\$ 982,940	\$ 989	\$ 14,039,257	\$ 108,808,176
Cash with fiscal agents	-	-	-	11,190,807	11,190,807
Receivables (net of allowances for uncollectibles):					
Taxes	7,308,682	-	-	-	7,308,682
Accounts	28,033,631	-	330,218	-	28,363,849
Notes	7,542,478	8,280,771	-	-	15,823,249
Accrued interest receivable	(44,023)	-	-	-	(44,023)
Due from other funds	123,102,500	-	-	-	123,102,500
Due from component units	8,839,041	-	-	-	8,839,041
Due from other governmental units	124,632,809	36,429,472	10,324,971	60,255	171,447,507
Inventories	1,549,546	-	-	-	1,549,546
Restricted assets:					
Cash and investments	22,237,565	2,363,072	191,167,926	25,104,582	240,873,145
Other assets	50,000	-	-	-	50,000
Total assets	\$ 417,037,219	\$ 48,056,255	\$ 201,824,104	\$ 50,394,901	\$ 717,312,479
<u>Liabilities, Deferred Inflows, and Fund Balances</u>					
Liabilities:					
Compensated absences and termination benefits payable	\$ 227,880	-	-	-	\$ 227,880
Accounts payable	4,934,654	\$ 9,353,512	\$ 11,332,841	\$ 135,849	25,756,856
Retainages	-	-	6,379,409	-	6,379,409
Accrued liabilities	19,047,340	1,356,199	-	-	20,403,539
Unearned revenue	7,542,478	20,465,775	-	-	28,008,253
Deposits	29,205,970	17,697	22,849,990	-	52,073,657
Due to other funds	-	14,500,000	104,000,000	-	118,500,000
Due to component units	-	-	1,643,270	-	1,643,270
Total liabilities	60,958,322	45,693,183	146,205,510	135,849	252,992,864
Deferred inflows of resources					
Unavailable tax revenue	54,992,451	-	-	-	54,992,451
Total deferred inflow of resources	54,992,451	-	-	-	54,992,451
Fund balances:					
Nonspendable	1,549,546	-	-	-	1,549,546
Restricted	160,797,750	2,363,072	53,295,312	43,994,820	260,450,954
Committed	55,424,074	-	2,323,282	-	57,747,356
Assigned	52,361,681	-	-	6,264,232	58,625,913
Unassigned	30,953,395	-	-	-	30,953,395
Total fund balances	301,086,446	2,363,072	55,618,594	50,259,052	409,327,164
Total liabilities, deferred inflows of resources, and fund balances	\$ 417,037,219	\$ 48,056,255	\$ 201,824,104	\$ 50,394,901	\$ 717,312,479

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, 2014

Total fund balances for governmental funds (Exhibit A-3)		\$ 409,327,164
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Amounts reported for governmental activities in the statement of net assets is different because:

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

Land	\$ 90,293,138	
Infrastructure, net of \$1,123,002,356, accumulated depreciation	1,621,748,252	
Buildings and improvements, net of \$136,045,211, accumulated depreciation	368,121,804	
Equipment, net of \$123,737,129 accumulated depreciation	42,596,107	
Construction in progress	<u>124,840,016</u>	
Total capital assets		2,247,599,317

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

(20,808,390)

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.

54,992,451

Long-term note receivable that is not included in governmental funds

1,007,104

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, 2014 are:

Unmatured accrued interest (18,665,249)

Long-term liabilities:

Bonded debt	(1,159,218,000)	
Deferred bond refunding costs	17,734,803	
Unamortized discount (premium)	(109,072,005)	
Capital lease obligations	(29,738,883)	
Pension and OPEB obligations	(393,448,294)	
Compensated absences and termination benefits payable	(70,033,988)	
Notes payable	<u>(87,597,037)</u>	
Total long-term liabilities		(1,831,373,404)

Total net position of governmental activities

\$ 842,078,993

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2014

	General	Federal and State Aided Programs	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 1,438,667,312	\$ -	\$ -	\$ 2,233,653	\$ 1,440,900,965
Licenses and permits	21,523,211	-	-	307,656	21,830,867
Fines and forfeitures	14,097,056	-	4,187,966	1,600,223	19,885,245
Use of money and property	5,942,814	2,087,819	57,898	49,976	8,138,507
Charges for services	35,397,113	3,453,119	1,998,990	24,279,022	65,128,244
Intergovernmental	38,932,392	97,054,910	14,976,806	4,847,932	155,812,040
Miscellaneous	2,421,453	559,345	7,258,608	66,299	10,305,705
Total revenues	<u>1,556,981,351</u>	<u>103,155,193</u>	<u>28,480,268</u>	<u>33,384,761</u>	<u>1,722,001,573</u>
Expenditures:					
Current:					
General government	254,118,289	10,295,937	-	498,855	264,913,081
Public safety	593,300,585	18,876,304	-	3,195,737	615,372,626
Environmental	3,881,746	441,612	-	-	4,323,358
Health and human services	24,928,298	70,658,462	-	390,801	95,977,561
Infrastructure and development	27,867,275	4,366,818	-	-	32,234,093
Capital projects	-	-	138,911,039	-	138,911,039
Education:					
Board of Education	623,743,913	-	92,753,205	-	716,497,118
Community College	29,545,300	-	1,222,555	-	30,767,855
Memorial Library	18,212,000	-	3,278,903	-	21,490,903
Debt service:					
Principal retirement	12,785,156	289,000	-	72,765,000	85,839,156
Interest	4,029,575	246,663	-	49,578,796	53,855,034
Total expenditures	<u>1,592,412,137</u>	<u>105,174,796</u>	<u>236,165,702</u>	<u>126,429,189</u>	<u>2,060,181,824</u>
Excess of revenues over (under) expenditures	<u>(35,430,786)</u>	<u>(2,019,603)</u>	<u>(207,685,434)</u>	<u>(93,044,428)</u>	<u>(338,180,251)</u>
Other financing sources (uses):					
Capital lease financing	54,596,149	-	-	-	54,596,149
Bond and notes premium	5,419,224	-	-	-	5,419,224
Transfers in - other funds	-	1,805,452	4,500,000	88,596,712	94,902,164
Transfers out - other funds	(82,860,115)	-	(12,042,049)	-	(94,902,164)
Total other financing sources (uses)	<u>(22,844,742)</u>	<u>1,805,452</u>	<u>(7,542,049)</u>	<u>88,596,712</u>	<u>60,015,373</u>
Net change in fund balances	<u>(58,275,528)</u>	<u>(214,151)</u>	<u>(215,227,483)</u>	<u>(4,447,716)</u>	<u>(278,164,878)</u>
Fund balances, beginning of year	<u>359,361,974</u>	<u>2,577,223</u>	<u>270,846,077</u>	<u>54,706,768</u>	<u>687,492,042</u>
Fund balances, end of year	<u>\$ 301,086,446</u>	<u>\$ 2,363,072</u>	<u>\$ 55,618,594</u>	<u>\$ 50,259,052</u>	<u>\$ 409,327,164</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, 2014

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

Net change in fund balances - total governmental funds	\$ (278,164,878)
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.	109,893,790
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.	(72,701,469)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.	25,062,860
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.	(739,177)
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.	(394,291)
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.	(1,213,697)
Long-term debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of activities, however, issuing debt decreases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	
Debt Issued:	
Bond and notes premium	\$ (5,419,224)
Capital lease and note proceeds	(54,596,149)
Principal payments	85,839,156
Net adjustment	25,823,783
Certain expenses (i.e. arbitrage, compensated absences) reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	(100,719,049)
Change in net position of governmental activities	<u>\$ (293,152,128)</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,433,364,500	\$ 1,458,677,700	\$ 1,438,667,312	\$ (20,010,388)
Licenses and permits	18,394,300	18,394,300	21,523,211	3,128,911
Fines and forfeitures	13,300,000	13,300,000	14,097,056	797,056
Use of money and property	6,123,000	6,123,000	5,591,890	(531,110)
Charges for services	37,018,400	37,018,400	35,397,113	(1,621,287)
Intergovernmental	40,820,300	42,292,100	38,932,392	(3,359,708)
Miscellaneous	1,000,000	1,000,000	2,421,453	1,421,453
Total revenues	<u>1,550,020,500</u>	<u>1,576,805,500</u>	<u>1,556,630,427</u>	<u>(20,175,073)</u>
Expenditures:				
General government:				
County Executive	5,108,900	5,693,800	5,594,349	99,451
Legislative Branch	12,944,400	13,244,400	13,019,111	225,289
Office of Ethics and Accountability	349,800	309,800	262,938	46,862
Circuit Court	14,374,600	14,318,800	14,304,027	14,773
Orphan's Court	407,700	414,000	409,332	4,668
Personnel Board	308,200	321,600	310,455	11,145
Office of Finance	3,666,000	3,666,000	3,499,805	166,195
Citizen Complaint Oversight Panel	229,800	232,600	229,272	3,328
Office of Community Relations	4,296,700	4,203,500	4,164,782	38,718
Office of Management and Budget	2,554,100	2,490,000	2,441,244	48,756
Board of License Commissioners	910,800	1,001,100	990,344	10,756
Office of Law	3,545,600	3,750,900	3,750,379	521
Office of Human Resource Management	4,817,100	5,135,100	4,750,763	384,337
Board of Elections	3,328,200	3,605,200	3,547,286	57,914
Office of Central Services	15,699,500	17,334,000	17,143,493	190,507
Non-departmental	126,934,800	126,029,113	131,882,590	(5,853,477)
Total general government	<u>199,476,200</u>	<u>201,749,913</u>	<u>206,300,170</u>	<u>(4,550,257)</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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Office of the State's Attorney	14,332,900	14,826,000	14,822,934	3,066
Police Department	270,794,500	293,183,500	292,341,727	841,773
Fire Department	130,819,300	151,492,395	150,390,980	1,101,415
Sheriff's Department	31,763,100	37,124,600	36,928,680	195,920
Department of Corrections	66,842,300	73,422,900	73,288,976	133,924
Office of Homeland Security	23,851,100	23,918,100	23,804,556	113,544
Total Public Safety	538,403,200	593,967,495	591,577,853	2,389,642
Environmental				
Department of Environmental Resources	4,391,900	4,211,600	3,801,961	409,639
Total Environment	4,391,900	4,211,600	3,801,961	409,639
Health and Human Services				
Department of Family Services	2,139,500	2,142,918	2,037,130	105,788
Health	19,926,800	19,350,335	18,184,883	1,165,452
Public Welfare	2,797,600	4,213,300	3,991,177	222,123
Total Health and Human Services	24,863,900	25,706,553	24,213,190	1,493,363
Infrastructure and Development				
Public Works and Transportation	7,505,400	10,162,100	10,126,083	36,017
Department of Permitting, Inspections and Enforcement	7,797,000	7,004,900	7,004,900	-
Department of Housing and Community Development	3,444,100	10,860,800	10,500,532	360,268
Total Infrastructure and Development	18,746,500	28,027,800	27,631,515	396,285
Education	673,001,200	673,001,200	671,501,213	1,499,987
Total Expenditures	1,458,882,900	1,526,664,561	1,525,025,902	1,638,659
Excess of revenues over expenditures	91,137,600	50,140,939	31,604,525	(18,536,414)
Other financing sources (uses):				
Prior year encumbrances cancelled	-	-	3,371,958	3,371,958
Transfers in - other funds	2,670,400	10,062,600	-	(10,062,600)
Transfers out - other funds	(99,343,000)	(96,576,039)	(82,860,115)	13,715,924
Appropriated fund balance	5,535,000	36,372,500	-	(36,372,500)
Total other financing sources (uses)	(91,137,600)	(50,140,939)	(79,488,157)	(29,347,218)
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	\$ -	\$ -	(47,883,632)	\$ (47,883,632)
Adjustments:				
Prior year encumbrances cancelled			(3,371,958)	
Expenditure of prior year encumbrances			(4,715,467)	
Purchase agreement financing			54,596,149	
Economic Development Incentive Fund activity			(4,140,957)	
Premium on notes payable			5,419,224	
Capital financing expenditures			(58,178,887)	
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)			(58,275,528)	
Fund balance, beginning of year			359,361,974	
Fund balance, end of year			\$ 301,086,446	

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Position
Proprietary Funds
June 30, 2014

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	\$ 2,688,247	\$ 66,981,686	\$ 13,709,344	\$ 83,379,277	\$ 118,437,467
Taxes receivable	-	640,742	-	640,742	-
Less allowance for uncollectibles	-	(39,021)	-	(39,021)	-
Accounts receivable	2,483,490	-	245,430	2,728,920	3,567,637
Less allowance for uncollectibles	(481,357)	-	-	(481,357)	-
Accrued interest receivable	(36,059)	(23,593)	(4,938)	(64,590)	(13,432)
Due from component units	-	-	-	-	4,236,622
Due from other governmental units	575,069	1,107,326	-	1,682,395	-
Inventories	-	-	-	-	605,605
Prepaid costs and deposits	-	-	-	-	87,024
Total current assets	5,229,390	68,667,140	13,949,836	87,846,366	126,920,923
Noncurrent assets:					
Restricted cash and investments					
Self-insurance	-	-	-	-	380,237
Revenue bond operation and maintenance	9,000,000	-	-	9,000,000	-
Sandy Hill Trust	1,890,485	-	-	1,890,485	-
Landfill closure	87,505,438	-	-	87,505,438	-
Unspent bond proceeds	-	30,460,102	-	30,460,102	-
Total restricted cash and investments	98,395,923	30,460,102	-	128,856,025	380,237
Capital assets:					
Land	11,306,082	15,598,226	-	26,904,308	1,000,000
Buildings and improvements	29,227,755	242,525	-	29,470,280	2,640,889
Accumulated depreciation	(11,651,789)	(239,291)	-	(11,891,080)	(2,600,423)
Improvements other than buildings	5,151,450	-	-	5,151,450	328,014
Accumulated depreciation	(3,331,526)	-	-	(3,331,526)	(310,847)
Equipment	29,255,730	4,141,597	-	33,397,327	10,162,905
Accumulated depreciation	(19,909,454)	(2,961,202)	-	(22,870,656)	(9,837,563)
Landfill property in service	121,336,027	-	-	121,336,027	-
Accumulated depreciation	(98,204,720)	-	-	(98,204,720)	-
Stormwater property in service	-	193,036,329	-	193,036,329	-
Accumulated depreciation	-	(53,137,957)	-	(53,137,957)	-
Construction in progress	25,262,036	54,834,503	-	80,096,539	-
Total capital assets	88,441,591	211,514,730	-	299,956,321	1,382,975
Total noncurrent assets	186,837,514	241,974,832	-	428,812,346	1,763,212
Total assets	192,066,904	310,641,972	13,949,836	516,658,712	128,684,135
Deferred outflow of resources:					
Deferred landfill closure costs	20,980,167	-	-	20,980,167	-
Deferred charge on refunding	360,398	595,243	-	955,641	3,137
Total deferred outflow of resources	21,340,565	595,243	-	21,935,808	3,137

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Position, Continued
Proprietary Funds
June 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities- Internal Service Funds</u>
<u>Liabilities</u>	<u>Solid Waste Fund</u>	<u>Stormwater Management Fund</u>	<u>Non-Major Watershed Protection and Restoration Fund</u>	<u>Total</u>	
Current liabilities:					
Payable from unrestricted assets:					
Current portion of bonded debt	4,685,998	6,410,000	-	11,095,998	-
Current portion of compensated absences and termination benefits payable	836,745	1,132,284	-	1,969,029	1,274,070
Current portion of notes payable	-	-	-	-	290,000
Current portion of estimated liability on pending claims	-	-	-	-	42,084,028
Current portion of postclosure liability	1,399,339	-	-	1,399,339	-
Accounts payable	6,282,015	4,034,467	50,141	10,366,623	6,443,001
Retainages	297,035	1,286,429	-	1,583,464	-
Accrued liabilities	833,946	458,323	-	1,292,269	421,996
Unearned revenue	-	-	-	-	40,034
Matured bonds and interest payable	-	2,126,988	-	2,126,988	-
Deposits	83,713	111,300	-	195,013	-
Due to other funds	4,600,000	-	-	4,600,000	-
Total current liabilities	<u>19,018,791</u>	<u>15,559,791</u>	<u>50,141</u>	<u>34,628,723</u>	<u>50,553,129</u>
Long-term liabilities:					
Bonded debt, less current portion (net of unamortized premiums and discounts)	31,712,000	130,160,000	-	161,872,000	-
Unamortized bond premium (discount)	1,782,857	8,085,843	-	9,868,700	554
Compensated absences and termination benefits payable, less current portion	54,270	149,539	-	203,809	241,015
Estimated liability on pending claims, less current portion	-	-	-	-	104,589,923
Estimated liability for landfill closure costs, less current portion	104,178,589	-	-	104,178,589	-
Total long-term liabilities	<u>137,727,716</u>	<u>138,395,382</u>	<u>-</u>	<u>276,123,098</u>	<u>104,831,492</u>
Total liabilities	<u>156,746,507</u>	<u>153,955,173</u>	<u>50,141</u>	<u>310,751,821</u>	<u>155,384,621</u>
Net position:					
Net investment in capital assets	51,371,342	91,003,085	-	142,374,427	1,092,421
Restricted for capital improvements and future maintenance	9,000,000	-	13,899,695	22,899,695	-
Restricted for Sandy Hill Trust	1,890,485	-	-	1,890,485	-
Restricted for landfill closure costs	2,907,677	-	-	2,907,677	-
Restricted for Chesapeake Bay and tree preservation activities	-	1,278,167	-	1,278,167	-
Restricted for I-Net	-	-	-	-	19,228,283
Unrestricted	(8,508,542)	65,000,790	-	56,492,248	(47,018,053)
Total net position	<u>\$ 56,660,962</u>	<u>\$ 157,282,042</u>	<u>\$ 13,899,695</u>	<u>227,842,699</u>	<u>\$ (26,697,349)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(5,888,959)	
Net position of business-type activities				<u>\$ 221,953,740</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, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund	Total	
Operating revenues:					
Premium contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	3,677,700	-	3,677,700	-
Sales	502,665	-	-	502,665	26,978,465
Charges for services	90,157,568	-	14,127,344	104,284,912	11,720,912
Use of money and property - rentals	-	-	-	-	165,860
Miscellaneous	233,054	-	72,158	305,212	1,943,032
Total operating revenues	<u>90,893,287</u>	<u>3,677,700</u>	<u>14,199,502</u>	<u>108,770,489</u>	<u>40,808,269</u>
Operating expenses:					
Salaries	6,478,666	10,515,387	-	16,994,053	9,790,912
Project charges - salaries/recoveries	8,267,515	7,898,769	-	16,166,284	-
Fringe benefits	7,951,237	10,850,604	-	18,801,841	6,606,027
Contractual services	36,533,511	-	-	36,533,511	7,331,934
Materials	-	-	-	-	11,155,519
Rent	-	-	-	-	373,124
General and administrative	22,105,164	13,055,977	316,175	35,477,316	8,568,248
Depreciation and amortization	8,230,694	4,827,755	-	13,058,449	217,838
Insurance claims and premiums	-	-	-	-	115,160,991
Landfill postclosure expense	4,651,543	-	-	4,651,543	-
Other	-	-	-	-	4,379,138
Total operating expenses	<u>94,218,330</u>	<u>47,148,492</u>	<u>316,175</u>	<u>141,682,997</u>	<u>163,583,731</u>
Operating loss	<u>(3,325,043)</u>	<u>(43,470,792)</u>	<u>13,883,327</u>	<u>(32,912,508)</u>	<u>(122,775,462)</u>
Nonoperating revenues (expenses):					
Taxes	-	37,999,606	-	37,999,606	-
Interest income	761,798	387,554	16,368	1,165,720	174,591
Interest expense	(1,506,159)	(5,058,470)	-	(6,564,629)	(24,001)
Debt issuance costs	(4,778)	(35,632)	-	(40,410)	-
Gain (loss) on sale of capital assets	274,939	(710)	-	274,229	-
Total nonoperating revenues (expenses)	<u>(474,200)</u>	<u>33,292,348</u>	<u>16,368</u>	<u>32,834,516</u>	<u>150,590</u>
Income (loss) before contributions and transfers	<u>(3,799,243)</u>	<u>(10,178,444)</u>	<u>13,899,695</u>	<u>(77,992)</u>	<u>(122,624,872)</u>
Capital contributions	-	1,262,405	-	1,262,405	-
Change in net position	<u>(3,799,243)</u>	<u>(8,916,039)</u>	<u>13,899,695</u>	<u>1,184,413</u>	<u>(122,624,872)</u>
Net position - beginning of year	<u>60,460,205</u>	<u>166,198,081</u>	<u>-</u>	<u>-</u>	<u>(25,327,075)</u>
Net position - end of year	<u>\$ 56,660,962</u>	<u>\$ 157,282,042</u>	<u>\$ 13,899,695</u>	<u>\$ -</u>	<u>\$ (147,951,947)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(156,577)	
Change in net position of business-type activities				<u>\$ 1,027,836</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2014

	<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	\$ 90,746,763	\$ 3,677,700	\$ 13,954,072	\$ 108,378,535	\$ 166,525,321
Cash payments to suppliers for goods and services	(55,643,224)	(13,909,687)	(266,034)	(69,818,945)	(91,697,440)
Cash payments to employees for services	(23,302,158)	(29,669,194)	-	(52,971,352)	(16,359,889)
Premium and claim payments	-	-	-	-	(53,556,464)
Other cash receipts	-	-	-	-	911,685
Net cash and cash equivalents provided (used) by operating activities	<u>11,801,381</u>	<u>(39,901,181)</u>	<u>13,688,038</u>	<u>(14,411,762)</u>	<u>5,823,213</u>
Cash flows from noncapital financing activities:					
Tax collections	-	38,004,213	-	38,004,213	-
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>38,004,213</u>	<u>-</u>	<u>38,004,213</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of property, plant and equipment	(5,949,006)	(19,051,786)	-	(25,000,792)	-
Capital grants	-	878,991	-	878,991	-
Payment of bond issue costs	(4,779)	(35,632)	-	(40,411)	-
Principal payments on bonded debt	(4,727,945)	(4,375,000)	-	(9,102,945)	-
Principal payments on notes payable	-	-	-	-	(280,000)
Principal payments on capital lease	-	(10,090)	-	(10,090)	-
Interest payments	(1,614,371)	(5,512,855)	-	(7,127,226)	(14,243)
Net cash and cash equivalents provided by (used) in capital and related financing activities	<u>(12,296,101)</u>	<u>(28,106,372)</u>	<u>-</u>	<u>(40,402,473)</u>	<u>(294,243)</u>
Cash flows from investing activities:					
Interest on investments	<u>761,798</u>	<u>438,528</u>	<u>21,306</u>	<u>1,221,632</u>	<u>202,338</u>
Net cash and cash equivalents provided by investing activities	<u>761,798</u>	<u>438,528</u>	<u>21,306</u>	<u>1,221,632</u>	<u>202,338</u>
Net increase (decrease) in cash and cash equivalents	267,078	(29,564,812)	13,709,344	(15,588,390)	5,731,308
Cash and cash equivalents, beginning of year	<u>100,817,092</u>	<u>127,006,600</u>	<u>-</u>	<u>227,823,692</u>	<u>113,086,396</u>
Cash and cash equivalents, end of year	<u>\$ 101,084,170</u>	<u>\$ 97,441,788</u>	<u>\$ 13,709,344</u>	<u>\$ 212,235,302</u>	<u>\$ 118,817,704</u>
Cash classified as:					
Current assets	\$ 2,688,247	\$ 66,981,686	\$ 13,709,344	\$ 83,379,277	\$ 118,437,467
Restricted assets	98,395,923	30,460,102	-	128,856,025	380,237
	<u>\$ 101,084,170</u>	<u>\$ 97,441,788</u>	<u>\$ 13,709,344</u>	<u>\$ 212,235,302</u>	<u>\$ 118,817,704</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Cash Flows, Continued
Proprietary Funds
For the year ended June 30, 2014

	<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>	
Reconciliation of operating loss to net cash provided (used in) operating activities:					
Operating gain (loss)	\$ <u>(3,325,043)</u>	\$ <u>(43,470,792)</u>	\$ <u>13,883,327</u>	\$ <u>(32,912,508)</u>	\$ <u>(1,520,864)</u>
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	8,230,694	4,827,755	-	13,058,449	217,838
Provision for doubtful receivables	85,403	-	-	85,403	-
Effect of changes in operating assets and liabilities:					
Accounts receivable	(82,888)	-	(245,430)	(328,318)	(1,092,943)
Inventories	-	-	-	-	(15,872)
Due from other governmental units	(149,039)	-	-	(149,039)	-
Prepaid costs	-	-	-	-	116,042
Deferred landfill closure costs	(3,589,941)	-	-	(3,589,941)	-
Compensated absences and termination benefits payable	(504,300)	(363,146)	-	(867,446)	3,154
Accounts payable	(685,801)	(1,138,127)	50,141	(1,773,787)	3,090,585
Retainages	32,012	284,417	-	316,429	-
Accrued costs	(100,440)	(41,288)	-	(141,728)	33,890
Due to other funds	4,600,000	-	-	4,600,000	-
Deferred revenue	-	-	-	-	40,026
Due from component units	-	-	-	-	6,347,100
Estimated liability for landfill closure costs	7,290,724	-	-	7,290,724	-
Estimated liability on pending claims	-	-	-	-	(1,395,743)
Total adjustments	<u>15,126,424</u>	<u>3,569,611</u>	<u>(195,289)</u>	<u>18,500,746</u>	<u>7,344,077</u>
Net cash and cash equivalents provided by (used in) operating activities	\$ <u>11,801,381</u>	\$ <u>(39,901,181)</u>	\$ <u>13,688,038</u>	\$ <u>(14,411,762)</u>	\$ <u>5,823,213</u>
Non-cash investing, capital and related financing activities:					
Decrease (increase) in accrued interest receivable	\$ 86,943	\$ 50,974	\$ 4,938	\$ 142,855	\$ 27,747
Capital contributions - amount included in due from other governmental	-	572,293	-	572,293	-
	\$ <u>86,943</u>	\$ <u>623,267</u>	\$ <u>4,938</u>	\$ <u>715,148</u>	\$ <u>27,747</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Position
Fiduciary Funds
June 30, 2014

	Pension and Other Postemployment Benefit Trust Funds	Agency Funds
Assets:		
Equity in pooled cash and investments	\$ 16,428,140	\$ 4,766,719
Collateral for loaned securities	4,220,964	-
Investments:		
Pooled separate accounts	455,292,238	-
U.S. Government & agency securities	38,368,929	-
Corporate bonds	72,179,352	-
Common stock	232,301,790	-
Real estate investment trust	3,525,612	-
International Government securities	1,750,707	-
Preferred stock	75,190	-
Asset backed securities	15,835,419	-
Money market funds	473,173,717	-
Short-term investments	24,979,602	-
Alternative investments	369,857,452	-
Receivables:		
Taxes	-	6,582,867
Accounts	56,279	-
Accrued interest receivable	1,621,563	-
Prepaid costs and deposits	23,435	-
Total assets	<u>1,709,690,389</u>	<u>11,349,586</u>
Liabilities:		
Collateral for loaned securities payable	4,220,964	-
Accounts payable	761,450	96,263
Accrued costs	12,414,929	-
Due to other funds	2,500	-
Due to other governmental units	-	8,252,209
Funds held in trust	-	3,001,114
Total liabilities	<u>17,399,843</u>	<u>11,349,586</u>
Net position:		
Net position held in trust for benefit payments	\$ <u><u>1,692,290,546</u></u>	\$ <u><u>-</u></u>

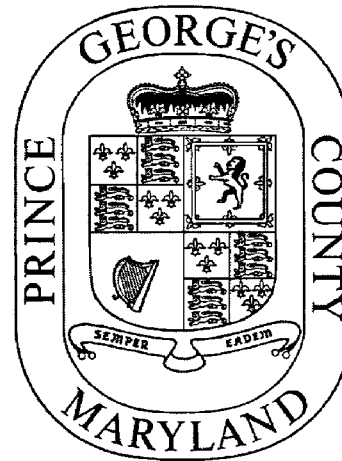
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2014

	<u>Pension and Other Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 164,839,028
Employee	33,645,263
Other	104,338
Total contributions	<u>198,588,629</u>
Investment income:	
Net appreciation in fair value of investments	204,867,268
Interest and dividends	38,133,493
Total investment income	<u>243,000,761</u>
Less investment expense	6,322,901
Net investment income	<u>236,677,860</u>
Total additions	<u>435,266,489</u>
Deductions:	
Benefits	200,974,987
Refunds of contributions	3,300,734
General and administrative expenses	2,998,871
Total deductions	<u>207,274,592</u>
Net increase	227,991,897
Net position held in trust for benefit payments, beginning of year	<u>1,464,298,649</u>
Net position held in trust for benefit payments, end of year	<u>\$ 1,692,290,546</u>

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

The notes are an integral part of the
financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

PRINCE GEORGE'S COUNTY
Notes to Financial Statements

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PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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 Peppercom Place, Suite 200, Landover, Maryland 20785.
- (iii) The Industrial Development Authority of Prince George's County (IDA) - The IDA is a public building authority providing physical facilities to local governments located in the State of Maryland. The County appoints a majority of the governing body and is able to impose its will through approval of the IDA's budget and substantial involvement in IDA operations. Requests for copies of financial statements should be addressed to the administrative offices of the Industrial Development Authority, which are located at 14741 Governor Oden Bowie Drive, Suite 3151, Upper Marlboro, Maryland 20772.
- (iv) The Prince George's County Memorial Library System (Memorial Library or Library) - The Memorial Library operates the County's public library system. The County is legally obligated to provide financial support to the Library. The County approves its budget, holds title to its assets, and can unilaterally abolish the Library. Requests for the Library's financial statements should be made to the administrative offices, which are located at 6532 Adelphi Road, Hyattsville, Maryland 20785.
- (v) The Prince George's Community College (Community College or College) - The College operates a higher education institution within the County. The County is legally obligated to provide financial support to the College. In addition, the fiscal dependency criterion applies because of the County's substantial budgetary approval authority. Individuals interested in obtaining detailed financial statements for the College should contact its administrative offices, which are located at 301 Largo Road, Landover, Maryland 20772.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

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

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

(b) Basis of Presentation

Government-wide Statements: The statement of net 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 to Financial Statements
June 30, 2014

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 types:

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

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

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

(c) Basis of Accounting

Government-wide, Proprietary and Trust Funds are accounted for using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. GASB 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, eliminates a previous election that allowed financial statements for Government-wide, Proprietary, and Trust Funds to apply post-November 30, 1989 FASB Statements and Interpretations for the financial statements to the extent that the FASB Statements and Interpretations did not conflict with or contradict GASB pronouncements. The County has elected not to follow subsequent private-sector guidance.

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

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 assets applicable to a future period. While deferred inflows of resources are the acquisition of net assets applicable to a future period. The government-wide and proprietary fund financial statements report deferred outflows of resources relating to debt refunding and landfill closure costs. The governmental funds report deferred inflows relating to unavailable tax 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 to Financial Statements
June 30, 2014

- 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 2014, such appropriations amounted to a \$65.0 million increase in the Primary Government's General Fund budget (major fund).
- All unencumbered appropriations in the General Fund lapse at the end of the fiscal year.

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

General Fund
Nonmajor governmental funds:
Property Management Services Fund
Collington Center Fund
Domestic Violence Fund
Drug Enforcement and Education Fund

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

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

(e) Cash and Cash Equivalents

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

(f) Investments

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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	\$ 10,354,247
Federal and State Aided Fund	20,110,182
Solid Waste Fund	481,357
Stormwater Management Fund	39,021
	\$ 30,984,807

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, 2014, there were approximately \$28.4 million of outstanding loans receivable under these programs. Approximately \$8.3 million of these loans are offset by equivalent deferred revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$20.1 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 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, 2014 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.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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. Contributed capital assets are recorded at estimated fair value at the time received. Assets recorded under capital lease agreements are recorded at the lower of fair value or the net present value of minimum lease payments on the date of the lease inception. Interest is capitalized on assets acquired or constructed with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of borrowing until installation or completion of the project with interest earned on invested proceeds over the same period.

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

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

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

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

(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 FY14.

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(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 outstanding debt related to capital assets. 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 (inventory) or legally or contractually required to remain intact.
- Restricted - Includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed - Includes amounts that can be used only for the specific purposes. The County Council as the highest level of decision-making authority within the County establishes the commitment of fund balance through the approval of the annual budget and appropriations ordinance by Council Bill. The 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. Assigned amounts in other governmental funds are determined by the County Executive or County Council Officer in accordance with the County Code.
- 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 30th and become delinquent on October 1st. The second semi-annual installment is due on or before December 31st and becomes delinquent on January 1st. 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 \$10,149,892, amounted to \$7,308,682.

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 2014, the tax rate was set at ninety-six cents (\$0.96) and two dollars forty cents (\$2.40) for each one hundred dollars (\$100) of assessed value for real and personal property, respectively. There were no bonds outstanding issued before the effective date of "TRIM".

(ii) Landfill Operations - Primary Government

- Revenue Recognition

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

- Closure and Post-closure Care Costs

The October 9, 1991 U.S. Environmental Protection Agency rule, "Solid Waste Disposal Facility Criteria", establishes certain closure and thirty (30) year postclosure care requirements affecting municipal solid waste landfills. In accordance with GAAP, the County accrues for closure and post-closure costs related to its landfill operations. Consistent with accounting policies for regulated enterprises, the recognition of closure and post-closure care costs otherwise chargeable to expense have been deferred because it has been determined that future estimated revenue in an amount at least equal to the deferred cost will result from inclusion of those amounts in allowable costs for rate-making purposes, and that future revenue will be sufficient to permit recovery of the previously incurred cost as well as to provide for expected levels of similar future costs. The deferred landfill closure costs are recognized to the extent that designated revenues are collected. In fiscal year 2014, \$12.00 per ton of solid waste dumped was designated for closure and postclosure costs.

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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 asset deficit related to component unit debt (\$486,417,276). The reclassification is necessary because the County issues debt to finance construction projects for its component units (Board of Education and Community College); however, the component units own the assets. The debt reduces unrestricted net assets for the County, while the capital assets are reported in net assets invested in capital assets, net of related debt by the component units.

(2) New Accounting Pronouncements

The County's Pension Plans implemented GASB Statement no. 67, "Financial Reporting for Pension Plans – An Amendment of GASB Statement No. " The implementation of the new standard changed the information presented in Plans' annual financial reports for Fiscal Year 2014. There was no material impact on the County's financial statements. 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.

(3) Compliance and Accountability

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

The Primary Government's Workers' Compensation Internal Service Fund's net deficit at June 30, 2014 was \$84,680,117. The County's risk management contributions increased by \$1.5 million during fiscal year 2014. Expenditures decreased by \$10.2 million driven by a decrease in claims expenses. The County will continue to increase premium contributions and reduce certain administrative costs in future fiscal years to reduce this deficit.

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

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

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(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, 2014, investments with maturities greater than one year at the time of purchase were 19.7% of the portfolio. The table below includes the Primary Government's fixed income holdings by investment type, fair value, and maturity:

Primary Government Investments (in thousands)				
Investment Type	Fair Value	Less than 1 year	1 to 5	6 to 10
U.S. Agency Securities	\$ 206,281	\$ 45,092	\$ 109,907	\$ 51,282
Certificates of Deposit	26,248	26,248	-	-
Money Market Mutual Funds	75,882	75,882	-	-
Local Government Investment Pool	401,221	401,221	-	-
	<u>\$ 709,632</u>	<u>\$ 548,443</u>	<u>\$ 109,907</u>	<u>\$ 51,282</u>

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

OPEB Fund Investments (in thousands)					
Investment Type	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10
Short-term investments	\$ 5,045	\$ 5,045	\$ -	\$ -	\$ -
	<u>\$ 5,045</u>	<u>\$ 5,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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:

Pension Fund Investments (in thousands) ⁽¹⁾						
Investment Type	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10	
U.S. Government Securities	\$ 19,135	\$ -	\$ 5,436	\$ 5,389	\$ 8,310	
U.S. Agency Securities	23,516	81	13,027	4,026	6,383	
Corporate Bonds	97,523	67	29,425	61,370	6,661	
Asset-Backed Securities	37,385	43	1,973	15,560	19,809	
Short-Term Investments	23,318	23,318	-	-	-	
	<u>\$ 200,877</u>	<u>\$ 23,509</u>	<u>\$ 49,861</u>	<u>\$ 86,345</u>	<u>\$ 41,163</u>	

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

(c) Credit Risk

Credit risk involves disclosing the credit quality of investments in debt securities as described by nationally recognized rating agencies. The Primary Government's investment policy prescribes the following credit quality standards. Bankers' acceptances and commercial paper must have a debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the SEC. As of June 30, 2014, the primary government had investments in the following issuers with credit quality ratings as a percent of the total investments in debt securities:

Primary Government Fund Investments (in thousands)					
Credit Risk					
Investment Type	Amount	Moody's	S&P	%	
U.S. Agency Securities	\$ 236,603	Aaa	AA+	24.06%	
Government Money Market Mutual Funds	230,541	Aaa	AAAm	23.44%	
Maryland Local Government Investment Pool	516,221	NR	AAAm	52.50%	
	<u>\$ 983,365</u>				

As of June 30, 2014, the OPEB Plan had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

OPEB FUND INVESTMENTS							
CREDIT RISK							
INVESTMENT TYPE	AMOUNT	MOODY'S	%	INVESTMENT TYPE	AMOUNT	S&P	%
Short-Term investments	14,173	NR	32.42%	Short-Term investments	14,173	NR	32.42%
	<u>\$ 43,713</u>				<u>\$ 43,713</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 2014 the Plans investments in government sponsored entities with ratings below AAA exceeded the 5% limit. As of June 30, 2014 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 ⁽¹⁾

		Credit Risk					
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Agency Securities	\$ 7,197	Aaa	3.96%	U.S. Agency Securities	\$ 1,799	AAA	0.99%
U.S. Agency Securities	5,782	Aa	3.18%	U.S. Agency Securities	8,284	AA	4.56%
U.S. Agency Securities	4,413	A	2.43%	U.S. Agency Securities	501	A	0.28%
U.S. Agency Securities	1,560	Baa	0.86%	U.S. Agency Securities	708	BBB	0.39%
U.S. Agency Securities	4,564	NR	2.51%	U.S. Agency Securities	12,224	NR	6.73%
Short-Term Investments	23,318	NR	12.83%	Short-Term Investments	23,318	NR	12.83%
Corporate Bonds	231	Aaa	0.13%	Corporate Bonds	423	AAA	0.23%
Corporate Bonds	2,738	Aa	1.51%	Corporate Bonds	3,736	AA	2.06%
Corporate Bonds	10,045	A	5.53%	Corporate Bonds	13,448	A	7.40%
Corporate Bonds	9,598	Baa	5.28%	Corporate Bonds	5,861	BBB	3.22%
Corporate Bonds	12,649	Ba	6.96%	Corporate Bonds	23,832	BB	13.11%
Corporate Bonds	51,318	B	28.24%	Corporate Bonds	44,236	B	24.34%
Corporate Bonds	6,877	CAA	3.78%	Corporate Bonds	3,263	CCC	1.80%
Corporate Bonds	352	NA	0.19%	Corporate Bonds	-	NA	0.00%
Corporate Bonds	3,715	NR	2.04%	Corporate Bonds	2,724	NR	1.50%
Asset-Backed Securities	379	Aaa	0.21%	Asset-Backed Securities	230	AAA	0.13%
Asset-Backed Securities	133	Aa	0.07%	Asset-Backed Securities	333	AA	0.18%
Asset-Backed Securities	382	A	0.21%	Asset-Backed Securities	560	A	0.31%
Asset-Backed Securities	95	Baa	0.05%	Asset-Backed Securities	95	BBB	0.05%
Asset-Backed Securities	8,014	NR	4.41%	Asset-Backed Securities	7,785	NR	4.28%
Mortgage-Backed Securities	674	AAA	0.37%	Mortgage-Backed Securities	337	AAA	0.19%
Mortgage-Backed Securities	995	AA	0.55%	Mortgage-Backed Securities	385	AA	0.21%
Mortgage-Backed Securities	458	A	0.25%	Mortgage-Backed Securities	519	A	0.29%
				Mortgage-Backed Securities	686	BBB	0.38%
Mortgage-Backed Securities	26,256	NR	14.45%	Mortgage-Backed Securities	26,456	NR	14.56%
	<u>\$ 181,743</u>				<u>\$ 181,743</u>		

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

PRINCE GEORGE'S COUNTY, MARYLAND
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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 following investments represent over 5% of total OPEB Plan investments with a single investor.

State Street /SSGA FUNDS		
Money Market Fund	\$	5,045,386
Percentage		10.48%

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

	Pension Plans		
	<u>Police</u>	<u>Fire Service</u>	<u>Other</u>
State Street /PIMCO			
Bond Fund	\$ 77,374,788	\$ 27,993,796	\$ 37,095,905
Percentage	9.06%	7.22%	9.35%
State Street /Causway International			
Equity Fund	59,731,740	29,335,721	25,504,609
Percentage	7.00%	7.56%	6.43%
State Street /Pointer LP			
Alternative Investments	48,747,741	21,844,390	20,000,000
Percentage	5.71%	5.63%	5.04%
State Street / SSGA S&P 500			
Equity Fund	54,446,522	22,197,798	-
Percentage	6.38%	5.72%	-
State Street / Ballie Gifford Funds			
Equity Fund	55,628,500	29,335,721	-
Percentage	6.52%	7.56%	-
State Street / Winton Futures Fund LTD			
Alternative Investment	106,754,073	48,441,262	40,832,639
Percentage	12.50%	12.49%	10.29%
State Street / Mondrian International Small			
Real Estate Investment Trust	-	-	20,077,042
Percentage	-	-	5.06%

(e) Custodial Credit Risk

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

Custodial credit risk for investments is the risk that securities are uninsured, unregistered, and held by the counterparty, or by its trust department or agent, but not in the County or the Plans' name. As of June 30, 2014, there were no investments exposed to custodial credit risk.

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(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, 2014.

Other Pension Fund Investments (in thousands)					
Local Currency	Foreign Currency Exposure				
	Equity	Fixed Income	Other	Total	%
Australian Dollar	1,803	204	1,309	3,316	0.20%
Canadian Dollar	2,967	961	3,583	7,511	0.46%
Danish Krone	1,529	2	-	1,531	0.09%
Euro Currency	8,800	4,229	325	13,354	0.81%
Hong Kong Dollar	1,891	44	-	1,935	0.12%
Israeli Shekel	374	3	-	377	0.02%
Japanese Yen	7,538	3,979	-	11,517	0.70%
Malaysian Ringgit	-	217	-	217	0.01%
Mexican Peso	-	542	-	542	0.03%
New Zealand Dollar	686	421	-	1,107	0.07%
Norwegian Krone	5,267	387	259	5,913	0.36%
Polish Zloty	-	14	-	14	0.00%
Pound Sterling	185	1,648	-	1,833	0.11%
Singapore Dollar	2,247	274	-	2,521	0.15%
South African rand	-	3	-	3	0.00%
South Korean Won	2,247	-	-	2,247	0.14%
Swedish Krona	794	269	-	1,063	0.06%
Swiss Franc	1,657	-	-	1,657	0.10%
Thailand Baht	-	4	-	4	0.00%
Total Foreign Holdings	<u>\$ 37,985</u>	<u>\$ 13,201</u>	<u>\$ 5,476</u>	<u>\$ 56,662</u>	3.46%

PRINCE GEORGE'S COUNTY, MARYLAND
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(g) Securities Lending

The Board of Trustees for the Pension Plans (the Plans) authorizes the lending of securities to broker-dealers for collateral that will be returned for the same securities in the future. The collateral securities, letters of credit and cash are initially pledged at 100% of the market value of the securities lent and revalued daily to ensure that the collateral does not fall below 100%. The Plans are indemnified for credit risk as it relates to counterparty loan activity. During the Fiscal Year, the Plans and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of a liquidity pool and a duration pool. As of June 30, 2014 the liquidity pool had an average duration of 29 days and an average weighted final maturity of 85 days for cash collateral. As of June 30, 2014 the duration pool had an average duration of 44 days and an average weighted final maturity of 1,972 days for cash collateral. Because the securities lending transactions were terminable at will their duration did not generally match the duration of the investments made with the cash collateral received from the borrower. On June 30, 2014 the Plans had no credit risk exposure to borrowers. The collateral held and the fair value of securities on loan as of June 30, 2014 totaled \$4,220,964 and \$4,161,921, respectively. Cash collateral held, amounting to \$4,220,964, 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 2014 the Plans invested directly in various derivatives including futures contracts, forward currency contracts, and rights. During the fiscal year the plans had the following derivative instrument activity:

Investment Type	Notional Amount	Changes in Fair Value	Classification	Fair Value at June 30, 2014
Foreign Currency Forward Contracts	\$ 1,924,248	\$ (21,817)	Long-Term Instruments	\$ (12,266)
Rights	-	35,396	Common Stock	-
Warrants	13,008	(656)	Common Stock	6
	<u>\$ 1,937,256</u>	<u>\$ 12,922</u>		<u>\$ (12,260)</u>

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(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2014 are as follows:

Due from/to other funds:

Receivable Fund	Payable Fund	<u>Amount</u>
General Fund	Federal and State Aided Programs	\$ 14,500,000
	Capital Projects	104,000,000
	Solid Waste Fund	4,600,000
	Fiduciary Funds	2,500
		<u>\$ 123,102,500</u>

Due from/to other entities:

Receivable Entity	Payable Entity	<u>Amount</u>
Component Unit - Board of Education	Primary Government - Capital Projects Fund	\$ 798,259
Component Unit - Memorial Library	Primary Government - Capital Projects Fund	845,011
		<u>\$ 1,643,270</u>
Primary Government - General Fund	Component Unit - Housing Authority	\$ 4,257,604
Primary Government - General Fund	Component Unit - Community Television	450,000
Primary Government - General Fund	Component Unit - Revenue Authority	4,131,437
Primary Government - Internal Service Funds	Component Unit - Board of Education	3,987,647
Primary Government - Internal Service Funds	Component Unit - Community College	143,281
Primary Government - Internal Service Funds	Component Unit - Memorial Library	105,694
		<u>\$ 13,075,663</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, 2014 are as follows:

Transfers from/to other funds:

Transfers From	Transfers To	<u>Amount</u>
General Fund	Federal and State Aided Programs	\$ 1,805,452
	Nonmajor Governmental Funds	76,554,663
	Capital Projects	4,500,000
Capital Projects	Nonmajor Governmental Funds	12,042,049
		<u>\$ 94,902,164</u>

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(6) Due From Other Governmental Units

The State owes the Primary Government \$102,744,516 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, 2014 is listed below:

	<u>State of Maryland</u>	<u>Federal Government</u>	<u>Other Sources</u>	<u>Total</u>
Primary Government	\$ 138,916,470	23,369,959	10,843,473	173,129,902
Component Units:				
Board of Education	19,694,482	22,323,625	24,793,034	66,811,141
Other Component Units	<u>2,182,163</u>	<u>1,177,814</u>	<u>510,969</u>	<u>3,870,946</u>
Total	<u>21,876,645</u>	<u>23,501,439</u>	<u>25,304,003</u>	<u>70,682,087</u>
Total Reporting Entity	<u>\$ 160,793,115</u>	<u>46,871,398</u>	<u>36,147,476</u>	<u>243,811,989</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2014 were as follows:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2014</u>
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 89,777,502	1,515,637	-	91,293,139
Construction in progress	42,304,878	101,481,874	18,946,737	124,840,015
Total capital assets, not being depreciated:	<u>132,082,380</u>	<u>102,997,511</u>	<u>18,946,737</u>	<u>216,133,154</u>
Capital assets, being depreciated:				
Buildings and improvements	491,069,336	16,066,582	-	507,135,918
Equipment	173,778,167	9,005,378	6,287,404	176,496,141
Infrastructure	2,718,916,693	25,833,915	-	2,744,750,608
Total capital assets, being depreciated:	<u>3,383,764,196</u>	<u>50,905,875</u>	<u>6,287,404</u>	<u>3,428,382,667</u>
Less accumulated depreciation for:				
Buildings and improvements	128,398,702	10,557,779	-	138,956,481
Equipment	123,716,604	15,751,201	5,893,113	133,574,692
Infrastructure	1,076,392,028	46,610,328	-	1,123,002,356
Total accumulated depreciation	<u>1,328,507,334</u>	<u>72,919,308</u>	<u>5,893,113</u>	<u>1,395,533,529</u>
Total capital assets being depreciated, net	<u>2,055,256,862</u>	<u>(22,013,433)</u>	<u>394,291</u>	<u>2,032,849,138</u>
Governmental activities capital assets	<u>\$ 2,187,339,242</u>	<u>80,984,078</u>	<u>19,341,028</u>	<u>2,248,982,292</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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Depreciation expense was charged to functions/programs of governmental activities as follows:

Governmental Activities:		
General government	\$	11,731,913
Public safety		9,980,561
Environmental		289,681
Health and Human Services		457,648
Infrastructure and Development		50,241,667
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets		<u>217,838</u>
Total depreciation expense - governmental activities	\$	<u><u>72,919,308</u></u>

Construction of capital assets in progress for the Primary Government at June 30, 2014, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	<u>Project No.</u>	Expended through <u>June 30, 2014</u>	Encumbered at <u>June 30, 2014</u>
AIS Legacy System	230123	\$ 17,557,309	914,890
Training/Administration Headquarters	500123	23,475,432	181,933
Virginia Manor Road	664231	14,162,855	3,464,183
Oxon Hill Road	666681	11,517,291	2,530,964
Other public facilities	Various	10,005,120	5,910,678
Other library projects	Various	1,646,345	9,426,868
Public safety projects	Various	30,495,269	12,609,962
Other road and bridge projects	Various	<u>15,980,394</u>	<u>4,631,266</u>
Total Primary Government		<u><u>\$ 124,840,015</u></u>	<u><u>39,670,744</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(b) Business-type Activities

Changes in capital assets during fiscal year 2014 were as follows:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2014</u>
Capital assets, not being depreciated:				
Land	\$ 26,791,702	112,606	-	26,904,308
Construction in progress	<u>69,165,055</u>	<u>21,660,038</u>	<u>10,728,554</u>	<u>80,096,539</u>
Total capital assets, not being depreciated:	<u>95,956,757</u>	<u>21,772,644</u>	<u>10,728,554</u>	<u>107,000,847</u>
Capital assets, being depreciated:				
Buildings and improvements	32,674,270	1,947,460	-	34,621,730
Equipment and vehicles	31,506,999	3,705,753	1,815,425	33,397,327
Landfill property in service	121,336,027	-	-	121,336,027
Stormwater property in service	<u>184,367,840</u>	<u>8,668,489</u>	<u>-</u>	<u>193,036,329</u>
Total capital assets being depreciated:	<u>369,885,136</u>	<u>14,321,702</u>	<u>1,815,425</u>	<u>382,391,413</u>
Less accumulated depreciation for:				
Buildings and improvements	14,422,064	800,542	-	15,222,606
Equipment and vehicles	21,668,282	2,927,027	1,724,653	22,870,656
Landfill property in service	93,171,588	5,033,132	-	98,204,720
Stormwater property in service	<u>48,840,210</u>	<u>4,297,747</u>	<u>-</u>	<u>53,137,957</u>
Total accumulated depreciation	<u>178,102,144</u>	<u>13,058,448</u>	<u>1,724,653</u>	<u>189,435,939</u>
Total capital assets being depreciated, net	<u>191,782,992</u>	<u>1,263,254</u>	<u>90,772</u>	<u>192,955,474</u>
Business-type activities capital assets	<u>\$ 287,739,749</u>	<u>23,035,898</u>	<u>10,819,326</u>	<u>299,956,321</u>

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

Solid Waste Fund	\$ 8,230,693
Stormwater Management Fund	4,827,755
Total depreciation expense - business-type activities	<u>\$ 13,058,448</u>

As of June 30, 2014, construction requisitions outstanding for proprietary funds of the Primary Government totaled \$17,408,413.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

Changes in capital assets for the Stormwater Management Fund during 2014 were as follows:

	Balance July 1, 2013	Additions	Disposals and Completed Construction	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 15,485,620	112,606	-	15,598,226
Construction in progress	44,717,703	18,897,894	8,781,094	54,834,503
Total capital assets, not being depreciated:	<u>60,203,323</u>	<u>19,010,500</u>	<u>8,781,094</u>	<u>70,432,729</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	4,001,912	153,892	14,207	4,141,597
Stormwater property in service	184,367,840	8,668,489	-	193,036,329
Total capital assets being depreciated:	<u>188,612,277</u>	<u>8,822,381</u>	<u>14,207</u>	<u>197,420,451</u>
Less accumulated depreciation for:				
Buildings and improvements	229,590	9,701	-	239,291
Equipment and vehicles	2,454,391	520,307	13,496	2,961,202
Stormwater property in service	48,840,210	4,297,747	-	53,137,957
Total accumulated depreciation	<u>51,524,191</u>	<u>4,827,755</u>	<u>13,496</u>	<u>56,338,450</u>
Total capital assets being depreciated, net	<u>137,088,086</u>	<u>3,994,626</u>	<u>711</u>	<u>141,082,001</u>
Stormwater Management Fund capital assets	<u>\$ 197,291,409</u>	<u>23,005,126</u>	<u>8,781,805</u>	<u>211,514,730</u>

Changes in capital assets for the Solid Waste Fund during 2014 were as follows:

	Balance July 1, 2013	Additions	Disposals and Completed Construction	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 11,306,082	-	-	11,306,082
Construction in progress	24,447,352	2,762,144	1,947,460	25,262,036
Total capital assets, not being depreciated:	<u>35,753,434</u>	<u>2,762,144</u>	<u>1,947,460</u>	<u>36,568,118</u>
Capital assets, being depreciated:				
Buildings and improvements	32,431,745	1,947,460	-	34,379,205
Equipment and vehicles	27,505,087	3,551,861	1,801,218	29,255,730
Landfill property in service	121,336,027	-	-	121,336,027
Total capital assets being depreciated:	<u>181,272,859</u>	<u>5,499,321</u>	<u>1,801,218</u>	<u>184,970,962</u>
Less accumulated depreciation for:				
Buildings and improvements	14,192,474	790,841	-	14,983,315
Equipment and vehicles	19,213,891	2,406,720	1,711,157	19,909,454
Landfill property in service	93,171,588	5,033,132	-	98,204,720
Total accumulated depreciation	<u>126,577,953</u>	<u>8,230,693</u>	<u>1,711,157</u>	<u>133,097,489</u>
Total capital assets being depreciated, net	<u>54,694,906</u>	<u>(2,731,372)</u>	<u>90,061</u>	<u>51,873,473</u>
Solid Waste Fund capital assets	<u>\$ 90,448,340</u>	<u>30,772</u>	<u>2,037,521</u>	<u>88,441,591</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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Construction in progress in the enterprise funds as of June 30, 2014 consists of the following:

Primary Government - Business-type Activities:

o Stormwater Management Enterprise Fund	
- Stormdrain Relief Program (540425)	\$ 10,773,034
- Water Quality Control Facility (540465)	718,191
- Anacostia Retrofit (540855)	1,537,878
- Stormwater Management Restoration (664285)	9,298,759
- Watershed Implementation Plan II (542105)	1,967,116
- Major Reconstruction – DPWT (541435)	18,286,084
- COE Anacostia Restoration (541685)	3,588,508
- Bladensburg Environmental Revitalization (541835)	6,495,495
- Other miscellaneous projects	2,169,438
	<u>54,834,503</u>
o Solid Waste Enterprise Fund	
- Brown Station Landfill Expansion (541113)	7,156,027
- Rural Convenience Center (541135)	215,619
- Sandy Hill Landfill Expansion (548846)	17,074,714
- Commercial Manufacturer/Waste Transfer Station (548925)	815,676
	<u>25,262,036</u>
Total Primary Government - Business-type Activities	<u>\$ 80,096,539</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(c) Component Units Capital Assets Activity

Changes in Board of Education capital assets during fiscal year 2014 were as follows:

	Balance June 30, 2013	Additions	Disposals and Completed Construction	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 23,619,039	-	-	23,619,039
Construction in progress	190,192,947	123,801,723	230,505,171	83,489,499
Total capital assets, not being depreciated:	<u>213,811,986</u>	<u>123,801,723</u>	<u>230,505,171</u>	<u>107,108,538</u>
Capital assets, being depreciated:				
Buildings and improvements	1,500,955,021	196,669,794	94,628	1,697,530,187
Equipment and vehicles	140,476,675	31,434,355	8,252,051	163,658,979
Total capital assets, being depreciated:	<u>1,641,431,696</u>	<u>228,104,149</u>	<u>8,346,679</u>	<u>1,861,189,166</u>
Less accumulated depreciation for:				
Buildings and improvements	605,902,539	50,426,472	269	656,328,742
Equipment and vehicles	84,043,386	11,443,954	8,089,342	87,397,998
Total accumulated depreciation	<u>689,945,925</u>	<u>61,870,426</u>	<u>8,089,611</u>	<u>743,726,740</u>
Total capital assets being, depreciated, net	<u>951,485,771</u>	<u>166,233,723</u>	<u>257,068</u>	<u>1,117,462,426</u>
Component units - Board of Education capital assets	<u>\$ 1,165,297,757</u>	<u>290,035,446</u>	<u>230,762,239</u>	<u>1,224,570,964</u>

Changes in other component units' capital assets during fiscal year 2014 were as follows:

	Balance June 30, 2013	Additions	Disposals and Completed Construction	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 62,024,211	2,082,754	-	64,106,965
Construction in progress	1,368,152	17,023	-	1,385,175
Total capital assets, not being depreciated:	<u>63,392,363</u>	<u>2,099,777</u>	<u>-</u>	<u>65,492,140</u>
Capital assets, being depreciated:				
Buildings and improvements	269,236,307	8,096,596	(248,690)	277,581,593
Equipment and vehicles	54,925,893	5,599,750	5,063,108	55,462,535
Total capital assets, being depreciated:	<u>324,162,200</u>	<u>13,696,346</u>	<u>4,814,418</u>	<u>333,044,128</u>
Less accumulated depreciation for:				
Buildings and improvements	90,233,276	7,177,703	(248,690)	97,659,669
Equipment and vehicles	33,894,666	6,133,678	5,045,153	34,983,191
Total accumulated depreciation	<u>124,127,942</u>	<u>13,311,381</u>	<u>4,796,463</u>	<u>132,642,860</u>
Total capital assets being, depreciated, net	<u>200,034,258</u>	<u>384,965</u>	<u>17,955</u>	<u>200,401,268</u>
Other component units - capital assets	<u>\$ 263,426,621</u>	<u>2,484,742</u>	<u>17,955</u>	<u>265,893,408</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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(8) Risk Management

Details of estimated liabilities on pending claims, by fund, at June 30, 2014 are as follows:

	Risk Management <u>Pools</u>	Other <u>Self-Insurance</u>	<u>Total</u>
Primary Government:			
Internal Service Funds:			
Unemployment Compensation	\$ -	\$ 215,271	\$ 215,271
Property Loss	432,515	-	432,515
Automobile Liability	3,239,828	-	3,239,828
Workers' Compensation	120,912,350	-	120,912,350
General Liability	9,754,889	-	9,754,889
Life and Health Benefits	-	12,119,098	12,119,098
Total Primary Government	<u>\$ 134,339,582</u>	<u>\$ 12,334,369</u>	<u>\$ 146,673,951</u>

The Primary Government, together with the Board of Education, the Board of Trustees for Prince George's Community College, and the Board of Trustees of Prince George's County Memorial Library are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains various pooled risk management Internal Service Funds (comprised of the above mentioned members) to account for and finance its uninsured losses. Under this program, the County is an approved self-insurer by the State of Maryland, and as such, is subject to provide coverage according to State mandatory limits of \$500,000 per injury. Property coverage is self-insured for \$250,000 per incident with excess insurance above this level provided by The Travelers Indemnity Company (Travelers), which includes replacement values of both structures and contents. Liability coverage is self-insured. The County has a liability limit under the State Tort Claims Act of \$200,000 per person not to exceed \$500,000 per incident for all participants with the exception of the Board of Education, which retains immunity at \$100,000 per incident. These limits do not apply to claims brought under Federal jurisdiction. Excess liability coverage is provided by Travelers at the \$1,000,000 through \$5,000,000 levels for the Community College and the Library. There were no losses in excess of insurance coverage in the last three fiscal years. Insurance coverage at June 30, 2014 is consistent with the prior year.

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2014, the Primary Government made contributions amounting to \$59,315,844. The actuarially computed claims liability has been discounted at a rate of 5 percent, based on the pool's investment yield rate and current economic conditions.

PRINCE GEORGE'S COUNTY, MARYLAND
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The total claims liability of \$134,339,582 reported for the risk management pools at June 30, 2014 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, 2014. 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 2013 and 2014 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 2013	\$122,941,945	62,873,984	(49,992,369)	135,823,560
Fiscal year 2014	\$135,823,560	46,521,510	(48,005,488)	134,339,582

The following is a summary of the fiscal year 2014 claims expenses by fund:

	Total Claim Payments	Liability on Pending Claims Adjustment	Total Claims Expenses
Property Loss Fund	\$ 2,000	\$ 35,632	\$ 37,632
Auto Liability Fund	1,540,244	571,357	2,111,601
Workers' Compensation Fund	44,308,621	(2,251,830)	42,056,791
General Liability Fund	2,154,623	160,863	2,315,486
	<u>\$ 48,005,488</u>	<u>\$ (1,483,978)</u>	<u>\$ 46,521,510</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 2013 and 2014 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 2013	\$10,263,669	50,813,321	(48,830,856)	12,246,134
Fiscal year 2014	\$12,246,134	49,094,238	(49,006,003)	12,334,369

PRINCE GEORGE'S COUNTY, MARYLAND
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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 State Retirement and Pension System of Maryland (SRPS) [formerly Maryland State Retirement and Pension Systems (MSRPS)], in accordance with Article 73B of the annotated Code of Maryland.

- Employees Retirement and Pension System of Maryland

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

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

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

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

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
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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 for the indicated fiscal years.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarial contribution requirement	\$ 16,220,418	14,088,765	17,839,700

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

Plan Descriptions

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

Funding Policy

Contributions to the Plans for 2014 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2012. The Primary Government's fiscal year 2014 total payroll was \$504,339,232. Employee contribution rates are determined by collective-bargaining agreements or by the Board of Trustees for each Plan. Participant contributions are included in the plan assets and are 100% vested with the employee. Upon termination of employment, a participant may elect to receive a refund of contributions; if there has been at least five years of credited service, the participant may instead elect a retirement annuity upon attaining retirement age. Participants begin vesting in employer contributions after 5 years of credited service.

The contribution rates as a percentage of covered payrolls during fiscal year 2014 were as follows:

	<u>July 1, 2013 to June 30, 2014</u>		
	<u>Employee</u>	<u>Employer</u>	<u>Covered</u>
	<u>Rates</u>	<u>Rates</u>	<u>Payroll</u>
Comprehensive Plans:			
Police	5.50%	56.67%	\$ 132,856,596
Fire Service	4.00	65.39	61,520,842
Deputy Sheriff's	10.00	44.03	14,819,114
Correctional Officers'	12.00	31.88	26,087,235
Supplemental Plans:			
Deputy Sheriff's	5.20	83.47	558,262
Correctional Officers'	5.75	38.13	1,613,254
Crossing Guards	4.26	5.41	1,478,859
AFSCME	1.73	7.88	54,596,819
General Schedule	3.73	8.30	96,687,856
Fire Civilian	4.98	12.80	4,007,893
Police Civilian	4.72	6.30	19,058,383

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

Actuarially Determined Contribution Requirements

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

						Actuarial assumptions			
	Actuarial Valuation Date	Actuarial Cost Method	Amortization Method	Remaining Amortization Period	Asset Valuation Method	Investment Rate of Return	Projected Salary Increases	Inflation	Cost of living increases
Comprehensive Plans:									
Police	07/01/2012	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	\$35 per month
Fire Service	07/01/2012	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	lesser of \$35 per month or 4.9% of the monthly benefit
Deputy Sheriff's	07/01/2012	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	
Correctional Officers'	07/01/2012	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
Supplemental Plans:									
Deputy Sheriff's	07/01/2012	Entry age	Level dollar, closed	12 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
Correctional Officers'	07/01/2012	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
Crossing Guards	07/01/2012	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
AFSCME	07/01/2012	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
General Schedule	07/01/2012	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
Fire Civilian	07/01/2012	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none
Police Civilian	07/01/2012	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3.5% per year plus salary based component	2.75%	none

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

Annual Pension Costs

Annual pension costs (APC) are the actuarially required employer contributions to the pension plans. The net pension obligation (NPO) represents the difference between the APC and the actual employer contributions. The APC for the Police and Fire Service Pension Plans was \$101.2 million for fiscal year 2014. Based on recommendations from the County's actuary, the actual employer contribution for fiscal year 2014 was \$100.9 million. The resulting NPO of \$.3 million along with the \$14.8 million NPO from fiscal year 2013, results in a total NPO at the end of the year of \$15.1 million. Three-year trend information for Comprehensive Pension Plans is presented below (in thousands):

	Year Ended	NPO beginning	Annual Pension Cost (APC)					NPO End	Percentage of	
	June 30	of year	ARC	Interest	Adjustment	Total	Decrease in NPO	of year	APC Contributed	
Comprehensive Pension Plans:										
Police	2014	\$	13,162	66,113	987	(721)	66,379	(66,113)	13,428	100%
	2013	\$	12,876	56,265	1,030	(744)	56,551	(56,265)	13,162	99
	2012		12,596	52,793	1,008	(728)	53,073	(52,793)	12,876	99
Fire Service	2014		1,651	34,827	124	(91)	34,860	(34,827)	1,684	100
	2013		1,615	29,994	129	(93)	30,030	(29,994)	1,651	100
	2012		1,580	31,141	126	(91)	31,176	(31,141)	1,615	100
Deputy Sheriff's	2014		-	5,172	-	-	5,172	-	-	100
	2013		-	5,172	-	-	5,172	-	-	100
	2012		-	5,244	-	-	5,244	-	-	100
Correctional Officers'	2014		-	6,361	-	-	6,361	-	-	100
	2013		-	6,361	-	-	6,361	-	-	100
	2012		-	6,655	-	-	6,655	-	-	100

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

Annual Pension Costs (continued)

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

	<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Supplemental Pension Plans:				
Deputy Sheriff's	2014	\$ 769	100 %	-
	2013	652	100	-
	2012	274	100	-
Correctional Officers'	2014	560	100	-
	2013	529	100	-
	2012	568	100	-
Crossing Guards	2014	82	100	-
	2013	87	100	-
	2012	85	100	-
AFSCME	2014	3,924	100	-
	2013	3,877	100	-
	2012	4,063	100	-
General Schedule	2014	7,190	100	-
	2013	6,270	100	-
	2012	6,225	100	-
Fire Civilian	2014	456	100	-
	2013	412	100	-
	2012	426	100	-
Police Civilian	2014	1,069	100	-
	2013	998	100	-
	2012	1,050	100	-

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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Funded Status and Funding Progress

The following is the funded status for the plans as of July 1, 2014, the most recent actuarial valuation date:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a)/c)
Comprehensive						
Police	\$ 711,874,600	\$ 1,314,281,400	\$ 602,406,800	54.16	\$ 117,917,900	510.87
Fire Service	324,381,900	672,487,000	348,105,100	48.24	52,320,000	665.34
Deputy Sheriff's	46,551,400	103,083,800	56,532,400	45.16	13,005,400	434.68
Correctional Officers'	90,359,900	182,192,000	91,832,100	49.60	25,158,200	365.02
Supplemental						
Deputy Sheriff's	3,068,200	9,151,500	6,083,300	33.53	528,100	1,151.92
Crossing Guards	1,247,900	1,915,000	667,100	65.16	1,370,400	48.68
AFSCME	62,337,900	86,288,300	23,950,400	72.24	49,182,900	48.70
General Schedule	97,326,900	158,024,600	60,697,700	61.59	81,645,700	74.34
Fire Civilian	5,725,700	10,711,500	4,985,800	53.45	3,461,600	144.03
Police Civilian	15,831,200	25,757,900	9,926,700	61.46	16,771,600	59.19

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

(b) Component Units

Generally, all employees of the Board of Education, the Housing Authority, the Community College, the Memorial Library, and certain employees of the PGCT participate in one of the statewide Employee's Retirement and Pension Systems or Teacher's Retirement and Pension Systems. Information covering the Housing Authority and PGCT is included with the Primary Government because those individuals are also employees of the Primary Government. Separate financial statements prepared for the Board of Education, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their participation in SRPS. Review of these financial statements indicates the Component Units individually met the actuarially determined contribution requirements for fiscal years 2014, 2013, and 2012.

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 2014 amounted to \$96,068,149, \$4,680,086 and \$1,899,827, 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 employee's two single-employer, defined contribution pension plans. The State of Maryland made "on behalf" employer contributions totaling \$820,525 to these plans during fiscal year 2014. The Revenue Authority established a single-employer, defined contribution pension plan for its employees on July 1, 1987. Detailed information concerning these plans may also be obtained from the separately issued financial reports of these Component Units.

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

(a) Plan Description

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

Medical Insurance

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

Life Insurance

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

Vision Care and Prescription Drug Insurance

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

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

(b) Funding Policy

The County negotiates the contribution percentages between the County and the plan members through union contracts and personnel policy. A non-public safety and public safety retiree pays the same percentage of the premium contribution for the HMOs (20%), POS/PPO (25%), and dental (100%) plans. Non-public safety retirees pay 10% to 100% of the premium cost for each of the prescription and vision plans; whereas, the public safety retirees pay 1% to 10% of the premium contribution for each of the same two plans. The public safety group bargained these premium contributions for the retirees of this group during prior bargaining negotiations. The premium contribution share outlined above applies to a retiree who qualifies for retirement under their specified pension plan and is enrolled in the plans at the time of retirement. The County contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as approved in the annual budget. The County contributed \$36.7 million, during fiscal year 2014 for current premiums (approximately 76% of total premiums). Plan members receiving benefits contributed \$11.8 million (approximately 24 percent) to the Plan.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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 2014 was \$144.3 million. Actual contributions for the fiscal year were \$36.7 million. The resulting NOPEBO of \$107.6 million along with the \$270.7 million NOPEBO from fiscal year 2013, results in a total NOPEBO at the end of the year of \$378.3 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 June 30	NOPEBO beginning of year	Annual OPEB Cost (AOC)				Decrease in NOPEBO	NOPEBO end of year	Percentage of AOC Contributed
		ARC	Interest	Adjustment	Total			
2014	\$ 270,753	143,837	10,803	(10,320)	144,320	(36,737)	378,336	25%
2013	165,747	135,968	6,630	(6,334)	136,264	(31,258)	270,753	23%
2012	121,644	72,785	1,956	-	74,741	(30,638)	165,747	42

(d) Funding Status and Funding Progress

The following is the funded status for the OPEB plan as of June 30, 2012, the most recent actuarial valuation date:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered payroll
(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
\$ 47,938	\$ 1,584,584	\$ 1,536,646	3.03%	\$ 494,980	310%

(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	07/01/2012
Actuarial cost method	Projected unit credit cost method
Discount rate	4.00% which is based on paygo funding
Health care trends	
Medical Pre-65	8.5% in 2013 with annual decrease of 0.375% through 2022, 0.125% decrease in 2023, and remain at 5% annually thereafter
Medical 65 +	7% in 2013 with annual decrease of 0.25% through 2020, and remain at 5% annually thereafter
Prescription	8% in 2013 with annual decrease of 0.375% through 2021, and remain at 5% annually thereafter
Vision and administrative expenses	0.04
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(f) Component Units

The Board of Education, the Housing Authority, the Community College, and the Memorial Library implemented GASB Statement No.45 during fiscal year 2008. The Housing Authority and the Memorial Library participate in the County's retiree life and health insurance benefit plan. Fiscal year 2013 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$87,000 and \$324,672, respectively. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid employer contribution of \$96.2 million and recognized a NOPEBO of \$929.4 million in fiscal year 2014. The Community College contributed \$2.1 million in employer contribution with an NOPEBO of \$1.4 million. Separate financial statements prepared for the Board of Education, Housing Authority, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their OPEB plans.

(g) Other Benefits - LOSAP

In 1974, the County created the Length of Service Awards Program (LOSAP). LOSAP provides 570 annuities to former volunteer members of the County's fire companies or rescue squads who met certain age and service criteria. Benefits totaling \$1,969,291 in fiscal year 2014 also include survivor annuities and lump-sum death benefits and are reported in the Primary Government's General Fund, on a "pay-as-you-go" basis. The most recent actuarial review was performed as of July 1, 2006. If the County were to implement an advance funding program, the estimated contribution beginning with fiscal year 2008 would be approximately \$1.8 million. The unfunded liability of approximately \$21.1 million as of July 1, 2006, was projected to be funded over 30 years.

(11) 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, 2014 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, 2014:

	Unavailable	Unearned	Total
General Fund			
Income Taxes Receivable	\$ 49,800,071	\$ -	\$ 49,800,071
Property Taxes Receivable	5,192,380	-	5,192,380
Notes Receivable	-	7,542,478	7,542,478
Subtotal	<u>54,992,451</u>	<u>7,542,478</u>	<u>62,534,929</u>
Federal And State Aided Programs			
Grant Drawdowns in Excess of Expenditures	-	20,465,775	20,465,775
Internal Service Funds			
Receipt of Revenue prior to Service Provided	-	40,034	40,034
	<u>\$ 54,992,451</u>	<u>\$ 28,048,287</u>	<u>\$ 83,040,738</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(12) Deferred Compensation Plans

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

(13) Bonded Debt

(a) Outstanding Long-term Liabilities

The following is a summary of all primary government outstanding long-term liabilities as of June 30, 2014:

	Governmental Activities		Business-type Activities		Total		
	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	Total
Bonds payable							
General obligation bonds	\$ 78,370,000	1,080,848,000	10,710,000	161,872,000	89,080,000	1,242,720,000	1,331,800,000
Revenue bonds	-	-	385,998	-	385,998	-	385,998
Bond premium	-	109,072,559	-	9,868,700	-	118,941,259	118,941,259
Total bonds payable	78,370,000	1,189,920,559	11,095,998	171,740,700	89,465,998	1,361,661,259	1,451,127,257
Notes payable	11,343,668	76,543,369	-	-	11,343,668	76,543,369	87,887,037
Capital lease obligations	7,778,952	21,959,931	-	-	7,778,952	21,959,931	29,738,883
Estimated liabilities on pending claims	42,084,028	104,589,923	-	-	42,084,028	104,589,923	146,673,951
Compensated absences and termination benefits payable	41,884,270	29,892,683	1,969,029	203,809	43,853,299	30,096,492	73,949,791
Pension obligations	-	15,112,238	-	-	-	15,112,238	15,112,238
OPEB obligations	-	378,336,056	-	-	-	378,336,056	378,336,056
Landfill closure / postclosure	-	-	1,399,339	104,178,589	1,399,339	104,178,589	105,577,928
Other long-term liabilities	103,090,918	626,434,200	3,368,368	104,382,398	106,459,286	730,816,598	837,275,884
Total long-term liabilities	\$ 181,460,918	1,816,354,759	14,464,366	276,123,098	195,925,284	2,092,477,857	2,288,403,141

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the County for the fiscal year ended June 30, 2014:

		Primary Government					
		Governmental Activities	Business-type Activities				
			Solid Waste	Stormwater Management	Total	Component Units	Total
Bonded debt at July 1, 2013	\$	1,231,983,000	41,125,943	140,945,000	1,414,053,943	61,560,000	1,475,613,943
Debt retired		<u>(72,765,000)</u>	<u>(4,727,945)</u>	<u>(4,375,000)</u>	<u>(81,867,945)</u>	<u>(4,875,000)</u>	<u>(86,742,945)</u>
Bonded debt (including current portion)							
As of June 30, 2014		1,159,218,000	36,397,998	136,570,000	1,332,185,998	56,685,000	1,388,870,998
Less current portion		<u>(78,370,000)</u>	<u>(4,685,998)</u>	<u>(6,410,000)</u>	<u>(89,465,998)</u>	<u>(5,100,000)</u>	<u>(94,565,998)</u>
Noncurrent portion as of June 30, 2014	\$	<u>1,080,848,000</u>	<u>31,712,000</u>	<u>130,160,000</u>	<u>1,242,720,000</u>	<u>51,585,000</u>	<u>1,294,305,000</u>

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2014 are as follows:

Year ended June 30,	Primary Government									
	Governmental Activities		Business-type Activities				Total	Component Units		Total
	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest	
2015	\$ 78,370,000	48,311,361	4,685,998	1,510,522	6,410,000	5,847,803	145,135,683	5,100,000	2,886,083	153,121,766
2016	85,140,000	44,429,451	3,410,000	1,333,239	6,700,000	5,555,102	146,567,791	5,340,000	2,647,136	154,554,927
2017	87,210,000	40,514,200	1,745,000	1,216,598	7,085,000	5,236,028	143,006,825	5,590,000	2,391,969	150,988,794
2018	88,310,000	36,609,659	1,850,000	1,130,450	7,145,000	4,888,203	139,933,311	5,865,000	2,123,535	147,921,846
2019	87,935,000	32,823,377	1,840,000	1,047,563	7,485,000	4,538,828	135,669,767	6,145,000	1,839,254	143,654,021
2020 - 2024	421,000,000	103,929,524	10,635,000	3,827,541	40,845,000	16,999,261	597,236,326	11,195,000	6,566,157	614,997,483
2025 - 2029	260,760,000	31,543,634	8,515,000	1,690,769	35,435,000	8,815,911	346,760,314	14,125,000	3,128,290	364,013,604
2030 - 2034	50,493,000	3,317,670	3,717,000	263,323	25,465,000	2,159,243	85,415,235	3,325,000	125,044	88,865,279
	<u>\$ 1,159,218,000</u>	<u>341,478,875</u>	<u>36,397,998</u>	<u>12,020,002</u>	<u>136,570,000</u>	<u>54,040,378</u>	<u>1,739,725,253</u>	<u>56,685,000</u>	<u>21,707,468</u>	<u>1,818,117,721</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2014 are as follows:

<u>Primary Government:</u>	<u>Interest Rates</u>	<u>Final Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Governmental Activities:				
General obligation bonds:				
2003 - 2004F, 2005-2007B, 2008, 2009A, 2009B CPI; 2009A TQSC, 2009B TESC; 2010 A/B; 2011, 2011A/11B, 2013 A/B/C	1.615 - 6.05%	2034	\$ 1,995,050,000	\$ 1,159,218,000
Total governmental activities long-term bonded debt			<u>\$ 1,995,050,000</u>	<u>\$ 1,159,218,000</u>
<u>Business-type Activities:</u>	<u>Interest Rates</u>	<u>Final Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
2003, 2004, 2005, 2006, 2007A, 2007B, 2008, 2010 A/B, 2011A/B				
2013 A/B/C stormwater management - general obligation	2.50 - 5.50%	2034	\$ 157,450,000	\$ 136,570,000
2003B, 2004, 2004C-F, 2005, 2007B, 2008, 2009A and 2009B, 2010A/B, 2011A/B 2013 A/B/C solid waste management system - general obligation	2.50 - 5.50%	2034	97,787,000	36,012,000
1994A and 2003 solid waste management system - revenue bonds	2.00 - 6.50%	2015	<u>103,767,386</u>	<u>385,998</u>
Total business-type activities long-term bonded debt			<u>359,004,386</u>	<u>172,967,998</u>
Total primary government long-term bonded debt			<u>\$ 2,354,054,386</u>	<u>\$ 1,332,185,998</u>
Component Units:				
Revenue bonds:				
Housing Authority -				
Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	\$ 1,465,000	\$ 840,000
Industrial Development Authority -				
2003A refunding lease revenue	2.0 - 5.125%	2019	27,430,000	19,130,000
2003B subordinated lease revenue	3.5 - 4.75%	2030	22,085,000	15,750,000
2009 taxable lease revenue bonds	0.64 - 6.169%	2030	<u>23,850,000</u>	<u>20,965,000</u>
Total Component Units revenue bonds			<u>\$ 74,830,000</u>	<u>\$ 56,685,000</u>
Total long-term bonded debt			<u>\$ 2,428,884,386</u>	<u>\$ 1,388,870,998</u>

PRINCE GEORGE'S COUNTY, MARYLAND
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(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, 2014 is summarized as follows:

	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Enabled by authority of the State of Maryland:		
Health	\$ 16,000,000	-
Roads, parking and mass transit	826,135,000	209,828,000
Public buildings	572,156,000	115,805,000
Public Safety	574,466,000	100,120,000
	<u>\$ 1,988,757,000</u>	<u>425,753,000</u>

The legal debt limit and margin at June 30, 2014 were \$4,887,119,492 and \$4,042,830,043, respectively. The County was in compliance with all significant bond covenants at June 30, 2014.

(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, 2014 follows:

- On August 3, 2000, the Primary Government issued \$6,365,000 of Water Quality Refunding Bonds, Series 2000A, dated August 3, 2000 to advance refund \$5,930,000 of certain selected callable maturities of the County's (i) Consolidated Public Improvement Bonds, Series 1995, dated May 1, 1995, and (ii) Consolidated Public Improvement Bonds, Series 1996, dated May 15, 1996. At June 30, 2014, \$1,930,000 of the refunded bonds outstanding that mature in the years 2015 through 2016 are considered defeased.
- On August 3, 2000, the Primary Government issued \$8,370,000 of Water Quality Refunding Bonds, Series 2000B, dated August 3, 2000 to advance refund \$7,770,000 of certain selected callable maturities of the County's (i) General Obligation Stormwater Management Bonds, Series 1993, dated February 1, 1993, and (ii) Unlimited Tax General Obligation Stormwater Management Bonds, Series 1997, dated June 15, 1997. At June 30, 2013, \$1,200,000 of the refunded bonds outstanding that mature in fiscal years 2015 through 2017 are considered defeased.

PRINCE GEORGE'S COUNTY, MARYLAND
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- On July 15, 2003, the Primary Government issued \$90,585,000 of General Obligation Public Improvement Refunding Bonds, Series 2003B, dated June 15, 2003 to advance refund \$94,935,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1994, dated January 15, 1994, (ii) General Obligation Consolidated Public Improvement Bonds, Series 1995, dated May 1, 1995, (iii) General Obligation Consolidated Public Improvement Bonds, Series 1996, dated May 15, 1996, (iv) General Obligation Consolidated Public Improvement Bonds, Series 1997A, dated June 15, 1997. Of the \$94,935,000 advance refunded bonds, \$7,785,000 are bonds of the Solid Waste Enterprise Fund. The remaining \$87,150,000 refunded bonds relate to governmental activities. At June 30, 2014, \$4,650,000 of the outstanding refunded bonds that mature in the years 2015 through 2017 are considered defeased.
- On December 15, 2004, the Primary Government issued \$141,130,000 of General Obligation Public Improvement Bonds, 2004 Refunding Series A, B, C, D, E and F, dated December 1, 2004 to advance refund certain portions of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1996 (ii) General Obligation Public Improvement Bonds, Series 1997A, (iii) General Obligation Public Improvement Bonds, Series 1998, (iv) General Obligation Public Improvement Bonds, Series 1999, (v) General Obligation Public Improvement Bonds, Series 2000, and (vi) General Obligation Public Improvement Bonds, Series 2001. Of the \$141,170,000 advance refunded bonds, \$8,490,000 are bonds of the Solid Waste Enterprise Funds. The remaining \$132,680,000 Refunded Bonds relate to governmental activities. At June 30, 2014, \$39,755,000 of the refunded bonds outstanding that mature in the years 2015 through 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, 2013, \$79,880,000 of the refunded bonds outstanding that mature in the years 2015 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, 2014, \$185,315,000 of the refunded bonds outstanding that mature in the years 2015 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 (iv) General Obligation Consolidated Public Improvement Bonds, Series 2007 A, dated June 1, 2007. Of the \$200,390,000 advance refunded bonds, \$9,260,000 (\$7,100,000 for Stormwater and \$2,160,000 for Solid Waste) is reported as business-type activities. The remaining \$191,130,000 Refunded Bonds relate to governmental activities. At June 30, 2014, \$190,055,000 of the refunded bonds outstanding that mature in the years 2017 through 2028 are considered defeased.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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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, 2014, there were one hundred and seventy series of Economic Development Revenue Bonds outstanding. The aggregate principal amount, for the one series issued after July 1, 1995 that remain outstanding, is \$50.7 million. The aggregate principal amount payable on June 30, 2014 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, 2014 are as follows.

Bond	Project	Issuance Date	Amount Issued	Amount Outstanding	Final Maturity
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2005	National Harbor Convention Center Project	05/11/2005	\$ 95,000,000	86,315,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	11,525,000	07/01/2035
Prince George's County, Maryland Special Obligation Bonds, Series 2005	National Harbor Project	09/21/2005	65,000,000	63,370,000	07/01/2034
Prince George's County, Maryland Special Obligation Bonds, Series 1997A	Woodview Village Improvements Projects	10/25/2006	7,450,000	5,595,000	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	6,840,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project	04/02/2008	50,000,000	50,000,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project	01/27/2009	35,000,000	34,691,000	01/01/2039
Prince George's County Woodmore Towne Centre at Glenarden Special Obligation Developer Note, Series 2012	Woodmore Town Center	01/18/2012	17,000,000	15,172,295	01/01/2043
Prince George's County Brandywine Shopping Center Phase II Special Obligation Developer Notes, Series 2014A	Bradywine Shopping Center	05/06/2014	2,220,000	2,033,479	01/01/2043
Prince George's County Brandywine Shopping Center Phase II Special Obligation Developer Notes, Series 2014B	Bradywine Shopping Center	05/06/2014	2,280,000	2,088,438	01/01/2032
Prince George's County Town Center at Camp Springs Special Obligation Developer Notes, Series 2014A	Camp Springs Town Center	06/30/2014	4,900,000	4,900,000	01/01/2043
			<u>\$ 299,055,000</u>	<u>282,530,212</u>	

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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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>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2014</u>
Pension obligations	\$ 14,812,540	101,239,502	100,939,804	\$ 15,112,238
OPEB obligations	270,752,678	144,320,000	36,736,622	378,336,056
Compensated absences and termination benefits payable	71,616,475	42,044,748	41,884,270	71,776,953
Estimated liabilities on pending claims and judgments	148,069,694	95,615,748	97,011,491	146,673,951
Capital lease obligations	19,365,264	15,121,149	4,747,530	29,738,883
Notes payable:				
Purchase agreements and certificates of participation	51,777,027	39,475,000	8,212,107	83,039,920
MILA loans	121,336	-	34,519	86,817
Commercial Building Loan Fund	4,636,000	-	289,000	4,347,000
Maryland CDA Infrastructure Financing	484,300	-	71,000	413,300
Total notes payable	<u>57,018,663</u>	<u>39,475,000</u>	<u>8,606,626</u>	<u>87,887,037</u>
	<u>\$ 581,635,314</u>	<u>437,816,147</u>	<u>289,926,343</u>	<u>\$ 729,525,118</u>

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

	Balance <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2014</u>
Compensated absences and termination benefits payable	\$ 3,040,284	1,101,580	1,969,026	\$ 2,172,838
Landfill closure / postclosure costs	98,287,204	7,290,724	-	105,577,928
Capital lease	10,090	-	10,090	-
	<u>\$ 101,337,578</u>	<u>8,392,304</u>	<u>1,979,116</u>	<u>\$ 107,750,766</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, \$1,515,085 (\$1,274,070 within one year, and \$241,015 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.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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a) Capital Lease Obligations

The County entered into agreements with Grant Capital Management 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; and Fire/EMS ambulances and other Public Safety vehicles in June 2014. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities Stormwater	Total
Asset:			
Equipment	\$ 11,013,319	47,289	11,060,608
Less: Accumulated depreciation	(2,479,532)	(35,940)	(2,515,472)
Total	<u>\$ 8,533,787</u>	<u>11,349</u>	<u>8,545,136</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

<u>Year ending June 30</u>	Governmental Activities
2015	<u>\$ 8,146,254</u>
2016	8,146,253
2017	6,413,391
2018	4,769,580
2019	<u>3,125,771</u>
Total minimum lease payments	30,601,249
Less: amount representing interest	(862,366)
Present value of minimum lease payments	<u>\$ 29,738,883</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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b) Pension and OPEB Obligations

The liability for pension and OPEB obligations represents the difference between the actuarially required and the actual employer contributions. The balance as of June 30, 2014 for the Pension and OPEB liabilities was \$ 15,112,238 (see note 9 – Pension Plans) and \$378,336,056 (see note 10 – Postemployment Benefits Other Than Pensions), respectively.

c) Compensated Absences and Termination Benefits

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

Vested or accumulated vacation and sick leave that relates to employees who terminated employment with the County on or before June 30, 2014 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, 2014 (in thousands):

		Primary Government				
	Governmental Activities	Business-type Activities			Total	Component Units
		Solid Waste	Stormwater Management	Total		
Primary Government	\$ 71,777	891	1,282	2,173	73,950	-
Component Units:						
Board of Education	-	-	-	-	-	67,944
Housing Authority	-	-	-	-	-	583
Memorial Library	-	-	-	-	-	2,028
Community College	-	-	-	-	-	2,497
	71,777	891	1,282	2,173	73,950	73,052
Less current portion	41,884	837	1,132	1,969	43,853	1,014
Total long-term portion	\$ 29,893	54	150	204	30,097	72,038

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
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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, 2014 (in thousands):

Year ending June 30,	Primary Government		
	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 10,923	6,234	17,157
2016	10,377	5,010	15,387
2017	10,235	2,538	12,773
2018	5,435	2,194	7,629
2019	5,520	1,957	7,477
2020- 2024	27,690	5,967	33,657
2025- 2029	9,910	1,593	11,503
2030- 2031	<u>2,950</u>	<u>149</u>	<u>3,099</u>
Total note payments	\$ <u>83,040</u>	<u>25,642</u>	<u>108,682</u>

PRINCE GEORGE'S COUNTY, MARYLAND
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(ii) Other General Long-Term Debt Notes Payable

The Primary Government is obligated for promissory notes in the amount of \$86,817, payable to the Maryland Industrial Land Act (MILA) of the State of Maryland with interest rate of 6.9%. The loan matures September 15, 2016.

The Primary Government entered into an agreement with HUD to administer a \$10,000,000 Section 108 Commercial Building Loan Fund. The first project financed under the loan fund was a \$2,000,000 loan paid to a private partnership for land acquisition. The first principal payment of \$165,000 was paid August 1, 2002. The loan was paid in full on August 1, 2011. The second project financed under the loan fund was a \$2,600,000 loan paid to a developer for the construction of a restaurant. The developer is responsible for servicing the loan balance that matures August 1, 2022, at rates ranging from 1.21% to 5.69%. At June 30, 2014, \$1,751,000 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, 2014, \$1,263,000 was outstanding. The fourth project financed under this loan was a \$1,837,000 loan paid to a sign manufacturing company for building acquisition and construction renovations to relocate the company. The first principal payment of \$46,000 was paid on August 1, 2006. The company is responsible for servicing the loan balance that matures on August 1, 2024, at 4.41%. The outstanding balance as of June 30, 2014 was \$1,333,000.

On March 10, 1999, the Primary Government issued for the benefit of the Community Development Administration ("CDA"), a division of the Maryland Department of Housing and Community Development, a general obligation bond designated as "Prince George's County, Maryland Infrastructure Bond, 1999 Series A" in the amount of \$1,217,800 secured by the full faith and credit of the County. Secured by the pledges of seven participating local governments, including the Primary Government, the CDA issued on March 10, 1999 Infrastructure Financing Bonds (MBIA Insured) 1999 Series A in the aggregate principal amount of \$6,985,000. The Primary Government used the proceeds to provide funds to refinance certain outstanding loans and to purchase a fire truck for Accokeek Volunteer Fire Department, Inc. ("AVFD") and to pay the costs of issuance of bonds. Because the County issued the obligation to obtain a loan for the benefit of AVFD, the latter executed a promissory note on March 11, 1999 promising to pay to the Primary Government the principal sum of \$1,217,800, plus interest on the unpaid principal amount. The debt service payment made by AVFD to the Primary Government equals the Primary Government's debt service payments to the CDA. The debt is repayable to the State in 20 annual installments with interest rates ranging from 4.125% to 5.0%, and matures May 1, 2019. At June 30, 2014, \$413,300 remained outstanding.

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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 reserves. The balance in the stabilization fund is disclosed in the table below.

A schedule of fund balance classifications at June 30, 2014 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	\$ 138,560,185	\$ 138,560,185	\$ -	\$ -	\$ -
Public safety	6,433,185	-	-	6,433,185	-
Infrastructure and development	8,667,386	-	-	8,667,386	-
Education	38,194,741	-	-	38,194,741	-
Debt Service	38,658,461	-	2,363,072	-	36,295,389
Restricted for other purposes					
Domestic Violence	142,629	-	-	-	142,629
Drug Enforcement and Education	7,556,802	-	-	-	7,556,802
Unspent Proceeds from debt issuances:					
Equipment purchases	17,703,217	17,703,217	-	-	-
Real estate purchases	4,534,348	4,534,348	-	-	-
Total restricted fund balances	\$ 260,450,954	160,797,750	\$ 2,363,072	\$ 53,295,312	\$ 43,994,820

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	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Nonspendable:					
Inventory	\$ 1,549,546	\$ 1,549,546	\$ -	\$ -	\$ -
Unrestricted - Committed Fund Balance					
Operating Reserve	\$ 55,424,074	55,424,074	\$ -	\$ -	\$ -
Environmental	2,323,282	-	-	2,323,282	-
Total committed fund balances	<u>\$ 57,747,356</u>	<u>55,424,074</u>	<u>\$ -</u>	<u>\$ 2,323,282</u>	<u>\$ -</u>
Unrestricted - Assigned Fund Balance					
Economic Development	\$ 45,579,581	\$ 45,579,581	\$ -	\$ -	\$ -
Property Sales and Acquisitions	3,293,216	-	-	-	3,293,216
Drug Enforcement and Education	2,971,016	-	-	-	2,971,016
Other	2,682,100	2,682,100			
Appropriation of Fund Balance for Subsequent Year's Budget	4,100,000	4,100,000	-	-	-
Total assigned fund balances	<u>\$ 58,625,913</u>	<u>52,361,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,264,232</u>
Unassigned:	\$ 30,953,395	\$ 30,953,395	\$ -	\$ -	\$ -
Total fund balance	<u><u>\$409,327,164</u></u>	<u><u>\$ 301,086,446</u></u>	<u><u>\$ 2,363,072</u></u>	<u><u>\$ 55,618,594</u></u>	<u><u>\$ 50,259,052</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
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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. Amounts reported as encumbrances in the General Fund are reported as an assignment of Fund Balance. Encumbrances in other governmental funds are included in the restricted fund balance category. Effective July 1, 2014 the County implemented a new financial system. As part of the conversation strategy encumbrances were closed in all funds with the exception of Capital Projects as of June 30, 2014. The following table includes functional encumbrance balances as of June 30, 2014:

	Capital Projects Fund
General Government	\$ 10,629,333
Public Safety	14,181,783
Health and human services	84,833
Infrastructure and	24,717,915
Education	10,092,378
Total	<u>\$ 59,706,242</u>

(19) Summary Disclosure of Significant Contingencies

(a) Litigation

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

(b) Contingent Liabilities

(i) Questioned Costs

The County participates in a number of Federally-assisted grant programs. These programs are currently under examination in accordance with Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." The final results of this examination for fiscal year 2014 have not yet been determined. The amount of expenditures which may be disallowed by the granting agencies cannot be specifically determined at this time. The County expects any disallowed costs to be immaterial, as has been the case in previous audits.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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 72.1% of total estimated capacity has been utilized as of June 30, 2014. It is expected to operate through the year 2020.

To close both Phase I and Phase II of the landfill, State and Federal laws and regulations require the County to place a final cover on both landfill phases. (The closure and post-closure plan for both phases is pending final State approval.) These laws also require the County to perform certain maintenance and monitoring functions at the landfill site. In accordance with statutory requirements, the Primary Government estimates closure costs only for Phase I, of approximately \$26.6 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$77.5 million. Estimated costs are "as if incurred" in fiscal year 2014 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, 2014, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$67.7 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, 2014, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$87,505,439 for landfill closure costs. The fiscal year 2014 financial statements reflect post-closure expenses of approximately \$3.8 million, based on the above criteria.

(iii) Sandy Hill Landfill

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

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

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

As with the Brown Station Road Landfill, State and Federal laws and regulations require a final landfill cover and 30 years of post-closure activities. The Primary Government has recorded an estimated liability for 30 years of post-closure costs of \$37.9 million because this landfill is substantially full. Of this amount, \$30.6 million has been deferred as of June 30, 2014, and will be recognized as revenues earmarked for post-closure activities are earned through operations of the Solid Waste Fund. Estimated costs for post-closure activities, are "as if incurred," and will be updated annually for changes in technology, applicable regulations and inflation.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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>		
2015	\$	17,475
2016		17,767
2017		18,058
2018		18,368
2019		18,678
2020-2024		74,643
2025-2029		83,773
2030-2034		80,567
	\$	<u>329,329</u>

During fiscal year 2014, rent expense under these lease agreements amounted to approximately \$17.2 million.

(20) Joint Ventures

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

(a) Washington Suburban Transit Commission (WSTC)

The WSTC is a State of Maryland bi-county agency, which receives funds from Montgomery and Prince George's Counties, both of which participate in the Washington Metropolitan Area Transit Authority (WMATA), to construct and maintain a cohesive and uniform transportation system. WSTC is composed of seven members; two from each county, two members appointed by the Governor of Maryland, and one ex officio representative from the Maryland Department of Transportation. WSTC acts as a coordinator for transit-related information and provides a forum for the discussion, formulation and transmittal of Federal, state and local funds paid to WMATA on behalf of the Maryland region. The annual operating costs of WSTC are shared equally by Montgomery and Prince George's Counties. The Primary Government's share of these costs for fiscal year 2014 amounted to \$80,045.

(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, 2014, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$66,106,148.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(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 2014, 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

(21) 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 2014 contributions to COG amounted to approximately \$539,017.

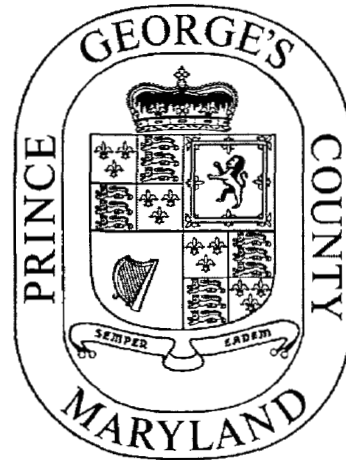
PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2014

(22) Subsequent Events

On September 30, 2014, the County issued \$217,850,000 of General Obligation Consolidated Public Improvement Bonds, Series 2014A and \$28,800,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2014B. The 2014A bonds were issued to provide funds for the construction, reconstruction, establishment, extension, enlargement, demolition, acquisition, rehabilitation, or repair of certain capital projects. The Series 2014B Refunding Bonds were issued to refund certain maturities of the County's Consolidated Public Improvement Refunding Bonds, Series 2004D, 20004E, 2004F, and 2004G.

On July 1, 2014 the County implemented Wave 1 of an Enterprise Resource Planning solution to replace some of its existing business processes. The multi-year / multi- Wave project will result in a suite of integrated software to conduct the County's operations. Wave 1 included Financial Accounting, Procurement, Materials Management, and a portion of Human Resources.

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REQUIRED SUPPLEMENTARY INFORMATION

Prince George's County, Maryland
Schedule of Funding Progress
For the fiscal year ended June 30, 2014

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of the plan over time indicates whether the plans are becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plans' progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the percentage, the stronger the plan. The latest actuarial valuation for the Plans was performed as of July 1, 2012. Beginning with the July 1, 2012 actuary report the Correctional Officers' Comprehensive and Supplemental Pension Plans reported combined data ⁽¹⁾. The OPEB Plan had actuarial valuations as of July 1, 2007, July 1, 2008, July 1, 2010 and July 1, 2012. The significant actuarial assumptions used to compute the accrued actuarial liability are the same as those used to compute the actuarially determined contribution requirements.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	
Comprehensive Pension Plans:								
Police								
07/01/2013	\$ 711,874,600	\$ 1,314,281,400	\$ 602,406,800	54.16	%	\$ 117,917,900	510.87	%
07/01/2012	683,529,800	1,252,708,300	569,178,500	54.56		107,624,300	528.86	
07/01/2011	676,596,300	1,148,643,000	472,046,700	58.90		105,970,000	445.45	
07/01/2010	660,807,300	1,107,839,000	447,031,700	59.65		106,868,400	418.30	
07/01/2009	668,828,400	1,062,724,100	393,895,700	62.94		108,335,400	363.59	
07/01/2008	666,746,200	985,857,100	319,110,900	67.63		108,498,400	294.12	
Fire Service								
07/01/2013	\$ 324,381,900	\$ 672,487,000	\$ 348,105,100	48.24	%	\$ 52,320,000	665.34	%
07/01/2012	314,865,600	649,857,900	334,992,300	48.45		52,054,300	643.54	
07/01/2011	311,047,700	596,322,800	285,275,100	52.16		51,753,900	551.21	
07/01/2010	306,212,500	574,931,700	268,719,200	53.26		49,060,800	547.73	
07/01/2009	313,339,300	550,846,400	237,507,100	56.88		52,036,500	456.42	
07/01/2008	309,789,400	499,603,800	189,814,400	62.01		50,846,300	373.31	
Deputy Sheriffs'								
07/01/2013	\$ 46,551,400	\$ 103,083,800	\$ 56,532,400	45.16	%	\$ 13,005,400	434.68	%
07/01/2012	43,412,600	96,436,100	53,023,500	45.02	%	13,064,600	405.86	
07/01/2011	41,024,800	87,538,700	46,513,900	46.86		13,420,100	346.60	
07/01/2010	38,266,500	82,382,200	44,115,700	46.45		12,931,600	341.15	
07/01/2009	37,362,400	76,873,900	39,511,500	48.60		13,597,000	290.59	
07/01/2008	35,383,500	68,315,900	32,932,400	51.79		12,394,700	265.70	
⁽¹⁾ Correctional Officers'								
07/01/2013	\$ 90,359,900	\$ 182,192,000	\$ 91,832,100	49.60	%	\$ 25,158,200	365.02	%
07/01/2012	84,295,700	164,009,200	79,713,500	51.40		25,158,200	316.85	
07/01/2011	74,788,400	142,798,100	68,009,700	52.37		25,098,900	270.97	
07/01/2010	69,679,000	134,277,900	64,598,900	51.89		25,181,100	256.54	
07/01/2009	67,793,100	127,639,000	59,845,900	53.11		24,397,700	245.29	
07/01/2008	64,683,800	108,764,000	44,100,200	59.47		23,274,200	189.48	

Required Supplementary Information

Prince George's County, Maryland
Schedule of Funding Progress, continued
For the fiscal year ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Supplemental Pension Plans:						
Deputy Sheriffs'						
07/01/13	\$ 3,068,200	\$ 9,151,500	\$ 6,083,300	33.53 %	\$ 528,100	1,151.92
07/01/12	3,032,500	8,950,000	5,917,500	33.88	920,700	642.72
07/01/11	3,396,300	8,520,500	5,124,200	39.86	1,025,000	499.92
07/01/10	3,647,700	8,333,400	4,685,700	43.77	1,208,100	387.86
07/01/09	3,916,100	8,101,100	4,185,000	48.34	1,285,400	325.58
07/01/08	4,175,800	7,683,700	3,507,900	54.35	1,235,200	283.99
Correctional Officers'						
07/01/11	\$ 4,611,000	\$ 6,830,300	\$ 2,219,300	67.51 %	1,674,200	132.56
07/01/10	4,062,000	6,838,200	2,776,200	59.40	1,816,300	152.85
07/01/09	4,036,000	6,558,800	2,522,800	61.54	1,808,200	139.52
07/01/08	3,897,200	5,726,100	1,828,900	68.06	1,911,500	95.68
Crossing Guards						
07/01/13	\$ 1,247,900	\$ 1,915,000	\$ 667,100	65.16 %	\$ 1,370,400	48.68
07/01/12	1,185,700	1,850,500	664,800	64.07	1,549,600	42.90
07/01/11	1,145,900	1,838,700	692,800	62.32	1,482,200	46.74
07/01/10	1,113,500	1,836,200	722,700	60.64	1,539,300	46.95
07/01/09	1,104,200	1,828,200	724,000	60.40	1,685,200	42.96
07/01/08	1,067,500	1,796,800	729,300	59.41	1,655,300	44.06
AFSCME						
07/01/13	\$ 62,337,900	\$ 86,288,300	\$ 23,950,400	72.24 %	\$ 49,182,900	48.70
07/01/12	56,796,500	81,647,900	24,851,400	69.56	54,010,000	46.01
07/01/11	52,335,500	74,580,400	22,244,900	70.17	54,135,400	41.09
07/01/10	47,544,800	71,474,400	23,929,600	66.52	55,451,600	43.15
07/01/09	44,700,300	69,406,900	24,706,600	64.40	58,701,800	42.09
07/01/08	41,001,400	63,333,200	22,331,800	64.74	57,555,100	38.80

Required Supplementary Information

Prince George's County, Maryland
Schedule of Funding Progress, continued
For the fiscal year ended June 30, 2014

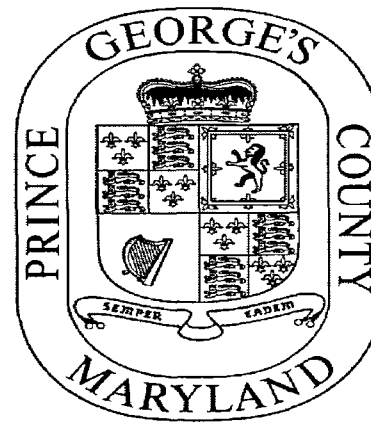
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Supplemental Pension Plans (continued):						
General Schedule						
07/01/13	\$ 97,326,900	\$ 158,024,600	\$ 60,697,700	61.59 %	\$ 81,645,700	74.34 %
07/01/12	91,956,200	151,801,000	59,844,800	60.58	81,051,300	73.84
07/01/11	88,648,000	139,561,200	50,913,200	63.52	79,578,600	63.98
07/01/10	84,006,000	134,320,300	50,314,300	62.54	78,996,700	63.69
07/01/09	82,628,200	132,510,700	49,882,500	62.36	82,751,800	60.28
07/01/08	80,133,200	123,448,900	43,315,700	64.91	79,038,500	54.80
Fire Civilian						
07/01/13	\$ 5,725,700	\$ 10,711,500	\$ 4,985,800	53.45 %	\$ 3,461,600	144.03 %
07/01/12	5,416,200	10,229,500	4,813,300	52.95	3,656,800	131.63
07/01/11	5,239,900	9,567,500	4,327,600	54.77	3,887,600	111.32
07/01/10	5,060,000	9,389,100	4,329,100	53.89	3,972,100	108.99
07/01/09	5,005,000	8,737,600	3,732,600	57.28	4,337,100	86.06
07/01/08	4,831,900	7,805,600	2,973,700	61.90	4,089,200	72.72
Police Civilian						
07/01/13	\$ 15,831,200	\$ 25,757,900	\$ 9,926,700	61.46 %	\$ 16,771,600	59.19 %
07/01/12	14,622,100	25,185,700	10,563,600	58.06	17,374,100	60.80
07/01/11	13,574,100	22,825,600	9,251,500	59.47	17,248,700	53.64
07/01/10	12,511,400	22,083,000	9,571,600	56.66	17,187,700	55.69
07/01/09	11,897,000	21,002,100	9,105,100	56.65	17,718,800	51.39
07/01/08	10,980,100	18,799,500	7,819,400	58.41	17,197,800	45.47
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
OPEB Plan Net Assets						
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%
07/01/08	29,647	792,265	762,618	3.74%	468,907	162.64%
07/01/07	-	762,335	762,335	-	463,893	164.33%

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

**INDIVIDUAL FUND
STATEMENT AND
SCHEDULES**



GENERAL FUND

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

PRINCE GEORGE'S COUNTY, MARYLAND

Balance Sheet

General Fund

June 30, 2014

<u>Assets</u>		<u>Liabilities, Deferred Inflow of Resources, and Fund Balance</u>	
Cash and investments	\$ 93,784,990	Liabilities:	
Taxes receivable:		Compensated absences and	
Property taxes	17,458,574	termination benefits payable	\$ 227,880
Less allowance for uncollectible taxes	(10,149,892)	Accounts payable	4,934,654
Net property taxes	7,308,682	Accrued costs	19,047,340
Accounts receivable	28,237,986	Unearned revenue	7,542,478
Less allowance for uncollectible accounts	(204,355)	Deposits	29,205,970
Net accounts receivable	28,033,631	Total liabilities	60,958,322
Notes receivable	7,542,478	Deferred Inflow of Resources:	
Accrued interest receivable	(44,023)	Unavailable revenue - income taxes	49,800,071
Due from other funds:		Unavailable revenue - property taxes	5,192,380
Special Revenue	14,500,000	Total deferred inflow of resources	54,992,451
Stormwater Management	4,600,000	Fund balance:	
Capital Projects	104,000,000	Nonspendable	1,549,546
Pension Fund	2,500	Restricted	
Total due from other funds	123,102,500	Economic stabilization	138,560,185
Due from component units:		Equipment purchases	17,703,217
Housing Authority	4,257,604	Real estate purchases	4,534,348
Revenue Authority	4,131,437	Total Restricted	160,797,750
Prince George's Community Television	450,000	Committed - Operating Reserve	55,424,074
Total due from component units	8,839,041	Assigned	
Due from other governmental units:		Economic Development	45,579,581
State	114,599,467	Subsequent Years Expenditures	4,100,000
Federal	396,708	School System Audit	500,000
Other	9,636,634	Local Impact Grant	2,000,000
Total due from other governmental units	124,632,809	Summer Yourh Enrichment Program	182,100
Inventories, at average cost	1,549,546	Total Assigned	52,361,681
Cash and investments-restricted	22,237,565	Unassigned	30,953,395
Other assets	50,000	Total fund balance	301,086,446
	\$ 417,037,219		\$ 417,037,219

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Revenue, Expenditures, and Changes in Fund Balance
General Fund
For the year ended June 30, 2014

Revenues:	
Taxes	\$ 1,438,667,312
Licenses and permits	21,523,211
Fines and forfeitures	14,097,056
Use of money and property	5,942,814
Charges for services	35,397,113
Intergovernmental	38,932,392
Miscellaneous	2,421,453
Total revenues	<u>1,556,981,351</u>
Expenditures:	
General government	254,118,289
Public safety	593,300,585
Environmental	3,881,746
Health and Human Services	24,928,298
Infrastructure and Development	27,867,275
Payments to component units	671,501,213
Debt Service	16,814,731
Total expenditures	<u>1,592,412,137</u>
Excess of revenues over expenditures	<u>(35,430,786)</u>
Other financing sources (uses):	
Premium on notes payable	5,419,224
Purchase agreement financing	54,596,149
Transfers out - other funds	(82,860,115)
Total other financing sources (uses)	<u>(22,844,742)</u>
Excess of revenues and other financing sources under expenditures and other uses	<u>(58,275,528)</u>
Fund balance, beginning of year	359,361,974
Fund balance, end of year	<u><u>\$ 301,086,446</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
General property taxes:			
Real property (net of credits)	\$ 630,657,000	634,519,093	3,862,093
Unincorporated business personal property	1,567,200	1,027,507	(539,693)
Railroad and public utility	27,281,100	32,590,209	5,309,109
Corporate personal property	39,941,800	36,917,057	(3,024,743)
Total general property taxes	699,447,100	705,053,866	5,606,766
Local taxes:			
Income	509,066,400	492,264,430	(16,801,970)
State income disparity grant	21,694,800	21,694,767	(33)
Recordation	37,044,100	30,944,735	(6,099,365)
Interest and penalties on delinquent taxes	3,895,900	3,736,279	(159,621)
Transfer	77,980,300	73,462,773	(4,517,527)
Trailer camp	35,000	40,950	5,950
Hotel/motel	5,481,200	5,544,149	62,949
Amusement	12,426,000	12,345,348	(80,652)
Telecommunications tax	35,000,600	33,914,325	(1,086,275)
Energy tax	53,797,000	55,240,457	1,443,457
Total local taxes	756,421,300	729,188,213	(27,233,087)
Shared taxes:			
Gas and motor vehicle	2,769,300	2,701,111	(68,189)
State transfer taxes	40,000	1,724,122	1,684,122
	2,809,300	4,425,233	1,615,933
Total taxes	1,458,677,700	1,438,667,312	(20,010,388)

(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, 2014

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Licenses and permits:			
Street privileges and permits	\$ 3,099,800	3,998,189	898,389
Liquor license and permits	1,428,000	1,814,224	386,224
Traders	857,300	841,415	(15,885)
Hawkers and peddlers	4,600	4,550	(50)
Taxicab	600,700	476,400	(124,300)
Dance licenses	4,000	7,000	3,000
Bonder's license fees	613,100	662,296	49,196
Animal registration	112,000	120,093	8,093
Mechanics	15,000	10,600	(4,400)
Electrical licenses	155,000	152,820	(2,180)
Building permits	7,891,300	9,137,271	1,245,971
Single family and apartment rental license fee	1,250,800	2,051,225	800,425
New sign permits	51,800	62,620	10,820
Towing facility	120,000	1,000	(119,000)
Palmist	2,500	3,000	500
Burglar alarm	560,500	524,386	(36,114)
Benefit performance and casino permits	1,200	2,780	1,580
Board of registration - contractor's fee	7,000	5,625	(1,375)
Health permits	1,567,800	1,550,158	(17,642)
Secondhand dealers	34,400	41,025	6,625
Other	17,500	56,534	39,034
Total licenses and permits	18,394,300	21,523,211	3,128,911
Fines and forfeitures:			
Motor vehicles	800,000	832,950	32,950
Animal	45,000	47,775	2,775
Automated Speed Enforcement	9,600,000	10,255,493	655,493
Traffic Light	1,005,000	2,918,106	1,913,106
Other	1,850,000	42,732	(1,807,268)
Total fines and forfeitures	13,300,000	14,097,056	797,056

(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, 2014

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Use of money and property:			
Interest and dividends	\$ 3,421,000	3,654,886	233,886
Telephone commissions	405,000	365,596	(39,404)
Rental of County-owned property	2,242,000	1,419,506	(822,494)
Xerox commissions	6,000	2,442	(3,558)
Vending machines and cafeteria commissions	49,000	129,012	80,012
Other use of money and property	-	20,448	20,448
Total use of money and property	<u>6,123,000</u>	<u>5,591,890</u>	<u>(531,110)</u>
Charges for services:			
Sheriff's fees	3,168,300	3,152,392	(15,908)
Zoning Appeals Board fee	25,000	31,055	6,055
Tax certification fees	-	17,102	17,102
Tax collection service	65,000	65,000	-
Health fees	945,500	1,152,233	206,733
Appearance and witness fees	168,000	206,183	38,183
Emergency transport and related services	11,005,000	7,433,699	(3,571,301)
Tax sale cost recoveries	112,900	70,226	(42,674)
Housing - State prisoners	-	591,840	591,840
Housing - Federal prisoners	200,000	203,476	3,476
Contractual police services	700,000	439,990	(260,010)
Fire inspection fee	-	419,171	419,171
Inmate commissions	500,000	228,927	(271,073)
County sales	500	400	(100)
Animal control fees	55,800	70,751	14,951
Circuit Court marriage ceremonies	45,000	31,560	(13,440)
Local 911 fee	6,265,400	6,267,326	1,926
Cable franchise fees	9,792,000	11,896,711	2,104,711
Stadium contract revenue	1,500,000	1,000,373	(499,627)
Jury fees reimbursements	710,000	769,900	59,900
Sex offenders registration fee	-	184,400	184,400
Interpreter fee	350,000	540,866	190,866
Other	1,410,000	623,532	(786,468)
Total charges for services	<u>37,018,400</u>	<u>35,397,113</u>	<u>(1,621,287)</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis), Continued
General Fund
For the year ended June 30, 2014

	Budget <u>As Revised</u>	Actual <u>Revenues</u>	Variance Positive (Negative)
Intergovernmental revenues:			
Civil defense	\$ 100,000	-	(100,000)
Police protection	11,107,200	11,235,377	128,177
Land management	10,000	-	(10,000)
Health Department - State share	5,377,500	3,408,045	(1,969,455)
Racing grant	1,000,000	1,000,000	-
Fish and wildlife service	140,000	161,662	21,662
Teacher Retirement grant	9,628,700	9,628,702	2
FEMA Reimbursement	-	124,538	124,538
DHR DSS grant	-	40,289	40,289
State grants	-	37,457	37,457
Federal grants	300,000	344,393	44,393
Payment from Revenue Authority	-	2,650,000	2,650,000
DSS salary reimbursement	215,600	176,196	(39,404)
Payment from M-NCPPC	10,441,300	7,979,404	(2,461,896)
Other	3,971,800	2,146,329	(1,825,471)
Total intergovernmental revenues	<u>42,292,100</u>	<u>38,932,392</u>	<u>(3,359,708)</u>
Miscellaneous revenues:			
Cedarville state forest	-	645	645
Sale of surplus property	185,800	315,347	129,547
Sale of voter lists	11,200	4,213	(6,987)
Sale of accident reports and photos	165,000	161,136	(3,864)
Other miscellaneous sales	38,000	60,275	22,275
Miscellaneous revenue	600,000	1,879,837	1,279,837
Total miscellaneous revenues	<u>1,000,000</u>	<u>2,421,453</u>	<u>1,421,453</u>
	<u>\$ 1,576,805,500</u>	<u>1,556,630,427</u>	<u>(20,175,073)</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government:									
County Executive:									
Compensation	\$ -	-	-	-	4,174,400	4,116,738	-	4,116,738	57,662
Other current expenses	219	-	219	-	492,500	430,272	-	430,272	62,228
Fringe benefits	-	-	-	-	1,026,900	1,047,339	-	1,047,339	(20,439)
Total County Executive	219	-	219	-	5,693,800	5,594,349	-	5,594,349	99,451
Legislative Branch:									
Compensation	-	-	-	-	9,214,300	9,153,987	-	9,153,987	60,313
Other current expenses	426,250	221,843	204,407	-	2,355,400	2,318,457	-	2,318,457	36,943
Capital outlay	-	-	-	-	30,000	-	-	-	30,000
Fringe benefits	-	-	-	-	2,672,000	2,730,419	-	2,730,419	(58,419)
Project charges	-	-	-	-	(1,027,300)	(1,183,752)	-	(1,183,752)	156,452
Total Legislative Branch	426,250	221,843	204,407	-	13,244,400	13,019,111	-	13,019,111	225,289
Office of Ethics and Accountability:									
Compensation	-	-	-	-	221,000	173,261	-	173,261	47,739
Other current expenses	-	-	-	-	34,300	44,296	-	44,296	(9,996)
Fringe benefits	-	-	-	-	54,500	45,381	-	45,381	9,119
Total Ethics and Accountability	-	-	-	-	309,800	262,938	-	262,938	46,862
Circuit Court:									
Compensation	-	-	-	-	8,313,100	8,436,403	-	8,436,403	(123,303)
Other current expenses	88,126	73,592	14,534	-	3,513,700	3,205,446	-	3,205,446	308,254
Fringe benefits	-	-	-	-	2,624,000	2,662,178	-	2,662,178	(38,178)
Project charges	-	-	-	-	(132,000)	-	-	-	(132,000)
Total Circuit Court	88,126	73,592	14,534	-	14,318,800	14,304,027	-	14,304,027	14,773

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Orphan's Court:									
Compensation	\$ -	-	-	-	315,700	310,942	-	310,942	4,758
Other current expenses	-	-	-	-	16,200	15,121	-	15,121	1,079
Fringe benefits	-	-	-	-	82,100	83,269	-	83,269	(1,169)
Total Orphan's Court	-	-	-	-	414,000	409,332	-	409,332	4,668
Personnel Board:									
Compensation	-	-	-	-	186,700	186,284	-	186,284	416
Other current expenses	15,144	2,138	13,006	-	88,400	74,595	-	74,595	13,805
Fringe benefits	-	-	-	-	46,500	49,576	-	49,576	(3,076)
Total Personnel Board	15,144	2,138	13,006	-	321,600	310,455	-	310,455	11,145
Office of Finance:									
Compensation	-	-	-	-	4,394,500	4,279,059	-	4,279,059	115,441
Other current expenses	22,819	10,498	12,321	-	811,300	808,807	-	808,807	2,493
Fringe benefits	-	-	-	-	1,406,300	1,423,406	-	1,423,406	(17,106)
Project charges	-	-	-	-	(2,946,100)	(3,011,467)	-	(3,011,467)	65,367
Total Office of Finance	22,819	10,498	12,321	-	3,666,000	3,499,805	-	3,499,805	166,195
Citizen Complaint Oversight Panel:									
Compensation	-	-	-	-	120,200	121,532	-	121,532	(1,332)
Other current expenses	-	-	-	-	81,200	76,606	-	76,606	4,594
Fringe benefits	-	-	-	-	31,200	31,134	-	31,134	66
Total Citizen Complaint Oversight Panel	-	-	-	-	232,600	229,272	-	229,272	3,328

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Community Relations									
Compensation	\$ -	-	-	-	3,059,800	2,936,711	-	2,936,711	123,089
Other current expenses	11,900	3,000	8,900	-	247,200	249,129	-	249,129	(1,929)
Fringe benefits	-	-	-	-	896,500	978,942	-	978,942	(82,442)
Total Office of Community Relations	11,900	3,000	8,900	-	4,203,500	4,164,782	-	4,164,782	38,718
Office of Management and Budget:									
Compensation	-	-	-	-	1,994,900	1,900,220	-	1,900,220	94,680
Other current expenses	-	-	-	-	161,400	153,547	-	153,547	7,853
Fringe benefits	-	-	-	-	612,500	577,826	-	577,826	34,674
Project charges	-	-	-	-	(278,800)	(190,349)	-	(190,349)	(88,451)
Total Office of Management and Budget	-	-	-	-	2,490,000	2,441,244	-	2,441,244	48,756
Board of License Commissioners:									
Compensation	-	-	-	-	657,400	653,367	-	653,367	4,033
Other current expenses	-	-	-	-	80,600	74,394	-	74,394	6,206
Fringe benefits	-	-	-	-	263,100	262,583	-	262,583	517
Total Board of License Commissioners	-	-	-	-	1,001,100	990,344	-	990,344	10,756
Office of Law:									
Compensation	-	-	-	-	4,438,800	4,497,563	-	4,497,563	(58,763)
Other current expenses	12,371	1,921	10,450	-	496,200	367,548	-	367,548	128,652
Fringe benefits	-	-	-	-	1,241,200	1,290,938	-	1,290,938	(49,738)
Project charges	-	-	-	-	(2,425,300)	(2,405,670)	-	(2,405,670)	(19,630)
Total Office of Law	12,371	1,921	10,450	-	3,750,900	3,750,379	-	3,750,379	521

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Human Resources Management									
Compensation	\$ -	-	-	-	4,717,400	4,645,602	-	4,645,602	71,798
Other current expenses	70,774	57,224	13,550	-	1,025,000	714,748	-	714,748	310,252
Fringe benefits	-	-	-	-	1,276,000	1,301,172	-	1,301,172	(25,172)
Project charges	-	-	-	-	(1,883,300)	(1,910,759)	-	(1,910,759)	27,459
Total Office of Human Resources Management	70,774	57,224	13,550	-	5,135,100	4,750,763	-	4,750,763	384,337
Board of Elections:									
Compensation	-	-	-	-	2,501,000	2,296,513	-	2,296,513	204,487
Other current expenses	-	-	-	-	724,900	814,020	-	814,020	(89,120)
Fringe benefits	-	-	-	-	379,300	436,753	-	436,753	(57,453)
Total Board of Elections	-	-	-	-	3,605,200	3,547,286	-	3,547,286	57,914
Office of Central Services:									
Compensation	-	-	-	-	8,398,000	8,405,449	-	8,405,449	(7,449)
Other current expenses	620,409	412,273	208,136	-	7,715,000	7,668,952	-	7,668,952	46,048
Fringe benefits	-	-	-	-	3,117,800	2,723,181	-	2,723,181	394,619
Project charges	-	-	-	-	(1,896,800)	(1,654,089)	-	(1,654,089)	(242,711)
Total Office of Central Services	620,409	412,273	208,136	-	17,334,000	17,143,493	-	17,143,493	190,507

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Non-departmental:									
Grants to community organizations	\$ -	-	-	-	4,132,400	4,055,514	-	4,055,514	76,886
Grants to governmental groups	-	-	-	-	231,800	192,521	-	192,521	39,279
Grants and contributions to component units	-	-	-	-	2,235,100	2,235,100	-	2,235,100	-
Memberships	-	-	-	-	589,200	588,795	-	588,795	405
Economic Development	-	-	-	-	3,937,300	4,271,451	-	4,271,451	(334,151)
Conference and Visitors Bureau	-	-	-	-	781,400	781,688	-	781,688	(288)
Discretionary Grants	-	-	-	-	1,964,000	780,000	-	780,000	1,184,000
General Fund insurance payments	-	-	-	-	8,437,700	8,206,340	-	8,206,340	231,360
Judgments - associated legal and professional expenses	96,132	66,963	29,169	-	809,900	405,621	-	405,621	404,279
Professional Service	814,396	75,401	738,995	-	3,458,000	9,723,007	-	9,723,007	(6,265,007)
Postage	10,307	266	10,041	-	1,025,000	1,459,579	-	1,459,579	(434,579)
Utilities and leases	452,026	37,721	414,305	-	44,812,100	47,321,835	-	47,321,835	(2,509,735)
Real property acquisition and disposal costs	23,069	-	23,069	-	-	-	-	-	-
Employees Retirement	-	-	-	-	-	311,952	-	311,952	(311,952)
Debt payments	-	-	-	-	4,386,600	4,420,079	-	4,420,079	(33,479)
Debt issuance costs	-	-	-	-	8,000	4,442	-	4,442	3,558
Project charges	-	-	-	-	(4,164,087)	(3,337,271)	-	(3,337,271)	(826,816)
Grant to Dimensions Health Corporation	-	-	-	-	15,640,500	15,000,000	-	15,000,000	640,500
Interest	-	-	-	-	500,000	713,238	-	713,238	(213,238)
Group Health (Retirees)	-	-	-	-	25,048,400	25,048,400	-	25,048,400	-
Group Life (Retirees)	-	-	-	-	950,000	1,000,000	-	1,000,000	(50,000)
Unemployment Compensation	-	-	-	-	600,000	610,500	-	610,500	(10,500)
Deferred compensation contributions	-	-	-	-	100,000	60,573	-	60,573	39,427
Retired county personnel pension payments	-	-	-	-	53,000	44,602	-	44,602	8,398
Compensated Absences	-	-	-	-	-	133,117	-	133,117	(133,117)
Summer Youth Programs	-	-	-	-	938,300	688,315	-	688,315	249,985
Workers Compensation	-	-	-	-	-	4,366,000	-	4,366,000	(4,366,000)
Other miscellaneous	999,553	999,242	311	-	9,554,500	2,797,192	-	2,797,192	6,757,308
Total non-departmental	2,395,483	1,179,593	1,215,890	-	126,029,113	131,882,590	-	131,882,590	(5,853,477)
Total general government	3,663,495	1,962,082	1,701,413	-	201,749,913	206,300,170	-	206,300,170	(4,550,257)

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety:									
Office of the State's Attorney									
Compensation	\$ -	-	-	-	10,482,900	10,444,733	-	10,444,733	38,167
Other current expenses	13,394	10,028	3,366	-	1,646,100	1,222,228	-	1,222,228	423,872
Fringe benefits	-	-	-	-	3,097,000	3,215,674	-	3,215,674	(118,674)
Project charges	-	-	-	-	(400,000)	(59,701)	-	(59,701)	(340,299)
Total State's Attorney Office	13,394	10,028	3,366	-	14,826,000	14,822,934	-	14,822,934	3,066
Police Department:									
Compensation	-	-	-	-	164,682,200	165,579,962	-	165,579,962	(897,762)
Other current expenses	974,388	786,425	187,963	-	32,181,400	29,478,030	-	29,478,030	2,703,370
Capital outlay	88,626	62,826	25,800	-	-	-	-	-	-
Fringe benefits	-	-	-	-	98,101,200	98,046,748	-	98,046,748	54,452
Project charges	-	-	-	-	(1,781,300)	(763,013)	-	(763,013)	(1,018,287)
Total Police Department	1,063,014	849,251	213,763	-	293,183,500	292,341,727	-	292,341,727	841,773
Fire Department:									
Fire Department - Career Service:									
Compensation	-	-	-	-	75,467,600	76,209,706	-	76,209,706	(742,106)
Other current expenses	249,925	93,148	156,777	-	21,095,595	18,940,802	-	18,940,802	2,154,793
Capital outlay	440,000	440,000	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	55,393,200	55,299,337	-	55,299,337	93,863
Project charges	-	-	-	-	(464,000)	(58,865)	-	(58,865)	(405,135)
Total Fire Department	689,925	533,148	156,777	-	151,492,395	150,390,980	-	150,390,980	1,101,415
Sheriff's Department:									
Compensation	-	-	-	-	20,268,300	20,322,814	-	20,322,814	(54,514)
Other current expenses	58,842	13,299	45,543	-	4,229,100	4,244,220	-	4,244,220	(15,120)
Fringe benefits	-	-	-	-	12,627,200	12,388,915	-	12,388,915	238,285
Project charges	-	-	-	-	-	(27,269)	-	(27,269)	27,269
Total Sheriff's Department	58,842	13,299	45,543	-	37,124,600	36,928,680	-	36,928,680	195,920

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety, continued									
Department of Corrections:									
Compensation	\$ -	-	-	-	44,149,800	43,918,587	-	43,918,587	231,213
Other current expenses	252,309	174,898	77,411	-	10,941,100	11,430,308	-	11,430,308	(489,208)
Fringe benefits	-	-	-	-	18,570,000	18,085,992	-	18,085,992	484,008
Project charges	-	-	-	-	(238,000)	(145,911)	-	(145,911)	(92,089)
Total Department of Corrections	252,309	174,898	77,411	-	73,422,900	73,288,976	-	73,288,976	133,924
Office of Homeland Security									
Compensation	-	-	-	-	12,294,600	12,232,844	-	12,232,844	61,756
Other current expenses	214,616	142,108	72,508	-	8,056,400	7,954,434	-	7,954,434	101,966
Fringe benefits	-	-	-	-	3,567,100	3,617,278	-	3,617,278	(50,178)
Total Office of Homeland Security	214,616	142,108	72,508	-	23,918,100	23,804,556	-	23,804,556	113,544
Total public safety	2,292,100	1,722,732	569,368	-	593,967,495	591,577,853	-	591,577,853	2,389,642
Environment									
Soil Conservation:									
Compensation	-	-	-	-	1,066,200	714,343	-	714,343	351,857
Other current expenses	-	-	-	-	12,300	11,333	-	11,333	967
Fringe benefits	-	-	-	-	294,300	230,562	-	230,562	63,738
Project charges	-	-	-	-	(1,372,800)	(956,238)	-	(956,238)	(416,562)
Total Soil Conservation	-	-	-	-	-	-	-	-	-
Department of Environmental Resources:									
Compensation	-	-	-	-	5,549,600	5,209,296	-	5,209,296	340,304
Other current expenses	173,115	79,785	93,330	-	1,308,100	1,033,273	-	1,033,273	274,827
Fringe benefits	-	-	-	-	1,609,400	1,705,672	-	1,705,672	(96,272)
Project charges	-	-	-	-	(4,255,500)	(4,146,280)	-	(4,146,280)	(109,220)
Total Department of Environmental Resources	173,115	79,785	93,330	-	4,211,600	3,801,961	-	3,801,961	409,639
Total Environmental	173,115	79,785	93,330	-	4,211,600	3,801,961	-	3,801,961	409,639

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Health and Human Services									
Department of Family Services:									
Compensation	\$ -	-	-	-	1,182,600	861,307	-	861,307	321,293
Other current expenses	102,887	74,149	28,738	-	926,118	898,775	-	898,775	27,343
Fringe benefits	-	-	-	-	342,900	277,048	-	277,048	65,852
Project charges	-	-	-	-	(308,700)	-	-	-	(308,700)
Total Department of Family Services	102,887	74,149	28,738	-	2,142,918	2,037,130	-	2,037,130	105,788
Health Department:									
Compensation	-	-	-	-	13,122,238	11,333,738	-	11,333,738	1,788,500
Other current expenses	1,020,228	587,564	432,664	-	4,609,038	5,450,528	-	5,450,528	(841,490)
Capital outlay	37,798	-	37,798	-	-	-	-	-	-
Fringe benefits	-	-	-	-	4,238,459	3,861,935	-	3,861,935	376,524
Project charges	-	-	-	-	(2,619,400)	(2,461,318)	-	(2,461,318)	(158,082)
Total Health	1,058,026	587,564	470,462	-	19,350,335	18,184,883	-	18,184,883	1,165,452
Department of Social Services:									
Compensation	-	-	-	-	2,326,500	2,109,883	-	2,109,883	216,617
Other current expenses	54,360	53,395	965	-	1,453,900	1,482,476	-	1,482,476	(28,576)
Fringe benefits	-	-	-	-	432,900	398,818	-	398,818	34,082
Total Department of Social Services	54,360	53,395	965	-	4,213,300	3,991,177	-	3,991,177	222,123
Total Health and Human Services	1,215,273	715,108	500,165	-	25,706,553	24,213,190	-	24,213,190	1,493,363

(Continued)

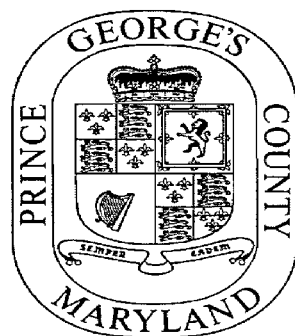
PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Infrastructure and Development									
Department of Public Works and Transportation									
Compensation	\$ -	-	-	-	15,152,300	14,329,284	-	14,329,284	823,016
Other current expenses	730,580	222,932	507,648	-	37,496,200	39,463,438	-	39,463,438	(1,967,238)
Fringe benefits	-	-	-	-	5,008,300	5,145,071	-	5,145,071	(136,771)
Project charges	-	-	-	-	(47,494,700)	(48,811,710)	-	(48,811,710)	1,317,010
Total public works	<u>730,580</u>	<u>222,932</u>	<u>507,648</u>	<u>-</u>	<u>10,162,100</u>	<u>10,126,083</u>	<u>-</u>	<u>10,126,083</u>	<u>36,017</u>
Department of Permitting, Inspections and Enforcement									
Compensation	-	-	-	-	15,912,600	14,993,478	-	14,993,478	919,122
Other current expenses	-	-	-	-	2,585,400	2,968,221	-	2,968,221	(382,821)
Fringe benefits	-	-	-	-	5,253,700	5,060,544	-	5,060,544	193,156
Project charges	-	-	-	-	(16,746,800)	(16,017,343)	-	(16,017,343)	(729,457)
Total Permitting, Inspections and Enforcement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,004,900</u>	<u>7,004,900</u>	<u>-</u>	<u>7,004,900</u>	<u>-</u>
Department of Housing and Community Development:									
Compensation	-	-	-	-	1,869,500	1,998,284	-	1,998,284	(128,784)
Other current expenses	12,862	12,828	34	-	8,459,400	7,930,042	-	7,930,042	529,358
Fringe benefits	-	-	-	-	531,900	572,206	-	572,206	(40,306)
Total Department of Housing and Community Development	<u>12,862</u>	<u>12,828</u>	<u>34</u>	<u>-</u>	<u>10,860,800</u>	<u>10,500,532</u>	<u>-</u>	<u>10,500,532</u>	<u>360,268</u>
Total Infrastructure and Development	<u>743,442.00</u>	<u>235,760.00</u>	<u>507,682.00</u>	<u>-</u>	<u>28,027,800.00</u>	<u>27,631,515.00</u>	<u>-</u>	<u>27,631,515.00</u>	<u>396,285.00</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Schedule of Expenditures, Encumbrances and Other Financing
Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
General Fund
For the year ended June 30, 2014

	Encumbrances outstanding July 1, 2013	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2014	Year ended June 30, 2014				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Payments to Component Units:	\$								
Board of Education	-	-	-	-	623,743,900	623,743,913	-	623,743,913	(13)
Community College	-	-	-	-	29,545,300	29,545,300	-	29,545,300	-
Memorial Library	-	-	-	-	18,212,000	18,212,000	-	18,212,000	-
Total payments to component units	-	-	-	-	671,501,200	671,501,213	-	671,501,213	(13)
Total expenditures and encumbrances	\$ 8,087,425	4,715,467	3,371,958	-	1,525,164,561	1,525,025,902	-	1,525,025,902	138,659
Other financing uses:									
Transfers out:									
Special revenue funds	\$ -	-	-	-	(1,864,452)	(1,864,452)	-	(1,864,452)	-
Capital projects fund	-	-	-	-	(4,500,000)	(4,500,000)	-	(4,500,000)	-
Debt service fund	-	-	-	-	(90,211,587)	(76,495,663)	-	(76,495,663)	13,715,924
Total Transfers Out	-	-	-	-	(96,576,039)	(82,860,115)	-	(82,860,115)	13,715,924
Total other financing uses	\$ -	-	-	-	(96,576,039)	(82,860,115)	-	(82,860,115)	13,715,924



NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

<u>Assets</u>	<u>Special Revenue</u>				<u>Total</u>	<u>Debt Service</u>	<u>Total</u>
	<u>Property Management Services</u>	<u>Collington Center</u>	<u>Domestic Violence</u>	<u>Drug Enforcement and Education</u>			
Cash and investments	\$ 2,176,527	1,122,974	121,998	10,617,758	14,039,257	-	14,039,257
Cash with fiscal agents	-	-	-	-	-	11,190,807	11,190,807
Due from other governmental units	-	-	60,255	-	60,255	-	60,255
Restricted cash and investments	-	-	-	-	-	25,104,582	25,104,582
	<u>\$ 2,176,527</u>	<u>1,122,974</u>	<u>182,253</u>	<u>10,617,758</u>	<u>14,099,512</u>	<u>36,295,389</u>	<u>50,394,901</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 6,285	-	39,624	89,940	135,849	-	135,849
Total liabilities	<u>6,285</u>	<u>-</u>	<u>39,624</u>	<u>89,940</u>	<u>135,849</u>	<u>-</u>	<u>135,849</u>
Fund balances:							
Restricted	-	-	142,629	7,556,802	7,699,431	36,295,389	43,994,820
Assigned	<u>2,170,242</u>	<u>1,122,974</u>	<u>-</u>	<u>2,971,016</u>	<u>6,264,232</u>	<u>-</u>	<u>6,264,232</u>
Total fund balances	<u>2,170,242</u>	<u>1,122,974</u>	<u>142,629</u>	<u>10,527,818</u>	<u>13,963,663</u>	<u>36,295,389</u>	<u>50,259,052</u>
	<u>\$ 2,176,527</u>	<u>1,122,974</u>	<u>182,253</u>	<u>10,617,758</u>	<u>14,099,512</u>	<u>36,295,389</u>	<u>50,394,901</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, 2014

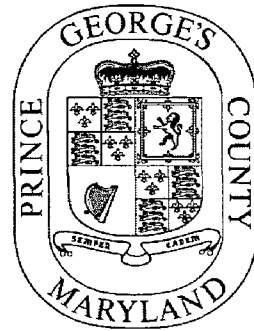
	Special Revenue						
	Property Management Services	Collington Center	Domestic Violence	Drug Enforcement and Education	Total	Debt Service	Total
Revenues:							
Taxes	\$ -	-	-	-	-	2,233,653	2,233,653
Licenses and permits	-	-	307,656	-	307,656	-	307,656
Fines and forfeitures	-	-	-	1,600,223	1,600,223	-	1,600,223
Use of money and property:							
Interest and dividends	-	-	-	49,061	49,061	915	49,976
Charges for services	-	-	-	-	-	24,279,022	24,279,022
Sale of property	58,328	-	-	7,971	66,299	-	66,299
Intergovernmental	-	-	-	-	-	4,847,932	4,847,932
Total revenues	<u>58,328</u>	<u>-</u>	<u>307,656</u>	<u>1,657,255</u>	<u>2,023,239</u>	<u>31,361,522</u>	<u>33,384,761</u>
Expenditures:							
General government	294,512	5,000	-	-	299,512	199,343	498,855
Public safety	-	-	-	3,195,737	3,195,737	-	3,195,737
Health and Human Services	-	-	390,801	-	390,801	-	390,801
Debt service:							
Principal retirement	-	-	-	-	-	72,765,000	72,765,000
Interest	-	-	-	-	-	49,578,796	49,578,796
Total expenditures	<u>294,512</u>	<u>5,000</u>	<u>390,801</u>	<u>3,195,737</u>	<u>3,886,050</u>	<u>122,543,139</u>	<u>126,429,189</u>
Excess of revenues over (under) expenditures	<u>(236,184)</u>	<u>(5,000)</u>	<u>(83,145)</u>	<u>(1,538,482)</u>	<u>(1,862,811)</u>	<u>(91,181,617)</u>	<u>(93,044,428)</u>
Other financing sources (uses):							
Transfers in - other funds	-	-	59,000	-	59,000	88,537,712	88,596,712
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>59,000</u>	<u>-</u>	<u>59,000</u>	<u>88,537,712</u>	<u>88,596,712</u>
Net change in fund balances	<u>(236,184)</u>	<u>(5,000)</u>	<u>(24,145)</u>	<u>(1,538,482)</u>	<u>(1,803,811)</u>	<u>(2,643,905)</u>	<u>(4,447,716)</u>
Fund balances, beginning of year	<u>2,406,426</u>	<u>1,127,974</u>	<u>166,774</u>	<u>12,066,300</u>	<u>15,767,474</u>	<u>38,939,294</u>	<u>54,706,768</u>
Fund balances, end of year	<u>\$ 2,170,242</u>	<u>1,122,974</u>	<u>142,629</u>	<u>10,527,818</u>	<u>13,963,663</u>	<u>36,295,389</u>	<u>50,259,052</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds - Special Revenue
For the year ended June 30, 2014

	Property Management Services				Collington Center				Domestic Violence			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:												
Licenses and permits	\$ -	-	-	-	-	-	-	-	315,400	315,400	307,656	(7,744)
Interest and Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Use of money and property	50,000	50,000	-	(50,000)	-	-	-	-	-	-	-	-
Sale of property	-	-	58,328	58,328	-	-	-	-	-	-	-	-
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>58,328</u>	<u>8,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,400</u>	<u>315,400</u>	<u>307,656</u>	<u>(7,744)</u>
Expenditures:												
General government	518,300	518,500	294,512	223,988	5,000	5,000	5,000	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-	418,000	418,000	390,801	27,199
Total expenditures	<u>518,300</u>	<u>518,500</u>	<u>294,512</u>	<u>223,988</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>418,000</u>	<u>418,000</u>	<u>390,801</u>	<u>27,199</u>
Excess of revenues over (under) expenditures	<u>(468,300)</u>	<u>(468,500)</u>	<u>(236,184)</u>	<u>232,316</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(102,600)</u>	<u>(102,600)</u>	<u>(83,145)</u>	<u>19,455</u>
Other financing sources (uses):												
Transfers in - other funds	-	-	-	-	-	-	-	-	59,000	59,000	59,000	-
Appropriated fund balance	<u>468,500</u>	<u>468,500</u>	<u>-</u>	<u>(468,500)</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>43,600</u>	<u>43,600</u>	<u>-</u>	<u>(43,600)</u>
Total other financing sources (uses)	<u>468,500</u>	<u>468,500</u>	<u>-</u>	<u>(468,500)</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>102,600</u>	<u>102,600</u>	<u>59,000</u>	<u>(43,600)</u>
Net change in fund balances (budgetary basis)	<u>\$ 200</u>	<u>-</u>	<u>(236,184)</u>	<u>(236,184)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(24,145)</u>	<u>(24,145)</u>
Current year encumbrances outstanding			-				-				-	
Fund balances, beginning of year			<u>\$ 2,406,426</u>				<u>1,127,974</u>				<u>166,774</u>	
Fund balances, end of year (GAAP basis)			<u>\$ 2,170,242</u>				<u>1,122,974</u>				<u>142,629</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, 2014

	Drug Enforcement and Education				Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
Licenses and permits	\$ -	-	-	-	315,400	315,400	307,656	(7,744)
Interest and Dividends	210,000	210,000	49,061	(160,939)	210,000	210,000	49,061	(160,939)
Fines and forfeitures	1,800,000	1,800,000	1,600,223	(199,777)	1,800,000	1,800,000	1,600,223	(199,777)
Use of money and property	-	-	-	-	50,000	50,000	-	(50,000)
Sale of property	5,000	5,000	7,971	2,971	5,000	5,000	66,299	61,299
Total revenues	<u>2,015,000</u>	<u>2,015,000</u>	<u>1,657,255</u>	<u>(357,746)</u>	<u>2,380,400</u>	<u>2,380,400</u>	<u>2,023,239</u>	<u>(357,162)</u>
Expenditures:								
General government	-	-	-	-	523,300	523,500	299,512	223,988
Public safety	6,415,000	6,415,000	3,195,737	3,219,263	6,415,000	6,415,000	3,195,737	3,219,263
Health and human services	-	-	-	-	418,000	418,000	390,801	27,199
Total expenditures	<u>6,415,000</u>	<u>6,415,000</u>	<u>3,195,737</u>	<u>3,219,263</u>	<u>7,356,300</u>	<u>7,356,500</u>	<u>3,886,050</u>	<u>3,470,450</u>
Excess of revenues over (under) expenditures	<u>(4,400,000)</u>	<u>(4,400,000)</u>	<u>(1,538,482)</u>	<u>2,861,518</u>	<u>(4,975,900)</u>	<u>(4,976,100)</u>	<u>(1,862,811)</u>	<u>3,113,289</u>
Other financing sources (uses):								
Transfers in - other funds	-	-	-	-	59,000	59,000	59,000	-
Appropriated fund balance	<u>4,400,000</u>	<u>4,400,000</u>	<u>-</u>	<u>(4,400,000)</u>	<u>4,917,100</u>	<u>4,917,100</u>	<u>-</u>	<u>(4,917,100)</u>
Total other financing sources (uses)	<u>4,400,000</u>	<u>4,400,000</u>	<u>-</u>	<u>(4,400,000)</u>	<u>4,976,100</u>	<u>4,976,100</u>	<u>59,000</u>	<u>(4,917,100)</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>(1,538,482)</u>	<u>(1,538,482)</u>	<u>200</u>	<u>-</u>	<u>(1,803,811)</u>	<u>(1,803,811)</u>
Current year encumbrances outstanding							-	
Fund balances, beginning of year			<u>12,066,300</u>				<u>15,767,474</u>	
Fund balances, end of year (GAAP basis)			<u>10,527,818</u>				<u>13,963,663</u>	



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

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, 2014

<u>Assets</u>	<u>Self-Insurance Funds</u>						<u>Vehicle Maintenance Fund</u>	<u>Computer Services Fund</u>	<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 assets:									
Cash and investments	\$ 280,300	436,640	3,237,518	32,142,480	9,784,309	40,387,617	9,577,350	22,591,253	118,437,467
Accounts receivable	-	-	2,521	5,570	-	1,454,676	8,170	2,096,700	3,567,637
Accrued interest receivable	-	-	(211)	(10,695)	(2,526)	-	-	-	(13,432)
Due from component units	-	-	-	4,236,622	-	-	-	-	4,236,622
Inventories, at cost	-	-	-	-	-	-	564,972	40,633	605,605
Prepaid costs and deposits	-	-	-	-	5,184	81,840	-	-	87,024
Total current assets	280,300	436,640	3,239,828	36,373,977	9,786,967	41,924,133	10,150,492	24,728,586	126,920,923
Noncurrent assets:									
Restricted cash and investments	-	-	-	-	-	-	380,237	-	380,237
Capital assets:									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(2,600,423)	-	(2,600,423)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(310,847)	-	(310,847)
Equipment	-	-	-	-	-	-	10,148,917	13,988	10,162,905
Accumulated depreciation	-	-	-	-	-	-	(9,825,329)	(12,234)	(9,837,563)
Total noncurrent assets	-	-	-	-	-	-	1,381,221	1,754	1,382,975
Total assets	\$ 280,300	436,640	3,239,828	36,373,977	9,786,967	41,924,133	11,911,950	24,730,340	128,684,135
Deferred outflow of resources									
Deferred charge on refunding	-	-	-	-	-	-	3,137	-	3,137
Total deferred outflow of resources	-	-	-	-	-	-	3,137	-	3,137

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Self-Insurance Funds								
<u>Liabilities</u>	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>	<u>Vehicle Maintenance Fund</u>	<u>Computer Services Fund</u>	<u>Total</u>
Current liabilities:									
Current portion of compensated absences and termination benefits payable \$	-	-	-	-	-	-	532,378	741,692	1,274,070
Current portion of notes payable	-	-	-	-	-	-	290,000	-	290,000
Accounts payable	64,170	4,125	-	141,744	32,070	585,427	423,681	5,191,784	6,443,001
Accrued costs	-	-	-	-	-	-	164,684	257,312	421,996
Unearned revenue	-	-	-	-	8	40,026	-	-	40,034
Current portion of estimated liability on pending claims	215,271	226,941	1,249,278	26,225,888	2,047,552	12,119,098	-	-	42,084,028
Total current liabilities	279,441	231,066	1,249,278	26,367,632	2,079,630	12,744,551	1,410,743	6,190,788	50,553,129
Noncurrent liabilities:									
Unamortized premium (discount)	-	-	-	-	-	-	554	-	554
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	75,275	165,740	241,015
Estimated liability on pending claims, less current portion	-	205,574	1,990,550	94,686,462	7,707,337	-	-	-	104,589,923
Total long-term liabilities	-	205,574	1,990,550	94,686,462	7,707,337	-	75,829	165,740	104,831,492
Total liabilities	279,441	436,640	3,239,828	121,054,094	9,786,967	12,744,551	1,486,572	6,356,528	155,384,621
<u>Net position</u>									
Net investment in capital assets	-	-	-	-	-	-	1,090,667	1,754	1,092,421
Restricted	-	-	-	-	-	-	-	19,228,283	19,228,283
Unrestricted	859	-	-	(84,680,117)	-	29,179,582	9,337,848	(856,225)	(47,018,053)
Total net position	\$ 859	-	-	(84,680,117)	-	29,179,582	10,428,515	18,373,812	(26,697,349)

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, 2014

	Self-Insurance Funds						Vehicle	Computer	
	Unemployment	Property	Automobile	Worker's	General	Life and	Maintenance	Services	Total
	Compensation	Loss	Liability	Compensation	Liability	Benefits	Fund	Fund	
Operating revenues:									
Premium contributions	610,500	2,081,105	2,983,677	48,504,686	5,746,376	61,328,254	-	-	121,254,598
Sales									
Fuel sales	-	-	-	-	-	-	17,091	-	17,091
Office automation sales	-	-	-	-	-	-	-	26,961,374	26,961,374
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	11,720,912	-	11,720,912
Use of money and property - rentals	-	-	-	-	-	-	165,860	-	165,860
Miscellaneous - subrogations and other	-	9,490	324,480	697,377	-	894,150	17,535	-	1,943,032
Total operating revenues	610,500	2,090,595	3,308,157	49,202,063	5,746,376	62,222,404	11,921,398	26,961,374	162,062,867
Operating expenses:									
Salaries	-	-	-	-	-	-	3,773,586	6,017,326	9,790,912
Fringe benefits	-	-	-	-	-	-	2,521,067	4,084,960	6,606,027
Contractual services	-	-	-	-	-	-	5,192	7,326,742	7,331,934
Materials	-	-	-	-	-	-	147,316	11,008,203	11,155,519
Facility and equipment rental	-	-	-	-	-	-	286,469	86,655	373,124
General and administrative:									
Administrative expenses	17,681	182,076	1,065,814	2,978,523	1,409,111	2,314,438	129,524	139,761	8,236,928
State worker's compensation tax	-	-	-	331,320	-	-	-	-	331,320
Depreciation	-	-	-	-	-	-	217,838	-	217,838
Insurance claims	592,505	37,632	2,111,601	42,056,791	2,315,486	48,501,733	-	-	95,615,748
Insurance premiums	-	1,454,067	-	4,054,923	41,986	13,994,267	-	-	19,545,243
Other:									
Repair and maintenance	-	-	-	-	-	-	4,345,335	33,803	4,379,138
Total operating expenses	610,186	1,673,775	3,177,415	49,421,557	3,766,583	64,810,438	11,426,327	28,697,450	163,583,731
Operating income (loss)	314	416,820	130,742	(219,494)	1,979,793	(2,588,034)	495,071	(1,736,076)	(1,520,864)
Nonoperating revenue (expenses):									
Interest income	-	160	8,618	126,461	39,352	-	-	-	174,591
Interest expense	-	-	-	-	-	-	(24,001)	-	(24,001)
Total nonoperating revenue (expenses)	-	160	8,618	126,461	39,352	-	(24,001)	-	150,590
Income (loss) before transfers	314	416,980	139,360	(93,033)	2,019,145	(2,588,034)	471,070	(1,736,076)	(1,370,274)
Intrafund transfers in (out)	-	(416,980)	(139,360)	2,575,485	(2,019,145)	-	-	-	-
Change in net position	314	-	-	2,482,452	-	(2,588,034)	471,070	(1,736,076)	(1,370,274)
Total net position - beginning	545	-	-	(87,162,569)	-	31,767,616	9,957,445	20,109,888	(25,327,075)
Total net position - end	859	-	-	(84,680,117)	-	29,179,582	10,428,515	18,373,812	(26,697,349)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2014

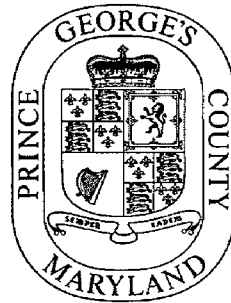
	Self-Insurance Funds								
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	Total
Cash flows from operating activities:									
Cash received from customers	610,500	2,092,712	3,274,777	55,667,463	5,746,376	60,418,992	11,903,706	26,810,795	166,525,321
Cash payments to suppliers for goods and services	(581,945)	(182,076)	(1,065,814)	(3,518,357)	(1,407,949)	(64,640,153)	(5,117,963)	(15,183,183)	(91,697,440)
Cash payments to employees for services	-	-	-	-	-	-	(6,280,714)	(10,079,175)	(16,359,889)
Premium and claim payments	-	(1,456,067)	(1,540,244)	(48,363,544)	(2,196,609)	-	-	-	(53,556,464)
Other cash receipts	-	-	-	-	-	894,150	17,535	-	911,685
Net cash and cash equivalents provided (used) by operating activities	28,555	454,569	668,719	3,785,562	2,141,818	(3,327,011)	522,564	1,548,437	5,823,213
Cash flows from noncapital financing activities:									
Intrafund transfers in (out)	-	(416,980)	(139,360)	2,575,485	(2,019,145)	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(416,980)	(139,360)	2,575,485	(2,019,145)	-	-	-	-
Cash flows from capital and related financing activities:									
Principal payments on notes payable	-	-	-	-	-	-	(280,000)	-	(280,000)
Interest payments	-	-	-	-	-	-	(14,243)	-	(14,243)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(294,243)	-	(294,243)
Cash flows from investing activities:									
Interest on investments	-	160	9,556	147,535	45,087	-	-	-	202,338
Net cash and cash equivalents provided by investing activities	-	160	9,556	147,535	45,087	-	-	-	202,338
Net increase (decrease) in cash and cash equivalents	28,555	37,749	538,915	6,508,582	167,760	(3,327,011)	228,321	1,548,437	5,731,308
Cash and cash equivalents, beginning of year	251,745	398,891	2,698,603	25,633,898	9,616,549	43,714,628	9,729,266	21,042,816	113,086,396
Cash and cash equivalents, end of year	280,300	436,640	3,237,518	32,142,480	9,784,309	40,387,617	9,957,587	22,591,253	118,817,704

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2014

	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
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	314	416,820	130,742	(219,494)	1,979,793	(2,588,034)	495,071	(1,736,076)	(1,520,864)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	217,838	-	217,838
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	-	4,781	2,300	-	(949,288)	(157)	(150,579)	(1,092,943)
Inventories	-	-	-	-	-	-	(3,691)	(12,181)	(15,872)
Prepaid costs	-	-	-	116,000	42	-	-	-	116,042
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	(3,023)	6,177	3,154
Accounts payable	(34,652)	2,117	(38,161)	(208,514)	1,126	144,943	(200,436)	3,424,162	3,090,585
Accrued costs	-	-	-	-	(6)	-	16,962	16,934	33,890
Unearned revenue	-	-	-	-	-	40,026	-	-	40,026
Due from component units	-	-	-	6,347,100	-	-	-	-	6,347,100
Estimated liability on pending claims	62,893	35,632	571,357	(2,251,830)	160,863	25,342	-	-	(1,395,743)
Total adjustments	28,241	37,749	537,977	4,005,056	162,025	(738,977)	27,493	3,284,513	7,344,077
Net cash and cash equivalents provided (used) by operating activities	28,555	454,569	668,719	3,785,562	2,141,818	(3,327,011)	522,564	1,548,437	5,823,213
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	-	938	21,074	5,735	-	-	-	27,747
	-	-	938	21,074	5,735	-	-	-	27,747

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FIDUCIARY FUNDS

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Plan Net Position
Pension and Other Postemployment Benefit Trust Funds
June 30, 2014

	Pension Trust Funds	Other Post- Employment Benefit Trust Fund	Total
Assets:			
Equity in pooled cash and investments	\$ 4,905,454	11,522,686	16,428,140
Collateral for loaned securities	4,220,964	-	4,220,964
Investments:			
Pooled separate accounts	455,292,238	-	455,292,238
U. S. Government & agency securities	38,368,929	-	38,368,929
Corporate bonds	72,179,352	-	72,179,352
Common stock	232,301,790	-	232,301,790
Real estate investment trust	3,525,612	-	3,525,612
International Government securities	1,750,707	-	1,750,707
Preferred stock	75,190	-	75,190
Asset-backed securities	15,835,419	-	15,835,419
Money market funds	429,562,365	43,611,352	473,173,717
Short-term investments	19,934,216	5,045,386	24,979,602
Alternative investments	369,857,452	-	369,857,452
Accounts receivable	1,633	54,646	56,279
Accrued interest receivable	1,621,563	-	1,621,563
Prepaid expenses	23,435	-	23,435
Total assets	<u>1,649,456,319</u>	<u>60,234,070</u>	<u>1,709,690,389</u>
Liabilities:			
Collateral for loaned securities payable	4,220,964	-	4,220,964
Accounts payable	74,682	686,768	761,450
Accrued costs	1,007,596	11,407,333	12,414,929
Due to other funds	2,500	-	2,500
Total liabilities	<u>5,305,742</u>	<u>12,094,101</u>	<u>17,399,843</u>
Net assets held in trust for benefit payments	<u>\$ 1,644,150,577</u>	<u>48,139,969</u>	<u>1,692,290,546</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Changes in Plan Net Position
Pension and Other Postemployment Benefit Trust Funds
For the year ended June 30, 2014

	Pension Trust Funds	Other Post- Employment Benefit Trust Funds	Total
Additions:			
Contributions:			
Employer	\$ 128,205,203	36,633,825	164,839,028
Member	21,844,198	11,801,065	33,645,263
Other	-	104,338	104,338
Total contributions	<u>150,049,401</u>	<u>48,539,228</u>	<u>198,588,629</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	203,468,432	1,398,836	204,867,268
Interest and dividends	37,096,053	1,037,440	38,133,493
Total investment income	<u>240,564,485</u>	<u>2,436,276</u>	<u>243,000,761</u>
Less investment expense	6,288,087	34,814	6,322,901
Net investment income	<u>234,276,398</u>	<u>2,401,462</u>	<u>236,677,860</u>
Total additions	<u>384,325,799</u>	<u>50,940,690</u>	<u>435,266,489</u>
Deductions:			
Benefits	150,193,702	50,781,285	200,974,987
Refunds of contributions	3,300,734	-	3,300,734
General and administrative expenses	1,852,290	1,146,581	2,998,871
Total deductions	<u>155,346,726</u>	<u>51,927,866</u>	<u>207,274,592</u>
Net increase (decrease)	228,979,073	(987,176)	227,991,897
Net position restricted for benefit payments, beginning of year	<u>1,415,171,504</u>	<u>49,127,145</u>	<u>1,464,298,649</u>
Net position restricted for benefit payments, end of year	<u>\$ 1,644,150,577</u>	<u>48,139,969</u>	<u>1,692,290,546</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Plan Net Position
Pension Trust Funds
June 30, 2014

	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	\$ 2,196,797	1,091,562	291,685	350,832	207,498	96,566	12,202	14,688	607,475	476	35,673	4,905,454
Collateral for loaned securities	1,536,284	1,222,278	210,385	384,981	13,100	27,026	5,627	283,087	440,657	25,784	71,755	4,220,964
Investments:												
Pooled separate accounts	39,090,100	19,286,305	57,107,131	104,499,527	3,555,996	7,335,857	1,487,255	76,841,426	119,612,386	6,998,901	19,477,354	455,292,238
U. S. Government & agency securities	25,687,965	12,680,964	-	-	-	-	-	-	-	-	-	38,368,929
Corporate bonds	48,968,645	23,210,707	-	-	-	-	-	-	-	-	-	72,179,352
Common stock	165,625,609	66,676,181	-	-	-	-	-	-	-	-	-	232,301,790
Real Estate Investment Trust	2,538,368	987,244	-	-	-	-	-	-	-	-	-	3,525,612
International Government securities	1,096,599	654,108	-	-	-	-	-	-	-	-	-	1,750,707
Preferred Stock	50,127	25,063	-	-	-	-	-	-	-	-	-	75,190
Asset-backed securities	10,391,712	5,443,707	-	-	-	-	-	-	-	-	-	15,835,419
Money market funds	298,165,404	131,396,961	-	-	-	-	-	-	-	-	-	429,562,365
Short-term investments	12,994,685	6,939,531	-	-	-	-	-	-	-	-	-	19,934,216
Alternative investments	249,210,230	120,647,222	-	-	-	-	-	-	-	-	-	369,857,452
Accounts receivable	-	-	-	1,633	-	-	-	-	-	-	-	1,633
Accrued interest receivable	1,102,021	520,513	(165)	(276)	-	(71)	-	(134)	(286)	(13)	(26)	1,621,563
Prepaid expenses	11,187	5,009	1,128	2,022	-	-	29	1,327	2,258	133	342	23,435
Total assets	858,665,733	390,787,355	57,610,164	105,238,719	3,776,594	7,459,378	1,505,113	77,140,394	120,662,490	7,025,281	19,585,098	1,649,456,319
Liabilities:												
Collateral for loaned securities payable	1,536,284	1,222,278	210,385	384,981	13,100	27,026	5,627	283,087	440,657	25,784	71,755	4,220,964
Accounts payable	19,020	18,709	19,538	17,109	-	-	-	-	306	-	-	74,682
Accrued costs	528,572	234,634	28,261	72,354	-	-	992	49,785	75,812	4,533	12,653	1,007,596
Due to other funds	-	-	-	-	-	-	-	-	-	2,500	-	2,500
Total liabilities	2,083,876	1,475,621	258,184	474,444	13,100	27,026	6,619	332,872	516,775	32,817	84,408	5,305,742
Net position restricted for pension benefits	\$ 856,581,857	389,311,734	57,351,980	104,764,275	3,763,494	7,432,352	1,498,494	76,807,522	120,145,715	6,992,464	19,500,690	1,644,150,577

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Changes in Plan Net Position
Pension Trust Funds
For the year ended June 30, 2014

	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff's	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
Additions:												
Contributions:												
Employer	\$ 66,113,037	34,826,767	5,853,975	7,363,022	768,500	559,655	81,888	3,924,252	7,189,526	455,754	1,068,827	128,205,203
Employee	8,190,741	3,835,790	1,405,110	3,054,222	29,030	84,396	64,330	862,630	3,338,347	177,317	802,285	21,844,196
Total contributions	74,303,778	38,662,557	7,259,085	10,417,244	797,530	644,051	146,218	4,786,882	10,527,873	633,071	1,871,112	150,049,401
Transfers from (to) other funds	-	-	-	-	-	-	(220)	(125,063)	152,316	(4,197)	(22,836)	-
Investment income:												
Net depreciation in fair value of assets	104,674,598	48,808,494	7,215,529	13,161,951	444,146	890,296	193,385	9,664,953	15,071,943	881,399	2,461,738	203,468,432
Interest and dividends	19,000,638	8,844,785	1,334,515	2,434,839	82,417	166,273	35,758	1,789,322	2,789,034	163,133	455,339	37,096,053
Total investment income	123,675,236	57,653,279	8,550,044	15,596,790	526,563	1,056,569	229,143	11,454,275	17,860,977	1,044,532	2,917,077	240,564,485
Less investment expense	3,100,097	1,497,836	244,484	468,053	5,339	10,733	6,588	329,339	511,720	30,029	83,869	6,288,087
Net investment income	120,575,139	56,155,443	8,305,560	15,128,737	521,224	1,045,836	222,555	11,124,936	17,349,257	1,014,503	2,833,208	234,276,398
Total additions	194,878,917	94,818,000	15,564,645	25,545,981	1,318,754	1,689,887	368,553	15,786,755	28,029,446	1,643,377	4,681,484	384,325,799
Deductions:												
Benefits	75,560,744	41,916,128	6,582,813	8,354,218	805,234	309,055	144,342	3,860,360	9,661,847	603,003	1,395,958	150,193,702
Refunds of contributions	1,272,420	719,912	68,733	742,136	-	-	9,611	92,288	135,253	-	260,381	3,300,734
General and administrative expenses	517,840	413,936	211,737	240,480	27,614	27,614	21,310	116,210	153,155	57,930	64,464	1,852,290
Total deductions	78,351,004	43,049,976	6,863,283	9,336,834	832,848	336,669	175,263	4,068,858	9,950,255	660,933	1,720,803	155,346,726
Net increase (decrease)	116,527,913	51,768,024	8,701,362	16,209,147	485,906	1,353,218	193,290	11,717,897	18,079,191	982,444	2,960,681	228,979,073
Net position restricted for pension benefits, beginning of year	740,053,944	337,543,710	48,650,618	88,555,128	3,277,588	6,079,134	1,305,204	65,089,625	102,066,524	6,010,020	16,540,009	1,415,171,504
Net position restricted for pension benefits, end of year	\$ 856,581,857	389,311,734	57,351,980	104,764,275	3,763,494	7,432,352	1,498,494	76,807,522	120,145,715	6,992,464	19,500,690	1,644,150,577

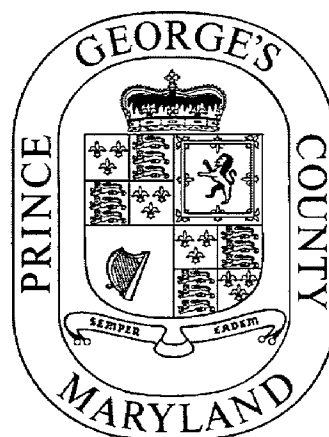
PRINCE GEORGE'S COUNTY, MARYLAND
 Agency Funds - Primary Government
 Combining Statement of Changes in Assets and Liabilities
 For the year ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
State of Maryland property taxes:				
Assets:				
Cash and investments	\$ 24	75,322,934	(75,322,565)	393
Taxes receivable	631,573	81,890,914	(81,787,944)	734,543
Total assets	631,597	157,213,848	(157,110,509)	734,936
Liabilities:				
Due to State of Maryland	631,597	82,107,630	(82,004,291)	734,936
Total Liabilities	\$ 631,597	82,107,630	(82,004,291)	734,936
M-NCPPC property taxes:				
Assets:				
Cash and investments	\$ 1,727,132	214,510,313	(213,770,220)	2,467,225
Taxes receivable	3,252,712	214,869,272	(214,816,471)	3,335,513
Total assets	\$ 4,979,844	429,409,585	(428,586,691)	5,802,738
Liabilities:				
Due to M-NCPPC	\$ 4,979,844	214,968,036	(214,145,142)	5,802,738
Total liabilities	\$ 4,979,844	214,968,036	(214,145,142)	5,802,738
Washington Suburban Sanitary Commission charges:				
Assets:				
Cash and investments	\$ 8,513	22,837,698	(22,834,146)	12,065
Taxes receivable	268,412	22,718,632	(22,741,827)	245,217
Total assets	\$ 276,925	45,556,330	(45,575,973)	257,282
Liabilities:				
Liability - due to Washington Suburban Sanitary Commission	\$ 276,925	22,814,503	(22,834,146)	257,282
Total liabilities	\$ 276,925	22,814,503	(22,834,146)	257,282
Incorporated towns property taxes:				
Assets:				
Cash and investments	\$ 162	107,175,142	(107,175,285)	19
Taxes receivable	579,445	108,005,756	(108,018,178)	567,023
Total assets	\$ 579,607	215,180,898	(215,193,463)	567,042
Liabilities:				
Due to towns	579,607	109,670,066	(109,682,631)	567,042
Total liabilities	\$ 579,607	109,670,066	(109,682,631)	567,042
Washington Suburban Transit Commission taxes:				
Assets:				
Cash and investments	\$ 1,881,626	30,818,871	(32,399,473)	301,024
Taxes receivable	323,253	20,947,798	(20,941,148)	329,903
Total assets	\$ 2,204,879	51,766,669	(53,340,621)	630,927
Liabilities:				
Due to Washington Suburban Transit Commission	\$ 2,204,879	37,122,319	(38,696,271)	630,927
Total liabilities	\$ 2,204,879	37,122,319	(38,696,271)	630,927

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Agency Funds - Primary Government
 Combining Statement of Changes in Assets and Liabilities, Continued
 For the year ended June 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Special taxes:				
Assets:				
Cash and investments	\$ 1,575,234	24,035,521	(24,026,985)	1,583,770
Taxes Receivable	1,330,536	25,613,087	(25,572,955)	1,370,668
Total assets	<u>\$ 2,905,770</u>	<u>49,648,608</u>	<u>(49,599,940)</u>	<u>2,954,438</u>
Liabilities:				
Due to other participants	\$ 2,905,770	25,613,087	(25,564,419)	2,954,438
Total liabilities	<u>\$ 2,905,770</u>	<u>25,613,087</u>	<u>(25,564,419)</u>	<u>2,954,438</u>
Agricultural transfer taxes:				
Assets:				
Cash and investments	\$ 259,284	13,003	(13,003)	259,284
Total assets	<u>\$ 259,284</u>	<u>13,003</u>	<u>(13,003)</u>	<u>259,284</u>
Liabilities:				
Due to other governmental units	\$ 259,284	13,003	(13,003)	259,284
Total liabilities	<u>\$ 259,284</u>	<u>13,003</u>	<u>(13,003)</u>	<u>259,284</u>
Inmate Holding Account				
Assets:				
Cash and investments	\$ 156,297	832,888	(846,246)	142,939
Accounts receivable	624	-	(624)	-
Total assets	<u>\$ 156,921</u>	<u>832,888</u>	<u>(846,870)</u>	<u>142,939</u>
Liabilities:				
Accounts payable	\$ 118,204	855,996	(877,937)	96,263
Due to participants	38,717	832,263	(824,304)	46,676
Total liabilities	<u>\$ 156,921</u>	<u>1,688,259</u>	<u>(1,702,241)</u>	<u>142,939</u>
<u>Totals</u>				
Assets:				
Cash and investments	\$ 5,608,272	475,546,370	(476,387,923)	4,766,719
Taxes receivable	6,385,931	474,075,459	(473,878,523)	6,582,867
Accounts receivable	624	-	(624)	-
Total assets	<u>\$ 11,994,827</u>	<u>949,621,829</u>	<u>(950,267,070)</u>	<u>11,349,586</u>
Liabilities:				
Accounts payable	\$ 118,204	855,996	(877,937)	96,263
Due to other governmental units	8,932,136	466,695,557	(467,375,484)	8,252,209
Due to participants	2,944,487	26,445,350	(26,388,723)	3,001,114
Total liabilities	<u>\$ 11,994,827</u>	<u>493,996,903</u>	<u>(494,642,144)</u>	<u>11,349,586</u>



NONMAJOR COMPONENT UNITS

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Position
Nonmajor Component Units
June 30, 2014

	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
ASSETS								
Current assets:								
Cash and investments	\$ 1,114,346	16,110,355	3,546,955	5,756,408	42,093,513	4,659,917	4,105,267	77,386,761
Receivables (net of allowances for uncollectibles)								
Accounts	115,551	8,375,867	-	435,155	15,090,109	643,728	-	24,660,410
Accrued interest receivable	-	-	6	-	33,585	-	-	33,591
Due from primary government	-	-	-	845,011	-	-	-	845,011
Due from other governmental units	-	-	1,824,510	357,653	1,082,737	606,046	-	3,870,946
Inventories	-	-	-	-	98,249	-	-	98,249
Prepaid costs and deposits	11,152	231,702	-	270,817	1,884,525	2,547	699	2,401,442
Total current assets	1,241,049	24,717,924	5,371,471	7,665,044	60,282,718	5,912,238	4,105,966	109,296,410
Restricted assets:								
Cash and investments	-	-	3,840	-	7,006,723	9,873,873	698,219	17,582,655
Land held for transfer and other	-	-	-	-	-	2,950,032	674,301	3,624,333
Total restricted assets	-	-	3,840	-	7,006,723	12,823,905	1,372,520	21,206,988
Noncurrent assets:								
Land	-	5,307,744	-	-	2,772,440	1,752,591	54,274,190	64,106,965
Construction in progress	-	-	-	-	-	-	1,385,175	1,385,175
Buildings and improvements	-	5,181,165	73,043,523	-	155,028,629	30,521,426	320,222	264,094,965
Accumulated depreciation	-	(1,104,086)	(26,761,257)	-	(41,299,099)	(17,405,810)	(60,042)	(86,630,294)
Improvements other than buildings	241,661	13,244,968	-	-	-	-	-	13,486,629
Accumulated depreciation	(241,661)	(10,787,715)	-	-	-	-	-	(11,029,376)
Equipment	225,234	1,726,009	-	13,776,755	38,584,149	1,121,351	29,037	55,462,535
Accumulated depreciation	(182,321)	(1,380,797)	-	(8,976,034)	(23,457,615)	(967,066)	(19,358)	(34,983,191)
Other noncurrent Assets	-	-	-	-	-	162,300	-	162,300
Total noncurrent assets	42,913	12,187,288	46,282,266	4,800,721	131,628,504	15,184,792	55,929,224	266,055,708
Total assets	\$ 1,283,962	36,905,212	51,657,577	12,465,765	198,917,945	33,920,935	61,407,710	396,559,106
DEFERRED OUTFLOW OF RESOURCES								
Deferred charge on refunding	-	-	1,565,794	-	-	-	-	1,565,794
Total deferred outflow of resources	-	-	1,565,794	-	-	-	-	1,565,794

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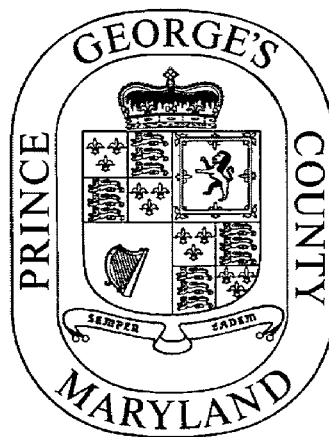
PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Position
Nonmajor Component Units
June 30, 2014

	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
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 6,433	989,696	-	1,005,024	11,756,228	2,785,551	428,593	16,971,525
Accrued liabilities	79,483	-	246,053	683,547	-	-	-	1,009,083
Due to primary government	450,000	4,131,437	-	105,694	143,281	4,257,604	-	9,088,016
Due to other governmental units	-	309,997	-	-	-	6,414,468	-	6,724,465
Unearned revenue	-	44,369	-	272,861	1,896,418	6,456	-	2,220,104
Deposits	-	98,589	-	-	-	128,043	138,500	365,132
Current portion of bonded debt	-	-	5,025,000	-	-	75,000	-	5,100,000
Current portion of capital lease obligations	-	111,324	-	-	1,782,574	-	5,907	1,899,805
Current portion of compensated absences and termination benefits payable	-	-	-	15,895	216,673	29,151	-	261,719
Total current liabilities	535,916	5,685,412	5,271,053	2,083,021	15,795,174	13,696,273	573,000	43,639,849
Noncurrent liabilities:								
Bonded debt, less current portion	-	-	50,820,000	-	-	765,000	-	51,585,000
Unamortized premium (discount)	-	-	164,260	-	-	834	-	165,094
Capital lease obligations, less current portion	-	74,905	-	-	2,718,652	-	4,628	2,798,185
Compensated absences and termination benefits payable, less current portion	-	-	-	2,012,502	2,279,853	553,882	-	4,846,237
Notes payable, less current portion	-	-	-	-	-	-	1,198,667	1,198,667
Net OPEB obligation	-	-	-	-	1,424,643	-	-	1,424,643
Total noncurrent liabilities	-	74,905	50,984,260	2,012,502	6,423,148	1,319,716	1,203,295	62,017,826
Total liabilities	535,916	5,760,317	56,255,313	4,095,523	22,218,322	15,015,989	1,776,295	105,657,675
NET POSITION								
Net investment in capital assets	42,913	13,146,617	11,689,120	4,800,721	127,284,228	14,362,971	54,659,662	225,986,232
Restricted	2,853	155,163	-	-	2,874,284	5,024,012	698,219	8,754,531
Unrestricted (deficit)	745,193	17,843,115	(14,721,062)	3,569,521	46,541,111	(482,037)	4,273,534	57,769,375
Total net assets (deficit)	\$ 748,046	31,144,895	(3,031,942)	8,370,242	176,699,623	18,904,946	59,631,415	292,467,225

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Activities
Nonmajor Component Units
For the year ended June 30, 2014

Program Revenues					Net (Expense) Revenue and Changes in Net Assets							
Programs / Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Government			Education		Community Development		Total
					Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	
Component Units:												
General government												
PGCT	\$ 1,557,460	434,424	-	-	(1,123,036)	-	-	-	-	-	-	(1,123,036)
Revenue Authority	15,728,751	14,977,840	660,000	127,262	-	36,351	-	-	-	-	-	36,351
IDA	4,762,920	7,867,809	-	-	-	-	3,104,889	-	-	-	-	3,104,889
Education												
Library	29,439,016	1,096,772	18,347	3,419,896	-	-	-	(24,904,001)	-	-	-	(24,904,001)
PGCC	124,373,102	27,605,308	31,506,968	-	-	-	-	-	(65,260,826)	-	-	(65,260,826)
Community Development												
Housing Authority	91,846,242	2,046,692	81,063,051	283,199	-	-	-	-	-	(8,453,300)	-	(8,453,300)
Redevelopment Authority	3,008,474	26,082	2,569,330	1,310,000	-	-	-	-	-	-	896,938	896,938
Total component units	\$ 270,715,965	54,054,927	115,817,696	5,140,357	(1,123,036)	36,351	3,104,889	(24,904,001)	(65,260,826)	(8,453,300)	896,938	(95,702,985)
General revenues:												
Other grants and contributions					1,155,059	-	-	26,636,035	60,958,054	7,500,000	-	96,249,148
Investment income					592	6,218	10	12,053	976,302	6,124	-	1,001,299
Miscellaneous						138,454	-	45,658	569,427	2,372,768	-	3,126,307
Total general revenues					1,155,651	144,672	10	26,693,746	62,503,783	9,878,892	-	100,376,754
Change in net assets					32,615	181,023	3,104,899	1,789,745	(2,757,043)	1,425,592	896,938	4,673,769
Net position - beginning of year					715,431	30,963,872	(6,136,841)	6,580,497	175,335,575	17,479,354	58,734,477	283,672,365
Prior period adjustment					-	-	-	-	4,121,091	-	-	4,121,091
Net position - end of year	\$				748,046	31,144,895	(3,031,942)	8,370,242	176,699,623	18,904,946	59,631,415	292,467,225

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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, 2014

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	254,235,701	20,944,032	233,032,329	-	-	259,340
Staff agencies:						
Finance	29,550	-	-	-	29,550	-
Personnel	52,140	-	-	-	52,140	-
Central services	1,271,611	-	-	-	536,934	734,677
General government buildings	73,412,332	12,667,199	60,745,133	-	-	-
Other	58,690,281	-	-	-	-	58,690,281
Total staff agencies	133,455,914	12,667,199	60,745,133	-	618,624	59,424,958
Total general government	387,691,615	33,611,231	293,777,462	-	618,624	59,684,298
Public safety:						
State's Attorney	48,981	-	-	-	27,435	21,546
Police services	33,804,302	2,124,313	17,897,862	-	5,494,689	8,287,438
Fire services	67,663,899	3,810,399	47,442,380	-	1,815,935	14,595,185
Sheriff services	895,427	-	32,684	-	492,936	369,807
Corrections	95,365,040	1,953,617	92,734,794	-	383,413	293,216
Homeland Security	54,651,416	-	-	48,952,026	2,682,089	3,017,301
Total public safety	252,429,065	7,888,329	158,107,720	48,952,026	10,896,497	26,584,493
Environmental						
Environmental resources	15,484,528	604,804	14,256,906	-	28,884	593,934
Health and human services						
Health	16,709,835	165,800	15,176,754	-	476,418	890,863
Total health and human Services	16,709,835	165,800	15,176,754	-	476,418	890,863
Infrastructure and Development						
Public works	2,820,090,820	45,166,386	20,307,654	2,695,798,582	215,709	58,602,489
Federal programs	13,138,134	2,856,588	2,540,519	-	5,351,520	2,389,507
Total governmental fund capital assets allocated	3,505,543,997	90,293,138	504,167,015	2,744,750,608	17,587,652	148,745,584
Construction-in-progress	124,840,016					
Total primary government	3,630,384,013					

(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, 2014

	Balance June 30, 2013	Additions	Deductions and adjustments	Net Inter-agency transfers	Balance June 30, 2014
Primary government:					
General government:					
Control, legislative, executive and judicial	\$ 238,571,172	15,763,826	-	(99,297)	254,235,701
Staff agencies:					
Finance	40,641	-	-	(11,091)	29,550
Management and budget	-	-	-	-	-
Law	-	-	-	-	-
Personnel	52,140	-	-	-	52,140
Central services	1,283,586	21,850	(33,825)	-	1,271,611
Family services	-	-	-	-	-
General government buildings	73,412,332	-	-	-	73,412,332
Other	55,145,421	5,389,494	(1,954,933)	110,299	58,690,281
Total staff agencies	129,934,120	5,411,344	(1,988,758)	99,208	133,455,914
Total general government	368,505,292	21,175,170	(1,988,758)	(89)	387,691,615
Public safety:					
State's attorney	-	-	(50,316)	99,297	48,981
Police services	33,710,891	986,790	(904,470)	11,091	33,804,302
Fire services	67,044,228	722,076	(102,405)	-	67,663,899
Environmental resources	14,735,415	-	-	(14,735,415)	-
Sheriff services	1,032,528	-	(137,101)	-	895,427
Corrections	95,418,046	5,109	(58,115)	-	95,365,040
Homeland Security	55,275,957	1,176,494	(1,801,035)	-	54,651,416
Total public safety	267,217,065	2,890,469	(3,053,442)	(14,625,027)	252,429,065
Environmental	-	795,326	(46,213)	14,735,415	15,484,528
Health and human services					
Health	16,579,852	20,701	(31,118)	140,400	16,709,835
Social services	250,699	-	-	(250,699)	-
Infrastructure and Development					
Public works and transportation	2,793,039,854	27,539,845	(488,879)	-	2,820,090,820
Federal programs	13,480,418	-	(342,284)	-	13,138,134
Construction-in-progress	42,304,878	101,481,874	(18,946,735)	-	124,840,016
Total governmental fund capital assets	\$ 3,501,378,058	153,903,385	(24,897,430)	-	3,630,384,013

(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, 2014

	Primary Government
Governmental fund capital assets	
Land	\$ 90,293,138
Buildings	504,167,015
Infrastructure	2,744,750,608
Equipment	166,333,236
Construction in progress	124,840,016
Total governmental fund capital assets	<u>\$ 3,630,384,013</u>
Investment in governmental fund capital assets from:	
Capital projects funds:	
General obligation bonds	\$ 88,526,002
Intergovernmental	16,400,811
General fund revenue	3,474,063,935
Special revenue fund revenue	18,341,928
Federal programs	13,138,134
Other	19,913,203
	<u>\$ 3,630,384,013</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
NetPosition By Component
Last Ten Fiscal Years

Table 1

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	Restated (2) 2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 1,361,493,750	\$ 1,370,963,205	\$ 1,351,726,843	\$ 1,421,477,574	\$ 1,481,956,322	\$ 1,475,449,993	\$ 1,466,248,839	\$ 1,621,314,368	\$ 1,499,391,740	\$ 1,487,561,224
Restricted	237,414,675	327,801,840	502,518,691	475,649,709	422,228,258	351,254,119	361,876,157	349,076,708	341,015,595	309,177,376
Unrestricted (deficit) (2)	(334,199,167)	(354,886,633)	(459,623,656)	(567,350,879)	(663,421,910)	(558,755,424)	(562,309,599)	(624,691,441)	(705,176,214)	(954,659,608)
Total governmental activities net position	<u>1,264,709,258</u>	<u>1,343,878,412</u>	<u>1,394,621,878</u>	<u>1,329,776,404</u>	<u>1,240,762,670</u>	<u>1,267,948,688</u>	<u>1,265,815,397</u>	<u>1,345,699,635</u>	<u>1,135,231,121</u>	<u>842,078,993</u>
Business-type activities										
Net investment in capital assets	98,064,648	114,802,351	118,553,646	131,283,415	143,085,674	156,560,233	148,934,828	143,858,665	107,572,137	142,374,427
Restricted	19,000,524	22,429,322	19,906,051	19,900,630	18,389,718	20,916,015	19,500,275	18,481,818	19,212,114	28,976,024
Unrestricted (deficit)	42,909,888	49,010,063	53,899,957	46,861,226	40,119,901	40,427,579	56,189,966	59,916,152	94,141,653	50,603,289
Total business-type activities net position	<u>159,975,060</u>	<u>186,241,736</u>	<u>192,359,654</u>	<u>198,045,271</u>	<u>201,595,293</u>	<u>217,903,827</u>	<u>224,625,069</u>	<u>222,256,635</u>	<u>220,925,904</u>	<u>221,953,740</u>
Primary government										
Net investment in capital assets	1,459,558,398	1,485,765,556	1,470,280,489	1,552,760,989	1,625,041,996	1,632,010,226	1,615,183,667	1,765,173,033	1,606,963,877	1,629,935,651
Restricted	256,415,199	350,231,162	522,424,742	495,550,339	440,617,976	372,170,134	381,376,432	367,558,526	360,227,709	338,153,400
Unrestricted (deficit) (1)	(291,289,279)	(305,876,570)	(405,723,699)	(520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)	(564,775,289)	(611,034,561)	(904,056,319)
Total primary government net position	<u>\$ 1,424,684,318</u>	<u>\$ 1,530,120,148</u>	<u>\$ 1,586,981,532</u>	<u>\$ 1,527,821,675</u>	<u>\$ 1,442,357,963</u>	<u>\$ 1,485,852,515</u>	<u>\$ 1,490,440,466</u>	<u>\$ 1,567,956,270</u>	<u>\$ 1,356,157,025</u>	<u>\$ 1,064,032,733</u>

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	\$ (291,289,279)	\$ (305,876,570)	\$ (405,723,699)	\$ (520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)	(564,775,289)	(611,034,561)	(904,056,319)
Debt issued for capital on behalf of others	334,947,973	412,915,242	481,347,768	481,969,501	470,259,263	435,418,383	399,196,957	445,921,535	483,621,901	486,417,276
County net assets absent effect of this relationship	<u>\$ 43,658,694</u>	<u>\$ 107,038,672</u>	<u>\$ 75,624,069</u>	<u>\$ (38,520,152)</u>	<u>\$ (153,042,746)</u>	<u>\$ (82,909,462)</u>	<u>\$ (106,922,676)</u>	<u>\$ (118,853,754)</u>	<u>\$ (127,412,660)</u>	<u>\$ (417,639,043)</u>

(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									
	2005	2006	2007	2008	2009	2010	2011	2012 (restated)	2013	2014
Expenses										
Governmental activities:										
General government (1)	\$ 182,388,220	\$ 246,279,862	\$ 234,249,287	\$ 276,079,032	\$ 264,000,847	\$ 293,993,880	\$ 278,735,961	\$ 335,347,065	\$ 402,876,040	\$ 413,676,920
Public safety (2)	388,603,533	424,904,065	501,713,673	523,937,600	535,747,925	510,354,496	543,688,542	551,296,748	600,225,256	626,789,316
Environmental (3)	-	-	-	-	-	-	-	-	-	4,432,568
Health and Human Services (4)	79,930,902	85,828,296	92,933,730	100,602,469	103,468,096	104,844,923	98,491,351	95,750,683	97,589,420	97,846,141
Infrastructure and Development (5)	67,027,076	83,590,609	82,853,168	82,256,246	76,563,498	73,726,841	86,362,933	55,761,006	91,413,306	104,325,736
Board of Education	612,603,456	660,804,233	657,734,909	665,957,080	652,303,197	684,470,305	656,525,606	649,326,640	715,792,239	716,497,118
Community College	17,183,604	19,441,705	35,272,367	28,438,902	38,415,219	33,644,625	40,125,724	31,862,246	31,383,689	30,767,855
Memorial Library	14,728,625	16,875,719	18,430,402	19,568,825	19,397,277	19,802,615	19,494,605	27,027,089	23,313,523	21,490,903
Interest on long-term debt	41,386,613	48,773,181	46,949,253	59,042,614	54,873,156	49,295,577	51,136,299	47,505,779	46,733,055	57,748,877
Total governmental activities expenses	1,403,852,029	1,586,497,670	1,670,136,789	1,755,882,768	1,744,769,215	1,770,133,262	1,774,561,021	1,793,877,256	2,009,326,528	2,073,575,434
Business-type activities:										
Solid Waste	81,849,710	73,753,196	95,820,024	97,039,320	99,930,368	87,486,790	95,955,265	98,663,436	95,739,816	95,482,526
Stormwater	26,415,945	27,533,408	29,913,750	33,743,601	35,724,787	48,297,374	42,103,279	42,169,443	43,080,734	52,371,683
Watershed Protection	-	-	-	-	-	-	-	-	-	316,175
Total business-type activities expenses	108,265,655	101,286,604	125,733,774	130,782,921	135,655,155	135,784,164	138,058,544	140,832,879	138,820,550	148,170,384
Total primary government expenses	\$ 1,512,117,684	\$ 1,687,784,274	\$ 1,795,870,563	\$ 1,886,665,689	\$ 1,880,424,370	\$ 1,905,917,426	\$ 1,912,619,565	\$ 1,934,710,135	\$ 2,148,147,078	\$ 2,221,745,818
Program Revenues										
Governmental activities:										
Charges for Services :										
General government (1)	\$ 72,211,781	\$ 91,686,725	\$ 87,079,431	\$ 63,137,800	\$ 47,130,404	\$ 60,275,045	\$ 55,529,493	\$ 87,727,105	\$ 94,431,227	\$ 83,203,693
Public safety (2)	36,334,163	38,743,839	35,696,477	33,963,072	34,964,503	38,398,284	41,420,265	52,677,652	56,363,172	37,430,678
Environmental (3)	-	-	-	-	-	-	-	-	-	287,158
Health and Human Services (4)	10,098,477	16,545,080	10,830,733	13,540,038	12,642,837	9,278,928	10,430,145	12,369,621	10,299,291	7,075,381
Infrastructure and Development (5)	97,100,881	60,861,954	69,809,011	25,581,816	43,153,508	57,097,256	29,476,879	130,701,054	33,769,227	56,250,140
Operating grants and contributions										
General government (1)	20,831,525	17,522,852	19,955,319	59,178,382	39,248,215	56,606,758	57,182,264	26,281,362	25,222,907	12,192,715
Public safety (2)	20,909,590	21,087,793	25,723,138	18,475,021	17,538,135	29,537,332	28,884,685	32,508,021	26,524,768	24,989,052
Environmental (3)	-	-	-	-	-	-	-	-	-	230,114
Health and Human Services (4)	54,358,183	54,819,787	60,832,447	61,984,042	65,449,596	65,178,448	71,886,283	68,530,281	67,629,045	69,120,126
Infrastructure and Development (5)	270,838	177,988	239,159	386,975	1,868,144	2,233,204	4,513,987	8,581,718	2,917,851	13,478,641
Capital grants and contributions										
General government (1)	-	12,115,657	6,221,385	5,767,776	5,756,794	36,514,825	7,466,894	2,949,658	198,425	1,775,255
Public safety (2)	1,202,950	3,415,264	1,114,478	3,462,729	3,847,755	4,881,000	8,519,103	3,696,298	4,896,876	2,747,572
Environmental (3)	-	-	-	-	-	-	-	-	-	211,498
Health and Human Services (4)	5,500,000	2,111,331	-	-	-	117,954	351,545	-	169,076	22,000
Infrastructure and Development (5)	10,299,825	3,204,632	6,428,142	4,414,109	4,138,715	7,887,841	18,914,344	7,186,862	10,076,015	13,572,964
Total governmental activities program revenues	329,118,213	322,292,902	323,929,720	289,891,760	275,738,606	368,006,875	334,575,887	433,209,632	332,497,880	322,586,987

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 Environmental Resources. (3) Environment added Department of Environmental Resources and Soil Conservation. (4) Health and Human Services merged (Health and Public Welfare (Department of Social Services) 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									
	2005	2006	2007	2008	2009	2010	2011	2012 (restated)	2013	2014
Program Revenues, continued										
Business-type activities:										
Charges for services:										
Solid waste	77,182,008	79,655,114	82,202,081	84,240,272	86,550,100	90,575,778	90,451,449	89,987,217	91,459,801	90,893,287
Stormwater	6,166,326	5,264,325	5,156,895	3,729,657	3,057,990	3,369,309	2,150,063	1,829,457	2,811,579	3,677,700
Watershed Protection										14,199,502
Capital grants and contributions										
Stormwater	838,387	434,113	1,280,775	2,356,379	210,096	1,432,137	1,627,916	1,064,605	2,005,401	1,262,405
Total business-type activities program revenues	84,186,721	85,353,552	88,639,751	90,326,308	89,818,186	95,377,224	94,229,428	92,881,279	96,276,781	110,032,894
Total primary government program revenues	\$ 413,304,934	\$ 407,646,454	\$ 412,569,471	\$ 380,218,068	\$ 365,556,792	\$ 463,384,099	\$ 428,805,315	\$ 526,090,911	\$ 428,774,661	\$ 432,619,881
Net (Expense)/Revenue										
Governmental activities	(1,074,733,816)	(1,264,204,768)	(1,346,207,069)	(1,465,991,008)	(1,469,030,609)	(1,402,126,387)	(1,439,985,134)	(1,360,667,624)	(1,676,828,648)	(1,750,988,447)
Business-type activities	(24,078,934)	(15,933,052)	(37,094,023)	(40,456,613)	(45,836,969)	(40,406,940)	(43,829,116)	(47,951,600)	(42,543,769)	(38,137,490)
Total primary government net expense	\$ (1,098,812,750)	\$ (1,280,137,820)	\$ (1,383,301,092)	\$ (1,506,447,621)	\$ (1,514,867,578)	\$ (1,442,533,327)	\$ (1,483,814,250)	\$ (1,408,619,224)	\$ (1,719,372,417)	\$ (1,789,125,937)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 476,947,818	\$ 501,372,153	\$ 549,681,586	\$ 610,202,347	\$ 659,038,907	\$ 732,832,234	\$ 733,197,993	\$ 722,138,728	\$ 707,228,408	\$ 709,669,105
Income taxes	409,881,339	409,188,499	404,809,214	423,422,141	435,714,262	440,257,032	480,489,026	504,817,831	529,764,061	513,350,683
Transfer and recordation taxes	174,309,024	238,085,835	221,761,305	136,725,597	92,709,263	95,796,346	90,645,343	85,069,002	100,116,901	104,407,509
Energy taxes	43,203,312	48,281,237	54,373,964	62,747,183	66,805,287	71,280,769	63,880,450	59,651,917	56,588,560	55,240,457
Telecommunications tax	48,283,868	48,259,958	55,321,521	52,611,249	49,513,889	44,357,561	41,982,171	37,827,000	36,926,752	33,914,325
Unrestricted State shared tax	23,147,769	28,395,891	29,835,059	28,739,189	25,080,807	1,334,216	1,334,399	2,064,874	2,613,510	2,701,111
Other taxes	18,243,743	22,740,505	19,650,191	22,023,675	19,803,811	21,402,102	20,494,339	19,664,177	21,988,466	21,666,726
Investment earnings	13,506,949	27,856,149	42,680,195	38,333,826	29,435,697	9,101,595	3,122,028	3,698,357	(2,115,280)	2,944,473
Grants and contributions	9,789,432	10,654,521	9,246,405	9,875,131	1,371,225	1,970,627	1,865,679	3,212,453	11,822,540	13,355,751
Miscellaneous	856,117	1,071,976	1,817,209	7,811,548	543,727	1,492,071	840,412	5,197,518	1,426,216	586,179
Total governmental activities	1,218,169,371	1,335,906,724	1,389,176,649	1,392,491,886	1,380,016,875	1,419,824,553	1,437,851,840	1,443,341,857	1,466,360,134	1,457,836,319
Business-type activities:										
Property taxes	25,224,274	27,556,955	31,851,155	37,941,543	44,151,124	49,419,329	47,579,296	43,625,750	39,629,544	37,999,606
Investment earnings	3,795,730	6,205,935	8,442,987	8,200,687	5,235,867	3,953,359	2,971,062	2,333,788	1,583,464	1,165,720
Total business-type activities	29,020,004	33,762,890	40,294,142	46,142,230	49,386,991	53,372,688	50,550,358	45,959,538	41,213,008	39,165,326
Total primary government	\$ 1,247,189,375	\$ 1,369,669,614	\$ 1,429,470,791	\$ 1,438,634,116	\$ 1,429,403,866	\$ 1,473,197,241	\$ 1,488,402,198	\$ 1,489,301,395	\$ 1,507,573,142	\$ 1,497,001,645
Governmental activities										
Extraordinary items										
Asset impairment / insurance recovery (1)	(5,836,654)	7,467,198	7,773,886	8,653,648	-	-	-	-	-	-
Special items										
Legal Recovery	-	-	-	-	-	10,700,000	-	-	-	-
Business-type activities:										
Special items										
Gain on capital asset due to change in estimate	-	8,436,838	-	-	-	3,342,786	-	-	-	-
Change in Net Position										
Governmental activities	137,598,901	79,169,154	50,743,466	(64,845,474)	(89,013,734)	28,398,166	(2,133,294)	82,674,233	(210,468,514)	(293,152,128)
Business-type activities	4,941,070	26,266,676	3,200,119	5,685,617	3,550,022	16,308,534	6,721,242	(1,992,062)	(1,330,761)	1,027,836
Total primary government	\$ 142,539,971	\$ 105,435,830	\$ 53,943,585	\$ (59,159,857)	\$ (85,463,712)	\$ 44,706,700	\$ 4,587,948	\$ 80,682,171	\$ (211,799,275)	\$ (292,124,292)

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									
	2005	2006	2007	2008	2009	2010	2011(3)	2012	2013	2014
General Fund										
Reserved	\$ 111,998,051	\$ 124,132,311	\$ 134,748,047	\$ 148,641,724	\$ 146,494,025	\$ 144,338,502				
Unreserved	222,018,213	244,843,858	209,847,753	153,501,293	131,730,338	186,520,591				
Nonspendable	-	-	-	-	-	-	1,593,534	1,619,282	1,619,282	\$ 1,549,546
Restricted	-	-	-	-	-	-	144,187,959	164,668,289	164,668,289	160,797,750
Committed	-	-	-	-	-	-	52,389,072	53,570,342	53,570,342	55,424,074
Assigned	-	-	-	-	-	-	85,733,302	87,170,249	87,170,249	52,361,681
Unassigned	-	-	-	-	-	-	94,256,531	76,659,622	76,659,622	30,953,395
Sub-total General Fund	<u>222,301,138</u>	<u>334,016,264</u>	<u>368,976,169</u>	<u>344,595,800</u>	<u>302,143,017</u>	<u>278,224,363</u>	<u>330,859,093</u>	<u>378,160,398</u>	<u>378,160,398</u>	<u>301,086,446</u>
All Other Governmental Funds										
Reserved	\$ 96,941,880	\$ 133,640,179	\$ 234,004,815	\$ 208,115,317	\$ 200,562,222	\$ 147,214,598				
Unreserved										
Special revenue funds	12,148,269	8,420,864	9,879,522	10,253,895	12,254,369	14,585,859				
Capital projects funds	(18,118,439)	132,311,898	119,329,618	120,072,592	(10,280,606)	6,600,247				
Restricted	-	-	-	-	-	-	145,408,266.0	140,131,186	140,131,186	\$ 99,653,204
Committed	-	-	-	-	-	-	-	10,301,182	10,301,182	2,323,282
Assigned	-	-	-	-	-	-	5,481,651	6,525,555	6,525,555	6,264,232
Sub-total all other Governmental Funds	<u>\$ 161,530,100</u>	<u>\$ 90,971,710</u>	<u>\$ 274,372,941</u>	<u>\$ 363,213,955</u>	<u>\$ 338,441,804</u>	<u>\$ 202,535,985</u>	<u>\$ 168,400,704</u>	<u>\$ 150,889,917</u>	<u>\$ 150,889,917</u>	<u>\$ 108,240,718</u>
Total all Governmental Funds	<u>\$ 383,831,238</u>	<u>\$ 424,987,974</u>	<u>\$ 643,349,110</u>	<u>\$ 707,809,755</u>	<u>\$ 640,584,821</u>	<u>\$ 480,760,348</u>	<u>\$ 499,259,797</u>	<u>\$ 529,050,315</u>	<u>\$ 529,050,315</u>	<u>\$ 409,327,164</u>

Notes:

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

Table 4

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

	FISCAL YEARS									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013 (restated)</u>	<u>2014</u>
Revenues										
Taxes	\$ 1,186,496,069	\$ 1,306,817,992	\$ 1,334,376,477	\$ 1,335,935,914	\$ 1,348,462,490	\$ 1,412,184,766	\$ 1,423,616,459	\$ 1,427,541,836	\$ 1,449,168,044	\$ 1,440,900,965
Licenses and permits	22,748,523	29,249,555	27,722,783	20,960,406	17,751,849	17,471,856	18,577,036	18,127,287	22,710,061	21,830,867
Fines and forfeitures	3,737,746	3,864,070	3,637,603	3,506,178	4,444,315	4,351,788	5,877,508	13,459,810	19,684,818	19,885,245
Use and money and property	15,696,528	29,649,294	43,789,806	46,107,420	31,177,059	11,966,421	5,821,464	7,871,454	1,705,533	8,138,507
Charges for services	56,285,925	71,311,402	77,527,480	55,874,984	47,463,048	52,725,012	53,795,309	67,300,432	76,580,819	65,128,244
Intergovernmental	127,824,934	135,645,708	134,926,985	128,630,290	132,186,494	212,201,660	207,706,513	161,533,603	155,741,974	155,812,040
Miscellaneous	10,650,794	6,757,912	3,102,382	2,493,716	6,066,125	6,810,373	5,184,078	7,752,696	6,119,301	10,305,705
Total revenues	1,277,523,184	1,423,440,519	1,583,295,933	1,625,083,516	1,593,508,908	1,587,551,380	1,717,711,876	1,720,578,367	1,731,710,550	1,722,001,573
Expenditures										
General Government (1)	209,765,708	208,772,025	209,100,631	209,100,631	187,025,859	195,276,748	214,101,638	229,901,474	229,989,658	264,913,081
Public safety (2)	419,969,267	482,844,406	515,162,619	515,162,619	512,181,110	509,526,761	535,858,802	543,037,453	577,535,728	615,372,626
Environmental (3)	-	-	-	-	-	-	-	-	10,219,798	4,323,358
Health and Human Services (4)	85,204,972	90,781,764	93,190,158	93,190,158	96,918,135	103,841,312	98,190,664	95,249,039	98,493,348	95,977,561
Infrastructure & Development (5)	19,261,252	22,581,172	16,821,432	16,821,432	16,986,921	15,855,250	26,947,228	20,670,130	25,068,942	32,234,093
Capital projects	54,015,564	68,393,656	109,892,836	109,892,836	103,289,706	82,735,106	82,297,319	74,151,921	90,316,298	138,911,039
Education										
Board of Education	660,804,233	657,734,909	665,957,080	665,957,080	652,303,197	684,470,305	656,525,606	649,326,640	715,792,239	716,497,118
Community College	19,441,705	35,272,367	28,438,902	28,438,902	38,415,219	33,644,625	40,125,724	31,862,246	31,383,689	30,767,855
Memorial Library	16,875,719	18,430,402	19,568,825	19,568,825	19,397,277	19,802,615	19,494,605	27,027,089	23,313,523	21,490,903
Debt service										
Interest	47,020,175	68,561,620	69,302,123	69,302,123	74,766,318	78,850,997	86,457,546	86,523,482	83,252,080	85,839,156
Principal	55,774,273	46,804,798	51,231,609	51,231,609	54,073,418	53,598,362	49,896,532	47,537,190	47,206,911	53,855,034
Total expenditures	1,415,084,235	1,588,132,868	1,700,177,119	1,778,666,215	1,778,666,215	1,755,357,160	1,777,602,081	1,809,895,664	1,932,572,214	2,060,181,824
Excess (deficiency) of revenues over (under) expenditures	(164,692,349)	(116,881,186)	(153,582,699)	(185,157,307)	(167,805,780)	(59,890,205)	(89,317,297)	(101,699,546)	(200,861,664)	(338,180,251)

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 Environmental Resources. (3) Environment added Department of Environmental Resources and Soil Conservation. (4) Health and Human Services merged (Health and Public Welfare (Department of Social Services) 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

	FISCAL YEARS									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Other Financing Sources (Uses)										
General obligation bonds issued	-	224,750,000	130,515,000	141,475,827	13,494,208	83,110,000	91,480,000	74,315,000	285,748,000	-
Bond and note premium	1,288,223	7,211,969	7,758,539	1,662,626	-	2,599,354	6,959,315	21,373,503	43,355,574	5,419,224
Other financing notes payable	29,552,000	-	18,665,000	-	-	-	-	-	-	-
Capital lease financing	-	-	-	-	2,764,699	-	27,781,000	33,825,000	16,055,642	54,596,149
Reallocation of notes payable	274,687	(56,096)	131,013	-	-	-	-	-	-	-
Transfers in - other funds	78,502,976	116,427,957	88,185,312	78,314,642	100,694,719	94,629,227	98,837,759	101,999,940	89,092,924	94,902,164
Debt Issued:										
Bond proceeds - refunding	132,765,000	-	68,615,000	-	-	-	-	175,530,000	191,130,000	-
Bond premium - refunding	11,350,044	-	4,469,091	-	-	-	-	36,132,555	20,981,662	-
Payment to bond refunding escrow agent	(143,467,041)	-	(72,998,809)	-	-	-	-	(221,094,720)	(209,562,879)	-
Transfers out - other funds	(86,402,976)	(132,602,957)	(137,975,312)	(87,758,842)	(108,972,319)	(101,948,927)	(105,950,259)	(108,786,340)	(89,092,924)	(94,902,164)
Total other financing sources (uses)	<u>23,862,913</u>	<u>215,730,873</u>	<u>107,364,834</u>	<u>133,694,253</u>	<u>7,981,307</u>	<u>78,389,654</u>	<u>119,107,815</u>	<u>113,294,938</u>	<u>347,707,999</u>	<u>60,015,373</u>
Extraordinary items										
Insurance recoveries (2)	<u>8,937,539</u>	<u>7,467,198</u>	<u>7,773,886</u>	<u>8,653,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (93,018,273)</u>	<u>\$ 69,615,372</u>	<u>\$ (70,018,587)</u>	<u>\$ (25,457,879)</u>	<u>\$ (51,908,898)</u>	<u>\$ 18,499,449</u>	<u>\$ 29,790,518</u>	<u>\$ 11,595,392</u>	<u>\$ 146,846,335</u>	<u>\$ (278,164,878)</u>
Debt service as a percentage of noncapital expenditures (3)	6.7%	7.0%	6.9%	7.0%	7.7%	7.8%	7.7%	7.8%	7.8%	7.7%

Notes:

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

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

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

Table 5

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

Fiscal Year Ended June 30	Real Property (1)		Total Direct Tax Rate	Personal Property (2)			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Value		Unincorporated Personal Property	Public Utilities	Incorporated Ordinary Business				
2005	46,612,628,987	49,379,361,080	0.9777	48,164,540	1,175,337,090	1,604,883,723	\$ 2,828,385,353	2.4521	\$ 52,207,746,433	94.71%
2006	52,277,304,579	58,874,923,900	0.9801	37,066,180	1,177,751,940	1,608,550,492	2,823,368,612	2.4440	61,698,292,512	89.31
2007	60,716,650,060	69,500,205,330	0.9245	34,671,840	1,172,858,450	1,620,014,257	2,827,544,547	2.4487	72,327,749,877	87.86
2008	72,900,955,419	82,244,049,810	0.9149	32,590,380	1,175,976,540	1,609,855,442	2,818,422,362	2.3116	85,062,472,172	89.02
2009	85,155,247,625	99,986,180,539	0.9066	29,129,440	1,232,270,320	1,392,949,067	2,654,348,827	2.3269	102,640,529,366	85.55
2010	96,054,707,346	102,512,190,089	0.8996	32,392,590	1,291,979,150	1,458,374,079	2,782,745,819	2.2940	105,294,935,908	93.87
2011	95,135,150,806	96,199,089,410	0.8998	48,907,200	1,334,149,600	1,366,211,620	2,749,268,420	2.2856	98,948,357,830	98.92
2012	82,964,524,929	83,404,281,380	0.9054	57,630,140	1,332,876,260	1,322,818,970	2,713,325,370	2.2724	86,117,606,750	99.49
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	99.20
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	94.96

Notes:

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

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

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

Source: State Department of Assessment and Taxation.

Table 6

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

Fiscal Year	County Direct Rates - Real Property (1)			Overlapping Rates - Real Property		
	General (2)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2005	\$ 0.9237	0.0540	\$ 0.9777	\$ 0.0840	\$ 0.2440	\$ 0.0260
2006	0.9261	0.0540	0.9801	0.1320	0.2790	0.0260
2007	0.9245	0.0540	0.9785	0.1320	0.2790	0.0260
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

Fiscal Year	County Direct Rates - Personal Property (1)			Overlapping Rates - Personal Property		
	General (2)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2005	\$ 2.3090	0.1350	\$ 2.4440	\$ 0.0000	\$ 0.6975	\$ 0.0650
2006	2.3137	0.1350	2.4487	0.0000	0.6975	0.0650
2007	2.3116	0.1350	2.4466	0.0000	0.6975	0.0650
2008	2.3269	0.1350	2.4619	0.0000	0.6975	0.0650
2009	2.2940	0.1350	2.4290	0.0000	0.6975	0.0650
2010	2.2724	0.1350	2.4074	0.0000	0.6975	0.0650
2011	2.0000	0.1350	2.1350	0.0000	0.6975	0.0650
2012	2.0000	0.1350	2.1350	0.0000	0.6975	0.0650
2013	2.2830	0.1350	2.4180	0.0000	0.6975	0.0650
2014	2.2684	0.1350	2.4034	0.0000	0.6975	0.0650

Notes:

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

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

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

Source: Council Resolutions & Office of Finance, Treasury Division

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	
2005	0.322	0.268	0.620	0.716	0.580	0.730	0.790	0.450	0.500	
2006	0.322	0.285	0.547	0.766	0.630	0.720	0.790	0.450	0.580	
2007	0.352	0.299	0.650	0.766	0.630	0.720	0.790	0.450	0.580	
2008	0.352	0.299	0.730	0.786	0.630	0.720	0.790	0.450	0.580	
2009	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2010	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2011	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	
2012	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	
2013	0.400	0.322	1.000	0.790	0.630	0.710	0.790	0.7136	0.580	
2014	0.400	0.335	1.000	0.805	0.630	0.710	0.860	0.7121	0.580	

Towns										
Fiscal Year	Berwyn Heights	Bladensburg	Brentwood	Capitol Heights	Cheverly	Colmar Manor	Cottage City	Eagle Harbor	Edmonston	Fairmount Heights
2005	0.486	0.676	0.248	0.428	0.400	0.490	0.690	0.292	0.400	0.420
2006	0.486	0.676	0.248	0.412	0.400	0.490	0.690	0.292	0.450	0.420
2007	0.486	0.676	0.248	0.412	0.450	0.490	0.670	0.292	0.500	0.420
2008	0.486	0.740	0.476	0.412	0.480	0.880	0.640	0.292	0.500	0.420
2009	0.486	0.740	0.443	0.412	0.480	1.000	0.600	0.292	0.600	0.388
2010	0.486	0.740	0.382	0.401	0.480	1.038	0.560	0.292	0.600	0.420
2011	0.486	0.740	0.382	0.392	0.480	1.038	0.520	0.292	0.600	0.420
2012	0.516	0.740	0.382	0.392	0.480	1.028	0.488	0.292	0.600	0.420
2013	0.516	0.740	0.3864	0.4619	0.580	1.490	0.650	0.480	0.600	0.460
2014	0.516	0.740	0.4107	0.4619	0.580	1.490	0.650	0.480	0.660	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
2005	0.470	0.296	0.480	0.650	0.288	0.730	0.600	0.240
2006	0.470	0.296	0.480	0.800	0.288	0.677	0.600	0.240
2007	0.470	0.296	0.480	0.800	0.288	0.641	0.600	0.240
2008	0.510	0.275	0.480	0.800	0.288	0.641	0.600	0.240
2009	0.530	0.296	0.480	0.800	0.347	0.641	0.600	0.240
2010	0.530	0.296	0.480	0.780	0.347	0.641	0.541	0.240
2011	0.567	0.336	0.480	0.780	0.347	0.677	0.584	0.240
2012	0.567	0.336	0.480	0.740	0.347	0.654	0.579	0.240
2013	0.625	0.336	0.480	0.740	0.347	0.654	0.5818	0.240
2014	0.625	0.336	0.480	0.740	0.440	0.654	0.6315	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.

Source: Council Resolutions & Office of Finance, Treasury Division

Table 8

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

<u>Taxpayer</u>	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Gaylord National, LLC	\$ 556,000,000	1	1.98%			
Potomac Electric Power Co.	392,665,550	2	1.40%			
Verizon Maryland	329,449,630	3	1.17%	\$ 393,900,710	2	0.80
Washington Gas Light Company	249,385,550	4	0.89%	188,515,540	3	0.38
Empirian Village of Maryland, LLC	237,773,734	5	0.85%			
JKC Stadium (FedEx Field)	208,927,300	6	0.74%	188,312,360	4	0.38
Greenbelt Homes, Incorporated	175,737,127	7	0.63%	83,958,310	8	0.17
Genon Chalk Point LLC	159,244,300	8	0.57%			
Baltimore Gas and Electric Co.	150,718,210	9	0.54%	111,499,760	5	0.23
Silver Oaks Campus LLC	143,317,300	10	0.51%			
Samuel Zeli Trs				72,988,615	9	0.15
Mirant Peaker LLC				65,432,520	10	0.13
Mirant Chalk Point LLC (1)				436,176,180	1	0.88
Safeway Stores, Inc.				88,615,932	7	0.18
Summerfield Housing LTD Partnership				99,274,000	6	0.20

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
2005	524,436,177	521,001,206	99.34	2,344,780	523,345,986	99.79
2006	578,213,071	574,355,664	99.33	3,201,410	577,557,074	99.89
2007	660,947,420	656,628,114	99.35	3,779,511	660,407,625	99.92
2008	777,425,089	770,467,248	99.35	6,234,634	776,701,882	99.91
2009	903,375,110	897,803,030	99.38	4,619,220	902,422,250	99.89
2010	1,001,271,795	995,260,491	99.40	5,041,304	1,000,301,795	99.90
2011	987,400,083	981,984,336	99.45	4,270,720	986,255,056	99.88
2012	869,334,583	866,278,838	99.64	1,543,988	867,822,826	99.83
2013	803,094,590	798,920,671	99.48	1,998,405	800,919,076	99.73
2014	778,008,663	773,446,612	99.41	-	773,446,612	99.41

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, 2014

		General Fund							
		Unincorporated							
Delinquent taxes by year		Real Property	Business Personal Property	Railroads and Public Utilities	Corporate Personal Property		Total General Fund		
Year ended									
June 30:									
2014	\$	2,563,854	41,764	91,803	1,669,691		4,367,112		
2013		1,487,757	13,594	-	597,914		2,099,265		
2012		1,079,577	24,308	72	350,767		1,454,724		
2011		758,533	17,883	8	331,238		1,107,662		
2010		627,559	18,916	41	295,046		941,562		
2009		601,510	12,622	1	312,672		926,805		
2008		459,201	13,761	-	226,247		699,209		
2007		440,798	16,582	-	121,116		578,496		
2006		403,809	28,175	-	99,856		531,840		
2005 and prior		1,918,621	2,237,395	206	595,677		4,751,899		
	\$	<u>10,341,219</u>	<u>2,425,000</u>	<u>92,131</u>	<u>4,600,224</u>		<u>17,458,574</u>		
		Agency Funds					Enterprise Funds		
Delinquent taxes by year		Maryland-National Capital Park and Planning Commission	Washington Suburban Sanitary Commission	Incorporated Towns	Washington Suburban Transit Commission	Total Agency Funds	Stormwater Management Fund	Total All Funds	
Year ended									
June 30:									
2014	\$	220,222	1,073,061	53,373	193,018	103,566	1,643,240	194,939	6,205,291
2013		97,890	405,850	34,387	101,272	39,218	678,617	76,249	2,854,131
2012		82,213	300,999	34,323	64,342	29,145	511,022	57,034	2,022,780
2011		41,184	202,487	23,644	52,581	19,537	339,433	37,366	1,484,461
2010		24,056	153,097	19,497	30,955	14,905	242,510	28,438	1,212,510
2009		181,424	134,471	14,546	20,320	13,344	364,105	26,054	1,316,964
2008		22,817	121,603	13,011	37,998	12,032	207,461	23,998	930,668
2007		7,139	61,671	12,604	2,746	5,961	90,121	11,667	680,284
2006		16,878	45,052	8,253	2,728	4,280	77,191	7,955	616,986
2005 and prior		40,720	837,222	31,579	61,063	87,915	1,058,499	177,042	5,987,440
Totals	\$	<u>734,543</u>	<u>3,335,513</u>	<u>245,217</u>	<u>567,023</u>	<u>329,903</u>	<u>5,212,199</u>	<u>640,742</u>	<u>23,311,515</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	State Participation Bonds - Schools	State Participation Bonds - Roads	Maryland CDA Infrastructure Bonds	Certificates of Participation	HUD Section 108 Notes	Maryland Industrial Land Act Loans	MDOT Loans	Capital Leases
2005	764,758,568	9,845,000	-	-	953,400	63,811,800	11,945,000	327,139	6,773,207	-
2006	949,798,348	8,850,000	-	-	903,600	55,886,421	11,455,000	307,109	5,821,916	-
2007	1,031,936,113	7,795,000	-	-	851,300	66,387,883	7,206,000	285,669	4,818,594	-
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

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Revenue Bonds	State Participation Bonds	Certificates of Participation	WSSC Loans	Capital Leases			
2005	75,467,614	29,722,552	-	1,248,654	3,245,000	84,525	968,182,459	3.29%	1,151.89
2006	78,534,005	25,584,333	-	1,217,767	2,655,000	-	1,141,013,499	3.76%	1,363.80
2007	78,322,894	21,246,201	-	886,082	2,055,000	-	1,221,790,736	3.85%	1,467.27
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	n.a.	1,827.83
2014	182,450,700	385,998	-	-	-	-	1,568,753,177	n.a.	n.a.

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

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)			
2005	764,758,568	9,845,000	75,467,614	850,071,182	1.63%	1,011.37
2006	949,798,348	8,850,000	78,534,005	1,037,182,353	1.68%	1,239.69
2007	1,031,936,113	7,795,000	78,322,894	1,118,054,007	1.55%	1,342.69
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%	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, 2014

Governmental Unit:	<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	\$ 1,385,916,479 (1)	100.00%	\$ 1,385,916,479
Overlapping areas:			
Maryland-National Capital Park and Planning Commission	66,106,148	0%	-
Washington Suburban Sanitary Commission	574,047,579	0%	-
Underlying towns and cities within the County	47,785,345	0%	-
Component Unit:			
IDA of PG County lease revenue bonds	55,845,000	100.00%	55,845,000
Total Direct and Overlapping Debt	<u>\$ 2,129,700,551</u>		<u>\$ 1,441,761,479</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, 2014

	Gross debt <u>principal amount</u> (11)	Self-supporting <u>debt</u>	Net debt <u>principal amount</u>
Direct debt:			
Primary government:			
General obligation bonds:			
General purpose	\$ 844,289,449	-	844,289,449
Stormwater management	136,570,000	136,570,000 (1)	-
Solid waste management system	36,012,000	36,012,000 (2)	-
School facilities surcharge - supported	279,884,271	279,884,271 (3)	-
Telecommunications - supported	24,525,000	24,525,000 (4)	-
Mass transit	10,519,280	10,519,280 (5)	-
Maryland Industrial Land Act Loans	86,817	86,817 (6)	-
Maryland Community Development Administration Infrastructure Debt	413,300	413,300 (7)	-
Revenue bonds:			
Solid waste management system	385,998	385,998 (2)	-
Total direct debt	<u>1,332,686,115</u>	<u>488,396,666</u>	<u>844,289,449</u>
Overlapping debt:			
Other governmental units:			
Maryland-National Capital Park and Planning Commission general obligation bonds	66,106,148	66,106,148 (8)	-
Washington Suburban Sanitary Commission	574,047,579	574,047,579	-
Underlying towns and cities within the County	47,785,345	47,785,345 (9)	-
Component unit:			
Industrial Development Authority of Prince George's County lease revenue bonds	55,845,000	- (10)	55,845,000
Total overlapping debt	<u>743,784,072</u>	<u>687,939,072</u>	<u>55,845,000</u>
Total direct and overlapping debt	<u>\$ 2,076,470,187</u>	<u>1,176,335,738</u>	<u>900,134,449</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) Debt service costs of the Maryland Industrial Land Act notes are reimbursed to the County under loan agreements with developers.

(7) Debt service costs of the Maryland Community Development Administration note are reimbursed to the County under a loan agreement with Accokeek Volunteer Fire Department.

(8) At June 30, 2014, the County was contingently liable as guarantor on these bonds issued by the Maryland-National Capital Park and Planning Commission.

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

(10) 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.

(11) 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 2014:

Assessable base of Real Property	\$ 74,563,618,491
Assessable base of Personal Property	2,755,349,219
Debt limit (a total of 6% Real property & 15% of Personal property)	4,887,119,492
Debt applicable to limit:	
General obligation bonds	844,289,449
Total net debt applicable to limit	844,289,449
Legal debt margin	4,042,830,043

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessable Base - Real property	\$ 49,379,361,080	\$ 58,874,923,900	\$ 69,500,205,330	\$ 82,244,049,810	\$ 99,986,180,539	\$ 102,512,190,089	\$ 96,199,089,410	\$ 83,404,281,380	\$ 76,633,200,500	\$ 74,563,618,491
Assessable Base - Personal property and operating real property	2,828,385,353	2,823,368,612	2,827,544,547	2,818,422,362	2,654,348,827	2,782,745,819	2,749,268,420	2,713,325,370		2,755,349,219
Debt limit - Percentage of Assessable Base:										
Debt limit (a total of 6% of Real Property Assessable base and 15% of Personal Property Assessable base).	3,387,019,468	3,956,000,726	4,594,144,002	5,357,406,343	6,397,323,156	6,568,143,278	6,184,335,628	5,411,255,688	4,597,992,030	4,887,119,492
Total net debt applicable to limit	<u>754,145,898</u>	<u>898,617,376</u>	<u>976,252,351</u>	<u>1,020,223,283</u>	<u>963,055,594</u>	<u>701,045,978</u>	<u>711,514,526</u>	<u>713,200,331</u>	<u>899,514,499</u>	<u>844,289,449</u>
Legal debt margin	<u>\$ 2,632,873,570</u>	<u>\$ 3,057,183,350</u>	<u>\$ 3,617,891,651</u>	<u>\$ 4,337,183,060</u>	<u>\$ 5,434,267,562</u>	<u>\$ 5,867,097,300</u>	<u>\$ 5,472,821,102</u>	<u>\$ 4,698,055,357</u>	<u>\$ 3,698,477,531</u>	<u>\$ 4,042,830,043</u>
Total net debt applicable to the limit as a percentage of debt limit	22.27%	22.72%	21.25%	19.04%	15.05%	10.67%	11.51%	13.18%	19.56%	17.28%

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)	
2005	80,328,572	65,273,312	15,055,260	4,038,641	1,136,613	2.91	13,732,074	4,481,564	9,250,510	3,860,157	4,506,111	1.11
2006	84,557,528	67,134,060	17,423,468	4,098,219	1,065,552	3.37	7,290,715	9,754	7,280,961	2,648,105	4,471,937	1.02
2007	88,577,315	72,991,069	15,586,246	2,648,132	896,467	4.40	7,233,631	9,776	7,223,855	2,652,868	4,327,032	1.03
2008	90,150,726	81,910,241	8,240,485	4,498,391	901,821	1.53	7,114,384	9,740	7,104,644	2,681,618	4,301,679	1.02
2009	90,038,702	82,890,321	7,148,381	4,719,010	683,014	1.32	6,781,700	12,524	6,769,176	2,454,034	4,273,567	1.01
2010	93,076,593	79,534,255	13,542,338	4,945,000	453,396	2.51	6,829,328	13,145	6,816,183	2,482,842	4,255,642	1.01
2011	92,447,372	80,517,079	11,930,293	2,041,375	220,568	5.27	7,877,002	18,205	7,858,797	1,877,068	5,493,438	1.07
2012	91,620,951	84,288,431	7,332,520	2,108,148	157,476	3.24	7,873,840	18,878	7,854,962	2,259,349	5,522,879	1.01
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

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

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

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

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

Table 17

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

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

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>
2004	836,103	28,115,765	33,236	440,424	4.5	137,285
2005	840,513	29,434,782	34,496	445,124	4.5	136,095
2006	836,644	30,306,871	35,567	446,366	4.1	133,325
2007	832,699	31,753,583	37,361	448,144	3.7	131,014
2008	830,514	33,026,742	38,847	454,201	4.5	129,752
2009	834,560	33,227,622	38,810	452,754	7.1	127,977
2010	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	n.a.	n.a.	467,318	6.9	123,737
2014	n.a.	n.a.	n.a.	469,359	6.2	125,136

Notes:

(1) Population estimates for 2010 - 2013 are from the U.S. Bureau of the Census, updated June 2014. Estimates for 2014 are not available.

(2) Bureau of Economic Analysis, U.S. Department of Commerce. (Income data for 2013 and 2014 is not currently available) Calendar year per capita income figures are shown in the above table, updated May 30, 2014.

(3) Maryland Department of Labor, Career and Workforce Information, updated August 22, 2014

(4) www.mdreportcard.org, updated May 6, 2014

(5) n.a. represents information that was unavailable at the time this table was updated

Table 19

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

	2013			2004 (1)		
<u>Private Sector Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
			467,318			440,424
United Parcel Service (UPS)	4,220	1	0.90%	2,300	6	0.52%
Giant Food	3,000	2	0.64%	8,394	1	1.91%
Verizon	2,738	3	0.59%			
Dimensions Healthcare System	2,500	4	0.53%	3,000	3	0.68%
Marriott International	2,430	5				
Shoppers Food Warehouse	1,975	6	0.42%	3,700	2	0.84%
Safeway	1,605	7	0.34%	2,400	5	0.54%
Target	1,400	8	0.30%			
Doctor's Community Hosp.	1,300	9	0.28%			
MedStar Health (Southern Maryland Hospital Center)	1,242	10	0.27%			
Honeywell Technology Solutions				900	9	0.20%
Digex, Inc.				700	10	0.16%
Computer Science Corp.				1,200	8	0.27%
Raytheon Systems Company				1,300	7	0.30%
Bell Atlantic Corp./Verizon				2,700	4	0.61%
<u>Public Sector Employers</u>						
University System of Maryland 1/	17,905	1				
Joint Base Andrews Naval Air Facility Washington*	13,500	2				
Prince George's County Government	7,003	3				
U.S. Internal Revenue Service*	5,539	4				
United States Census Bureau*	4,414	5				
NASA/Goddard Space Flight Center*	3,397	6				
Prince George's Community College	2,638	7				
U.S. Department of Agriculture	1,850	8				
National Maritime Intelligence-Integration Office*	1,724	9				
National Oceanic and Atmospheric Administration*	1,350	10				

Notes:

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

* Employee counts for federal and military facilities exclude contractors.

Sources: Economic development agencies statewide and Maryland Department of Business and Economic Development, revised November 2013

2004 Public Sector Employer information is not available.

1/ Includes UMCP, UMUC and Bowie State University

Table 20

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

<u>Function/Agency</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government											
County Executive	48	48	48	48	48	48	46	45	45	45	45
County Council	89	97	99	100	111	113	103	101	108	112	114
Human Relations Commission	10	11	12	12	12	15	13	13	11	11	11
Personnel Board	2	2	2	2	2	2	2	2	2	2	2
Circuit Court	149	151	115	120	124	130	130	130	130	130	130
Orphans' Court	5	6	6	6	6	6	6	6	6	6	6
Office of the State's Attorney	136	138	142	148	151	154	152	149	151	167	169
Citizen Complaint Oversight Panel	2	2	2	2	2	2	1	1	1	1	1
Office of Finance	72	71	73	75	75	76	74	73	67	67	67
Office of Business & Regulatory Affairs	-	-	-	-	-	-	-	-	-	-	-
Office of Community Relations	15	17	19	24	26	26	26	38	35	50	65
Office of Management and Budget	24	24	25	26	27	27	27	26	25	25	25
Board of License Commissioners	7	7	7	7	7	7	7	7	7	7	7
Office of Law	54	57	57	57	60	61	60	60	54	54	54
Office of Human Resources Management	55	61	62	68	69	70	70	70	66	65	65
Office of Info. Tech. & Communications	48	49	0	0	0	0	0	0	0	0	0
Board of Elections	13	13	13	16	18	19	19	19	18	18	18
Soil Conservation District	9	9	10	13	13	13	13	13	13	13	13
Office of Central Services	239	240	172	180	182	182	178	170	151	154	158
Department of Family Services	48	52	17	28	28	28	28	31	28	27	29
Housing & Community Development	112	121	20	22	22	22	22	21	18	22	22
Subtotal	1,137	1,176	901	954	983	1,001	977	975	936	976	1,001
Public Safety											
Department of Environmental Resources	431	452	233	238	264	263	250	251	236	156	65
Police Department	1,675	1,675	1,763	1904	2056	2132	2123	2122	2097	2097	2095
Fire/EMS Department	778	780	804	821	833	849	837	846	848	887	892
Office of the Sheriff	246	281	274	324	338	347	342	335	333	340	342
Department of Corrections	529	538	565	602	630	646	637	644	639	640	640
Office of Homeland Security	167	187	187	190	204	214	214	211	210	211	211
Subtotal	3,826	3,913	3,826	4,079	4,325	4,451	4,403	4,409	4,363	4,331	4,245
Public Works											
Department of Public Works & Transportation	377	379	285	287	288	333	329	319	294	294	249
Subtotal	377	379	285	287	288	333	329	319	294	294	249
Health Department											
Health Department	531	527	276	294	291	302	289	261	238	242	231
Subtotal	531	527	276	294	291	302	289	261	238	242	231
Public Welfare - Department of											
Department of Social Services	32	36	13	13	14	15	15	14	14	15	15
Child Support Enforcement	-	-	-	-	-	-	-	-	-	-	-
Subtotal	32	36	13	13	14	15	15	14	14	15	15
Grand Total	5,903	6,031	5,301	5,627	5,901	6,102	6,013	5,978	5,845	5,858	5,741

Source: Office of Management and Budget Current Expense Budget

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

Table 21

<u>Agency/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>estimated</u> <u>2013</u>	<u>projected</u> <u>2014</u>
Circuit Court											
Criminal cases filed	8,080	9,167	9,134	8,765	7,823	7,907	8,783	8,684	8,191	8,545	8,646
Juvenile cases filed or reopened	5,581	1,933	2,189	2,353	2,301	2,633	2,242	2,079	2,038	1,903	1,958
Office of the Sheriff											
Number of warrants on file	29,908	30,808	33,171	36,848	42,063	48,307	53,703	48,433	45,770	45,000	40,000
Number of domestic related documents served	8,961	8,502	8,882	9,230	9,514	7,496	6,410	7,673	10,013	13,276	8,949
Department of Corrections											
Average daily Correctional Center population	1,134	1,214	1,266	1,482	1,462	1,461	1,229	1,175	1,200		n/a
Number of inmate court appearances	18,436	15,583	21,276	21,276	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Police Department											
Number of calls for service	528,182	560,327	604,189	655,994	700,000	676,662	807,592	746,486	616,180	615,000	610,000
Number of documented property crimes	44,275	42,869	37,505	37,420	36,457	30,714	31,011	27,757	25,816	24,500	23,500
Fire/EMS Department											
Number of fire calls for service	29,345	26,463	26,242	25,988	25,252	24,625	21,737	22,593	22,949	27,000	27,000
Office of Homeland Security											
Annual call volume	1,466,408	1,501,270	1,283,628	1,263,349	1,561,500	1,546,600	1,547,600	1,548,493	1,334,972	1,250,000	1,300,000
Public Works & Transportation											
Road miles maintained	1,749	1,775	1,789	1,804	1,818	1,818	1,834	1,841	1,873	1,900	1,900
Street resurfacing (in miles)	31	33	36	33	30	15	22	22	18	20	25
Department of Environmental Resources											
Abandoned vehicles impounded	5,650	4,801	4,800	3,400	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Permits issued by Permits and Review Division	37,509	48,604	45,000	45,000	45,000	29,331	24,682	25,775	24,850	26,000	27,000
Soil Conservation District											
Number of new acres covered by completed soil and water quality plans	742	1,025	383	1,100	1,760	1,320	1,300	n/a	n/a	n/a	n/a
Department of Family Services											
Number of people requesting disability information and assistance	2,473	2,500	2,074	1,216	1,567	2,667	2,500	n/a	n/a	n/a	n/a
Health Department											
Total treatment admissions	3,158	3,309	3,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Housing & Community Development											
Number of new units created	1,368	2,186	781	1,345	781	1,192	1,200	1,839	2,092	2,350	2,350
Department of Social Services											
Total households receiving energy assistance	5,001	5,491	6,062	7,110	8,085	9,629	11,483	13,764	11,201	12,149	12,149

Source: Office of Management and Budget Current Expense Budget

Table 22

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Public Facilities											
District Police Stations	6	6	6	6	6	6	6	6	6	6	6
Fire and Emergency Rescue Stations	47	49	44	44	44	44	44	44	56	56	48
Emergency Medical Units	56	56	53	54	57	57	58	58	60	59	59
Parks/Recreation Facilities (active parks)	522	358	358	358	564	560	582	583	584	590	
Multi-Purpose Senior Centers	8	8	8	8	8	8	7	7	7	7	8
Libraries	20	20	20	20	18	18	18	19	19	19	19
Public Schools											
Elementary Schools	131	131	146	146	142	132	131	131	130	129	135
Middle Schools	28	28	21	21	32	31	29	29	29	29	29
High Schools	23	23	23	23	24	30	30	30	30	30	30
Special Centers	12	12	12	12	12	12	11	9	9	7	7
Department of Public Works and Transportation											
Miles of County-maintained Paved Roads	1,747	1,772	1,768	1,784	1,818	1,821	1,834	1,862	1,873		1875
Signals in Service	228	230	236	232	183	266	266	267	259	260	249

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

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

Source: Office of Management and Budget Current Expense Budget

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