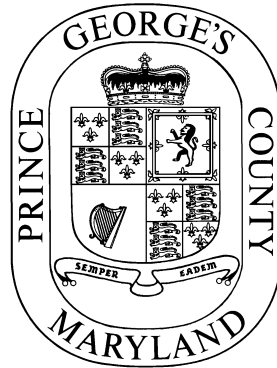




Rushern L. Baker, III
County Executive

Comprehensive Annual Financial Report For the Year Ended June 30, 2018

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



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2018
Prepared by Office 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, 2018**



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ELECTED OFFICIALS *



COUNTY EXECUTIVE
Rushern L. Baker, III

Dannielle M. Glaros
COUNTY COUNCIL
Chairperson

Derrick Leon Davis
Mel Franklin
Andrea C. Harrison
Mary A. Lehman

Obie Patterson
Deni Taveras
Karen R. Toles
Todd 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

Jared M. McCarthy, County Attorney

Mark A. Magaw, Deputy Chief Administrative Officer

Gail D. Francis, Director of Finance

Barry L. Stanton, Deputy Chief Administrative Officer

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

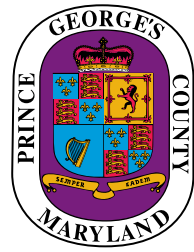
INDEPENDENT AUDITORS

CliftonLarsonAllen LLP

** As of June 30, 2018*



Rushern L. Baker, III
County Executive



Rushern L. Baker, III
County Executive

Prince George's County Elected Officials



Dannielle M. Glaros
Chair, District 3



Todd M. Turner, Esq.
Vice Chair, District 4



Mary A. Lehman
District 1



Deni Taveras
District 2



Andrea C. Harrison
District 5



Derrick Leon Davis
District 6



Karen R. Toles
District 7



Obie Patterson
District 8

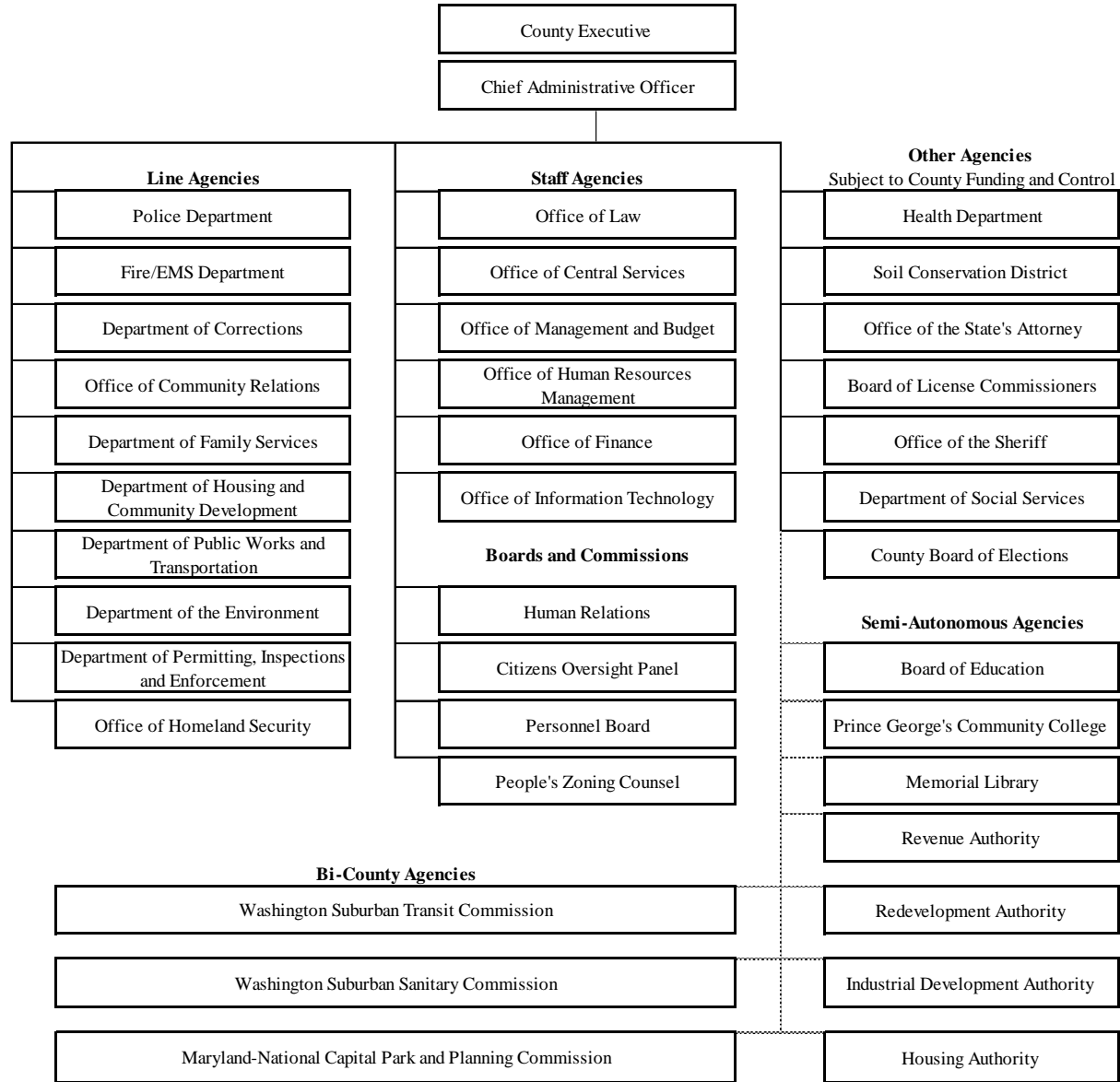


Mel Franklin
District 9

PRINCE GEORGE'S COUNTY GOVERNMENT

ORGANIZATIONAL CHART

Executive Branch





Government Finance Officers Association

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

Presented to

Prince George's County Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

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THE PRINCE GEORGE'S COUNTY GOVERNMENT OFFICE OF FINANCE

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ANGELA D. ALSOBROOKS, COUNTY EXECUTIVE
STEPHEN J. McGIBBON, ACTING DIRECTOR OF FINANCE

January 31, 2019

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

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Prince George's County (the County) for the fiscal year ended June 30, 2018 required by local ordinances and state statutes. These ordinances and statutes stipulate that the County annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. The public accounting firm of CliftonLarsonAllen LLP was engaged to perform this task for fiscal year 2018. The auditor's report on the Basic Financial Statements and the combining and individual fund statements and schedules is included in the Financial Section of this report. The County is also required to undergo an annual single audit in conformity with the provisions above. Information related to the County's Uniform Grant Guidance Audit, including a Schedule of Expenditures of Federal Awards, the independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance, and a Schedule of Findings and Questioned Costs will be included in a separately issued Single Audit Report.

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

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

PROFILE OF THE GOVERNMENT

Prince George's County, Maryland - a body corporate and politic - is a political subdivision of the State of Maryland, which operates under a "home rule" Charter which was adopted in November 1970. The powers of the County are contained in the Charter of Prince George's County, Maryland (the "Charter") and in the Constitution and laws of the State of Maryland. The Charter controls two branches of government. The executive branch enforces the laws and manages the business affairs of the County. It consists of a County Executive (elected by the qualified voters of the entire County) and all other officers, agents, and employees under the County Executive's supervision and authority, including the Chief Administrative Officer who is responsible for the day-to-day administration of the County. The legislative branch of the County consists of a County Council and its staff. The Council shall be composed of nine district members (elected by the qualified voters of each Councilmanic District) and two at-large members (elected by the qualified voters of the entire County). The Charter limits the County Executive and members of the Council to two consecutive four-year terms in office. Council members serving two consecutive terms as district members shall be eligible to run for an at-large seat on the Council and serve for no more than two consecutive terms as an at-large member. The judicial branch is independent and separate from the other branches of government and gets its authority from the Maryland Constitution. It is primarily comprised of the Court System and the State's Attorney's Office.

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

Prince George's County is the second largest jurisdiction in the State of Maryland (and the third largest in the metropolitan Washington area) with a population of nearly 912,756 residents. It encompasses 483 square miles that borders Washington, D.C., Montgomery, Howard and Anne Arundel Counties and is 37 miles south of the City of Baltimore. The County's centralized location and its rich diversity has attracted more than 15,600 businesses to its twenty-seven unique municipalities. Having a robust transportation system allows easy access to the region's national and international airports and to the Port of Baltimore.



County residents enjoy a diversity of leisure options, including a park system encompassing over 29,000 acres of parkland and open space. Leisure facilities and services provided by the Maryland-National Capital Park and Planning Commission (the “M-NCPPC”) include a sports and concert facility (Show Place Arena); a 10,000 seat AA Minor League Baseball stadium (Bowie Baysox) and community centers; recreational buildings; aquatic facilities; ice rinks; golf courses; an equestrian center; tennis courts; a performing arts and cultural center; and a gymnastic center. Other major recreational facilities include an 87,052-seat National Football League stadium (FedEx Field – Home of the Washington Redskins); an amusement park (Six Flags America) featuring rides, attractions and shows; a 240,000-square foot Olympic-quality recreational Sports and Learning Complex, and the National Harbor home to MGM Casino, the Gaylord Resort and Convention Center, Tanger Outlets, and the Waterfront. In addition, recreational and cultural opportunities of the nation’s capital, Washington, D.C., are located just across the County line. The County is home to six universities and colleges, including the flagship campus of the University System of Maryland.

THE REPORTING ENTITY AND ITS SERVICES

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

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

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

MANAGEMENT INITIATIVES

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

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

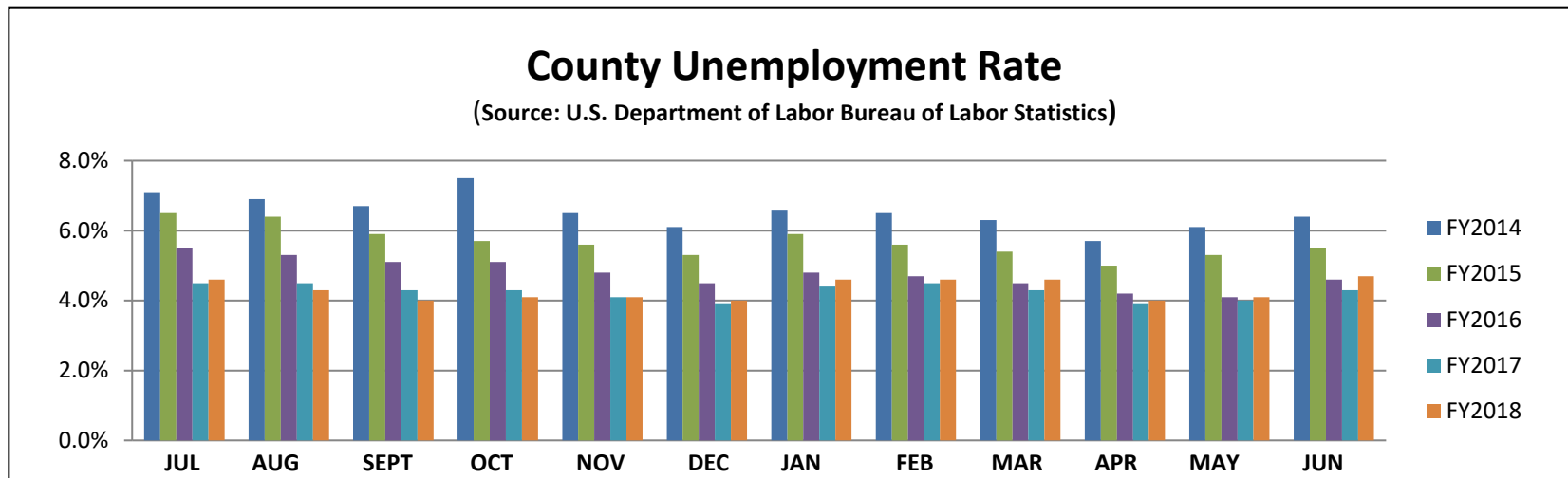
In order to transform the vision into a reality, the County has focused its resources on seven priorities: (1) a thriving economy, (2) an excellent education system, (3) safe neighborhoods, (4) quality health care, (5) effective human services, (6) a clean and sustainable environment, and (7) high performance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

FACTORS AFFECTING FINANCIAL CONDITION

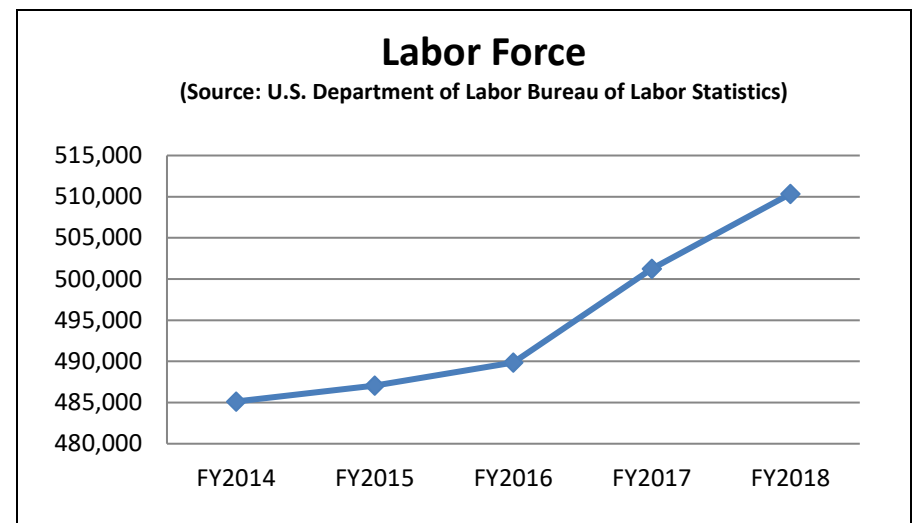
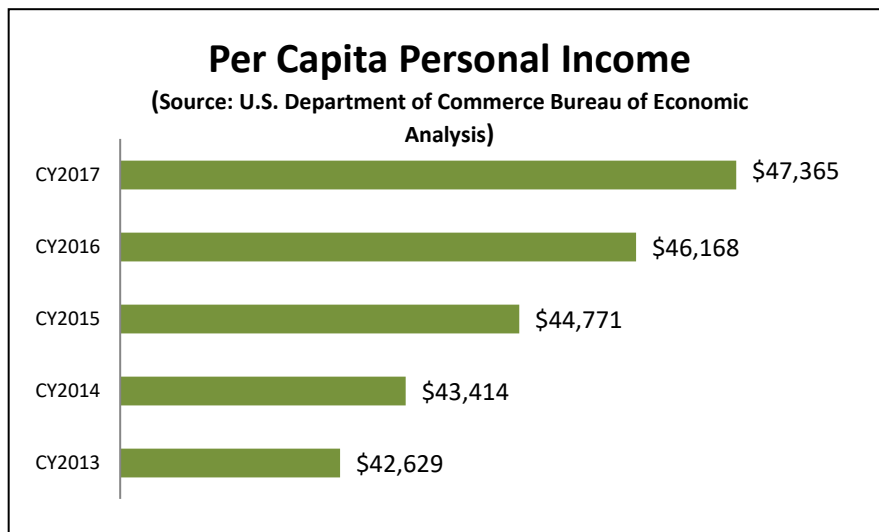
Economic Development is a core priority of Prince George's County's commitment to ensuring a high quality of life and securing the long-term viability of the County. The County has made notable progress since launching the Economic Development Incentive (EDI) Fund to assist the County in expanding its tax base; attracting businesses, retaining existing businesses; and growing job opportunities through loans, grants and guarantees to businesses throughout the County. These loans have leveraged over a billion dollars in total private investments, and assisted in the creation and/or retention of almost 12,147 jobs in Prince George's County.

Contracting opportunities with government, research, technology and defense industry anchors contribute to the maintenance of a relatively stable market. There are fourteen federal agencies mostly with research-focused activities within the County. These agencies attract technology companies as partners/contractors for their operations. The NASA Goddard Space Flight Center, the USDA Beltsville Agricultural Research Center, the Army Research Laboratory, the Institute for Defense Analysis, the Internal Revenue Service, and the U.S. Census Bureau Supercomputer Center support the local technology business base. The University of Maryland at College Park is building several new facilities, some for national security-related tenants, on its 124-acre Enterprise Campus research park.

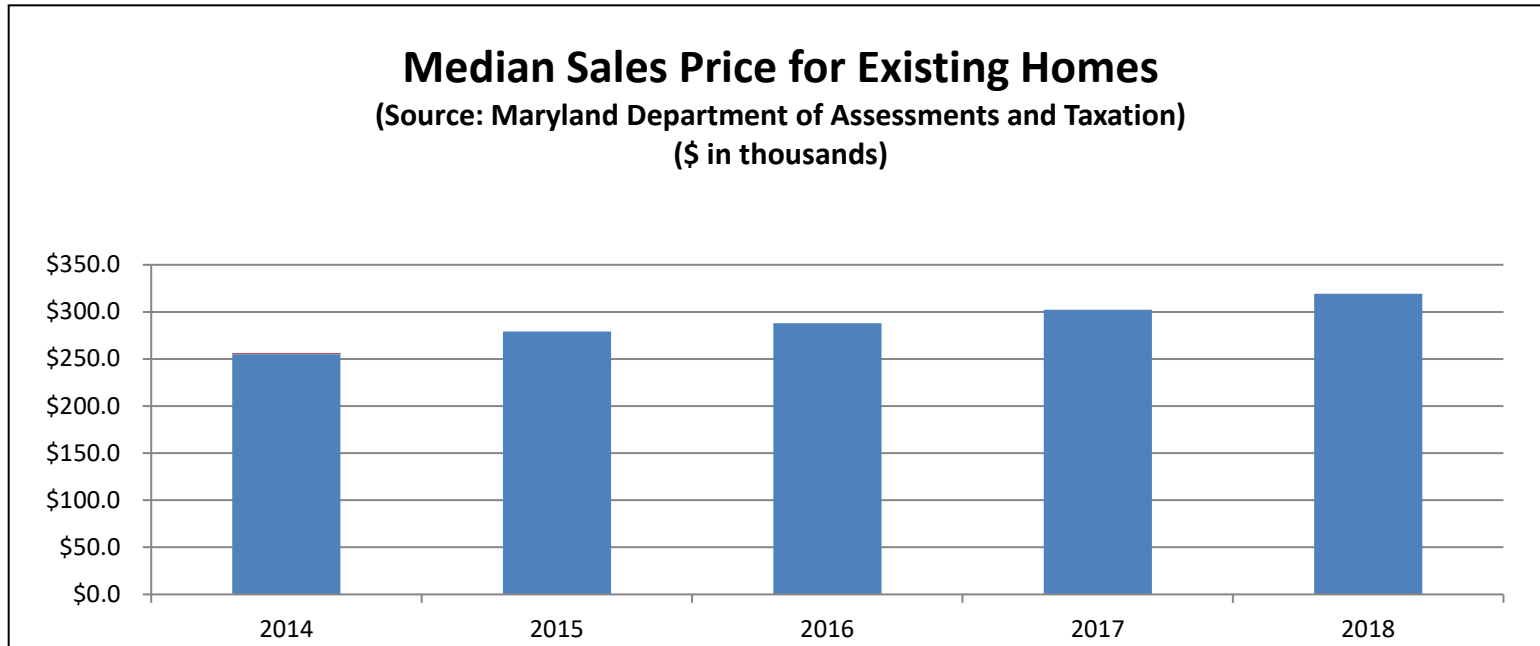
The unemployment rate for the County of 4.3% remained the same in fiscal year 2018 as fiscal year 2017.



The County's per capita personal income for calendar year 2017 was \$47,365 compared to \$46,168 in calendar year 2016. With the completion of various economic development projects in the coming years, job growth should continue to climb. The labor force in fiscal year 2018 was 511,766 compared to 501,252 in fiscal year 2017.



The County's median home sales price of \$319,393 for fiscal year 2018 was 6% higher than in fiscal year 2017. Median sales prices have steadily increased since 2014.



LOCAL ECONOMY

County revenue sources such as taxes, fees, licenses and permits, service charges, use of money and property, etc. are used to fund the majority of government programs and services. Real property taxes represent the largest portion of County source funding for government operations, increasing in FY2018 by 7.7%. Local income tax is another large revenue source for the County. Income tax collections along with the State Income Disparity Grant increased in FY2018 by 7.0% affirming a recovery in the local job market and regional economy. The County's real estate market is continuing to show improvement with combined Transfer and Recordation tax receipts increasing by 0.5%. Licenses and permit fee revenue increased by 23.6% in FY2018. This revenue includes building, grading, and street use and other permits, along with revenue from video lottery terminals and table games generated from the MGM and National Harbor.

LONG-TERM FINANCIAL PLANNING

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

FINANCIAL POLICIES

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

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

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

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

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

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

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prince George's County, Maryland for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the 38th consecutive year (fiscal years ended 1980 – 2017) that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a one-year period. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Presentation

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization.

Acknowledgements

The County continues to maintain a strong financial position through responsible and progressive management of financial operations, and sound accounting and financial reporting practices. County leadership in the Executive and Legislative Branches of the Government have established a spirit of collaboration and a commitment to excellence. We would like to express our sincere appreciation to them along with the collective efforts and full cooperation of our Component Units and all the finance and accounting managers within the County departments.

The preparation of this report could not have been accomplished without the efficiency and dedication of the entire staff of the Office of Finance's Accounting Division, and in particular, Tracey Clayton, Operations Manager. 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
Charles M. Curtis, Jr

Mekonnen Dibaba
Teresa Hayward

Jean Huber
Dejuan Shambley

Brenda Sigaran
Aleece Palmer

Respectfully submitted,



Stephen J. McGibbon
Acting Director of Finance

FINANCIAL SECTION

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



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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Prince George's County Memorial Library System and Prince George's Community Television, Inc., which represent 1 percent, 3 percent, and 2 percent, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Prince George's County Memorial Library System and Prince George's Community Television, Inc., is based solely on the report of the other auditors.

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During the fiscal year ended June 30, 2018, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle as disclosed in Note 2. Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

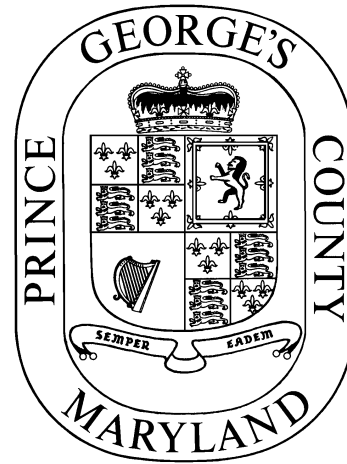
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
January 31, 2019



**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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, 2018. We encourage the readers to consider the information presented here in conjunction with the additional information that we furnished in our letter of transmittal. The following discussion focuses on the County's primary government and, unless otherwise noted, component unit information is not included.

FINANCIAL HIGHLIGHTS

- The County's liabilities and deferred inflows exceed assets and deferred outflows at June 30, 2018 by \$2 billion (net deficit). The primary government has an unrestricted net deficit balance of \$3.7 billion, partially due to debt related to assets owned by its component units - the Board of Education and the Community College and the reporting requirements for Pension and OPEB liabilities (\$1.3 billion, \$1.6 billion).
- The County's total net position decreased by \$157.3 million from the previous year-excluding the restatement of \$2 billion. Net position of governmental activities decreased \$172.7 million, while the net position of business-type activities increased \$15.4 million.
- At June 30, 2018, the County's governmental funds report combined ending fund balances of \$809.9 million, an increase of \$550 million in comparison to the previous fiscal year. Of this amount, \$230 million remains in the General Fund of the County as unassigned, which represents approximately 11.79% of total general fund expenditures for fiscal year 2018.

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, 2018. 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.

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.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Fund Financial Statements

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

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

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

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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 99 of this report.

Other Information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, changes in net position over time is a useful indicator of a business enterprise's financial position. The County's total net position as of June 30, 2018 was a deficit of \$2.1 billion. Investment in capital assets such as land, roads, bridges, buildings, machinery and equipment accounts for \$1.4 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, 2018

Schedules of Net Position
June 30, 2018 and 2017
(in thousands)

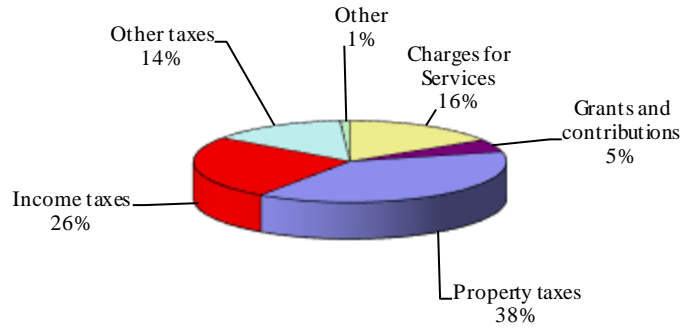
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 1,285,876	\$ 785,524	\$ 207,386	\$ 157,844	\$ 1,493,262	\$ 943,368
Capital assets	2,487,290	2,372,175	460,397	372,429	2,947,687	2,744,604
Total assets	<u>3,773,166</u>	<u>3,157,699</u>	<u>667,783</u>	<u>530,273</u>	<u>4,440,949</u>	<u>3,687,972</u>
Deferred outflow of resources	76,586	191,471	5,249	6,077	81,835	197,548
Long-term liabilities	5,204,531	3,704,363	444,638	283,592	5,649,169	3,987,955
Other liabilities	562,066	585,066	47,191	38,509	609,257	623,575
Total liabilities	<u>5,766,597</u>	<u>4,289,429</u>	<u>491,829</u>	<u>322,101</u>	<u>6,258,426</u>	<u>4,611,530</u>
Deferred inflow of resources	223,783	75,409	6,490	1,955	230,273	77,364
Net position						
Net investment in capital assets	1,266,262	1,659,749	138,997	211,705	1,405,259	1,871,454
Restricted	258,412	199,109	82,325	73,794	340,737	272,903
Unrestricted (deficit)	<u>(3,665,302)</u>	<u>(2,874,526)</u>	<u>(46,609)</u>	<u>(73,205)</u>	<u>(3,711,911)</u>	<u>(2,947,731)</u>
Total net position	<u>\$ (2,140,628)</u>	<u>\$ (1,015,668)</u>	<u>\$ 174,713</u>	<u>\$ 212,294</u>	<u>\$ (1,965,915)</u>	<u>\$ (803,374)</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 and business-type activities unrestricted net position deficit is attributable to outstanding debt that has been issued on behalf of the County's component units and pension liabilities. The majority of this debt is for the Board of Education as the County continues to issue bonds to finance school construction projects. Counties in the State of Maryland issue debt for school construction; however, the buildings are owned by the County's Board of Education.

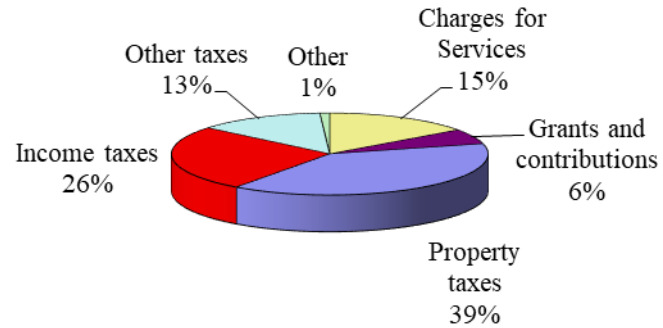
PRINCE GEORGE'S COUNTY, MARYLAND
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2018

The following represents revenues by source and expenses by function of primary government for the years ended June 30, 2018 and 2017.

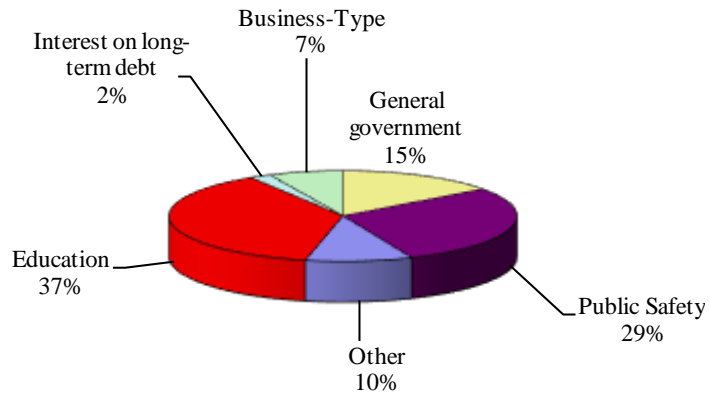
Revenue by Source FY 2018



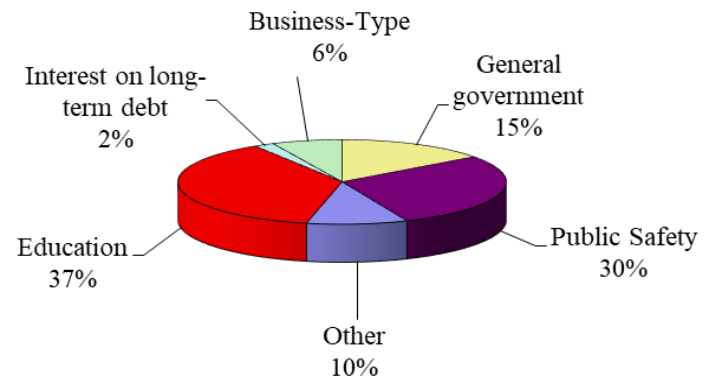
Revenue by Source FY 2017



Expenses by Function FY 2018



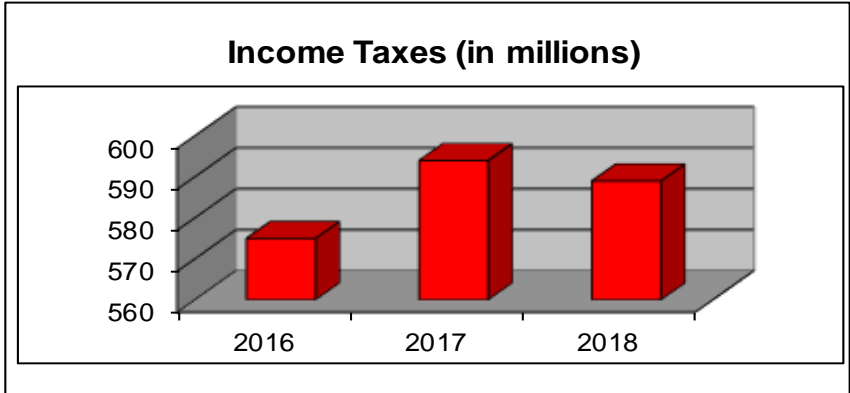
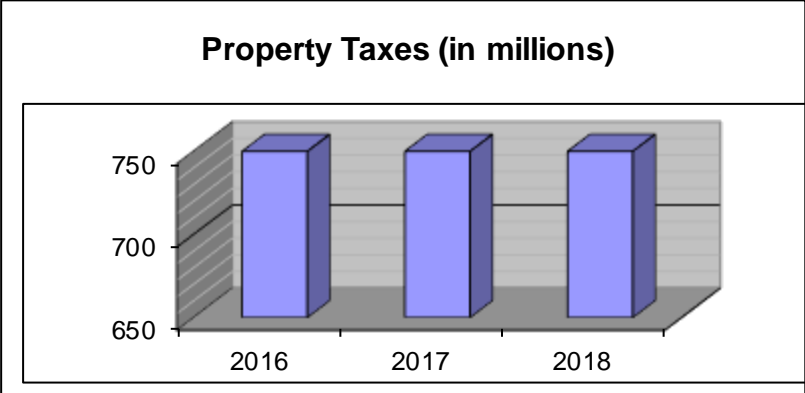
Expenses by Function FY 2017



PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

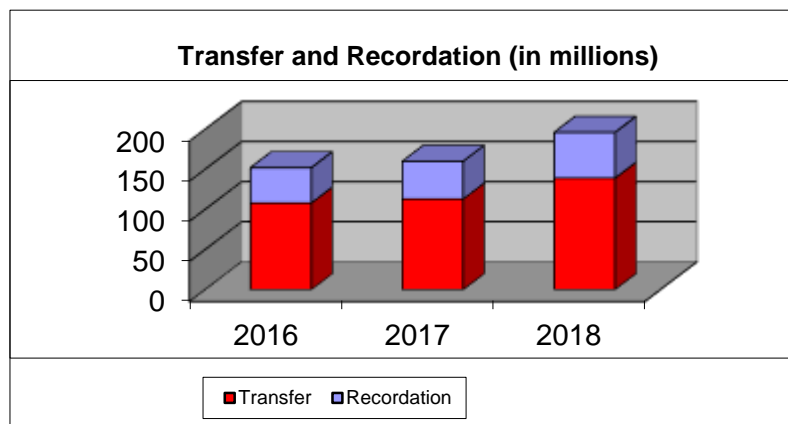
Governmental Activities

Net position for the County's governmental activities decreased by approximately \$172.6 million in fiscal year 2018. The County's total revenue from governmental activities was approximately \$2.2 billion in fiscal year 2018 (approximately \$118 million greater than fiscal year 2017.) Property and income taxes make up approximately 67 percent of this revenue. Property taxes increased by approximately 36.8 million or 4.4%. The growth is related to an increase in the assessable value of 17.5% above the property tax assessments of three years ago. Income tax increased by approximately \$4.9 million or 0.8%.



PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Transfer and recordation taxes (\$195.4 million), telecommunications taxes (\$26.8 million), and energy taxes (\$77 million) comprise the majority of the remaining other taxes. Other taxes increased by approximately \$38.4 million or 13.1 percent. The \$35.4 million increase in transfer and recordation taxes relates to an increase in home sales (3.6%) and an increase in the median sales price (5%) during fiscal year 2018.



The County's total expense from governmental activities was approximately \$2.4 billion in fiscal year 2018 (approximately \$65.7 million greater than fiscal year 2017.) The categories experiencing the largest increases were General Government (approximately 37.7 million – 10.4% increase) and Infrastructure and Development (approximately \$11.6 million–8.4% increase). Some of the factors affecting the changes include:

- Public safety expenditures increased by \$40.2 million, mainly driven by increased adjustments to the pension liability \$25.6 million and \$30.7 million in equipment purchases. The equipment purchases in the past two years lead to an increase in depreciation expense for public safety of \$4.9 million. State mandated payments to the Prince George's County Public Schools increased by \$39.7 million in fiscal year 2018.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Schedule of Changes in Net Position
For the years ended June 30, 2018 and 2017

(in thousands)

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ 265,923	218,140	118,715	119,819	384,638	337,959
Operating grants and contributions	116,733	133,467	-	-	116,733	133,467
Capital grants and contributions	5,727	3,875	19	136	5,746	4,011
General revenue:						
Property taxes	864,163	827,354	45,228	42,775	909,391	870,129
Income taxes	598,697	593,750	-	-	598,697	593,750
Other taxes	330,422	292,055	-	-	330,422	292,055
Other revenues	14,403	9,489	5,812	2,611	20,215	12,100
Total revenues	<u>2,196,068</u>	<u>2,078,130</u>	<u>169,774</u>	<u>165,341</u>	<u>2,365,842</u>	<u>2,243,471</u>
Expenses:						
General government	401,386	363,670	-	-	401,386	363,670
Public safety	744,141	736,128	-	-	744,141	736,128
Environmental	6,548	5,053	-	-	6,548	5,053
Health and Human Services	93,625	97,028	-	-	93,625	97,028
Infrastructure and Development	150,348	138,752	-	-	150,348	138,752
Education	908,578	908,276	-	-	908,578	908,276
Interest on long-term debt	64,084	55,142	-	-	64,084	55,142
Solid waste	-	-	97,292	114,620	97,292	114,620
Stormwater management	-	-	52,430	51,400	52,430	51,400
Water Protection and Restoration	-	-	4,679	2,248	4,679	2,248
Total expenses	<u>2,368,710</u>	<u>2,304,049</u>	<u>154,401</u>	<u>168,268</u>	<u>2,523,111</u>	<u>2,472,317</u>
Change in net position	(172,642)	(225,919)	15,373	(2,927)	(157,269)	(228,846)
Net position - beginning of year	(1,015,668)	(658,886)	212,294	215,221	(803,374)	(443,665)
Prior period adjustment	(952,318)	(130,863)	(52,954)	-	(1,005,272)	(130,863)
Net position - end of year	<u>\$ (2,140,628)</u>	<u>(1,015,668)</u>	<u>174,713</u>	<u>212,294</u>	<u>(1,965,915)</u>	<u>(803,374)</u>

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Business-type Activities

Business-type activities increased the County's net position by approximately \$15.4 million in fiscal year 2018. Key elements of this increase are as follows:

- Total operating expenses for the Solid Waste Fund decreased by approximately 17.7 million. This was primarily a result of an decrease in landfill postclosure expense of 13.9 million and a 6.4 million acquisition of trash toters in 2017.

FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

Governmental Funds

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

As of June 30, 2018, County governmental funds reported combined fund balances of \$809.9 million, an increase of \$550 million in comparison to the prior year balances. Restricted Governmental fund balance was \$450 million which includes, \$163.5 million for a charter-mandated contingency reserve (Rainy Day Fund), \$8 million for drug enforcement, \$215 for Capital Projects \$51 million for debt service and \$12 million for other purposes.

The General Fund is the chief operating fund of the County. At June 30, 2018, total fund balance in the general fund was \$528 million of which \$230 million was unassigned. The General Fund balance increased by \$62 million as a result of current fiscal year operations. The following key factors were responsible for the changes:

- Total revenues increased \$97.2 million from fiscal year 2017, which exceeded the final budget by \$48.1 million. The majority of the increase (\$85 million) related to the tax revenue which was discussed earlier in the governmental activities analysis
- Total expenditures and transfers out increased by \$247 million or approximately 14.0 percent. The County issued \$150.2 million for equipment financing in fiscal year 2018.
- Transfers to the debt service fund increased \$7.1 million in fiscal year 2018
- State mandated contribution to the Prince George's County Public Schools increased by 39.7 million.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Capital Projects Fund expenditures totaled \$264 million for fiscal year 2018 compared to \$295.5 million in fiscal year 2017. There was a decrease of \$23.3 million in spending on Board of Education projects including a decrease of \$36.9 million for Fairmount Heights High School and \$10.8 million for the Glenarden Woods ES Renovation Project. The Board of Education decreases were partially offset by the \$10.4 million increase in spending related to the Tulip Grove ES Replacement Project and \$10.1 million spending increase for the Systemic Replacements 2 Project. Prince George's Community College spending also decreased by \$17.5 million including a decrease of \$11.4 million for the Queen Anne Academic Center Project and a decrease of \$11.3 million for Lanham Hall Renovations. The County spending decreased on Curb & Road Rehabilitation Projects by \$7.5 million and \$6.4 million on Curb & Road Rehabilitation Projects respectively.

Expenditures in the Federal and State Aided Programs Fund decreased by approximately \$5.7 million (6 percent) in comparison to fiscal year 2017. The majority of the decrease is in infrastructure and development grants. The majority of the decrease is in health and human services grants. Several health and human services grants experienced decreases or were nonrecurring in fiscal year 2018 including Ryan White \$1.9 million, Ambulatory Services \$2.1 million and Affordable Care \$1.5 million.

Proprietary Funds

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

Enterprise Funds. At June 30, 2018, total net position for enterprise funds amounted to \$181 million as compared to \$219 million at June 30, 2017. Unrestricted net position for both the Solid Waste Fund and Stormwater Management Fund were negative \$37 million and \$15.4 million, respectively. The total net position increased in the Watershed Protection and Restoration and by \$11 million and \$0.3 million. Whereas, the total net position decreased in the Stormwater Management Fund and Solid Waste Management Fund by \$32 million and \$17 million respectively.

BUDGETARY HIGHLIGHTS

The County's final General Fund budget was increased by \$10.6 million from the original budget. The additional funding was used for public safety overtime & fringe, Fire/EMS firefighter physicals and joint professional/volunteer recruitment. General Fund budget increased by \$8.5 million and was funded completely by use of fund balance. No additional revenue appropriated.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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, 2018 was \$2.9 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 7.4% (4.9% increase for governmental activities and 23.6% increase for business-type activities.)

Major capital asset events during the year include the following:

- Buildings and improvements increased by \$70.5 million including \$40.7 million for property leased from the Revenue Authority.
- \$55.7 million in road network additions including developer contributions of \$55.2 million.
- \$9.5 and \$7.4 million added to construction in progress for the New Carrollton Library and the Police Training and Administrative Headquarters, respectively.
- \$52.4 million added to construction in progress for the Watershed Implementation Plan.
- Landfill property in service decreased by \$4.9 million.

The County's capital assets, net of accumulated depreciation, are presented in the following table as of June 30, 2018 and 2017:

		Capital Assets as of June 30 (net of accumulated depreciation)					
		Governmental activities		Business-type activities		Total	
		2018	2017	2018	2017	2018	2017
Land	\$	106,500,344	106,029,195	27,072,977	27,072,977	133,573,321	133,102,172
Buildings and improvements		520,177,115	463,360,063	15,960,101	16,819,049	536,137,216	480,179,112
Equipment		47,825,722	39,987,495	1,729,364	2,930,469	49,555,086	42,917,964
Infrastructure		1,687,406,224	1,670,168,170	-	-	1,687,406,224	1,670,168,170
Landfill property in service		-	-	2,696,672	6,678,280	2,696,672	6,678,280
Stormwater property in service		-	-	129,851,323	134,241,195	129,851,323	134,241,195
Construction in progress		125,380,851	92,629,640	283,086,503	184,686,611	408,467,354	277,316,251
Total	\$	2,487,290,256	2,372,174,563	460,396,940	372,428,581	2,947,687,196	2,744,603,144

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

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$2 billion.

Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 1,746,683,304	1,193,963,805	282,701,696	176,434,056	2,029,385,000	1,370,397,861
Total	\$ 1,746,683,304	1,193,963,805	282,701,696	176,434,056	2,029,385,000	1,370,397,861

Total bonded debt of the County increased by \$657 million (46%) from the previous fiscal year due to issuance of General Obligation and Revenue Bonds.

The underlying ratings of the County's general obligation bonds as of June 20, 2018, were as follows:

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

Additional information on the County's long-term debt is located in note 13 starting on page 84 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Factors considered in preparing the County's budget for fiscal year 2019 included:

- Property values grew in 2018. Group 3's assessable value increased by 17.5% in January 2018 from three years ago, resulting in the growth of property tax revenues.
- Home sales increased by 3.6% in fiscal year 2018 compared to fiscal year 2017. The average median sale price rose to \$280,400 in FY 2018, up from \$266,900 in FY 2017. These two factors contributed to an increase in transfer and recordation tax revenues in FY 2018.
- Foreclosures decreased by 8.6% in fiscal year 2018 compared to fiscal year 2017 for a total of 6,381 events. The number of foreclosures in fiscal year 2018 increased on a quarterly basis from 1,468 in the first quarter to 1,842 in the fourth quarter. However, there was a year over year decline in the number of foreclosure events each quarter in fiscal year 2018.
- General Fund income tax revenue rose to \$567.8 in fiscal year 2018, a 1.5% increase from fiscal year 2017.

During fiscal year 2018, the unassigned fund balance in the General Fund was \$230 million. The County has appropriated \$33.4 million in the use of General Fund balance for fiscal year 2019.

Requests for Information

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

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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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, 2018

	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	\$ 527,594,670	66,834,245	594,428,915	381,896,273	47,772,323	429,668,596	-	1,024,097,511
Cash with fiscal agents	24,121,861	667,877	24,789,738	-	-	-	-	24,789,738
Receivables (net of allowances for uncollectibles):								
Taxes	7,235,455	605,093	7,840,548	-	-	-	-	7,840,548
Accounts	57,850,456	3,642,303	61,492,759	26,644,934	69,506,751	96,151,685	-	157,644,444
Notes	44,279,099	-	44,279,099	-	405,900	405,900	-	44,684,999
Accrued interest receivable	1,570,926	556,968	2,127,894	-	13,345	13,345	-	2,141,239
Internal balance	6,022,547	(6,022,547)	-	-	-	-	-	-
Due from component units	6,089,882	-	6,089,882	-	-	-	-	6,089,882
Due from primary government	-	-	-	19,062,589	1,991,980	21,054,569	-	21,054,569
Due from other governmental units	200,894,605	636,918	201,531,523	31,531,456	2,988,964	34,520,420	-	236,051,943
Inventories	5,098,287	-	5,098,287	6,947,107	151,404	7,098,511	-	12,196,798
Prepaid costs and deposits	102,633	250,000	352,633	158,781	2,503,732	2,662,513	-	3,015,146
Restricted assets:								
Cash and investments	404,965,085	140,214,914	545,179,999	-	21,691,623	21,691,623	-	566,871,622
Property held for resale	-	-	-	-	13,935,045	13,935,045	-	13,935,045
Capital assets:								
Nondepreciable assets	231,881,195	310,159,480	542,040,675	86,420,690	162,921,501	249,342,191	-	791,382,866
Depreciable assets, net	2,255,409,061	150,237,460	2,405,646,521	1,291,411,591	197,704,544	1,489,116,135	-	3,894,762,656
Other assets	50,000	-	50,000	-	32,529,599	32,529,599	-	32,579,599
Total assets	3,773,165,762	667,782,711	4,440,948,473	1,844,073,421	554,116,711	2,398,190,132	-	6,839,138,605
DEFERRED OUTFLOW OF RESOURCES								
Pension deferrals	56,663,259	3,820,403	60,483,662	50,212,616	3,341,695	53,554,311	-	114,037,973
OPEB deferrals	19,922,760	661,240	20,584,000	-	-	-	-	20,584,000
Deferred charge on refunding	-	767,603	767,603	-	-	-	-	767,603
Total deferred outflow of resources	76,586,019	5,249,246	81,835,265	50,212,616	3,341,695	53,554,311	-	135,389,576
LIABILITIES								
Accounts payable	85,998,801	24,481,551	110,480,352	56,504,330	27,685,641	84,189,971	-	194,670,323
Retainages payable	7,181,637	2,344,832	9,526,469	5,220,145	-	5,220,145	-	14,746,614
Accrued liabilities	57,718,362	1,102,126	58,820,488	160,764,961	416,974	161,181,935	-	220,002,423
Unearned revenue	110,749,992	-	110,749,992	19,000,578	6,021,157	25,021,735	-	135,771,727
Matured bonds and interest payable	-	3,158,376	3,158,376	-	106,860	106,860	-	3,265,236
Deposits	57,594,589	83,713	57,678,302	-	370,638	370,638	-	58,048,940
Due to primary government	-	-	-	-	6,089,882	6,089,882	-	6,089,882
Due to component units	21,054,569	-	21,054,569	-	-	-	-	21,054,569
Noncurrent liabilities:								
Due within one year	221,767,688	16,020,342	237,788,030	38,416,397	4,913,999	43,330,396	-	281,118,426
Due in more than one year	5,204,531,060	444,638,181	5,649,169,241	2,406,280,529	195,133,831	2,601,414,360	-	8,250,583,601
Total liabilities	5,766,596,698	491,829,121	6,258,425,819	2,686,186,940	240,738,982	2,926,925,922	-	9,185,351,741
DEFERRED INFLOW OF RESOURCES -								
OPEB deferrals	108,421,469	3,598,531	112,020,000	336,023,000	4,802,754	340,825,754	-	452,845,754
Pension and LOSAP deferrals	109,340,106	2,891,539	112,231,645	24,638,687	-	24,638,687	-	136,870,332
LOSAP deferrals	5,838,489	-	5,838,489	-	-	-	-	5,838,489
Other Deferrals	183,005	-	183,005	-	-	-	-	-
Total	223,783,069	6,490,070	230,273,139	360,661,687	4,802,754	365,464,441	-	595,554,575
NET POSITION								
Net investment in capital assets	1,266,261,664	138,996,781	1,405,258,445	1,264,073,531	324,376,209	1,588,449,740	(641,070,012)	2,352,638,173
Restricted for:								
Capital projects	35,927,777	61,438,400	97,366,177	7,507,181	-	7,507,181	-	104,873,358
Contingency reserve	163,545,165	-	163,545,165	-	-	-	-	163,545,165
Debt service	51,440,071	-	51,440,071	-	-	-	-	51,440,071
Restricted for I-net	7,499,290	-	7,499,290	-	-	-	-	7,499,290
Landfill closure	-	19,344,514	19,344,514	-	-	-	-	19,344,514
Preservation	-	1,541,790	1,541,790	-	-	-	-	1,541,790
Education	-	-	-	-	11,559,816	11,559,816	-	11,559,816
Community development	-	-	-	5,221,568	17,804,738	23,026,306	-	23,026,306
Unrestricted (deficit)	(3,665,301,952)	(46,608,719)	(3,711,910,671)	(2,429,364,870)	(41,824,093)	(2,471,188,963)	641,070,012	(5,542,029,622)
Total Net Position	\$(2,140,627,985)	\$ 174,712,766	\$(1,965,915,219)	\$(1,152,562,590)	\$ 311,916,670	\$(840,645,920)	\$ -	\$(2,806,378,134)

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Activities
For the year ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Board of Education of Prince George's County	Other Component Units
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 401,386,498	113,380,065	21,068,662	-	(266,937,771)	-	(266,937,771)	-	-
Public safety	744,140,675	52,747,395	23,140,053	1,229,240	(667,023,987)	-	(667,023,987)	-	-
Environmental	6,548,191	497,067	655,611	1,225,202	(4,170,311)	-	(4,170,311)	-	-
Health and Human Services	93,623,603	6,298,652	61,129,323	108,511	(26,087,117)	-	(26,087,117)	-	-
Infrastructure and Development	150,348,240	92,999,782	10,738,996	3,164,317	(43,445,145)	-	(43,445,145)	-	-
Education:									
Board of Education	822,710,513	-	-	-	(822,710,513)	-	(822,710,513)	-	-
Community College	65,068,851	-	-	-	(65,068,851)	-	(65,068,851)	-	-
Memorial Library	20,798,822	-	-	-	(20,798,822)	-	(20,798,822)	-	-
Interest on long-term debt	64,083,718	-	-	-	(64,083,718)	-	(64,083,718)	-	-
Total governmental activities	<u>2,368,709,111</u>	<u>265,922,961</u>	<u>116,732,645</u>	<u>5,727,270</u>	<u>(1,980,326,235)</u>	<u>-</u>	<u>(1,980,326,235)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste	97,291,974	98,274,930	-	-	-	982,956	982,956	-	-
Stormwater	52,429,982	5,789,857	-	18,546	-	(46,621,579)	(46,621,579)	-	-
Watershed Protection	4,678,746	14,649,897	-	-	-	9,971,151	9,971,151	-	-
Total business-type activities	<u>154,400,702</u>	<u>118,714,684</u>	<u>-</u>	<u>18,546</u>	<u>-</u>	<u>(35,667,472)</u>	<u>(35,667,472)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 2,523,109,813</u>	<u>384,637,645</u>	<u>116,732,645</u>	<u>5,745,816</u>	<u>(1,980,326,235)</u>	<u>(35,667,472)</u>	<u>(2,015,993,707)</u>	<u>-</u>	<u>-</u>
Component units:									
Board of Education	2,280,657,692	17,637,923	274,922,806	102,339,496	-	-	-	(1,885,757,467)	-
Other Component Units:									
Infrastructure and Development	27,866,501	24,245,301	660,000	354,693	-	-	-	-	(2,606,507)
Education	172,513,906	27,826,404	12,144,445	4,585,388	-	-	-	-	(127,957,669)
Community development	95,702,611	2,292,385	93,358,540	2,224,784	-	-	-	-	2,173,098
Total component units	<u>\$ 2,576,740,710</u>	<u>72,002,013</u>	<u>381,085,791</u>	<u>109,504,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,885,757,467)</u>	<u>(128,391,078)</u>
General Revenues:									
Property taxes					864,162,789	45,227,776	909,390,565	-	-
Income taxes					598,697,158	-	598,697,158	-	-
Transfer and recordation taxes					195,358,499	-	195,358,499	-	-
Energy taxes					76,969,462	-	76,969,462	-	-
Telecommunications tax					26,858,188	-	26,858,188	-	-
Other taxes					31,235,520	-	31,235,520	-	-
Unrestricted state shared tax					3,023,188	-	3,023,188	-	-
Earnings (loss) on investments					4,770,329	5,812,352	10,582,681	4,826,002	788,221
Unrestricted grants and contributions					5,495,014	-	5,495,014	1,847,871,679	124,715,589
Miscellaneous revenues					1,114,860	-	1,114,860	-	3,957,459
Total general revenues					<u>1,807,685,007</u>	<u>51,040,128</u>	<u>1,858,725,135</u>	<u>1,852,697,681</u>	<u>129,461,269</u>
Special items									
Effect of Change in OPEB Benefit Terms					-	-	-	800,420,000	-
Change in net position					(172,641,228)	15,372,656	(157,268,572)	767,360,214	1,070,191
Net position - beginning of year					(1,015,668,460)	212,294,211	(803,374,249)	(160,105,740)	365,071,860
Prior period adjustment - See Note 2					(952,318,297)	(52,954,101)	(1,005,272,398)	(1,759,817,064)	(54,225,381)
Net position - beginning of year, restated					<u>(1,967,986,757)</u>	<u>159,340,110</u>	<u>(1,808,646,647)</u>	<u>(1,919,922,804)</u>	<u>310,846,479</u>
Net position - end of year					<u>\$ (2,140,627,985)</u>	<u>174,712,766</u>	<u>(1,965,915,219)</u>	<u>(1,152,562,590)</u>	<u>311,916,670</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Balance Sheet
Governmental Funds
June 30, 2018

<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	\$ 405,932,879	23,036,574	247,179	12,323,875	441,540,507
Cash with fiscal agents	-	-	-	24,121,861	24,121,861
Receivables (net of allowances for uncollectibles):					
Taxes	7,235,455	-	-	-	7,235,455
Accounts	49,579,132	2,888,876	-	-	52,468,008
Notes	17,746,161	26,532,938	-	-	44,279,099
Accrued interest receivable	1,502,404	-	-	-	1,502,404
Due from other funds	74,500,000	-	-	-	74,500,000
Due from component units	6,089,882	-	-	-	6,089,882
Due from other governmental units	145,746,450	52,936,483	1,764,679	29,770	200,477,382
Inventories	3,093,439	-	-	-	3,093,439
Restricted assets:					
Cash and investments	13,359,336	447,618	364,287,540	26,870,592	404,965,085
Other assets	50,000	-	-	-	50,000
Total assets	724,835,138	105,842,489	366,299,398	63,346,098	1,260,323,122
<u>Liabilities, Deferred Inflows, and Fund Balances</u>					
Liabilities:					
Compensated absences and termination benefits payable	342,031	-	-	-	342,031
Accounts payable	44,494,228	11,089,966	19,280,805	345,148	75,210,147
Retainages	-	11,569	7,170,068	-	7,181,637
Accrued liabilities	31,561,833	976,748	-	-	32,538,581
Unearned revenue	16,380,267	93,298,892	-	-	109,679,159
Deposits	28,709,526	17,697	28,867,366	-	57,594,589
Due to other funds	-	-	71,500,000	-	71,500,000
Due to component units	368	-	21,054,201	-	21,054,569
Total liabilities	121,488,253	105,394,872	147,872,440	345,148	375,100,713
Deferred inflows of resources					
Unavailable tax and other revenue	75,327,927	-	-	-	75,327,927
Total deferred inflow of resources	75,327,927	-	-	-	75,327,927
Fund balances:					
Nonspendable	3,093,439	-	-	-	3,093,439
Restricted	175,190,627	447,618	215,380,526	59,047,484	450,066,255
Committed	65,418,066	-	3,046,432	-	68,464,498
Assigned	54,350,909	-	-	3,953,466	58,304,375
Unassigned	229,965,917	-	-	-	229,965,917
Total fund balances	528,018,958	447,618	218,426,958	63,000,950	809,894,484
Total liabilities, deferred inflows of resources, and fund balances	\$ 724,835,138	105,842,489	366,299,398	63,346,098	1,260,323,123

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, 2018

Total fund balances for governmental funds (Exhibit A-3) \$ 809,894,484

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

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

Land	\$ 105,500,344	
Infrastructure, net of \$1,266,515,081, accumulated depreciation	1,683,635,180	
Buildings and improvements, net of \$171,683,114, accumulated depreciation	523,359,325	
Equipment, net of \$161,339,178 accumulated depreciation	47,085,250	
Construction in progress	<u>125,380,852</u>	
Total capital assets		2,484,960,951

The assets and liabilities of the Internal Service Funds (funds used by management to charge the cost of fleet maintenance, information technology, and self-insurance) are included in the governmental activities in the statement of net assets. Internal service fund net position is: (114,506,054)

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. 75,388,702

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, 2018 are: (24,573,484)

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

Bonded debt	(1,746,683,304)	
Deferred inflow of resources - bond refunding costs	(183,005)	
Unamortized discount (premium)	(178,698,404)	
Capital lease obligations	(89,897,776)	
Pension and OPEB obligations	(2,982,303,310)	
Compensated absences and termination benefits payable	(74,675,608)	
Notes payable and Capitol Leases	(153,515,480)	
Deferred outflow of resources - pensions	54,424,792	
Deferred inflow of resources - pensions	(113,378,185)	
Deferred outflow of resources - OPEB	19,558,876	
Deferred inflow of resources - OPEB	<u>(106,441,180)</u>	
Total long-term liabilities		(5,371,792,584)

Total net position of governmental activities \$ (2,140,627,985)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2018

	<u>General</u>	<u>Federal and State Aided Programs</u>	<u>Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 1,791,610,065	-	-	2,671,729	1,794,281,794
Licenses and permits	60,323,830	-	-	348,400	60,672,230
Fines and forfeitures	14,445,690	-	-	948,479	15,394,169
Use of money and property	15,180,608	2,166,407	120,661	357,076	17,824,752
Charges for services	51,021,651	553,210	7,433,563	32,899,419	91,907,843
Intergovernmental	34,650,374	85,512,809	2,781,032	3,365,051	126,309,266
Miscellaneous	1,978,876	175,529	598,455	2,628	2,755,488
Total revenues	<u>1,969,211,094</u>	<u>88,407,955</u>	<u>10,933,711</u>	<u>40,592,782</u>	<u>2,109,145,542</u>
Expenditures:					
Current:					
General government	359,666,000	2,879,265	-	4,457,629	367,002,894
Public safety	695,446,552	15,844,831	-	1,526,104	712,817,487
Environmental	4,297,807	1,930,813	-	-	6,228,620
Health and human services	33,720,374	59,516,858	-	365,000	93,602,232
Infrastructure and development	34,365,002	8,048,240	-	-	42,413,242
Capital projects	-	-	141,440,671	-	141,440,671
Education:					
Board of Education	739,181,200	-	83,529,313	-	822,710,513
Community College	39,866,400	-	25,202,451	-	65,068,851
Memorial Library	21,524,900	-	13,916,296	-	35,441,196
Debt service:					
Principal retirement	18,281,724	268,000	-	97,765,000	116,314,724
Interest	4,973,343	73,782	-	53,695,738	58,742,863
Total expenditures	<u>1,951,323,302</u>	<u>88,561,789</u>	<u>264,088,731</u>	<u>157,809,471</u>	<u>2,461,783,293</u>
Excess of revenues over (under) expenditures	<u>17,887,792</u>	<u>(153,834)</u>	<u>(253,155,020)</u>	<u>(117,216,689)</u>	<u>(352,637,751)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	658,365,000	-	658,365,000
Capital lease financing	41,604,000	-	-	-	41,604,000
Bond and notes premium	4,621,805	-	62,920,897	31,164,368	98,707,070
Notes Issued	104,000,000	-	-	-	104,000,000
Reallocation of notes payable	-	-	-	-	-
Bonds issued - refunding	-	-	-	83,754,499	83,754,499
Bond premium - refunding	-	-	-	14,470,731	14,470,731
Payment to bond refunding escrow agent	-	-	-	(97,687,568)	(97,687,568)
Transfers in	-	-	4,677,861	106,277,982	110,955,843
Transfers out	(106,169,483)	-	(5,342,660)	-	(111,512,143)
Total other financing sources (uses)	<u>44,056,322</u>	<u>-</u>	<u>720,621,098</u>	<u>137,980,012</u>	<u>902,657,432</u>
Net change in fund balances	61,944,114	(153,834)	467,466,078	20,763,323	550,019,681
Fund balances, beginning of year	466,074,844	601,452	(249,039,120)	42,237,627	259,874,803
Fund balances, end of year	<u>\$ 528,018,958</u>	<u>447,618</u>	<u>218,426,958</u>	<u>63,000,950</u>	<u>809,894,484</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, 2018

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

Net change in fund balances - total governmental funds		\$ 550,019,681
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		140,528,038
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.		(80,188,069)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.		55,230,280
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.		2,682,938
In the statement of activities the loss on disposal of equipment is reported, whereas in the governmental funds, disposal of capital assets are not recorded. Thus the change in net assets differs from the change in fund balance.		(1,123,479)
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.		5,069,198
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, 2018 are:		
Debt Issued:		
Bond proceeds	(742,119,499)	
Bond and notes premium	(113,177,801)	
Capital lease and note proceeds	(145,604,000)	
Payment to escrow agent	97,862,406	
Principal payments	116,314,724	
Net adjustment		(786,724,170)
Certain expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Accrued interest expense	(5,340,854)	
Compensated absences	(1,572,017)	
Pension and LOSAP expenses	(27,015,752)	
Other post employment benefits	(51,282,304)	
Amortization bond premium/discount and deferred charge on refunding	27,075,282	
		(58,135,645)
Change in net position of governmental activities		\$ (172,641,228)

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,767,784,500	1,767,784,500	1,791,610,065	23,825,565
Licenses and permits	54,933,600	54,933,600	60,323,830	5,390,230
Fines and forfeitures	12,914,600	12,914,600	14,445,690	1,531,090
Use of money and property	7,604,400	7,804,400	15,180,608	7,376,208
Charges for services	44,034,500	44,034,500	51,021,651	6,987,151
Intergovernmental	32,282,500	32,282,500	34,650,374	2,367,874
Miscellaneous	1,534,400	1,334,400	1,978,876	644,476
Total revenues	<u>1,921,088,500</u>	<u>1,921,088,500</u>	<u>1,969,211,094</u>	<u>48,122,594</u>
Expenditures:				
General government:				
County Executive	5,982,300	5,982,300	5,632,742	349,558
Legislative Branch	17,866,100	17,866,100	14,850,404	3,015,696
Office of Ethics and Accountability	749,200	749,200	727,009	22,191
Circuit Court	17,613,700	17,613,700	17,489,560	124,140
Orphan's Court	463,200	463,200	424,503	38,697
Personnel Board	338,700	343,700	328,696	15,004
Office of Finance	4,011,100	4,011,100	3,929,771	81,329
Citizen Complaint Oversight Panel	302,200	302,200	291,024	11,176
Office of Community Relations	4,656,300	4,656,300	4,491,939	164,361
People's Zoning Council	250,000	250,000	250,000	-
Office of Management and Budget	2,819,100	2,819,100	2,813,214	5,886
Board of License Commissioners	1,404,800	1,404,800	1,011,303	393,497
Office of Law	3,933,900	3,933,900	3,758,790	175,110
Office of Human Resource Management	7,065,800	7,065,800	6,766,108	299,692
Board of Elections	5,911,900	5,911,900	4,696,392	1,215,508
Office of Central Services	20,597,600	20,597,600	20,590,790	6,810
Property Management	408,900	408,900	351,979	56,921
Collington Center	5,000	5,000	5,000	-
Non-departmental	161,206,300	168,688,500	146,248,594	22,439,906
Total general government	<u>255,586,100</u>	<u>263,073,300</u>	<u>234,657,818</u>	<u>28,415,482</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public safety				
Office of the State's Attorney	\$ 18,006,400	18,006,400	17,768,145	238,255
Police Department	325,302,400	318,951,900	311,201,333	7,750,567
Fire Department	182,923,000	190,239,200	189,089,189	1,150,011
Sheriff's Department	45,725,000	48,136,800	46,665,289	1,471,511
Department of Corrections	86,839,200	86,839,200	83,088,053	3,751,147
Office of Homeland Security	31,535,900	31,535,900	30,865,330	670,570
Total Public Safety	<u>690,331,900</u>	<u>693,709,400</u>	<u>678,677,339</u>	<u>15,032,061</u>
Environmental				
Department of the Environment	4,168,500	4,168,500	4,080,576	87,924
Total Environment	<u>4,168,500</u>	<u>4,168,500</u>	<u>4,080,576</u>	<u>87,924</u>
Health and Human Services				
Department of Family Services	5,009,300	4,927,300	4,305,569	621,731
Health	25,572,200	25,572,200	24,301,299	1,270,901
Public Welfare	4,780,700	4,780,700	4,720,809	59,891
Total Health and Human Services	<u>35,362,200</u>	<u>35,280,200</u>	<u>33,327,677</u>	<u>1,952,523</u>
Infrastructure and Development				
Public Works and Transportation	12,981,400	12,981,400	12,971,582	9,818
Department of Permitting, Inspections and Enforcement	11,131,000	11,131,000	11,131,000	-
Department of Housing and Community Development	5,712,800	5,712,800	5,634,199	78,601
Total Infrastructure and Development	<u>29,825,200</u>	<u>29,825,200</u>	<u>29,736,781</u>	<u>88,419</u>
Education	800,572,500	800,572,500	800,572,500	-
Total Expenditures	<u>1,815,846,400</u>	<u>1,826,629,100</u>	<u>1,781,052,691</u>	<u>45,576,409</u>
Excess of revenues over expenditures	<u>105,242,100</u>	<u>94,459,400</u>	<u>188,158,403</u>	<u>93,699,003</u>
Other financing sources (uses):				
Transfers in - other funds	3,597,400	3,954,500	-	(3,954,500)
Transfers out - other funds	(125,236,900)	(123,036,300)	(106,169,483)	16,866,817
Appropriated fund balance	16,397,400	24,622,400	-	(24,622,400)
Total other financing sources (uses)	<u>(105,242,100)</u>	<u>(94,459,400)</u>	<u>(106,169,483)</u>	<u>(11,710,083)</u>
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	<u>-</u>	<u>-</u>	<u>81,988,920</u>	<u>81,988,920</u>
Adjustments:				
Purchase agreement financing			150,225,805	
Capital financing expenditures			<u>(170,270,611)</u>	
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)			61,944,114	
Fund balance, beginning of year			466,074,844	
Fund balance, end of year			<u>\$ 528,018,958</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Position
Proprietary Funds
June 30, 2018

	Assets	Business-type Activities - Enterprise Funds			Total	Governmental Activities- Internal Service Funds
		Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund		
Current assets:						
Cash and investments	\$	5,796,537	49,885,511	11,152,197	66,834,245	86,054,163
Cash with fiscal agents		667,877	-	-	667,877	-
Taxes receivable		-	634,719	-	634,719	-
Less allowance for uncollectibles		-	(29,626)	-	(29,626)	-
Accounts receivable		3,691,578	3,384	1,015,667	4,710,629	2,382,448
Less allowance for uncollectibles		(1,052,963)	-	(15,363)	(1,068,326)	-
Accrued interest receivable		233,043	232,268	91,657	556,968	68,522
Due from other governmental units		618,372	18,546	-	636,918	417,223
Inventories		-	-	-	-	2,004,848
Prepaid costs and deposits		-	-	250,000	250,000	102,633
Total current assets		<u>9,954,444</u>	<u>50,744,802</u>	<u>12,494,158</u>	<u>73,193,404</u>	<u>91,029,837</u>
Noncurrent assets:						
Restricted cash and investments						
Revenue bond operation and maintenance		9,000,000	-	-	9,000,000	-
Sandy Hill Trust		1,890,485	-	-	1,890,485	-
Landfill closure		101,428,091	-	-	101,428,091	-
Unspent bond proceeds		8,862,074	19,034,264	-	27,896,338	-
Total restricted cash and investments		<u>121,180,650</u>	<u>19,034,264</u>	<u>-</u>	<u>140,214,914</u>	<u>-</u>
Capital assets:						
Land		11,306,081	15,766,896	-	27,072,977	1,000,000
Buildings and improvements		29,227,755	242,525	-	29,470,280	3,250,026
Accumulated depreciation		(14,308,594)	(242,525)	-	(14,551,119)	(2,661,193)
Improvements other than buildings		5,151,450	-	-	5,151,450	282,382
Accumulated depreciation		(4,110,510)	-	-	(4,110,510)	(282,382)
Equipment		21,563,556	3,990,467	-	25,554,023	5,974,828
Accumulated depreciation		(19,834,192)	(3,990,467)	-	(23,824,659)	(5,234,356)
Landfill property in service		121,336,027	-	-	121,336,027	-
Accumulated depreciation		(118,639,355)	-	-	(118,639,355)	-
Stormwater property in service		-	199,539,940	-	199,539,940	-
Accumulated depreciation		-	(69,688,617)	-	(69,688,617)	-
Construction in progress		42,360,759	188,287,344	52,438,400	283,086,503	-
Total capital assets		<u>74,052,977</u>	<u>333,905,563</u>	<u>52,438,400</u>	<u>460,396,940</u>	<u>2,329,305</u>
Total noncurrent assets		<u>195,233,627</u>	<u>352,939,827</u>	<u>52,438,400</u>	<u>600,611,854</u>	<u>2,329,305</u>
Total assets		<u>205,188,071</u>	<u>403,684,629</u>	<u>64,932,558</u>	<u>673,805,258</u>	<u>93,359,142</u>
Deferred outflow of resources:						
OPEB deferrals		253,739	407,501	-	661,240	363,884
Pension deferrals		1,536,982	2,283,421	-	3,820,403	2,238,467
Deferred charge on refunding		60,270	707,333	-	767,603	-
Total deferred outflow of resources		<u>1,850,991</u>	<u>3,398,255</u>	<u>-</u>	<u>5,249,246</u>	<u>2,602,351</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Position, Continued
Proprietary Funds
June 30, 2018

Liabilities	Business-type Activities - Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund		
Current liabilities:					
Payable from unrestricted assets:					
Current portion of bonded debt	\$ 2,431,653	9,149,416	-	11,581,069	-
Current portion of compensated absences and termination benefits payable	853,927	1,330,009	-	2,183,936	1,330,021
Current portion of notes payable	1,025,270	-	-	1,025,270	-
Current portion of estimated liability on pending claims	-	-	-	-	38,934,194
Current portion of postclosure liability	1,230,067	-	-	1,230,067	-
Accounts payable	9,702,251	14,651,301	127,999	24,481,551	10,788,655
Retainages	16,741	2,328,091	-	2,344,832	-
Accrued liabilities	397,093	705,033	-	1,102,126	606,297
Unearned revenue	-	-	-	-	1,131,608
Matured bonds and interest payable	669,091	2,489,285	-	3,158,376	-
Deposits	83,713	-	-	83,713	-
Due to other funds	-	-	-	-	-
Total current liabilities	<u>16,409,806</u>	<u>30,653,135</u>	<u>127,999</u>	<u>47,190,940</u>	<u>52,790,775</u>
Long-term liabilities:					
Bonded debt, less current portion	44,782,141	234,547,021	-	279,329,162	-
Notes Payable, less current portion	4,922,596	-	-	4,922,596	-
Compensated absences and termination benefits payable, less current portion	-	31,697	-	31,697	39,616
OPEB Liability	18,678,172	30,290,929	-	48,969,101	27,001,910
Net pension liability	7,571,175	12,208,383	-	19,779,558	12,419,412
Estimated liability on pending claims, less current portion	-	-	-	-	120,457,682
Estimated liability for landfill closure costs, less current portion	91,606,067	-	-	91,606,067	-
Total long-term liabilities	<u>167,560,151</u>	<u>277,078,030</u>	<u>-</u>	<u>444,638,181</u>	<u>159,918,620</u>
Total liabilities	<u>183,969,957</u>	<u>307,731,165</u>	<u>127,999</u>	<u>491,829,121</u>	<u>212,709,395</u>
Deferred inflow of resources:					
Pension deferrals	1,070,008	1,821,531	-	2,891,539	1,800,410
OPEB deferrals	1,380,871	2,217,660	-	3,598,531	1,980,289
Total deferred outflow of resources	<u>2,450,879</u>	<u>4,039,191</u>	<u>-</u>	<u>6,490,070</u>	<u>3,780,699</u>
Net position:					
Net investment in capital assets	29,753,391	109,243,390	-	138,996,781	2,329,305
Restricted for capital improvements and future maintenance	9,000,000	-	52,438,400	61,438,400	-
Restricted for Sandy Hill Trust	1,890,485	-	-	1,890,485	-
Restricted for landfill closure costs	17,454,029	-	-	17,454,029	-
Restricted for Chesapeake Bay and tree preservation activities	-	1,541,790	-	1,541,790	-
Restricted for I-Net	-	-	-	-	7,499,290
Unrestricted	(37,479,679)	(15,472,652)	12,366,159	(40,586,172)	(130,357,196)
Total net position	\$ <u>20,618,226</u>	<u>95,312,528</u>	<u>64,804,559</u>	<u>180,735,313</u>	<u>(120,528,601)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(6,022,547)	
Net position of business-type activities				<u>\$ 174,712,766</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, 2018

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund	<u>Total</u>	
Operating revenues:					
Premium contributions	\$ -	-	-	-	136,388,817
Licenses and permits	-	5,789,857	-	5,789,857	-
Sales	209,527	-	-	209,527	28,435,066
Charges for services	97,968,964	-	14,530,735	112,499,699	11,422,209
Use of money and property - rentals	-	-	-	-	145,067
Miscellaneous	96,439	-	119,162	215,601	1,025,852
Total operating revenues	<u>98,274,930</u>	<u>5,789,857</u>	<u>14,649,897</u>	<u>118,714,684</u>	<u>177,417,011</u>
Operating expenses:					
Salaries	6,902,919	11,502,125	-	18,405,044	9,787,541
Project charges - salaries/recoveries	8,761,690	8,619,844	-	17,381,534	-
Fringe benefits	6,300,560	9,181,018	-	15,481,578	4,906,990
Contractual services	36,661,246	-	-	36,661,246	8,964,577
Materials	-	-	-	-	11,386,843
Rent	-	-	-	-	256,149
General and administrative	28,161,903	13,400,204	4,678,746	46,240,853	12,310,591
Depreciation and amortization	6,211,247	4,460,142	-	10,671,389	184,711
Insurance claims and premiums	-	-	-	-	120,892,506
Landfill postclosure costs	2,868,824	-	-	2,868,824	-
Other	-	-	-	-	4,610,279
Total operating expenses	<u>95,868,389</u>	<u>47,163,333</u>	<u>4,678,746</u>	<u>147,710,468</u>	<u>173,300,187</u>
Operating income (loss)	<u>2,406,541</u>	<u>(41,373,476)</u>	<u>9,971,151</u>	<u>(28,995,784)</u>	<u>4,116,824</u>
Nonoperating revenues (expenses):					
Taxes	-	45,227,776	-	45,227,776	-
Interest income	2,592,769	2,392,967	826,616	5,812,352	646,679
Interest expense	(1,575,675)	(4,690,360)	-	(6,266,035)	-
Debt issuance costs	-	(674,804)	-	(674,804)	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>1,017,094</u>	<u>42,255,579</u>	<u>826,616</u>	<u>44,099,289</u>	<u>646,679</u>
Income (loss) before contributions and transfers	<u>3,423,635</u>	<u>882,103</u>	<u>10,797,767</u>	<u>15,103,505</u>	<u>4,763,503</u>
Transfers in - other funds	-	-	-	-	5,016,058
Transfers Out - other funds	-	-	-	-	(4,459,758)
Capital contributions	-	18,546	-	18,546	-
Change in net position	<u>3,423,635</u>	<u>900,649</u>	<u>10,797,767</u>	<u>15,122,051</u>	<u>5,319,803</u>
Net position - beginning of year	37,514,763	127,045,808	54,006,792	-	(96,707,494)
Prior period adjustment	(20,320,172)	(32,633,929)	-	-	(29,140,910)
Net position, beginning of year as restated	<u>17,194,591</u>	<u>94,411,879</u>	<u>54,006,792</u>	<u>(125,848,404)</u>	<u>(125,848,404)</u>
Net position - end of year	<u>\$ 20,618,226</u>	<u>95,312,528</u>	<u>64,804,559</u>	<u>250,605</u>	<u>(120,528,601)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				250,605	
Change in net position of business-type activities				<u>\$ 15,372,656</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2018

	Business-type Activities - Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund		
Cash flows from operating activities:					
Cash received from customers	\$ 98,517,735	5,786,473	14,528,100	118,832,308	24,972,957
Cash received from interfund charges	-	-	-	-	149,194,500
Cash payments to suppliers for goods and services	(63,632,308)	(33,227,020)	(4,729,738)	(101,589,066)	(117,850,934)
Cash payments to employees for services	(22,520,363)	(29,715,776)	-	(52,236,139)	(15,219,802)
Premium and claim payments	-	-	-	-	(53,552,932)
Other cash receipts	-	-	-	-	19,310
Net cash and cash equivalents provided (used) by operating activities	<u>12,365,064</u>	<u>(57,156,323)</u>	<u>9,798,362</u>	<u>(34,992,897)</u>	<u>(12,436,901)</u>
Cash flows from noncapital financing activities:					
Tax collections	-	45,225,439	-	45,225,439	-
Transfers in from other funds	-	-	-	-	5,016,058
Transfers out to other funds	-	-	-	-	(4,459,758)
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>45,225,439</u>	<u>-</u>	<u>45,225,439</u>	<u>556,300</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of property, plant and equipment	(7,749,283)	(38,452,065)	(52,438,400)	(98,639,748)	(853,633)
Capital grants	-	135,823	-	135,823	-
Proceeds of issuance of bonded debt	18,639,693	132,150,567	-	150,790,260	-
Payment to refund bond escrow agent	(2,812,289)	(21,871,759)	-	(24,684,048)	-
Payment of bond issue costs	(50,360)	(674,804)	-	(725,164)	-
Principal payments on bonded debt	(2,100,000)	(7,970,000)	-	(10,070,000)	-
Principal payments on notes payable	(896,582)	-	-	(896,582)	-
Interest payments	(1,795,765)	(5,769,647)	-	(7,565,412)	-
Net cash and cash equivalents used in capital and related financing activities	<u>3,235,414</u>	<u>57,548,115</u>	<u>(52,438,400)</u>	<u>8,345,129</u>	<u>(853,633)</u>
Cash flows from investing activities:					
Interest on investments	<u>2,592,769</u>	<u>2,265,025</u>	<u>772,474</u>	<u>5,630,268</u>	<u>613,865</u>
Net cash and cash equivalents provided by investing activities	<u>2,592,769</u>	<u>2,265,025</u>	<u>772,474</u>	<u>5,630,268</u>	<u>613,865</u>
Net increase (decrease) in cash and cash equivalents	18,193,247	47,882,256	(41,867,564)	24,207,939	(12,120,369)
Cash and cash equivalents, beginning of year	109,451,817	21,037,519	53,019,761	183,509,097	98,174,532
Cash and cash equivalents, end of year	<u>\$ 127,645,064</u>	<u>68,919,775</u>	<u>11,152,197</u>	<u>207,717,036</u>	<u>86,054,163</u>
Cash classified as:					
Current assets	\$ 6,464,414	49,885,511	11,152,197	67,502,122	86,054,163
Restricted assets	121,180,650	19,034,264	-	140,214,914	-
	<u>\$ 127,645,064</u>	<u>68,919,775</u>	<u>11,152,197</u>	<u>207,717,036</u>	<u>86,054,163</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Cash Flows, Continued
 Proprietary Funds
 For the year ended June 30, 2018

	Business-type Activities - Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Non-Major Watershed Protection and Restoration Fund		
Reconciliation of operating loss to net cash provided (used in) operating activities:					
Operating income (loss)	\$ 2,406,541	(41,373,476)	9,971,151	(28,995,784)	4,116,824
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation and amortization	6,211,247	4,460,142	-	10,671,389	184,711
Provision for doubtful receivables	212,736	-	70	212,806	-
Pension Expense	(481,772)	(467,482)	-	(949,254)	(452,926)
Effect of changes in operating assets and liabilities:					
Accounts receivable	6,058	(3,384)	(121,867)	(119,193)	372,646
Inventories	-	-	-	-	(1,297,656)
Due from other governmental units	24,011	-	-	24,011	-
Prepaid costs	-	-	125,000	125,000	(981)
Compensated absences and termination benefits payable	(77,713)	(18,702)	-	(96,415)	(98,954)
Accounts payable	1,718,951	4,683,386	(175,992)	6,226,345	4,605,354
Retainages	-	489,798	-	489,798	-
Accrued costs	4,291	73,395	-	77,686	4,832
Due to other funds	-	(25,000,000)	-	(25,000,000)	-
Deferred revenue	-	-	-	-	(3,602,889)
Due from component units	-	-	-	-	-
Estimated liability for landfill closure costs	2,340,714	-	-	2,340,714	-
Estimated liability on pending claims	-	-	-	-	(16,267,861)
Total adjustments	9,958,523	(15,782,847)	(172,789)	(5,997,113)	(16,553,724)
Net cash and cash equivalents provided by (used in) operating activities	\$ 12,365,064	\$ (57,156,323)	\$ 9,798,362	\$ (34,992,898)	\$ (12,436,900)
Non-cash investing, capital and related financing activities:					
Decrease (increase) in accrued interest receivable	\$ 129,134	127,942	54,142	311,218	(32,814)

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Pension and Other Postemployment <u>Benefit Trust Funds</u>	Agency <u>Funds</u>
Assets:		
Equity in pooled cash and investments	\$ 9,071,148	\$ 28,473,036
Collateral for loaned securities	4,618,578	-
Investments:		
Pooled separate accounts	504,685,406	-
U.S. Government & agency securities	34,243,354	-
Corporate bonds	28,926,345	-
Common stock	266,003,642	-
Real estate investment trust	7,575,982	-
International Government securities	428,421	-
Other International investments	288,021	-
Asset backed securities	6,063,016	-
Money market funds	55,155,273	-
Short-term investments	22,221,469	-
Collective trusts	-	-
Commingled trust funds	2,017,926	-
Alternative investments	1,119,043,152	-
Receivables:		
Taxes	-	7,296,229
Accounts	140,747	-
Accrued interest receivable	1,090,706	-
Prepaid costs and deposits	44,608	-
Total assets	<u>2,061,617,794</u>	<u>\$ 35,769,265</u>
Liabilities:		
Collateral for loaned securities payable	4,618,578	-
Accounts payable	1,418,791	136,609
Accrued costs	1,226,410	-
Due to General Fund	3,000,000	-
Due to other governmental units	-	31,715,863
Funds held in trust	-	3,916,793
Total liabilities	<u>10,263,779</u>	<u>\$ 35,769,265</u>
Net position:		
Net position restricted for pensions and other post-employment benefits	<u>\$ 2,051,354,015</u>	

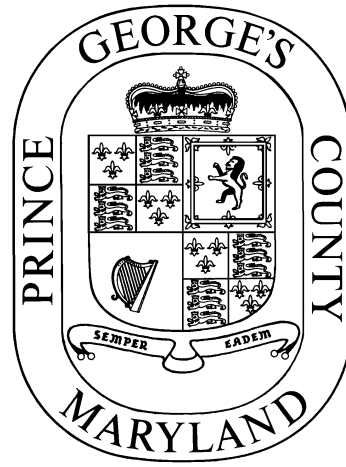
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Changes in Fiduciary Net Position
 For the year ended June 30, 2018

	<u>Pension and Other Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 179,771,855
Employee	38,888,886
Other	4,120,641
Total contributions	<u>222,781,382</u>
Net appreciation in fair value of investments	230,110,027
Interest and dividends	32,843,647
Total investment income (loss)	<u>262,953,674</u>
Less investment expense	6,167,615
Net investment loss	<u>256,786,059</u>
Total additions	<u>479,567,441</u>
Deductions:	
Benefits	232,919,582
Refunds of contributions	9,486,850
General and administrative expenses	3,299,586
Total deductions	<u>245,706,018</u>
Net increase	233,861,423
Net position restricted for pensions and other post-employment benefits	
Beginning of year	<u>1,817,492,592</u>
End of year	<u>\$ 2,051,354,015</u>

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

The notes are an integral part of the
financial statements.

Prince George's County, Maryland
Notes Financial Statements

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Prince George's County, Maryland
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(1) Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

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

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

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

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

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

Prince George's County, Maryland
Notes Financial Statements

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

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

(b) Basis of Presentation

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

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

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

The County reports the following major governmental funds:

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

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

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

Prince George's County, Maryland
Notes Financial Statements

The County reports the following major proprietary funds:

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

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

The County also reports the following additional funds:

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

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

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

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

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

(c) Basis of Accounting

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

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

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

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

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

Prince George's County, Maryland
Notes Financial Statements

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

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

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

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

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

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

(d) Budgetary Data

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

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

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

Prince George's County, Maryland
Notes Financial Statements

- Public hearings are conducted by the County Council to obtain taxpayer comments.
- Prior to June 1, the budget is legally enacted through passage of an ordinance.
- The appropriated budget is prepared by fund and by object within an agency. The County Executive is authorized to transfer budgeted amounts within an agency within any fund; however, the County Council must approve any revisions that alter the total expenditures of any agency or fund. No agency of the Primary Government shall during any fiscal year expend, or contract to expend, in excess of the amounts appropriated in the budget for such fiscal year. The level of budgetary control (level at which expenditures/expenses are monitored) is maintained at three major object classifications: compensation, other current expenditures/expenses (which include debt service payments, expenditure recoveries, and operating transfers out), and capital outlays. The legal level of control is exercised at the agency level in the General Fund. No County liability shall be incurred or contracted by any department, agency, or employee, and no bill or invoice shall be approved or paid, unless the Council has authorized by budget adoption or a specific appropriation to cover payment out of public funds. Any person willfully violating this provision shall be deemed to be responsible for the contract, debt, or expenditure. The agency head allowing such action shall be subject to such disciplinary action as the Council shall determine.
- Subsequent to passage of the budget ordinance, the County Council may approve supplemental appropriations. During fiscal year 2018, such appropriations amounted to a \$10.8 million increase in the Primary Government's General Fund budget (major fund).
- All unencumbered appropriations in the General Fund lapse at the end of the fiscal year.

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

General Fund

Nonmajor governmental funds:

Domestic Violence Fund

Drug Enforcement and Education Fund

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

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

(e) Cash and Cash Equivalents

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

(f) Investments

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

Prince George's County, Maryland
Notes Financial Statements

(g) Allowance for Uncollectible Receivables

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

Primary Government:	
General Fund	\$ 13,133,431
Federal and State Aided Fund	24,941,968
Solid Waste Fund	1,052,963
Stormwater Management Fund	29,626
Watershed Protection and Restoration Fund	<u>15,363</u>
	<u>\$ 39,173,351</u>

As part of the County's Community Development Block Grant and Rental Rehabilitation federal financial assistance programs, the County makes loans to residents and developers to restore and repair low-income housing units. At June 30, 2018, there was approximately \$51.5 million of outstanding loans receivable under these programs. These loans are offset by equivalent unearned revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$25 million is completely offset by an allowance for uncollectible notes receivable (included in the table above), because collections are highly uncertain. In many cases, the County has agreed to forgive loan repayment if the resident/developer complies with certain requirements that may include residing in the property for a certain number of years.

(h) Inventories

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

(i) Prepaid Costs and Deposits

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid expenses. The consumption method is used for prepaid items and expenditures or expenses are recognized when used in operations.

(j) Restricted Assets

Proceeds from debt and funds set aside for payment of revenue bonds and other general obligation debt are classified as restricted assets since their use is limited by applicable debt agreements. Federal and State Law require the County to set aside funds to finance closure and postclosure costs. The County has \$101,428,091 held for this purpose at June 30, 2018.

Prince George's County, Maryland
Notes Financial Statements

(k) Capital Assets

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

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

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

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

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

(l) Self-Insurance Funds

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

(m) Arbitrage Rebate Liability

This liability represents the excess investment earnings on unspent bond proceeds over the bond yield, in accordance with the Internal Revenue Code of 1986 as amended. The County has no liability for fiscal year 2018.

Prince George's County, Maryland
Notes Financial Statements

(n) Long-term Obligations

(i) Long-term Debt

In the government-wide financial statements and the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable, governmental activities, business-type activities, or proprietary fund type statement of net position. Long-term liabilities to be financed from proprietary fund operations are accounted for in those funds.

(ii) Bond Premiums/Discounts and Issuance Costs

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

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

(iii) Bond Covenants

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

(o) Net Position and Fund Balance

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

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

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

Prince George's County, Maryland
Notes Financial Statements

(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 \$12,273,946, amounted to \$7,235,455.

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 2018, the tax rate was set at ninety-six cents (\$1.00) and two dollars fifty cents (\$2.50) for each one hundred dollars (\$100) of assessed value for real and personal property, respectively. There were no bonds outstanding issued before the effective date of "TRIM".

(ii) Landfill Operations - Primary Government

- Closure and Post-closure Care Costs

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

(q) Use of Estimates

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

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

The total column for the reporting entity includes a reclassification for the unrestricted net position deficit related to component unit debt (\$641,070,012). The reclassification is necessary because the County issues debt to finance construction projects for its component units (Board of Education and Community College); however, the component units own the assets. The debt reduces unrestricted net position for the County, while the capital assets are reported in net position invested in capital assets, net of related debt by the component units.

Prince George's County, Maryland
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(2) New Accounting Pronouncements

The County implemented the following GASB pronouncements:

Statement No. 75 The County has adopted the provisions of Governmental Accounting Standard Board (GASB) issued, entitled Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions; Statement No. 81, entitled Irrevocable Split- Interest Agreements; Statement No. 85, entitled Omnibus; and Statement No. 86, entitled Certain Debt Extinguishment Issues.

The adoption of these standards did not have a material effect on these statements with the exception of Statement No. 75. The adoption of Statement No. 75 had no impact on the County's governmental fund financial statements. However, the adoption has resulted in the restatement of the County's Fiscal Year 2017 government-wide and proprietary fund financial statements to reflect the reporting of net OPEB liability, deferred inflows of resources, deferred outflows of resources and the recognition of OPEB expense in accordance with the provisions of the Statement. The County issues a separate financial report is issued for the OPEB trust. For additional information, please see footnote 10. The required changes are reflected in the County's financial statements. Statement No 75 required restatement of the beginning net position as follows:

	Total Net Position as of June 30, 2017	Net OPEB Adjustments	Restated Net Position as of June 30, 2017
Governmental Activities	\$ (1,015,668)	\$ (952,318)	(1,967,986)
Business-type Activities	212,294	(52,954)	159,340
Total	<u>(803,374)</u>	<u>(1,005,272)</u>	<u>(1,808,646)</u>
Internal Service Funds	\$ (96,707)	(29,141)	(125,848)
Enterprise Fund - Solid Waste	37,515	(20,320)	17,195
Enterprise Fund - Stormwater Management	127,046	(32,634)	94,412
Total	<u>\$ 67,854</u>	<u>(82,095)</u>	<u>(14,241)</u>

GASB issued Statement No. 83 entitled Certain Asset Retirement Obligations, Statement No. 84 entitled Fiduciary Activities, Statement No. 87 entitled Leases, Statement No. 88 entitled Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements and Statement No. 89 entitled Accounting for Interest Cost Incurred before the End of a Construction Period. The County is in the process of evaluating the impact of these pronouncements on its financial statements.

(3) Compliance and Accountability

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

The Primary Government's Workers' Compensation Internal Service Fund's net deficit at June 30, 2018 was \$133,371,859. The County's risk management contributions increased by \$3.8 million during fiscal year 2018. Expenditures decreased by \$10.7 million driven by a \$13.9 million decrease Insurance claims. The County will continue to increase premium contributions and reduce certain administrative costs in future fiscal years to reduce this deficit. Additionally, the Vehicle Maintenance Fund and Computer Services Fund had net deficits of \$1,418,680 and \$16,446,319 respectively.

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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 reported value of the County's position in the pool is the same as the fair value of the pool shares. MLGIP participants may withdraw from this account balance by notifying MLGIP management by 2 pm on the day of withdrawal.

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

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

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

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The Primary Government had the following recurring fair value measurements as of June 30, 2018 (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2018
Investments by fair value level:				
US Agency Securities	\$ -	146,848	-	\$ 146,848
Investments carried at amortized cost:				
Certificates of Deposit				40,168
Money Market Funds				167,926
Maryland Local Government Investment Pool				821,791
				<u>\$ 1,176,733</u>

Debt Securities classified in Level 2 are valued based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets.

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

	Level 1	Level 2	Level 3	Balance as of June 30, 2018
Equity in pooled cash and investments	<u>\$ -</u>	<u>\$ 570</u>	<u>\$ -</u>	<u>\$ 570</u>
Investments carried at amortized cost:				
Money Market Funds				<u>\$ 2,018</u>
Investments carried at the Net Asset Value (NAV):				
Common Trust Funds				55,155
Total				<u>\$ 57,743</u>

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

<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Common Trust Funds - Fixed Income Fund	\$ 25,097	-	Daily	1-2 days
Common Trust Funds – Equity Funds	30,029	-	Daily	1-2 days
Common Trust Funds - Real Estate Funds	<u>29</u>	<u>-</u>	Daily	1-2 days
Total	<u>\$ 55,155</u>	<u>-</u>		

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

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

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

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

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2018
Equity in pooled cash and investments	-	8,501	-	8,501
Investments by fair value level:				
U.S. Government and agency securities	-	36,978	-	36,978
Corporate bonds	-	30,799	-	30,799
Common stock	408,464	-	-	408,464
Real Estate Investment Trust	9,874	-	-	9,874
International Government Securities	1,814	-	-	1,814
Other international investments	571	-	-	571
Asset-backed securities	-	39,271	-	39,271
	<u>420,723</u>	<u>107,048</u>	-	<u>527,771</u>
Investments carried at amortized cost:				
Short-term investments				33,246
Investments carried at Net Asset Value (NAV):				
Collective trusts				355,601
Mutual Funds				282,121
Hedge Funds				186,844
International Equity Funds				94,764
Private Debt				105,200
Private Equity				211,964
Natural Resources				36,321
Real Estate				<u>155,646</u>
				<u>1,428,461</u>
Total Investments				<u>1,989,478</u>

Prince George's County, Maryland
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The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investment	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Collective trusts	\$ 355,601	\$ -	daily	1-2 days
Mutual Funds	282,121	-	daily	1-2 days
Hedge Funds	186,844	-	See note (A)	30-90 days
International Equity Funds	94,764	-	Monthly	15 days
Private Debt	105,200	4,453	4-10 years	N/A
Private Equity	211,964	71,844	See note (B)	5-10 days
Natural Resources	36,321	27,937	7-15 years	N/A
Real Estate	155,646	4,711	See note (C)	30-90 days
	<u>\$ 1,428,461</u>	<u>\$ 108,945</u>		

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

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

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

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

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

Hedge Funds consist of approximately 12 investments in limited partnerships that invest in hedge fund strategies that seek alpha in equity of credit makers. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

Private Equity Funds consist of approximately 33 investments in limited partnerships. The private equity investments span the venture capital, growth equity, fund of funds, energy and buyout strategies. Private equity is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

Private Debt Funds consist of 16 investments in limited partnerships. The private debt investments span direct lending, distressed, energy, mezzanine, mortgages, opportunistic and other strategies. Private debt is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

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Natural resource funds include 10 investments in limited partnerships in the energy and natural resources industries. Distributions are received as the partnerships liquidate the underlying assets.

Real Estate Funds consists of 11 investments in limited partnerships that invest in income producing equity securities of U.S and International real estate. Real estate is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this type have been determined using percent ownership of the NAV of the fund.

The Pension Plans of the Primary Government have separate investment policies that are set by each Pension Plan's Board of Trustees to assure overall diversification of investments. Custody of Plan assets is maintained at financial institutions selected by each Board, but the responsibility for selection of specific investments is delegated to appointed investment managers. The Policy seeks to achieve a long-term rate of return on investments, net of expenses that exceed benchmarks established by the investment committee and maintains sufficient income and liquidity to pay monthly retirement benefits. For the Police and Fire Pension Plans, the policy establishes a strategic target for asset allocation among equity securities (45%), fixed income (25%), real assets (10%), hedge funds (10%), and private equity (10%). For other Comprehensive and Supplemental Plans, the policy establishes a strategic target for asset allocation among equity securities (58%), fixed income (32%) and real estate (10%). The Plans are authorized to invest in U.S. Government securities, common and international stock, money market mutual funds, corporate bonds, repurchase agreements, and real estate. State statutes do not prohibit the Plans from participating in securities lending activities. All investments are valued at fair value. Fair value for investments in pooled separate accounts is determined using quoted market value or fair value as determined by valuation committees when quoted market value is not available. Assets of each Plan are held in separate trust funds. Within each trust, assets are held in custodial accounts for which the custodian makes no investment decisions. The investment policies allow the Plans' to invest in Alternative Investments which the Plans enter into under limited partnership agreements. The limited partnership determines the fair value of alternative investments when quoted market value is not available. The Plans use a third-party administrator to aid in the evaluation of the Alternative Investments.

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

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting the exposure to fair value losses arising from rising interest rates, the Primary Government's investment policy limits investments with maturities greater than one year to a calculation based on 50% of the average of the investment low point for the last three years. Investments made with unspent bond proceeds may not have a maturity greater than 3 years at time of purchase. At June 30, 2018, investments with maturities greater than one year at the time of purchase were 25.0% of the portfolio. The table below includes the Primary Government's fixed income holdings by investment type, fair value, and maturity:

Primary Government Investments (in thousands)				
Investment Type	Fair Value	Less than 1 year	1 to 5	6 to 10
U.S. Agency Securities	\$ 146,848	\$ 20,582	\$ 126,266	\$ -
Certificates of Deposit	40,168	40,168	-	-
Money Market Mutual Funds	167,926	167,926	-	-
Local Government Investment Pool	821,791	821,791	-	-
	<u>\$ 1,176,733</u>	<u>\$ 1,050,467</u>	<u>\$ 126,266</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:

Investment Type	Pension Fund Investments (in thousands) ⁽¹⁾					
	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10	
U.S. Government Securities	\$ 11,061	\$ 2,181	\$ 636	\$ -	\$ 8,243	
U.S. Agency Securities	25,917	1,138	12,928	8,806	3,046	
Corporate Bonds	30,799	-	22,381	8,001	416	
Asset-Backed Securities	39,271	876	3,750	10,822	23,823	
Short-Term Investments	33,246	33,246	-	-	-	
	<u>\$ 140,294</u>	<u>\$ 37,441</u>	<u>\$ 39,695</u>	<u>\$ 27,629</u>	<u>\$ 35,528</u>	

Table does not include Common Stock, International Government Securities, Mutual Funds, or Real Estate Investment Trust investments, which do not have maturity dates.

(c) Credit Risk

Credit risk involves disclosing the credit quality of investments in debt securities as described by nationally recognized rating agencies. The Primary Government's investment policy prescribes the following credit quality standards. Bankers' acceptances and commercial paper must have a debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the SEC. As of June 30, 2018, the primary government had investments in the following issuers with credit quality ratings as a percent of the total investments in debt securities:

As of June 30, 2018, the OPEB Plan had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

Investment Type	OPEB Fund Investments (in thousands)					
	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10	
Short-term investments	\$ 2,018	\$ 2,018	\$ -	\$ 2,018	\$ -	
	<u>\$ 2,018</u>	<u>\$ 2,018</u>	<u>\$ -</u>	<u>\$ 2,018</u>	<u>\$ -</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 2018 the Plans' investments in government sponsored entities with ratings below AAA exceeded the 5% limit. As of June 30, 2018, the Plans had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

Pension Fund Investments							
Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Agency Securities	\$ 34,243	Aaa	24.41%				
				U.S. Agency Securities	34,243	AA	24.41%
U.S. Agency Securities	2,735	NR	1.95%	U.S. Agency Securities	2,735	NR	1.95%
Short-Term Investments	33,246	NR	23.70%	Short-Term Investments	33,246	NR	23.70%
Corporate Bonds	4,117	Aa	2.93%	Corporate Bonds	7,699	AA	5.49%
Corporate Bonds	26,682	A	19.02%	Corporate Bonds	18,917	A	13.48%
Corporate Bonds				Corporate Bonds	4,183	BBB	2.98%
Asset-Backed Securities	471	Aaa	0.34%				
Asset-Backed Securities	260	A	0.19%	Asset-Backed Securities	259	A	0.18%
Asset-Backed Securities	7,754	NR	5.53%	Asset-Backed Securities	8,225	NR	5.86%
				Mortgage-Backed Securities	12,542	AA	8.94%
Mortgage-Backed Securities	30,786	NR	21.94%	Mortgage-Backed Securities	18,244	NR	13.00%
	<u>\$ 140,294</u>				<u>\$ 140,294</u>		

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(d) Concentration of Credit Risk

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

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

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

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

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

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(e) Custodial Credit Risk

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

Primary Government Cash and Investments Balances (in thousands)
as of June 30, 2018

Cash in Bank	\$ 4,544
Outstanding checks in zero balance accounts	(16,879)
Investments	<u>1,176,733</u>
	<u><u>\$ 1,164,398</u></u>

Custodial credit risk for investments is the risk that securities are uninsured, unregistered, and held by the counterparty, or by its trust department or agent, but not in the County or the Plans' name. As of June 30, 2018, there were no investments exposed to custodial credit risk.

(f) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The primary government's policy does not allow investments in foreign denominations. The Pension Plans' policy allows the Plans to invest in foreign currency denominations but does not address foreign currency exposure. The table below lists the Plans' foreign currency exposure for fixed income and equity securities as of June 30, 2018.

Other Pension Fund Investments (in thousands)
Foreign Currency Exposure

Local Currency	Equity	Fixed Income	Other	Total	%
Australian Dollar	2,157	242	421	2,820	0.14%
Canadian Dollar	3,980	213	5,797	9,990	0.50%
Danish Krone	341	150	-	491	0.02%
Euro Currency	9,826	1	5,033	14,860	0.75%
Hong Kong Dollar	976	119	-	1,095	0.06%
Japanese Yen	7,786	33	-	7,819	0.39%
New Zealand Dollar	-	1	-	1	0.00%
Norwegian Krone	646	156	-	802	0.04%
Pound Sterling	7,135	57	1,828	9,020	0.45%
Singapore Dollar	-	36	-	36	0.00%
South Korean Won	2,063	-	-	2,063	0.10%
Swedish Krona	325	176	-	501	0.03%
Swish Franc	596	30	-	626	0.03%
Total Foreign Holdings	<u>\$ 35,831</u>	<u>\$ 1,214</u>	<u>\$ 13,079</u>	<u>\$ 50,124</u>	

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(g) Securities Lending

The Board of Trustees for the Pension Plans authorizes the lending of securities to broker-dealers for collateral that will be returned for the same securities in the future. The collateral securities, letters of credit and cash are initially pledged at 100% of the market value of the securities lent and revalued daily to ensure that the collateral does not fall below 100%. The Plans are indemnified of credit risk as it relates to counterparty loan activity. The collateral securities and letters of credit cannot be sold or pledged unless the borrower defaults. As a result, such amounts have not been reported as assets and liabilities in the combined statement of plan net position of the Pension Trust Funds. Cash collateral is invested in the Plans' custodian's short-term investment pool, which at year-end had an average duration of 27 days and an average weighted maturity of 114 days. As of the date of the report the duration pool had an average duration of 20 days and an average weighted maturity of 1,666 days for USD collateral. The relationship between the maturities of the investment pool and the Plans' loans is affected by the maturities of the securities loans made by other entities that use the pool, which the Plans cannot determine. Securities lent for cash collateral are unclassified in the Combined Statement of Plan Net Position. Securities lent for securities or letters of credit collateral are classified according to the category of custodial risk for the collateral. The collateral held and the fair value of securities on loan as of June 30, 2018 totaled \$19,942,463 and \$19,545,388, respectively. Cash collateral held, amounting to \$4,618,578 is included as an asset and liability in the accompanying financial statements at year-end.

(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 2018 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, 2018
Rights	\$ 23,800	\$ (2,088)	Common Stock	\$ 17,159
Warrants	9,127	-	Common Stock	-
Total	\$ 32,927	\$ (2,088)		\$ 17,159

Prince George's County, Maryland
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(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2018 are as follows:

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 71,500,000
	Trust Fund - OPEB	3,000,000
		\$ 74,500,000

Due from/to other entities:

Receivable Entity	Payable Entity	Amount
Component Unit - Revenue Authority	Primary Government - General Fund	\$ 368
Component Unit - Board of Education	Primary Government - Capital Projects Fund	19,062,589
Component Unit - Memorial Library	Primary Government - Capital Projects Fund	616,589
Component Unit - Community College	Primary Government - Capital Projects Fund	1,375,023
		\$ 21,054,569
Primary Government - General Fund	Component Unit - Housing Authority	\$ 5,311,589
Primary Government - General Fund	Component Unit - Community Television	450,000
Primary Government - General Fund	Component Unit - Revenue Authority	328,293
		\$ 6,089,882

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, 2018 are as follows:

Transfers from/to other funds:

Transfers From	Transfers To	Amount
General Fund	Nonmajor Governmental Funds	100,853,322
General Fund	Capital Projects	4,677,861
General Fund	Nonmajor Governmental Funds	82,000
General Fund	Computer Services Fund	556,300
Capital Projects	Nonmajor Governmental Funds	5,342,660
		\$ 111,512,143

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

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(6) Due from Other Governmental Units

The State owes the Primary Government \$121,349,882 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, 2018 is listed below:

	State of <u>Maryland</u>	Federal <u>Government</u>	Other <u>Sources</u>	<u>Total</u>
Primary Government	\$ 170,369,529	19,617,141	11,544,853	201,531,523
Component Units:				
Board of Education	17,879,245	13,456,601	195,610	31,531,456
Other Component Units	<u>1,463,645</u>	<u>1,307,336</u>	<u>217,983</u>	<u>2,988,964</u>
Total	<u>19,342,890</u>	<u>14,763,937</u>	<u>413,593</u>	<u>34,520,420</u>
Total Reporting Entity	<u>\$ 189,712,419</u>	<u>34,381,078</u>	<u>11,958,446</u>	<u>236,051,943</u>

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2018 were as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2018</u>
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 106,029,195	471,149	-	106,500,344
Construction in progress	<u>92,629,640</u>	<u>76,438,157</u>	<u>43,686,946</u>	<u>125,380,851</u>
Total capital assets, not being depreciated:	<u>198,658,835</u>	<u>76,909,306</u>	<u>43,686,946</u>	<u>231,881,195</u>
Capital assets, being depreciated:				
Buildings and improvements	638,043,177	70,542,907	45,632	708,540,452
Equipment	201,326,673	23,634,659	12,771,166	212,190,166
Infrastructure	<u>2,936,683,251</u>	<u>69,212,023</u>	<u>2,193,641</u>	<u>3,003,701,633</u>
Total capital assets, being depreciated:	<u>3,776,053,101</u>	<u>163,389,589</u>	<u>15,010,439</u>	<u>3,924,432,251</u>
Less accumulated depreciation for:				
Buildings and improvements	174,683,114	13,725,855	45,632	188,363,337
Equipment	161,339,178	15,571,822	12,546,556	164,364,444
Infrastructure	<u>1,266,515,081</u>	<u>51,075,102</u>	<u>1,294,774</u>	<u>1,316,295,409</u>
Total accumulated depreciation	<u>1,602,537,373</u>	<u>80,372,779</u>	<u>13,886,962</u>	<u>1,669,023,190</u>
Total capital assets being depreciated, net	<u>2,173,515,728</u>	<u>83,016,810</u>	<u>1,123,477</u>	<u>2,255,409,061</u>
Governmental activities capital assets	<u>\$ 2,372,174,563</u>	<u>159,926,116</u>	<u>44,810,423</u>	<u>2,487,290,256</u>

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

Governmental Activities:	
General government	\$ 13,832,255
Public safety	18,075,858
Environmental	383,922
Health and Human Services	496,201
Infrastructure and Development	47,399,832
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets	<u>184,711</u>
Total depreciation expense - governmental activities	<u><u>\$ 80,372,779</u></u>

Construction of capital assets in progress for the Primary Government at June 30, 2018, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	<u>Project No.</u>	Expended through <u>June 30, 2018</u>
Training/Administration Headquarters	3.50.0006	\$ 42,397,880
Records Management System	8.31.0001	7,987,154
Blight Eradication Program	4.66.0007	692,483
Other public facilities	Various	984,480
Other library projects	Various	19,216,702
Public safety projects	Various	18,709,257
Other road and bridge projects	Various	<u>35,392,896</u>
Total Primary Government		<u><u>\$ 125,380,852</u></u>

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(b) Business-type Activities

Changes in capital assets during fiscal year 2018 were as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2018</u>
Capital assets, not being depreciated:				
Land/Land Infrastructure	\$ 27,072,977	-	-	27,072,977
Construction in progress*	<u>184,686,611</u>	<u>98,399,892</u>	-	<u>283,086,503</u>
Total capital assets, not being depreciated:	<u>211,759,588</u>	<u>98,399,892</u>	-	<u>310,159,480</u>
Capital assets, being depreciated:				
Buildings and improvements	34,621,730	-	-	34,621,730
Equipment and vehicles	25,670,875	263,399	380,253	25,554,021
Landfill property in service	121,336,027	-	-	121,336,027
Stormwater property in service	<u>199,539,940</u>	-	-	<u>199,539,940</u>
Total capital assets being depreciated:	<u>381,168,572</u>	<u>263,399</u>	<u>380,253</u>	<u>381,051,718</u>
Less accumulated depreciation for:				
Buildings and improvements	17,802,681	858,947	-	18,661,628
Equipment and vehicles	22,740,406	1,440,962	356,710	23,824,658
Landfill property in service	114,657,747	3,981,609	-	118,639,356
Stormwater property in service	<u>65,298,745</u>	<u>4,389,871</u>	-	<u>69,688,616</u>
Total accumulated depreciation	<u>220,499,579</u>	<u>10,671,389</u>	<u>356,710</u>	<u>230,814,258</u>
Total capital assets being depreciated, net	<u>160,668,993</u>	<u>(10,407,990)</u>	<u>23,543</u>	<u>150,237,460</u>
Business-type activities capital assets	<u>\$ 372,428,581</u>	<u>87,991,902</u>	<u>23,543</u>	<u>460,396,940</u>

* Includes Construction in Progress for Water Quality Fund.

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

Solid Waste Fund	\$ 6,211,247
Stormwater Management Fund	<u>4,460,142</u>
Total depreciation expense - business-type activities	<u>\$ 10,671,389</u>

As of June 30, 2018, construction requisitions outstanding for governmental and proprietary funds of the Primary Government totaled approximately \$23.2 million and \$16.5 million, respectively.

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Changes in capital assets for the Stormwater Management Fund during 2018 were as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2018</u>
Capital assets, not being depreciated:				
Land/Land Infrastructure	\$ 15,766,896	-	-	15,766,896
Construction in progress	<u>149,835,279</u>	<u>38,452,064</u>	-	<u>188,287,343</u>
Total capital assets, not being depreciated:	<u>165,602,175</u>	<u>38,452,064</u>	-	<u>204,054,239</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	4,038,582	-	48,115	3,990,467
Stormwater property in service	<u>199,539,940</u>	-	-	<u>199,539,940</u>
Total capital assets being depreciated:	<u>203,821,047</u>	-	<u>48,115</u>	<u>203,772,932</u>
Less accumulated depreciation for:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	3,968,312	70,270	48,115	3,990,467
Stormwater property in service	<u>65,298,745</u>	<u>4,389,871</u>	-	<u>69,688,616</u>
Total accumulated depreciation	<u>69,509,582</u>	<u>4,460,141</u>	<u>48,115</u>	<u>73,921,608</u>
Total capital assets being depreciated, net	<u>134,311,465</u>	<u>(4,460,141)</u>	-	<u>129,851,324</u>
Stormwater Management Fund capital assets	<u>\$ 299,913,640</u>	<u>33,991,923</u>	-	<u>333,905,563</u>

Changes in capital assets for the Solid Waste Fund during 2018 were as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2018</u>
Capital assets, not being depreciated:				
Land	\$ 11,306,081	-	-	11,306,081
Construction in progress	<u>34,851,332</u>	<u>7,509,426</u>	-	<u>42,360,758</u>
Total capital assets, not being depreciated:	<u>46,157,413</u>	<u>7,509,426</u>	-	<u>53,666,839</u>
Capital assets, being depreciated:				
Buildings and improvements	34,379,205	-	-	34,379,205
Equipment and vehicles	21,632,293	263,399	332,136	21,563,556
Landfill property in service	<u>121,336,027</u>	-	-	<u>121,336,027</u>
Total capital assets being depreciated:	<u>177,347,525</u>	<u>263,399</u>	<u>332,136</u>	<u>177,278,788</u>
Less accumulated depreciation for:				
Buildings and improvements	17,560,156	858,947	-	18,419,103
Equipment and vehicles	18,772,094	1,370,692	308,595	19,834,191
Landfill property in service	<u>114,657,747</u>	<u>3,981,609</u>	-	<u>118,639,356</u>
Total accumulated depreciation	<u>150,989,997</u>	<u>6,211,248</u>	<u>308,595</u>	<u>156,892,650</u>
Total capital assets being depreciated, net	<u>26,357,528</u>	<u>(5,947,849)</u>	<u>23,541</u>	<u>20,386,138</u>
Solid Waste Fund capital assets	<u>\$ 72,514,941</u>	<u>1,561,577</u>	<u>23,541</u>	<u>74,052,977</u>

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Construction in progress in the enterprise funds as of June 30, 2018 consists of the following:

Primary Government - Business-type Activities:

o Stormwater Management Enterprise Fund		
- Stormdrain Relief Program (5.54.0005)	\$	21,136,525
- Water Quality Control Facility (5.54.0006)		1,100,119
- Anacostia Retrofit (5.54.0008)		3,424,261
- Street Tree Removal & REplacement (5.66.0001)		726,744
- Stormwater Management Restoration (5.66.0002)		26,196,541
- Watershed Implementation Plan II (5.54.0017)		12,056,059
- Major Reconstruction – DPWT (5.54.0011)		44,197,179
- Clean Water Partnership/NPDES (5.54.0018)		45,524,260
- COE Anacostia Restoration (5.54.0012)		6,074,931
- MS4/NPDES Compliance & Restoration (5.54.0019)		16,613,084
- Bladensburg Environmental Revitalization (5.54.0013)		6,863,548
- Other miscellaneous projects		4,374,092
		<u>188,287,343</u>
o Solid Waste Enterprise Fund		
- Brown Station Landfill Expansion (5.54.0001)		15,016,759
- Rural Convenience Center (5.54.0002)		318,703
- Sandy Hill Landfill Expansion (5.54.0003)		20,487,567
- Commercial Manufacturer/Waste Transfer Station (5.54.0004)		920,777
- Organics Composting Facility		5,616,952
		<u>42,360,758</u>
Total Primary Government - Business-type Activities	\$	<u>230,648,101</u>
o Watershed Protection and Restoration Fund		<u>52,438,400</u>

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(c) Component Units Capital Assets Activity

Changes in Board of Education capital assets during fiscal year 2018 were as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals and</u> <u>Completed Construction</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets, not being depreciated:				
Land	\$ 23,619,039	2,349,940	-	25,968,979
Construction in progress	158,343,704	82,636,662	180,528,655	60,451,711
Total capital assets, not being depreciated:	<u>181,962,743</u>	<u>84,986,602</u>	<u>180,528,655</u>	<u>86,420,690</u>
Capital assets, being depreciated:				
Buildings and improvements	1,878,213,612	183,284,857	20,810	2,061,477,659
Equipment and vehicles	212,244,011	12,700,370	6,065,671	218,878,710
Total capital assets, being depreciated:	<u>2,090,457,623</u>	<u>195,985,227</u>	<u>6,086,481</u>	<u>2,280,356,369</u>
Less accumulated depreciation for:				
Buildings and improvements	805,422,861	61,460,516	434	866,882,943
Equipment and vehicles	112,961,481	15,146,484	6,046,130	122,061,835
Total accumulated depreciation	<u>918,384,342</u>	<u>76,607,000</u>	<u>6,046,564</u>	<u>988,944,778</u>
Total capital assets being, depreciated, net	<u>1,172,073,281</u>	<u>119,378,227</u>	<u>39,917</u>	<u>1,291,411,59</u>
Component units - Board of Education capital a	<u>\$ 1,354,036,024</u>	<u>204,364,829</u>	<u>180,568,572</u>	<u>1,377,832,281</u>

Changes in other component units' capital assets during fiscal year 2018 were as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Disposals and</u> <u>Completed Construction</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital assets, not being depreciated:				
Land	\$ 76,581,864	11,012,099	19,697	87,574,266
Construction in progress	62,958,593	41,199,267	28,810,625	75,347,235
Total capital assets, not being depreciated:	<u>139,540,457</u>	<u>52,211,366</u>	<u>28,830,322</u>	<u>162,921,501</u>
Capital assets, being depreciated:				
Buildings and improvements	302,003,629	31,151,547	44,446,469	288,708,707
Equipment and vehicles	58,358,156	4,070,057	2,357,915	60,070,298
Total capital assets, being depreciated:	<u>360,361,785</u>	<u>35,221,604</u>	<u>46,804,384</u>	<u>348,779,005</u>
Less accumulated depreciation for:				
Buildings and improvements	120,819,795	11,708,324	30,995,427	101,532,692
Equipment and vehicles	47,130,512	5,048,722	2,637,465	49,541,769
Total accumulated depreciation	<u>167,950,307</u>	<u>16,757,046</u>	<u>33,632,892</u>	<u>151,074,461</u>
Total capital assets being, depreciated, net	<u>192,411,478</u>	<u>18,464,558</u>	<u>13,171,492</u>	<u>197,704,544</u>
Other component units - capital assets	<u>\$ 331,951,935</u>	<u>70,675,924</u>	<u>42,001,814</u>	<u>360,626,045</u>

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(8) Risk Management

Details of estimated liabilities on pending claims, by fund, at June 30, 2018 are as follows:

	Risk Management <u>Pools</u>	Other <u>Self-Insurance</u>	<u>Total</u>
Primary Government:			
Internal Service Funds:			
Unemployment Compensation	\$ -	\$ 157,633	\$ 157,633
Property Loss	174,091	-	174,091
Automobile Liability	2,383,182	-	2,383,182
Workers' Compensation	138,963,615	-	138,963,615
General Liability	9,573,714	-	9,573,714
Life and Health Benefits	-	8,139,641	8,139,641
Total Primary Government	<u>\$ 151,094,602</u>	<u>\$ 8,297,274</u>	<u>\$ 159,391,876</u>

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

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2018, the Primary Government made contributions amounting to \$52,494,713. The actuarially computed claims liability has been discounted at a rate of 1.328 percent, based on the pool's investment yield rate and current economic conditions. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The total claims liability of \$151,094,602 reported for the risk management pools at June 30, 2018 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, 2018. 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 2017 and 2018 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 2017	\$ 160,971,137	\$ 52,249,029	\$ (50,910,569)	\$ 162,309,597
Fiscal year 2018	162,309,597	38,265,452	(49,480,447)	151,094,602

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The following is a summary of the fiscal year 2018 claims expense by fund:

	<u>Total Claim Payments</u>	<u>Liability on Pending Claims Adjustment</u>	<u>Total Claims Expenses</u>
Property Loss Fund	\$ 281,764	\$ 102,331	\$ 384,095
Auto Liability Fund	2,794,486	(941,412)	1,853,074
Workers' Compensation Fund	41,175,656	(8,538,564)	32,637,092
General Liability Fund	<u>5,228,541</u>	<u>(1,837,350)</u>	<u>3,391,191</u>
	<u>\$ 49,480,447</u>	<u>\$ (11,214,995)</u>	<u>\$ 38,265,452</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 2017 and 2018 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 2017	\$ 13,920,869	\$ 59,654,812	\$ (59,691,372)	\$ 13,884,309
Fiscal year 2018	13,884,309	59,897,343	(65,484,378)	8,297,274

(9) Pension Plans

(a) Primary Government

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

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

- Employees Retirement and Pension System of Maryland

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

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

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

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

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

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

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

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

Participants of the Retirement System plan contribute 7% of annual compensation and upon retirement are entitled to unlimited cost-of-living adjustments or a contribution of 5% of annual compensation and upon retiring are limited to 5% cost-of living increases annually. Retirement System participants may retire with full benefits after attaining age 60, or after completing 30 years of service, regardless of age. Annual retirement benefits are equal to 1/55 of the average of the participant's three highest years of annual compensation, multiplied by the number of years of credited service. The Primary Government made the actuarially required contributions of \$13,773,607 for fiscal year 2018.

(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.

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Normal retirement is at age 55 or after 20 years of service for firefighters, paramedics, deputy sheriffs and correctional officers under the Comprehensive Plans. Police officers hired after June 30, 2017 are eligible to retired with 25 years of services. For AFSCME Local 241 (Crossing Guards), AFSCME Locals 2462 and 2735, general schedule employees, and deputy sheriffs under the supplemental plan, normal retirement age is the earliest of age 62 with 5 years of service, age 55 with 15 years of service, any age with 30 years of service, or 25 years of service for deputy sheriff's. For correctional officers under the supplemental plan, normal retirement is the earliest of age 60 or 25 years of County service.

Retirement benefits are calculated as a percentage of average compensation, with such percentage determined by length of credited service up to a maximum of 85% for 30 years of service for police officers, firefighters, paramedics, deputy sheriffs, and correctional officers under the Comprehensive Plans. For general schedule, fire civilian employees, AFSCME Locals 2462, and 2735, and police civilian employees the maximum retirement benefit is 30% for 30 years of service, 22.5% for 30 years of service for AFSCME Local 241 (crossing guards), 36% for 30 years of service for deputy sheriff's, and 38.75% for 30 years of service for correctional officers under the Supplemental Plans.

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

Funding Policy

Contributions to the Plans for 2018 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2017. The Primary Government's fiscal year 2018 total payroll was \$552,125,000. Employee contribution rates are determined by collective-bargaining agreements or by the Board of Trustees for each Plan. Participant contributions are included in the plan assets and are 100% vested with the employee. Upon termination of employment, a participant may elect to receive a refund of contributions; if there has been at least five years of credited service, the participant may instead elect a retirement annuity upon attaining retirement age. Participants begin vesting in employer contributions after 5 years of credited service.

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

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

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

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

At June 30, 2018, the County reported a liability of \$133,951,230 for its proportionate share of the net pension liability of the MSRPS. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. As of June 30, 2018, the County's proportionate share was 0.691% a decrease of .067 % from prior year.

At June 30, 2018, the County reported a liability of \$1,222,955,527 for its other County Plans. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles.

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For fiscal year ended June 30, 2018, the County recognized pension expense of \$175,122,291.

	<u>Net Pension Liability</u>	<u>Pension Expense</u>
Proportionate share of MSRPS	\$ 133,951,230	\$ 14,186,578
County Plans		
Comprehensive Plans:		
Police	595,222,652	76,187,136
Fire Service	379,909,995	49,834,441
Deputy Sheriff's	59,573,107	8,418,685
Correctional Officers'	100,360,771	12,620,718
Supplemental Plans:		
Deputy Sheriff's	4,566,346	542,451
Correctional Officers'	(203,144)	(402,971)
Crossing Guards	783,606	148,063
AFSCME	11,684,937	3,020,346
General Schedule	59,220,966	9,093,780
Fire Civilian	3,839,553	361,762
Police Civilian	7,996,738	1,111,304
Total	<u>\$ 1,356,906,757</u>	<u>\$ 175,122,291</u>

The County's change in total pension liability, plan fiduciary net position and net pension liability for the County Plans for the year ended June 30, 2018, was as (in thousands) follows:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	(A)	(B)	(A)-(B)
Balance as of June 30, 2017	\$ 3,120,066,920	\$ 1,765,831,616	\$ 1,354,235,304
Service Cost	73,326,400	-	73,326,400
Interest	229,963,895	-	229,963,895
Differences between expected and actual experience	(19,140,348)	-	(19,140,348)
Contributions-employer	-	138,798,299	(138,798,299)
Contributions-employee	-	24,501,547	(24,501,547)
Net Investment	-	254,119,147	(254,119,147)
Benefit Payments, including refunds of employee contributions	(183,094,342)	(183,073,759)	(20,583)
Administrative expenses	-	(2,009,852)	2,009,852
Balance as of June 30, 2018	<u>\$ 3,221,122,525</u>	<u>\$ 1,998,166,998</u>	<u>\$ 1,222,955,527</u>

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At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions		
Proportionate share of MSRPS	\$ 6,413,015	-
Changes in proportions		
Proportionate share of MSRPS	2,750,534	18,236,296
Difference between expected and actuarial experience		
Comprehensive Plans:		
Proportionate share of MSRPS	1,373,909	9,727,605
Police	2,281,626	23,101,096
Fire Service	10,292,303	8,623,981
Deputy Sheriff's	883,516	1,756,209
Correctional Officers'	3,602,462	8,365,439
Supplemental Plans:		
Crossing Guards	251,734	27,768
AFSCME	-	4,596,796
General Schedule	7,349,204	1,730,388
Fire Civilian	117,941	668,574
Police Civilian	534,009	-
Net difference between projected and actual earnings on pension plan investments		
Proportionate share of MSRPS	9,982,485	-
Comprehensive Plans:		
Police	-	21,244,695
Fire Service	-	9,269,314
Deputy Sheriff's	-	665,394
Correctional Officers'	-	1,404,485
Supplemental Plans:		
Deputy Sheriff's	-	48,915
Correctional Officers'	-	149,013
Crossing Guards	-	20,782
AFSCME	-	914,730
General Schedule	-	1,379,459
Fire Civilian	-	82,895
Police Civilian	-	217,811
County contributions subsequent to the measurement		
Proportionate share of MSRPS	13,773,607	-
	\$ 59,606,345	\$ 112,231,645

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The \$13,773,607 reported as deferred outflows of resources related to pensions resulting from the County's contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	MSRPS	Other Plans	Total
June 30	MSRPS	Other Plans	Total
2019	\$ 557,087	12,345,243	12,902,330
2020	2,659,863	(1,278,019)	1,381,844
2021	(966,883)	(35,518,413)	(36,485,296)
2022	(6,694,160)	(30,808,270)	(37,502,430)
2023	(2,999,863)	(3,052,169)	(6,052,032)
Thereafter	-	(643,323)	(643,323)
Total	<u>\$ (7,443,956)</u>	<u>(58,954,951)</u>	<u>(66,398,907)</u>

Actuarially Assumptions

Mortality rates were based on RP-2014 Mortality Tables with projected generational mortality improvements based on the MP-2014 2-dimensional mortality improvement scale. The economic and demographic actuarial assumptions used in the June 30, 2017 valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2010-2014, after completion of the June 30, 2014 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2015. As a result, an investment return assumption of 7.50% and an inflation assumption of 2.65% were used in the June 30, 2017 valuation.

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

	MSRPS Plan		County Plans
Valuation Date	June 30, 2017	Valuation Date	July 1, 2017
Measurement Date	June 30, 2017	Measurement Date	June 30, 2018
Inflation	2.65% general, 3.15% Payroll growth rate	Inflation	2.75% general, 3.00% Payroll growth rate
Salary Increases	3.15% - 9.15%, inflation	Salary Increases	1.00% - 7.00%
Investment Rate of Return	7.50%	Investment Rate of Return	7.50%
Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006-2010.		Experience-based table of rates that are specific to the type of eligibility condition. Updated for the 2014 valuation pursuant to an experience study of the period 2008-2013.	
RP 2000 Combined Healthy Mortality Table projected to the year 2025		RP 2014 Health Annuitant Mortality Table with rates multiplied by 0.75 for males and 1.10 for females for non-disabled annuitants and 1.00 and 1.35	
There were no benefit changes during the year. Adjustments to roll forward liabilities were made to reflect the following assumption changes in the 2017 valuation		For the Police Pension Plan, the following death benefit provisions have been added: (1) Effective January 1, 2016, the surviving spouse of a participant who died while an active employee on or before November 30, 2002, will receive a monthly annuity equal to \$1000 per month payable for the spouse's remaining lifetime. (2) Effective July 1, 2016, the surviving spouse of a participant who died while an active employee with 15 or more years of service and did not meet normal retirement eligibility conditions will receive a 50 percent contingent annuitant benefit.	
Investment rate of return changed from 7.55% to 7.50%		The total pension liability was rolled forward from the actuarial valuation date to the measurement date.	
Inflation assumption changed from 2.7% to 2.65%			

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

MSRPS			Police and Fire Service Plans			Other Comprehensive and Supplemental Plans	
Asset Class	Target Allocation	Long-Term Expected	Asset Class	Target Allocation	Long-Term Expected	Target Allocation	Long-Term Expected
		Real Rate of Return			Real Rate of Return		Real Rate of Return
Public Equity	37.00%	5.80%	Hedge Funds	10.00%	4.30%	10.00%	4.30%
Rate Sensitive	19.00%	1.10%	Private Equity	10.00%	8.30%	10.00%	8.30%
Credit Opportunity	9.00%	3.60%	Real Estate	7.00%	6.30%	7.00%	6.30%
Absolute Return	8.00%	3.20%	MLPs	1.50%	6.80%	1.50%	6.80%
Private Equity	13.00%	6.70%	Private Energy	1.50%	8.30%	1.50%	8.30%
Real Assets	14.00%	4.80%	Core Plus/Core Fixed Income	15.00%	2.25%	19.00%	2.25%
			Public Bank Loans	5.00%	3.80%	4.00%	3.80%
			TIPS	5.00%	1.80%	4.00%	1.80%
			Emerging Market	4.50%	7.00%	4.50%	7.00%
			International Large Cap	18.00%	5.50%	17.00%	5.50%
			Small Cap	4.50%	5.50%	4.50%	5.50%
			Large Cap	18.00%	4.80%	17.00%	4.80%

For the year ended June 30, 2017 the money-weighted weight of return on pension plan investments, net of pension plan investment expense, for the MSRPS was 10.02%. For the year ended June 30, 2018 the money-weighted weight of return on pension plan investments, net of pension plan investment expense, for the Police, Fire Service, and Other Comprehensive and Supplemental Plans was 10.04%, 10.10%, and 9.27% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

Single discount rates of 7.5% and 7.5% were used to measure the total pension liability for the MSRPS and Other County Plans, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 7.5 and 7.5%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Net Pension Liability

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

Plan	Current Single Discount Rate (SDR) Assumption	1% Decrease	SDR	1% Increase
MSRPS	7.50%	\$ 189,835,434	\$ 133,951,230	\$ 87,583,163
Police	7.50%	785,893,372	595,222,652	436,421,040
Fire Service	7.50%	481,212,240	379,909,995	295,575,629
Deputy Sheriffs' Comprehensive	7.50%	75,828,807	59,573,107	45,948,195
Correctional Officers' Comprehensive	7.50%	129,939,002	100,360,771	75,700,781
Deputy Sheriffs' Supplemental	7.50%	5,411,105	4,566,346	3,842,379
Correctional Officers' Supplemental	7.50%	762,742	(203,144)	(1,025,614)
Crossing Guards	7.50%	993,111	783,606	599,767
AFSCME	7.50%	23,592,663	11,684,937	1,567,089
General Schedule	7.50%	81,010,057	59,220,966	40,655,207
Fire Civilian	7.50%	5,109,413	3,839,553	2,751,102
Police Civilian	7.50%	11,831,747	7,996,738	4,790,158
		\$ 1,791,419,693	\$ 1,356,906,757	\$ 994,408,896

Pension Plan Fiduciary Net Position

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

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(b) Component Units

Generally, all employees of the Board of Education, the Housing Authority, the Community College, the Memorial Library, and certain employees of the PGCT participate in one of the statewide Employee's Retirement and Pension Systems or Teacher's Retirement and Pension Systems. Information covering the Housing Authority and PGCT is included with the Primary Government because those individuals are also employees of the Primary Government. Separate financial statements prepared for the Board of Education, Memorial Library, and Community College, are available to the general public [see note 1(a)] and reflect detailed information relevant to their participation in MSRPS. Review of these financial statements indicates the Component Units individually met the actuarially determined contribution requirements for fiscal years 2018, 2017, and 2016. Additional MSRPS information is included in the table below:

	Board of Education	Community College	Memorial Library
Proportionate share of MSRPS	0.81600%	0.01740%	0.00950%
Net Pension Liability	\$ 176,458,037	\$ 3,753,291	\$ 2,056,532
Pension Expense	6,731,897	117,583	(236,319)
Deferred Outflows	50,212,616	1,355,484	655,280
Deferred Inflows	24,638,687	843,263	310,923

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 2018 amounted to \$110,171,471, \$5,245,988 and \$1,933,070, respectively, and are reflected in the Component Units' financial statements.

In addition to the statewide plans mentioned above, the Community College also offers to its employees two single-employer, defined contribution pension plans. The State of Maryland made "on behalf" employer contributions totaling \$946,258 to these plans during fiscal year 2018. The Revenue Authority established a single-employer, defined contribution pension plan for its employees on July 1, 1987. Detailed information concerning these plans may also be obtained from the separately issued financial reports of these Component Units.

(10) Postemployment Benefits Other Than Pensions

(a) Plan Description

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

Medical Insurance

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

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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.

Membership in the plan consisted of the following based on the July 1, 2016 valuation data rolled forward to June 30, 2017:

Active	5,623
Retired	<u>4,035</u>
Total participants	<u>9,658</u>

(b) Funding Policy

The County negotiates the contribution percentages between the County and the plan members through union contracts and personnel policy. A non-public safety and public safety retiree pays the same percentage of the premium contribution for the HMOs (20%), POS/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 \$40.9 million, during fiscal year 2018 for current employer premiums (approximately 74% of total premium contributions). Plan members contributed \$14.4 million (approximately 26% of total premium contributions) to the OPEB Plan.

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

The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2016 rolled forward to June 30, 2018. The County's proportionate share of the net OPEB liability was based on a projection of the County's long-term share of contributions to the OPEB plan relative the projected contribution of all participating agencies. The County's proportionate share was \$1,606,704,000 or 98%.

Total OPEB liability		
Service cost		59,743
Interest		60,597
Changes of benefit terms		-
Differences between expected and actual experience		22,282
Changes of assumptions		(124,593)
Benefit payments		(57,567)
Net change in total OPEB liability		(39,538)
Total OPEB liability - beginning		1,700,131
Total OPEB liability - ending (a)		<u>\$ 1,660,593</u>
Plan fiduciary net position		
Contributions - employer	\$	44,448.00
Contributions - employee		13,899
Net investment income		2,656
Benefit payments		(57,567)
Administrative expense		(1,250)
Net change in plan fiduciary net position		2,186
Total fiduciary net position - beginning		51,703
Total fiduciary net position - ending (b)		<u>\$ 53,889</u>
City's net OPEB liability - ending (a) - (b)		<u>\$ 1,606,704</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,035	
Changes of assumptions	-	112,020
Net difference between projected and actual earnings on OPEB plan investments	549	-
Total	<u>20,584</u>	<u>112,020</u>

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

Fiscal Year Ending June 30	Amount
2019	\$ (10,186)
2020	(10,186)
2021	(10,188)
2022	(10,186)
2023	(10,325)
Thereafter	(40,365)
	\$ (91,436)

Actuarial Methods and Assumptions

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

Actuarial Assumptions and Methods

Valuation Date	July 1, 2016	
Measurement Date	June 30, 2018	
Actuarial Cost Method	Entry Age Normal	
Discount Rate	3.87%	
20 Yr. Municipal Bond Rate	3.87%	
Municipal Bond Rate Basis	Bond Buyers General Obligation 20 year Municipal Bond Index	
Expected Return on Assets	6.50%	
Salary Increases	1.00% - 6.50%, depending on service	
General Inflation	3.00%	
Mortality:		
Pre-retirement	Healthy and Disabled	
	RP-2014 Mortality Table fully generational projected using scale MP-2016	
	Disabled mortality is assumed to be RP-2014 Disable mortality Table, projected using scale MP-2016	
Health care cost trend rates:		
Medical /Prescription PRE-65	(initial, ultimate)	
Medical	7.0%, 4.5%	
Rx	10.0%, 4.5%	
Composite	7.6%, 4.9%	
Medical /Prescription 65+		
Medical	6.0%, 4.5%	
Rx	11.0%, 4.5%	
Composite	9.0%, 4.5%	

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

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

The net OPEB liability calculated using a discount rate of 3.87%. The following presents the plan's net OPEB liability calculated using a discount rate that is 1-percent-point lower or 1-percentage-point higher. The Health care rate shows what the net OPEB liability would be if health care trend rates were applied at 1-percent-point lower or 1-percentage-point higher than the current health care trend rates.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate Assumption			
	1% Decrease	Current Rate	1% Increase
	2.87%	3.87%	4.87%
Net OPEB Liability	\$ 2,019,011	\$ 1,643,632	\$ 1,361,882

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rates			
	1% Decrease	Trend Rate	1% Increase
	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 1,338,847	\$ 1,643,632	\$ 2,056,358

(f) Component Units

The Housing Authority and the Memorial Library participate in the County's retiree life and health insurance benefit plan. Fiscal year 2018 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$63,000 and \$388,626, respectively. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid employer contribution of \$104.3 million and recognized a Net OPEB Liability of \$2.09 billion in fiscal year 2018. The Community College contributed \$5.2 million in employer contribution with an Net OPEB Liability of \$80.9 million. Separate financial statements prepared for the Board of Education, Housing Authority, Memorial Library, and Community College, are available to the general public [see note 1(a)] and reflect detailed information relevant to their OPEB plans.

(g) Other Benefits - LOSAP

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

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

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Employees covered by benefit terms: At June 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	596
Inactive plan members entitled to but not yet receiving benefits	132
Active plan members	<u>1,440</u>
	<u><u>2,168</u></u>

Net Pension Liability - LOSAP

The County's net pension liability of \$126,862,534 was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.56% for the measurement date as of June 30, 2017 / 3.62% as of June 30, 2018
Retirement Age	100 percent of the members are assumed to commence benefits at the earliest eligibility of: <ol style="list-style-type: none"> 1. Age 55 with 25 years of LOSAP service 2. Age 70 with 10 years of LOSAP service
Mortality	<p>RP-2014 Health Annuitant Mortality Table, with 0.75 multiplier for male and 1.1 multiplier for female, sex-distinct for healthy annuitant. RP-2014 Healthy Annuitant Morality Table, with no multiplier for male and 1.35 multiplier for female , sex-distinct for annuitant disabled mortality assumption.</p> <p>RP-2014 Blue Collar Employee Mortality Table, with 0.95 multiplier for male and 1.3 multiplier for female, sex-distinct for pre-retirement nonservice connected mortality. RP-2014 Blue Collar Employee Morality Table, with 0.10 multiplier for male and 0.13 multiplier for female , sex-distinct for pre-retirement service connected mortality.</p> <p>These mortality assumptions have an estimated margin of 10 percent for future mortality improvements based on the most recent experience study performed for the Prince Georges County Fire Service Pension Plan. Mortality rates for active members follow the applicable tables above with a unisex mix of 65% male and 35% female.</p>
Other information:	
Notes	Benefits are scheduled to increase from \$375 per month to \$400 per month to \$450 per month from fiscal year 2017 to 2018 to 2019 for volunteers with 25 years oaf LOSAP service. These increased are reflected in the total pension liability. Effective November 14, 2017, an additional death benefit of \$15,000 is payable upon death of any member. These additional changes have been reflected in the total pension liability measures as of June 30, 2018.

Discount Rate

The rate at the end of the year is the fixed-income municipal bonds rate with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2017 and June 30, 2018. In describing this index, fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

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Sensitivity of the Total Pension liability to a Single Discount Rate

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

	Current Single Discount Rate (SDR) Assumption	2.62% 1% Decrease	SDR	4.62% 1% Increase
Total Pension Liability	3.62%	\$ 147,862,979	\$ 126,862,534	\$ 110,537,408

Changes in the Net Pension Liability

	Total Pension Liability
	(A)
Balance as of June 30, 2017	\$ 117,961,053
Service Cost	489,441
Interest	4,141,557
Benefit Changes	7,985,757
Difference between Expected and Actual Experience	1,290,639
Assumption Changes	(1,237,419)
Benefit Payments	(3,768,494)
Balance as of June 30, 2018	\$ 126,862,534

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

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

For the year ended June 30, 2018, the County recognized LOSAP pension expense of \$(8,402). The County reported deferred inflows resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Outflow/Inflow of Resources
Difference between expected and actual experience	\$ 877,317		\$ 877,317
Changes in assumptions	-	5,838,489	5,838,489
	\$ 877,317	\$ 5,838,489	\$ 4,961,172

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2019	\$ (4,214,769)
2020	(748,491)
2021	<u>2,088</u>
Total	<u>\$ (4,961,172)</u>

(11) Unavailable and Unearned Revenue

Unavailable revenue reported in the General and other Governmental Funds represents tax billings and other receivables not available at June 30, 2018 for funding of current operations. These amounts are reported as a deferred inflow of resources in the governmental funds. Unearned revenue in the Federal and State Aided Programs Fund represents the unexpended portion of funds received for various grants and unrealized revenue relating to notes receivable arising from the sale of property. The Enterprise Funds' unearned revenue represents billings or receipts for future services collected in advance. Unearned revenue in the Internal Service funds is a combination of premiums paid in advance for life and health benefits and accumulated premium contributions of component units in excess of related risk management expenses. Unearned revenue reported in the Government-wide statements represents billings and receivables collected in advance related to items such as property tax deferrals and grant programs. The following is a summary of governmental and internal service funds deferred and unearned revenue as of June 30, 2018:

	Unavailable	Unearned	Total
General Fund			
Income Taxes Receivable	\$ 66,726,579	\$ -	\$ 66,726,579
Property Taxes Receivable	7,235,455	-	7,235,455
Notes Receivable	<u>1,365,893</u>	<u>16,380,267</u>	<u>17,746,160</u>
Subtotal	<u>75,327,927</u>	<u>16,380,267</u>	<u>91,708,194</u>
Federal And State Aided Programs			
Grant Drawdowns in Excess of Expenditures	-	93,298,892	93,298,892
Internal Service Funds			
Receipt of Revenue prior to Service Provided	-	1,131,608	1,131,608
	<u>\$ 75,327,927</u>	<u>\$ 110,810,767</u>	<u>\$ 186,138,694</u>

(12) Deferred Compensation Plans

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

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(13) Long-term Liabilities

(a) Outstanding Long-term Liabilities

The following is a summary of all primary government outstanding long-term liabilities as of June 30, 2018:

	Governmental Activities		Business-type Activities		Total		Total
	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	
Bonds payable							
General obligation bonds	\$ 107,058,931	\$ 1,639,624,373	\$ 11,581,069	\$ 271,120,627	\$ 118,640,000	\$ 1,910,745,000	\$ 2,029,385,000
Bond premium	34,461,126	144,237,278	2,070,549	6,137,986	36,531,675	150,375,264	186,906,939
Total bonds payable	<u>141,520,057</u>	<u>1,783,861,651</u>	<u>13,651,618</u>	<u>277,258,613</u>	<u>155,171,675</u>	<u>2,061,120,264</u>	<u>2,216,291,939</u>
Notes payable	7,688,000	145,827,480	1,025,270	4,922,596	8,713,270	150,750,076	159,463,346
Capital lease obligations	18,276,249	71,621,527	-	-	18,276,249	71,621,527	89,897,776
Estimated liabilities on pending claims	38,934,194	120,457,682	-	-	38,934,194	120,457,682	159,391,876
Compensated absences and termination benefits payable	49,810,314	26,576,962	2,183,936	31,697	51,994,250	26,608,659	78,602,909
Net pension liability	-	1,337,127,199	-	19,779,558	-	1,356,906,757	1,356,906,757
Net OPEB liability	-	1,557,734,899	-	48,969,101	-	1,606,704,000	1,606,704,000
Net pension liability - LOSAP	-	126,862,534	-	-	-	126,862,534	126,862,534
Landfill closure / postclosure	-	-	1,230,067	91,606,067	1,230,067	91,606,067	92,836,134
Other long-term liabilities	114,708,757	3,386,208,283	4,439,273	165,309,019	119,148,030	3,551,517,302	3,670,665,332
Total long-term liabilities	<u>\$ 256,228,814</u>	<u>\$ 5,170,069,934</u>	<u>\$ 18,090,891</u>	<u>\$ 442,567,632</u>	<u>\$ 274,319,705</u>	<u>\$ 5,612,637,566</u>	<u>\$ 5,886,957,271</u>

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the primary government for the fiscal year ended June 30, 2018:

	7/1/2017	Additions	Reductions	6/30/2018
Governmental Activities				
General obligation bonds	\$ 1,193,963,805	\$ 742,119,499	\$ (189,400,000)	\$ 1,746,683,304
Bond premium	99,187,505	113,177,803	(33,666,904)	178,698,404
Business Type Activities				
Solid Waste				
General obligation bonds	33,142,545	17,711,790	(4,855,000)	45,999,335
Bond premium	1,073,461	535,171	(394,173)	1,214,459
Stormwater				
General obligation bonds	137,098,650	128,348,711	(28,745,000)	236,702,361
Bond premium	<u>5,119,400</u>	<u>3,801,856</u>	<u>(1,927,180)</u>	<u>6,994,076</u>
Total bonded debt	<u>\$ 1,469,585,366</u>	<u>\$ 1,005,694,830</u>	<u>\$ (258,988,257)</u>	<u>\$ 2,216,291,939</u>

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The following is a summary of bonded debt transactions of the component for the fiscal year ended June 30, 2018:

Component Units				
General obligation bonds	68,640,000	33,755,000	(40,135,000)	62,260,000
Bond premium (discount)	<u>69,990</u>	<u>1,884,035</u>	<u>(109,070)</u>	<u>1,844,955</u>
Total bonded debt	<u><u>68,709,990</u></u>	<u><u>35,639,035</u></u>	<u><u>(40,244,070)</u></u>	<u><u>64,104,955</u></u>

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2018 are as follows:

Year ended June 30,	Primary Government											
	Governmental Activities			Business-type Activities				Total	Component Units		Total	
	Principal	Interest	Principal	Interest	Solid Waste		Stormwater Management		Principal	Interest		
					Principal	Interest	Principal					Interest
2019	\$ 107,058,931	67,337,592	2,431,653	1,825,833	9,149,416	8,743,836	196,547,261	4,015,000	1,306,722	201,868,983		
2020	120,719,687	67,224,281	2,842,963	1,764,833	12,347,350	9,433,542	214,332,656	2,425,000	2,608,579	219,366,235		
2021	126,309,705	61,383,469	2,848,742	1,630,971	12,506,552	8,826,028	213,505,467	2,565,000	2,527,221	218,597,688		
2022	128,816,156	55,331,045	2,919,339	1,495,435	12,784,505	8,218,313	209,564,793	2,710,000	2,428,079	214,702,872		
2023	131,573,111	49,177,094	2,915,205	1,358,868	12,901,683	7,610,230	205,536,192	2,850,000	2,316,494	210,702,686		
2024 - 2028	629,512,633	162,420,354	13,982,310	4,853,940	65,180,058	29,376,843	905,326,138	17,945,000	10,951,924	934,223,062		
2029 - 2033	370,914,081	56,188,104	11,213,123	2,151,984	64,712,797	15,454,044	520,634,134	15,310,000	5,473,344	541,417,478		
2034 - 2038	127,229,000	9,792,896	6,551,000	544,479	41,300,000	4,501,600	189,918,975	14,440,000	2,178,750	206,537,725		
2039 - 2043	<u>4,550,000</u>	<u>73,938</u>	<u>295,000</u>	<u>4,794</u>	<u>5,820,000</u>	<u>94,575</u>	<u>10,838,306</u>	<u>-</u>	<u>-</u>	<u>10,838,306</u>		
\$	<u><u>1,746,683,304</u></u>	<u><u>528,928,773</u></u>	<u><u>45,999,335</u></u>	<u><u>15,631,138</u></u>	<u><u>236,702,361</u></u>	<u><u>92,259,010</u></u>	<u><u>2,666,203,921</u></u>	<u><u>62,260,000</u></u>	<u><u>29,791,113</u></u>	<u><u>2,758,255,034</u></u>		

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(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2018 are as follows:

<u>Primary Government:</u>	<u>Interest Rates</u>	<u>Calendar Year Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Governmental Activities: General obligation bonds:				
2008, 2009A, 2009B CPI; 2009A TQSC, 2009B TESC; 2010A/B; 2011 TQSC, 2011A/11B, 2013A/B/C, 2014A, 2016A/B, 2017A/B, 2018A	1.615 - 6.05%	2038	\$ 2,673,041,304	\$ 1,746,683,304
Total governmental activities long-term bonded debt			<u>\$ 2,673,041,304</u>	<u>\$ 1,746,683,304</u>
	<u>Interest Rates</u>	<u>Calendar Year Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
<u>Business-type Activities:</u>				
2008, 2010A/B, 2011A/B, 2013A/B/C, 2014A, 2016B, 2017A/B, 2018A stormwater management - general obligation	2.25 - 5.50%	2038	\$ 287,302,361	\$ 236,702,361
2008, 2009A and 2009B, 2010A/B, 2011A/B, 2013A/B/C, 2014A, 2016A/B, 2017A/B, 2018A solid waste management system - general obligation	2.25 - 5.50%	2038	<u>\$ 119,654,335</u>	<u>\$ 45,999,335</u>
Total business-type activities long-term bonded debt			<u>\$ 406,956,696</u>	<u>\$ 282,701,696</u>
Total primary government long-term bonded debt			<u>\$ 3,079,998,000</u>	<u>\$ 2,029,385,000</u>
Component Units:				
Revenue bonds:				
Revenue Authority -				
2016 Special Obligation Bonds	4.375 - 5.00%	2038	\$ 28,000,000	\$ 28,000,000
Series 2018A/B Lease Revenue Refunding Bonds	3.98 - 5.00%	2030	\$ 33,755,000	\$ 33,755,000
Housing Authority -				
Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	\$ 1,465,000	\$ 505,000
Industrial Development Authority -				
2003A refunding lease revenue	2.0 - 5.125%	2019	27,430,000	-
2003B subordinated lease revenue	3.5 - 4.75%	2030	22,085,000	-
2009 taxable lease revenue bonds	0.64 - 6.169%	2030	<u>23,850,000</u>	-
Total Component Units revenue bonds			<u>\$ 136,585,000</u>	<u>\$ 62,260,000</u>
Total long-term bonded debt			<u>\$ 3,216,583,000</u>	<u>\$ 2,091,645,000</u>

(e) Bond Additions

On August 29, 2017, the Primary Government issued \$366,460,000 of General Obligation Consolidated Public Improvement Bonds, Series 2017A dated September 12, 2017, maturing on September 15 of the years 2018 through 2037 to provide funds for planning, construction, reconstruction, extension, enlargement, demolition, improvement or acquisition of certain capital projects. Of the total \$366,460,000 bonds issued, \$40,050,000 (\$28,940,000 for Stormwater and \$11,110,000 for Solid Waste) is reported as business-type activities and the remainder as governmental activities.

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On May 1, 2018, the Primary Government issued \$416,755,000 of General Obligation Consolidated Public Improvement Bonds, Series 2018A dated May 15, 2018, maturing on July 15 of the years 2019 through 2038 to provide funds for planning, construction, reconstruction, extension, enlargement, demolition, improvement or acquisition of certain capital projects.

Of the total \$416,755,000 bonds issued, \$84,800,000 (\$80,690,000 for Stormwater and \$4,110,000 for Solid Waste) is reported as business-type activities and the remainder as governmental activities.

On August 29, 2017, the Primary Government issued \$104,965,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2017B, dated September 12, 2017 to advance refund \$115,165,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2007B, dated June 1, 2007 and (ii) General Obligation Consolidated Public Improvement Bonds, Series 2011A, dated September 15, 2011.

Of the \$115,165,000 advance refunded bonds, \$23,530,000 (\$2,755,000 for Solid Waste and \$20,775,000 for Stormwater) was reported as business type activities.

(f) Bond Authorizations

The County Charter requires that any borrowing to finance capital projects must be authorized by an enabling act of the General Assembly of Maryland or by an enabling act of the County Council. The County Council is required by the Charter to submit to voter referendum any act enabling the County to borrow money to finance capital projects, except for school construction bonds. In addition, the County Council is required by the Charter to adopt a bond authorization act before bonds may be issued.

The amount of bonds enabled and authorized but not yet issued at June 30, 2018 is summarized as follows:

	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Enabled by authority of the State of Maryland:		
Health	\$ 22,144,000	9,280,000
Roads, parking and mass transit	1,025,398,000	183,361,000
Public buildings	692,710,765	181,433,000
Public Safety	634,913,000	152,407,000
	<u>\$ 2,375,165,765</u>	<u>526,481,000</u>

The legal debt limit and margin at June 30, 2018 were \$6,066,647,243 and \$4,681,921,561 respectively. The County was in compliance with all significant bond covenants at June 30, 2018.

(g) Advance Refunding

On August 29, 2017, the Primary Government issued \$104,965,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2017B, dated September 12, 2017 to advance refund \$115,165,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2007B, dated June 1, 2007 and (ii) General Obligation Consolidated Public Improvement Bonds, Series 2011A, dated September 15, 2011. Of the \$115,165,000 advance refunded bonds, \$23,530,000 (\$2,755,000 for Solid Waste and \$20,775,000 for Stormwater) is reported as business-type activities. The remaining \$91,635,000 Refunded Bonds relate to governmental activities. The net Refunding Bond proceeds of \$123,921,456 were deposited in an irrevocable trust with an escrow agent for purchase of U.S. government securities, together with interest earnings and cash on hand to pay the principal, interest and early redemption premium on all refunded bonds referenced above. The \$2,613,577 deferred outflow of resources generated by this refunding will be amortized over the remaining life of the refunded debt. The refunding was designed to restructure debt to effect reduction in overall debt service of \$15,554,098 and to net economic present value debt service savings of \$12,859,720. The Series 2017B refunding bonds generated total debt service savings of \$15,554,098 and net present value savings of \$12,859,720. The percent PV savings was 11.166%.

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(h) 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, 2018 follows:

- 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, 2018, \$63,210,000 of the refunded bonds outstanding that mature in the years 2019 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, 2018, \$102,520,000 of the refunded bonds outstanding that mature in the years 2019 through 2025 are considered defeased.
- On February 20, 2013, the Primary Government issued \$200,390,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2013B, dated February 5, 2013 to advance refund \$190,055,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 2005, dated Jul 1, 2005, (ii) General Obligation Consolidated Public Improvement Bonds, Series 2006, dated May 15, 2006, and (iii) General Obligation Consolidated Public Improvement Bonds, Series 2007 A, dated June 1, 2007. Of the \$190,055,000 advance refunded bonds, \$8,865,000 (\$6,765,000 for Stormwater and \$2,100,000 for Solid Waste) is reported as business-type activities. The remaining \$181,190,000 Refunded Bonds relate to governmental activities. At June 30, 2018, \$168,285,000 of the refunded bonds outstanding that mature in the years 2019 through 2028 are considered defeased.
- On June 07, 2016, the Primary Government issued \$58,350,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2016B, dated June 22, 2016 to advance refund \$66,155,000 of certain maturities of the County's General Obligation Consolidated Public Improvement Bonds, Series 2008, dated June 1, 2008. Of the \$66,155,000 advance refunded bonds, \$7,730,000 (\$5,470,000 for Stormwater and \$2,260,000 for Solid Waste) is reported as business-type activities. The remaining \$58,425,000 Refunded Bonds relate to governmental activities. At June 30, 2018, \$66,155,000 of the refunded bonds outstanding that mature in the years 2020 through 2029 are considered defeased.

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(14) Conduit Debt Transactions

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

As of June 30, 2018, there were one hundred and seventy-four series of Economic Development Revenue Bonds outstanding. The aggregate principal amount, for the five series issued after July 1, 1995 that remain outstanding, is \$118.8 million. The aggregate principal amount payable on June 30, 2018 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, 2018 are as follows.

Bond	Project	Issuance Date	Amount Issued	Amount Outstanding	Final Maturity
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2005	National Harbor Convention Center Project - Gaylord	05/11/2005	\$ 95,000,000	77,840,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	10,798,000	07/01/2035
Prince George's County, Maryland Special Obligation Bonds, Series 2005	National Harbor Project - Peterson	09/21/2005	65,000,000	54,470,000	07/01/2034
Prince George's County, Maryland Special Obligation Bonds, Series 1997A	Woodview Village Improvements Projects	10/25/2006	7,450,000	4,205,000	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	5,840,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project - Gaylord	04/02/2008	50,000,000	50,000,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project - Peterson	01/27/2009	35,000,000	34,357,000	01/01/2039
Prince George's County Woodmore Towne Centre at Glenarden SOB Developer Note, Series 2012	Woodmore Town Center	01/18/2012	17,000,000	13,639,632	01/01/2032
Prince George's County Brandywine Shopping Center Phase II SOB Developer Notes, Series 2014A	Brandywine Shopping Center	05/06/2014	2,220,000	1,875,865	01/01/2043
Prince George's County Brandywine Shopping Center Phase II SOB Developer Notes, Series 2014B	Brandywine Shopping Center	05/06/2014	2,280,000	1,926,564	01/01/2043
Prince George's County Town Center at Camp Springs SOB Developer Note, Series 2014A	Camp Springs Town Center	06/30/2014	4,900,000	4,420,916	01/01/2043
Prince George's County, Maryland Special Obligation Developer Note, Series 2015	Calvert Tract Project	09/17/2015	3,000,000	3,000,000	01/01/2035
Prince George's County Town Center at Camp Springs (Allure Apollo Project) SOB Developer Note, Series 2018 (Taxable)	Camp Springs Town Center (Allure Apollo Project)	04/24/2018	6,200,000	6,200,000	04/01/2048
			<u>\$ 308,255,000</u>	<u>268,572,977</u>	

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(16) Other Long-term and Short-term Debt

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

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>
Net Pension Liability	\$ 1,493,338,575	-	156,211,376	\$ 1,337,127,199
OPEB obligations	643,155,602	-	643,155,602	-
Net OPEB Liability	-	1,557,734,899	-	1,557,734,899
Net Pension Liability - LOSAP	117,961,053	13,535,423	4,633,942	126,862,534
Compensated absences and termination benefits payable	74,990,059	51,207,531	49,810,314	76,387,276
Estimated liabilities on pending claims and judgements	176,193,906	98,164,795	114,966,825	159,391,876
Capital lease obligations	61,140,500	41,604,000	12,846,724	89,897,776
Notes payable:				
Purchase agreements and certificates of participation	51,505,000	104,000,000	5,435,000	150,070,000
University of Maryland, College Park	1,418,480	-	-	1,418,480
Commercial Building Loan Fund	2,295,000	-	268,000	2,027,000
Total notes payable	<u>55,218,480</u>	<u>104,000,000</u>	<u>5,703,000</u>	<u>153,515,480</u>
	<u>\$ 2,621,998,175</u>	<u>1,866,246,648</u>	<u>987,327,783</u>	<u>\$ 3,500,917,040</u>

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

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>
Compensated absences and termination benefits payable	\$ 2,312,048	2,087,521	2,183,936	\$ 2,215,633
Landfill closure / postclosure costs	90,495,421	2,340,713	-	92,836,134
Net Pension Liability	22,778,115	-	2,998,557	19,779,558
Net OPEB Liability	-	48,969,101	-	48,969,101
Notes payable:				
Purchase agreements and certificates of participation	6,193,448	651,000	896,582	5,947,866
Total notes payable	<u>6,193,448</u>	<u>651,000</u>	<u>896,582</u>	<u>5,947,866</u>
	<u>\$ 121,779,032</u>	<u>5,079,234</u>	<u>6,079,075</u>	<u>\$ 120,779,191</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, \$1,369,637 (\$1,330,021 within one year, and \$39,616 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.

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a) Capital Lease Obligations

The County entered into agreements with Grant Capital Management, Banc of America Public Capital Corporation, and Old Line Bank to finance the purchase of snow removal equipment and Fire/EMS ambulances in April of 2011; snow removal equipment and Fire/EMS ambulances in May 2013; Fire/EMS ambulances and other Public Safety vehicles in June 2014; Public Safety and other County agency vehicles and equipment in June 2015; Fire equipment Self Contained Breathing Apparatus (SCBA) in April 2016; Public Safety and other County agency vehicles in December 2016; Public Safety and other County agency vehicles in June 2017; and Public Safety vehicles and other County agency equipment in December 2017.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. In December 2017 the County entered into a lease agreement for \$7,849,000 of this amount \$2,161,138 was spent as of June 30, 2018.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 75,028,447
Less: Accumulated depreciation	<u>(37,954,285)</u>
Total	<u><u>\$ 37,074,162</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

<u>Year ending June 30</u>	Governmental Activities
2019	\$20,563,824
2020	15,674,557
2021	13,627,947
2022	11,591,958
2023	11,599,644
2024-2028	22,268,400
2029-2030	<u>6,876,006</u>
Total minimum lease payments	102,202,336
Less: amount representing interest	<u>(12,304,560)</u>
Present value of minimum lease payments	<u><u>\$89,897,776</u></u>

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b) Pension Liability and OPEB Liability

The Net Pension Liability represents the difference between the actuarially determined total pension liability and plan fiduciary net position and Net OPEB liability represents the difference between the actuarially required and the actual employer contributions. The balance as of June 30, 2018 for the Pension and OPEB liabilities was \$1,356,906,757 (see note 9 – Pension Plans) and \$1,606,704,000 (see note 10 – Postemployment Benefits Other Than Pensions), respectively.

c) Compensated Absences and Termination Benefits

County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation in full, and for sick leave in varying amounts based on years of service. Participants in the plans administered by the State Retirement and Pension System of Maryland may apply accrued sick leave as service credits toward retirement. An employee separated or dismissed from County employment is entitled to payment for any accrued, unused annual leave as authorized by the appropriate salary schedule or collective bargaining agreement.

Vested or accumulated vacation and sick leave that relates to employees who terminated employment with the County on or before June 30, 2018 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, 2018 (in thousands):

	Primary Government					
	Governmental Activities	Business-type Activities			Total	Component Units
		Solid Waste	Stormwater Management			
Primary Government	\$ 76,387	854	1,362	2,216	78,603	-
Component Units:						
Board of Education	-	-	-	-	-	67,739
Housing Authority	-	-	-	-	-	446
Memorial Library	-	-	-	-	-	1,697
Community College	-	-	-	-	-	2,264
	76,387	854	1,362	2,216	78,603	72,146
Less current portion	49,810	854	1,330	2,184	51,994	3,316
Total long-term portion	\$ 26,577	-	32	32	26,609	68,830

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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, 2018 (in thousands):

Year ending <u>June 30,</u>	<u>Primary Government</u>							
	<u>Governmental Activities</u>		<u>Business-type Activities</u>			<u>Component Units</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 7,395	5,553	1,025	104	14,077			14,077
2020	7,635	5,206	1,044	85	13,970			13,970
2021	7,845	4,846	1,063	66	13,820			13,820
2022	7,945	4,484	1,083	47	13,559			13,559
2023	7,920	4,117	1,103	27	13,167			13,167
2024- 2028	26,575	16,164	629	7	43,375			43,375
2029- 2033	20,210	11,780			31,990			31,990
2034-2038	18,425	8,870			27,295			27,295
2039-2043	21,360	5,776			27,136			27,136
2044-2048	24,760	2,059			26,819			26,819
Total note payments \$	<u>150,070</u>	<u>68,855</u>	<u>5,947</u>	<u>336</u>	<u>225,208</u>	<u>-</u>	<u>-</u>	<u>225,208</u>

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(ii) Other General Long-Term Debt Notes Payable

The Primary Government entered into an agreement with The State of Maryland for the Use of the University System of Maryland on behalf of Its Constituent Institution, The University of Maryland, College Park, to convey to Prince George's County, Maryland Property and, in addition, a Utility Relocation Easement in exchange for equal value in the form of certain public works projects to be performed by the County or, alternatively, deferred cash payment by the County. Consummation of the conveyance of the Property occurred on November 16, 2016. The parties agreed that the fair market value of the Property and the Easements is \$1,418,480. At any time before the fifth

anniversary of the date of Closing, the County may satisfy its payment obligation by identifying, funding, and completing one or more public works and engineering projects that are mutually agreed upon, in writing, by the University, the University System of Maryland, the Maryland Board of Public Works and the County. The cost at completion of the projects will not be less than the FMV plus interest at an annual rate of 2%, compounded annually, on each anniversary of the date of closing.

If the County fails to identify, fully fund and commence construction of mutually agreeable projects at a cost at least equal to the FMV by the fifth anniversary of the date of closing, the County shall pay the FMV plus accrued interest to the University. At June 30, 2018, \$1,418,480 was outstanding.

The Primary Government entered into an agreement with HUD to administer a \$10,000,000 Section 108 Commercial Building Loan Fund.

The first project financed under the loan fund was a \$2,000,000 loan paid to a private partnership for land acquisition. The first principal payment of \$165,000 was paid August 1, 2002.

The loan was paid in full on August 1, 2011. The second project financed under the loan fund was a \$2,600,000 loan paid to a developer for the construction of a restaurant.

The developer is responsible for servicing the loan balance that matures August 1, 2022, at rates ranging from 1.21% to 5.69%. At June 30, 2018, \$1,179,000 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, 2018, \$848,000 was outstanding. The fourth project financed under this loan was a \$1,837,000 loan paid to a sign manufacturing company for building acquisition and construction renovations to relocate the company. The first principal payment of \$46,000 was paid on August 1, 2006. The loan was paid in full on February 1, 2017.

Following is a schedule by year of future principal and interest payments as of June 30, 2018 (in thousands):

Primary Government - Governmental Activities

Year ending	<u>CBLF</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2019	\$ 293	107	400
2020	312	90	402
2021	325	72	397
2022	355	53	408
2023	577	26	603
2024- 2026	165	5	170
* Total note payments	<u>\$ 2,027</u>	<u>353</u>	<u>2,380</u>

* Does not include a note for 1,418,000. Does not have an amortization table.

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(17) Fund Balance Policy and Reporting

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

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

A schedule of fund balance classifications at June 30, 2018 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	\$ 163,545,165	\$ 163,545,165	\$ -	\$ -	\$ -
General Government	3,262,173	-	-	3,262,173	-
Public safety	59,560,741	-	-	59,560,741	-
Health and human services	5,250,237	-	-	5,250,237	-
Infrastructure and development	63,165,151	-	-	63,165,151	-
Education	84,142,224	-	-	84,142,224	-
Debt Service	51,440,071	-	447,618	-	50,992,453
Restricted for other purposes					
Domestic Violence	245,613	-	-	-	245,613
Drug Enforcement and Education	7,809,418	-	-	-	7,809,418
Unspent Proceeds from debt issuances:					
Equipment purchases	11,645,462	11,645,462	-	-	-
Total restricted fund balances	\$450,066,255	175,190,627	\$ 447,618	\$ 215,380,526	\$ 59,047,484

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	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Nonspendable:					
Inventory	\$ 3,093,439	\$ 3,093,439	\$ -	\$ -	\$ -
Committed Fund Balance					
Operating Reserve	\$ 65,418,066	65,418,066	\$ -	\$ -	\$ -
Infrastructure and development	29,924	-	-	29,924	-
Environmental	3,016,508	-	-	3,016,508	-
Total committed fund balances	<u>\$ 68,464,498</u>	<u>65,418,066</u>	<u>\$ -</u>	<u>\$ 3,046,432</u>	<u>\$ -</u>
Assigned Fund Balance					
Economic Development	\$ 35,636,440	\$ 35,636,440	\$ -	\$ -	\$ -
Property Sales and Acquisitions	1,385,696	1,385,696	-	-	-
Drug Enforcement and Education	3,953,466	-	-	-	3,953,466
Other	17,328,773	17,328,773	-	-	-
Total assigned fund balances	<u>\$ 58,304,375</u>	<u>54,350,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,953,466</u>
Unassigned:	\$ 229,965,917	\$ 229,965,917	\$ -	\$ -	\$ -
Total fund balance	<u><u>\$ 809,894,484</u></u>	<u><u>\$ 528,018,958</u></u>	<u><u>\$ 447,618</u></u>	<u><u>\$ 218,426,958</u></u>	<u><u>\$ 63,000,950</u></u>

(18) Encumbrances

Certain governmental funds use encumbrance accounting for budgetary purposes. Encumbrances represent claims against appropriations for purchase order and executed contracts that have not been expended. All outstanding encumbrances were closed as of the end of fiscal year 2018.

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(19) Tax Abatements

A tax abatement as defined by GASB 77 is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity through which the government promises to forgo tax revenues to which they are otherwise entitled, and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefit the government or its citizens. As of June 30, 2018, the County provides tax abatements through the following programs:

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

Enterprise Zone Tax Abatement Program Amount of Taxes Abated: Real Property - \$1,558,196, Personal Property - \$26,364

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

Payment in Lieu of Taxes Tax Abatement Program Amount of Taxes Abated: \$1,639,955

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

Admissions and Amusement Tax Abatement Program Amount of Taxes Abated: \$1,523,714

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

(20) Summary Disclosure of Significant Contingencies

(a) Litigation

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

(b) Contingent Liabilities

(i) Questioned Costs

The County participates in a number of Federally-assisted grant programs. These programs are currently under examination in accordance with Uniform Grant Guidance. The final results of this examination for fiscal year 2018 have not yet been determined. The amount of expenditures which may be disallowed by the granting agencies cannot be specifically determined at this time. The County expects any disallowed costs to be immaterial, as has been the case in previous audits.

(ii) Brown Station Road Landfill

The Primary Government owns and operates the Brown Station Road Landfill, which is accounted for in the Solid Waste Enterprise Fund. Phase I of the landfill was closed in September 1993 after 25 years of operation. Phase II of the landfill began operations on May 13, 1992 and approximately 78.4% of total estimated capacity has been utilized as of June 30, 2018. It is expected to operate through the year 2028.

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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 \$17.3 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$69.5 million. Estimated costs are "as if incurred" in fiscal year 2018 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, 2018, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$62.8 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, 2018, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$101,428,091 for landfill closure costs for Brown Station Road Landfill as well as Sandy Hill Landfill.

(iii) Sandy Hill Landfill

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

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

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

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

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(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>	
2019	14,768
2020	10,559
2021	10,769
2022	10,987
2023-2027	57,277
2028-2032	56,747
2033-2037	<u>53,784</u>
	<u>\$ 214,891</u>

During fiscal year 2018, rent expense under these lease agreements amounted to approximately \$14.6 million.

(21) Joint Ventures

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

(a) Washington Suburban Transit Commission (WSTC)

The WSTC is a State of Maryland bi-county agency, which receives funds from Montgomery and Prince George's Counties, both of which participate in the Washington Metropolitan Area Transit Authority (WMATA), to construct and maintain a cohesive and uniform transportation system. WSTC is composed of seven members; two from each county, two members appointed by the Governor of Maryland, and one ex officio representative from the Maryland Department of Transportation. WSTC acts as a coordinator for transit-related information and provides a forum for the discussion, formulation and transmittal of Federal, state and local funds paid to WMATA on behalf of the Maryland region. The annual operating costs of WSTC are shared equally by Montgomery and Prince George's Counties. The Primary Government's share of these costs for fiscal year 2018 amounted to \$93,504.

(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, 2018, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$61,061,181.

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Notes Financial Statements

(c) Washington Metropolitan Area Transit Authority (WMATA)

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

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

(d) Washington Suburban Sanitary Commission (WSSC)

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

(e) Availability of Financial Statements

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

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

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

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

Washington Suburban Sanitary Commission
14501 Sweitzer Lane
Laurel, Maryland 2979

(22) Jointly Governed Organization

The Metropolitan Washington Council of Governments (COG) provides resources to participating local governments within the Washington, D.C. metropolitan area for a regional approach to local urban problems, emphasizing regional planning, community and economic development and conservation. Under COG's bylaws, contributions of participating local governments are calculated on a per capita basis. The twenty-four board members are elected by the local jurisdiction which they represent; two members are appointed by the Primary Government. The Primary Government's fiscal year 2018 contributions to COG amounted to approximately \$590,264.

(23) Subsequent events

On September 12, 2018, the County issued Certificate of Participation 2018 in the amount of \$91,985,000,000. The Series 2018 Certificates were being issued in order to fund the County's contribution for a portion of the costs of the design, construction and equipping of the Capital Region Medical Center to be located in Largo, Maryland and to pay the costs of issuance of the Series 2018 Certificates.



REQUIRED SUPPLEMENTARY INFORMATION

Prince Georges County Maryland
Post-Employment Other than Pensions Plan (OPEB)
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Fiscal Year 2017 through 2018⁽¹⁾

Fiscal year ending June 30	2018	2017
Total OPEB liability		
Service cost	59,743	58,284
Interest	60,597	59,161
Changes of benefit terms	-	-
Differences between expected and actual experience	22,282	8,216
Changes of assumptions	(124,593)	-
Benefit payments	<u>(57,567)</u>	<u>(41,245)</u>
Net change in total OPEB liability	(39,538)	84,416
Total OPEB liability - beginning	<u>1,700,131</u>	<u>1,652,476</u>
Total OPEB liability - ending (a)	<u>\$ 1,660,593</u>	<u>\$ 1,736,892</u>
 Plan fiduciary net position		
Contributions - employer	\$ 44,448.00	\$ 35,698.00
Contributions - employee	13,899	13,750
Net investment income	2,656	3,012
Benefit payments	(57,567)	(41,245)
Administrative expense	<u>(1,250)</u>	<u>(1,300)</u>
Net change in plan fiduciary net position	2,186	9,915
Total fiduciary net position - beginning	<u>51,703</u>	<u>51,661</u>
Total fiduciary net position - ending (b)	<u>\$ 53,889</u>	<u>\$ 61,576</u>
 City's net OPEB liability - ending (a) - (b)	<u>\$ 1,606,704</u>	<u>\$ 1,675,316</u>

⁽¹⁾ GASB 74 implemented in Fiscal Year 2017. Ultimately 10 years will be displayed.

⁽²⁾ GASB74 was effective first for employer fiscal year beginning after June 15, 2017.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

Fiscal year ending June 30	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 194,600	\$ 187,000	187,400	180,400	218,900
Interest	939,446	899,836	854,877	836,587	789,219
Benefit changes	-	-	-	-	-
Difference between expected and actual experience	(860,507)	120,092	186,157	(154,697)	-
Assumption changes	-	-	-	-	256,389
Benefit payments	(685,272)	(628,337)	(599,487)	(572,118)	(603,003)
Refunds	(41,406)	(11,606)	(18,593)	(53,345)	-
Net change in total pension liability	<u>(453,139)</u>	<u>566,985</u>	<u>610,354</u>	<u>236,827</u>	<u>661,505</u>
Total pension liability - beginning	<u>12,787,171</u>	<u>12,220,186</u>	<u>11,609,832</u>	<u>11,373,005</u>	<u>10,711,500</u>
Total pension liability - ending (a)	<u>\$ 12,334,032</u>	<u>\$ 12,787,171</u>	<u>12,220,186</u>	<u>11,609,832</u>	<u>11,373,005</u>
Plan fiduciary net position					
Employer contributions	467,026	436,162	474,312	511,188	455,754
Employee contributions	181,882	169,640	181,788	198,816	177,317
Net investment income	1,030,499	544,896	(52,155)	232,048	1,014,503
Benefit payments	(685,272)	(628,337)	(599,487)	(572,118)	(603,003)
Refunds	(41,406)	(11,606)	(18,593)	(53,345)	-
Administrative expense	(62,079)	(68,218)	(67,687)	(65,939)	(57,930)
Net transfers	-	-	-	-	(4,197)
Net change in plan fiduciary net position	<u>890,650</u>	<u>442,537</u>	<u>(81,822)</u>	<u>250,650</u>	<u>982,444</u>
Plan fiduciary net position - beginning	<u>7,603,829</u>	<u>7,161,292</u>	<u>7,243,114</u>	<u>6,992,464</u>	<u>6,010,020</u>
Plan fiduciary net position - end (b)	<u>\$ 8,494,479</u>	<u>\$ 7,603,829</u>	<u>7,161,292</u>	<u>7,243,114</u>	<u>6,992,464</u>
Net Pension Asset - (a) - (b)	<u>\$ 3,839,553</u>	<u>\$ 5,183,342</u>	<u>5,058,894</u>	<u>4,366,718</u>	<u>4,380,541</u>
Plan fiduciary net position as a percentage of total pension liability	68.87%	59.46%	58.60%	62.39%	61.48%
Covered payroll ⁽²⁾	\$ 3,930,800	\$ 4,005,800	3,987,900	3,871,700	3,638,800
Net pension liability as a percentage of covered payroll	97.68%	129.40%	126.86%	112.79%	120.38%

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

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

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

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

⁽²⁾ Payroll from actuarial valuation performed at fiscal year end.

Prince Georges County Maryland
Maryland State Retirement and Pension System
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Fiscal Year 2014 through 2018⁽¹⁾

Measurement Date	2017	2016	2015	2014
County's proportionate share of net pension liability	0.6194649%	0.6861117%	0.7289217%	0.6960475%
County's proportionate share of net pension liability	\$ 133,951,230	\$ 161,881,386	151,482,409	123,525,669
County's covered payroll	\$ 199,388,943	\$ 198,403,627	195,770,350	196,774,400
County's proportionate share of the net pension liability as a percentage of its covered payroll	67.18%	81.59%	77.38%	62.78%
Plan fiduciary net position as a percentage of the total pension liability	68.78%	68.78%	68.78%	71.87%

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

Prince Georges County Maryland
Length of Service Awards Program
Required Supplementary Information
Schedule of Changes in Pension Liability
Fiscal Year 2018⁽¹⁾

Actuarial Valuation Date	July 1, 2017	July 1, 2016
Measurement Date	June 30, 2018	June 30, 2017
Employer Fiscal Year Ending Date for GASB 73	June 30, 2018	June 30, 2017
Total Pension Liability		
Service cost	\$ 489,440	\$ 539,067
Difference between expected and actual experience	1,290,640	-
Assumption changes	(1,237,419)	(13,460,974)
Refunds	-	-
Net change in total pension liability	<u>8,901,481</u>	<u>(12,902,261)</u>
Total pension liability - beginning	<u>117,961,053</u>	<u>130,863,314</u>
Total pension liability - ending (a)	<u>\$ 126,862,534</u>	<u>\$ 117,961,053</u>
Covered payroll	\$ -	\$ -
Total pension liability as a percentage of covered payroll	N/A	N/A

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

The change in Total Pension Liability due to the change in the Single Discount rate from 3.56 percent as of the beginning of the year to 3.62 percent as of the end of the year is included as an assumption change.

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Actuarially determined contribution	\$ 65,648,402	\$ 61,636,821	\$ 58,726,423	\$ 65,705,413	\$ 66,113,037	\$ 56,265,491	\$ 52,792,772	\$ 47,358,991	\$ 40,746,884	\$ 41,312,456
Contributions in relation to the actuarially determined contribution	65,648,402	61,636,821	58,726,423	65,705,413	66,113,037	56,265,491	52,792,772	47,358,991	40,746,884	41,312,456
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 132,727,218	\$ 125,322,184	\$ 119,399,271	\$ 121,869,863	\$ 132,856,596	\$ 113,612,283	\$ 110,472,635	\$ 105,941,115	\$ 105,067,297	\$ 110,266,912
Contributions as a percentage of covered payroll	49.46%	49.18%	49.18%	53.91%	49.76%	49.52%	47.79%	44.70%	38.78%	37.47%
Fire										
Actuarially determined contribution	\$ 42,487,727	\$ 39,887,570	\$ 38,078,591	\$ 37,391,396	\$ 34,826,767	\$ 29,993,835	\$ 31,141,432	\$ 25,956,943	\$ 23,247,348	\$ 25,628,801
Contributions in relation to the actuarially determined contribution	42,487,727	39,887,570	38,078,591	37,391,396	34,826,767	29,993,835	31,141,432	25,956,943	23,247,348	25,628,801
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 68,350,412	\$ 63,976,346	\$ 60,833,272	\$ 58,868,793	\$ 61,520,842	\$ 51,609,161	\$ 58,769,965	\$ 49,076,124	\$ 48,791,822	\$ 54,472,521
Contributions as a percentage of covered payroll	62.16%	62.35%	62.60%	63.52%	56.61%	58.12%	52.99%	52.89%	47.65%	47.05%
Deputy Sheriff's Comprehensive										
Actuarially determined contribution	\$ 8,042,355	\$ 6,841,157	\$ 6,780,148	\$ 6,613,913	\$ 5,853,975	\$ 5,171,709	\$ 5,243,696	\$ 4,627,135	\$ 3,898,491	\$ 4,110,295
Contributions in relation to the actuarially determined contribution	8,042,355	6,841,157	6,780,148	6,613,913	5,853,975	5,171,709	5,243,696	4,627,135	3,898,491	4,110,295
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 18,114,070	\$ 15,470,323	\$ 15,130,115	\$ 14,760,637	\$ 14,819,114	\$ 13,408,926	\$ 13,689,694	\$ 13,180,174	\$ 13,060,220	\$ 13,868,817
Contributions as a percentage of covered payroll	44.40%	44.22%	44.81%	44.81%	39.50%	38.57%	38.30%	35.11%	29.85%	29.64%
Correctional Officers' Comprehensive										
Actuarially determined contribution	\$ 9,794,685	\$ 9,263,190	\$ 9,525,885	\$ 9,198,374	\$ 7,363,022	\$ 6,361,469	\$ 6,655,547	\$ 6,196,486	\$ 5,082,212	\$ 5,001,190
Contributions in relation to the actuarially determined contribution	9,794,685	9,263,190	9,525,885	9,198,374	7,363,022	6,361,469	6,655,547	6,196,486	5,082,212	5,001,190
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 27,442,054	\$ 26,127,022	\$ 26,668,372	\$ 25,545,117	\$ 26,087,235	\$ 23,470,084	\$ 25,215,683	\$ 24,347,628	\$ 23,217,583	\$ 24,013,591
Contributions as a percentage of covered payroll	35.69%	35.45%	35.72%	36.01%	28.22%	27.10%	26.39%	25.45%	21.89%	20.83%
Deputy Sheriff's Supplemental										
Actuarially determined contribution	\$ 819,100	\$ 809,300	\$ 846,400	\$ 815,900	\$ 768,500	\$ 652,200	\$ 274,717	\$ 257,053	\$ 255,608	\$ 214,001
Contributions in relation to the actuarially determined contribution	819,100	809,300	846,400	815,900	768,500	652,200	274,717	257,053	255,608	214,001
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 318,671	\$ 458,558	\$ 506,489	\$ 579,946	\$ 558,262	\$ 717,237	\$ 1,021,708	\$ 1,105,715	\$ 1,307,494	\$ 1,259,659
Contributions as a percentage of covered payroll	257.04%	176.49%	167.11%	140.69%	137.66%	90.93%	26.89%	23.25%	19.55%	16.99%

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Correctional Officers' Supplemental										
Actuarially determined contribution	\$ 406,628	\$ 517,388	\$ 620,834	\$ 675,703	\$ 559,655	\$ 528,851	\$ 568,320	\$ 546,421	\$ 142,397	\$ 149,743
Contributions in relation to the actuarially determined contribution	406,628	517,388	620,834	675,703	559,655	528,851	568,320	546,421	142,397	149,743
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 950,013	\$ 1,211,915	\$ 1,451,278	\$ 1,567,767	\$ 1,613,254	\$ 1,547,850	\$ 1,689,161	\$ 1,726,284	\$ 1,825,432	\$ 1,940,038
Contributions as a percentage of covered payroll	42.80%	42.69%	42.78%	43.10%	34.69%	34.17%	33.65%	31.65%	7.80%	7.72%
Crossing Guards										
Actuarially determined contribution	\$ 80,300	\$ 77,415	\$ 85,297	\$ 87,270	\$ 81,888	\$ 86,674	\$ 85,002	\$ 79,090	\$ 74,880	\$ 85,965
Contributions in relation to the actuarially determined contribution	80,300	77,415	85,297	87,270	81,888	86,674	85,002	79,090	74,880	85,965
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,515,563	\$ 1,458,659	\$ 1,606,345	\$ 1,568,767	\$ 1,478,859	\$ 1,576,052	\$ 1,560,515	\$ 1,480,461	\$ 1,635,018	\$ 1,666,680
Contributions as a percentage of covered payroll	5.30%	5.31%	5.31%	5.56%	5.54%	5.50%	5.45%	5.34%	4.58%	5.16%
AFSCME										
Actuarially determined contribution	\$ 3,097,126	\$ 3,034,645	\$ 3,248,913	\$ 4,203,607	\$ 3,924,252	\$ 3,876,642	\$ 4,063,116	\$ 3,907,035	\$ 3,761,772	\$ 4,100,704
Contributions in relation to the actuarially determined contribution	3,097,126	3,034,645	3,248,913	4,203,607	3,924,252	3,876,642	4,063,116	3,907,035	3,761,772	4,100,704
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 47,442,986	\$ 46,925,851	\$ 50,063,087	\$ 51,962,760	\$ 54,596,819	\$ 54,115,932	\$ 56,189,039	\$ 54,702,748	\$ 57,385,298	\$ 59,410,466
Contributions as a percentage of covered payroll	6.53%	6.47%	6.49%	8.09%	7.19%	7.16%	7.23%	7.14%	6.56%	6.90%
General Schedule										
Actuarially determined contribution	\$ 7,144,886	\$ 6,432,619	\$ 6,607,768	\$ 7,757,860	\$ 7,189,526	\$ 6,269,930	\$ 6,225,415	\$ 5,687,109	\$ 5,355,284	\$ 5,477,978
Contributions in relation to the actuarially determined contribution	7,144,886	6,432,619	6,607,768	7,757,860	7,189,526	6,269,930	6,225,415	5,687,109	5,355,284	5,477,978
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 99,248,176	\$ 89,346,878	\$ 91,566,772	\$ 92,547,260	\$ 96,687,856	\$ 83,866,383	\$ 84,317,601	\$ 79,224,231	\$ 81,358,176	\$ 81,562,184
Contributions as a percentage of covered payroll	7.20%	7.20%	7.22%	8.38%	7.44%	7.48%	7.38%	7.18%	6.58%	6.72%
Fire Civilian										
Actuarially determined contribution	\$ 467,026	\$ 436,162	\$ 474,312	\$ 511,188	\$ 455,754	\$ 412,724	\$ 425,660	\$ 374,931	\$ 339,173	\$ 346,042
Contributions in relation to the actuarially determined contribution	467,026	436,162	474,312	511,188	455,754	412,724	425,660	374,931	339,173	346,042
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,936,834	\$ 3,671,858	\$ 3,934,806	\$ 3,772,598	\$ 4,007,893	\$ 3,634,202	\$ 3,879,187	\$ 3,935,198	\$ 4,213,435	\$ 4,280,833
Contributions as a percentage of covered payroll	11.86%	11.88%	12.05%	13.55%	11.37%	11.36%	10.97%	9.53%	8.05%	8.08%

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police Civilian										
Actuarially determined contribution	\$ 810,064	\$ 746,382	\$ 845,730	\$ 1,089,407	\$ 1,068,827	\$ 998,499	\$ 1,050,281	\$ 968,151	\$ 882,194	\$ 956,128
Contributions in relation to the actuarially determined contribution	810,064	746,382	845,730	1,089,407	1,068,827	998,499	1,050,281	968,151	882,194	956,128
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 17,327,807	\$ 15,614,385	\$ 17,408,900	\$ 17,614,642	\$ 19,058,383	\$ 17,251,532	\$ 17,910,236	\$ 17,347,443	\$ 17,631,392	\$ 17,799,883
Contributions as a percentage of payroll	4.67%	4.78%	4.86%	6.18%	5.61%	5.79%	5.86%	5.58%	5.00%	5.37%

Prince Georges County Maryland
 Required Supplementary Information
 Schedule of County Contributions
 Fiscal Year 2014 through 2017

	2017	2016	2015	2014
MSRPS				
Contractually required contribution	\$ 12,613,132	\$ 13,366,027	\$ 15,363,699	\$ 16,220,418
Contributions in relation to the contractually determined contribution	12,613,132	13,366,027	15,363,699	16,220,418
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 199,388,943	\$ 198,403,627	\$ 195,770,350	\$ 196,774,400
Contributions as a percentage of covered-payroll	6.33%	6.74%	7.85%	8.24%

Prince Georges County Maryland
 Post-Employment Other than Pensions Plan (OPEB)
 Required Supplementary Information
 Schedule of Contribution
 Fiscal Year 2017 through 2018⁽¹⁾

	2018	2017
OPEB		
Fiscal year ending June 30		
Actuarially Determined Contribution	\$ 40,974	\$ 121,978
Contribution made in relation to the actuarially determined contribution	(40,974)	35,698
Contribution Deficiency (Excess)	\$ -	\$ (86,280)
Covered payroll	\$ 552,125	\$ 536,044
OPEB Contribution as a percentage of payroll	7.42%	6.66%

⁽¹⁾ GASB74 implemented in Fiscal Year 2017. Ultimately 10 years will be displayed.

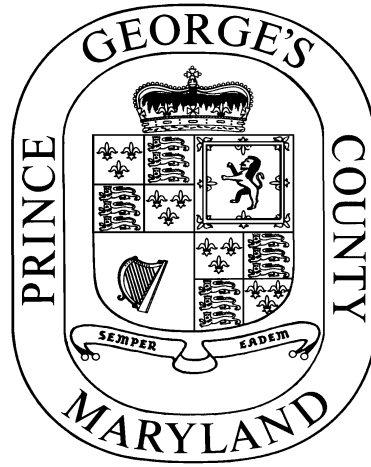
Prince Georges County Maryland
 Post-Employment Other than Pensions Plan (OPEB)
 Required Supplementary Information
 Schedule of Investment Returns
 Fiscal Year 2017 through 2018⁽¹⁾

	2018	2017
Fiscal year ending June 30		
Money-weighted rate of return, net of investment expense	5.21%	6.79%

⁽¹⁾ GASB74 implemented in Fiscal Year 2017. Ultimately 10 years will be displayed.

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.



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, 2018

<u>Assets</u>		<u>Liabilities, Deferred Inflow of Resources, and Fund Balance</u>	
Cash and investments	\$ 405,932,879	Liabilities:	
Taxes receivable:		Compensated absences and termination benefits payable	\$ 342,031
Property taxes	19,509,401	Accounts payable	44,494,228
Less allowance for uncollectible taxes	<u>(12,273,946)</u>	Accrued costs	31,561,833
Net property taxes	<u>7,235,455</u>	Unearned revenue	16,380,267
Accounts receivable	50,438,617	Deposits	28,709,526
Less allowance for uncollectible accounts	<u>(859,485)</u>	Due to Revenue Authority	368
Net accounts receivable	<u>49,579,132</u>	Total liabilities	<u>121,488,253</u>
Notes receivable	17,746,161	Deferred Inflow of Resources:	
		Unavailable revenue - income taxes	66,726,579
		Unavailable revenue - property tax	7,235,455
		Unavailable revenue - other	<u>1,365,893</u>
		Total deferred inflow of resources	<u>75,327,927</u>
Accrued interest receivable	1,502,404		75,327,927
Due from other funds:		Fund balance:	
Capital Projects	71,500,000	Nonspendable	3,093,439
Stormwater Management	-	Restricted	
OPEB	<u>3,000,000</u>	Economic stabilization	163,545,165
Total due from other funds	<u>74,500,000</u>	Equipment purchases	<u>11,645,462</u>
		Total Restricted	<u>175,190,627</u>
Due from component units:		Committed - Operating Reserve	65,418,066
Housing Authority, net of allowance	5,311,589	Assigned	
Revenue Authority	328,293	Economic Development	35,636,440
Community Television	<u>450,000</u>	Local Impact Grant	705,991
Total due from component units	<u>6,089,882</u>	Summer Youth Enrichment Program	1,384,935
		Property Sales and Acquisition	1,385,696
Due from other governmental units:		Other	<u>15,237,847</u>
State	135,535,691	Total Assigned	<u>54,350,909</u>
Federal	99,265		
Other	<u>10,111,494</u>	Unassigned	<u>229,965,917</u>
Total due from other governmental units	<u>145,746,450</u>		
Inventories, at average cost	3,093,439	Total fund balance	<u>528,018,958</u>
Cash and investments-restricted	13,359,336		
Other assets	<u>50,000</u>		
	<u>\$ 724,835,138</u>		<u>\$ 724,835,138</u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Revenue, Expenditures, and Changes in Fund Balance
 General Fund
 For the year ended June 30, 2018

Revenues:	
Taxes	\$ 1,791,610,065
Licenses and permits	60,323,830
Fines and forfeitures	14,445,690
Use of money and property	15,180,608
Charges for services	51,021,651
Intergovernmental	34,650,374
Miscellaneous	<u>1,978,876</u>
Total revenues	<u>1,969,211,094</u>
Expenditures:	
General government	359,666,000
Public safety	695,446,552
Environmental	4,297,807
Health and Human Services	33,720,374
Infrastructure and Development	34,365,002
Payments to component units	800,572,500
Debt Service	<u>23,255,067</u>
Total expenditures	<u>1,951,323,302</u>
Excess of revenues over expenditures	<u>17,887,792</u>
Other financing sources (uses):	
Purchase agreement financing	150,225,805
Transfers out - other funds	<u>(106,169,483)</u>
Total other financing sources (uses)	<u>44,056,322</u>
Excess of revenues and other financing sources under expenditures and other uses	<u>61,944,114</u>
Fund balance, beginning of year	<u>466,074,844</u>
Fund balance, end of year	<u>\$ 528,018,958</u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Budget As Revised	Actual Revenues			Variance Positive (Negative)	
		General Fund	Economic Incentive	Property Management		Total
General property taxes:						
Real property (net of credits)	\$ 770,763,400	778,402,667	-	-	778,402,667	7,639,267
Unincorporated business personal property	4,695,900	1,379,318	-	-	1,379,318	(3,316,582)
Railroad and public utility	35,079,500	36,644,067	-	-	36,644,067	1,564,567
Corporate personal property	36,421,800	45,048,727	-	-	45,048,727	8,626,927
Total general property taxes	846,960,600	861,474,779	-	-	861,474,779	14,514,179
Local taxes:						
Income	601,807,800	567,885,778	-	-	567,885,778	(33,922,022)
State income disparity grant	30,877,200	30,877,226	-	-	30,877,226	26
Recordation	43,398,200	56,819,453	-	-	56,819,453	13,421,253
Interest and penalties on delinquent taxes	3,325,800	3,419,093	-	-	3,419,093	93,293
Transfer	108,193,600	138,539,045	-	-	138,539,045	30,345,445
Trailer camp	35,000	39,090	-	-	39,090	4,090
Hotel/motel	11,737,800	10,145,908	-	-	10,145,908	(1,591,892)
Amusement	16,530,700	17,796,252	-	-	17,796,252	1,265,552
Telecommunications tax	31,051,400	24,186,459	-	-	24,186,459	(6,864,941)
Energy tax	70,372,300	76,969,462	-	-	76,969,462	6,597,162
Total local taxes	917,329,800	926,677,766	-	-	926,677,766	9,347,966
Shared taxes:						
Gas and motor vehicle	2,919,100	3,023,188	-	-	3,023,188	104,088
State transfer taxes	575,000	434,332	-	-	434,332	(140,668)
	3,494,100	3,457,520	-	-	3,457,520	(36,580)
Total taxes	1,767,784,500	1,791,610,065	-	-	1,791,610,065	23,825,565

(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, 2018

	Budget As Revised	Actual Revenues			Total	Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management		
Licenses and permits:						
Street privileges and permits	\$ 4,347,200	4,984,806	-	-	4,984,806	637,606
Liquor license and permits	2,049,300	2,154,828	-	-	2,154,828	105,528
Traders	628,800	839,622	-	-	839,622	210,822
Hawkers and peddlers	89,300	56,957	-	-	56,957	(32,343)
Taxicab	312,600	280,812	-	-	280,812	(31,788)
Bonder's license fees	446,000	331,758	-	-	331,758	(114,242)
Animal registration	88,700	99,214	-	-	99,214	10,514
Mechanics	13,400	16,257	-	-	16,257	2,857
Electrical licenses	223,300	332,970	-	-	332,970	109,670
Building permits	19,278,500	21,255,078	-	-	21,255,078	1,976,578
Single family and apartment rental license fee	2,724,000	3,412,870	-	-	3,412,870	688,870
New sign permits	100,000	80,074	-	-	80,074	(19,926)
Burglar alarm	377,500	855,157	-	-	855,157	477,657
Benefit performance and casino permits	3,500	3,439	-	-	3,439	(61)
Board of registration - contractor's fee	5,900	13,757	-	-	13,757	7,857
Health permits	2,447,600	2,518,579	-	-	2,518,579	70,979
Secondhand dealers	22,300	31,395	-	-	31,395	9,095
Casino Revenue	21,723,700	22,946,400	-	-	22,946,400	1,222,700
Other	52,000	109,857	-	-	109,857	57,857
Total licenses and permits	54,933,600	60,323,830	-	-	60,323,830	5,390,230
Fines and forfeitures:						
Motor vehicles	-	804,658	-	-	804,658	804,658
Animal	-	57,675	-	-	57,675	57,675
Automated Speed Enforcement	7,273,800	6,894,036	-	-	6,894,036	(379,764)
Traffic Light	5,640,800	6,499,998	-	-	6,499,998	859,198
Other	-	189,323	-	-	189,323	189,323
Total fines and forfeitures	12,914,600	14,445,690	-	-	14,445,690	1,531,090

(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, 2018

	Budget As Revised	Actual Revenues				Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management	Total	
Use of money and property:						
Interest and dividends	\$ 4,883,700	4,323,766	477,160	-	4,800,926	(82,774)
Telephone commissions	354,000	369,640	-	-	369,640	15,640
Rental of County-owned property	1,479,200	1,567,543	-	-	1,567,543	88,343
Xerox commissions	100,300	69,712	-	-	69,712	(30,588)
Vending machines and cafeteria commissions	60,000	45,976	-	-	45,976	(14,024)
Other use of money and property	927,200	5,148,548	3,178,263	-	8,326,811	7,399,611
Total use of money and property	<u>7,804,400</u>	<u>11,525,185</u>	<u>3,655,423</u>	<u>-</u>	<u>15,180,608</u>	<u>7,376,208</u>
Charges for services:						
Sheriff's fees	3,487,300	3,161,234	-	-	3,161,234	(326,066)
Zoning Appeals Board fee	28,500	44,605	-	-	44,605	16,105
Tax certification fees	19,400	144,094	-	-	144,094	124,694
Tax collection service	65,000	65,000	-	-	65,000	-
Health fees	2,292,000	2,530,694	-	-	2,530,694	238,694
Appearance and witness fees	119,200	165,077	-	-	165,077	45,877
Emergency transport and related services	12,177,700	16,242,538	-	-	16,242,538	4,064,838
Tax sale cost recoveries	62,000	60,480	-	-	60,480	(1,520)
Housing - State prisoners	647,000	582,705	-	-	582,705	(64,295)
Housing - Federal prisoners	85,000	8,170	-	-	8,170	(76,830)
Contractual police services	470,200	1,461,844	-	-	1,461,844	991,644
Fire inspection fee	183,200	265,424	-	-	265,424	82,224
Inmate commissions	268,000	349,799	-	-	349,799	81,799
Animal control fees	165,400	191,667	-	-	191,667	26,267
Circuit Court marriage ceremonies	26,300	29,490	-	-	29,490	3,190
Public safety surcharge	1,600,000	1,530,495	-	-	1,530,495	(69,505)
Local 911 fee	6,613,400	6,438,835	-	-	6,438,835	(174,565)
Cable franchise fees	12,941,900	12,663,974	-	-	12,663,974	(277,926)
Stadium contract revenue	930,400	2,213,484	-	-	2,213,484	1,283,084
MGM Contract Revenue	1,137,100	1,192,458	-	-	1,192,458	55,358
Jury fees reimbursements	266,800	837,710	-	-	837,710	570,910
Sex offenders registration fee	-	146,600	-	-	146,600	146,600
Interpreter fee	225,300	-	-	-	-	(225,300)
Other	223,400	695,274	-	-	695,274	471,874
Total charges for services	<u>44,034,500</u>	<u>51,021,651</u>	<u>-</u>	<u>-</u>	<u>51,021,651</u>	<u>6,987,151</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, 2018

	Budget As Revised	Actual Revenues			Total	Variance Positive (Negative)
		General Fund	Economic Incentive	Property Management		
Intergovernmental revenues:						
Police protection	\$ 10,630,800	11,340,001	-	-	11,340,001	709,201
Land management	-	10,733	-	-	10,733	10,733
Health Department - State share	2,658,300	1,527,477	-	-	1,527,477	(1,130,823)
Racing grant	1,000,000	1,000,000	-	-	1,000,000	-
Fish and wildlife service	159,100	146,778	-	-	146,778	(12,322)
Teacher Retirement grant	9,628,700	9,628,702	-	-	9,628,702	2
State grants	200,000	3,545,488	-	-	3,545,488	3,345,488
Federal grants	158,400	12,346	-	-	12,346	(146,054)
DSS salary reimbursement	230,400	65,990	-	-	65,990	(164,410)
M-NCPPC reimbursement	7,616,800	7,222,799	-	-	7,222,799	(394,001)
Other	-	150,060	-	-	150,060	150,060
Total intergovernmental revenues	32,282,500	34,650,374	-	-	34,650,374	2,367,874
Miscellaneous revenues:						
Cedarville state forest	-	18,204	-	-	18,204	18,204
Sale of surplus property	229,900	106,163	-	-	106,163	(123,737)
Sale of voter lists	5,400	7,013	-	-	7,013	1,613
Sale of accident reports and photos	130,670	152,731	-	-	152,731	22,061
Other miscellaneous sales	68,430	150,129	-	269,260	419,389	350,959
Miscellaneous revenue	900,000	1,275,376	-	-	1,275,376	375,376
Total miscellaneous revenues	1,334,400	1,709,616	-	269,260	1,978,876	644,476
Total	\$ 1,921,088,500	1,965,286,411	3,655,423	269,260	1,969,211,094	48,122,594

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government:			
County Executive:			
Compensation	\$ 4,536,200	4,260,469	275,731
Fringe benefits	1,075,100	997,060	78,040
Other current expenses	371,000	375,213	(4,213)
Total County Executive	<u>5,982,300</u>	<u>5,632,742</u>	<u>349,558</u>
Legislative Branch:			
Compensation	10,807,200	9,803,496	1,003,704
Fringe benefits	3,118,000	2,770,132	347,868
Other current expenses	5,061,844	3,391,661	1,670,183
Capital Outlay	67,156	67,068	88
Project charges	(1,188,100)	(1,181,953)	(6,147)
Total Legislative Branch	<u>17,866,100</u>	<u>14,850,404</u>	<u>3,015,696</u>
Office of Ethics and Accountability:			
Compensation	554,700	530,395	24,305
Fringe benefits	136,400	144,463	(8,063)
Other current expenses	58,100	52,151	5,949
Total Office of Ethics and Accountability	<u>749,200</u>	<u>727,009</u>	<u>22,191</u>
Circuit Court:			
Compensation	10,767,600	10,753,220	14,380
Fringe benefits	3,445,500	3,131,911	313,589
Other current expenses	3,530,000	3,604,429	(74,429)
Project charges	(129,400)	-	(129,400)
Total Circuit Court	<u>17,613,700</u>	<u>17,489,560</u>	<u>124,140</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget <u>as revised</u>	<u>Expenditures</u>	Variance Positive (Negative)
General Government, continued:			
Orphan's Court:			
Compensation	\$ 346,100	315,732	30,368
Fringe benefits	97,800	87,180	10,620
Other current expenses	19,300	21,591	(2,291)
Total Orphan's Court	<u>463,200</u>	<u>424,503</u>	<u>38,697</u>
Personnel Board:			
Compensation	201,700	202,280	(580)
Fringe benefits	51,600	50,405	1,195
Other current expenses	90,400	76,011	14,389
Total Personnel Board	<u>343,700</u>	<u>328,696</u>	<u>15,004</u>
Office of Finance:			
Compensation	4,776,800	4,744,630	32,170
Fringe benefits	1,543,400	1,546,475	(3,075)
Other current expenses	907,800	867,795	40,005
Project charges	(3,216,900)	(3,229,129)	12,229
Total Office of Finance	<u>4,011,100</u>	<u>3,929,771</u>	<u>81,329</u>
Citizen Complaint Oversight Panel:			
Compensation	152,800	154,434	(1,634)
Fringe benefits	53,800	48,753	5,047
Other current expenses	95,600	87,837	7,763
Total Citizen Complaint Oversight Panel	<u>302,200</u>	<u>291,024</u>	<u>11,176</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government, continued:			
Office of Community Relations:			
Compensation	\$ 3,193,200	3,113,241	79,959
Fringe benefits	977,100	971,985	5,115
Other current expenses	486,000	406,713	79,287
Total Office of Community Relations	4,656,300	4,491,939	164,361
Peoples Zoning Council:			
Other current expenses	250,000	250,000	-
Total Peoples Zoning Council	250,000	250,000	-
Office of Management and Budget:			
Compensation	2,333,000	2,102,734	230,266
Fringe benefits	701,400	573,394	128,006
Other current expenses	151,200	147,506	3,694
Project charges	(366,500)	(10,420)	(356,080)
Total Office of Management and Budget	2,819,100	2,813,214	5,886
Board of License Commissioners:			
Compensation	877,500	608,111	269,389
Fringe benefits	354,500	267,998	86,502
Other current expenses	172,800	135,194	37,606
Total Board of License Commissioners	1,404,800	1,011,303	393,497
Office of Law:			
Compensation	4,946,500	4,858,826	87,674
Fringe benefits	1,533,400	1,382,683	150,717
Other current expenses	448,800	446,361	2,439
Project charges	(2,994,800)	(2,929,080)	(65,720)
Total Office of Law	3,933,900	3,758,790	175,110

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget <u>as revised</u>	<u>Expenditures</u>	Variance Positive (Negative)
General Government, continued:			
Office of Human Resource Management:			
Compensation	\$ 6,254,000	5,656,177	597,823
Fringe benefits	1,432,000	1,383,797	48,203
Other current expenses	1,537,000	1,262,639	274,361
Project charges	<u>(2,157,200)</u>	<u>(1,536,505)</u>	<u>(620,695)</u>
Total Office of Human Resource Management	<u>7,065,800</u>	<u>6,766,108</u>	<u>299,692</u>
Board of Elections:			
Compensation	4,385,700	3,560,589	825,111
Fringe benefits	544,800	452,979	91,821
Capital outlay		9,297	(9,297)
Other current expenses	<u>981,400</u>	<u>673,527</u>	<u>307,873</u>
Total Board of Elections	<u>5,911,900</u>	<u>4,696,392</u>	<u>1,215,508</u>
Office of Central Services:			
Compensation	9,989,400	9,349,064	640,336
Fringe benefits	3,470,100	3,149,141	320,959
Other current expenses	8,939,800	9,301,104	(361,304)
Project charges	<u>(1,801,700)</u>	<u>(1,208,519)</u>	<u>(593,181)</u>
Total Office of Central Services	<u>20,597,600</u>	<u>20,590,790</u>	<u>6,810</u>
Property Management:			
Other current expenses	<u>408,900</u>	<u>351,979</u>	<u>56,921</u>
Total Property Management	<u>408,900</u>	<u>351,979</u>	<u>56,921</u>
Collington Center:			
Other current expenses	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Collington Center	<u>5,000</u>	<u>5,000</u>	<u>-</u>

(Continued)

Exhibit B-4, Cont.

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
General Government, continued:			
Non-Departmental:			
Grants to community organizations	\$ 4,514,400	4,494,400	20,000
Grants to governmental groups	365,000	173,635	191,365
Grants and contributions to component units	3,674,500	3,498,800	175,700
Memberships	657,400	595,559	61,841
Economic Development	4,370,000	4,845,441	(475,441)
Economic Development Incentive	9,000,000	3,643,893	5,356,107
Conference and Visitors Bureau	1,330,100	1,330,100	-
Retiree Payout	-	-	-
Discretionary Grants	6,112,000	5,707,375	404,625
General Fund insurance payments	9,924,800	9,924,800	-
Judgments - associated legal and professional expenses	200,000	71	199,929
Professional Service	13,410,700	14,289,856	(879,156)
Postage	1,450,000	1,293,068	156,932
Utilities and leases	57,877,200	48,057,969	9,819,231
Vehicle Purchase	5,000,000	-	5,000,000
Debt payments	95,200	-	95,200
Debt issuance costs	9,200	12,150	(2,950)
Project charges	(3,534,600)	(3,408,123)	(126,477)
Grant to Dimensions Health Corporation	15,000,000	12,506,500	2,493,500
Interest	500,000	379,880	120,120
Group Health (Retirees)	33,048,400	33,388,093	(339,693)
Group Life (Retirees)	1,000,000	1,187,209	(187,209)
Unemployment Compensation	453,000	453,000	-
Deferred compensation contributions	200,000	116,363	83,637
Retired county personnel pension payments	150,000	62,514	87,486
Compensated Absences	-	(77,929)	77,929
Summer Youth Programs	2,634,200	2,446,195	188,005
Other miscellaneous	1,247,000	1,327,775	(80,775)
Total Non-Departmental	168,688,500	146,248,594	22,439,906
Total General Government	263,073,300	234,657,818	28,415,482

(Continued)

Exhibit B-4, Cont.

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
Public Safety:			
Office of the State's Attorney:			
Compensation	\$ 12,474,300	12,295,343	178,957
Fringe benefits	3,781,700	3,743,419	38,281
Other current expenses	1,895,300	1,817,126	78,174
Project charges	(144,900)	(87,743)	(57,157)
Total Office of the State's Attorney	18,006,400	17,768,145	238,255
Police Department:			
Compensation	183,494,300	179,691,195	3,803,105
Fringe benefits	105,728,800	102,628,770	3,100,030
Other current expenses	29,566,658	28,717,559	849,099
Capital Outlay	557,142	496,837	60,305
Project charges	(395,000)	(333,028)	(61,972)
Total Police Department	318,951,900	311,201,333	7,750,567
Fire Department:			
Fire Department			
Compensation	96,374,400	99,016,670	(2,642,270)
Fringe benefits	69,354,200	69,410,855	(56,655)
Other current expenses	24,340,048	20,902,508	3,437,540
Capital Outlay	268,552	255,962	12,590
Project charges	(98,000)	(496,806)	398,806
Total Fire Department	190,239,200	189,089,189	1,150,011
Sheriff's Department:			
Compensation	26,882,955	26,335,418	547,537
Fringe benefits	16,605,400	16,068,213	537,187
Other current expenses	4,563,065	4,257,044	306,021
Capital Outlay	85,380	18,749	66,631
Project charges	-	(14,135)	14,135
Total Sheriff's Department	48,136,800	46,665,289	1,471,511

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
Public Safety, continued:			
Department of Corrections:			
Compensation	\$ 50,396,600	49,278,547	1,118,053
Fringe benefits	24,078,700	22,670,341	1,408,359
Other current expenses	12,555,400	11,261,764	1,293,636
Project charges	(191,500)	(122,599)	(68,901)
Total Department of Corrections	<u>86,839,200</u>	<u>83,088,053</u>	<u>3,751,147</u>
Office of Homeland Security:			
Compensation	13,824,000	13,467,370	356,630
Fringe benefits	4,053,300	3,786,206	267,094
Other current expenses	13,658,600	13,612,494	46,106
Project charges	-	(740)	740
Total Office of Homeland Security	<u>31,535,900</u>	<u>30,865,330</u>	<u>670,570</u>
Total Public Safety	<u>693,709,400</u>	<u>678,677,339</u>	<u>15,032,061</u>
Environmental:			
Soil Conservation:			
Compensation	1,072,500	1,041,218	31,282
Fringe benefits	329,300	310,352	18,948
Other current expenses	14,400	13,916	484
Project charges	(1,416,200)	(1,365,486)	(50,714)
Total Soil Conservation	<u>-</u>	<u>-</u>	<u>-</u>
Department of the Environment:			
Compensation	5,938,400	5,759,856	178,544
Fringe benefits	2,116,500	2,169,383	(52,883)
Other current expenses	1,454,600	1,250,973	203,627
Project charges	(5,341,000)	(5,099,636)	(241,364)
Total Department of the Environment	<u>4,168,500</u>	<u>4,080,576</u>	<u>87,924</u>
Total Environmental	<u>4,168,500</u>	<u>4,080,576</u>	<u>87,924</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
Health and Human Services:			
Department of Family Services:			
Compensation	\$ 2,111,088	1,538,217	572,871
Fringe benefits	576,340	604,830	(28,490)
Other current expenses	2,398,872	2,162,522	236,350
Project charges	(159,000)	-	(159,000)
Total Department of Family Services	<u>4,927,300</u>	<u>4,305,569</u>	<u>621,731</u>
Health Department:			
Compensation	14,136,482	13,556,090	580,392
Fringe benefits	5,154,423	4,510,680	643,743
Other current expenses	8,553,495	8,259,371	294,124
Project charges	(2,272,200)	(2,024,842)	(247,358)
Total Health Department	<u>25,572,200</u>	<u>24,301,299</u>	<u>1,270,901</u>
Department of Social Services:			
Compensation	2,099,929	2,058,584	41,345
Fringe benefits	446,463	462,610	(16,147)
Capital outlay	914	582	332
Other current expenses	2,233,394	2,199,033	34,361
Total Department of Social Services	<u>4,780,700</u>	<u>4,720,809</u>	<u>59,891</u>
Total Health and Human Services	<u>35,280,200</u>	<u>33,327,677</u>	<u>1,952,523</u>

(Continued)

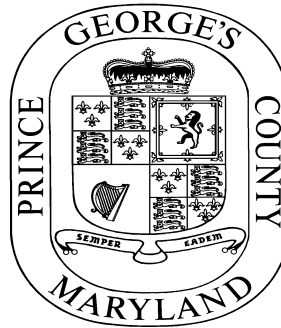
PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
Infrastructure and Development:			
Department of Public Works and Transportation:			
Compensation	\$ 14,704,300	14,418,036	286,264
Fringe benefits	5,219,100	5,353,321	(134,221)
Other current expenses	45,680,709	42,704,547	2,976,162
Capital Outlay	3,272,191	518,123	2,754,068
Project charges	<u>(55,894,900)</u>	<u>(50,022,445)</u>	<u>(5,872,455)</u>
Total Department of Public Works and Transportation	<u>12,981,400</u>	<u>12,971,582</u>	<u>9,818</u>
Department of Permitting, Inspections and Enforcement:			
Compensation	18,397,800	17,673,992	723,808
Fringe benefits	6,131,000	5,580,011	550,989
Other current expenses	8,624,400	6,921,718	1,702,682
Project charges	<u>(22,022,200)</u>	<u>(19,044,721)</u>	<u>(2,977,479)</u>
Total Department of Permitting, Inspections and Enforcement	<u>11,131,000</u>	<u>11,131,000</u>	<u>-</u>
Department of Housing and Community Development:			
Compensation	2,517,200	2,430,523	86,677
Fringe benefits	825,600	913,166	(87,566)
Other current expenses	<u>2,370,000</u>	<u>2,290,510</u>	<u>79,490</u>
Total Department of Housing and Community Development	<u>5,712,800</u>	<u>5,634,199</u>	<u>78,601</u>
Total Infrastructure and Development	<u>29,825,200</u>	<u>29,736,781</u>	<u>88,419</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2018

	Year ended June 30, 2018		
	Budget as revised	Expenditures	Variance Positive (Negative)
Payments to Component Units:	\$		
Board of Education	739,181,200	739,181,200	-
Community College	39,866,400	39,866,400	-
Memorial Library	21,524,900	21,524,900	-
Total payments to component units	<u>800,572,500</u>	<u>800,572,500</u>	-
Total expenditures	<u>\$ 1,826,629,100</u>	<u>1,781,052,691</u>	<u>45,576,409</u>
Transfers out:			
Special revenue funds	\$ (82,000)	(82,000)	-
Capital projects fund	(4,541,000)	(4,677,861)	(136,861)
Internal service funds	(556,300)	(556,300)	-
Debt service fund	<u>(117,857,000)</u>	<u>(100,853,322)</u>	<u>17,003,678</u>
Total transfers out	<u>(123,036,300)</u>	<u>(106,169,483)</u>	<u>16,866,817</u>
Total other financing sources (uses)	<u>\$ (123,036,300)</u>	<u>(106,169,483)</u>	<u>16,866,817</u>



NONMAJOR GOVERNMENTAL

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2018

<u>Assets</u>	<u>Domestic Violence</u>	<u>Drug Enforcement and Education</u>	<u>Total</u>	<u>Debt Service</u>	<u>Total</u>
Cash and investments	\$ 256,241	11,974,443	12,230,684	93,191	12,323,875
Cash with fiscal agents	-	-	-	24,121,861	24,121,861
Due from other governmental units	29,770	-	29,770	-	29,770
Restricted cash and investments	-	-	-	26,870,592	26,870,592
	<u>286,011</u>	<u>11,974,443</u>	<u>12,260,454</u>	<u>51,085,644</u>	<u>63,346,098</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	<u>40,398</u>	<u>211,559</u>	<u>251,957</u>	<u>93,191</u>	<u>345,148</u>
Total liabilities	<u>40,398</u>	<u>211,559</u>	<u>251,957</u>	<u>93,191</u>	<u>345,148</u>
Fund balances:					
Restricted	245,613	7,809,418	8,055,031	50,992,453	59,047,484
Assigned	-	3,953,466	3,953,466	-	3,953,466
Total fund balances	<u>245,613</u>	<u>11,762,884</u>	<u>12,008,497</u>	<u>50,992,453</u>	<u>63,000,950</u>
	<u>\$ 286,011</u>	<u>11,974,443</u>	<u>12,260,454</u>	<u>51,085,644</u>	<u>63,346,098</u>

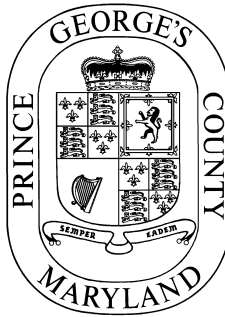
PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2018

	Domestic Violence	Drug Enforcement and Education	Total	Debt Service	Total
Revenues:					
Taxes	\$ -	-	-	2,671,729	2,671,729
Licenses and permits	348,400	-	348,400	-	348,400
Fines and forfeitures	-	948,479	948,479	-	948,479
Use of money and property:					
Interest and dividends	-	112,942	112,942	244,134	357,076
Charges for services	-	-	-	32,899,419	32,899,419
Intergovernmental	-	-	-	3,365,051	3,365,051
Sale of property	-	2,628	2,628	-	2,628
Total revenues	<u>348,400</u>	<u>1,064,049</u>	<u>1,412,449</u>	<u>39,180,333</u>	<u>40,592,782</u>
Expenditures:					
General government	-	-	-	4,457,629	4,457,629
Public safety	-	1,526,104	1,526,104	-	1,526,104
Health and Human Services	365,000	-	365,000	-	365,000
Debt service:					
Principal retirement	-	-	-	97,765,000	97,765,000
Interest	-	-	-	53,695,738	53,695,738
Total expenditures	<u>365,000</u>	<u>1,526,104</u>	<u>1,891,104</u>	<u>155,918,367</u>	<u>157,809,471</u>
Excess of revenues over (under) expenditures	<u>(16,600)</u>	<u>(462,055)</u>	<u>(478,655)</u>	<u>(116,738,034)</u>	<u>(117,216,689)</u>
Other financing sources (uses):					
Bond premium	-	-	-	31,164,368	31,164,368
Transfers in - other funds	82,000	-	82,000	106,195,982	106,277,982
Bonds issued - refunding	-	-	-	83,754,499	83,754,499
Bond premium - refunding	-	-	-	14,470,731	14,470,731
Payment to refunding escrow agent	-	-	-	(97,687,568)	(97,687,568)
Total other financing sources (uses)	<u>82,000</u>	<u>-</u>	<u>82,000</u>	<u>137,898,012</u>	<u>137,980,012</u>
Net change in fund balances	65,400	(462,055)	(396,655)	21,159,978	20,763,323
Fund balances, beginning of year	<u>180,213</u>	<u>12,224,939</u>	<u>12,405,152</u>	<u>29,832,475</u>	<u>42,237,627</u>
Fund balances, end of year	<u>\$ 245,613</u>	<u>11,762,884</u>	<u>12,008,497</u>	<u>50,992,453</u>	<u>63,000,950</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, 2018

	Domestic Violence				Drug Enforcement and Education				Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:												
Licenses and permits	\$ 308,000	308,000	348,400	40,400	-	-	-	-	308,000	308,000	348,400	40,400
Interest and Dividends					50,000	50,000	112,942	62,942	50,000	50,000	112,942	62,942
Fines and forfeitures	-	-	-	-	1,450,000	1,450,000	948,479	(501,521)	1,450,000	1,450,000	948,479	(501,521)
Sale of property	-	-	-	-	10,000	10,000	2,628	(7,372)	10,000	10,000	2,628	(7,372)
Total revenues	<u>308,000</u>	<u>308,000</u>	<u>348,400</u>	<u>40,400</u>	<u>1,510,000</u>	<u>1,510,000</u>	<u>1,064,049</u>	<u>(445,951)</u>	<u>1,818,000</u>	<u>1,818,000</u>	<u>1,412,449</u>	<u>(405,551)</u>
Expenditures:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,815,000	1,815,000	1,526,104	288,896	1,815,000	1,815,000	1,526,104	288,896
Health and human services	390,000	440,000	365,000	75,000	-	-	-	-	390,000	440,000	365,000	75,000
Total expenditures	<u>390,000</u>	<u>440,000</u>	<u>365,000</u>	<u>75,000</u>	<u>1,815,000</u>	<u>1,815,000</u>	<u>1,526,104</u>	<u>288,896</u>	<u>2,205,000</u>	<u>2,255,000</u>	<u>1,891,104</u>	<u>363,896</u>
Excess of revenues over (under) expenditures	<u>(82,000)</u>	<u>(132,000)</u>	<u>(16,600)</u>	<u>115,400</u>	<u>(305,000)</u>	<u>(305,000)</u>	<u>(462,055)</u>	<u>(157,055)</u>	<u>(387,000)</u>	<u>(437,000)</u>	<u>(478,655)</u>	<u>(41,655)</u>
Other financing sources (uses):												
Transfers in - other funds	82,000	59,000	82,000	(23,000)	-	-	-	-	82,000	59,000	82,000	23,000
Appropriated fund balance	-	73,000	-	73,000	305,000	305,000	-	(305,000)	305,000	378,000	-	(378,000)
Total other financing sources (uses)	<u>82,000</u>	<u>132,000</u>	<u>82,000</u>	<u>50,000</u>	<u>305,000</u>	<u>305,000</u>	<u>-</u>	<u>(305,000)</u>	<u>387,000</u>	<u>437,000</u>	<u>82,000</u>	<u>(355,000)</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>65,400</u>	<u>165,400</u>	<u>-</u>	<u>-</u>	<u>(462,055)</u>	<u>(462,055)</u>	<u>-</u>	<u>-</u>	<u>(396,655)</u>	<u>(396,655)</u>
Fund balances, beginning of year			<u>180,213</u>				<u>12,224,939</u>				<u>12,405,152</u>	
Fund balances, end of year			<u><u>245,613</u></u>				<u><u>11,762,884</u></u>				<u><u>12,008,497</u></u>	

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INTERNAL SERVICE FUNDS

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

<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	\$ 403,486	177,755	2,463,405	6,482,845	9,909,636	45,139,436	12,114,489	9,363,111	86,054,163
Accounts receivable	-	2,553	30,822	76,849	-	315,472	198,867	1,757,885	2,382,448
Accrued interest receivable	-	991	6,059	60,260	1,212	-	-	-	68,522
Due from other governmental units	-	-	-	-	-	-	-	417,223	417,223
Inventories, at cost	-	-	-	-	-	-	704,621	1,300,227	2,004,848
Prepaid costs and deposits	-	-	-	-	7,545	95,088	-	-	102,633
Total current assets	403,486	181,299	2,500,286	6,619,954	9,918,393	45,549,996	13,017,977	12,838,446	91,029,837
Noncurrent assets:									
Capital assets:									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	3,250,026	-	3,250,026
Accumulated depreciation	-	-	-	-	-	-	(2,661,193)	-	(2,661,193)
Improvements other than buildings	-	-	-	-	-	-	282,382	-	282,382
Accumulated depreciation	-	-	-	-	-	-	(282,382)	-	(282,382)
Equipment	-	-	-	-	-	-	5,974,296	532	5,974,828
Accumulated depreciation	-	-	-	-	-	-	(5,234,356)	-	(5,234,356)
Total noncurrent assets	-	-	-	-	-	-	2,328,773	532	2,329,305
Total assets	403,486	181,299	2,500,286	6,619,954	9,918,393	45,549,996	15,346,750	12,838,978	93,359,142
<u>Deferred outflow of resources</u>									
Pension deferrals	-	-	-	-	-	-	851,189	1,387,278	2,238,467
OPEB Deferrals	-	-	-	-	-	-	140,301	223,583	363,884
Total deferred outflow of resources	\$ -	-	-	-	-	-	991,490	1,610,861	2,602,351

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Statement of Net Position
 Internal Service Funds
 June 30, 2018

Liabilities	Self-Insurance Funds						Vehicle Maintenance Fund	Computer Services Fund	Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits			
Current liabilities:									
Current portion of compensated absences and termination benefits payable	\$ -	-	-	-	-	-	528,234	801,787	1,330,021
Accounts payable	49,600	7,208	117,104	387,674	344,671	6,407,267	460,575	3,014,556	10,788,655
Accrued costs	-	-	-	-	8	-	222,671	383,618	606,297
Unearned revenue	-	-	-	640,524	-	491,084	-	-	1,131,608
Current portion of estimated liability on pending claims	157,633	79,855	1,014,759	27,778,828	1,763,478	8,139,641	-	-	38,934,194
Total current liabilities	207,233	87,063	1,131,863	28,807,026	2,108,157	15,037,992	1,211,480	4,199,961	52,790,775
Noncurrent liabilities:									
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	-	39,616	39,616
Estimated liability on pending claims, less current portion	-	94,236	1,368,423	111,184,787	7,810,236	-	-	-	120,457,682
Net OPEB liability	-	-	-	-	-	-	10,416,685	16,585,225	27,001,910
Net pension liability	-	-	-	-	-	-	4,685,038	7,734,374	12,419,412
Total long-term liabilities	-	94,236	1,368,423	111,184,787	7,810,236	-	15,101,723	24,359,215	159,918,620
Total liabilities	207,233	181,299	2,500,286	139,991,813	9,918,393	15,037,992	16,313,203	28,559,176	212,709,395
Deferred inflow of resources									
Pension deferrals	-	-	-	-	-	-	680,189	1,120,221	1,800,410
OPEB Deferrals	-	-	-	-	-	-	763,528	1,216,761.00	1,980,289
Total deferred inflow of resources	-	-	-	-	-	-	1,443,717	2,336,982	3,780,699
Net position									
Net investment in capital assets	-	-	-	-	-	-	2,328,773	532	2,329,305
Restricted	-	-	-	-	-	-	-	7,499,290	7,499,290
Unrestricted	196,253	-	-	(133,371,859)	-	30,512,004	(3,747,453)	(23,946,140)	(130,357,196)
Total net position	\$ 196,253	-	-	(133,371,859)	-	30,512,004	(1,418,680)	(16,446,319)	(120,528,601)

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, 2018

	Self-Insurance Funds								Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund	Computer Services Fund	Total
Operating revenues:									
Premium contributions	\$ 453,000	2,258,349	3,612,867	39,601,623	7,021,874	83,441,104	-	-	136,388,817
Sales									
Fuel sales	-	-	-	-	-	-	392,701	-	392,701
Office automation sales	-	-	-	-	-	-	-	28,042,365	28,042,365
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	11,422,209	-	11,422,209
Use of money and property - rentals	-	-	-	-	-	-	145,067	-	145,067
Miscellaneous - subrogations and other	-	36,318	359,854	610,379	(10)	6,282	13,029	-	1,025,852
Total operating revenues	<u>453,000</u>	<u>2,294,667</u>	<u>3,972,721</u>	<u>40,212,002</u>	<u>7,021,864</u>	<u>83,447,386</u>	<u>11,973,006</u>	<u>28,042,365</u>	<u>177,417,011</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,729,132	6,058,409	9,787,541
Fringe benefits	-	-	-	-	-	-	1,919,310	2,987,680	4,906,990
Contractual services	-	-	-	-	-	-	7,990	8,956,587	8,964,577
Materials	-	-	-	-	-	-	144,941	11,241,902	11,386,843
Facility and equipment rental	-	-	-	-	-	-	200,030	56,119	256,149
General and administrative:									
Administrative expenses	16,896	179,850	1,711,812	4,723,532	2,245,063	2,241,897	248,345	635,680	12,003,075
State worker's compensation tax	-	-	-	307,516	-	-	-	-	307,516
Depreciation	-	-	-	-	-	-	184,711	-	184,711
Insurance claims	242,531	384,095	1,853,074	32,637,092	3,391,191	59,654,812	-	-	98,162,795
Insurance premiums	-	1,272,150	-	3,061,151	273,353	18,123,057	-	-	22,729,711
Other:									
Repair and maintenance	-	-	-	-	-	-	4,495,024	115,255	4,610,279
Total operating expenses	<u>259,427</u>	<u>1,836,095</u>	<u>3,564,886</u>	<u>40,729,291</u>	<u>5,909,607</u>	<u>80,019,766</u>	<u>10,929,483</u>	<u>30,051,632</u>	<u>173,300,187</u>
Operating income (loss)	<u>193,573</u>	<u>458,572</u>	<u>407,835</u>	<u>(517,289)</u>	<u>1,112,257</u>	<u>3,427,620</u>	<u>1,043,523</u>	<u>(2,009,267)</u>	<u>4,116,824</u>
Nonoperating revenue (expenses):									
Interest income	-	5,159	60,076	565,705	15,739	-	-	-	646,679
Total nonoperating revenue (expenses)	-	5,159	60,076	565,705	15,739	-	-	-	646,679
Income (loss) before transfers	193,573	463,731	467,911	48,416	1,127,996	3,427,620	1,043,523	(2,009,267)	4,763,503
Interfund transfer in	-	41,601	40,161	3,259,698	1,118,298	-	-	556,300	5,016,058
Intrafund transfers out	-	(505,332)	(508,072)	(1,200,060)	(2,246,294)	-	-	-	(4,459,758)
Change in net position	193,573	-	-	2,108,054	-	3,427,620	1,043,523	(1,452,967)	5,319,803
Total net position - beginning	2,680	-	-	(135,479,913)	-	27,084,384	8,773,482	2,911,873	(96,707,494)
Prior Period Adjustment	-	-	-	-	-	-	(11,235,685)	(17,905,225)	(29,140,910)
Total net position - end	<u>\$ 196,253</u>	<u>-</u>	<u>-</u>	<u>(133,371,859)</u>	<u>-</u>	<u>30,512,004</u>	<u>(1,418,680)</u>	<u>(16,446,319)</u>	<u>(120,528,601)</u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Statement of Cash Flows
 Internal Service Funds
 For the year ended June 30, 2018

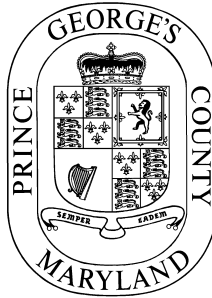
	Self-Insurance Funds							Total	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund		Computer Services Fund
Cash flows from operating activities:									
Cash received from customers	\$ -	1,064,111	485,173	11,692,464	1,113,525	2,263,846	647,160	7,706,678	24,972,957
Cash received from interfund charges	453,000	1,228,003	3,565,301	24,464,100	6,012,161	81,649,832	11,399,505	20,422,598	149,194,500
Cash payments to suppliers for goods and services	(304,287)	(176,014)	(2,249,299)	(5,010,061)	(2,106,881)	(81,558,858)	(4,903,847)	(21,541,687)	(117,850,934)
Cash payments to employees for services	-	-	-	-	-	-	(5,908,823)	(9,310,979)	(15,219,802)
Premium and claim payments	-	(1,553,914)	(2,260,317)	(44,236,807)	(5,501,894)	-	-	-	(53,552,932)
Other cash receipts	-	-	-	-	-	6,282	13,028	-	19,310
Net cash and cash equivalents provided (used) by operating activities	148,713	562,186	(459,142)	(13,090,304)	(483,089)	2,361,102	1,247,023	(2,723,390)	(12,436,901)
Cash flows from noncapital financing activities:									
Interfund transfers in	-	41,601	40,161	3,259,698	1,118,298	-	-	556,300	5,016,058
Intrafund transfers in (out)	-	(505,332)	(508,072)	(1,200,060)	(2,246,294)	-	-	-	(4,459,758)
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(463,731)	(467,911)	2,059,638	(1,127,996)	-	-	556,300	556,300
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(853,633)	-	(853,633)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(853,633)	-	(853,633)
Cash flows from investing activities:									
Interest on Investments	-	4,245	55,133	539,190	15,297	-	-	-	613,865
Net cash and cash equivalents provided by investing activities	-	4,245	55,133	539,190	15,297	-	-	-	613,865
Net increase (decrease) in cash and cash equivalents	148,713	102,700	(871,920)	(10,491,476)	(1,595,788)	2,361,102	393,390	(2,167,090)	(12,120,369)
Cash and cash equivalents, beginning of year	254,773	75,055	3,335,325	16,974,321	11,505,424	42,778,334	11,721,099	11,530,201	98,174,532
Cash and cash equivalents, end of year	\$ 403,486	177,755	2,463,405	6,482,845	9,909,636	45,139,436	12,114,489	9,363,111	86,054,163

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2018

	Self-Insurance Funds							Total	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund		Computer Services Fund
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	\$ 193,573	458,572	407,835	(517,289)	1,112,257	3,427,620	1,043,523	(2,009,267)	4,116,824
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	184,711	-	184,711
Pension expense	-	-	-	-	-	-	(170,922)	(282,004)	(452,926)
Accounts receivable	-	(2,553)	77,753	38,535	103,822	(18,510)	86,688	86,911	372,646
Inventories	-	-	-	-	-	-	(35,537)	(1,262,119)	(1,297,656)
Prepaid costs	-	-	-	-	(981)	-	-	-	(981)
Compensated absences and termination benefits payable	-	-	-	-	-	-	(80,724)	(18,230)	(98,954)
Accounts payable	(48,215)	3,836	(537,487)	20,987	139,167	4,073,071	228,020	725,975	4,605,354
Accrued costs	-	-	-	-	(4)	(21,773)	(8,735)	35,344	4,832
Unearned revenue	-	-	-	(4,093,973)	-	491,084	-	-	(3,602,889)
Due from component units	-	-	-	-	-	-	-	-	-
Estimated liability on pending claims	3,355	102,331	(407,243)	(8,538,564)	(1,837,350)	(5,590,390)	-	-	(16,267,861)
Total adjustments	(44,860)	103,614	(866,977)	(12,573,015)	(1,595,346)	(1,066,518)	203,501	(714,123)	(16,553,724)
Net cash and cash equivalents provided (used) by operating activities	148,713	562,186	(459,142)	(13,090,304)	(483,089)	2,361,102	1,247,024	(2,723,390)	(12,436,900)
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	(914)	(4,943)	(26,515)	(442)	-	-	-	(32,814)
	\$ -	(914)	(4,943)	(26,515)	(442)	-	-	-	(32,814)

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FIDUCIARY FUNDS

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Fiduciary Plan Net Position
Pension and Other Postemployment Benefit Trust Funds
June 30, 2018

	Pension Trust Funds	Other Post- Employment Benefit Trust Fund	Total
Assets:			
Equity in pooled cash and investments	\$ 8,500,658	570,490	9,071,148
Collateral for loaned securities	4,618,578	-	4,618,578
Investments:			
Pooled separate accounts	504,685,406	-	504,685,406
U. S. Government & agency securities	34,243,354	-	34,243,354
Corporate bonds	28,926,345	-	28,926,345
Common stock	266,003,642	-	266,003,642
Real estate investment trust	7,575,982	-	7,575,982
International Government securities	428,421	-	428,421
Other International investments	288,021	-	288,021
Asset-backed securities	6,063,016	-	6,063,016
Money market funds	-	55,155,273	55,155,273
Short-term investments	22,221,469	-	22,221,469
Commingled trust funds	-	2,017,926	2,017,926
Alternative investments	1,119,043,152	-	1,119,043,152
Accounts receivable	-	140,747	140,747
Accrued interest receivable	1,087,775	2,931	1,090,706
Prepaid expenses	44,608	-	44,608
	<u>2,003,730,427</u>	<u>57,887,367</u>	<u>2,061,617,794</u>
Liabilities:			
Collateral for loaned securities payable	4,618,578	-	4,618,578
Accounts payable	60,765	1,358,026	1,418,791
Accrued costs	884,086	342,324	1,226,410
Due to other funds	-	3,000,000	3,000,000
	<u>5,563,429</u>	<u>4,700,350</u>	<u>10,263,779</u>
Net assets held in trust for benefit payments	<u>\$ 1,998,166,998</u>	<u>53,187,017</u>	<u>2,051,354,015</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Plan Net Position
Pension and Other Postemployment Benefit Trust Funds
For the year ended June 30, 2018

	<u>Pension Trust Funds</u>	<u>Other Post- Employment Benefit Trust Funds</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 138,798,299	40,973,556	179,771,855
Member	24,501,547	14,387,339	38,888,886
Other	-	4,120,641	4,120,641
Total contributions	<u>163,299,846</u>	<u>59,481,536</u>	<u>222,781,382</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	227,393,533	2,716,494	230,110,027
Interest and dividends	32,799,359	44,288	32,843,647
Total investment income (loss)	<u>260,192,892</u>	<u>2,760,782</u>	<u>262,953,674</u>
Less investment expense	6,073,745	93,870	6,167,615
Net investment income (loss)	<u>254,119,147</u>	<u>2,666,912</u>	<u>256,786,059</u>
Total additions	<u>417,418,993</u>	<u>62,148,448</u>	<u>479,567,441</u>
Deductions:			
Benefits	173,586,909	59,332,673	232,919,582
Refunds of contributions	9,486,850	-	9,486,850
General and administrative expenses	2,009,852	1,289,734	3,299,586
Total deductions	<u>185,083,611</u>	<u>60,622,407</u>	<u>245,706,018</u>
Net increase (decrease)	232,335,382	1,526,041	233,861,423
Net position restricted for benefit payments, beginning of year	1,765,831,616	51,660,976	1,817,492,592
Net position restricted for benefit payments, end of year	<u>\$ 1,998,166,998</u>	<u>\$ 53,187,017</u>	<u>\$ 2,051,354,015</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Fiduciary Plan Net Position
Pension Trust Funds
June 30, 2018

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

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

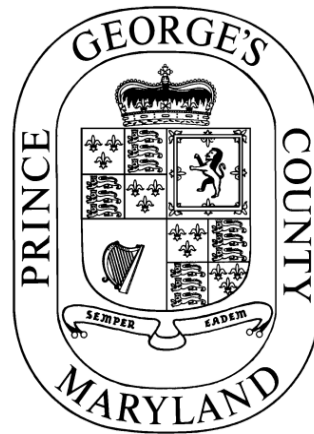
	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff's	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
Additions:												
Contributions:												
Employer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

PRINCE GEORGE'S COUNTY, MARYLAND
 Agency Funds - Primary Government
 Combining Statement of Changes in Assets and Liabilities
 For the year ended June 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
State of Maryland property taxes:				
Assets:				
Cash and investments	\$ 688	89,570,360	(89,570,556)	492
Taxes receivable	<u>724,779</u>	<u>97,051,648</u>	<u>(97,003,205)</u>	<u>773,222</u>
Total assets	<u><u>725,467</u></u>	<u><u>186,622,008</u></u>	<u><u>(186,573,761)</u></u>	<u><u>773,714</u></u>
Liabilities:				
Due to State of Maryland	<u>725,467</u>	<u>97,844,175</u>	<u>(97,795,928)</u>	<u>773,714</u>
Total Liabilities	<u><u>\$ 725,467</u></u>	<u><u>97,844,175</u></u>	<u><u>(97,795,928)</u></u>	<u><u>773,714</u></u>
M-NCPPC property taxes:				
Assets:				
Cash and investments	\$ 344	267,493,788	(267,330,255)	163,877
Taxes receivable	3,412,189	267,938,519	(267,873,383)	3,477,325
Total assets	<u><u>\$ 3,412,533</u></u>	<u><u>535,432,307</u></u>	<u><u>(535,203,638)</u></u>	<u><u>3,641,202</u></u>
Liabilities:				
Due to M-NCPPC	<u><u>\$ 3,412,533</u></u>	<u><u>270,981,884</u></u>	<u><u>(270,753,215)</u></u>	<u><u>3,641,202</u></u>
Total liabilities	<u><u>\$ 3,412,533</u></u>	<u><u>270,981,884</u></u>	<u><u>(270,753,215)</u></u>	<u><u>3,641,202</u></u>
Washington Suburban Sanitary Commission charges:				
Assets:				
Cash and investments	\$ 9,532	10,839,981	(10,846,215)	3,298
Taxes receivable	<u>228,588</u>	<u>10,809,501</u>	<u>(10,805,952)</u>	<u>232,137</u>
Total assets	<u><u>\$ 238,120</u></u>	<u><u>21,649,482</u></u>	<u><u>(21,652,167)</u></u>	<u><u>235,435</u></u>
Liabilities:				
Liability - due to Washington Suburban Sanitary Commission	<u><u>\$ 238,120</u></u>	<u><u>10,845,904</u></u>	<u><u>(10,848,589)</u></u>	<u><u>235,435</u></u>
Total liabilities	<u><u>\$ 238,120</u></u>	<u><u>10,845,904</u></u>	<u><u>(10,848,589)</u></u>	<u><u>235,435</u></u>
Incorporated towns property taxes:				
Assets:				
Cash and investments	\$ 25,536	124,692,075	(124,677,164)	40,447
Taxes receivable	<u>518,818</u>	<u>125,298,182</u>	<u>(125,279,043)</u>	<u>537,957</u>
Total assets	<u><u>\$ 544,354</u></u>	<u><u>249,990,257</u></u>	<u><u>(249,956,207)</u></u>	<u><u>578,404</u></u>
Liabilities:				
Due to towns	<u><u>544,354</u></u>	<u><u>128,022,203</u></u>	<u><u>(127,988,153)</u></u>	<u><u>578,404</u></u>
Total liabilities	<u><u>\$ 544,354</u></u>	<u><u>128,022,203</u></u>	<u><u>(127,988,153)</u></u>	<u><u>578,404</u></u>
Washington Suburban Transit Commission taxes:				
Assets:				
Cash and investments	\$ 27,067,361	33,988,887	(35,096,204)	25,960,044
Taxes receivable	<u>329,498</u>	<u>24,694,901</u>	<u>(24,690,146)</u>	<u>334,253</u>
Total assets	<u><u>\$ 27,396,859</u></u>	<u><u>58,683,788</u></u>	<u><u>(59,786,350)</u></u>	<u><u>26,294,297</u></u>
Liabilities:				
Due to Washington Suburban Transit Commission	<u><u>\$ 27,396,859</u></u>	<u><u>38,983,459</u></u>	<u><u>(40,086,021)</u></u>	<u><u>26,294,297</u></u>
Total liabilities	<u><u>\$ 27,396,859</u></u>	<u><u>38,983,459</u></u>	<u><u>(40,086,021)</u></u>	<u><u>26,294,297</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Agency Funds - Primary Government
 Combining Statement of Changes in Assets and Liabilities, Continued
 For the year ended June 30, 2018

	Balance <u>July 1, 2017</u>	Additions	Deductions	Balance <u>June 30, 2018</u>
Special taxes:				
Assets:				
Cash and investments	\$ 1,936,139	39,848,855	(39,864,460)	1,920,534
Taxes Receivable	<u>1,998,912</u>	<u>43,053,678</u>	<u>(43,111,255)</u>	<u>1,941,335</u>
Total assets	<u>\$ 3,935,051</u>	<u>82,902,533</u>	<u>(82,975,715)</u>	<u>3,861,869</u>
Liabilities:				
Due to other participants	\$ <u>3,935,051</u>	<u>43,053,678</u>	<u>(43,126,860)</u>	<u>3,861,869</u>
Total liabilities	<u>\$ 3,935,051</u>	<u>43,053,678</u>	<u>(43,126,860)</u>	<u>3,861,869</u>
Agricultural transfer taxes:				
Assets:				
Cash and investments	\$ <u>413,112</u>	<u>127,482</u>	<u>(347,783)</u>	<u>192,811</u>
Total assets	<u>\$ 413,112</u>	<u>127,482</u>	<u>(347,783)</u>	<u>192,811</u>
Liabilities:				
Due to other governmental units	\$ <u>413,112</u>	<u>127,482</u>	<u>(347,783)</u>	<u>192,811</u>
Total liabilities	<u>\$ 413,112</u>	<u>127,482</u>	<u>(347,783)</u>	<u>192,811</u>
Inmate Holding Account				
Assets:				
Cash and investments	\$ <u>153,376</u>	<u>923,066</u>	<u>(884,909)</u>	<u>191,533</u>
Total assets	<u>\$ 153,376</u>	<u>923,066</u>	<u>(884,909)</u>	<u>191,533</u>
Liabilities:				
Accounts payable	\$ 110,186	892,747	(866,324)	136,609
Due to participants	<u>43,190</u>	<u>923,066</u>	<u>(911,332)</u>	<u>54,924</u>
Total liabilities	<u>\$ 153,376</u>	<u>1,815,813</u>	<u>(1,777,656)</u>	<u>191,533</u>
<u>Totals</u>				
Assets:				
Cash and investments	\$ 29,606,088	567,484,494	(568,617,546)	28,473,036
Taxes receivable	<u>7,212,784</u>	<u>568,846,429</u>	<u>(568,762,984)</u>	<u>7,296,229</u>
Total assets	<u>\$ 36,818,872</u>	<u>1,136,330,923</u>	<u>(1,137,380,530)</u>	<u>35,769,265</u>
Liabilities:				
Accounts payable	\$ 110,186	892,747	(866,324)	136,609
Due to other governmental units	32,730,445	546,805,107	(547,819,689)	31,715,863
Due to participants	<u>3,978,241</u>	<u>43,976,744</u>	<u>(44,038,192)</u>	<u>3,916,793</u>
Total liabilities	<u>\$ 36,818,872</u>	<u>591,674,598</u>	<u>(592,724,205)</u>	<u>35,769,265</u>



NONMAJOR COMPONENT UNITS

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Statement of Net Position
 Nonmajor Component Units
 June 30, 2018

	Infrastructure and Development			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	
ASSETS								
Current assets:								
Cash and investments	\$ 810,641	17,754,312	4,881,184	5,682,157	11,484,897	7,159,132	-	47,772,323
Receivables (net of allowances for uncollectibles)								
Accounts	105,000	21,404,790	-	641,662	46,793,382	561,917	-	69,506,751
Notes	-	-	-	-	-	-	405,900	405,900
Accrued interest receivable	-	-	-	-	13,345	-	-	13,345
Due from component units	-	368	-	616,589	1,375,023	-	-	1,991,980
Due from other governmental units	-	-	437,208	70,744	2,375,831	105,181	-	2,988,964
Inventories	-	-	-	401	151,003	-	-	151,404
Prepaid costs and deposits	23,913	153,070	-	418,530	1,907,232	-	987	2,503,732
Total current assets	<u>939,554</u>	<u>39,312,540</u>	<u>5,318,392</u>	<u>7,430,083</u>	<u>64,100,713</u>	<u>7,826,230</u>	<u>406,887</u>	<u>125,334,399</u>
Restricted assets:								
Cash and investments	-	5,794,726	569	-	7,726,382	1,875,164	6,294,782	21,691,623
Land held for transfer and other	-	-	-	-	-	2,651,832	11,283,213	13,935,045
Total restricted assets	<u>-</u>	<u>5,794,726</u>	<u>569</u>	<u>-</u>	<u>7,726,382</u>	<u>4,526,996</u>	<u>17,577,995</u>	<u>35,626,668</u>
Noncurrent assets:								
Land	-	30,460,358	-	-	3,184,932	1,116,278	52,812,698	87,574,266
Construction in progress	-	745,821	-	-	67,321,892	-	7,279,522	75,347,235
Buildings and improvements	-	-	-	-	243,605,349	31,055,257	-	274,660,606
Accumulated depreciation	-	-	-	-	(67,982,615)	(20,967,337)	-	(88,949,952)
Improvements other than buildings	15,781	14,023,220	-	-	-	9,100	-	14,048,101
Accumulated depreciation	(15,781)	(12,554,700)	-	-	-	-	-	(12,570,481)
Equipment	173,039	2,608,228	-	13,815,544	41,700,022	1,746,887	26,578	60,070,298
Accumulated depreciation	(153,474)	(1,775,594)	-	(8,871,176)	(37,309,237)	(1,443,883)	(664)	(49,554,028)
Other noncurrent Assets	-	31,700,860	-	-	-	828,739	-	32,529,599
Total noncurrent assets	<u>19,565</u>	<u>65,208,193</u>	<u>-</u>	<u>4,944,368</u>	<u>250,520,343</u>	<u>12,345,041</u>	<u>60,118,134</u>	<u>393,155,644</u>
Total assets	\$ <u>959,119</u>	<u>110,315,459</u>	<u>5,318,961</u>	<u>12,374,451</u>	<u>322,347,438</u>	<u>24,698,267</u>	<u>78,103,016</u>	<u>554,116,711</u>
DEFERRED OUTFLOW OF RESOURCES								
Pension deferrals	-	-	-	1,296,280	1,355,484	689,931	-	3,341,695
Deferred charge on refunding	-	-	-	-	-	-	-	-
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,296,280</u>	<u>1,355,484</u>	<u>689,931</u>	<u>-</u>	<u>3,341,695</u>

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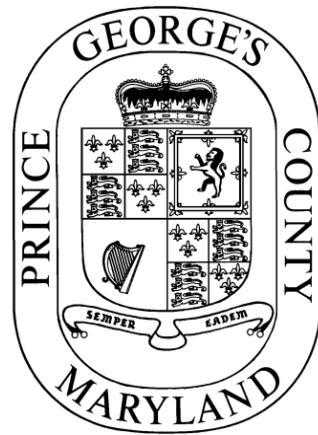
PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Position
Nonmajor Component Units
June 30, 2018

	Infrastructure and Development			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	
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 9,965	2,212,119	-	928,162	20,225,396	1,737,269	2,423,666	27,536,577
Accrued liabilities	67,454	-	-	349,520	-	-	-	416,974
Due to primary government	450,000	328,293	-	-	-	5,311,589	-	6,089,882
Due to other governmental units	-	119,270	-	-	-	29,794	-	149,064
Unearned revenue	-	681,655	-	189,663	1,620,914	732	3,528,193	6,021,157
Matured bonds and interest payable	-	106,860	-	-	-	-	-	106,860
Deposits	-	12,999	-	-	-	145,139	212,500	370,638
Current portion of bonded debt	-	3,925,000	-	-	-	90,000	-	4,015,000
Current portion of capital lease obligations	-	205,181	-	-	160,234	-	4,864	370,279
Current portion of compensated absences and termination benefits payable	-	-	-	72,474	433,937	22,309	-	528,720
Total current liabilities	527,419	7,591,377	-	1,539,819	22,440,481	7,336,832	6,169,223	45,605,151
Noncurrent liabilities:								
Bonded debt, less current portion	-	57,830,000	-	-	-	415,000	-	58,245,000
Unamortized premium (discount)	-	2,033,375	-	-	-	3,500	-	2,036,875
Capital lease obligations, less current portion	-	284,993	-	-	50,938	-	21,134	357,065
Compensated absences and termination benefits payable, less current portion	-	-	-	1,624,691	1,829,750	423,896	-	3,878,337
Notes payable, less current portion	-	-	-	-	-	-	5,362,592	5,362,592
Net pension liability	-	-	-	2,056,532	3,753,291	1,770,318	-	7,580,141
Net OPEB obligation	-	-	-	28,357,821	80,852,000	8,464,000	-	117,673,821
Total noncurrent liabilities	-	60,148,368	-	32,039,044	86,485,979	11,076,714	5,383,726	195,133,831
Total liabilities	527,419	67,739,745	-	33,578,863	108,926,460	18,413,546	11,552,949	240,738,982
DEFERRED INFLOW OF RESOURCES								
Pension/OPEB Deferrals	-	-	-	1,936,923	1,201,263	1,664,568	-	4,802,754
Total deferred Inflow of resources	-	-	-	1,936,923	1,201,263	1,664,568	-	4,802,754
NET POSITION								
Net investment in capital assets	19,565	8,729,128	-	4,944,368	244,888,009	11,007,802	54,787,337	324,376,209
Restricted	9,128	6,133,290	-	-	11,550,688	1,257,837	10,413,611	29,364,554
Unrestricted (deficit)	403,007	27,713,296	5,318,961	(26,789,423)	(42,863,498)	(6,955,555)	1,349,119	(41,824,093)
Total net position (deficit)	\$ 431,700	42,575,714	5,318,961	(21,845,055)	213,575,199	5,310,084	66,550,067	311,916,670

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Statement of Activities
 Nonmajor Component Units
 For the year ended June 30, 2018

Programs / Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets								Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Infrastructure and Development			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		
Component Units:													
Infrastructure and Development													
PGCT	\$ 1,727,419	425,426	-	-	(1,301,993)	-	-	-	-	-	-	-	(1,301,993)
Revenue Authority	17,189,421	17,297,016	660,000	354,693	-	1,122,288	-	-	-	-	-	-	1,122,288
IDA	8,949,661	6,522,859	-	-	-	-	(2,426,802)	-	-	-	-	-	(2,426,802)
Education													
Library	37,520,566	887,416	864,166	4,585,388	-	-	-	(31,183,596)	-	-	-	-	(31,183,596)
PGCC	134,993,340	26,938,988	11,280,279	-	-	-	-	-	(96,774,073)	-	-	-	(96,774,073)
Community Development													
Housing Authority	92,643,509	2,075,084	90,352,311	224,784	-	-	-	-	-	8,670	-	-	8,670
Redevelopment Authority	3,059,102	217,301	3,006,229	2,000,000	-	-	-	-	-	-	2,164,428	-	2,164,428
Total component units	\$ 296,083,018	54,364,090	106,162,985	7,164,865	(1,301,993)	1,122,288	(2,426,802)	(31,183,596)	(96,774,073)	8,670	2,164,428	-	(128,391,078)
General revenues:													
Other grants and contributions					1,266,181	-	-	30,859,692	92,589,716	-	-	-	124,715,589
Investment income					742	298,848	174	878	382,250	104,923	406	-	788,221
Miscellaneous					4	2,097,237	-	87,291	1,036,766	736,161	-	-	3,957,459
Total general revenues					1,266,927	2,396,085	174	30,947,861	94,008,732	841,084	406	-	129,461,269
Change in net assets					(35,066)	3,518,373	(2,426,628)	(235,735)	(2,765,341)	849,754	2,164,834	-	1,070,191
Net position - beginning of year					466,766	39,057,341	7,745,589	6,343,637	234,095,964	12,977,330	64,385,233	-	365,071,860
Prior period adjustment					-	-	-	(27,952,957)	(17,755,424)	(8,517,000)	-	-	(54,225,381)
Net position - end of year					\$ 431,700	42,575,714	5,318,961	(21,845,055)	213,575,199	5,310,084	66,550,067	-	311,916,670

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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, 2018

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	\$ 401,728,426	23,487,757	377,944,231	-	67,068	229,370
Staff agencies:						
Finance	29,550	-	-	-	29,550	-
Personnel	52,140	-	-	-	52,140	-
Central services	62,389,805	-	-	60,397,677	394,334	1,597,794
Law	36,900	-	-	-	-	36,900
General government buildings	73,412,332	12,667,199	60,745,133	-	-	-
Other	44,735,272	-	-	-	9,297	44,725,975
Total staff agencies	<u>180,655,999</u>	<u>12,667,199</u>	<u>60,745,133</u>	<u>60,397,677</u>	<u>485,321</u>	<u>46,360,669</u>
Total general government	<u>582,384,425</u>	<u>36,154,956</u>	<u>438,689,364</u>	<u>60,397,677</u>	<u>552,389</u>	<u>46,590,039</u>
Public safety:						
State's Attorney	387,998	-	-	-	27,435	360,563
Police services	78,872,071	2,124,313	47,015,727	-	5,826,550	23,905,481
Fire services	107,778,034	5,979,918	56,239,667	-	11,254,864	34,303,585
Sheriff services	4,246,928	-	32,684	-	409,715	3,804,529
Corrections	112,350,507	1,953,617	109,858,606	-	30,129	508,155
Homeland Security	53,738,496	-	-	48,952,026	1,837,435	2,949,035
Total public safety	<u>357,374,034</u>	<u>10,057,848</u>	<u>213,146,684</u>	<u>48,952,026</u>	<u>19,386,128</u>	<u>65,831,348</u>
Environmental						
Environmental resources	15,557,546	604,804	14,256,906	-	6,055	689,781
Health and human services						
Health	16,841,026	165,800	15,176,754	-	455,717	1,042,755
Total health and human Services	<u>16,841,026</u>	<u>165,800</u>	<u>15,176,754</u>	<u>-</u>	<u>455,717</u>	<u>1,042,755</u>
Infrastructure and Development						
Public works	3,029,904,236	55,660,348	21,197,817	2,894,351,929	156,684	58,537,458
Federal programs	18,364,092	2,856,588	2,540,519	-	8,689,803	4,277,182
Total governmental fund capital assets allocated	<u>4,020,425,359</u>	<u>105,500,344</u>	<u>705,008,044</u>	<u>3,003,701,632</u>	<u>29,246,776</u>	<u>176,968,563</u>
Construction-in-progress	125,380,852					
Total primary government	<u>\$ 4,145,806,211</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.

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, 2018

	Balance July 1, 2017	Additions	Deductions and adjustments	Net Inter-agency transfers	Balance June 30, 2018
Primary government:					
General government:					
Control, legislative, executive and judicial	\$ 334,069,399	67,659,027	-	-	401,728,426
Staff agencies:					
Finance	29,550	-	-	-	29,550
Personnel	52,140	-	-	-	52,140
Central services	50,147,142	12,352,061	(109,398)	-	62,389,805
General government buildings	73,412,332	-	-	-	73,412,332
Other	49,046,222	1,108,831	(5,382,881)	-	44,772,172
Total staff agencies	<u>172,687,386</u>	<u>13,460,892</u>	<u>(5,492,279)</u>	<u>-</u>	<u>180,655,999</u>
Total general government	<u>506,756,785</u>	<u>81,119,919</u>	<u>(5,492,279)</u>	<u>-</u>	<u>582,384,425</u>
Public safety:					
State's attorney	346,026	41,972	-	-	387,998
Police services	71,791,852	7,603,830	(523,611)	-	78,872,071
Fire services	102,430,815	6,134,166	(786,947)	-	107,778,034
Sheriff services	2,573,297	1,733,294	(59,663)	-	4,246,928
Corrections	111,978,349	500,699	(128,541)	-	112,350,507
Homeland Security	53,636,805	116,104	(14,413)	-	53,738,496
Total public safety	<u>342,757,144</u>	<u>16,130,065</u>	<u>(1,513,175)</u>	<u>-</u>	<u>357,374,034</u>
Environmental	15,418,275	217,231	(77,960)	-	15,557,546
Health and human services					
Health	16,345,780	625,903	(130,657)	-	16,841,026
Infrastructure and Development					
Public works and transportation	2,973,203,069	63,280,854	(6,579,687)	-	3,029,904,236
Federal programs	16,730,958	1,633,134	-	-	18,364,092
Construction-in-progress	92,629,640	76,438,157	(43,686,945)	-	125,380,852
Total governmental fund capital assets	<u>\$ 3,963,841,651</u>	<u>239,445,263</u>	<u>(57,480,703)</u>	<u>-</u>	<u>4,145,806,211</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.

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Capital Assets Used in the Operation of Governmental Funds -
 By Source
 June 30, 2018

	Primary Government
Governmental fund capital assets	
Land	\$ 105,500,344
Buildings	705,008,044
Infrastructure	3,003,701,632
Equipment	206,215,339
Construction in progress	125,380,852
Total governmental fund capital assets	<u>\$ 4,145,806,211</u>
Investment in governmental fund capital assets from:	
Capital projects funds:	
General obligation bonds	\$ 101,795,738
Intergovernmental	4,976,106
General fund revenue	3,983,719,339
Special revenue fund revenue	18,341,928
Federal programs	18,364,092
Other	18,609,008
	<u>\$ 4,145,806,211</u>

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

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STATISTICAL SECTION (UNAUDITED)

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

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

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

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

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

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

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

Table 1

	FISCAL YEAR									
	2009	2010	2011	2012	Restated (2) 2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 1,481,956,322	\$ 1,475,449,993	\$ 1,466,248,839	\$ 1,621,314,368	\$ 1,499,391,740	\$ 1,487,561,224	\$ 1,615,022,591	\$ 1,522,174,313	\$ 1,659,749,133	\$ 1,266,261,664
Restricted	422,228,258	351,254,119	361,876,157	349,076,708	341,015,595	309,177,376	304,406,663	282,142,696	199,109,417	258,412,302
Unrestricted (deficit) (2)	(663,421,910)	(558,755,424)	(562,309,599)	(624,691,441)	(705,176,214)	(954,659,608)	(2,448,779,934)	(2,448,831,547)	(2,874,527,010)	(3,665,301,952)
Total governmental activities net position	<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>	<u>(529,350,680)</u>	<u>(644,514,538)</u>	<u>(1,015,668,460)</u>	<u>(2,140,627,985)</u>
Business-type activities:										
Net investment in capital assets	143,085,674	156,560,233	148,934,828	143,858,665	107,572,137	142,374,427	139,610,243	150,378,944	211,704,766	138,996,781
Restricted	18,389,718	20,916,015	19,500,275	18,481,818	19,212,114	28,976,024	47,598,939	71,280,452	71,977,865	82,324,704
Unrestricted (deficit)	40,119,901	40,427,579	56,189,966	59,916,152	94,141,653	50,603,289	21,023,001	(6,438,259)	(71,388,420)	(46,608,719)
Total business-type activities net position	<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>	<u>208,232,183</u>	<u>215,221,137</u>	<u>212,294,211</u>	<u>174,712,766</u>
Primary government:										
Net investment in capital assets	1,625,041,996	1,632,010,226	1,615,183,667	1,765,173,033	1,606,963,877	1,629,935,651	1,754,632,834	1,672,553,257	1,871,453,899	1,405,258,445
Restricted	440,617,976	372,170,134	381,376,432	367,558,526	360,227,709	338,153,400	352,005,602	353,423,148	271,087,282	340,737,006
Unrestricted (deficit) (1)	(623,302,009)	(518,327,845)	(506,119,633)	(564,775,289)	(611,034,561)	(904,056,319)	(2,427,756,933)	(2,455,269,806)	(2,945,915,430)	(3,711,910,671)
Total primary government net position	<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>	<u>\$ (321,118,497)</u>	<u>\$ (429,293,401)</u>	<u>\$ (803,374,249)</u>	<u>\$ (1,965,915,219)</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	(623,302,009)	(518,327,845)	(506,119,633)	(564,775,289)	(611,034,561)	(904,056,319)	(2,427,756,933)	(2,455,269,806)	(2,945,915,430)	(3,711,910,671)
Debt issued for capital on behalf of others	470,259,263	435,418,383	399,196,957	445,921,535	483,621,901	486,417,276	483,674,784	503,035,085	454,176,281	641,070,012
County net assets absent effect of this relationship	<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>	<u>\$ (1,944,082,149)</u>	<u>\$ (1,952,234,721)</u>	<u>\$ (2,491,739,149)</u>	<u>\$ (3,070,840,659)</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									
	2009	2010	2011	2012 (restated)	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government (1)	\$ 264,000,847	\$ 293,993,880	\$ 278,735,961	\$ 335,347,065	\$ 402,876,040	\$ 413,676,920	\$ 322,214,792	\$ 374,611,539	\$ 363,670,444	\$ 401,386,498
Public safety (2)	535,747,925	510,354,496	543,688,542	551,296,748	600,225,256	626,789,316	678,934,030	695,921,598	736,127,867	744,140,675
Environmental (3)	-	-	-	-	-	4,432,568.00	5,560,232	4,136,436	5,053,254	6,548,191
Health and Human Services (4)	103,468,096	104,844,923	98,491,351	95,750,683	97,589,420	97,846,141	99,155,575	96,398,021	97,028,095	93,623,603
Infrastructure and Development (5)	76,563,498	73,726,841	86,362,933	55,761,006	91,413,306	104,325,736	107,710,388	115,700,759	138,751,700	150,348,240
Board of Education	652,303,197	684,470,305	656,525,606	649,326,640	715,792,239	716,497,118	684,661,903	742,360,976	806,245,925	822,710,513
Community College	38,415,219	33,644,625	40,125,724	31,862,246	31,383,689	30,767,855	35,644,365	36,129,002	77,580,269	65,068,851
Memorial Library	19,397,277	19,802,615	19,494,605	27,027,089	23,313,523	21,490,903	23,326,087	20,471,180	24,450,003	20,798,822
Interest on long-term debt	54,873,156	49,295,577	51,136,299	47,505,779	46,733,055	57,748,877	58,988,913	56,147,749	55,141,905	64,083,718
Total governmental activities expenses	1,744,769,215	1,770,133,262	1,774,561,021	1,793,877,256	2,009,326,528	2,073,575,434	2,016,196,285	2,141,877,260	2,304,049,462	2,368,709,111
Business-type activities:										
Solid Waste	99,930,368	87,486,790	95,955,265	98,663,436	95,739,816	95,482,526	91,898,001	94,062,499	114,620,132	97,291,974
Stormwater	35,724,787	48,297,374	42,103,279	42,169,443	43,080,734	52,371,683	54,402,786	55,216,649	51,399,872	52,429,982
Watershed Protection	-	-	-	-	-	316,175	1,134,078	1,164,724	2,248,552	4,678,746
Total business-type activities expenses	135,655,155	135,784,164	138,058,544	140,832,879	138,820,550	148,170,384	147,434,865	150,443,872	168,268,556	154,400,702
Total primary government expenses	\$ 1,880,424,370	\$ 1,905,917,426	\$ 1,912,619,565	\$ 1,934,710,135	\$ 2,148,147,078	\$ 2,221,745,818	\$ 2,163,631,150	\$ 2,292,321,132	\$ 2,472,318,018	\$ 2,523,109,813
Program Revenues										
Governmental activities:										
Charges for Services :										
General government (1)	\$ 47,130,404	\$ 60,275,045	\$ 55,529,493	\$ 87,727,105	\$ 94,431,227	\$ 83,203,693	\$ 79,730,348	\$ 88,751,746	\$ 90,201,920	\$ 113,380,065
Public safety (2)	34,964,503	38,398,284	41,420,265	52,677,652	56,363,172	37,430,678	44,390,006	48,168,338	49,748,474	52,747,395
Environmental (3)	-	-	-	-	-	287,158.00	313,784	325,470	450,345	497,067
Health and Human Services (4)	12,642,837	9,278,928	10,430,145	12,369,621	10,299,291	7,075,381	4,508,261	4,436,424	6,361,895	6,298,652
Infrastructure and Development (5)	43,153,508	57,097,256	29,476,879	130,701,054	33,769,227	56,250,140	49,411,650	90,962,207	71,376,976	92,999,782
Operating grants and contributions:										
General government (1)	39,248,215	56,606,758	57,182,264	26,281,362	25,222,907	12,192,715	24,419,173	22,137,203	21,593,271	21,068,662
Public safety (2)	17,538,135	29,537,332	28,884,685	32,508,021	26,524,768	24,989,052	18,335,079	22,761,497	25,765,885	23,140,053
Environmental (3)	-	-	-	-	-	230,114	567,867	84,423	885,281	655,611
Health and Human Services (4)	65,449,596	65,178,448	71,886,283	68,530,281	67,629,045	69,120,126	79,342,253	73,622,970	74,068,373	61,129,323
Infrastructure and Development (5)	1,868,144	2,233,204	4,513,987	8,581,718	2,917,851	13,478,641	22,955,481	21,182,326	11,154,653	10,738,996
Capital grants and contributions:										
General government (1)	5,756,794	36,514,825	7,466,894	2,949,658	198,425	1,775,255	6,235,669	3,813,609	860,962	-
Public safety (2)	3,847,755	4,881,000	8,519,103	3,696,298	4,896,876	2,747,572	8,056,602	684,709	1,504,442	1,229,240
Environmental (3)	-	-	-	-	-	211,498	257,127	50,715	-	1,225,202
Health and Human Services (4)	-	117,954	351,545	-	169,076	22,000	180,474	54,589	-	108,511
Infrastructure and Development (5)	4,138,715	7,887,841	18,914,344	7,186,862	10,076,015	13,572,964	687,926	8,977,424	1,509,878	3,164,317
Total governmental activities program revenues	275,738,606	368,006,875	334,575,887	433,209,632	332,497,880	322,586,987	339,391,700	386,013,650	355,482,355	388,382,876

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 State Attorney, Soil Conservation, Department of Family Services, and Department of Housing and Community Development. (2) Public safety added State's Attorney and dropped Department of the Environment. (3) Environment added Department of the Environmental and Soil Conservation. (4) Health and Human Services (Health and Public Welfare - Department of Social Services) merged categories with the Department of Family Services. (5) Infrastructure added the new Department of Permitting, Inspections, and Enforcement and Department of Housing and Community Development to the existing Public Works (Department of Public Works and Transportation) Category.

continued

Table 2, continued

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

	2009	2010	2011	2012 (restated)	2013	2014	2015	2016	2017	2018
Program Revenues, continued										
Business-type activities:										
Charges for services:										
Solid waste	86,550,100	90,575,778	90,451,449	89,987,217	91,459,801	90,893,287	92,113,510	95,380,258	97,111,766	98,274,930
Stormwater	3,057,990	3,369,309	2,150,063	1,829,457	2,811,579	3,677,700	3,332,530	3,803,795	8,029,372	5,789,857
Watershed Protection						14,199,502	14,741,320	14,710,922	14,678,046	14,649,897
Capital grants and contributions										
Stormwater	210,096	1,432,137	1,627,916	1,064,605	2,005,401	1,262,405	92,153	2,555,148	135,823	18,546
Total business-type activities program revenues	89,818,186	95,377,224	94,229,428	92,881,279	96,276,781	110,032,894	110,279,513	116,450,123	119,955,007	118,733,230
Total primary government program revenues	\$ 457,825,061	\$ 429,953,111	\$ 527,439,060	\$ 425,379,159	\$ 418,863,768	\$ 449,424,594	\$ 449,671,213	\$ 502,463,773	\$ 475,437,362	\$ 507,116,106
Net (Expense)/Revenue										
Governmental activities	(1,402,126,387)	(1,439,985,134)	(1,360,667,624)	(1,676,828,648)	(1,750,988,447)	(1,676,804,585)	(1,676,804,585)	(1,755,863,610)	(1,948,567,107)	(1,980,326,235)
Business-type activities	(45,965,978)	(42,681,320)	(46,603,451)	(45,939,271)	(51,893,603)	(37,401,971)	(37,155,352)	(33,993,749)	(48,313,549)	(35,667,472)
Total primary government net expense	\$ (1,448,092,365)	\$ (1,482,666,454)	\$ (1,407,271,075)	\$ (1,722,767,919)	\$ (1,802,882,050)	\$ (1,714,206,556)	\$ (1,713,959,937)	\$ (1,789,857,359)	\$ (1,996,880,656)	\$ (2,015,993,707)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 659,038,907	\$ 732,832,234	\$ 733,197,993	\$ 722,138,728	\$ 707,228,408	\$ 709,669,105	\$ 720,937,819	\$ 779,978,896	\$ 827,354,415	\$ 864,162,789
Income taxes	435,714,262	440,257,032	480,489,026	504,817,831	529,764,061	513,350,683	549,887,248	575,334,071	593,750,012	598,697,158
Transfer and recordation taxes	92,709,263	95,796,346	90,645,343	85,069,002	100,116,901	104,407,509	117,209,045	152,241,144	159,972,580	195,358,499
Energy taxes	66,805,287	71,280,769	63,880,450	59,651,917	56,588,560	55,240,457	66,785,516	66,394,765	71,865,024	76,969,462
Telecommunications tax	49,513,889	44,357,561	41,982,171	37,827,000	36,926,752	33,914,325	33,645,771	33,733,670	31,746,691	26,858,188
Unrestricted State shared tax	25,080,807	1,334,216	1,334,399	2,064,874	2,613,510	2,701,111	2,867,440	2,970,706	3,107,973	3,023,188
Other taxes	19,803,811	21,402,102	20,494,339	19,664,177	21,988,466	21,666,726	22,065,496	26,092,859	28,470,988	31,235,520
Investment earnings	29,435,697	9,101,595	3,122,028	3,698,357	(2,115,280)	2,944,473	4,460,524	2,884,002	2,968,323	4,770,329
Grants and contributions	1,371,225	1,970,627	1,865,679	3,212,453	11,822,540	13,355,751	862,813	549,897	486,635	5,495,014
Miscellaneous	543,727	1,492,071	840,412	5,197,518	1,426,216	586,179	462,854	519,742	2,925,716	1,114,860
Total governmental activities	1,380,016,875	1,419,824,553	1,437,851,840	1,443,341,857	1,466,360,134	1,457,836,319	1,519,184,526	1,640,699,752	1,722,648,357	1,807,685,007
Business-type activities:										
Property taxes	44,151,124	49,419,329	47,579,296	43,625,750	39,629,544	37,999,606	38,090,056	39,550,173	42,775,442	45,227,776
Investment earnings	5,235,867	3,953,359	2,971,062	2,333,788	1,583,464	1,165,720	1,382,411	1,432,530	2,611,181	5,812,352
Total business-type activities	49,386,991	53,372,688	50,550,358	45,959,538	41,213,008	39,165,326	39,472,467	40,982,703	45,386,623	51,040,128
Total primary government	\$ 1,429,403,866	\$ 1,473,197,241	\$ 1,488,402,198	\$ 1,489,301,395	\$ 1,507,573,142	\$ 1,497,001,645	\$ 1,558,656,993	\$ 1,681,682,455	\$ 1,768,034,980	\$ 1,858,725,135
Governmental activities										
Extraordinary items										
Asset impairment / insurance recovery (1)	-	-	-	-	-	-	-	-	-	-
Special items										
Legal Recovery	-	10,700,000	-	-	-	-	-	-	-	-
Business-type activities:										
Special items										
Gain on capital asset due to change in estimal	-	3,342,786	-	-	-	-	-	-	-	-
Change in Net Position										
Governmental activities	(22,109,512)	(9,460,581)	77,184,216	(233,486,791)	(284,628,313)	(218,968,266)	(157,620,059)	(115,163,858)	(225,918,750)	(172,641,228)
Business-type activities	3,421,013	14,034,154	3,946,907	20,267	(10,680,595)	1,763,355	2,317,115	6,988,954	(2,926,926)	15,372,656
Total primary government	\$ (18,688,499)	\$ 4,573,573	\$ 81,131,123	\$ (233,466,524)	\$ (295,308,908)	\$ (217,204,911)	\$ (155,302,944)	\$ (108,174,904)	\$ (228,845,676)	\$ (157,268,572)

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									
	<u>2009</u>	<u>2010</u>	<u>2011(3)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund:										
Reserved	\$ 146,494,025	\$ 144,338,502								
Unreserved	131,730,338	186,520,591								
Nonspendable	-	-	1,593,534.00	\$ 1,619,282	\$ 1,532,552	\$ 1,549,546	\$ 1,641,389	\$ 2,134,534	\$ 2,010,022	\$ 3,093,439
Restricted	-	-	144,187,959.00	164,668,289	156,735,799	160,797,750	170,778,503	161,051,114	185,338,448	175,190,627
Committed	-	-	52,389,072.00	53,570,342	54,968,228	55,424,074	57,807,206	59,356,790	62,986,988	65,418,066
Assigned	-	-	85,733,302.00	87,170,249	63,342,963	52,361,681	53,937,841	48,926,434	48,288,562	54,350,909
Unassigned	-	-	94,256,531.00	76,659,622	82,782,432	30,953,395	34,028,162	116,418,173	167,450,824	229,965,917
Sub-total General Fund	<u>302,143,017</u>	<u>278,224,363</u>	<u>330,859,093</u>	<u>378,160,398</u>	<u>359,361,974</u>	<u>301,086,446</u>	<u>318,193,101</u>	<u>387,887,045</u>	<u>466,074,844</u>	<u>528,018,958</u>
All Other Governmental Funds:										
Reserved	\$ 200,562,222	\$ 147,214,598								
Unreserved:										
Special revenue funds	12,254,369	14,585,859								
Capital projects funds	(10,280,606)	6,600,247								
Restricted	-	-	145,408,266.00	\$ 140,131,186	\$ 315,273,781	\$ 99,653,204	\$ 130,699,334	\$ 73,443,535	\$ 38,763,609	\$ 274,875,628
Committed	-	-	-	10,301,182	6,498,711	2,323,282	3,255,831	4,915,107	-	3,046,432
Assigned	-	-	5,481,651	6,525,555	6,357,576	6,264,232	3,277,611	3,677,951	4,075,470	3,953,466
Unassigned	-	-	-	-	-	-	-	-	(249,039,120)	-
Sub-total all other Governmental Funds	<u>\$ 338,441,804</u>	<u>\$ 202,535,985</u>	<u>\$ 168,400,704</u>	<u>\$ 150,889,917</u>	<u>\$ 328,130,068</u>	<u>\$ 108,240,718</u>	<u>\$ 137,232,776</u>	<u>\$ 82,036,593</u>	<u>\$ (206,200,041)</u>	<u>\$ 281,875,526</u>
Total all Governmental Funds	<u>\$ 640,584,821</u>	<u>\$ 480,760,348</u>	<u>\$ 499,259,797</u>	<u>\$ 529,050,315</u>	<u>\$ 687,492,042</u>	<u>\$ 409,327,164</u>	<u>\$ 455,425,877</u>	<u>\$ 469,923,638</u>	<u>\$ 259,874,803</u>	<u>\$ 809,894,484</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									
	2009	2010	2011	2012	2013 (restated)	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 1,348,462,490	\$ 1,412,184,766	\$ 1,423,616,459	\$ 1,427,541,836	\$ 1,449,168,044	\$ 1,440,900,965	\$ 1,509,634,512	\$ 1,633,462,779	\$ 1,708,866,767	\$ 1,794,281,794
Licenses and permits	17,751,849	17,471,856	18,577,036	18,127,287	22,710,061	21,830,867	25,430,085	37,734,749	47,933,335	60,672,230
Fines and forfeitures	4,444,315	4,351,788	5,877,508	13,459,810	19,684,818	19,885,245	14,964,293	15,239,542	15,213,987	15,394,169
Use and money and property	31,177,059	11,966,421	5,821,464	7,871,454	1,705,533	8,138,507	12,864,236	9,243,883	6,084,135	17,824,752
Charges for services	47,463,048	52,725,012	53,795,309	67,300,432	76,580,819	65,128,244	73,501,819	86,038,845	81,815,453	91,907,843
Intergovernmental	132,186,494	212,201,660	207,706,513	161,533,603	155,741,974	155,812,040	161,173,020	155,192,779	143,195,829	126,309,266
Miscellaneous	6,066,125	6,810,373	5,184,078	7,752,696	6,119,301	10,305,705	2,989,077	3,782,573	4,753,369	2,755,488
Total revenues	1,593,508,908	1,587,551,380	1,717,711,876	1,720,578,367	1,731,710,550	1,722,001,573	1,800,557,042	1,940,695,150	2,007,862,875	2,109,145,542
Expenditures										
General Government (1)	187,025,859	195,276,748	214,101,638	229,901,474	229,989,658	264,913,081	197,409,489	196,167,715	214,966,757	367,002,894
Public safety (2)	512,181,110	509,526,761	535,858,802	543,037,453	577,535,728	615,372,626	635,615,369	652,773,699	671,113,128	712,817,487
Environmental (3)	-	-	-	-	10,219,798.00	4,323,358.00	4,718,117.00	3,559,225	4,452,246	6,228,620
Health and Human Services (4)	96,918,135	103,841,312	98,190,664	95,249,039	98,493,348	95,977,561	97,388,090	95,240,267	96,470,157	93,602,232
Infrastructure & Development (5)	16,986,921	15,855,250	26,947,228	20,670,130	25,068,942	32,234,093	34,712,960	34,356,611	29,587,219	42,413,242
Capital projects	103,289,706	82,735,106	82,297,319	74,151,921	90,316,298	138,911,039	122,161,533	108,617,981	132,580,862	141,440,671
Education										
Board of Education	652,303,197	684,470,305	656,525,606	649,326,640	715,792,239	716,497,118	684,661,903	742,360,976	845,979,025	822,710,513
Community College	38,415,219	33,644,625	40,125,724	31,862,246	31,383,689	30,767,855	35,644,365	36,129,002	82,573,869	65,068,851
Memorial Library	19,397,277	19,802,615	19,494,605	27,027,089	23,313,523	21,490,903	26,534,954	35,357,559	34,971,909	35,441,196
Debt service										
Interest	74,766,318	78,850,997	86,457,546	86,523,482	83,252,080	85,839,156	97,332,619	109,598,004	116,330,860	116,314,724
Principal	54,073,418	53,598,362	49,896,532	47,537,190	47,206,911	53,855,034	58,141,936	58,313,589	53,255,661	58,742,863
Total expenditures	1,778,666,215	1,755,357,160	1,777,602,081	1,809,895,664	1,932,572,214	2,060,181,824	1,994,321,335	2,072,474,628	2,282,281,693	2,461,783,293
Excess (deficiency) of revenues over (under) expenditures	(167,805,780)	(59,890,205)	(89,317,297)	(101,699,546)	(200,861,664)	(338,180,251)	(193,764,293)	(131,779,478)	(274,418,818)	(352,637,751)

The County revised its functional categories for expenditures in fiscal year 2014. Fiscal year 2013 expenditures are restated. The following represents changes to expenditures categories from 2005-2012. (1) General Government- no longer includes States Attorney, Soil Conservation, Department of Family Services, and Department of Housing and Community Development. (2) Public safety added State's Attorney and dropped Department of the Environment. (3) Environment added Department of the Environment and Soil Conservation. (4) Health and Human Services 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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
General obligation bonds issued	13,494,208	83,110,000	91,480,000	74,315,000	285,748,000	-	189,689,000	113,835,000	-	658,365,000
Bond and note premium	-	2,599,354	6,959,315	21,373,503	43,355,574	5,419,224	30,413,518	21,734,711	-	98,707,070
Capital lease financing	2,764,699	-	27,781,000	33,825,000	16,055,642	54,596,149	19,612,680	10,161,624	32,105,240	41,604,000
Transfers in - other funds	100,694,719	94,629,227	98,837,759	101,999,940	89,092,924	94,902,164	92,543,661	95,034,167	110,911,778	110,955,843
Debt Issued:										
Bond proceeds - refunding	-	-	-	175,530,000	191,130,000	-	27,520,000	51,511,805	-	83,754,499
Bond premium - refunding	-	-	-	36,132,555	20,981,662	-	2,234,722	7,990,279	-	14,470,731
Payment to bond refunding escrow agent	-	-	-	(221,094,720)	(209,562,879)	-	(29,606,914)	(58,956,180)	-	(97,687,568)
Transfers out - other funds	(108,972,319)	(101,948,927)	(105,950,259)	(108,786,340)	(89,092,924)	(94,902,164)	(92,543,661)	(95,034,167)	(110,911,778)	(111,512,143)
Other	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<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>	<u>239,863,006</u>	<u>146,277,239</u>	<u>32,105,240</u>	<u>902,657,432</u>
Net change in fund balances	<u>\$ (51,908,898)</u>	<u>\$ 18,499,449</u>	<u>\$ 29,790,518</u>	<u>\$ 11,595,392</u>	<u>\$ 146,846,335</u>	<u>\$ (278,164,878)</u>	<u>\$ 46,098,713</u>	<u>\$ 14,497,761</u>	<u>\$ (195,676,978)</u>	<u>\$ 550,019,681</u>
Debt service as a percentage of noncapital expenditures (3)	7.0%	7.7%	7.8%	7.7%	7.8%	7.8%	7.7%	8.8%	9.0%	8.0%

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				
2009	85,155,247,625	99,986,180,539	0.9066	29,129,440	1,232,270,320	1,392,949,067	2,654,348,827	2.2940	102,640,529,366	89.02
2010	96,054,707,346	102,512,190,089	0.8996	32,392,590	1,291,979,150	1,458,374,079	2,782,745,819	2.2724	105,294,935,908	85.55
2011	95,135,150,806	96,199,089,410	0.8998	48,907,200	1,334,149,600	1,366,211,620	2,749,268,420	2.0000	98,948,357,830	93.87
2012	82,964,524,929	83,404,281,380	0.9054	57,630,140	1,332,876,260	1,322,818,970	2,713,325,370	2.0000	86,117,606,750	98.92
2013	75,993,572,331	76,633,200,500	0.9028	50,405,620	1,364,625,200	1,789,642,154	3,204,672,974	2.2830	79,837,873,474	99.49
2014	73,425,415,435	74,563,618,491	0.8971	48,314,610	1,393,889,690	1,313,144,919	2,755,349,219	2.2684	77,318,967,710	99.20
2015	74,172,498,186	76,307,098,100	0.9019	48,442,950	1,485,591,490	1,371,592,328	2,905,626,768	2.2780	79,212,724,868	97.31
2016	76,751,695,412	80,392,825,800	0.9451	61,518,930	1,458,733,380	1,488,314,420	3,008,566,730	2.3720	83,401,392,530	95.63
2017	82,315,032,205	86,941,639,900	0.9364	63,432,820	1,499,376,630	1,645,609,250	3,208,418,700	2.3521	90,150,058,600	94.87
2018	85,742,095,940	92,548,040,600	0.9596	61,886,750	1,564,611,410	1,798,600,552	3,425,098,712	2.4010	95,973,139,312	92.91

Notes:

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

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

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

Source: State Department of Assessments and Taxation

Table 6

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

Fiscal Year	County Direct Rates - Real Property (1)				Overlapping Rates - Real Property		
	General (2)	Pre-Trim (4)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2009	0.9066	-	0.0540	0.9606	0.1120	0.2790	0.0260
2010	0.8996	-	0.0540	0.9536	0.1120	0.2790	0.0260
2011	0.8998	-	0.0540	0.9538	0.1120	0.2790	0.0260
2012	0.9054	-	0.0540	0.9594	0.1120	0.2790	0.0260
2013	0.9028	-	0.0540	0.9568	0.1120	0.2790	0.0260
2014	0.8971	-	0.0540	0.9511	0.1120	0.2790	0.0260
2015	0.9019	-	0.0540	0.9559	0.1120	0.2790	0.0260
2016	0.9451	-	0.0540	0.9991	0.1120	0.2940	0.2600
2017	0.9364	-	0.0540	0.9904	0.1120	0.2940	0.0260
2018	0.9596	-	0.0540	1.0136	0.1120	0.2940	0.0260

Fiscal Year	County Direct Rates - Personal Property (1)				Overlapping Rates - Personal Property		
	General (2)	Pre-Trim (4)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2009	2.2940	-	0.1350	2.4290	0.2800	0.6975	0.0650
2010	2.2724	-	0.1350	2.4074	0.2800	0.6975	0.0650
2011	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650
2012	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650
2013	2.2830	-	0.1350	2.4180	0.2800	0.6975	0.0650
2014	2.2684	-	0.1350	2.4034	0.2800	0.6975	0.0650
2015	2.2780	-	0.1350	2.4130	0.2800	0.6975	0.0650
2016	2.3723	-	0.1350	2.5073	0.2800	0.7351	0.0650
2017	2.3521	-	0.1350	2.4871	0.2800	0.7350	0.0650
2018	2.4010	-	0.1350	2.5360	0.2800	0.7350	0.0650

Notes:

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

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

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

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

Table 7

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

Cities										
Fiscal Year	Bowie	College Park	District Heights	Greenbelt	Hyattsville	Laurel	Mount Rainier	New Carrollton	Seat Pleasant	
2009	0.352	0.299	0.730	0.786	0.630	0.720	0.790	0.450	0.580	
2010	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2011	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2012	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	
2013	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	
2014	0.400	0.322	1.000	0.790	0.630	0.710	0.790	0.714	0.580	
2015	0.400	0.335	1.000	0.805	0.630	0.710	0.860	0.7121	0.580	
2016	0.400	0.335	0.949	0.813	0.630	0.710	0.860	0.6652	0.580	
2017	0.400	0.335	0.8840	0.8125	0.630	0.710	0.860	0.6652	0.580	
2018	0.400	0.335	0.8175	0.8125	0.630	0.710	0.840	0.6652	0.580	

Towns										
Fiscal Year	Berwyn Heights	Bladensburg	Brentwood	Capitol Heights	Cheverly	Colmar Manor	Cottage City	Eagle Harbor	Edmonston	Fairmount Heights
2009	0.486	0.740	0.476	0.412	0.480	0.880	0.640	0.292	0.500	0.420
2010	0.486	0.740	0.443	0.412	0.480	1.000	0.600	0.292	0.600	0.388
2011	0.486	0.740	0.382	0.401	0.480	1.038	0.560	0.292	0.600	0.420
2012	0.486	0.740	0.382	0.392	0.480	1.038	0.520	0.292	0.600	0.420
2013	0.516	0.740	0.382	0.392	0.480	1.028	0.488	0.292	0.600	0.420
2014	0.516	0.740	0.386	0.462	0.580	1.490	0.650	0.480	0.600	0.460
2015	0.516	0.740	0.4107	0.4619	0.580	1.490	0.650	0.480	0.660	0.460
2016	0.530	0.740	0.4107	0.4619	0.580	1.310	0.650	0.480	0.660	0.460
2017	0.530	0.740	0.4107	0.4455	0.560	1.222	0.650	0.473	0.638	0.460
2018	0.530	0.740	0.4000	0.4455	0.540	1.154	0.650	0.473	0.617	0.460

continued

Table 7, continued

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

Fiscal Year	Towns							
	Forest Heights	Glenarden	Landover Hills	Morningside	North Brentwood	Riverdale Park	University Park	Upper Marlboro (4)
2009	0.510	0.275	0.480	0.800	0.288	0.641	0.600	0.240
2010	0.530	0.296	0.480	0.800	0.347	0.641	0.600	0.240
2011	0.530	0.296	0.480	0.780	0.347	0.641	0.541	0.240
2012	0.567	0.336	0.480	0.780	0.347	0.677	0.584	0.240
2013	0.567	0.336	0.480	0.740	0.347	0.654	0.579	0.240
2014	0.625	0.336	0.480	0.740	0.347	0.654	0.582	0.240
2015	0.625	0.336	0.480	0.740	0.440	0.654	0.632	0.240
2016	0.625	0.331	0.520	0.740	0.440	0.654	0.653	0.240
2017	0.625	0.331	0.520	0.740	0.440	0.654	0.608	0.240
2018	0.584	0.331	0.520	0.740	0.440	0.654	0.572	0.240

Notes:

- (1) Tax rates are per \$100 of assessed value.
- (2) The County does not collect personal property taxes for the Cities or Towns.
- (3) Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.
- (4) During fiscal years 2000 through 2004, the Town of Upper Marlboro did not collect town taxes.

Table 8

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
National Harbor Grand, LLC	\$993,356,233	1	2.79%			
Potomac Electric Power Co.	660,063,417	2	1.85%	431,790,993	3	1.87%
Gaylord National, LLC	588,495,334	3	1.65%	\$ 670,855,100	1	2.90%
Verizon Maryland	282,157,460	4	0.79%	406,340,430	4	1.76%
Washington Gas Light Company	282,007,510	5	0.79%	218,766,847	5	0.95%
Empirian Village of Maryland, LLC	276,805,300	6	0.78%	187,362,588	8	0.81%
JKC Stadium (FedEx Field)	208,927,300	7	0.59%	187,999,100	7	0.81%
Greenbelt Homes, Incorporated	207,599,726	8	0.58%	195,151,290	6	0.84%
Baltimore Gas & Electric	193,071,010	9	0.54%			
NRG (Mirant) Chalk Point LLC	177,862,970	10	0.50%	494,667,042	2	2.14%
Silver Oaks Campus LLC				129,448,066	9	0.56%
Samuel Zell Trs				125,229,198	10	0.54%

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
2009	903,375,110	897,803,030	99.38	4,927,550	902,730,580	99.93
2010	1,001,271,795	995,260,491	99.39	5,374,489	1,000,634,980	99.94
2011	987,400,083	981,984,336	99.45	4,677,953	986,662,289	99.93
2012	869,334,583	866,278,838	99.64	2,250,547	868,529,385	99.91
2013	803,094,590	798,920,671	99.48	3,048,656	801,969,327	99.86
2014	778,008,663	773,446,612	99.41	3,226,356	776,672,968	99.83
2015	791,690,172	787,981,697	99.53	2,105,874	790,087,571	99.80
2016	853,046,726	852,874,411	99.98	(1,837,016)	851,037,395	99.76
2017	909,650,941	905,652,881	99.56	1,670,618	907,323,500	99.74
2018	971,598,769	967,523,822	99.58	0	967,523,823	99.58

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, 2018

General Fund										
Delinquent taxes by year	Unincorporated					Total General Fund				
	Real Property	Business Personal Property	Railroads and Public Utilities	Corporate Personal Property						
Year ended										
June 30:										
2018	\$ 2,588,670	44,836	14	1,300,286		3,933,806				
2017	1,624,253	24,584	579	608,635		2,258,051				
2016	1,378,682	33,927	23	541,427		1,954,059				
2015	1,170,272	27,034	-	364,905		1,562,211				
2014	1,006,110	13,830	-	282,753		1,302,693				
2013	905,449	6,382	-	189,359		1,101,190				
2012	596,995	11,253	72	173,415		781,735				
2011	524,928	6,144	8	185,749		716,829				
2010	458,998	8,958	41	152,221		620,218				
2009 (and prior)	2,189,952	2,202,187	206	886,264		5,278,609				
	<u>\$ 12,444,309</u>	<u>2,379,135</u>	<u>943</u>	<u>4,685,014</u>		<u>19,509,401</u>				
Agency Funds										
Delinquent taxes by year	Maryland-National and Planning			Washington Suburban		Washington Suburban		Total Agency Funds	Stormwater Management Fund	Total All Funds
	State	Commission	Commission	Incorporated Towns	Transit	Special	Funds			
Year ended										
June 30:										
2018	\$ 180,189	875,387	25,618	123,533	79,880	1,941,335	3,225,942	141,140	7,300,888	
2017	85,433	401,330	21,215	73,239	36,758	-	617,975	69,390	2,945,416	
2016	60,809	321,784	16,976	55,292	29,500	-	484,361	55,273	2,493,693	
2015	45,669	222,967	14,425	44,451	21,500	-	349,012	40,389	1,951,612	
2014	41,699	183,433	14,696	34,577	17,699	-	292,104	33,001	1,627,798	
2013	29,561	129,702	16,616	33,075	12,249	-	221,203	24,074	1,346,467	
2012	31,852	125,143	20,916	30,188	11,990	-	220,089	23,463	1,025,287	
2011	22,663	110,962	18,666	20,267	10,680	-	183,238	20,965	921,032	
2010	16,381	86,802	16,247	14,996	8,554	-	142,980	16,596	779,794	
2009 (and prior)	258,966	1,019,815	66,762	108,339	105,443	-	1,559,325	210,428	7,048,362	
	<u>\$ 773,222</u>	<u>3,477,325</u>	<u>232,137</u>	<u>537,957</u>	<u>334,253</u>	<u>1,941,335</u>	<u>7,296,229</u>	<u>634,719</u>	<u>27,440,349</u>	

Table 11

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

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt				
	General Obligation Bonds (1)	LGIT GOB	Maryland CDA Infrastructure Bonds	Certificates of Participation	HUD Section 108 Notes	Maryland Industrial Land Act Loans	Other Loans	Capital Leases
2009	1,012,942,759	5,490,000	739,300	42,384,528	6,361,000	238,154	2,643,957	2,764,699
2010	1,032,870,640	4,235,000	679,600	28,935,874	5,893,000	211,859	1,466,254	2,764,699
2011	1,058,301,880	2,905,000	617,300	34,717,732	5,395,000	183,713	982,088	10,664,091
2012	1,076,197,571	1,495,000	552,600	59,875,481	4,907,000	153,586	-	6,491,697
2013	1,356,817,910	-	484,300	51,777,027	4,636,000	121,336	-	19,365,264
2014	1,268,290,559	-	413,300	83,039,920	4,347,000	86,817	-	29,738,883
2015	1,385,801,745	-	339,000	72,116,502	4,038,000	49,867	-	41,572,611
2016	1,409,794,524	-	261,200	61,740,000	3,716,000	-	-	41,962,400
2017	1,293,151,310	-	-	51,505,000	2,295,000	-	1,418,480	61,140,500
2018	1,925,381,708	-	-	150,070,000	2,027,000	-	1,418,480	56,142,776

Fiscal Year	Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds (1)	Revenue Bonds	Certificates of Participation (2)	WSSC Loans	Capital Leases			
2009	79,350,231	12,028,800	482,209	745,000	-	1,166,170,637	3.51%	1,397.35
2010	84,285,855	7,083,800	266,208	-	-	1,168,692,789	3.41%	1,349.99
2011	108,816,464	5,042,425	39,326	-	-	1,227,665,019	3.50%	1,404.58
2012	126,235,054	2,934,277	-	-	19,419	1,278,861,685	3.32%	1,451.38
2013	192,949,424	758,943	-	-	10,090	1,626,920,294	4.22%	1,827.83
2014	182,450,700	385,998	-	-	-	1,568,753,177	3.90%	1,734.52
2015	198,374,541	-	-	-	-	1,702,292,266	4.17%	1,871.61
2016	187,832,633	-	6,480,279	-	-	1,711,787,036	4.08%	1,885.13
2017	176,434,056	-	6,193,448	-	-	1,592,137,794	3.68%	1,744.32
2018	290,910,232	-	-	-	-	2,425,950,196	n.a.	n.a.

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

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

Table 12

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

Fiscal Year	Governmental-Type Activities			Business-Type Activities	Net General Bonded Total	Percentage of Actual Property Value	Per Capita
	General Obligation Bonds (1)	LGIT General Obligation Bonds	Less Amounts to be Paid with Restricted Resources (2)	General Obligation Bonds (1)			
2009	1,012,942,759	5,490,000		79,350,231	1,097,782,990	1.07%	1,315.40
2010	1,032,870,640	4,235,000		84,285,855	1,121,391,495	1.07%	1,295.35
2011	1,058,301,880	2,905,000		108,816,464	1,170,023,344	1.18%	1,338.63
2012	1,076,197,571	1,495,000		126,235,054	1,203,927,625	1.40%	1,366.33
2013	1,356,817,910	-		192,949,424	1,549,767,334	1.94%	1,741.15
2014	1,268,290,559	-		182,450,700	1,450,741,259	1.88%	1,604.04
2015	1,385,801,745	-		198,374,541	1,584,176,286	2.00%	1,741.74
2016	1,409,794,524	-		187,832,633	1,597,627,157	1.92%	1,759.41
2017	1,293,151,310	-		176,434,056	1,469,585,366	1.63%	1,610.05
2018	1,925,381,708	-	51,440,071	290,910,232	2,164,851,869	2.26%	n.a.

(1) Amounts are net of related premiums and discounts

(2) Beginning in fiscal year 2018, the County changed its presentation of outstanding debt per capita in the statistical section to include the restricted resources for the repayment of the principal of debt.

Table 13

PRINCE GEORGE'S COUNTY, MARYLAND
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018

Governmental Unit:	Debt Outstanding	Percentage of Debt Applicable to this Jurisdiction	Jurisdiction's Share of Debt
Prince George's County:			
County Government	\$ 2,133,169,104 (1)	100.00%	\$ 2,133,169,104
Overlapping areas:			
Maryland-National Capital Park and Planning Commission	86,180,000	0%	-
Washington Suburban Sanitary Commission	846,388,240	0%	-
Underlying towns and cities within the County	52,182,132	0%	-
Component Unit:			
IDA of PG County lease revenue bonds	-	100.00%	-
Total Direct and Overlapping Debt	<u>\$ 3,117,919,476</u>		<u>\$ 2,133,169,104</u>

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

PRINCE GEORGE'S COUNTY, MARYLAND
Computation of Direct and Overlapping Debt
June 30, 2018

	<u>Gross debt</u>	<u>Self-supporting</u>	<u>Net debt</u>
	<u>principal amount</u> ⁽⁹⁾	<u>debt</u>	<u>principal amount</u>
Direct debt:			
Primary government:			
General obligation bonds:			
General purpose	\$ 1,384,725,682	-	1,384,725,682
Stormwater management	236,702,361	236,702,361 ⁽¹⁾	-
Solid waste management system	45,999,335	45,999,335 ⁽²⁾	-
School facilities surcharge - supported	339,100,998	339,100,998 ⁽³⁾	-
Telecommunications - supported	16,741,670	16,741,670 ⁽⁴⁾	-
Mass transit	<u>6,114,954</u>	<u>6,114,954</u> ⁽⁵⁾	<u>-</u>
Total direct debt	<u>2,029,385,000</u>	<u>644,659,318</u>	<u>1,384,725,682</u>
Overlapping debt:			
Other governmental units:			
Maryland-National Capital Park and Planning Commission general obligation bonds	86,180,000	86,180,000 ⁽⁶⁾	-
Washington Suburban Sanitary Commission	846,388,240	846,388,240	-
Underlying towns and cities within the County	52,182,132	52,182,132 ⁽⁷⁾	-
Component unit:			
Industrial Development Authority of Prince George's County lease revenue bonds	<u>-</u>	<u>-</u> ⁽⁸⁾	<u>-</u>
Total overlapping debt	<u>984,750,372</u>	<u>984,750,372</u>	<u>-</u>
Total direct and overlapping debt	<u>\$ 3,014,135,372</u>	<u>1,629,409,690</u>	<u>1,384,725,682</u>

Notes:

- (1) The debt service payments on bonds issued by the County for stormwater management facilities are supported by a special ad valorem tax and, accordingly, such bonds are considered self-supporting.
- (2) County solid waste bonds are repaid from user charges.
- (3) Debt service payments on a portion of the school construction bonds are supported by the school facilities surcharge on new residential construction. This portion is considered self-supporting.
- (4) Debt service payments on the bonds issued for School Renovation Projects are supported by the Telecommunication Tax, levied on telecommunication service in the county.
- (5) These bonds are a liability of the Washington Suburban Transit Commission. The Washington Suburban Transit Commission reimburses the debt service payments on bonds issued by the County for mass transit projects and, accordingly, such bonds are considered self-supporting.
- (6) At June 30, 2012, the County was contingently liable as guarantor on these bonds issued by the Maryland-National Capital Park and Planning Commission.
- (7) The debt issued by the towns and cities within the County is supported by the revenue sources of the respective towns and cities.
- (8) Debt service costs for the 1994A Lease Revenue Bonds are reimbursed to the County by the State of Maryland pursuant to a lease agreement relating to the Hyattsville Multi-Service Center. Debt related to the Series 2003A, 2003B and 2009 IDA Bonds were defeased. The date of defeasance was 05/23/2018.
- (9) Amounts do not include related premiums, discounts, and adjustments.

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

Legal Debt Margin Calculation for Fiscal Year 2018:

Assessable base of Real Property	\$ 92,548,040,600
Assessable base of Personal Property	3,425,098,712
Debt limit (a total of 6% Real property & 15% of Personal property)	6,066,647,243
Debt applicable to limit:	
General obligation bonds	1,384,725,682
Total net debt applicable to limit	1,384,725,682
Legal debt margin	4,681,921,561

	<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>
Assessable Base - Real property	\$ 99,986,180,539	\$	102,512,190,089	\$	96,199,089,410	\$	83,404,281,380	\$	76,633,200,500	\$	74,563,618,491	\$	76,307,098,100	\$	80,392,825,800	\$	86,941,639,900		92,548,040,600
Assessable Base - Personal property and operating real property	2,654,348,827		2,782,745,819		2,749,268,420		2,713,325,370		3,204,672,974		2,755,349,219		2,905,626,768		3,008,566,730		3,208,418,700		3,425,098,712
Debt limit - Percentage of Assessable Base: Debt limit (a total of 6% of Real Property Assessable base and 15% of Personal Property Assessable base).	6,397,323,156		6,568,143,278		6,184,335,628		5,411,255,688		5,078,692,976		4,887,119,492		5,014,269,901		5,274,854,558		5,697,761,199		6,066,647,243
Total net debt applicable to limit	<u>963,055,594</u>		<u>701,045,978</u>		<u>711,514,526</u>		<u>713,200,331</u>		<u>899,514,499</u>		<u>844,289,449</u>		<u>944,926,424</u>		<u>968,882,035</u>		<u>898,012,035</u>		<u>1,384,725,682</u>
Legal debt margin	<u>\$ 5,434,267,562</u>		<u>\$ 5,867,097,300</u>		<u>\$ 5,472,821,102</u>		<u>\$ 4,698,055,357</u>		<u>\$ 4,179,178,477</u>		<u>\$ 4,042,830,043</u>		<u>\$ 4,069,343,477</u>		<u>\$ 4,305,972,523</u>		<u>\$ 4,799,749,164</u>		<u>\$ 4,681,921,561</u>
Total net debt applicable to the limit as a percentage of debt limit	15.05%		10.67%		11.51%		13.18%		17.71%		17.28%		18.84%		18.37%		15.76%		22.83%

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

Fiscal Year	Primary Government (1)						Component Units (1)					
	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)	
2009	90,038,702	82,890,321	7,148,381	4,719,010	683,014	1.32	6,781,700	12,524	6,769,176	2,454,034	4,273,567	1.01
2010	93,076,593	79,534,255	13,542,338	4,945,000	453,396	2.51	6,829,328	13,145	6,816,183	2,482,842	4,255,642	1.01
2011	92,447,372	80,517,079	11,930,293	2,041,375	220,568	5.27	7,877,002	18,205	7,858,797	1,877,068	5,493,438	1.07
2012	91,620,951	84,288,431	7,332,520	2,108,148	157,476	3.24	7,873,840	18,878	7,854,962	2,259,349	5,522,879	1.01
2013	92,564,690	82,820,258	9,744,432	2,175,333	88,014	4.31	7,878,061	18,563	7,859,498	4,615,000	3,170,292	1.01
2014	91,655,085	81,336,092	10,318,993	372,945	16,899	26.47	7,867,809	18,500	7,849,309	4,805,000	3,062,800	1.00
2015	92,897,601	82,056,019	10,841,582	385,998	6,305	27.64	7,872,234	18,563	7,853,671	5,025,000	3,065,464	0.97
2016	96,169,647	87,936,833	8,232,814	-	-		7,897,893	18,500	7,879,393	5,265,000	2,829,368	0.97
2017	98,448,257	92,479,281	5,968,976	-	-		7,866,378	8,510	7,857,868	5,510,000	2,360,290	1.00
2018	100,867,699	86,788,318	14,079,381	-	-		5,980,428	7,500	5,972,928	975,000	1,578,837	2.34

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

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

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

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

Table 17

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

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)
2009	86,550,100	66,452,151	20,097,949	101,193,079	4,719,010	683,014	5,402,024	16.02	3.72	18.73
2010	93,122,207	64,057,763	29,064,444	113,001,227	4,945,000	453,396	5,398,396	17.25	5.38	20.93
2011	92,402,715	63,943,106	28,459,609	112,924,596	2,041,375	220,568	2,261,943	40.85	12.58	49.92
2012	91,651,787	67,660,904	23,990,883	106,135,079	2,108,148	157,476	2,265,624	40.45	10.59	46.85
2013	92,552,052	70,106,124	22,445,928	108,817,130	2,175,333	88,014	2,263,347	40.89	9.92	48.08
2014	92,020,057	63,998,949	28,021,108	118,214,793	372,945	16,899	389,845	236.04	71.88	303.24
2015	92,897,601	65,113,510	27,784,091	122,529,149	385,998	6,305	392,303	236.80	70.82	312.33
2016	96,169,647	71,958,454	24,211,193	119,597,798	-	-	-	0.00	0.00	0.00
2017	98,448,257	74,336,986	24,111,271	122,516,122	-	-	-	0.00	0.00	0.00
2018	100,867,699	68,727,138	32,140,561	139,365,189	-	-	-	0.00	0.00	0.00

- Notes:
- (1) Included in this schedule are revenue bonds of the Primary Government's Solid Waste Fund, whose first bond issue was on December 1, 1990.
 - (2) Gross revenues includes operating and nonoperating revenues, excluding interest income on the Debt Service Reserve Account.
 - (3) Operating expenses include all expenses and transfers except depreciation and amortization, project charges from other County funds, landfill postclosure expense, overhead allocation, and intrafund transfers.
 - (4) Cash balances available for debt service includes net revenues available for debt service during the year and beginning balances for: amount due from other funds, unrestricted cash and investments, restricted cash and investments for the Operation & Maintenance Reserve, the Debt Service Reserve, and the Closing Cost Reserve.
 - (5) This amount reflects the amount due in the fiscal year (net of accrual) plus bond refunding costs, less interest income.
 - (6) Gross coverage ratio equals gross revenues divided by net debt service on bonds.
 - (7) Net coverage ratio equals net revenues available for debt service divided by net debt service on bonds.
 - (8) Net alternative coverage ratio equals cash balances available for debt service divided by net debt service on bonds.

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>
2008	830,514	33,026,742	38,847	454,201	4.5	129,752
2009	834,560	33,227,622	38,810	452,754	7.1	127,977
2010	865,705	34,302,938	39,647	462,138	7.7	127,039
2011	874,045	35,036,640	40,215	466,787	7.2	126,671
2012	881,138	38,481,250	43,672	469,150	6.8	123,833
2013	890,081	38,595,921	43,362	467,318	6.9	123,737
2014	904,430	40,215,913	44,465	469,359	6.2	125,136
2015	909,535	40,806,805	44,866	495,449	4.7	127,576
2016	908,049	41,922,938	46,168	498,002	4.4	128,936
2017	912,756	43,232,981	47,365	513,393	4.7	130,814

Notes:

(1) Population estimates from the U.S. Bureau of the Census, updated July 1, 2017.

(2) Bureau of Economic Analysis, U.S. Department of Commerce, updated November 15, 2018.

(3) Maryland Department of Labor, Career and Workforce Information, updated June 2018.

(4) www.mdreportcard.org, updated 5/22/2018.

* Calendar Year

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

Table 19

	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Private Sector Employer						
United Parcel Service	3,000	1	0.73%	4,220	2	1.35%
MGM National Harbor	2,830	2	0.69%			
Inovalon	2,500	3	0.61%			
University of Maryland Capital Region Health (formerly Dimensions Health Care)	2,400	4	0.59%	2,500	4	0.80%
Marriott International	2,200	5	0.54%			
Verizon	1,800	6	0.44%	2,738	3	0.88%
Melwood	1,400	7	0.34%			
Doctor's Community Hospital	1,300	8	0.32%			
MedStar Health Southern Maryland Hospital Center	1,240	9	0.30%	1,300	9	0.42%
Crosby Corporation	1,000	10	0.24%			
Safeway				2,400	5	0.77%
Giant Food				5,394	1	1.73%
Target				1,400	8	0.45%
Shoppers Food Warehouse				1,975	6	0.63%
Chevy Chase Bank				1,456	7	0.47%
Computer Science Corporation				1,200	10	0.38%
Public Sector Employers						
University System of Maryland *	20,205	1		12,454	3	
Joint Base Andrews Naval Air Facility Washington**	17,500	2		15,000	2	
U.S. Internal Revenue Service**	4,735	3		5,539	5	
United States Census Bureau**	4,605	4		4,158	6	
NASA/Goddard Space Flight Center**	3,000	5		3,083	7	
Prince George's Community College	2,080	6		1,863	9	
National Maritime Intelligence-Integration Office**	1,890	7				
US Department of Agriculture*	1,725	8		1,700	10	
National Oceanic and Atmospheric Administration**	1,375	9				
Adelphi Laboratory Center**	1,235	10				
University of Maryland University College (UMUC)				2,618	8	
Prince George's County Public Schools				18,888	1	
Prince George's County Government				6,889	4	

Notes:

Excludes post offices, state and local governments, national retail and national foodservice; includes higher education.

* Includes UMCP, UMUC and Bowie State University.

** Employee counts for federal and military facilities exclude contractos to the extent possible, embedded contractors may be included.

Sources: Maryland Department of Commerce, revised 2017.

Table 20

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

Function/Agency	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 ⁴	2018
General Government										
County Executive	48	46	45	45	45	45	45	45	45	45
County Council	113	103	101	108	112	114	121	113	157	128
Human Relations Commission ³	15	13	13	11	11	11	11	-	-	-
Office of Ethics and Accountability	-	-	-	-	4	4	4	4	4	6
Personnel Board	2	2	2	2	2	2	2	2	2	2
Circuit Court	130	130	130	130	130	130	130	135	136	137
Orphans' Court	6	6	6	6	6	6	6	6	6	7
Citizen Complaint Oversight Panel	2	1	1	1	1	1	1	1	1	2
Office of Finance	76	74	73	67	67	67	67	67	67	66
Office of Community Relations ³	26	26	38	35	50	65	65	65	65	65
Office of Management and Budget	27	27	26	25	25	25	24	24	25	26
Board of License Commissioners	7	7	7	7	7	7	7	7	8	8
Office of Law	61	60	60	54	54	54	54	54	55	55
Office of Human Resources Management	70	70	70	66	65	65	65	65	65	68
Office of Info. Tech. & Communications	0	0	0	0	0	0	0	0	0	-
Board of Elections	19	19	19	18	18	18	18	18	18	18
Office of Central Services	182	178	170	151	154	158	162	167	171	171
Subtotal	784	762	761	726	751	772	782	773	825	804
Public Safety										
Office of the State's Attorney	154	152	149	151	167	169	169	175	178	177
Police Department	2132	2123	2122	2097	2097	2095	2095	2096	2096	2096
Fire/EMS Department	849	837	846	848	887	892	920	938	958	1025
Office of the Sheriff	347	342	335	333	340	342	342	344	347	351
Department of Corrections	646	637	644	639	640	640	640	640	640	647
Office of Homeland Security	214	214	211	210	211	211	211	211	215	216
Subtotal	4342	4305	4307	4278	4342	4349	4377	4404	4434	4512
Environment										
Soil Conservation District	13	13	13	13	13	13	15	15	15	15
Department of the Environment ¹	263	250	251	236	156	65	61	113	113	113
Subtotal	276	263	264	249	169	78	76	128	128	128
Human Service										
Department of Public Works & Transportation	333	329	319	294	294	249	254	254	254	259
Department of Permitting, Inspections, and Enforcement ²	-	-	-	-	-	279	279	285	287	287
Department of Housing and Community Development	22	22	21	18	22	22	27	28	27	27
Subtotal	355	351	340	312	316	550	560	567	568	573
Infrastructure and Development										
Department of Family Services	28	28	31	28	27	16	15	17	18	25
Health Department	302	289	261	238	242	231	193	193	198	215
Department of Social Services	15	15	14	14	15	15	15	15	20	25
Subtotal	345	332	306	280	284	262	223	225	236	265
Grand Total	6102	6013	5978	5845	5862	6011	6018	6097	6191	6282

Source: Office of Management and Budget Current Expense Budget

¹ Prior to fiscal year 2015 the department name was the Department of Environmental Resources.

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

³ Fiscal year 2016, the Human Relations Commission was renamed Office of Community Relations.

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

Table 21

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

<u>Agency/Program</u>	<u>FISCAL YEAR</u>								<u>Estimated 2017</u>	<u>Projected 2018</u>
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>		
Circuit Court										
Criminal cases filed	7,907	8,783	8,684	8,191	9,299	8,033	6,414	6,637	7,461	7,383
Juvenile cases filed or reopened	2,633	2,242	2,079	2,038	1,984	1,410	1,162	1,136	1,212	1,089
Office of the Sheriff										
Number of warrants on file	48,307	53,703	48,433	45,770	43,599	41,299	39,737	36,867	35,000	32,000
Number of domestic related documents served	7,496	6,410	7,673	10,013	10,567	10,520	9,870	11,124	11,000	12,000
Department of Corrections										
Average daily Correctional Center population	1,461	1,229	1,175	1,200	n/a	1,198	1,008	952	950	924
Number of inmate court appearances	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Police Department										
Number of calls for service	676,662	807,592	746,486	616,180	615,000	650,600	657,064	418,086	420,000	420,000
Number of documented property crimes	30,714	31,011	27,757	25,816	24,100	21,100	18,786	14,701	14,700	14,700
Fire/EMS Department										
Number of fire calls for service	24,625	21,737	22,593	24,196	23,765	25,251	20,708	17,251	19,000	18,000
Office of Homeland Security										
Annual call volume	1,546,600	1,547,600	1,548,493	1,334,972	1,258,319	1,287,749	1,359,022	1,337,014	1,350,000	1,400,000
Department of Public Works & Transportation										
Road miles maintained	1,818	1,834	1,841	1,873	1,873	1,874	1,882	1,887	1,890	1,895
Street resurfacing (in miles)	15	22	22	18	13	9	5	25	35	25
Department of the Environment										
Abandoned vehicles impounded	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Permits issued by Permits and Review Division	29,331	24,682	25,775	24,850	26,000	27,000	n/a	n/a	n/a	n/a
Soil Conservation District										
Number of new acres covered by completed soil and water quality plans	1,320	1,300	8,151	3,367	4,881	3,200	4,012	5,061	4,000	4,100
Department of Family Services										
Number of people requesting disability information and assistance	2,667	2,500	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Department of Housing & Community Development										
Number of new units created	1,192	1,200	1,839	2,092	2,350	2,350	2,374	2,386	2,727	2,849
Department of Social Services										
Total households receiving energy assistance	9,629	11,483	13,764	11,201	10,536	10,468	9,140	9,457	9,033	9,033

Source: Office of Management and Budget Current Expense Budget

Table 22

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

Function/Program	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Facilities										
District Police Stations	6	6	6	6	6	6	6	6	7	7
Fire and Emergency Rescue Stations	44	44	44	44	51	52	51	49	51	52
Emergency Medical Units	57	58	58	60	59	59	59	59	62	67
Parks/Recreation Facilities (active parks)	560	582	583	584	590		595	599	599	599
Multi-Purpose Senior Centers	8	7	7	7	7	8	8	8	6	6
Libraries	18	18	19	19	19	19	19	19	19	19
Public Schools										
Elementary Schools	132	131	131	130	129	135	118	118	122	120
Middle Schools	31	29	29	29	29	29	24	24	24	24
High Schools	30	30	30	30	30	30	32	30	24	31
Special Centers	12	11	9	9	7	7	8	13	13	13
Department of Public Works and Transportation										
Miles of County-maintained Paved Roads	1,821	1,834	1,862	1,873	1,873	1,900	1,900	1,900	2000	2000
Signals in Service *	266	266	267	259	260	249	261	263	293	299

* Includes beacons and school flashers
 Emergency Medical Units: Includes Advanced Life Support (ALS) and Basic Life Support (BLS) Ambulances

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

Source: Office of Management and Budget Current Expense Budget

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