

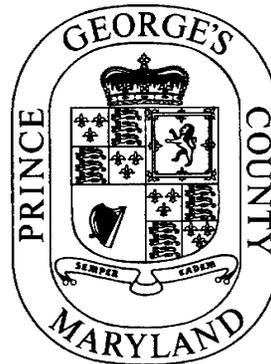
Comprehensive Annual Financial Report

For the Year Ended June 30, 2011

Rushern L. Baker, III
County Executive

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

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



2010 - 2011

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011

Prepared by Office of Finance

Gail D. Francis

Director of Finance

INTRODUCTORY SECTION

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

**Prince George's County, Maryland
Comprehensive Annual Financial Report
Year Ended June 30, 2011**



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ELECTED OFFICIALS



COUNTY EXECUTIVE
Rushern L. Baker, III

Ingrid M. Turner
COUNTY COUNCIL
Chairman

Will A. Campos
Mel Franklin
Derrick Leon Davis
Andrea C. Harrison

Mary A. Lehman
Eric C. Olson
Obie Patterson
Karen R. Toles

CERTAIN OTHER EXECUTIVE BRANCH APPOINTED OFFICIALS

Bradford L. Seamon, Acting Chief Administrative Officer

Betty Hager Francis, Deputy Chief Administrative Officer

Glenda R. Wilson, Chief of Staff

Thomas M. Himler, Deputy Chief Administrative Officer

M. Andree Green, Acting County Attorney

Carla A. Reid, Deputy Chief Administrative Officer

Gail D. Francis, Director of Finance

Barry L. Stanton, Deputy Chief Administrative Officer

Terri L. Bacote-Charles, Acting Director, Management and Budget

INDEPENDENT AUDITORS

Clifton Gunderson LLP



Prince George's County Elected Officials

Rushern L. Baker, III
County Executive

Rushern L. Baker, III
County Executive



Ingrid M. Turner
Chair, District 4



Eric Olson
Vice Chair, District 3



Mary A. Lehman
District 1

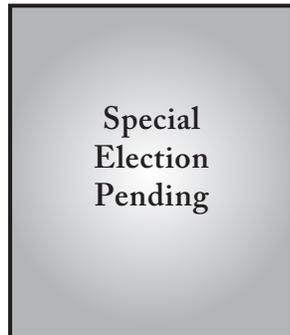


Will Campos
District 2

District 6



Andrea Harrison
District 5



District 6



Karen R. Toles
District 7

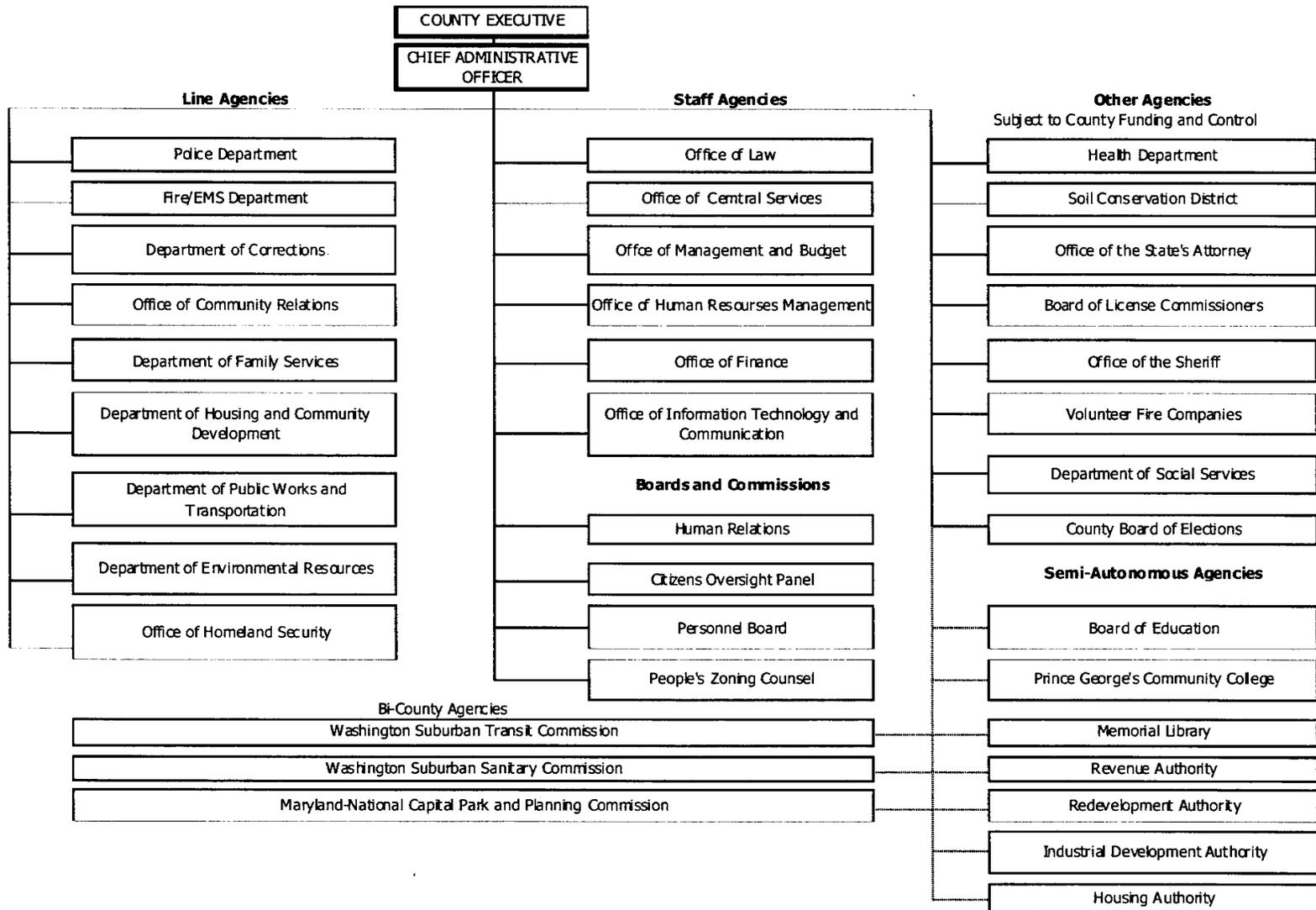


Obie Patterson
District 8



Mel Franklin
District 9

**PRINCE GEORGE'S COUNTY GOVERNMENT
ORGANIZATIONAL CHART
Executive Branch**



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Enos

Executive Director

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Prince George's County,
Maryland



Office of Finance
Gail D. Francis, Director

December 28, 2011

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

Ladies and Gentlemen:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Prince George's County (the County) for the fiscal year ended June 30, 2011 required by local ordinances and state statutes. These ordinances and statutes stipulate that the County annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a way that presents fairly the financial position and results of operations of the governmental and business-type activities, various funds, and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

The Honorable County Council,
County Executive, and County Citizens

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

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

The Honorable County Council,
County Executive, and County Citizens

GOVERNMENTAL STRUCTURE AND DEMOGRAPHICS

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

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

Prince George's County encompasses 487 square miles that borders Washington, D.C., Montgomery, Howard and Anne Arundel Counties and is 37 miles south of the City of Baltimore. The County's centralized location and its rich diversity has attracted nearly 863,420 residents and more than 15,000 businesses to its twenty-seven unique municipalities. Having a robust transportation system allows easy accessibility to the region's national and international airports and to the Port of Baltimore.

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

The Honorable County Council,
County Executive, and County Citizens

MAJOR INITIATIVES

In fiscal year 2011, the Prince George's County Government continued to be faced with challenging economic times. The ups and downs of the housing market and associated weakening of other segments of the economy continue to impact the County's revenue stream causing reductions in funding to County agencies. With that said, the County had to be fiscally prudent and made targeted investments to maintain its commitment to quality services across all levels -- education, public safety, health/human services, transportation, environmental, economic development and community revitalization. The Path to Greatness vision provides the basis for the spending priorities, while the fiscal policies provide the balance between accomplishing these spending priorities within the framework of sound financial management policies and practices. These policies are the foundation of both short-term and long-term planning decisions. Path to Greatness – The Vision means to expand our economy – commercial property base, job base, and income base – to provide additional resources for our two major priorities – education and public safety. It means to begin the transformation of Prince George's County into a major force in the economic development world from both a regional and national perspective.

The County's commitment to programs and services has improved the quality of life for its citizens and residents. Some of the major investments in the multiple facets of the Path to Greatness as contained in the fiscal year 2011 budget are in the areas of Education, Public Safety, Housing and Community Development, and Economic Development.

Education

Although funding to the Board of Education (BOE) was reduced in fiscal year 2011, education remains one of the County's two major priorities with funding to the BOE making up close to 62% of all General Fund spending. The fiscal year 2011 budget included \$1.6 billion, a reduction of \$7.3 million from fiscal year 2010. A portion of this reduction includes the cut of approximately \$77.1 million in State aid. The total County contribution for fiscal year 2011 to the BOE was approximately \$599 million, a decrease of \$10.5 million from fiscal year 2010. The Path to Greatness does not exist unless there is a first-class school system to educate our children. The investments that have been made are beginning to produce academic performance gains. This positive direction allows our children to have the high-quality educational system that they deserve. A high-performing system will produce both a highly educated and skilled workforce for businesses to recruit from now and in the future. The County's investment in the public school system has helped to ensure that all students are prepared to meet the challenges of an economically competitive, technologically advanced and culturally diverse society.

In fiscal year 2011, the County invested funds in the Barack Obama Elementary School, the Oxon Hill High School replacement, the Greenbelt Middle School renovation, Fairwood Elementary School, Hyattsville Elementary School, Avalon Elementary School replacement, Henry Ferguson Elementary School replacement and the process for planning approval of the Crossland High School auditorium replacement. Funding was also included in the budget for science classroom projects at Friendly High School and Parkdale High School.

The Honorable County Council,
County Executive, and County Citizens

The fiscal year 2011 budget included funding to the Prince George's Community College. In fiscal year 2011, the college received \$95.1 million, an increase of 4.1 million from fiscal year 2010. The County's contribution for fiscal year 2011 was \$30.2 million, a reduction of \$239,600 from fiscal year 2010. The community college is a campus under continuous change as evidenced by the number of construction projects underway at the main campus located in Largo, Maryland. One of which is continued construction of a 110,075 square foot academic building which will house and support health programs.

The County is also fortunate to have one of the best library systems in the State of Maryland despite spending cuts. The Prince George's County Memorial Library System received \$25 million in fiscal year 2011, a decrease of \$844,000 from Fiscal Year 2010. The County contribution for fiscal year 2011 was \$16.8 million, a reduction of \$234,000 from fiscal year 2010. Fiscal year 2011 funds contributed to renovations at various library branch locations and the Laurel Library expansion of a new 32,000 square foot library with a large community meeting room and public service area.

Public Safety

Public Safety is a vital aspect of the County's Path to Greatness and is one of the County's two major priorities. Despite the difficult fiscal condition, it is essential that the extraordinary progress made in reducing crime and maintaining safe communities continue. With that said, the fiscal year 2011 budget continued the investment in public safety agencies – Police, Fire/EMS, Corrections, Sheriff, Homeland Security and Volunteer Fire. In total, the County invested \$509.9 million in these agencies in fiscal year 2011, an increase of \$14.3 million from fiscal year 2010.

The Police Department received the majority of these funds (\$258.5 million). This was an increase of \$5.2 million from fiscal year 2010. The Police Department's sworn staffing complement remained at 1,836 from fiscal year 2010 to fiscal year 2011. Its civilian staff was reduced by 1 position from 337 in fiscal year 2010 to 336 in fiscal year 2011.

The Fire Department received approximately \$117.5 million in Fiscal Year 2011, an increase of \$5.37 million, to assist in the delivery of fire and emergency medical system services to our residents. The Fire Department's sworn staffing levels increased in fiscal year 2011 by 11 positions from 754 in fiscal year 2010 to 765 in fiscal year 2011. The Office of Homeland Security has also played a critical role in improving the safety of our residents. The fiscal year 2011 budget provided \$18.6 million in funds to Homeland Security which was a reduction of \$52,400 from fiscal year 2010. The budget also included \$12.3 million in funding for our volunteer fire departments that partner with the County's professional department in providing fire protection services to our citizens. This was an increase of \$57,000 from fiscal year 2010.

The Honorable County Council,
County Executive, and County Citizens

In fiscal year 2011, the Department of Corrections received approximately \$69.8 million. The Department of Corrections' budget was increased by \$2.9 million from fiscal year 2010. As a result, its civilian staff complement was increased by 7 positions from 144 in fiscal year 2010 to 151 in fiscal year 2011. The Office of the Sheriff also experienced an increase in funding this fiscal year of \$733,900 from \$32.5 million in fiscal year 2010 to \$33.2 million in fiscal year 2011. Its civilian staffing level was reduced by 7 positions from 99 in fiscal year 2010 to 92 in fiscal year 2011.

Funding for several major public safety capital projects was also included in the fiscal year 2011 budget to include completion of the housing unit expansion project and kitchen facility replacement at the County's Correctional Center, completion of renovations at the Capitol Heights Fire Station, roof replacement/repairs will be completed at various fire stations and the improvement and rehabilitation of various police facilities.

Health and Human Services

With the loss of revenue and significantly fewer resources this fiscal year, funding for health and human services programs was reduced by an average of .5%. The fiscal year 2011 budget included \$32 million in funding for various health and human services programs, including services for the elderly and disabled and also for families and children in need. Funding continued to support the County's Family Emergency Shelter for intact homeless families, outreach and counseling services for troubled and at risk youth, and the healthy families program.

The Department of Family Services received \$4.3 million in fiscal year 2011, an increase of \$1.4 million from fiscal year 2010. It also received grant revenues of approximately \$17.3 million, an increase of \$734,700 from fiscal year 2010. This funding provided for program development, Family Justice Center, Trauma, Addictions, Mental Health and Recovery (TAMAR) and Aftercare. Funding was increased for Money Follows the Person and Path Project programs which enable seniors to remain at home instead of in a nursing home.

The Department of Social Services (DSS) partners with the community to stabilize and strengthen families, protect children and vulnerable adults, and encourage self-sufficiency and personal responsibility. In fiscal year 2011, DSS received \$2.9 million to continue those services, an increase of \$166,200 from fiscal year 2010. The Health Department received \$22.6 in fiscal year 2011, a reduction of \$2.2 million of general funding from fiscal year 2010. The Health Department received \$48.3 in grant funding, a decrease of 1 million in fiscal year 2010. As a result of these reductions, funding was substantially cut or eliminated for several grant programs. There is, however, an anticipated increase in funding for Operation Safe Kids Program and a new grant to coordinate drug control efforts from the High Intensity Drug Trafficking Areas (HIDTA) Program.

The Honorable County Council,
County Executive, and County Citizens

Housing and Community Development

Another piece of the Path to Greatness is housing and community development where the goal is to promote and increase the supply of quality affordable housing by creating safe, well-planned and attractive communities. In fiscal year 2011, the County continued the revitalization of our inner beltway communities. Some of the major development projects included the Gateway Arts and Entertainment District, Bladensburg Town Center, Palmer Park Senior Village, the International Corridor in Langley Park, and the facilitation of transit oriented development around the Addison Road Metro Station. Moreover, funds were spent for the African-American Museum and Cultural Center at North Brentwood and the completion of the redevelopment and revitalization of the Suitland Manor project. Funding has been provided for the acquisition and new construction of various projects countywide, such as Marlton Plaza Senior Housing, Jericho Senior Housing, Victory Crest, and Mt. Rainier. When completed, these projects will add over 500 rental housing units for senior and elderly citizens of the County.

The Department of Housing and Community Development (DHCD) builds and revitalizes homes, businesses and communities for individuals and families of low, moderate, and middle incomes residing and working in the County. This is achieved through the collaborative efforts of DHCD, the Housing Authority of Prince George's County and the Redevelopment Authority of Prince George's County. In fiscal year 2011, the DHCD received \$2.18 million, an increase of \$11,200 from fiscal year 2010. It also received grant funding in the amount of \$86 million this fiscal year. This funding supports a broad range of physical improvements for those areas of the County designated for redevelopment and revitalization. Major programs support infrastructure improvements, public housing renovations and modernization, handicapped accessibility improvements, employment and educational training, job creation and retention for low and moderate-income people and businesses, health care, and general assistance to immigrants, the elderly and homeless. During fiscal year 2011, the DHCD provided housing subsidies to 5,426 families, House Keys 4 Employees Program added over 100 new first-time homebuyers to the County, over 650 first-time homebuyers realized the dream of homeownership through the Down Payment on Your Dream Program and the acquisition and rehabilitation activity of the Neighborhood Stabilization Program, and DHCD entered into several collaborative agreements to increase the existing number of rental units in the County.

The Housing Authority is composed of five divisions: Housing Authority Administration, Financial and Administrative Services, Capital Markets, Housing Assistance, and Rental Assistance. The Housing Authority of Prince George's County works to provide housing information and referral services to citizens that have unique housing-related questions and concerns.

The Honorable County Council,
County Executive, and County Citizens

Economic Development

Economic development is a vital component of the Path to Greatness commitment to ensure a high quality of life and the long-term viability of Prince George's County. In fiscal year 2011, the County invested \$3.8 million, a decrease of \$700,000 from fiscal year 2010, in three economic development-related agencies. The Economic Development Corporation received \$2.5 million, the Prince George's Financial Services Corporation received \$500,000, and the Prince George's County Conference and Visitors Bureau received \$800,000. These agencies work to attract, retain and expand businesses, revitalize our established communities, promote the County's tourism activities and provide financial assistance to businesses.

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

Grant Programs

Grant program funds are used to account for and administer the County's many State and Federal grants. These grants support County agency core responsibilities in an effort to provide expanded and/or increased services to Prince George's County citizens and residents. While human service agencies continue to administer the majority of the grants awarded to the County, many grants can be found in other areas such as Public Safety and Criminal/Civil Justice. For example, the Sheriff's Department received \$3.3 million in grant funds this fiscal year, a \$1.2 million decrease from fiscal year 2010. Other areas receiving the additional funding include \$7 million for the Police Department (a \$14.8 million decrease from the fiscal year 2010 budget and includes \$2.3 million in funding to address violent crime); \$1.9 million for the Department of Public Works and Transportation (a \$1.6 million decrease from the fiscal year 2010 budget and includes \$920,000 in funding to replace aging transit vehicles); and \$994,500 for the Office of the State's Attorney (a \$1.7 million decrease from the fiscal year 2010 budget and includes \$293,000 for Stop the Violence against Women and Vehicle Theft Prevention programs.)

The Honorable County Council,
County Executive, and County Citizens

KEY ECONOMIC FACTORS

Property values fell in FY 2011. For the first time this decade, the County's triennial assessment decreased. Group one's assessable value dropped by 18.4% from their 2007 level, causing a slow-down in the growth rate of property tax revenue.

Home sales fell 11.4% in FY 2011 compared to FY 2010. Median sales price dropped as well, with an FY 2011 low of \$155,000, down from a high of \$220,000 in FY 2010. These two factors contributed to the decline in transfer and recordation tax revenues in FY 2011.

Foreclosure activity remains very high in the County. Despite a decrease of 47.2% in FY 2011, Prince George's County continued to lead the State of Maryland in foreclosure activity, accounting for about one-third of the total activity.

Income tax revenues exceeded expectations in FY 2011. Despite a rise in the County's unemployment rate, income tax revenues increase by 6.1% over FY 2010.

LONG-TERM FINANCIAL PLANNING

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

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

The Honorable County Council,
County Executive, and County Citizens

FINANCIAL POLICIES

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

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

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

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

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

The Honorable County Council,
County Executive, and County Citizens

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

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

INDEPENDENT AUDIT

County ordinances and state statutes require an annual audit by independent certified public accountants. The public accounting firm of Clifton Gunderson LLP was engaged to perform this task for fiscal year 2011. Besides meeting requirements set forth in these ordinances and statutes, the audit must also meet the requirements of the federal Single Audit Act and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accountability Office's *Government Auditing Standards* were used by the auditors to perform the audit work. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prince George's County, Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the 31st consecutive year (fiscal years ended 1980 – 2010) that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2010. 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.

The Honorable County Council,
County Executive, and County Citizens

ACKNOWLEDGMENTS

Prince George's County, Maryland received AAA bond ratings from Moody's Investor Services Inc., Fitch Ratings, and Standard and Poor's Ratings Services, despite economic challenges due to the downturn 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.

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

Office of Finance – Accounting Division

Tracy Chatman
Linda Chialastri
Tracey Clayton
Elizabeth Dixon
Mary Hatfield

Rita Houston
Muriel Logan
Dejuan Shambley
Barbara Walls
Ronald Wells

Respectfully submitted,



Gail D. Francis
Director of Finance

FINANCIAL SECTION

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



Independent Auditor's Report

The Honorable County Council
Prince George's County, Maryland

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 Prince George's County, Maryland as of and for the year ended June 30, 2011, and the budgetary comparison for the general fund for the year ended June 30, 2011, which collectively comprise Prince George's County, Maryland's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Prince George's County, Maryland's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component unit financial statements of Prince George's Community College, Revenue Authority of Prince George's County, Housing Authority of Prince George's County, Maryland, Prince George's County Memorial Library System and Prince George's Community Television, Inc., which represent 15% of the total assets, 29% of the total net assets and 13% of total revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2011. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned component units, is based solely on the reports 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 of material misstatement. The financial statements of the Prince George's County Memorial Library System, Revenue Authority of Prince George's County and Prince George's County Community Television, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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 Prince George's County, Maryland as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

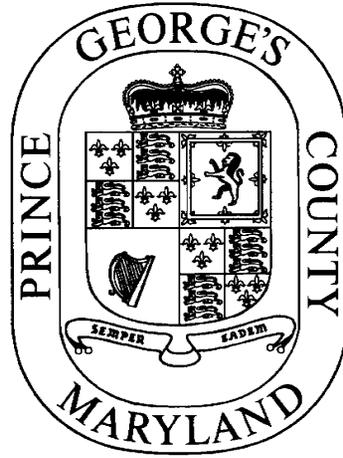
In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011 on our consideration of Prince George's County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the required supplementary information, as listed in the accompanying table of contents are not a required part of the County's basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Prince George's County, Maryland basic financial statements. The introductory section, combining and individual fund statements and schedules, supplementary schedules listed as supplementary data and statistical section, as listed in the 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 financial statements and supplementary schedules, listed as supplementary data has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section 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 express no opinion on them.

Clifton Henderson LLP

Baltimore, Maryland
December 28, 2011



**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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, 2011. We suggest using this information along with additional information furnished in the letter of transmittal (located in the Introductory Section of this report) to profile our operations. The following discussion focuses on the County's primary government and, unless otherwise noted, component unit information is not included.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2011 by \$1.5 billion (net assets). The primary government has a negative unrestricted net asset balance of \$506.1 million, mainly because of debt related to assets owned by its component units - the Board of Education and the Community College.
- The County's total net assets increased by \$4.6 million from the previous year. Net assets of governmental activities decreased \$2.1 million, while the net assets of business-type activities increased \$6.7 million.
- At June 30, 2011, the County's governmental funds report combined ending fund balances of \$529.1 million, an increase of \$29.8 million in comparison to the previous fiscal year. Of this amount, \$94.3 million remains in the General Fund of the County as unassigned, which represents approximately 6.7% of total general fund expenditures for fiscal year 2011.

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 assets** and a **statement of activities**. These statements appear on pages 17 and 18 of this report.

The statement of net assets shows the County's assets less its liabilities at June 30, 2011. The difference between the assets and liabilities is reported as net assets. Changes in net assets 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 assets and presents information on how net assets changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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

Fund Financial Statements

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

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

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

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

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

Enterprise funds are used to report, in detail, the same information presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for solid waste and stormwater management, both of which are considered major funds of the County. Internal service funds are an accounting device used to accumulate and allocate costs internally for the County. The County uses internal service funds to account for self-insurance, vehicle maintenance, and computer services. Because the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide statements. The internal service funds are presented in total in the fund financial statements, but may be viewed separately in the combining statements on pages 117 to 121 in this report.

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

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Notes to the Financial Statements

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

Other Information

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, changes in net assets over time is a useful indicator of a business enterprise's financial position. The County's total net assets as of June 30, 2011 were \$1.5 billion. Investment in capital assets such as land, roads, bridges, buildings, machinery and equipment accounts for \$1.62 billion of net assets. 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, 2011

Schedules of Net Assets
June 30, 2011 and 2010
(in thousands)

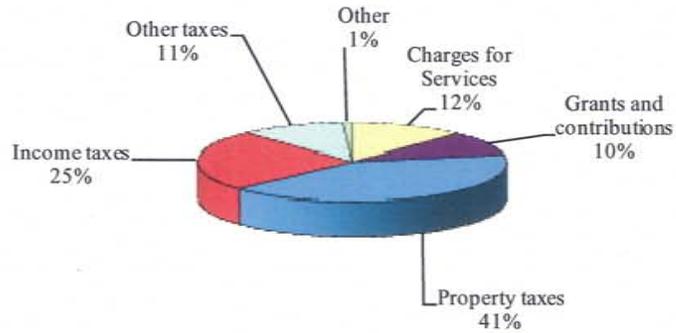
	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 935,937	871,728	183,350	160,778	1,119,287	1,032,506
Capital assets	<u>2,024,102</u>	<u>2,006,215</u>	<u>257,207</u>	<u>245,648</u>	<u>2,281,309</u>	<u>2,251,863</u>
Total assets	<u>2,960,039</u>	<u>2,877,943</u>	<u>440,557</u>	<u>406,426</u>	<u>3,400,596</u>	<u>3,284,369</u>
Long-term liabilities	1,288,863	1,228,739	191,772	164,657	1,480,635	1,393,396
Other liabilities	<u>405,361</u>	<u>381,256</u>	<u>24,160</u>	<u>23,865</u>	<u>429,521</u>	<u>405,121</u>
Total liabilities	<u>1,694,224</u>	<u>1,609,995</u>	<u>215,932</u>	<u>188,522</u>	<u>1,910,156</u>	<u>1,798,517</u>
Net assets						
Invested in capital assets, net of related debt	1,466,249	1,475,450	148,935	156,560	1,615,184	1,632,010
Restricted	361,876	351,254	19,500	20,916	381,376	372,170
Unrestricted (deficit)	<u>(562,310)</u>	<u>(558,756)</u>	<u>56,190</u>	<u>40,428</u>	<u>(506,120)</u>	<u>(518,328)</u>
Total net assets	<u>\$ 1,265,815</u>	<u>1,267,948</u>	<u>224,625</u>	<u>217,904</u>	<u>1,490,440</u>	<u>1,485,852</u>

Restricted net assets are resources subject to external restriction on how they may be used to meet the County's ongoing obligations to citizens and creditors. As indicated earlier, the County's governmental activities unrestricted net assets deficit is primarily attributable to outstanding debt that has been issued on behalf of the County's component units. The majority of this debt is for the Board of Education as the County continues to issue bonds to finance school construction projects. Counties in the State of Maryland issue debt for school construction; however, the buildings are owned by the County's Board of Education. All other governmental and business-type activities had positive net asset balances as of June 30, 2011.

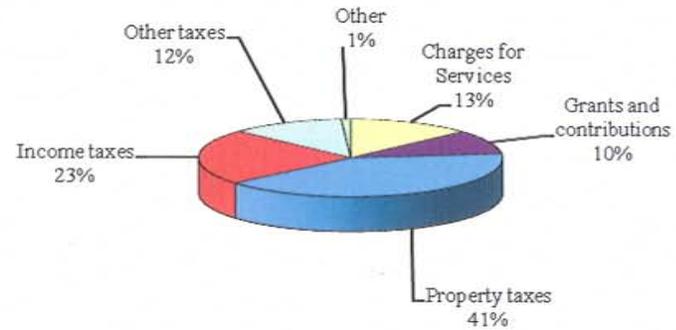
PRINCE GEORGE'S COUNTY, MARYLAND
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2011

The following represents revenues by source and expenses by function of primary government for the years ended June 30, 2011 and June 30, 2010

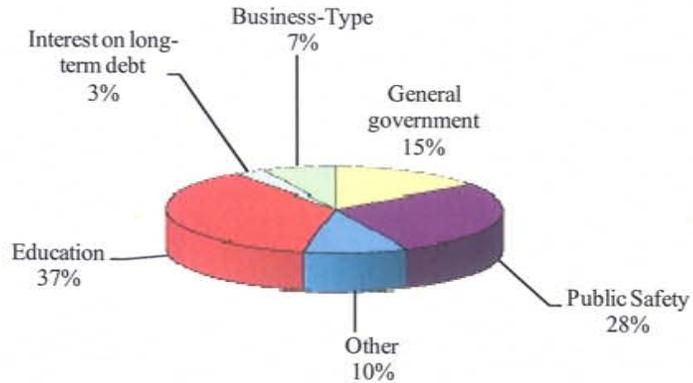
Revenue by Source FY 2011



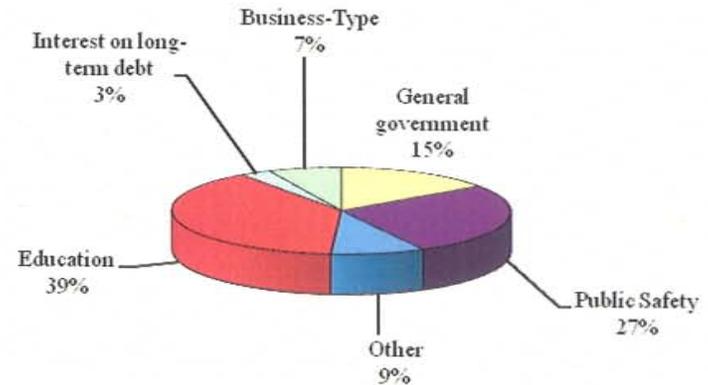
Revenue by Source FY 2010



Expenses by Function FY 2011



Expenses by Function FY 2010

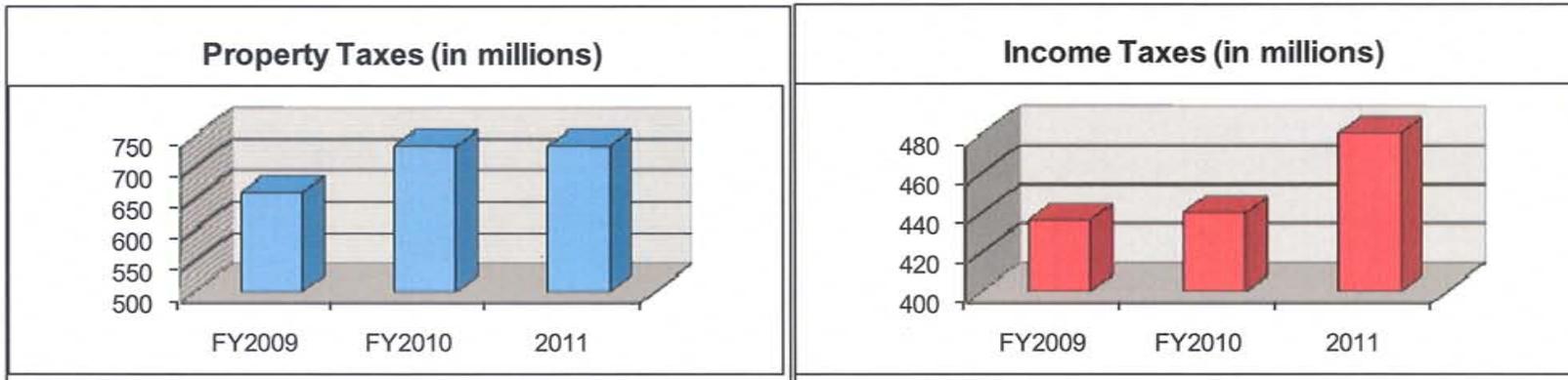


PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Governmental Activities

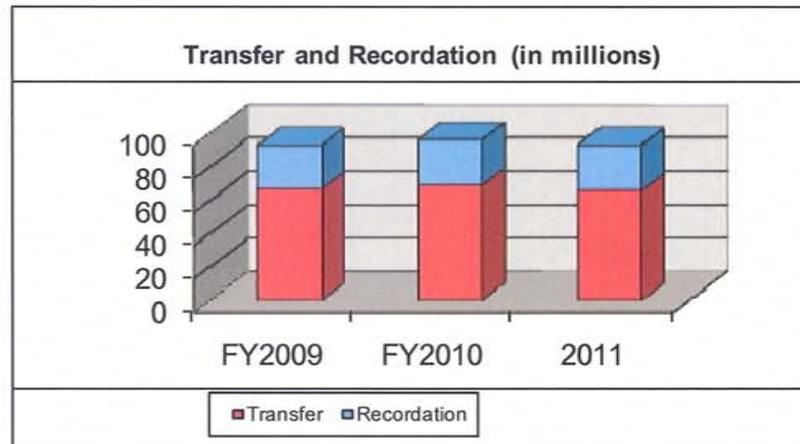
Net assets for the County's governmental activities decreased by approximately \$2.1 million in fiscal year 2011.

The County's total revenue from governmental activities was approximately \$1.78 billion in fiscal year 2011 (approximately \$15.4 million less than fiscal year 2010.) Property and income taxes make up approximately 68 percent of this revenue. Income taxes increased by approximately \$40.2 million or 9.1 percent. The County anticipated a reduction during fiscal year 2011 and the growth exceeded their expectations. A large portion of this amount is based on estimates from the State of Maryland which creates some volatility in the amount. This growth was offset by a decrease of \$28.2 million in charges for services. The majority of the decrease was driven by a \$26.1 million reduction in developer contributions for infrastructure projects.



PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Transfer and recordation taxes (\$90.6 million), telecommunications taxes (\$42.0 million), and energy taxes (\$63.9 million) comprise the majority of the remaining other taxes. Other taxes decreased by approximately \$15.8 million or 6.8 percent. The \$5.1 million decrease in transfer and recordation taxes coincides with the decline in the past four years. During that time the only increase relates to sale of timeshares at National Harbor which generated approximately \$11.5 in recordation tax in fiscal year 2010. The \$7.4 million decrease in energy taxes is attributed to the severe winter that occurred in fiscal year 2010.



The County's total expense from governmental activities was approximately \$1.77 billion in fiscal year 2011 (approximately \$4.4 million more than fiscal year 2010.) The categories experiencing the largest increases were public safety (approximately \$33.3 million—6.5% increase) and public works (approximately \$12.6 million— 17.1%). Some of the factors affecting the changes include:

- The County increased contributions to public safety Comprehensive Pension Plans by approximately \$11.2 million.
- American Recovery and Reinvestment Act (ARRA) public works and transportation funded grant expenses were approximately \$6.9 million in fiscal year 2011.
- American Recovery and Reinvestment Act (ARRA) public safety funded grant expenses were approximately \$5.4 million in fiscal year 2011.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Schedule of Changes in Net Assets
For the years ended June 30, 2011 and 2010

(in thousands)

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 136,857	165,050	92,602	93,945	229,459	258,995
Operating grants and contributions	162,467	153,556	-	-	162,467	153,556
Capital grants and contributions	35,252	49,402	1,628	1,432	36,880	50,834
General revenue:						
Property taxes	733,198	732,832	47,579	49,419	780,777	782,251
Income taxes	480,489	440,257	-	-	480,489	440,257
Other taxes	217,002	232,837	-	-	217,002	232,837
Other revenues	7,163	13,897	2,971	3,954	10,134	17,851
Total revenues	<u>1,772,428</u>	<u>1,787,831</u>	<u>144,780</u>	<u>148,750</u>	<u>1,917,208</u>	<u>1,936,581</u>
Expenses:						
General government	278,736	293,994	-	-	278,736	293,994
Public safety	543,689	510,354	-	-	543,689	510,354
Public works and transportation	86,363	73,727	-	-	86,363	73,727
Health	70,689	63,571	-	-	70,689	63,571
Public welfare	27,802	41,274	-	-	27,802	41,274
Education	716,146	737,918	-	-	716,146	737,918
Interest on long-term debt	51,136	49,296	-	-	51,136	49,296
Solid waste	-	-	95,955	87,487	95,955	87,487
Stormwater management	-	-	42,104	48,297	42,104	48,297
Total expenses	<u>1,774,561</u>	<u>1,770,134</u>	<u>138,059</u>	<u>135,784</u>	<u>1,912,620</u>	<u>1,905,918</u>
Special and extraordinary items:						
Gain on capital asset due to change in estimate	-	-	-	3,343	-	3,343
Legal recovery	-	10,700	-	-	-	10,700
Change in net assets	(2,133)	28,397	6,721	16,309	4,588	44,706
Net assets - beginning of year, restated	<u>1,267,948</u>	<u>1,239,551</u>	<u>217,904</u>	<u>201,595</u>	<u>1,485,852</u>	<u>1,441,146</u>
Net assets - end of year	<u>\$ 1,265,815</u>	<u>1,267,948</u>	<u>224,625</u>	<u>217,904</u>	<u>1,490,440</u>	<u>1,485,852</u>

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Business-type Activities

Business-type activities increased the County's net assets by approximately \$6.7 million in fiscal year 2011. Key elements of this increase are as follows:

- Total operating expenses for the Storm Water Management Fund decreased by approximately \$6.5 million or 14.1 percent. Fiscal year 2011 did not have the magnitude of snow storms as in fiscal year 2010. Hence, this resulted in a decrease in salaries and general administrative expenses of \$1.5 million and \$4.9 million respectively.
- Total operating expenses for the Solid Waste Fund increased by approximately \$8.9 million or 10.5 percent. This was primarily a result of depreciation and landfill post closure expenses which normally average \$5 million and \$2.9 million, respectively. As noted in fiscal year 2010, the capacity of the landfill increased, thereby increasing its useful life which resulted in a significant reduction in these two expenses for the prior year.

FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

Governmental Funds

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

As of June 30, 2011, County governmental funds reported combined fund balances of \$529.1 million, an increase of \$29.8 million in comparison to the prior year balances. Restricted Governmental fund balance was \$289.6 million which includes, \$131.0 million for a charter-mandated contingency reserve (Rainy Day Fund), \$124.3 million for various construction projects, \$10.5 million for drug enforcement, \$10.4 million for debt service and \$13.4 million for other purposes.

The General Fund is the chief operating fund of the County. At June 30, 2011, total fund balance in the general fund was \$378.2 million of which \$94.3 million was unrestricted. The General Fund balance increased by \$47.3 million as a result of current fiscal year operations. The following key factors were responsible for the changes:

- Total revenues increased \$2.9 million from fiscal year 2010, which exceeded the final budget by \$39.7 million. The majority of the increase related to income taxes which were discussed earlier in the governmental activities analysis.
- Total expenditures and transfers out increased by \$16.2 million or slightly over 1 percent. The government was able to control spending by foregoing cost-of-living and merit increases for fiscal year 2011 and maintaining other expenditure controls.
- The County received approximately \$8.0 million in proceeds to purchase heavy snow equipment and fire/EMS ambulances. The majority of the funds are included in the fiscal year 2011 General Fund balance and will be spent in fiscal year 2012.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Capital Projects Fund expenditures totaled \$152.4 million for fiscal year 2011 compared to \$157.7 million in fiscal year 2010. There was a decrease of \$13.3 million in spending on Board of Education projects including an \$11.1 million decrease in spending renovations to Laurel High School. The County contributed \$9.1 million to Community College Center for Health Studies project during fiscal year 2011. The County issued \$91.5 million in bonds and \$19.8 million in certificates of participation during fiscal year 2011, compared to \$83.1 million in bond proceeds in fiscal year 2010. These factors led to a total decrease in fund balance of approximately \$25.3 million in fiscal year 2011.

Expenditures in the Federal and State Aided Programs Fund increased by approximately \$17.3 million in comparison to fiscal year 2010. Major changes in grant funding during fiscal year 2011 include:

- The County received \$21.9 million in ARRA funding (\$7.9 million increase) during fiscal year 2011, including \$6.9 million for transit vehicles and \$2.6 million for the COPS Hiring grant.
- An additional \$2.0 million in HOME investment grants.
- Health Department grant expenditures increased by approximately \$8.2 million, mainly due to aids related grants.

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, 2011, total net assets amounted to \$229.3 million for enterprise funds as compared to \$223.0 million at June 30, 2010. Unrestricted net assets of the Stormwater Management Fund at the end of the year amounted to \$60.5 million, and those for the Solid Waste Fund amounted to \$369 thousand. Total net assets increased by \$10.0 million in the Stormwater Management Fund and decreased by \$3.7 million in the Solid Waste Fund.

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

BUDGETARY HIGHLIGHTS

The County's final General Fund budget remained unchanged during fiscal year 2011. The County also used savings from the non-departmental appropriation to increase General Fund appropriations for various agencies. Many agencies exceeded their original appropriations due to a \$6.2 million increase in retirement costs that spread across all agencies. The County took the following measures to control spending:

- Reduction in pay as you go funding for Capital Projects
- No COLA's or merit increases for employees.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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, 2011 was \$2.3 billion (net of accumulated depreciation.) This investment in capital assets includes land, buildings and improvements, equipment and vehicles, road networks, bridges, landfill property in service, and stormwater property in service. The total increase in the County's investment in capital assets for the current fiscal year was 1.3% (0.9% increase for governmental activities and 4.7% increase for business-type activities.)

Major capital asset events during the year include the following:

- Emergency Operation Center project totaling \$27.7 million was completed and transferred to the Buildings and Improvement category.
- Road and bridge projects totaling \$44.7 million, including Ammendale & Virginia Manor Road III (\$24.5 million), Suitland Road (\$4.1 million), and Ritchie/Forestville Road (\$4.0 million) were completed in 2011 and transferred to the Infrastructure category.
- Three fire department projects totaling \$9.1 million, including the St. Joseph's Drive Fire and Rescue Station (\$5.3 million) were completed in 2011 and transferred to the Buildings and Improvement category.
- Road and bridge project costs, including Suitland Road the Mount Oak/Church Road intersection (\$4.7 million), increased construction in progress by \$10.4 million.
- \$14.0 million increase in construction in progress for Stormwater projects.

The County's capital assets, net of accumulated depreciation, are presented in the following table as of June 30, 2011 and 2010:

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

	Governmental activities		Business-type activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 80,669,935	79,828,797	19,737,522	19,737,522	100,407,457	99,566,319
Buildings and improvements	324,550,016	297,677,529	18,555,841	19,314,153	343,105,857	316,991,682
Equipment	33,169,469	34,364,595	8,306,176	7,108,067	41,475,645	41,472,662
Infrastructure	1,536,505,777	1,510,764,308	-	-	1,536,505,777	1,510,764,308
Landfill property in service	-	-	39,143,980	44,179,595	39,143,980	44,179,595
Stormwater property in service	-	-	47,469,943	49,725,926	47,469,943	49,725,926
Construction in progress	49,206,547	83,579,782	123,993,488	105,582,925	173,200,035	189,162,707
Total	\$ 2,024,101,744	2,006,215,011	257,206,950	245,648,188	2,281,308,694	2,251,863,199

Additional information on the County's capital assets is located in note 7 on pages 57 to 61 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$1.14 billion. Of this amount, \$1.13 billion comprises debt backed by the full faith and credit of the government. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Outstanding Debt

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 1,027,675,000	1,006,975,000	104,200,000	81,225,000	1,131,875,000	1,088,200,000
Revenue bonds	-	-	5,042,425	7,083,800	5,042,425	7,083,800
Total	\$ 1,027,675,000	1,006,975,000	109,242,425	88,308,800	1,136,917,425	1,095,283,800

Total bonded debt of the County increased by \$41.6 million (3.8%) from the previous fiscal year. The key factors in the increase are bond proceeds of \$94.5 million and \$25.0 million issued in September 2010 and March 2011, respectively, and the retirement of \$77.9 million of General Obligation and Revenue Bonds.

The underlying ratings of the County's general obligation bonds as of June 20, 2011, were as follows:

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

The County's Stormwater Management general obligation underlying bond ratings as of June 30, 2011, were as follows:

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

The underlying ratings of the County's Solid Waste Management Refunding Revenue Bonds, series 2003, as of June 30, 2011, were as follows:

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

Additional information on the County's long-term debt is located in note 13 starting on page 75 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Factors considered in preparing the County's budget for fiscal year 2012 included:

- The unemployment rate in the County decreased from 7.9% in January 2010 to 7.3% in January 2011. The County's rate is below both the State rate (7.5%) and the national rate (9.0%). However, unemployment was not expected to improve much in fiscal year 2012 due to the slow recovery rate of the economy.
- Office vacancy rate stayed high in the County, averaging 18.3% in calendar year 2010 compared to 17.2% in 2009.
- Existing home transactions decreased by 8.5% in January 2011 compared with January 2010. Median sales prices for the same time period were down by 10.8%. The real estate market remained relatively weak.

During fiscal year 2011, the unassigned fund balance in the General Fund was \$94.3 million. The County has appropriated \$74.9 million of fund balance for fiscal year 2012, including \$50 million for the creation of an Economic Development Incentive Fund. The funds will be used to stimulate development and growth in the business sector.

Requests for Information

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

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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 Assets
June 30, 2011

	Primary Government			Component Units			Reclassifications (See note 1-s)	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	\$ 434,172,881	73,528,706	507,701,587	111,277,421	64,683,987	175,961,408	-	683,662,995
Cash with fiscal agents	1,567,500	12,000	1,579,500	-	-	-	-	1,579,500
Receivables (net of allowances for uncollectibles):								
Taxes	9,147,734	685,503	9,833,237	-	-	-	-	9,833,237
Accounts	37,468,143	2,896,568	40,364,711	107,771,107	33,876,595	141,647,702	-	182,012,413
Notes	9,582,464	-	9,582,464	-	-	-	-	9,582,464
Special assessments	9,861	-	9,861	-	-	-	-	9,861
Accrued interest receivable	1,330,896	361,861	1,692,757	-	17,089	17,089	-	1,709,846
Internal balance	4,647,748	(4,647,748)	-	-	-	-	-	-
Due from component units	9,269,183	-	9,269,183	-	-	-	-	9,269,183
Due from primary government	-	-	-	35,822,505	6,249,719	42,072,224	-	42,072,224
Due from other governmental units	156,308,052	1,058,184	157,366,236	76,861,753	7,419,283	84,281,036	-	241,647,272
Inventories	2,077,264	-	2,077,264	7,410,400	180,022	7,590,422	-	9,667,686
Prepaid costs and deposits	86,275	-	86,275	134,105	1,963,278	2,097,383	-	2,183,658
Restricted assets:								
Cash and investments	270,156,697	95,762,300	365,918,997	-	14,366,529	14,366,529	-	380,285,526
Land	-	-	-	-	5,443,947	5,443,947	-	5,443,947
Capital assets:								
Nondepreciable assets	129,876,482	143,731,010	273,607,492	125,141,263	63,317,331	188,458,594	-	462,066,086
Depreciable assets, net	1,894,225,262	113,475,940	2,007,701,202	907,370,885	176,655,254	1,084,026,139	-	3,091,727,341
Deferred landfill closure costs	-	12,267,127	12,267,127	-	-	-	-	12,267,127
Deferred debt issue costs, net	63,121	1,425,706	1,488,827	-	1,228,690	1,228,690	-	2,717,517
Other assets	50,000	-	50,000	-	-	-	-	50,000
Total assets	<u>2,960,039,563</u>	<u>440,557,157</u>	<u>3,400,596,720</u>	<u>1,371,789,439</u>	<u>375,401,724</u>	<u>1,747,191,163</u>	<u>-</u>	<u>5,147,787,883</u>
LIABILITIES								
Accounts payable	48,288,995	8,752,856	57,041,851	171,905,377	13,621,981	185,527,358	-	242,569,209
Retainages payable	3,421,171	727,319	4,148,490	2,881,651	-	2,881,651	-	7,030,141
Accrued liabilities	45,395,750	1,943,000	47,338,750	85,717,658	1,155,507	86,873,165	-	134,211,915
Unearned revenue	43,354,302	-	43,354,302	53,049,966	2,402,634	55,452,600	-	98,806,902
Matured bonds and interest payable	866,432	1,053,344	1,919,776	-	-	-	-	1,919,776
Deposits	52,782,159	191,613	52,973,772	-	924,536	924,536	-	53,898,308
Due to primary government	-	-	-	1,990,410	7,278,773	9,269,183	-	9,269,183
Due to component units	42,072,224	-	42,072,224	-	-	-	-	42,072,224
Noncurrent liabilities:								
Due within one year	169,180,451	11,492,013	180,672,464	43,058,451	3,486,707	46,545,158	-	227,217,622
Due in more than one year	1,288,862,685	191,771,943	1,480,634,628	515,550,297	76,783,732	592,334,029	-	2,072,968,657
Total liabilities	<u>1,694,224,169</u>	<u>215,932,088</u>	<u>1,910,156,257</u>	<u>874,153,810</u>	<u>105,653,870</u>	<u>979,807,680</u>	<u>-</u>	<u>2,889,963,937</u>
NET ASSETS								
Invested in capital assets, net of related debt	1,466,248,836	148,934,828	1,615,183,664	861,257,885	193,120,006	1,054,377,891	(399,196,957)	2,270,364,598
Restricted for:								
Capital projects	87,951,793	9,000,000	96,951,793	-	-	-	-	96,951,793
Contingency reserve	130,972,680	-	130,972,680	-	-	-	-	130,972,680
Debt service	121,059,775	3,572,785	124,632,560	-	-	-	-	124,632,560
Restricted for I-net	21,891,909	-	21,891,909	-	-	-	-	21,891,909
Landfill	-	4,974,235	4,974,235	-	-	-	-	4,974,235
Preservation	-	1,953,255	1,953,255	-	-	-	-	1,953,255
Education	-	-	-	-	10,385,419	10,385,419	-	10,385,419
Community development	-	-	-	-	13,242,054	13,242,054	-	13,242,054
Unrestricted (deficit)	(562,309,599)	56,189,966	(506,119,633)	(363,622,256)	53,000,375	(310,621,881)	399,196,957	(417,544,557)
Total Net Assets	<u>\$ 1,265,815,394</u>	<u>224,625,069</u>	<u>1,490,440,463</u>	<u>497,635,629</u>	<u>269,747,854</u>	<u>767,383,483</u>	<u>-</u>	<u>2,257,823,946</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Activities
For the year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Board of Education of Prince George's County	Other Component Units	
Primary government:										
Governmental activities:										
General government	\$ 278,735,961	55,529,493	57,182,264	7,466,894	(158,557,310)	-	(158,557,310)	-	-	-
Public safety	543,688,542	41,420,265	28,884,685	8,519,103	(464,864,489)	-	(464,864,489)	-	-	-
Public works and transportation	86,362,933	29,476,879	4,513,987	18,914,344	(33,457,723)	-	(33,457,723)	-	-	-
Health	70,689,145	9,636,570	48,013,111	351,545	(12,687,919)	-	(12,687,919)	-	-	-
Public welfare	27,802,206	793,575	23,873,172	-	(3,135,459)	-	(3,135,459)	-	-	-
Education:										
Board of Education	656,525,606	-	-	-	(656,525,606)	-	(656,525,606)	-	-	-
Community College	40,125,724	-	-	-	(40,125,724)	-	(40,125,724)	-	-	-
Memorial Library	19,494,605	-	-	-	(19,494,605)	-	(19,494,605)	-	-	-
Interest on long-term debt	51,136,299	-	-	-	(51,136,299)	-	(51,136,299)	-	-	-
Total governmental activities	<u>1,774,561,021</u>	<u>136,856,782</u>	<u>162,467,219</u>	<u>35,251,886</u>	<u>(1,439,985,134)</u>	-	<u>(1,439,985,134)</u>	-	-	-
Business-type activities:										
Solid Waste	95,955,265	90,451,449	-	-	-	(5,503,816)	(5,503,816)	-	-	-
Stormwater	42,103,279	2,150,063	-	1,627,916	-	(38,325,300)	(38,325,300)	-	-	-
Total business-type activities	<u>138,058,544</u>	<u>92,601,512</u>	-	<u>1,627,916</u>	-	<u>(43,829,116)</u>	<u>(43,829,116)</u>	-	-	-
Total primary government	<u>\$ 1,912,619,565</u>	<u>229,458,294</u>	<u>162,467,219</u>	<u>36,879,802</u>	<u>(1,439,985,134)</u>	<u>(43,829,116)</u>	<u>(1,483,814,250)</u>	-	-	-
Component units:										
Board of Education	2,014,428,545	26,335,189	387,321,309	51,374,714	-	-	-	(1,549,397,333)	-	-
Other Component Units:										
General Government	18,663,102	9,493,059	660,000	7,949,444	-	-	-	-	(560,599)	-
Education	150,107,396	35,300,616	27,138,283	18,121,822	-	-	-	-	(69,546,675)	-
Community development	82,806,913	2,293,946	75,087,340	3,326,602	-	-	-	-	(2,099,025)	-
Total component units	<u>\$ 2,266,005,956</u>	<u>73,422,810</u>	<u>490,206,932</u>	<u>80,772,582</u>	-	-	-	<u>(1,549,397,333)</u>	-	<u>(72,206,299)</u>
General Revenues:										
Property taxes					733,197,993	47,579,296	780,777,289	-	-	-
Income taxes					480,489,026	-	480,489,026	-	-	-
Transfer and recordation taxes					90,645,343	-	90,645,343	-	-	-
Energy taxes					63,880,450	-	63,880,450	-	-	-
Telecommunications tax					41,982,171	-	41,982,171	-	-	-
Other taxes					20,494,339	-	20,494,339	-	-	-
Unrestricted state shared tax					1,334,399	-	1,334,399	-	-	-
Earnings on investments					3,122,028	2,971,062	6,093,090	854,892	595,497	-
Unrestricted grants and contributions					1,865,679	-	1,865,679	1,389,620,965	84,411,124	-
Miscellaneous revenues					840,412	-	840,412	175,531	18,020,503	-
Total general revenues					<u>1,437,851,840</u>	<u>50,550,358</u>	<u>1,488,402,198</u>	<u>1,390,651,388</u>	<u>103,027,124</u>	-
Change in net assets					(2,133,294)	6,721,242	4,587,948	(158,745,945)	30,820,825	-
Net assets - beginning of year					1,267,948,688	217,903,827	1,485,852,515	656,381,574	241,860,592	-
Prior period adjustment					-	-	-	-	(2,933,563)	-
Net assets - end of year					<u>\$ 1,265,815,394</u>	<u>224,625,069</u>	<u>1,490,440,463</u>	<u>497,635,629</u>	<u>269,747,854</u>	-

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Balance Sheet
Governmental Funds
June 30, 2011

<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	\$ 305,467,371	629,399	326,955	17,054,015	323,477,740
Cash with fiscal agents	-	-	-	1,567,500	1,567,500
Receivables (net of allowances for uncollectibles):					
Taxes	9,147,734	-	-	-	9,147,734
Accounts	26,930,225	1,000	508,036	-	27,439,261
Notes	617,300	7,958,060	-	-	8,575,360
Special assessments	9,861	-	-	-	9,861
Accrued interest receivable	1,264,473	-	-	-	1,264,473
Due from other funds	59,390,000	-	-	-	59,390,000
Due from component units	6,400,831	-	-	-	6,400,831
Due from other governmental units	100,126,524	47,437,706	8,324,923	418,899	156,308,052
Inventories	1,593,534	-	-	-	1,593,534
Restricted assets:					
Cash and investments	13,215,279	1,531,588	231,050,051	6,890,084	252,687,002
Other assets	50,000	-	-	-	50,000
Total assets	\$ 524,213,132	57,557,753	240,209,965	25,930,498	847,911,348
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Compensated absences and termination benefits payable	\$ 624,501	-	-	-	624,501
Accounts payable	23,507,875	9,474,880	10,476,989	38,970	43,498,714
Retainages	-	-	3,421,171	-	3,421,171
Accrued liabilities	27,728,905	1,574,127	-	-	29,303,032
Deferred revenue	66,833,339	27,959,461	-	-	94,792,800
Matured bonds and interest payable	-	-	-	866,432	866,432
Deposits	27,358,114	17,697	25,406,348	-	52,782,159
Due to other funds	-	17,000,000	34,500,000	-	51,500,000
Due to component units	-	-	42,072,224	-	42,072,224
Total liabilities	146,052,734	56,026,165	115,876,732	905,402	318,861,033
Fund balances:					
Nonspendable	1,593,534	-	-	-	1,593,534
Restricted	144,187,959	1,531,588	124,333,233	19,543,445	289,596,225
Committed	52,389,072	-	-	-	52,389,072
Assigned	85,733,302	-	-	5,481,651	91,214,953
Unassigned	94,256,531	-	-	-	94,256,531
Total fund balances	378,160,398	1,531,588	124,333,233	25,025,096	529,050,315
Total liabilities and fund balances	\$ 524,213,132	57,557,753	240,209,965	25,930,498	847,911,348

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 Assets
 June 30, 2011

Total fund balances for governmental funds (Exhibit A-3) \$ 529,050,315

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

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

Land	\$	79,669,935	
Infrastructure, net of \$983,248,610 accumulated depreciation		1,536,505,777	
Buildings and improvements, net of \$106,522,101		324,096,250	
Equipment, net of \$104,513,900 accumulated depreciation		31,561,777	
Construction in progress		49,206,547	
Total capital assets			2,021,040,286

The assets and liabilities of the Internal Service Funds (funds used by management to charge the cost of fleet maintenance, information technology, and self-insurance) are included in the governmental activities in the statement of net assets. Internal service fund net assets are: (4,090,566)

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 revenue in the funds. 52,596,945

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, 2011 are:

Unmatured accrued interest			(15,379,445)
Long-term liabilities:			
Bonded debt		(1,027,675,000)	
Deferred bond refunding costs		8,747,610	
Unamortized discount (premium)		(42,270,951)	
Capital lease obligations		(10,664,091)	
Pension and OPEB obligations		(132,507,194)	
Compensated absences and termination benefits payable		(72,029,819)	
Notes payable		(40,795,834)	
Arbitrage rebate		(206,862)	
Total long-term liabilities			(1,317,402,141)
Total net assets of governmental activities			\$ 1,265,815,394

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the year ended June 30, 2011

	General	Federal and State Aided Programs	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 1,421,891,909	-	-	1,724,550	1,423,616,459
Licenses and permits	18,321,680	-	-	255,356	18,577,036
Fines and forfeitures	4,087,688	-	325,953	1,463,867	5,877,508
Use of money and property	4,202,397	1,257,310	211,937	149,820	5,821,464
Charges for services	37,019,725	2,496,059	-	14,279,525	53,795,309
Intergovernmental	57,596,032	126,088,539	18,503,146	5,518,796	207,706,513
Miscellaneous	1,464,553	611,377	2,851,324	256,824	5,184,078
Total revenues	<u>1,544,583,984</u>	<u>130,453,285</u>	<u>21,892,360</u>	<u>23,648,738</u>	<u>1,720,578,367</u>
Expenditures:					
Current:					
General government	194,416,124	19,238,984	-	446,530	214,101,638
Public safety	513,411,288	22,446,801	-	713	535,858,802
Public works and transportation	12,066,851	14,880,377	-	-	26,947,228
Health	19,643,890	50,692,827	-	-	70,336,717
Public welfare	2,660,526	24,815,578	-	377,843	27,853,947
Capital projects	-	-	82,297,319	-	82,297,319
Education:					
Board of Education	599,014,500	-	57,511,106	-	656,525,606
Community College	30,245,200	-	9,880,524	-	40,125,724
Memorial Library	16,770,000	-	2,724,605	-	19,494,605
Debt service:					
Principal retirement	14,424,362	498,000	-	71,535,184	86,457,546
Interest	3,310,663	305,340	-	46,280,529	49,896,532
Total expenditures	<u>1,405,963,404</u>	<u>132,877,907</u>	<u>152,413,554</u>	<u>118,640,799</u>	<u>1,809,895,664</u>
Excess of revenues over (under) expenditures	<u>138,620,580</u>	<u>(2,424,622)</u>	<u>(130,521,194)</u>	<u>(94,992,061)</u>	<u>(89,317,297)</u>
Other financing sources (uses):					
General obligation bonds issued	-	-	91,480,000	-	91,480,000
Capital lease financing	8,006,000	-	19,775,000	-	27,781,000
Bond and notes premium	-	-	593,555	6,365,760	6,959,315
Transfers in - other funds	-	2,126,134	-	96,711,625	98,837,759
Transfers out - other funds	(99,325,275)	-	(6,624,984)	-	(105,950,259)
Total other financing sources (uses)	<u>(91,319,275)</u>	<u>2,126,134</u>	<u>105,223,571</u>	<u>103,077,385</u>	<u>119,107,815</u>
Net change in fund balances	<u>47,301,305</u>	<u>(298,488)</u>	<u>(25,297,623)</u>	<u>8,085,324</u>	<u>29,790,518</u>
Fund balances, beginning of year	<u>330,859,093</u>	<u>1,830,076</u>	<u>149,630,856</u>	<u>16,939,772</u>	<u>499,259,797</u>
Fund balances, end of year	\$ <u>378,160,398</u>	\$ <u>1,531,588</u>	\$ <u>124,333,233</u>	\$ <u>25,025,096</u>	\$ <u>529,050,315</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 Activities
 For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds		29,790,518
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.		62,419,835
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.		(65,901,497)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.		23,684,912
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.		4,750,725
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.		(664,770)
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.		8,500,151
Long-term debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of activities, however, issuing debt decreases long term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Debt Issued:		
Bond proceeds	\$ (91,480,000)	
Bond and notes premium	(6,959,315)	
Capital lease and note proceeds	\$ (27,781,000)	
Principal payments	<u>85,702,362</u>	
Net adjustment		(40,517,953)
Certain expenses (i.e. arbitrage, compensated absences) reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		(24,195,215)
Change in net assets of governmental activities		<u><u>(2,133,294)</u></u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,367,866,900	1,367,866,900	1,421,891,909	54,025,009
Licenses and permits	16,107,100	16,107,100	18,321,680	2,214,580
Fines and forfeitures	2,176,900	2,176,900	4,087,688	1,910,788
Use of money and property	9,500,000	9,500,000	4,202,397	(5,297,603)
Charges for services	30,892,900	30,892,900	37,019,725	6,126,825
Intergovernmental	77,297,200	77,297,200	57,596,032	(19,701,168)
Miscellaneous	999,600	999,600	1,464,553	464,953
Total revenues	<u>1,504,840,600</u>	<u>1,504,840,600</u>	<u>1,544,583,984</u>	<u>39,743,384</u>
Expenditures:				
General government:				
County Executive	5,206,600	5,206,600	5,120,092	86,508
Legislative Branch	13,181,800	13,181,800	12,591,782	590,018
Human Relations Commission	930,800	930,800	889,141	41,659
Circuit Court	13,817,200	13,817,500	13,817,148	352
Orphan's Court	387,000	387,000	386,475	525
State's Attorney's Office	13,361,400	13,361,400	12,641,941	719,459
Personnel Board	277,100	280,100	280,001	99
Office of Finance	4,144,200	4,455,900	4,261,135	194,765
Citizen Complaint Oversight Panel	243,700	243,700	243,650	50
Office of Community Relations	1,906,700	1,916,000	1,915,745	255
Office of Management and Budget	1,967,700	2,508,200	2,493,781	14,419
Board of License Commissioners	1,160,300	1,160,300	1,147,463	12,837
Office of Law	3,708,800	3,541,500	3,408,666	132,834
Office of Human Resource Management	5,662,900	5,991,500	5,850,000	141,500
Board of Elections	5,083,400	5,418,300	5,261,818	156,482
Office of Central Services	15,076,300	16,026,300	16,023,797	2,503
Department of Family Services	3,695,000	3,706,576	3,694,470	12,106
Department of Housing and Community Development	2,183,900	2,183,900	2,183,149	751
Non-departmental	119,078,700	119,661,200	120,096,915	(435,715)
Total general government	<u>211,073,500</u>	<u>213,978,576</u>	<u>212,307,169</u>	<u>1,671,407</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, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Department of Environmental Resources	\$ 10,563,000	10,563,000	9,710,839	852,161
Police Department	258,506,200	258,526,642	258,493,963	32,679
Fire Department	129,664,200	129,738,748	126,922,993	2,815,755
Sheriff's Department	32,476,300	32,476,300	32,415,619	60,681
Department of Corrections	69,829,500	69,829,500	68,707,662	1,121,838
Office of Homeland Security	18,685,500	19,599,800	19,562,282	37,518
Total Public Safety	<u>519,724,700</u>	<u>520,733,990</u>	<u>515,813,358</u>	<u>4,920,632</u>
Public works and transportation	12,222,700	12,222,700	12,197,711	24,989
Health	22,169,300	22,169,300	19,823,637	2,345,663
Public welfare	2,889,600	2,889,600	2,763,312	126,288
Education	646,029,700	646,029,700	646,029,700	-
Total expenditures	<u>1,414,109,500</u>	<u>1,418,023,866</u>	<u>1,408,934,887</u>	<u>9,088,979</u>
Excess of revenues over expenditures	<u>90,731,100</u>	<u>86,816,734</u>	<u>135,649,097</u>	<u>48,832,363</u>
Other financing sources (uses):				
Prior year encumbrances cancelled	-	-	4,737,090	4,737,090
Transfers out - other funds	(103,731,100)	(99,816,734)	(99,325,275)	491,459
Appropriated fund balance	13,000,000	13,000,000	-	(13,000,000)
Total other financing sources (uses)	<u>(90,731,100)</u>	<u>(86,816,734)</u>	<u>(94,588,185)</u>	<u>(7,771,451)</u>
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>-</u>	41,060,912	<u>41,060,912</u>
Adjustments:				
Prior year encumbrances cancelled			(4,737,090)	
Current year encumbrances outstanding			6,739,896	
Expenditure of prior year encumbrances			(3,573,356)	
Purchase agreement financing			8,006,000	
Capital financing expenditures			(195,057)	
Deficiency of revenues and other financing sources over expenditures and other uses (GAAP basis)			47,301,305	
Fund balance, beginning of year			330,859,093	
Fund balance, end of year			<u>\$ 378,160,398</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Net Assets
Proprietary Funds
June 30, 2011

Assets	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities-Internal Service Funds
Current assets:				
Cash and investments	\$ 7,160,148	66,368,558	73,528,706	110,695,141
Cash with fiscal agents	12,000	-	12,000	-
Taxes receivable	-	707,086	707,086	-
Less allowance for uncollectibles	-	(21,583)	(21,583)	-
Accounts receivable	3,997,373	-	3,997,373	2,138,882
Less allowance for uncollectibles	(1,100,805)	-	(1,100,805)	-
Accrued interest receivable	210,846	151,015	361,861	66,423
Due from component units	-	-	-	2,868,352
Due from other governmental units	683,419	374,765	1,058,184	-
Inventories	-	-	-	483,730
Prepaid costs and deposits	-	-	-	86,275
Total current assets	10,962,981	67,579,841	78,542,822	116,338,803
Noncurrent assets:				
Restricted cash and investments				
Self-insurance	-	-	-	17,469,695
Revenue bond operation and maintenance	9,000,000	-	9,000,000	-
Sandy Hill Trust	1,890,485	-	1,890,485	-
Debt service	3,572,785	-	3,572,785	-
Landfill closure	77,304,839	-	77,304,839	-
Unspent bond proceeds	-	3,994,191	3,994,191	-
Total restricted cash and investments	91,768,109	3,994,191	95,762,300	17,469,695
Capital assets:				
Land	11,306,082	8,431,440	19,737,522	1,000,000
Buildings and improvements	28,107,517	242,525	28,350,042	2,640,889
Accumulated depreciation	(9,584,013)	(210,188)	(9,794,201)	(2,204,290)
Improvements other than buildings	3,203,990	-	3,203,990	328,014
Accumulated depreciation	(3,203,990)	-	(3,203,990)	(310,847)
Equipment	24,912,558	2,674,300	27,586,858	12,481,605
Accumulated depreciation	(17,707,302)	(1,573,380)	(19,280,682)	(10,873,913)
Landfill property in service	121,336,027	-	121,336,027	-
Accumulated depreciation	(82,192,047)	-	(82,192,047)	-
Stormwater property in service	-	90,948,151	90,948,151	-
Accumulated depreciation	-	(43,478,208)	(43,478,208)	-
Construction in progress	16,856,852	107,136,636	123,993,488	-
Total capital assets	93,035,674	164,171,276	257,206,950	3,061,458
Deferred landfill closure costs	12,267,127	-	12,267,127	-
Deferred debt issue costs - net	1,155,259	270,447	1,425,706	63,121
Total noncurrent assets	198,226,169	168,435,914	366,662,083	20,594,274
Total assets	209,189,150	236,015,755	445,204,905	136,933,077

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Net Assets, Continued
 Proprietary Funds
 June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Liabilities</u>	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Current liabilities:				
Payable from unrestricted assets:				
Current portion of bonded debt	\$ 4,238,148	4,315,000	8,553,148	-
Current portion of capital lease obligations	-	9,442	9,442	-
Current portion of compensated absences and termination benefits payable	997,882	1,850,123	2,848,005	1,379,500
Current portion of notes payable	38,281	1,045	39,326	260,000
Current portion of estimated liability on pending claims	-	-	-	37,638,620
Current portion of postclosure liability	42,092	-	42,092	-
Accounts payable	6,251,842	2,501,014	8,752,856	4,583,419
Retainages	140,293	587,026	727,319	-
Accrued liabilities	1,023,616	919,384	1,943,000	713,273
Unearned revenue	-	-	-	151,343
Matured bonds and interest payable	12,000	1,041,344	1,053,344	-
Deposits	80,313	111,300	191,613	-
Total current liabilities	<u>12,824,467</u>	<u>11,335,678</u>	<u>24,160,145</u>	<u>44,726,155</u>
Long-term liabilities:				
Bonded debt, less current portion	37,999,277	62,690,000	100,689,277	-
Deferred bond refunding costs	(13,810)	-	(13,810)	-
Unamortized bond premium (discount)	1,741,654	2,888,620	4,630,274	8,539
Capital lease obligations, less current portion	-	20,078	20,078	-
Compensated absences and termination benefits payable, less current portion	-	-	-	180,767
Notes payable, less current portion	-	-	-	840,000
Estimated liability on pending claims, less current portion	-	-	-	99,915,930
Estimated liability for landfill closure costs, less current portion	86,446,124	-	86,446,124	-
Total long-term liabilities	<u>126,173,245</u>	<u>65,598,698</u>	<u>191,771,943</u>	<u>100,945,236</u>
Total liabilities	<u>138,997,712</u>	<u>76,934,376</u>	<u>215,932,088</u>	<u>145,671,391</u>
Net assets (deficit):				
Invested in capital assets, net of related debt	52,275,865	96,658,963	148,934,828	2,016,040
Restricted for capital improvements and future maintenance	9,000,000	-	9,000,000	-
Restricted for Sandy Hill Trust	1,890,485	-	1,890,485	-
Restricted for debt service	3,572,785	-	3,572,785	-
Restricted for landfill closure costs	3,083,750	-	3,083,750	-
Restricted for Chesapeake Bay and tree preservation activities	-	1,953,255	1,953,255	-
Restricted for I-Net	-	-	-	21,891,909
Unrestricted	368,553	60,469,161	60,837,714	(32,646,263)
Total net assets (deficit)	\$ <u>70,191,438</u>	<u>159,081,379</u>	<u>229,272,817</u>	<u>(8,738,314)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(4,647,748)	
Net assets of business-type activities			<u>\$ 224,625,069</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Total	
Operating revenues:				
Premium contributions	\$ -	-	-	112,824,149
Licenses and permits	-	2,150,063	2,150,063	-
Sales	1,054,484	-	1,054,484	19,055,362
Charges for services	87,944,212	-	87,944,212	12,835,407
Use of money and property - rentals	-	-	-	192,427
Miscellaneous	1,452,753	-	1,452,753	1,823,431
Total operating revenues	<u>90,451,449</u>	<u>2,150,063</u>	<u>92,601,512</u>	<u>146,730,776</u>
Operating expenses:				
Salaries	7,618,428	13,316,298	20,934,726	9,718,237
Project charges - salaries/recoveries	7,793,798	3,580,207	11,374,005	-
Fringe benefits	6,478,523	7,951,441	14,429,964	4,852,354
Contractual services	33,801,749	-	33,801,749	8,393,897
Materials	-	-	-	5,657,820
Rent	-	-	-	319,904
General and administrative	24,824,582	12,200,160	37,024,742	8,340,085
Depreciation and amortization	7,092,772	2,624,234	9,717,006	1,813,776
Insurance claims and premiums	-	-	-	102,336,221
Landfill postclosure expense	6,533,957	-	6,533,957	-
Other	-	-	-	4,031,117
Total operating expenses	<u>94,143,809</u>	<u>39,672,340</u>	<u>133,816,149</u>	<u>145,463,411</u>
Operating income (loss)	<u>(3,692,360)</u>	<u>(37,522,277)</u>	<u>(41,214,637)</u>	<u>1,267,365</u>
Nonoperating revenues (expenses):				
Taxes	-	47,579,296	47,579,296	-
Interest income	1,995,923	975,139	2,971,062	583,452
Interest expense	(1,949,268)	(2,654,942)	(4,604,210)	(47,940)
Debt issuance costs	(88,117)	(15,324)	(103,441)	(4,615)
Gain (loss) on sale of capital assets	56,546	-	56,546	(25,401)
Total nonoperating revenues (expenses)	<u>15,084</u>	<u>45,884,169</u>	<u>45,899,253</u>	<u>505,496</u>
Income (loss) before contributions and transfers	<u>(3,677,276)</u>	<u>8,361,892</u>	<u>4,684,616</u>	<u>1,772,861</u>
Transfers in - other funds	-	-	-	7,112,500
Capital contributions	-	1,627,916	1,627,916	23,500
Change in net assets	<u>(3,677,276)</u>	<u>9,989,808</u>	<u>6,312,532</u>	<u>8,908,861</u>
Net assets - beginning of year	<u>73,868,714</u>	<u>149,091,571</u>	<u>-</u>	<u>(17,647,175)</u>
Net assets - end of year	<u>\$ 70,191,438</u>	<u>159,081,379</u>	<u>408,710</u>	<u>(8,738,314)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			408,710	
Change in net assets of business-type activities			<u>\$ 6,721,242</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Total	
Cash flows from operating activities:				
Cash received from customers	\$ 90,059,888	2,150,063	92,209,951	145,721,593
Cash payments to suppliers for goods and services	(59,177,600)	(12,340,782)	(71,518,382)	(77,512,542)
Cash payments to employees for services	(21,898,696)	(25,001,127)	(46,899,823)	(14,632,650)
Premium and claim payments	-	-	-	(54,366,122)
Other cash receipts	-	-	-	804,464
	<u>8,983,592</u>	<u>(35,191,846)</u>	<u>(26,208,254)</u>	<u>14,743</u>
Net cash and cash equivalents provided (used) by operating activities				
Cash flows from noncapital financing activities:				
Tax collections	-	47,559,964	47,559,964	-
Transfer from General Fund	-	-	-	7,112,500
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>47,559,964</u>	<u>47,559,964</u>	<u>7,112,500</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of property, plant and equipment	(6,629,530)	(14,598,949)	(21,228,479)	(163,931)
Capital grants	-	2,298,692	2,298,692	-
Proceeds of bonded debt	2,144,108	27,967,286	30,111,394	-
Payment of bond issue costs	(3,943)	(50,970)	(54,913)	-
Principal payments on bonded debt	(4,001,375)	(3,150,000)	(7,151,375)	-
Principal payments on notes payable	(178,886)	(47,996)	(226,882)	(250,000)
Interest payments	(1,865,196)	(2,501,566)	(4,366,762)	(41,317)
	<u>(10,534,822)</u>	<u>9,916,497</u>	<u>(618,325)</u>	<u>(455,248)</u>
Net cash and cash equivalents used in capital and related financing activities				
Cash flows from investing activities:				
Interest on investments	<u>2,033,701</u>	<u>1,006,054</u>	<u>3,039,755</u>	<u>652,213</u>
Net cash and cash equivalents provided by investing activities	<u>2,033,701</u>	<u>1,006,054</u>	<u>3,039,755</u>	<u>652,213</u>
Net increase (decrease) in cash and cash equivalents	482,471	23,290,669	23,773,140	7,324,208
Cash and cash equivalents, beginning of year	<u>98,457,786</u>	<u>47,072,080</u>	<u>145,529,866</u>	<u>120,840,628</u>
Cash and cash equivalents, end of year	<u>\$ 98,940,257</u>	<u>70,362,749</u>	<u>169,303,006</u>	<u>128,164,836</u>
Classified as:				
Current assets	\$ 7,172,148	66,368,558	73,540,706	110,695,141
Restricted assets	91,768,109	3,994,191	95,762,300	17,469,695
	<u>\$ 98,940,257</u>	<u>70,362,749</u>	<u>169,303,006</u>	<u>128,164,836</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Cash Flows, Continued
 Proprietary Funds
 For the year ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	Solid Waste Fund	Stormwater Management Fund	Total	
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (3,692,360)	(37,522,277)	(41,214,637)	1,267,365
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation and amortization	7,092,772	2,624,234	9,717,006	1,813,776
Provision for doubtful receivables	522,274	-	522,274	-
Effect of changes in operating assets and liabilities:				
Accounts receivable	(741,625)	-	(741,625)	846,432
Inventories	-	-	-	(66,005)
Due from other governmental units	(172,210)	-	(172,210)	-
Prepaid costs	-	-	-	128
Deferred landfill closure costs	892,936	-	892,936	-
Compensated absences and termination benefits payable	(20,409)	(175,900)	(196,309)	(86,766)
Accounts payable	(625,185)	(394,131)	(1,019,316)	1,317,333
Retainages	73,916	253,509	327,425	-
Accrued costs	12,462	22,719	35,181	24,609
Deferred revenue	-	-	-	(226,548)
Deposits	-	-	-	(51,480)
Due from component units	-	-	-	(984,184)
Estimated liability for landfill closure costs	5,641,021	-	5,641,021	-
Estimated liability on pending claims	-	-	-	(3,839,917)
Total adjustments	<u>12,675,952</u>	<u>2,330,431</u>	<u>15,006,383</u>	<u>(1,252,622)</u>
Net cash and cash equivalents provided (used) by operating activities	\$ <u>8,983,592</u>	<u>(35,191,846)</u>	<u>(26,208,254)</u>	<u>14,743</u>
Non-cash investing, capital and related financing activities:				
Decrease (increase) in accrued interest receivable	\$ 157,437	30,389	187,826	68,761
Donated capital assets	-	-	-	23,500
Capital contributions - amount included in due from other governmental	-	115,004	115,004	-
	<u>\$ 157,437</u>	<u>145,393</u>	<u>302,830</u>	<u>92,261</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Net Assets
 Fiduciary Funds
 June 30, 2011

	Pension and Other Postemployment <u>Benefit Trust Funds</u>	Agency <u>Funds</u>
Assets:		
Equity in pooled cash and investments	\$ 10,756,395	15,075,598
Collateral for loaned securities	30,869,419	-
Investments:		
Pooled separate accounts	340,793,159	-
U.S. Government & agency securities	33,671,360	-
Corporate bonds	90,338,559	-
Common stock	194,874,621	-
Real Estate Investment Trust	21,890,262	-
International Government securities	767,573	-
Preferred stock	1,640,225	-
Asset backed securities	24,380,280	-
Money market funds	409,572,668	-
Short-term investments	25,630,808	-
Alternative investments	188,093,447	-
Receivables:		
Taxes	-	6,940,923
Accounts	291,555	72
Accrued interest receivable	1,965,648	-
Prepaid costs and deposits	35,349	-
Total assets	<u>1,375,571,328</u>	<u>22,016,593</u>
Liabilities:		
Collateral for loaned securities payable	30,869,419	-
Accounts payable	616,905	102,241
Accrued costs	9,680,488	-
Due to other funds	7,890,000	-
Due to other governmental units	-	19,507,150
Funds held in trust	-	2,407,202
Total liabilities	<u>49,056,812</u>	<u>22,016,593</u>
Net assets:		
Net assets held in trust for benefit payments	\$ <u>1,326,514,516</u>	<u>-</u>

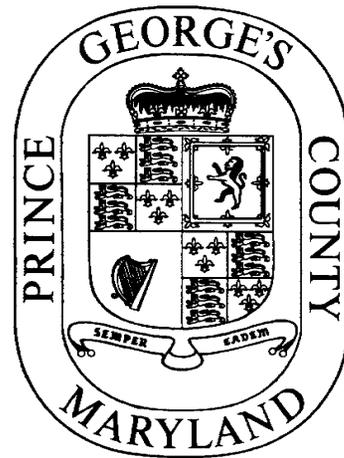
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
 Statement of Changes in Net Assets
 Fiduciary Funds
 For the year ended June 30, 2011

	<u>Pension and Other Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 124,905,584
Employee	27,485,547
Other	709,127
Total contributions	<u>153,100,258</u>
Investment income :	
Net appreciation in fair value of investments	213,760,925
Interest and dividends	31,543,635
Total investment income	<u>245,304,560</u>
Less investment expense	5,212,508
Net investment income	<u>240,092,052</u>
Total additions	<u>393,192,310</u>
Deductions:	
Benefits	162,245,501
Refunds of contributions	4,126,421
General and administrative expenses	3,067,989
Total deductions	<u>169,439,911</u>
Net increase	223,752,399
Net assets held in trust for benefit payments, beginning of year	<u>1,102,762,117</u>
Net assets held in trust for benefit payments, end of year	<u><u>\$ 1,326,514,516</u></u>

See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

The notes are an integral part of the
financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements
June 30, 2011

PRINCE GEORGE'S COUNTY
Notes to Financial Statements

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PRINCE GEORGE'S COUNTY, MARYLAND
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PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(1) Summary of Significant Accounting Policies

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

(a) Reporting Entity

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

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

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

- (i) The Board of Education of Prince George's County, Maryland (Board of Education or the Board) - The Board operates all public schools (grades K through 12) within the County. The Board is fiscally dependent because the County: approves its budget, is legally obligated to fund the Board's operations, and issues and is obligated to pay debt for the Board. A complete financial report is available through the Board's administrative offices, which are located at the Sasscer Administration Building, 14201 School Lane, Upper Marlboro, Maryland 20772.
- (ii) The Housing Authority of Prince George's County (Housing Authority) - The Housing Authority was created to develop safe, sanitary, and decent housing for County citizens. The governing body and management personnel are appointed by the County Executive. The County also approves the budget of the Housing Authority. Requests for copies of financial statements should be addressed to the administrative offices of the Housing Authority, which are located at Inglewood Center III, 9400 Peppercorn Place, Suite 200, Landover, Maryland 20785.
- (iii) The Industrial Development Authority of Prince George's County (IDA) - The IDA is a public building authority providing physical facilities to local governments located in the State of Maryland. The County appoints a majority of the governing body and is able to impose its will through approval of the IDA's budget and substantial involvement in IDA operations. Requests for copies of financial statements should be addressed to the administrative offices of the Industrial Development Authority, which are located at 14741 Governor Oden Bowie Drive, Suite 3151, Upper Marlboro, Maryland 20772.
- (iv) The Prince George's County Memorial Library System (Memorial Library or Library) - The Memorial Library operates the County's public library system. The County is legally obligated to provide financial support to the Library. The County approves its budget, holds title to its assets, and can unilaterally abolish the Library. Requests for the Library's financial statements should be made to the administrative offices, which are located at 6532 Adelphi Road, Hyattsville, Maryland 20785.
- (v) The Prince George's Community College (Community College or College) - The College operates a higher education institution within the County. The County is legally obligated to provide financial support to the College. In addition, the fiscal dependency criterion applies because of the County's substantial budgetary approval authority. Individuals interested in obtaining detailed financial statements for the College should contact its administrative offices, which are located at 301 Largo Road, Landover, Maryland 20772.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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

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

(b) Basis of Presentation

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

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

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

The County reports the following major governmental funds:

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

The County reports the following major proprietary funds:

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

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

The County also reports the following additional funds:

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

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

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

(c) Basis of Accounting

Government-wide, Proprietary and Trust Funds are accounted for using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The County applies all applicable FASB pronouncements issued on or prior to November 30, 1989 in accounting and reporting for its government-wide, proprietary fund, and certain fiduciary fund (pension and other employee benefit trusts) financial statements unless these pronouncements conflict with GASB pronouncements. The County has elected not to follow subsequent private-sector guidance.

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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 deferred revenue in its financial statements. Deferred revenues arise in governmental funds when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise 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 both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized. Unearned revenue as reported in the government-wide statements is the same as deferred revenue; however it does not involve application of the availability criterion used in governmental funds.

(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.
- Public hearings are conducted by the County Council to obtain taxpayer comments.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

- 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 2011 overall budget appropriations remain as adopted with the exception of changes among agency appropriations.
- All unencumbered appropriations in the General Fund lapse at the end of the fiscal year.

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

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

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

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

(e) Cash and Cash Equivalents

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

(f) Investments

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(g) Special Assessments Receivable

Special assessments are levied upon completion of the related projects and are payable either (a) when billed, or (b) over a multi-year period from the date of the initial billing, at the option of the benefited property owner. Special assessments receivable under the deferred payment plan amounted to \$9,861 at June 30, 2011.

(h) 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	\$ 7,620,377
Federal and State Aided Fund	18,283,126
Solid Waste Fund	1,100,805
Stormwater Management Fund	<u>21,583</u>
	\$ <u><u>27,025,891</u></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, 2011, there were approximately \$26.2 million of outstanding loans receivable under these programs. Approximately \$8.0 million of these loans are offset by equivalent deferred revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$18.2 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.

(i) Inventories

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

(j) Prepaid Costs and Deposits

Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid expenses. The consumption method is used for prepaid items and expenditures or expenses are recognized when used in operations.

(k) Restricted Assets

Proceeds from debt and funds set aside for payment of revenue bonds and other general obligation debt are classified as restricted assets since their use is limited by applicable debt agreements.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(l) Capital Assets

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

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

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

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

The Primary Government's landfill facility at Brown Station Road has completed expansion of the construction of eleven new treatment areas referred to as "cells." Nine cells are currently operational. The total estimated cost of the operational cells was transferred from construction-in-progress to landfill property in service based on the total acreage of the operational cells as a percentage of the total landfill acreage multiplied by total estimated costs of the entire facility. Depreciation is computed by dividing the number of tons of refuse dumped by total estimated landfill capacity, which is then multiplied by the estimated total landfill cost. An independent engineer estimates the total capacity of the landfill as 11,154,000 tons.

(m) 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.

(n) Arbitrage Rebate Liability

The liability for rebated arbitrage earnings amounting to \$628,323 and \$146,938 in the governmental and business-type activity columns, respectively, is included in accounts payable in the government-wide financial statements. 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.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(o) 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 assets. For long-term obligations, only that portion expected to be financed from current available financial resources is reported as a fund liability of a Governmental Fund. Long-term liabilities to be financed from proprietary fund operations are accounted for in those funds.

(ii) Bond Premiums/Discounts and Issuance Costs

Bond premiums and discounts, as well as issuance costs, 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. Issuance costs are recorded as deferred charges.

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.

(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. Such taxes are overdue and in arrears on the first day of October, at which time interest and penalties are charged at the rate of 20% per annum on all unpaid accounts. 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 \$7,498,767, amounted to \$9,147,734.

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).

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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 2010, the tax rate was set at ninety-six cents (\$0.96) and two dollars forty cents (\$2.40) for each one hundred dollars (\$100) of assessed value for real and personal property, respectively. There were no bonds outstanding issued before the effective date of "TRIM".

(ii) Landfill Operations - Primary Government

• Revenue Recognition

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

• Closure and Post-closure Care Costs

The October 9, 1991 U.S. Environmental Protection Agency rule, "Solid Waste Disposal Facility Criteria", establishes certain closure and thirty (30) year postclosure care requirements affecting municipal solid waste landfills. In accordance with GAAP, the County accrues for closure and post-closure costs related to its landfill operations. Consistent with accounting policies for regulated enterprises, the recognition of closure and post-closure care costs otherwise chargeable to expense have been deferred because it has been determined that future estimated revenue in an amount at least equal to the deferred cost will result from inclusion of those amounts in allowable costs for rate-making purposes, and that future revenue will be sufficient to permit recovery of the previously incurred cost as well as to provide for expected levels of similar future costs. The deferred landfill closure costs are recognized to the extent that designated revenues are collected. In fiscal year 2011, \$12.00 per ton of solid waste dumped was designated for closure and postclosure costs.

(r) 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.

(s) Total Column Government-wide Statement of Net Assets

The total column for the reporting entity includes a reclassification for the unrestricted net asset deficit related to component unit debt (\$399,196,957). The reclassification is necessary because the County issues debt to finance construction projects for its component units (Board of Education and Community College); however, the component units own the assets. The debt reduces unrestricted net assets for the County, while the capital assets are reported in net assets invested in capital assets, net of related debt by the component units.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(2) New Accounting Pronouncements

In Fiscal Year 2011, the County implemented Governmental Accounting Standards Board (GASB) Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The Statement establishes new fund balance classifications for governmental funds that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The statement also provides financial reporting and disclosure requirements for the new fund balance classifications. The definitions of the governmental funds (general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type) are clarified by the provisions in this Statement.

The county adopted the new fund balance disclosures for governmental fund reporting and added additional disclosures displayed in notes 17 and 18. The new fund balance categories are listed below:

Nonspendable – Includes amounts that cannot be spent because they are in nonspendable form (inventory) or legally or contractually required to remain intact.

Restricted - Includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed - Includes amounts that can be used only for the specific purposes determined by a formal action (council bill or council resolution) of the government's highest level of decision-making authority (County Executive/County Council.) The same formal action used to create a commitment is required to rescind 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 his or her designee, the Director of Finance or his or her designee, and the County Council Administrator, or his or her designee. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed

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.

(3) Compliance and Accountability

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

The Primary Government's Workers' Compensation Internal Service Fund's net assets deficit at June 30, 2011 was \$78,776,513. The County's risk management contributions remained constant in fiscal year 2011. Expenditures decreased by \$12 million mainly driven by a decrease in the pending liability. The County will continue to increase premium contributions and reduce certain administrative costs in future fiscal years to reduce this deficit.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(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). However, the pool is governed by Article 95 Section 22G of the Annotated Code of Maryland and under control of the State Treasurer, subject to oversight by the MLGIP Advisory Committee. All securities in the MLGIP are valued daily on an amortized cost basis, which approximates market value.

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(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, 2011, investments with maturities greater than one year at the time of purchase were 47.5% 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	
U.S. Agency Securities	\$ 422,130	\$ 95,611	\$ 326,519	
Bank Interest Bearing Savings Account	29,042	29,042	-	
Certificates of Deposit	165,245	165,245	-	
Money Market Mutual Funds	200	200	-	
Local Government Investment Pool	251,915	251,915	-	
	\$ 868,532	\$ 542,013	\$ 326,519	

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

OPEB Fund Investments (in thousands)						
Investment Type	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10	
U.S. Government securities	\$ 1,944	\$ -	\$ 1,028	\$ -	\$ 916	
U.S. Agency securities	6,683	-	6,253	430	-	
Corporate bonds	18,918	521	3,427	12,287	2,683	
Foreign government investment	104	-	104	-	-	
Asset-backed securities	9,408	-	-	503	8,905	
Short-term investments	5,691	5,691	-	-	-	
	\$ 42,748	\$ 6,212	\$ 10,812	\$ 13,220	\$ 12,504	

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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

Pension Fund Investments (in thousands) ⁽¹⁾							
Investment Type	Fair Value	Less than 1 year		1 to 5		6 to 10	over 10
U.S. Government Securities	\$ 5,782	\$ 918	\$ 295	\$ 910	\$ 3,660		
U.S. Agency Securities	24,193	908	10,324	6,472	6,489		
Corporate Bonds	88,845	162	19,603	58,086	10,994		
Asset-Backed Securities	34,847	331	2,225	4,758	27,533		
Short-Term Investments	29,704	29,704	-	-	-		
	<u>\$ 183,371</u>	<u>\$ 32,023</u>	<u>\$ 32,447</u>	<u>\$ 70,226</u>	<u>\$ 48,676</u>		

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

(c) Credit Risk

Credit risk involves disclosing the credit quality of investments in debt securities as described by nationally recognized rating agencies. The Primary Government's investment policy prescribes the following credit quality standards. Bankers' acceptances and commercial paper must have a debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the SEC. As of June 30, 2011, the primary government had investments in the following issuers with credit quality ratings as a percent of the total investments in debt securities:

Primary Government Fund Investments (in thousands)					
Credit Risk					
Investment Type	Amount	Moody's	S&P	%	
U.S. Agency Securities	\$ 422,130	Aaa	AAA	62.61%	
Government Money Market Mutual Funds	200	Aaa	AAAm	0.03%	
Maryland Local Government Investment Pool	251,915	NR	AAAm	37.36%	
	<u>\$ 674,245</u>				

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

As of June 30, 2011, the OPEB Plan had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

OPEB FUND INVESTMENTS							
CREDIT RISK							
INVESTMENT TYPE	AMOUNT	MOODY'S	%	INVESTMENT TYPE	AMOUNT	S&P	%
Corporate bonds	\$ 1,450	AAA	3.39%	Corporate bonds	\$ 959	AAA	2.24%
Corporate bonds	1,213	AA	2.84%	Corporate bonds	1,299	AA	3.04%
Corporate bonds	8,876	A	20.76%	Corporate bonds	7,996	A	18.71%
Corporate bonds	6,240	BAA	14.60%	Corporate bonds	8,152	BBB	19.07%
Corporate bonds	1,138	NR	2.66%	Corporate bonds	511	BB	1.20%
Foreign government investments	104	NR	0.24%	Foreign government investments	104	AA	0.24%
Asset-Backed securities	9,004	AAA	21.06%	Asset-Backed securities	8,501	AAA	19.89%
				Asset-Backed securities	503	NR	1.18%
Short-Term investments	5,691	NR	13.31%	Short-Term investments	5,691	NR	13.31%
U.S. Agency securities	7,087	AAA	16.58%	U.S. Agency securities	7,087	AAA	16.58%
U.S. Agency securities	1,943	NR	4.55%	U.S. Agency securities	1,943	NR	4.55%
	<u>\$ 42,746</u>				<u>\$ 42,746</u>		

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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 2011 the Plans investments in government sponsored entities with ratings below AAA exceeded the 5% limit. As of June 30, 2011 the Plans had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

Pension Fund Investments ⁽¹⁾							
Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Agency Securities	\$ 9,369	Aaa	5.28%	U.S. Agency Securities	\$ 4,351	AAA	2.45%
U.S. Agency Securities	6,090	Aa	3.43%	U.S. Agency Securities	6,010	AA	3.38%
U.S. Agency Securities	4,176	Aa	2.35%	U.S. Agency Securities	1,655	A	0.93%
U.S. Agency Securities	477	Baa	0.27%	U.S. Agency Securities	223	BBB	0.13%
U.S. Agency Securities	1,186	NA	0.67%	U.S. Agency Securities	1,186	NA	0.67%
U.S. Agency Securities	2,895	NR	1.63%	U.S. Agency Securities	10,768	NR	6.06%
Short-Term Investments	29,704	NR	16.73%	Short-Term Investments	29,704	NR	16.73%
Corporate Bonds	1,826	Aaa	1.03%	Corporate Bonds	1,826	AAA	1.03%
Corporate Bonds	7,353	Aa	4.14%	Corporate Bonds	2,251	AA	1.27%
Corporate Bonds	16,388	A	9.23%	Corporate Bonds	22,855	A	12.87%
Corporate Bonds	6,069	Baa	3.42%	Corporate Bonds	4,474	BBB	2.52%
Corporate Bonds	6,086	Ba	3.43%	Corporate Bonds	10,759	BB	6.06%
Corporate Bonds	40,483	B	22.80%	Corporate Bonds	37,382	B	21.05%
Corporate Bonds	4,342	CAA	2.44%	Corporate Bonds	3,882	CCC	2.19%
Corporate Bonds	5,478	NA	3.08%	Corporate Bonds	4,141	NA	2.33%
Corporate Bonds	819	NR	0.46%	Corporate Bonds	1,275	NR	0.72%
Asset-Backed Securities	1,309	Aaa	0.74%	Asset-Backed Securities	1,309	AAA	0.74%
Asset-Backed Securities	627	Aa	0.35%	Asset-Backed Securities	195	AA	
Asset-Backed Securities	283	A	0.16%	Asset-Backed Securities	715	A	0.40%
Asset-Backed Securities	-	B	0.00%	Asset-Backed Securities	2	B	0.00%
Asset-Backed Securities	2	CAA	0.00%				
Asset-Backed Securities	332	NA	0.19%	Asset-Backed Securities	332	NA	0.19%
Asset-Backed Securities	7,125	NR	4.01%	Asset-Backed Securities	7,124	NR	4.01%
Mortgage-Backed Securities	24,306	AAA	13.69%	Mortgage-Backed Securities	23,951	AAA	13.49%
				Mortgage-Backed Securities	879	A	0.49%
Mortgage-Backed Securities	295	BAA	0.17%				
Mortgage-Backed Securities	340	BAA	0.19%	Mortgage-Backed Securities	340	B	0.19%
Mortgage-Backed Securities	229	NA	0.13%	Mortgage-Backed Securities	-	NA	0.00%
	<u>\$ 177,589</u>				<u>\$ 177,589</u>		

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(d) Concentration of Credit Risk

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

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

The following investments represent over 5% of total OPEB Plan investments with a single investor.

State Street /SSGA FUNDS		
Money Market Fund	\$	5,691,360
Percentage		13.31%

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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.

	<u>Police</u>	<u>Pension Plans</u> <u>Fire Service</u>	<u>Other</u>
State Street /PIMCO			
Money Market Fund	\$ 67,246,439	\$ 28,053,365	\$ 32,021,701
Percentage	9.82%	8.93%	11.03%
State Street /Alliance Bernstein			
Money Market Fund	45,581,239	21,373,597	-
Percentage	6.66%	6.80%	-
State Street /Pointer LP			
Alternative Investments	37,273,490	16,746,061	-
Percentage	5.45%	5.33%	-
State Street / SSGA			
Money Market Fund	37,028,040	16,495,219	-
Percentage	5.41%	5.25%	-
State Street / Aberdeen Debt Emerging Markets			
Money Market Fund	37,594,343	17,249,537	-
Percentage	5.49%	5.49%	-
State Street / Ballie Gifford Funds			
Money Market Fund	47,605,014	24,980,012	-
Percentage	6.95%	7.95%	-
State Street / Advisors Inner Circle Fund			
Money Market Fund	-	-	15,271,251.00
Percentage	-	-	5.26%
State Street / Clarian Lion Properties Fund			
Real Estate Investment Trust	-	-	15,033,704.00
Percentage	-	-	5.18%
State Street / Mondrian International Small			
Pool Separate Accounts	-	-	15,650,485.00
Percentage	-	-	5.39%

(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.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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, 2011, 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, 2011:

Local Currency	Other Pension Fund Investments (in thousands)				
	Foreign Currency Exposure				
	Equity	Fixed Income	Other	Total	%
Australian Dollar	\$ 2,630	\$ 366	\$ 232	\$ 3,228	0.25%
Canadian Dollar	4,365	1,220	599	6,184	0.48%
Danish Krone	294	59	-	353	0.03%
Euro Currency	10,845	4,715	-	15,560	1.21%
Hong Kong Dollar	1,610	89	-	1,699	0.13%
Israeli Shekel	768	8	-	776	0.06%
Japanese Yen	6,986	7,098	-	14,084	1.09%
Malaysian Ringgit	-	371	-	371	0.03%
Mexican Peso	-	561	-	561	0.04%
New Zealand Dollar	-	135	-	135	0.01%
Norwegian Krone	488	790	-	1,278	0.10%
Polish Zloty	-	252	-	252	0.02%
Pound Sterling	6,994	1,773	-	8,767	0.68%
Singapore Dollar	708	1,298	-	2,006	0.16%
South African rand	-	5	-	5	0.00%
South Korean Won	3,173	283	-	3,456	0.27%
Swedish Krona	1,883	465	-	2,348	0.18%
Swiss Franc	2,213	121	-	2,334	0.18%
Total Foreign Holdings	\$ 42,957	\$ 19,609	\$ 831	\$ 63,397	4.92%

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(g) Securities Lending

The Board of Trustees for the Pension Plans (the Plans) authorizes the lending of securities to broker-dealers for collateral that will be returned for the same securities in the future. The collateral securities, letters of credit and cash are initially pledged at 100% of the market value of the securities lent and revalued daily to ensure that the collateral does not fall below 100%. The Plans are indemnified for credit risk as it relates to counterparty loan activity. 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 statement of net assets of the Pension Trust Funds. Cash collateral is invested in the custodian's short-term investment pool, which at year-end had an average duration of 32 days and a weighted average to maturity of 62 days. The relationship between the maturities of the investment pool and the loans is affected by the maturities of the securities loans made by other entities that use the pool, which the Plans cannot determine. The collateral held and the fair value of securities on loan as of June 30, 2011 totaled \$30,988,196 and \$30,495,082, respectively. Cash collateral held, amounting to \$30,869,419, 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 2011 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:

Pension Fund Derivatives				
Investment Type	Notional Amount	Changes in Fair Value		Fair Value at June 30, 2011
			Classification	
Foreign Currency Forward Contracts	\$ 892,939	\$ (23,989)	Long-Term Instruments	\$ (3,721)
Rights	-	170	Common Stock	-
	<u>\$ 892,939</u>	<u>\$ (23,819)</u>		<u>\$ (3,721)</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2011 are as follows:

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Federal and State Aided Programs	\$ 17,000,000
	Capital Projects	34,500,000
	Fiduciary Funds	7,890,000
		\$ 59,390,000

Due from/to other entities:

Receivable Entity	Payable Entity	Amount
Component Unit - Board of Education	Primary Government - Capital Projects Fund	\$ 35,822,505
Component Unit - Memorial Library	Primary Government - Capital Projects Fund	594,634
Component Unit - Community College	Primary Government - Capital Projects Fund	5,655,085
		\$ 42,072,224
Primary Government - General Fund	Component Unit - Housing Authority	\$ 1,842,682
Primary Government - General Fund	Component Unit - Community Television	450,000
Primary Government - General Fund	Component Unit - Revenue Authority	3,463,149
Primary Government - General Fund	Component Unit - Memorial Library	645,000
Primary Government - Internal Service Funds	Component Unit - Board of Education	1,990,410
Primary Government - Internal Service Funds	Component Unit - Memorial Library	877,942
		\$ 9,269,183

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, 2011 are as follows:

Transfers From	Transfers To	Amount
General Fund	Federal and State Aided Programs	\$ 2,126,134
	Nonmajor Governmental Funds	90,086,641
	Internal Service Funds	7,112,500
Capital Projects	Nonmajor Governmental Funds	6,624,984
		\$ 105,950,259

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(6) Due From Other Governmental Units

The State owes the Primary Government \$83,899,691 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, 2011 is listed below:

	<u>State of Maryland</u>	<u>Federal Government</u>	<u>Other Sources</u>	<u>Total</u>
Primary Government	\$ <u>110,252,749</u>	<u>37,529,209</u>	<u>9,584,279</u>	<u>157,366,236</u>
Component Units:				
Board of Education	11,464,016	56,313,558	9,084,179	76,861,753
Other Component Units	<u>3,042,790</u>	<u>1,901,421</u>	<u>2,475,072</u>	<u>7,419,283</u>
Total	<u>14,506,806</u>	<u>58,214,979</u>	<u>11,559,251</u>	<u>84,281,036</u>
Total Reporting Entity	\$ <u><u>124,759,555</u></u>	<u><u>95,744,188</u></u>	<u><u>21,143,530</u></u>	<u><u>241,647,272</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2011 were as follows:

	Balance <u>July 1, 2010</u>	Additions	Disposals and <u>Completed Construction</u>	Balance <u>June 30, 2011</u>
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 79,828,797	841,138	-	80,669,935
Construction in progress	83,579,782	48,499,564	82,872,799	49,206,547
Total capital assets, not being depreciated:	<u>163,408,579</u>	<u>49,340,702</u>	<u>82,872,799</u>	<u>129,876,482</u>
Capital assets, being depreciated:				
Buildings and improvements	398,095,933	35,491,322	-	433,587,255
Equipment	145,964,412	14,744,574	12,151,704	148,557,282
Infrastructure	2,450,232,138	69,588,379	66,130	2,519,754,387
Total capital assets, being depreciated:	<u>2,994,292,483</u>	<u>119,824,275</u>	<u>12,217,834</u>	<u>3,101,898,924</u>
Less accumulated depreciation for:				
Buildings and improvements	100,418,405	8,618,834	-	109,037,239
Equipment	111,599,816	15,281,271	11,493,274	115,387,813
Infrastructure	939,467,830	43,815,168	34,388	983,248,610
Total accumulated depreciation	<u>1,151,486,051</u>	<u>67,715,273</u>	<u>11,527,662</u>	<u>1,207,673,662</u>
Total capital assets being depreciated, net	<u>1,842,806,432</u>	<u>52,109,002</u>	<u>690,172</u>	<u>1,894,225,262</u>
Governmental activities capital assets	<u>\$ 2,006,215,011</u>	<u>101,449,704</u>	<u>83,562,971</u>	<u>2,024,101,744</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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

Governmental Activities:		
General government		\$ 11,173,342
Public safety		7,923,095
Public works and transportation, including depreciation of general infrastructure assets		46,387,462
Health		401,317
Public Welfare		16,281
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets		1,813,776
Total depreciation expense - governmental activities		<u>\$ 67,715,273</u>

Construction of capital assets in progress for the Primary Government at June 30, 2011, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	<u>Project No.</u>	Expended through <u>June 30, 2011</u>	Encumbered at <u>June 30, 2011</u>
AIS Legacy System	300143	\$ -	122,851
Oxon Hill Road	666681	3,071,424	565,327
Mount Oak/Church/Woodmore Road Intesection	669921	11,693,650	601,038
Library projects	Various	2,056,618	7,682,123
Public safety projects	Various	17,740,985	4,185,714
Other road and bridge projects	Various	14,643,870	12,987,671
Total Primary Government		<u>\$ 49,206,547</u>	<u>26,144,724</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(b) Business-type Activities

Changes in capital assets during fiscal year 2011 were as follows:

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2011</u>
Capital assets, not being depreciated:				
Land	\$ 19,737,522	-	-	19,737,522
Construction in progress	<u>105,582,925</u>	<u>19,295,873</u>	<u>885,310</u>	<u>123,993,488</u>
Total capital assets, not being depreciated:	<u>125,320,447</u>	<u>19,295,873</u>	<u>885,310</u>	<u>143,731,010</u>
Capital assets, being depreciated:				
Buildings and improvements	31,554,032	-	-	31,554,032
Equipment and vehicles	25,449,303	2,940,659	803,104	27,586,858
Landfill property in service	121,336,027	-	-	121,336,027
Stormwater property in service	<u>90,948,151</u>	<u>-</u>	<u>-</u>	<u>90,948,151</u>
Total capital assets being depreciated:	<u>269,287,513</u>	<u>2,940,659</u>	<u>803,104</u>	<u>271,425,068</u>
Less accumulated depreciation for:				
Buildings and improvements	12,239,879	758,312	-	12,998,191
Equipment and vehicles	18,341,236	1,667,096	727,650	19,280,682
Landfill property in service	77,156,432	5,035,615	-	82,192,047
Stormwater property in service	<u>41,222,225</u>	<u>2,255,983</u>	<u>-</u>	<u>43,478,208</u>
Total accumulated depreciation	<u>148,959,772</u>	<u>9,717,006</u>	<u>727,650</u>	<u>157,949,128</u>
Total capital assets being depreciated, net	<u>120,327,741</u>	<u>(6,776,347)</u>	<u>75,454</u>	<u>113,475,940</u>
Business-type activities capital assets	<u>\$ 245,648,188</u>	<u>12,519,526</u>	<u>960,764</u>	<u>257,206,950</u>

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

Solid Waste Fund	\$ 7,092,772
Stormwater Management Fund	<u>2,624,234</u>
Total depreciation expense - business-type activities	<u>\$ 9,717,006</u>

As of June 30, 2011, construction requisitions outstanding for proprietary funds of the Primary Government totaled \$17,396,642.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Changes in capital assets for the Stormwater Management Fund during 2011 were as follows:

	Balance July 1, 2010	Additions	Disposals and Completed Construction	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 8,431,440	-	-	8,431,440
Construction in progress	93,121,215	14,015,421	-	107,136,636
Total capital assets, not being depreciated:	<u>101,552,655</u>	<u>14,015,421</u>	<u>-</u>	<u>115,568,076</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	2,100,029	574,271	-	2,674,300
Stormwater property in service	90,948,151	-	-	90,948,151
Total capital assets being depreciated:	<u>93,290,705</u>	<u>574,271</u>	<u>-</u>	<u>93,864,976</u>
Less accumulated depreciation for:				
Buildings and improvements	200,488	9,700	-	210,188
Equipment and vehicles	1,214,829	358,551	-	1,573,380
Stormwater property in service	41,222,225	2,255,983	-	43,478,208
Total accumulated depreciation	<u>42,637,542</u>	<u>2,624,234</u>	<u>-</u>	<u>45,261,776</u>
Total capital assets being depreciated, net	<u>50,653,163</u>	<u>(2,049,963)</u>	<u>-</u>	<u>48,603,200</u>
Stormwater Management Fund capital assets	<u>\$ 152,205,818</u>	<u>11,965,458</u>	<u>-</u>	<u>164,171,276</u>

Changes in capital assets for the Solid Waste Fund during 2011 were as follows:

	Balance July 1, 2010	Additions	Disposals and Completed Construction	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 11,306,082	-	-	11,306,082
Construction in progress	12,461,710	5,280,452	885,310	16,856,852
Total capital assets, not being depreciated:	<u>23,767,792</u>	<u>5,280,452</u>	<u>885,310</u>	<u>28,162,934</u>
Capital assets, being depreciated:				
Buildings and improvements	31,311,507	-	-	31,311,507
Equipment and vehicles	23,349,274	2,366,388	803,104	24,912,558
Landfill property in service	121,336,027	-	-	121,336,027
Total capital assets being depreciated:	<u>175,996,808</u>	<u>2,366,388</u>	<u>803,104</u>	<u>177,560,092</u>
Less accumulated depreciation for:				
Buildings and improvements	12,039,391	748,612	-	12,788,003
Equipment and vehicles	17,126,407	1,308,545	727,650	17,707,302
Landfill property in service	77,156,432	5,035,615	-	82,192,047
Total accumulated depreciation	<u>106,322,230</u>	<u>7,092,772</u>	<u>727,650</u>	<u>112,687,352</u>
Total capital assets being depreciated, net	<u>69,674,578</u>	<u>(4,726,384)</u>	<u>75,454</u>	<u>64,872,740</u>
Solid Waste Fund capital assets	<u>\$ 93,442,370</u>	<u>554,068</u>	<u>960,764</u>	<u>93,035,674</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Construction in progress in the enterprise funds as of June 30, 2011 consists of the following:

Primary Government - Business-type Activities:

o Stormwater Management Enterprise Fund		
- Stormdrain Relief Program (540425)	\$	28,461,667
- Water Quality Control Facility (540465)		4,181,366
- Anacostia Retrofit (540855)		15,118,329
- 44th Avenue University Park (540915)		234,597
- Bond Default Fund (540925)		2,117,188
- Oxon Run Flood Control Structure (541265)		1,890,613
- Major Reconstruction – DPWT (541435)		20,543,090
- Municipal Storm Drain Program (541455)		559,990
- COE Anacostia Restoration (541685)		5,593,632
- Water Quality Plan Implementation (541805)		3,505,237
- Bladensburg Environmental Revitalization (541835)		13,952,586
- Other miscellaneous projects		10,978,341
		<u>107,136,636</u>
o Solid Waste Enterprise Fund		
- Public Safety Training Facility (500653)		315,490
- Brown Station Landfill Expansion (541113)		1,907,749
- Rural Convenience Center (541135)		191,692
- Sandy Hill Landfill Expansion (548846)		14,342,753
- Commercial Manufacturer/Waste Transfer Station (548925)		99,168
		<u>16,856,852</u>
Total Primary Government - Business-type Activities	\$	<u><u>123,993,488</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(c) Component Units Capital Assets Activity

Changes in Board of Education capital assets during fiscal year 2011 were as follows:

	Balance June 30, 2010	Additions	Disposals and Completed Construction	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 19,669,912	-	-	19,669,912
Construction in progress	192,673,453	36,867,903	124,070,005	105,471,351
Total capital assets, not being depreciated:	<u>212,343,365</u>	<u>36,867,903</u>	<u>124,070,005</u>	<u>125,141,263</u>
Capital assets, being depreciated:				
Buildings and improvements	1,246,512,409	119,732,583	12,347	1,366,232,645
Equipment and vehicles	155,412,859	14,688,503	6,626,577	163,474,785
Total capital assets, being depreciated:	<u>1,401,925,268</u>	<u>134,421,086</u>	<u>6,638,924</u>	<u>1,529,707,430</u>
Less accumulated depreciation for:				
Buildings and improvements	468,937,276	47,010,348	4,939	515,942,685
Equipment and vehicles	101,842,597	11,065,381	6,514,118	106,393,860
Total accumulated depreciation	<u>570,779,873</u>	<u>58,075,729</u>	<u>6,519,057</u>	<u>622,336,545</u>
Total capital assets being, depreciated, net	<u>831,145,395</u>	<u>76,345,357</u>	<u>119,867</u>	<u>907,370,885</u>
Component units - Board of Education capital assets	<u>\$ 1,043,488,760</u>	<u>113,213,260</u>	<u>124,189,872</u>	<u>1,032,512,148</u>

Changes in other component units' capital assets during fiscal year 2011 were as follows:

	Balance June 30, 2010	Additions	Disposals and Completed Construction	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	\$ 61,917,068	32,111	-	61,949,179
Construction in progress	1,368,152	-	-	1,368,152
Total capital assets, not being depreciated:	<u>63,285,220</u>	<u>32,111</u>	<u>-</u>	<u>63,317,331</u>
Capital assets, being depreciated:				
Buildings and improvements	220,935,922	20,880,577	-	241,816,499
Equipment and vehicles	47,478,060	2,975,354	4,035,214	46,418,200
Total capital assets, being depreciated:	<u>268,413,982</u>	<u>23,855,931</u>	<u>4,035,214</u>	<u>288,234,699</u>
Less accumulated depreciation for:				
Buildings and improvements	72,503,862	5,661,639	-	78,165,501
Equipment and vehicles	31,285,991	6,163,167	4,035,214	33,413,944
Total accumulated depreciation	<u>103,789,853</u>	<u>11,824,806</u>	<u>4,035,214</u>	<u>111,579,445</u>
Total capital assets being, depreciated, net	<u>164,624,129</u>	<u>12,031,125</u>	<u>-</u>	<u>176,655,254</u>
Other component units - capital assets	<u>\$ 227,909,349</u>	<u>12,063,236</u>	<u>-</u>	<u>239,972,585</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(8) Risk Management

Details of estimated liabilities on pending claims, by fund, at June 30, 2011 are as follows:

	Risk Management <u>Pools</u>	Other <u>Self-Insurance</u>	<u>Total</u>
Primary Government:			
Internal Service Funds:			
Unemployment Compensation	\$ -	\$ 154,679	\$ 154,679
Property Loss	336,265	-	336,265
Automobile Liability	3,214,122	-	3,214,122
Workers' Compensation	108,455,454	-	108,455,454
General Liability	15,718,064	-	15,718,064
Life and Health Benefits	-	9,675,966	9,675,966
Total Primary Government	<u>\$ 127,723,905</u>	<u>\$ 9,830,645</u>	<u>\$ 137,554,550</u>

The Primary Government, together with the Board of Education, the Board of Trustees for Prince George's Community College, and the Board of Trustees of Prince George's County Memorial Library are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains various pooled risk management Internal Service Funds (comprised of the above mentioned members) to account for and finance its uninsured losses. Under this program, the County is an approved self-insurer by the State of Maryland, and as such, is subject to provide coverage according to State mandatory limits of \$500,000 per injury. Property coverage is self-insured for \$250,000 per incident with excess insurance above this level provided by The Travelers Indemnity Company (Travelers), which includes replacement values of both structures and contents. Liability coverage is self-insured. The County has a liability limit under the State Tort Claims Act of \$200,000 per person not to exceed \$500,000 per incident for all participants with the exception of the Board of Education, which retains immunity at \$100,000 per incident. These limits do not apply to claims brought under Federal jurisdiction. Excess liability coverage is provided by Travelers at the \$1,000,000 through \$5,000,000 levels for the Community College and the Library. There were no losses in excess of insurance coverage in the last three fiscal years. Insurance coverage at June 30, 2011 is consistent with the prior year.

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2011, the Primary Government made contributions amounting to \$52,081,372. The actuarially computed claims liability has been discounted at a rate of 5 percent, based on the pool's investment yield rate and current economic conditions.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

The total claims liability of \$127,723,905 reported for the risk management pools at June 30, 2011 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, 2011. 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 2010 and 2011 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
Fiscal year 2010	\$118,007,000	59,693,660	(46,136,397)	131,564,263
Fiscal year 2011	\$131,564,263	47,394,757	(51,235,115)	127,723,905

The following is a summary of the fiscal year 2011 claims expenses by fund:

	<u>Total Claim Payments</u>	<u>Liability on Pending Claims Adjustment</u>	<u>Total Claims Expenses</u>
Property Loss Fund	\$ 104,490	\$ (38,451)	\$ 66,039
Auto Liability Fund	1,709,602	62,465	1,772,067
Workers' Compensation Fund	39,329,772	4,647,419	43,977,191
General Liability Fund	10,091,251	(8,511,791)	1,579,460
	<u>\$ 51,235,115</u>	<u>\$ (3,840,358)</u>	<u>\$ 47,394,757</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 2010 and 2011 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
Fiscal year 2010	\$10,046,150	40,464,716	(40,431,150)	10,079,716
Fiscal year 2011	\$10,079,716	39,039,486	(39,288,557)	9,830,645

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(9) Pension Plans

(a) Primary Government

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

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

- Employees Retirement and Pension System of Maryland

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

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

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

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

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Participants of the Retirement System plan contribute 7% of annual compensation and upon retirement are entitled to unlimited cost-of-living adjustments, or contribute 5% of annual compensation and upon retiring are limited to 5% cost-of living increases annually. Retirement System participants may retire with full benefits after attaining age 60, or after completing 30 years of service, regardless of age. Annual retirement benefits are equal to 1/55 of the average of the participant's three highest years of annual compensation, multiplied by the number of years of credited service.

As referenced below, the Primary Government made the actuarially required contributions for the indicated fiscal years.

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarial contribution requirement	\$ 17,619,468	11,441,980	10,631,244

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

Plan Descriptions

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

Normal retirement is at age 55 or after 20 years of service for police officers, firefighters, paramedics, deputy sheriffs and correctional officers under the Comprehensive Plans. For AFSCME Local 241 (Crossing Guards), AFSCME Locals 2462 and 2735, general schedule employees, and deputy 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 sheriffs. 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 sheriffs, and 38.75% for 30 years of service for correctional officers under the Supplemental Plans.

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

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Funding Policy

Contributions to the Plans for 2011 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2009. The Primary Government's fiscal year 2011 total payroll was \$467,198,179. Employee contribution rates are determined by collective-bargaining agreements or by the Board of Trustees for each Plan. Participant contributions are included in the plan assets and are 100% vested with the employee. Upon termination of employment, a participant may elect to receive a refund of contributions; if there has been at least five years of credited service, the participant may instead elect a retirement annuity upon attaining retirement age. Participants begin vesting in employer contributions after 5 years of credited service.

The contribution rates as a percentage of covered payrolls during fiscal year 2011 were as follows:

	<u>July 1, 2010 to June 30, 2011</u>		
	<u>Employee</u> <u>Rates</u>	<u>Employer</u> <u>Rates</u>	<u>Covered</u> <u>Payroll</u>
Comprehensive Plans:			
Police	4.50%	45.79%	\$ 105,941,115
Fire Service	4.00	53.29	49,076,124
Deputy Sheriff's	10.00	35.65	13,180,174
Correctional Officers'	12.00	26.40	24,347,628
Supplemental Plans:			
Deputy Sheriff's	5.20	23.35	1,105,715
Correctional Officers'	5.75	32.65	1,726,284
Crossing Guards	4.21	5.35	1,480,461
AFSCME	1.58	7.18	54,702,748
General Schedule	3.24	7.22	79,224,231
Fire Civilian	3.74	9.60	3,935,198
Police Civilian	3.98	5.66	17,347,443

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Actuarially Determined Contribution Requirements

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

	Actuarial Valuation Date	Actuarial Cost Method	Amortization Method	Remaining Amortization Period	Asset Valuation Method	Actuarial assumptions			
						Investment Rate of Return	Projected Salary Increases	Inflation	Cost of living increases
Comprehensive Plans:									
Police	07/01/2009	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based component plus salary based	5%	\$35 per month
Fire Service	07/01/2009	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based component	5%	minimum of \$35 per month or 4.9% of the monthly benefit
Deputy Sheriff's	07/01/2009	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	\$10 per month
Correctional Officers'	07/01/2009	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based	5%	\$10 per month
Supplemental Plans:									
Deputy Sheriff's	07/01/2009	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Correctional Officers'	07/01/2009	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Crossing Guards	07/01/2009	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
AFSCME	07/01/2009	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based	5%	none
General Schedule	07/01/2009	Entry age	Level percent, open	18 years	5-year smoothed market	8%	component plus salary based	5%	none
Fire Civilian	07/01/2009	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Police Civilian	07/01/2009	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based	5%	none

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Annual Pension Costs

Annual pension costs (APC) are the actuarially required employer contributions to the pension plans. The net pension obligation (NPO) represents the difference between the APC and the actual employer contributions. The APC for the Police and Fire Service Pension Plans was \$73.6 million for fiscal year 2011. Based on recommendations from the County's actuary, the actual employer contribution for fiscal year 2011 was \$73.3 million. The resulting NPO of \$.3 million along with the \$13.9 million NPO from fiscal year 2010, results in a total NPO at the end of the year of \$14.2 million. Three-year trend information for Comprehensive Pension Plans is presented below (in thousands):

	Year Ended <u>June 30</u>	NPO beginning <u>of year</u>	Annual Pension Cost (APC)				Decrease in NPO	NPO End <u>of year</u>	Percentage of <u>APC Contributed</u>
			<u>ARC</u>	<u>Interest</u>	<u>Adjustment</u>	<u>Total</u>			
Comprehensive Pension Plans:									
Police	2011	\$ 12,322	47,359	986	(712)	47,633	(47,359)	12,596	99%
	2010	12,093	40,747	967	(738)	40,976	(40,747)	12,322	99
	2009	11,867	41,312	950	(724)	41,538	(41,312)	12,093	99
Fire Service	2011	1,545	25,957	124	(89)	25,992	(25,957)	1,580	100
	2010	1,517	23,247	121	(93)	23,275	(23,247)	1,545	100
	2009	1,489	25,629	119	(91)	25,657	(25,629)	1,517	100
Deputy Sheriff's	2011	-	4,627	-	-	4,627	-	-	100
	2010	-	3,898	-	-	3,898	-	-	100
	2009	-	4,110	-	-	4,110	-	-	100
Correctional Officers'	2011	-	6,196	-	-	6,196	-	-	100
	2010	-	5,082	-	-	5,082	-	-	100
	2009	-	5,001	-	-	5,001	-	-	100

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Annual Pension Costs (continued)

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

	Year Ended <u>June 30</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
Supplemental Pension Plans:				
Deputy Sheriff's	2011	\$ 546	100 %	-
	2010	255	100	-
	2009	214	100	-
Correctional Officers'	2011	257	100	-
	2010	142	100	-
	2009	150	100	-
Crossing Guards	2011	79	100	-
	2010	75	100	-
	2009	86	100	-
AFSCME	2011	3,907	100	-
	2010	3,761	100	-
	2009	4,101	100	-
General Schedule	2011	5,687	100	-
	2010	5,355	100	-
	2009	5,478	100	-
Fire Civilian	2011	375	100	-
	2010	339	100	-
	2009	346	100	-
Police Civilian	2011	968	100	-
	2010	882	100	-
	2009	956	100	-

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

Funded Status and Funding Progress

The following is the funded status for the plans as of July 1, 2010, the most recent actuarial valuation date:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a)/c)
Comprehensive						
Police	\$ 660,807,300	\$ 1,107,839,000	\$ 447,031,700	59.65	\$ 106,868,400	418.30
Fire Service	306,212,500	574,931,700	268,719,200	53.26	49,060,800	547.73
Deputy Sheriff's	38,266,500	82,382,200	44,115,700	46.45	12,931,600	341.15
Correctional Officers'	71,829,100	134,197,800	62,368,700	53.52	25,181,100	247.68
Supplemental						
Deputy Sheriff's	3,647,700	8,333,400	4,685,700	43.77	1,208,100	387.86
Correctional Officers'	4,062,000	6,838,200	2,776,200	59.40	1,816,300	152.85
Crossing Guards	1,113,500	1,836,200	722,700	60.64	1,539,300	46.95
AFSCME	47,544,800	71,474,400	23,929,600	66.52	55,451,600	43.15
General Schedule	84,006,000	134,320,300	50,314,300	62.54	78,996,700	63.69
Fire Civilian	5,060,000	9,389,100	4,329,100	53.89	3,972,100	108.99
Police Civilian	12,511,400	22,083,000	9,571,600	56.66	17,187,700	55.69

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

(b) Component Units

Generally, all employees of the Board of Education, the Housing Authority, the Community College, the Memorial Library, and certain employees of the PGCT participate in one of the statewide Employee's Retirement and Pension Systems or Teacher's Retirement and Pension Systems. Information covering the Housing Authority and PGCT is included with the Primary Government because those individuals are also employees of the Primary Government. Separate financial statements prepared for the Board of Education, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their participation in SRPS. Review of these financial statements indicates the Component Units individually met the actuarially determined contribution requirements for fiscal years 2011, 2010, and 2009.

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 2011 amounted to \$127,564,093, \$4,008,819 and \$1,896,406, 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 \$712,018 to these plans during fiscal year 2011. The Revenue Authority established a single-employer, defined contribution pension plan for its employees on July 1, 1987. Detailed information concerning these plans may also be obtained from the separately issued financial reports of these Component Units.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(10) Postemployment Benefits Other Than Pensions

(a) Plan Description

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

Medical Insurance

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

Life Insurance

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

Vision Care and Prescription Drug Insurance

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

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

(b) Funding Policy

The County negotiates the contribution percentages between the County and the plan members through union contracts and personnel policy. A non-public safety and public safety retiree pays the same percentage of the premium contribution for the HMOs (20%), POS/PPO (25%), and dental (100%) plans. Non-public safety retirees pay 10% to 100% of the premium cost for each of the prescription and vision plans; whereas, the public safety retirees pay 1% to 10% of the premium contribution for each of the same two plans. The public safety group bargained these premium contributions for the retirees of this group during prior bargaining negotiations. The premium contribution share outlined above applies to a retiree who qualifies for retirement under their specified pension plan and is enrolled in the plans at the time of retirement. The County contribution is based on projected pay-as-you-go financing requirements with an additional amount to prefund benefits as approved in the annual budget. The County currently has a 10-year incremental plan to fully fund the actuarially determined annual required contribution (ARC). The County contributed \$28.9 million, during fiscal year 2011 including approximately \$28.7 million for current premiums (approximately 75% of total premiums) and an additional \$.2 million to prefund benefits. Plan members receiving benefits contributed \$9.7 million (approximately 25 percent) to the Plan.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(c) Annual Other Postemployment Benefit (OPEB) Costs

Annual OPEB costs (AOC) are the actuarially determined annual required contribution (ARC) to the OPEB plan. The net OPEB obligation (NOPEBO) represents the difference between the AOC and the actual employer contributions. The County's AOC for fiscal year 2011 was \$71.0 million. Actual contributions for the fiscal year were \$29.6 million. The resulting NOPEBO of \$41.4 million along with the \$80.2 million NOPEBO from fiscal year 2010, results in a total NOPEBO at the end of the year of \$121.6 million. The \$121.6 million includes \$3.3 million that is included as a liability by the Memorial Library. Three-year trend information for the County's AOC, percentage of AOC contributed to the plan, and net NOPEBO are as follows (in thousands):

Year Ended June 30	NOPEBO beginning of year	Annual OPEB Cost (AOC)				Decrease in NOPEBO	NOPEBO end of year	Percentage of AOC Contributed
		ARC	Interest	Adjustment	Total			
2011	\$ 80,206	69,657	5,875	(4,560)	70,972	(29,534)	121,644	42%
2010	43,531	68,821	595	-	69,416	(32,741)	80,206	47
2009	13,297	66,233	183	-	66,416	(36,182)	43,531	54

(d) Funding Status and Funding Progress

The following is the funded status for the OPEB plan as of June 30, 2010, the most recent actuarial valuation date:

Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered payroll
(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
\$ 42,444	\$ 825,330	\$ 782,886	5.14%	\$ 419,062	187%

(e) Actuarial Methods and Assumptions

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

Actuarial valuation date	07/01/2010
Actuarial cost method	Projected unit credit cost method
Discount rate	7.325% which is based on 10-year phase to full funding
Health care trends	
Medical and Prescription	8% in 2011 with annual decrease of .1/2% through 2017, and 5% annually thereafter
Vision and Admin Expenses	4%
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(f) Component Units

The Board of Education, the Housing Authority, the Community College, and the Memorial Library implemented GASB Statement No.45 during fiscal year 2008. The Housing Authority and the Memorial Library participate in the County's retiree life and health insurance benefit plan. Fiscal year 2011 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$356,310 and \$300,584, respectively. The Memorial Library recognized a NOPEBO of \$3.3 million in fiscal year 2011. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid employer contribution of \$65.5 million and recognized a NOPEBO of \$319.2 million in fiscal year 2011. The Community College contributed \$4.3 million in employer contribution with an NOPEBO of \$2.7 million. Separate financial statements prepared for the Board of Education, Housing Authority, Memorial Library, and Community College, are available to the general public [see note 1(a)], and reflect detailed information relevant to their OPEB plans.

(g) Other Benefits - LOSAP

In 1974, the County created the Length of Service Awards Program (LOSAP). LOSAP provides 530 annuities to former volunteer members of the County's fire companies or rescue squads who met certain age and service criteria. Benefits totaling \$1,928,073 in fiscal year 2011 also include survivor annuities and lump-sum death benefits and are reported in the Primary Government's General Fund, on a "pay-as-you-go" basis. The most recent actuarial review was performed as of July 1, 2006. If the County were to implement an advance funding program, the estimated contribution beginning with fiscal year 2008 would be approximately \$1.8 million. The unfunded liability of approximately \$21.1 million as of July 1, 2006, was projected to be funded over 30 years.

(11) Deferred and Unearned Revenue

Deferred revenue reported in the General and other Governmental Funds represents tax billings and other receivables not available at June 30, 2011 for funding of current operations. Deferred revenue in the Federal and State Aided Programs Fund represents the unexpended portion of funds received for various grants and unrealized revenue relating to notes receivable arising from the sale of property. The Enterprise Funds' unearned revenue represents billings or receipts for future services collected in advance. Unearned revenue in the Internal Service funds is a combination of premiums paid in advance for life and health benefits, and accumulated premium contributions of component units in excess of related risk management expenses. Unearned revenue reported in the Government-wide statements represents billings and receivables collected in advance related to items such as property tax deferrals and grant programs. The following is a summary of all primary government deferred and unearned revenue as of June 30, 2011:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total Deferred</u>
General Fund			
Income Taxes Receivable	\$ 43,615,227	\$ -	\$ 43,615,227
Property Taxes Receivable	7,974,614	-	7,974,614
Property Tax Deferred	-	13,138,913	13,138,913
Notes Receivable	-	617,300	617,300
Receipt of Revenue prior to Service Provided	-	1,487,285	1,487,285
Subtotal	<u>51,589,841</u>	<u>15,243,498</u>	<u>66,833,339</u>
Federal And State Aided Programs			
Grant Drawdowns in Excess of Expenditures	-	27,959,461	27,959,461
Internal Service Funds			
Receipt of Revenue prior to Service Provided	-	151,343	151,343
	<u>\$ 51,589,841</u>	<u>\$ 43,354,302</u>	<u>\$ 94,944,143</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(12) Deferred Compensation Plans

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

(13) Bonded Debt

(a) Outstanding Long-term Liabilities

The following is a summary of all primary government outstanding long-term liabilities as of June 30, 2011:

	Governmental Activities		Business-type Activities		Total		Total
	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	Amounts Due Within One Year	Amounts Due in More Than One Year	
Bonds payable							
General obligation bonds	\$ 74,900,000	952,775,000	6,445,000	97,755,000	81,345,000	1,050,530,000	1,131,875,000
Revenue bonds	-	-	2,108,148	2,934,277	2,108,148	2,934,277	5,042,425
Bond premium	-	42,279,490	-	4,630,274	-	46,909,764	46,909,764
Less deferred amounts	-	(8,747,610)	-	(13,810)	-	(8,761,420)	(8,761,420)
Total bonds payable	<u>74,900,000</u>	<u>986,306,880</u>	<u>8,553,148</u>	<u>105,305,741</u>	<u>83,453,148</u>	<u>1,091,612,621</u>	<u>1,175,065,769</u>
Notes payable	10,232,167	31,663,667	39,326	-	10,271,493	31,663,667	41,935,160
Capital lease obligations	1,651,315	9,012,776	9,442	20,078	1,660,757	9,032,854	10,693,611
Estimated liabilities on pending claims	37,638,620	99,915,930	-	-	37,638,620	99,915,930	137,554,550
Compensated absences and termination benefits payable	44,758,349	29,456,238	2,848,005	-	47,606,354	29,456,238	77,062,592
Pension obligations	-	14,175,704	-	-	-	14,175,704	14,175,704
OPEB obligations	-	118,331,490	-	-	-	118,331,490	118,331,490
Landfill closure / postclosure	-	-	42,092	86,446,124	42,092	86,446,124	86,488,216
Other long-term liabilities	<u>94,280,451</u>	<u>302,555,805</u>	<u>2,938,865</u>	<u>86,466,202</u>	<u>97,219,316</u>	<u>389,022,007</u>	<u>486,241,323</u>
Total long-term liabilities	<u>\$ 169,180,451</u>	<u>1,288,862,685</u>	<u>11,492,013</u>	<u>191,771,943</u>	<u>180,672,464</u>	<u>1,480,634,628</u>	<u>1,661,307,092</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the County for the fiscal year ended June 30, 2011:

		Primary Government			Component Units	Total	
		Governmental Activities	Business-type Activities				
			Solid Waste	Stormwater Management			Total
Bonded debt at July 1, 2010	\$	1,006,975,000	44,238,800	44,070,000	1,095,283,800	70,511,417	1,165,795,217
Debt issued		91,480,000	2,000,000	26,085,000	119,565,000	-	119,565,000
Debt retired		<u>(70,780,000)</u>	<u>(4,001,375)</u>	<u>(3,150,000)</u>	<u>(77,931,375)</u>	<u>(1,942,068)</u>	<u>(79,873,443)</u>
Bonded debt (including current portion)							
As of June 30, 2011		1,027,675,000	42,237,425	67,005,000	1,136,917,425	68,569,349	1,205,486,774
Less current portion		<u>(74,900,000)</u>	<u>(4,238,148)</u>	<u>(4,315,000)</u>	<u>(83,453,148)</u>	<u>(2,259,349)</u>	<u>(85,712,497)</u>
Noncurrent portion as of of June 30, 2011	\$	<u>952,775,000</u>	<u>37,999,277</u>	<u>62,690,000</u>	<u>1,053,464,277</u>	<u>66,310,000</u>	<u>1,119,774,277</u>

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2011 are as follows:

	Primary Government										
	Governmental Activities		Business-type Activities				Total	Component Units		Total	
	Principal	Interest	Solid Waste		Stormwater Management			Principal	Interest		
Year ended June 30,			Principal	Interest	Principal	Interest					
2012	\$	74,900,000	45,204,241	4,238,148	1,746,451	4,315,000	2,922,028	133,325,868	2,259,349	5,637,311	141,222,528
2013		69,810,000	41,680,186	5,740,334	1,563,290	4,570,000	2,765,955	126,129,765	4,680,000	3,307,513	134,117,278
2014		69,945,000	38,225,270	4,567,945	1,336,843	2,750,000	2,595,966	119,421,024	4,875,000	3,104,776	127,400,800
2015		71,200,000	34,852,170	4,340,998	1,165,629	3,255,000	2,466,153	117,279,950	5,100,000	2,886,085	125,266,035
2016		75,975,000	31,393,409	3,060,000	1,003,440	3,445,000	2,314,965	117,191,814	5,340,000	2,647,136	125,178,950
2017 - 2021		352,020,000	106,524,935	7,765,000	3,810,016	20,145,000	8,800,491	499,065,442	21,755,000	9,331,047	530,151,489
2022 - 2026		270,025,000	37,975,483	8,085,000	1,946,381	18,690,000	4,095,038	340,816,902	12,295,000	5,301,204	358,413,106
2027 - 2031		43,800,000	3,062,402	4,440,000	457,237	9,835,000	1,056,072	62,650,711	12,265,000	1,538,338	76,454,049
	\$	<u>1,027,675,000</u>	<u>338,918,096</u>	<u>42,237,425</u>	<u>13,029,287</u>	<u>67,005,000</u>	<u>27,016,668</u>	<u>1,515,881,476</u>	<u>68,569,349</u>	<u>33,753,410</u>	<u>1,618,204,235</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2011 are as follows:

<u>Primary Government:</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Governmental Activities:				
General obligation bonds:				
1992, 1993A 2001 - 2004F, 2005-2007B, 2008, 2009A, 2009B CPI; 2009A TQSC, 2009B TESC; 2010 A/B; 2011	1.615 - 6.05%	2030	\$ 1,952,683,759	\$ 1,024,770,000
1992 self-insurance liability funding	5.00 - 6.05%	2012	<u>18,500,000</u>	<u>2,905,000</u>
Total governmental activities long-term bonded debt			<u>\$ 1,971,183,759</u>	<u>\$ 1,027,675,000</u>
<u>Business-type Activities:</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1999, 2000, 2000B, 2001, 2003, 2004, 2005, 2006, 2007A, 2007B, 2008, 2010 A/B stormwater management - general obligation	2.50 - 5.50%	2029	\$ 117,029,190	\$ 67,005,000
2000A, 2001, 2002, 2003B, 2004, 2004C-F, 2005, 2007B, 2008, 2009A and 2009B, 2010A/B solid waste management system - general obligation	2.50 - 5.50%	2030	87,725,000	37,195,000
1993, 2000 and 2003 solid waste management system - revenue bonds	2.00 - 6.50%	2015	103,767,386	5,042,425
Total business-type activities long-term bonded debt			<u>308,521,576</u>	<u>109,242,425</u>
Total primary government long-term bonded debt			<u>\$ 2,279,705,335</u>	<u>\$ 1,136,917,425</u>
Component Units:				
Revenue bonds:				
Housing Authority -				
Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	\$ 1,465,000	\$ 1,045,000
Industrial Development Authority -				
1989 building construction	6.80 - 6.95%	2012	\$ 8,460,825	\$ 604,349
2003A refunding lease revenue	2.0 - 5.125%	2019	27,430,000	25,770,000
2003B subordinated lease revenue	3.5 - 4.75%	2030	22,085,000	17,710,000
2009 taxable lease revenue bonds	0.64 - 6.169%	2030	<u>23,850,000</u>	<u>23,440,000</u>
Total Component Units revenue bonds			<u>\$ 83,290,825</u>	<u>\$ 68,569,349</u>
Total long-term bonded debt			<u>\$ 2,362,996,160</u>	<u>\$ 1,205,486,774</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(e) Bond Authorizations

The County Charter requires that any borrowing to finance capital projects must be authorized by an enabling act of the General Assembly of Maryland or by an enabling act of the County Council. The County Council is required by the Charter to submit to voter referendum any act enabling the County to borrow money to finance capital projects, except for school construction bonds. In addition, the County Council is required by the Charter to adopt a bond authorization act before bonds may be issued. The amount of bonds enabled and authorized but not yet issued at June 30, 2011 is summarized as follows:

	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Enabled by authority of the State of Maryland:		
Health and solid waste	\$ 72,000	66,524,000
Roads, parking and mass transit	136,106,400	99,959,400
Public buildings	86,662,000	48,080,000
Public Safety	79,748,600	28,833,600
	<u>\$ 302,589,000</u>	<u>243,397,000</u>

The legal debt limit and margin at June 30, 2011 were \$6,184,335,628 and \$5,472,821,102, respectively. The County was in compliance with all significant bond covenants at June 30, 2011.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(f) Prior Period Defeasance of Debt

In prior periods, the County defeased or participated in the defeasance of certain long-term bonded debt. The proceeds of new bonds were placed in an irrevocable trust to provide for future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the County's financial statements. A general description of the defeased debt and the amounts outstanding at June 30, 2011 follows:

- On August 3, 2000, the Primary Government issued \$6,365,000 of Water Quality Refunding Bonds, Series 2000A, dated August 3, 2000 to advance refund \$5,930,000 of certain selected callable maturities of the County's (i) Consolidated Public Improvement Bonds, Series 1995, dated May 1, 1995, and (ii) Consolidated Public Improvement Bonds, Series 1996, dated May 15, 1996. At June 30, 2011, \$5,930,000 of the refunded bonds outstanding that mature in the years 2013 through 2016 are considered defeased.
- On August 3, 2000, the Primary Government issued \$8,370,000 of Water Quality Refunding Bonds, Series 2000B, dated August 3, 2000 to advance refund \$7,770,000 of certain selected callable maturities of the County's (i) General Obligation Stormwater Management Bonds, Series 1993, dated February 1, 1993, and (ii) Unlimited Tax General Obligation Stormwater Management Bonds, Series 1997, dated June 15, 1997. At June 30, 2011, \$5,040,000 of the refunded bonds outstanding that mature in the years 2012 through 2017 are considered defeased.
- On June 4, 2002, the Primary Government issued \$79,845,000 of General Obligation Consolidated Public Improvement Bonds, 2002 Refunding Series, dated May 15, 2002 (a) to currently refund \$51,265,000 of certain callable maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds – 1991 Refunding Series, dated June 15, 1991, (ii) General Obligation Consolidated Public Improvement Bonds, Series 1992, dated January 15, 1992, (iii) General Obligation Consolidated Public Improvement Bonds – 1992A Refunding Series, dated November 15, 1992 and (b) to advance refund \$29,510,000 of certain callable maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1993, dated January 15, 1993 and (ii) General Obligation Stormwater Management Bonds, Series 1993, dated February 1, 1993. Of the \$29,510,000 advance refunded Bonds, \$9,010,000 are the Bonds of the Stormwater Enterprise Fund. The remaining \$71,765,000 Refunded Bonds relate to governmental activities. At June 30, 2011, \$7,860,000 of the outstanding Refunded Bonds, that mature in the years 2012 through 2013, are considered defeased.
- On July 15, 2003, the Primary Government issued \$90,585,000 of General Obligation Public Improvement Refunding Bonds, Series 2003B, dated June 15, 2003 to advance refund \$94,935,000 of certain maturities of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1994, dated January 15, 1994, (ii) General Obligation Consolidated Public Improvement Bonds, Series 1995, dated May 1, 1995, (iii) General Obligation Consolidated Public Improvement Bonds, Series 1996, dated May 15, 1996, (iv) General Obligation Consolidated Public Improvement Bonds, Series 1997A, dated June 15, 1997. Of the \$94,935,000 advance refunded bonds, \$7,785,000 are bonds of the Solid Waste Enterprise Fund. The remaining \$87,150,000 refunded bonds relate to governmental activities. The net refunding bonds proceeds of \$102,948,094 were escrowed for purchase of Escrow Securities, together with interest earnings and cash on hand to pay the principal, interest and early redemption premium on all refunded bonds referenced above. At June 30, 2011, \$37,250,000 of the outstanding refunded bonds that mature in the years 2012 through 2017 are considered defeased.
- On December 10, 2003, the County issued \$31,955,000 of Solid Waste Management System refunding Revenue Bonds, Series 2003, dated December 10, 2003. The bonds were issued by the County (i) to provide a portion of the funds needed to currently refund the County's \$34,765,000 of outstanding Solid Waste Management System Revenue Bonds, Series 1993 in whole, and (ii) to pay costs of issuance. At June 30, 2011, \$4,515,000 of the outstanding refunded bonds that mature in the years 2012 through 2013 are considered defeased.
- On December 15, 2004, the Primary Government issued \$141,130,000 of General Obligation Public Improvement Bonds, 2004 Refunding Series A, B, C, D, E and F, dated December 1, 2004 to advance refund certain portions of the County's (i) General Obligation Consolidated Public Improvement Bonds, Series 1996 (ii) General Obligation Public Improvement Bonds, Series 1997A, (iii) General Obligation Public Improvement Bonds, Series 1998, (iv) General Obligation Public Improvement Bonds, Series 1999, (v) General Obligation Public Improvement Bonds, Series 2000, and (vi) General Obligation Public Improvement Bonds, Series 2001. Of the \$141,170,000 advance refunded bonds, \$8,490,000 are bonds of the Solid Waste Enterprise Funds. The remaining \$132,680,000 Refunded Bonds relate to governmental activities. The net refunding Bonds proceeds of \$153,036,134 were escrowed for purchase of Escrow Securities, together with interest earnings to pay the principal, interest, and early redemption premium on all refunded bonds referenced above. At June 30, 2011, \$97,740,000 of the refunded bonds outstanding that mature in the years 2012 through 2018 are considered defeased.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

- 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. The net refunding bond proceeds of \$85,893,155 were escrowed for purchase of Escrow Securities, together with interest earnings to pay the principal, interest and early redemption premium on all refunded bonds referenced above. At June 30, 2011, \$81,060,000 of the refunded bonds outstanding that mature in the years 2012 through 2024 are considered defeased.

(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, 2011, there were one hundred and seventy series of Economic Development Revenue Bonds outstanding. The aggregate principal amount, for the two series issued after July 1, 1995 that remain outstanding, is \$54.8 million. The aggregate principal amount payable on June 30, 2011 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, 2011 are as follows.

Bond	Project	Issuance Date	Amount Issued	Amount Outstanding	Final Maturity
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2005	National Harbor Convention Center Project	05/11/2005	\$ 95,000,000	91,155,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	11,841,000	07/01/2035
Prince George's County, Maryland Special Obligation Bonds, Series 2005	National Harbor Project	09/21/2005	65,000,000	65,000,000	07/01/2034
Prince George's County, Maryland Special Obligation Bonds, Series 1997A	Woodview Village Improvements Projects	10/25/2006	7,450,000	6,490,000	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	7,500,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project	04/02/2008	50,000,000	49,160,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project	01/27/2009	35,000,000	34,357,000	01/01/2039
			<u>\$ 272,655,000</u>	<u>265,503,000</u>	

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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

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

	Balance <u>June 30, 2010</u>	Additions	Reductions	Balance <u>June 30, 2011</u>
Pension obligations	\$ 13,867,627	308,077	-	14,175,704
OPEB obligations	80,205,988	38,125,502	-	118,331,490
Compensated absences and termination benefits payable	85,590,469	33,382,467	44,758,349	74,214,587
Estimated liabilities on pending claims and judgements	141,643,979	86,434,243	90,523,672	137,554,550
Capital lease obligations	2,764,699	8,006,000	106,608	10,664,091
Notes payable:				
Purchase agreements and certificates of participation	28,935,874	19,775,000	13,993,142	34,717,732
MILA loans	211,859	-	28,146	183,713
Maryland Department of Transportation loans:				
FedEx Field (formerly JKC Stadium) loan	1,165,896	-	183,808	982,088
Parking garage loan	300,359	-	300,359	-
Commercial Building Loan Fund	5,893,000	-	498,000	5,395,000
Maryland CDA Infrastructure Financing	679,600	-	62,300	617,300
Total notes payable	<u>37,186,588</u>	<u>19,775,000</u>	<u>15,065,755</u>	<u>41,895,833</u>
	<u>\$ 361,259,350</u>	<u>186,031,289</u>	<u>150,454,384</u>	<u>396,836,255</u>

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

	Balance <u>June 30, 2010</u>	Additions	Reductions	Balance <u>June 30, 2011</u>
Compensated absences and termination benefits payable	3,044,314	2,651,696	2,848,005	2,848,005
Landfill closure / postclosure costs	80,847,195	5,641,021	-	86,488,216
Capital lease	38,777	-	9,257	29,520
Notes payable:				
Purchase agreements and certificates of participation	266,208	-	226,882	39,326
Total notes payable	<u>266,208</u>	<u>-</u>	<u>226,882</u>	<u>39,326</u>
	<u>\$ 84,196,494</u>	<u>8,292,717</u>	<u>3,084,144</u>	<u>89,405,067</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, \$1,560,267 (\$1,379,500 within one year, and \$180,767 due in more than one year) of internal service fund compensated absences are included in the above amounts. Also, for governmental activities, compensated absences and claims and judgments are generally liquidated by the governmental fund to which the liability relates.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

a) Capital Lease Obligations

The County has entered into a lease agreement with Pepco Energy Services and Johnson Controls, Inc for the financing of facility improvements and energy conservation measures for County owned buildings. In April 2011 the County entered into an agreement with Grant Capital Management to finance the purchase of snow removal equipment and Fire/EMS ambulances. The County also entered into a lease agreement to purchase copiers for its business type activities during fiscal year 2011. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities Stormwater	Total
Asset:			
Buildings and improvements	\$ 2,764,699	-	2,764,699
Equipment	195,057	47,289	242,346
Less: Accumulated depreciation	(556,192)	(18,914)	(575,106)
Total	<u>\$ 2,403,564</u>	<u>28,375</u>	<u>2,431,939</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

<u>Year ending June 30</u>	Governmental Activities	Business-type Activities Stormwater	Total
2012	\$ 1,984,610	10,032	1,994,642
2013	1,992,162	10,033	2,002,195
2014	1,999,942	10,656	2,010,598
2015	2,007,955	-	2,007,955
2016	2,016,211	-	2,016,211
2017-2021	1,549,442	-	1,549,442
2022-2026	583,773	-	583,773
Total minimum lease payments	12,134,095	30,721	12,164,816
Less: amount representing interest	(1,470,004)	(1,201)	(1,471,205)
Present value of minimum lease payments	<u>\$ 10,664,091</u>	<u>29,520</u>	<u>10,693,611</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

b) Pension and OPEB Obligations

The liability for pension and OPEB obligations represents the difference between the actuarially required and the actual employer contributions. The balance as of June 30, 2011 for the Pension and OPEB liabilities was \$14,175,704 (see note 9 – Pension Plans) and \$121,643,661 (see note 10 – Postemployment Benefits Other Than Pensions), respectively.

c) Compensated Absences and Termination Benefits

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

Vested or accumulated vacation and sick leave that relates to employees who terminated employment with the County on or before June 30, 2011 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, 2011 (in thousands):

	Primary Government					
	Governmental Activities	Business-type Activities			Component Units	Total
		Solid Waste	Stormwater Management	Total		
Primary Government	\$ 74,214	998	1,850	77,062	-	77,062
Component Units:						
Board of Education	-	-	-	-	67,739	67,739
Housing Authority	-	-	-	-	679	679
Memorial Library	-	-	-	-	2,414	2,414
Community College	-	-	-	-	2,102	2,102
	74,214	998	1,850	77,062	72,934	149,996
Less current portion	44,758	998	1,850	47,606	8,434	56,040
Total long-term portion	\$ 29,456	-	-	29,456	64,500	93,956

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

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 3.5% 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, 2011 (in thousands):

Year ending June 30,	Primary Government						
	Governmental Activities		Business-type Activities				Total
	Principal	Interest	Solid Waste		Stormwater Management		
			Principal	Interest	Principal	Interest	
2012	\$ 8,667	3,236	38	2	1	-	11,944
2013	2,784	2,963	-	-	-	-	5,747
2014	2,817	2,926	-	-	-	-	5,743
2015	2,858	2,885	-	-	-	-	5,743
2016	1,177	2,863	-	-	-	-	4,040
2017- 2021	4,205	3,548	-	-	-	-	7,753
2022- 2026	5,350	2,395	-	-	-	-	7,745
2027- 2031	6,860	890	-	-	-	-	7,750
Total note payments	\$ <u>34,718</u>	<u>21,706</u>	<u>38</u>	<u>2</u>	<u>1</u>	<u>-</u>	<u>56,465</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(ii) Other General Long-Term Debt Notes Payable

The Primary Government is obligated for promissory notes in the amount of \$183,713 payable to the Maryland Industrial Land Act (MILA) of the State of Maryland with interest rate of 6.9%. The loan matures September 15, 2016.

In fiscal year 1997, the County, the State of Maryland, The Maryland-National Capital Park and Planning Commission, JKC Stadium Inc., Jack Kent Cooke Inc., and Pro-Football Inc. entered into an agreement relating to the acquisition of property, the construction and operation of an NFL Stadium on that property, and the construction of related infrastructure. During 1999, WFI Stadium Inc. purchased FedEx Field from JKC Stadium Inc. Pursuant to this agreement, on September 12, 1996, the Primary Government entered into a loan agreement with the Maryland Department of Transportation in the amount of \$12,500,000 for the purpose of paying the costs and expenses to be incurred by the County in connection with the construction of "off-site" infrastructure. The loan is repaid at \$1,000,000 per year (including interest at the rate of 4.96%), and matures January 1, 2016. The outstanding liability was \$982,088 at June 30, 2011.

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 developer is responsible for servicing the loan balance that matures on August 1, 2011, at interest rates ranging from 3.66% to 5.8%. At June 30, 2011, \$233,000 was outstanding. 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, 2011, \$2,085,000 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, 2011, \$1,530,000 was outstanding. The fourth project financed under this loan was a \$1,837,000 loan paid to a sign manufacturing company for building acquisition and construction renovations to relocate the company. The first principal payment of \$46,000 was paid on August 1, 2006. The company is responsible for servicing the loan balance that matures on August 1, 2024, at 4.41%. The outstanding balance as of June 30, 2011 was \$1,547,000.

On March 10, 1999, the Primary Government issued for the benefit of the Community Development Administration ("CDA"), a division of the Maryland Department of Housing and Community Development, a general obligation bond designated as "Prince George's County, Maryland Infrastructure Bond, 1999 Series A" in the amount of \$1,217,800 secured by the full faith and credit of the County. Secured by the pledges of seven participating local governments, including the Primary Government, the CDA issued on March 10, 1999 Infrastructure Financing Bonds (MBIA Insured) 1999 Series A in the aggregate principal amount of \$6,985,000. The Primary Government used the proceeds to provide funds to refinance certain outstanding loans and to purchase a fire truck for Accokeek Volunteer Fire Department, Inc. ("AVFD") and to pay the costs of issuance of bonds. Because the County issued the obligation to obtain a loan for the benefit of AVFD, the latter executed a promissory note on March 11, 1999 promising to pay to the Primary Government the principal sum of \$1,217,800, plus interest on the unpaid principal amount. The debt service payment made by AVFD to the Primary Government equals the Primary Government's debt service payments to the CDA. The debt is repayable to the State in 20 annual installments with interest rates ranging from 4.125% to 5.0%, and matures May 1, 2019. At June 30, 2011, \$617,300 remained outstanding.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(17) Fund Balance Policy and Reporting

The County has not adopted a minimum fund balance policy for its governmental funds. The County has established a spending policy for instances where restricted and unrestricted classifications of fund balance are available.

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

A schedule of fund balance classifications at June 30, 2011 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	\$ 130,972,680	\$ 130,972,680	\$ -	\$ -	\$ -
Public Facilities	9,429,406	-	-	9,429,406	-
Public Safety	1,862,163	-	-	1,862,163	-
Health	836,596	-	-	836,596	-
Educator	112,205,068	-	-	112,205,068	-
Debt Service	10,386,295	-	1,531,588	-	8,854,707
Restricted for other purposes					
Domestic Violence	235,475	-	-	-	235,475
Drug Enforcement and Education	10,453,263	-	-	-	10,453,263
Unspent Proceeds from debt issuances:					
Equipment purchases	7,854,119	7,854,119	-	-	-
Real estate purchases	5,361,160	5,361,160	-	-	-
Total restricted fund balances	<u>\$ 289,596,225</u>	<u>\$ 144,187,959</u>	<u>\$ 1,531,588</u>	<u>\$ 124,333,233</u>	<u>\$ 19,543,445</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
Unrestricted - Assigned Fund Balance					
General Government	\$ 4,554,288	\$ 4,554,288	\$ -	\$ -	\$ -
Public Safety	5,147,296	5,147,296	-	-	-
Public Works	282,674	282,674	-	-	-
Health	550,944	550,944	-	-	-
Public Welfare	263,100	263,100	-	-	-
Economic Development	50,000,000	50,000,000	-	-	-
Property Sales and Acquisitions	3,275,018	-	-	-	3,275,018
Drug Enforcement and Education	2,206,633	-	-	-	2,206,633
Appropriation of Fund Balance for Subsequent Year's Budget	24,935,000	24,935,000	-	-	-
Total assigned fund balances	<u>\$ 91,214,953</u>	<u>\$ 85,733,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,481,651</u>
Unrestricted - Committed Fund Balance					
Operating Reserve	\$ 52,389,072	\$ 52,389,072	\$ -	\$ -	\$ -
Nonspendable:					
Inventory	\$ 1,593,534	\$ 1,593,534	\$ -	\$ -	\$ -
Unassigned:					
Total fund balance	<u>\$ 529,050,315</u>	<u>\$ 378,160,398</u>	<u>\$ 1,531,588</u>	<u>\$ 124,333,233</u>	<u>\$ 25,025,096</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(18) Encumbrances

Certain governmental funds use encumbrance accounting for budgetary purposes. Encumbrances represent claims against appropriations for purchase order and executed contracts that have not been expended. Amounts reported as encumbrances in the General Fund are reported as an assignment of Fund Balance. Encumbrances in other governmental funds are included in the restricted fund balance category. The following table includes functional encumbrance balances as of June 30, 2011:

	Total	General Fund	Capital Projects Fund	Non-Major Funds
General Government	\$ 7,043,524	\$ 4,554,288	2,489,236	-
Public Safety	15,581,651	5,147,296	9,239,105	1,195,250
Public Works	26,084,729	282,674	25,802,055	-
Health	844,735	550,944	293,791	-
Public Welfare	263,100	263,100	-	-
Education	7,741,139	-	7,741,139	-
Total	<u>\$ 57,558,878</u>	<u>\$ 10,798,302</u>	<u>\$ 45,565,326</u>	<u>\$ 1,195,250</u>

(19) Summary Disclosure of Significant Contingencies

(a) Litigation

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

(b) Contingent Liabilities

(i) Questioned Costs

The County participates in a number of Federally-assisted grant programs. These programs are currently under examination in accordance with Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." The final results of this examination for fiscal year 2011 have not yet been determined. The amount of expenditures which may be disallowed by the granting agencies cannot be specifically determined at this time. The County expects any disallowed costs to be immaterial, as has been the case in previous audits.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(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 64.95% of total estimated capacity has been utilized as of June 30, 2011. It is expected to operate through the year 2024.

To close both Phase I and Phase II of the landfill, State and Federal laws and regulations require the County to place a final cover on both landfill phases. (The closure and post-closure plan for both phases is pending final State approval.) These laws also require the County to perform certain maintenance and monitoring functions at the landfill site. In accordance with statutory requirements, the Primary Government estimates closure costs only for Phase I, of approximately \$26.6 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$71 million. Estimated costs are "as if incurred" in fiscal year 2011 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, 2011, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$57.9 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, 2011, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$77,304,839 for landfill closure costs. The fiscal year 2011 financial statements reflect post-closure expenses of approximately \$6.5 million, based on the above criteria.

(iii) Sandy Hill Landfill Lease - Primary Government

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 operations of this refuse disposal facility have been contracted to Waste Management, Inc., an independent contractor since May 1977. Part one of the agreement represents an "Assignment" to the Primary Government of the rights and responsibilities of M-NCPPC to operate the Landfill. These include (1) M-NCPPC's rights under Maryland State Refuse Disposal Permit Number 89-16-14-10A to operate the site, sometimes referred to as the "Existing Landfill"; (2) M-NCPPC's right to a 21% share of all operating fees collected by Waste Management, Inc.; (3) M-NCPPC's has no ownership rights to the expansion adjacent to the "Existing Landfill"; (4) the transfer by M-NCPPC of approximately \$1.8 million to be held in a Trust Fund for the closure and post-closure costs associated with the "Existing Landfill"; (5) M-NCPPC's rights to the services performed by Waste Management, Inc., to continue the operation of the "Existing Landfill" and also develop and to maintain the "Existing Landfill" through closure and one year of post-closure. Part two represents a lease which transfers to the Primary Government all of M-NCPPC's rights and responsibilities for the current and post-closure operations of the "Existing Landfill" which closed in June 2000; (6) In May 1997, the Primary Government was granted a permit by the Maryland Department of the Environment to vertically expand the operation. The Primary Government is required to pay M-NCPPC the sum of \$7.4 million through June 30, 2010 for these lease rights. The County made an initial payment of \$1.8 million in fiscal year 1993. Additional payments have been neither appropriated nor paid consistent with the fiscal funding clause in the agreement. The third part of the agreement requires M-NCPPC to transfer to the Primary Government all its rights as Trustee to administer the Trust Fund.

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 contractor, Waste Management, Inc., is legally responsible for closure and one year of post-closure costs for the Sandy Hill Landfill. The Primary Government is legally responsible for the 30 years of post-closure costs for the Sandy Hill Landfill. The County began working on the closure of the landfill in April 2003. It is expected to be completed in June 2013.

The Primary Government has recorded an estimated liability for 30 years of post-closure costs of \$28.6 million because this landfill is substantially full. Of this amount, \$19.5 million has been deferred as of June 30, 2011, and will be recognized as revenues earmarked for post-closure activities are earned over the life of the landfill expansion. Estimated costs for post-closure activities, are "as if incurred," and will be updated annually for changes in technology, applicable regulations, and inflation.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(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>	
2012	\$ 17,220
2013	17,504
2014	17,783
2015	18,084
2016	18,396
2017-2021	86,366
2022-2026	82,001
2027-2031	<u>88,859</u>
	<u>\$ 346,213</u>

During fiscal year 2011, rent expense under these lease agreements amounted to approximately \$17.0 million.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(20) Joint Ventures

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

(a) Washington Suburban Transit Commission (WSTC)

The WSTC is a State of Maryland bi-county agency, which receives funds from Montgomery and Prince George's Counties, both of which participate in the Washington Metropolitan Area Transit Authority (WMATA), to construct and maintain a cohesive and uniform transportation system. WSTC is composed of seven members; two from each county, two members appointed by the Governor of Maryland, and one ex officio representative from the Maryland Department of Transportation. WSTC acts as a coordinator for transit-related information and provides a forum for the discussion, formulation and transmittal of Federal, state and local funds paid to WMATA on behalf of the Maryland region. The annual operating costs of WSTC are shared equally by Montgomery and Prince George's Counties. The Primary Government's share of these costs for fiscal year 2011 amounted to \$81,360.

(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, 2011, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$65,925,197.

(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 2011, 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.

PRINCE GEORGE'S COUNTY, MARYLAND
Notes to Financial Statements

(e) Availability of Financial Statements

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

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

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

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

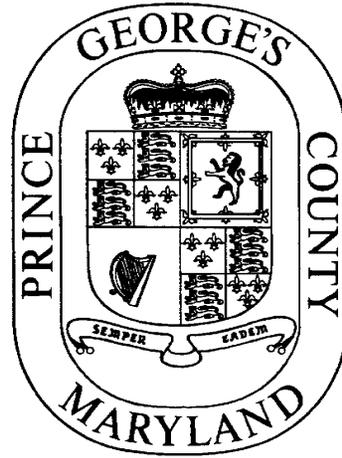
Washington Suburban Sanitary Commission
14501 Sweitzer Lane
Laurel, Maryland 29797

(21) Jointly Governed Organization

The Metropolitan Washington Council of Governments (COG) provides to participating local governments within the Washington, D.C. metropolitan area resources 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 2011 contributions to COG amounted to approximately \$497,676.

(22) Subsequent Event

On September 15, 2011, the County issued \$98,590,000 of General Obligation Consolidated Public Improvement Bonds, Series 2011A and \$191,325,000 of General Obligation Consolidated Public Improvement Refunding Bonds, Series 2011B. The bonds were issued to provide funds for the construction, reconstruction, establishment, extension, enlargement, demolition, acquisition, rehabilitation, or repair of certain capital projects. The Series 2011B Refunding Bonds were issued to refund certain maturities of the County's Consolidated Public Improvement Bonds, Series 1999, 2000, and 2001; and advance refund certain portions of the Consolidated Public Improvement Bonds, Series 2002, 2003A, and 2004.



REQUIRED SUPPLEMENTARY INFORMATION

Prince George's County, Maryland
 Schedule of Funding Progress
 For the fiscal year ended June 30, 2011

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Comprehensive Pension Plans:						
Police						
07/01/10	\$ 660,807,300	\$ 1,107,839,000	\$ 447,031,700	59.65 %	\$ 106,868,400	418.30 %
07/01/09	668,828,400	1,062,724,100	393,895,700	62.94	108,335,400	363.59
07/01/08	666,746,200	985,857,100	319,110,900	67.63	108,498,400	294.12
07/01/07	619,987,700	921,408,500	301,420,800	67.29	101,048,300	298.29
07/01/06	574,279,900	887,679,900	313,400,000	64.69	95,891,400	326.83
07/01/05	561,668,700	799,314,200	237,645,500	70.27	80,997,400	293.40
Fire Service						
07/01/10	306,212,500	574,931,700	268,719,200	53.26	49,060,800	547.73
07/01/09	313,339,300	550,846,400	237,507,100	56.88	52,036,500	456.42
07/01/08	309,789,400	499,603,800	189,814,400	62.01	50,846,300	373.31
07/01/07	285,531,700	469,455,300	183,923,600	60.82	49,859,800	368.88
07/01/06	264,518,400	441,594,700	177,076,300	59.90	44,657,700	396.52
07/01/05	259,005,700	382,000,700	122,995,000	67.80	42,699,600	288.05
Deputy Sheriffs'						
07/01/10	38,266,500	82,382,200	44,115,700	46.45	12,931,600	341.15
07/01/09	37,362,400	76,873,900	39,511,500	48.60	13,597,000	290.59
07/01/08	35,383,500	68,315,900	32,932,400	51.79	12,394,700	265.70
07/01/07	31,243,500	63,691,900	32,448,400	49.05	11,648,200	278.57
07/01/06	26,719,000	59,757,600	33,038,600	44.71	10,514,300	314.23
07/01/05	24,845,600	52,585,700	27,740,100	47.25	7,836,000	354.01
Correctional Officers'						
07/01/10	71,829,100	134,197,800	62,368,700	53.52	25,181,100	247.68
07/01/09	67,793,100	127,639,000	59,845,900	53.11	24,397,700	245.29
07/01/08	64,683,800	108,764,000	44,100,200	59.47	23,274,200	189.48
07/01/07	57,180,400	99,245,500	42,065,100	57.62	22,883,300	183.82
07/01/06	49,060,000	91,027,800	41,967,800	53.90	22,123,900	189.69
07/01/05	43,621,800	74,215,300	30,593,500	58.78	17,969,700	170.25

Required Supplementary Information

Prince George's County, Maryland
 Schedule of Funding Progress, continued
 For the fiscal year ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Supplemental Pension Plans:						
Deputy Sheriffs'						
07/01/10	\$ 3,647,700	\$ 8,333,400	\$ 4,685,700	43.77 %	\$ 1,208,100	387.86
07/01/09	3,916,100	8,101,100	4,185,000	48.34	1,285,400	325.58
07/01/08	4,175,800	7,683,700	3,507,900	54.35	1,235,200	283.99
07/01/07	4,071,700	7,487,600	3,415,900	54.38	1,381,900	247.19
07/01/06	4,056,200	7,329,300	3,273,100	55.34	1,321,400	247.70
07/01/05	4,282,700	6,902,200	2,619,500	62.05	1,245,200	210.37
Correctional Officers'						
07/01/10	4,062,000	6,838,200	2,776,200	59.40	1,816,300	152.85
07/01/09	4,036,000	6,558,800	2,522,800	61.54	1,808,200	139.52
07/01/08	3,897,200	5,726,100	1,828,900	68.06	1,911,500	95.68
07/01/07	3,492,500	5,393,400	1,900,900	64.76	2,071,200	91.78
07/01/06	3,177,600	5,220,000	2,042,400	60.87	2,079,600	98.21
07/01/05	2,895,000	4,703,000	1,808,000	61.56	2,091,700	86.44
Crossing Guards						
07/01/10	1,113,500	1,836,200	722,700	60.64	1,539,300	46.95
07/01/09	1,104,200	1,828,200	724,000	60.40	1,685,200	42.96
07/01/08	1,067,500	1,796,800	729,300	59.41	1,655,300	44.06
07/01/07	959,700	1,858,600	898,900	51.64	1,690,900	53.16
07/01/06	855,400	1,976,900	1,121,500	43.27	2,123,800	52.81
07/01/05	826,700	1,623,900	797,200	50.91	1,604,700	49.68
AFSCME						
07/01/10	47,544,800	71,474,400	23,929,600	66.52	55,451,600	43.15
07/01/09	44,700,300	69,406,900	24,706,600	64.40	58,701,800	42.09
07/01/08	41,001,400	63,333,200	22,331,800	64.74	57,555,100	38.80
07/01/07	35,119,900	58,227,800	23,107,900	60.31	53,891,200	42.88
07/01/06	17,804,800	30,590,200	12,785,400	58.20	24,196,700	52.84
07/01/05	16,694,400	24,095,800	7,401,400	69.28	23,647,200	31.30

Prince George's County, Maryland
 Schedule of Funding Progress, continued
 For the fiscal year ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Supplemental Pension Plans (continued):						
General Schedule						
07/01/10	\$ 84,006,000	\$ 134,320,300	\$ 50,314,300	62.54 %	78,996,700	63.69 %
07/01/09	82,628,200	132,510,700	49,882,500	62.36	82,751,800	60.28
07/01/08	80,133,200	123,448,900	43,315,700	64.91	79,038,500	54.80
07/01/07	72,873,300	115,739,600	42,866,300	62.96	74,444,200	57.58
07/01/06	78,218,300	129,703,100	51,484,800	60.31	93,906,400	54.83
07/01/05	70,919,700	118,428,600	47,508,900	59.88	83,998,800	56.56
Fire Civilian						
07/01/10	5,060,000	9,389,100	4,329,100	53.89	3,972,100	108.99
07/01/09	5,005,000	8,737,600	3,732,600	57.28	4,337,100	86.06
07/01/08	4,831,900	7,805,600	2,973,700	61.90	4,089,200	72.72
07/01/07	4,309,900	7,383,100	3,073,200	58.38	4,089,800	75.14
07/01/06	3,770,500	6,726,100	2,955,600	56.06	3,564,400	82.92
07/01/05	3,405,100	6,467,300	3,062,200	52.65	3,670,000	83.44
Police Civilian						
07/01/10	12,511,400	22,083,000	9,571,600	56.66	17,187,700	55.69
07/01/09	11,897,000	21,002,100	9,105,100	56.65	17,718,800	51.39
07/01/08	10,980,100	18,799,500	7,819,400	58.41	17,197,800	45.47
07/01/07	9,482,600	17,294,800	7,812,200	54.83	15,274,100	51.15
07/01/06	7,858,800	15,680,500	7,821,700	50.12	14,199,300	55.09
07/01/05	6,752,800	13,522,800	6,770,000	49.94	11,350,200	59.65

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
OPEB Plan (in thousands)						
07/01/10	\$ 42,444	\$ 825,330	\$ 782,886	5.14%	\$ 419,062	186.82%
07/01/09	35,295	\$ 842,813	\$ 807,518	4.19%	\$ 460,100	175.51%
07/01/08	29,647	\$ 792,265	\$ 762,618	3.74%	\$ 468,907	162.64%
07/01/07	-	762,335	762,335	-	\$ 463,893	164.33

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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

**INDIVIDUAL FUND
STATEMENT AND
SCHEDULES**



GENERAL FUND

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

PRINCE GEORGE'S COUNTY, MARYLAND
 Balance Sheet
 General Fund
 June 30, 2011

<u>Assets</u>		<u>Liabilities and Fund Balance</u>	
Cash and investments	\$ 305,467,371	Liabilities:	
Taxes receivable:		Compensated absences and	
Property taxes	16,646,501	termination benefits payable	\$ 624,501
Less allowance for uncollectible taxes	<u>(7,498,767)</u>	Accounts payable	23,507,875
Net property taxes	<u>9,147,734</u>	Accrued costs	27,728,905
Accounts receivable	27,051,835	Deferred revenue	66,833,339
Less allowance for uncollectible accounts	<u>(121,610)</u>	Deposits	27,358,114
Net accounts receivable	<u>26,930,225</u>		
Notes receivable	617,300		
Special assessments receivable:			
Deferred	9,861	Total liabilities	<u>146,052,734</u>
Accrued interest receivable	1,264,473		
Due from other funds:		Fund balance:	
Special Revenue	17,000,000	Nonspendable	1,593,534
Capital Projects	34,500,000	Restricted	
Pension Fund	<u>7,890,000</u>	Economic stabilization	130,972,680
Total due from other funds	<u>59,390,000</u>	Equipment purchases	7,854,119
Due from component units:		Real estate purchases	<u>5,361,160</u>
Housing Authority	1,842,682	Total Restricted	<u>144,187,959</u>
Revenue Authority	3,463,149		
Memorial Library	645,000	Committed - Operating Reserve	52,389,072
Prince George's Community Television	<u>450,000</u>	Assigned	
Total due from component units	<u>6,400,831</u>	Economic Development	50,000,000
Due from other governmental units:		Subsequent Years Expenditures	24,935,000
State	91,287,667	Contracts	<u>10,798,302</u>
Federal	192,029	Total Assigned	<u>85,733,302</u>
Other	<u>8,646,828</u>	Unassigned	<u>94,256,531</u>
Total due from other governmental units	<u>100,126,524</u>		
Inventories, at average cost	1,593,534	Total fund balance	<u>378,160,398</u>
Cash and investments-restricted	13,215,279		
Other assets	50,000		
	<u>\$ 524,213,132</u>		<u>\$ 524,213,132</u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Revenue, Expenditures, and Changes in Fund Balance
 General Fund
 For the year ended June 30, 2011

Revenues:	
Taxes	\$ 1,421,891,909
Licenses and permits	18,321,680
Fines and forfeitures	4,087,688
Use of money and property	4,202,397
Charges for services	37,019,725
Intergovernmental	57,596,032
Miscellaneous	<u>1,464,553</u>
Total revenues	<u>1,544,583,984</u>
Expenditures:	
General government	194,416,124
Public safety	513,411,288
Public works	12,066,851
Health	19,643,890
Public welfare	2,660,526
Payments to component units	646,029,700
Debt Service	<u>17,735,025</u>
Total expenditures	<u>1,405,963,404</u>
Excess of revenues over expenditures	<u>138,620,580</u>
Other financing sources (uses):	
Purchase agreement financing	8,006,000
Transfers out - other funds	<u>(99,325,275)</u>
Total other financing sources (uses)	<u>(91,319,275)</u>
Excess of revenues and other financing sources under expenditures and other uses	<u>47,301,305</u>
Fund balance, beginning of year	330,859,093
Fund balance, end of year	<u>\$ <u>378,160,398</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Revenue-Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Budget <u>As Revised</u>	Actual <u>Revenues</u>	Variance Positive <u>(Negative)</u>
General property taxes:			
Real property (net of credits)	\$ 661,447,300	662,714,334	1,267,034
Unincorporated business personal property	504,300	319,024	(185,276)
Railroad and public utility	29,033,100	32,158,424	3,125,324
Corporate personal property	<u>33,034,500</u>	<u>31,675,888</u>	<u>(1,358,612)</u>
Total general property taxes	<u>724,019,200</u>	<u>726,867,670</u>	<u>2,848,470</u>
Local taxes:			
Income	400,689,200	454,342,603	53,653,403
State income disparity grant	21,694,800	21,694,767	(33)
Recordation	26,955,300	25,015,958	(1,939,342)
Interest and penalties on delinquent taxes	4,000,000	4,032,774	32,774
Transfer	71,600,400	65,629,385	(5,971,015)
Trailer camp	40,000	29,369	(10,631)
Hotel/motel	5,106,700	5,249,009	142,309
Amusement	10,537,900	11,183,420	645,520
Telecommunications tax	45,292,200	41,982,171	(3,310,029)
Energy tax	<u>56,807,400</u>	<u>63,880,450</u>	<u>7,073,050</u>
Total local taxes	<u>642,723,900</u>	<u>693,039,906</u>	<u>50,316,006</u>
Shared taxes:			
Gas and motor vehicle	1,083,800	1,334,399	250,599
State transfer taxes	<u>40,000</u>	<u>649,934</u>	<u>609,934</u>
	<u>1,123,800</u>	<u>1,984,333</u>	<u>860,533</u>
Total taxes	<u>1,367,866,900</u>	<u>1,421,891,909</u>	<u>54,025,009</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, 2011

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Licenses and permits:			
Street privileges and permits	\$ 2,080,800	3,171,604	1,090,804
Liquor license and permits	1,253,400	1,356,694	103,294
Traders	1,003,100	976,545	(26,555)
Hawkers and peddlers	3,800	3,825	25
Refuse	64,700	59,869	(4,831)
Taxicab	301,600	510,200	208,600
Dance licenses	10,000	2,000	(8,000)
Bonder's license fees	757,900	647,568	(110,332)
Animal registration	178,200	140,124	(38,076)
Mechanics	22,500	13,200	(9,300)
Electrical licenses	139,700	121,210	(18,490)
Building permits	5,952,200	6,834,079	881,879
Single family and apartment rental license fee	2,160,900	2,117,227	(43,673)
New sign permits	18,300	52,664	34,364
Towing facility	10,600	156,075	145,475
Palmist	2,800	2,500	(300)
Burglar alarm	407,800	550,248	142,448
Benefit performance and casino permits	11,900	1,670	(10,230)
Board of registration - contractor's fee	14,500	6,950	(7,550)
Health permits	1,673,300	1,536,950	(136,350)
Secondhand dealers	25,600	34,410	8,810
Other	13,500	26,068	12,568
	<u>16,107,100</u>	<u>18,321,680</u>	<u>2,214,580</u>
Total licenses and permits			
Fines and forfeitures:			
Motor vehicles	453,700	828,289	374,589
Animal	32,000	50,725	18,725
Traffic Light	1,681,000	3,164,432	1,483,432
Other	10,200	44,242	34,042
	<u>2,176,900</u>	<u>4,087,688</u>	<u>1,910,788</u>
Total fines and forfeitures			

(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, 2011

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Use of money and property:			
Interest and dividends	\$ 8,000,000	2,538,576	(5,461,424)
Telephone commissions	437,000	366,114	(70,886)
Rental of County-owned property	1,000,000	1,198,014	198,014
Xerox commissions	10,600	5,689	(4,911)
Vending machines and cafeteria commissions	52,400	94,004	41,604
Total use of money and property	<u>9,500,000</u>	<u>4,202,397</u>	<u>(5,297,603)</u>
Charges for services:			
Sheriff's fees	3,113,000	3,455,827	342,827
Zoning Appeals Board fee	39,100	27,561	(11,539)
Tax certification fees	-	17,100	17,100
Tax collection service	249,900	65,000	(184,900)
Health fees	945,500	796,199	(149,301)
Appearance and witness fees	88,100	166,099	77,999
Emergency transport and related services	10,900,000	10,977,489	77,489
Tax sale cost recoveries	26,200	168,768	142,568
Housing - State prisoners	-	158,085	158,085
Housing - Federal prisoners	-	133,517	133,517
Contractual police services	234,700	703,658	468,958
Fire inspection fee	-	133,276	133,276
Inmate commissions	-	146,100	146,100
County sales	500	478	(22)
Animal control fees	109,000	71,677	(37,323)
Mosquito control	12,200	-	(12,200)
Circuit Court marriage ceremonies	24,500	42,345	17,845
Local 911 fee	7,027,700	6,356,358	(671,342)
Cable franchise fees	6,342,400	9,427,730	3,085,330
Stadium contract revenue	1,200,000	2,099,480	899,480
Jury fees reimbursements	374,500	717,410	342,910
Sex offenders registration fee	-	294,800	294,800
Interpreter fee	132,100	378,048	245,948
Other	73,500	682,720	609,220
Total charges for services	<u>30,892,900</u>	<u>37,019,725</u>	<u>6,126,825</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, 2011

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Intergovernmental revenues:			
Civil defense	\$ 100,000	188,527	88,527
Police protection	9,725,900	9,270,447	(455,453)
Circuit Court recoveries	200,000	-	(200,000)
Land management	10,000	8,652	(1,348)
Health Department - State share	5,007,000	5,253,722	246,722
Racing grant	100,000	56,285	(43,715)
Fish and wildlife service	250,000	136,797	(113,203)
FEMA Reimbursement	-	2,438,760	2,438,760
DHR DSS grant	289,300	-	(289,300)
State grants	-	47,139	47,139
Federal grants	200,000	223,494	23,494
Payment from Revenue Authority	-	2,150,000	2,150,000
DSS salary reimbursement	215,000	262,162	47,162
Payment from M-NCPPC	<u>61,200,000</u>	<u>37,560,047</u>	<u>(23,639,953)</u>
Total intergovernmental revenues	<u>77,297,200</u>	<u>57,596,032</u>	<u>(19,701,168)</u>
Miscellaneous revenues:			
Cedarville state forest	-	3,167	3,167
Sale of surplus property	184,000	323,765	139,765
Sale of voter lists	10,700	2,884	(7,816)
Sale of accident reports and photos	166,700	159,373	(7,327)
Other miscellaneous sales	38,600	59,029	20,429
Miscellaneous revenue	<u>599,600</u>	<u>916,335</u>	<u>316,735</u>
Total miscellaneous revenues	<u>999,600</u>	<u>1,464,553</u>	<u>464,953</u>
	<u>\$ 1,504,840,600</u>	<u>1,544,583,984</u>	<u>39,743,384</u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		
General government:									
County Executive:									
Compensation	\$ -	-	-	-	3,685,900	3,792,444	-	3,792,444	(106,544)
Other current expenses	16,874	-	16,874	-	683,200	445,117	-	445,117	238,083
Fringe benefits	-	-	-	-	837,500	882,531	-	882,531	(45,031)
Total County Executive	16,874	-	16,874	-	5,206,600	5,120,092	-	5,120,092	86,508
Legislative Branch:									
Compensation	-	-	-	-	8,766,600	8,674,783	-	8,674,783	91,817
Other current expenses	187,697	127,725	59,972	-	3,162,100	1,594,781	699,326	2,294,107	867,993
Capital outlay	-	-	-	-	155,900	148,527	-	148,527	7,373
Fringe benefits	-	-	-	-	2,088,200	2,440,319	-	2,440,319	(352,119)
Project charges	-	-	-	-	(991,000)	(965,954)	-	(965,954)	(25,046)
Total Legislative Branch	187,697	127,725	59,972	-	13,181,800	11,892,456	699,326	12,591,782	590,018
Human Relations Commission:									
Compensation	-	-	-	-	675,500	598,201	-	598,201	77,299
Other current expenses	7,512	587	-	6,925	68,400	81,821	2,850	84,671	(16,271)
Fringe benefits	-	-	-	-	206,900	206,269	-	206,269	631
Project charges	-	-	-	-	(20,000)	-	-	-	(20,000)
Total Human Relations Commission	7,512	587	-	6,925	930,800	886,291	2,850	889,141	41,659
Circuit Court:									
Compensation	-	-	-	-	8,397,200	8,406,755	-	8,406,755	(9,555)
Other current expenses	146,831	85,064	42,756	19,011	3,208,800	2,675,834	196,881	2,872,715	336,085
Capital Outlay	18,000	-	-	18,000	-	-	-	-	-
Fringe benefits	-	-	-	-	2,211,500	2,537,678	-	2,537,678	(326,178)
Total Circuit Court	164,831	85,064	42,756	37,011	13,817,500	13,620,267	196,881	13,817,148	352

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing (Non-GAAP Budgetary Basis)
 Sources (Uses) Compared with Budget
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		
General government, continued:									
Orphan's Court:									
Compensation	\$ -	-	-	-	299,700	303,840	-	303,840	(4,140)
Other current expenses	-	-	-	-	12,900	7,182	-	7,182	5,718
Fringe benefits	-	-	-	-	74,400	75,453	-	75,453	(1,053)
Total Orphan's Court	-	-	-	-	387,000	386,475	-	386,475	525
State's Attorney Office:									
Compensation	-	-	-	-	9,641,200	8,870,897	-	8,870,897	770,303
Other current expenses	4,166	2,170	1,996	-	1,255,600	1,178,723	3,444	1,182,167	73,433
Fringe benefits	-	-	-	-	2,464,600	2,588,877	-	2,588,877	(124,277)
Total State's Attorney Office	4,166	2,170	1,996	-	13,361,400	12,638,497	3,444	12,641,941	719,459
Personnel Board:									
Compensation	-	-	-	-	177,900	179,168	-	179,168	(1,268)
Other current expenses	8,673	7,200	1,473	-	60,200	60,975	-	60,975	(775)
Fringe benefits	-	-	-	-	42,000	39,858	-	39,858	2,142
Total Personnel Board	8,673	7,200	1,473	-	280,100	280,001	-	280,001	99
Office of Finance:									
Compensation	-	-	-	-	4,718,800	4,693,268	-	4,693,268	25,532
Other current expenses	46,115	31,230	10,300	4,585	776,300	612,735	44,933	657,668	118,632
Fringe benefits	-	-	-	-	1,406,600	1,512,940	-	1,512,940	(106,340)
Project charges	-	-	-	-	(2,445,800)	(2,602,741)	-	(2,602,741)	156,941
Total Office of Finance	46,115	31,230	10,300	4,585	4,455,900	4,216,202	44,933	4,261,135	194,765
Citizen Complaint Oversight Panel:									
Compensation	-	-	-	-	116,600	117,189	-	117,189	(589)
Other current expenses	1,260	720	540	-	101,000	96,648	-	96,648	4,352
Fringe benefits	-	-	-	-	26,100	29,813	-	29,813	(3,713)
Total Citizen Complaint Oversight Panel	1,260	720	540	-	243,700	243,650	-	243,650	50

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding 7/1/20010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Community Relations									
Compensation	\$ -	-	-	-	1,410,300	1,432,424	-	1,432,424	(22,124)
Other current expenses	-	-	-	-	108,900	53,585	-	53,585	55,315
Fringe benefits	-	-	-	-	396,800	429,736	-	429,736	(32,936)
Total Office of Community Relations	-	-	-	-	1,916,000	1,915,745	-	1,915,745	255
Peoples Zoning Council:									
Other current expenses	-	-	-	-	200,000	-	-	-	200,000
Project charges	-	-	-	-	(200,000)	-	-	-	(200,000)
Total Peoples Zoning Council	-	-	-	-	-	-	-	-	-
Office of Management and Budget:									
Compensation	-	-	-	-	2,050,000	2,088,978	-	2,088,978	(38,978)
Other current expenses	-	-	-	-	140,500	49,435	-	49,435	91,065
Fringe benefits	-	-	-	-	547,000	557,645	-	557,645	(10,645)
Project charges	-	-	-	-	(229,300)	(202,277)	-	(202,277)	(27,023)
Total Office of Management and Budget	-	-	-	-	2,508,200	2,493,781	-	2,493,781	14,419
Board of License Commissioners:									
Compensation	-	-	-	-	795,700	772,158	-	772,158	23,542
Other current expenses	13,529	147	11,333	2,049	95,200	78,277	326	78,603	16,597
Fringe benefits	-	-	-	-	269,400	296,702	-	296,702	(27,302)
Total Board of License Commissioners	13,529	147	11,333	2,049	1,160,300	1,147,137	326	1,147,463	12,837
Office of Law:									
Compensation	-	-	-	-	4,087,900	4,237,685	-	4,237,685	(149,785)
Other current expenses	1,865	1,865	-	-	357,800	176,771	5,225	181,996	175,804
Fringe benefits	-	-	-	-	1,201,600	1,144,477	-	1,144,477	57,123
Project charges	-	-	-	-	(2,105,800)	(2,155,492)	-	(2,155,492)	49,692
Total Office of Law	1,865	1,865	-	-	3,541,500	3,403,441	5,225	3,408,666	132,834

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		
General government, continued:									
Office of Human Resources Management									
Compensation	\$ -	-	-	-	5,314,000	5,355,202	-	5,355,202	(41,202)
Other current expenses	174,776	121,657	53,119	-	1,127,300	703,948	88,020	791,968	335,332
Fringe benefits	-	-	-	-	1,410,000	1,429,408	-	1,429,408	(19,408)
Project charges	-	-	-	-	(1,859,800)	(1,726,578)	-	(1,726,578)	(133,222)
Total Office of Human Resources Management	174,776	121,657	53,119	-	5,991,500	5,761,980	88,020	5,850,000	141,500
Board of Elections:									
Compensation	-	-	-	-	4,040,000	4,092,033	-	4,092,033	(52,033)
Other current expenses	15,211	304	-	14,907	972,000	708,307	42,916	751,223	220,777
Capital outlay	41,596	15,869	25,727	-	-	-	-	-	-
Fringe benefits	-	-	-	-	406,300	418,562	-	418,562	(12,262)
Total Board of Elections	56,807	16,173	25,727	14,907	5,418,300	5,218,902	42,916	5,261,818	156,482
Soil Conservation:									
Compensation	-	-	-	-	1,056,600	1,016,042	-	1,016,042	40,558
Other current expenses	-	-	-	-	14,000	15,191	-	15,191	(1,191)
Fringe benefits	-	-	-	-	215,700	264,525	-	264,525	(48,825)
Project charges	-	-	-	-	(1,286,300)	(1,295,758)	-	(1,295,758)	9,458
Total Soil Conservation	-	-	-	-	-	-	-	-	-

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Central Services:									
Compensation	\$ -	-	-	-	8,100,900	8,354,101	-	8,354,101	(253,201)
Other current expenses	130,525	97,497	16,292	16,736	7,036,800	6,420,438	184,945	6,605,383	431,417
Fringe benefits	-	-	-	-	2,516,300	2,299,125	-	2,299,125	217,175
Project charges	-	-	-	-	(1,627,700)	(1,234,812)	-	(1,234,812)	(392,888)
Total Office of Central Services	<u>130,525</u>	<u>97,497</u>	<u>16,292</u>	<u>16,736</u>	<u>16,026,300</u>	<u>15,838,852</u>	<u>184,945</u>	<u>16,023,797</u>	<u>2,503</u>
Department of Family Services									
Compensation	-	-	-	-	1,791,700	1,716,837	-	1,716,837	74,863
Other current expenses	70,836	60,497	7,233	3,106	2,003,876	1,774,571	52,146	1,826,717	177,159
Fringe benefits	-	-	-	-	475,600	480,916	-	480,916	(5,316)
Project charges	-	-	-	-	(564,600)	(330,000)	-	(330,000)	(234,600)
Total Department of Family Services	<u>70,836</u>	<u>60,497</u>	<u>7,233</u>	<u>3,106</u>	<u>3,706,576</u>	<u>3,642,324</u>	<u>52,146</u>	<u>3,694,470</u>	<u>12,106</u>
Department of Housing and Community Development:									
Compensation	-	-	-	-	1,338,300	1,328,804	-	1,328,804	9,496
Other current expenses	12,538	7,310	5,228	-	469,500	419,077	-	419,077	50,423
Fringe benefits	-	-	-	-	376,100	435,268	-	435,268	(59,168)
Total Department of Housing and Community Development	<u>12,538</u>	<u>7,310</u>	<u>5,228</u>	<u>-</u>	<u>2,183,900</u>	<u>2,183,149</u>	<u>-</u>	<u>2,183,149</u>	<u>751</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Non-departmental:									
Employee incentives	\$ 95,685	89,490	5,200	995	-	10,357	-	10,357	(10,357)
Grants to community organizations	-	-	-	-	3,748,600	3,779,365	-	3,779,365	(30,765)
Grants to governmental groups	-	-	-	-	189,300	168,663	-	168,663	20,637
Grants and contributions to componet units	-	-	-	-	4,753,200	2,295,700	-	2,295,700	2,457,500
Memberships	-	-	-	-	563,900	563,817	-	563,817	83
Economic Development	-	-	-	-	4,723,500	3,894,097	-	3,894,097	829,403
Conference and Visitors Bureau	-	-	-	-	896,800	883,500	-	883,500	13,300
Discretionary Grants	293,037	124,950	104,712	63,375	1,061,300	1,670,900	-	1,670,900	(609,600)
General Fund insurance payments	-	-	-	-	5,897,900	5,897,900	-	5,897,900	-
Judgments - associated legal and professional expenses	884,825	68,357	861	815,607	998,000	1,399,006	-	1,399,006	(401,006)
Professional Service	933,189	163,209	371,527	398,453	2,854,000	3,676,604	179,835	3,856,439	(1,002,439)
Postage	60,359	15,316	-	45,043	1,280,000	1,372,766	3,031	1,375,797	(95,797)
Utilities and leases	2,642,667	222,048	1,207,607	1,213,012	47,729,400	44,520,976	68,985	44,589,961	3,139,439
Grant to Hospital Authority	130,747	697	-	130,050	-	-	-	-	-
Real property acquisition and disposal costs	-	-	-	-	-	105,082	21,946	127,028	(127,028)
Employees Retirement	-	-	-	-	-	905,789	-	905,789	(905,789)
Debt payments	-	-	-	-	5,382,500	4,629,111	-	4,629,111	753,389
Debt issuance costs	-	-	-	-	-	8,118	-	8,118	(8,118)
Project charges	-	-	-	-	(5,231,300)	(3,880,039)	-	(3,880,039)	(1,351,261)
Grant to Dimensions Health Corporation	-	-	-	-	15,000,000	15,000,000	-	15,000,000	-
Interest	-	-	-	-	97,200	930,134	-	930,134	(832,934)
Group Health (Retirees)	-	-	-	-	25,048,400	23,017,974	-	23,017,974	2,030,426
Group Life (Retirees)	-	-	-	-	900,000	950,000	-	950,000	(50,000)
Unemployment Compensation	-	-	-	-	250,000	597,100	-	597,100	(347,100)
Deferred compensation contributions	-	-	-	-	130,000	165,197	-	165,197	(35,197)
Retired county personnel pension payments	247	247	-	-	53,000	47,315	-	47,315	5,685
Compensated Absences	-	-	-	-	-	20,363	-	20,363	(20,363)
Summer Youth Programs	-	-	-	-	1,400,000	1,380,790	-	1,380,790	19,210
Workers Compensation	-	-	-	-	-	5,286,654	-	5,286,654	(5,286,654)
Other miscellaneous	256,063	-	48,862	207,201	1,935,500	525,455	424	525,879	1,409,621
Total non-departmental	5,296,819	684,314	1,738,769	2,873,736	119,661,200	119,822,694	274,221	120,096,915	(435,715)
Total general government	6,194,823	1,244,156	1,991,612	2,959,055	213,978,576	210,711,936	1,595,233	212,307,169	1,671,407

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety:									
Department of Environmental Resources:									
Compensation	\$ -	-	-	-	14,384,000	14,015,440	-	14,015,440	368,560
Other current expenses	200,034	56,766	118,463	24,805	2,177,200	1,156,450	134,351	1,290,801	886,399
Fringe benefits	-	-	-	-	3,922,300	3,822,478	-	3,822,478	99,822
Project charges	-	-	-	-	(9,920,500)	(9,417,880)	-	(9,417,880)	(502,620)
Total Department of Environmental Resources	<u>200,034</u>	<u>56,766</u>	<u>118,463</u>	<u>24,805</u>	<u>10,563,000</u>	<u>9,576,488</u>	<u>134,351</u>	<u>9,710,839</u>	<u>852,161</u>
Police Department:									
Compensation	-	-	-	-	144,286,900	146,977,781	-	146,977,781	(2,690,881)
Other current expenses	1,798,790	811,788	806,294	180,708	30,724,842	27,658,515	972,041	28,630,556	2,094,286
Capital outlay	502,860	499,830	3,030	-	5,295,000	3,685,125	1,340,000	5,025,125	269,875
Fringe benefits	-	-	-	-	79,775,500	78,167,117	-	78,167,117	1,608,383
Project charges	-	-	-	-	(1,555,600)	(306,616)	-	(306,616)	(1,248,984)
Total Police Department	<u>2,301,650</u>	<u>1,311,618</u>	<u>809,324</u>	<u>180,708</u>	<u>258,526,642</u>	<u>256,181,922</u>	<u>2,312,041</u>	<u>258,493,963</u>	<u>32,679</u>
Fire Department:									
Fire Department - Career Service:									
Compensation	-	-	-	-	67,387,400	63,123,374	-	63,123,374	4,264,026
Other current expenses	1,027,336	70,350	553,715	403,271	4,935,848	7,520,087	651,927	8,172,014	(3,236,166)
Capital outlay	-	-	-	-	160,000	130,813	1,715	132,528	27,472
Fringe benefits	-	-	-	-	45,671,000	43,623,683	-	43,623,683	2,047,317
Project charges	-	-	-	-	(729,500)	(441,588)	-	(441,588)	(287,912)
Total Fire Department - Career Service	<u>1,027,336</u>	<u>70,350</u>	<u>553,715</u>	<u>403,271</u>	<u>117,424,748</u>	<u>113,956,369</u>	<u>653,642</u>	<u>114,610,011</u>	<u>2,814,737</u>
Volunteer Fire Companies:									
Other current expenses	378,468	102,497	178,591	97,380	10,314,000	10,141,327	243,582	10,384,909	(70,909)
Capital outlay	32,815	-	32,815	-	-	-	-	-	-
Fringe benefits	-	-	-	-	2,000,000	1,928,073	-	1,928,073	71,927
Total Volunteer Fire Companies	<u>411,283</u>	<u>102,497</u>	<u>211,406</u>	<u>97,380</u>	<u>12,314,000</u>	<u>12,069,400</u>	<u>243,582</u>	<u>12,312,982</u>	<u>1,018</u>
Total Fire Department	<u>1,438,619</u>	<u>172,847</u>	<u>765,121</u>	<u>500,651</u>	<u>129,738,748</u>	<u>126,025,769</u>	<u>897,224</u>	<u>126,922,993</u>	<u>2,815,755</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety, continued:									
Sheriff's Department:									
Compensation	\$ -	-	-	-	18,193,400	19,489,083	-	19,489,083	(1,295,683)
Other current expenses	241,082	50,787	189,839	456	4,202,700	4,047,044	247,063	4,294,107	(91,407)
Fringe benefits	-	-	-	-	10,080,200	8,643,254	-	8,643,254	1,436,946
Project charges	-	-	-	-	-	(10,825)	-	(10,825)	10,825
Total Sheriff's Department	<u>241,082</u>	<u>50,787</u>	<u>189,839</u>	<u>456</u>	<u>32,476,300</u>	<u>32,168,556</u>	<u>247,063</u>	<u>32,415,619</u>	<u>60,681</u>
Department of Corrections:									
Compensation	-	-	-	-	41,881,100	41,643,599	-	41,643,599	237,501
Other current expenses	137,086	123,950	13,136	-	10,881,900	10,022,530	470,773	10,493,303	388,597
Fringe benefits	-	-	-	-	17,421,900	16,715,604	-	16,715,604	706,296
Project charges	-	-	-	-	(355,400)	(144,844)	-	(144,844)	(210,556)
Total Department of Corrections	<u>137,086</u>	<u>123,950</u>	<u>13,136</u>	<u>-</u>	<u>69,829,500</u>	<u>68,236,889</u>	<u>470,773</u>	<u>68,707,662</u>	<u>1,121,838</u>
Office of Homeland Security									
Compensation	-	-	-	-	12,700,000	13,107,641	-	13,107,641	(407,641)
Other current expenses	365,017	75,016	42,379	247,622	3,588,100	3,613,768	131,602	3,745,370	(157,270)
Fringe benefits	-	-	-	-	3,460,000	3,584,018	-	3,584,018	(124,018)
Project charges	-	-	-	-	(148,300)	(874,747)	-	(874,747)	726,447
Total Office of Homeland Security	<u>365,017</u>	<u>75,016</u>	<u>42,379</u>	<u>247,622</u>	<u>19,599,800</u>	<u>19,430,680</u>	<u>131,602</u>	<u>19,562,282</u>	<u>37,518</u>
Total public safety	<u>4,683,488</u>	<u>1,790,984</u>	<u>1,938,262</u>	<u>954,242</u>	<u>520,733,990</u>	<u>511,620,304</u>	<u>4,193,054</u>	<u>515,813,358</u>	<u>4,920,632</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public works - Department of Public Works and Transportation:									
Compensation	\$ -	-	-	-	19,039,100	17,506,682	-	17,506,682	1,532,418
Other current expenses	848,470	71,101	740,656	36,713	36,085,200	37,101,112	244,308	37,345,420	(1,260,220)
Capital outlay	49,019	653,537	(604,518)	-	3,950,000	723,379	1,653	725,032	3,224,968
Fringe benefits	-	-	-	-	5,718,300	5,320,484	-	5,320,484	397,816
Project charges	-	(609,537)	609,537	-	(52,569,900)	(48,699,907)	-	(48,699,907)	(3,869,993)
Total public works	<u>897,489</u>	<u>115,101</u>	<u>745,675</u>	<u>36,713</u>	<u>12,222,700</u>	<u>11,951,750</u>	<u>245,961</u>	<u>12,197,711</u>	<u>24,989</u>
Health - Health Department:									
Compensation	-	-	-	-	14,885,645	13,487,700	-	13,487,700	1,397,945
Other current expenses	425,984	262,801	54,787	108,396	4,657,500	3,917,383	396,219	4,313,602	343,898
Capital outlay	-	-	-	-	119,948	72,048	46,329	118,377	1,571
Fringe benefits	-	-	-	-	4,591,107	4,667,948	-	4,667,948	(76,841)
Project charges	-	-	-	-	(2,084,900)	(2,763,990)	-	(2,763,990)	679,090
Total health	<u>425,984</u>	<u>262,801</u>	<u>54,787</u>	<u>108,396</u>	<u>22,169,300</u>	<u>19,381,089</u>	<u>442,548</u>	<u>19,823,637</u>	<u>2,345,663</u>
Public welfare - Department of Social Services:									
Compensation	-	-	-	-	1,070,100	980,202	-	980,202	89,898
Other current expenses	167,068	160,314	6,754	-	1,534,900	1,247,062	263,100	1,510,162	24,738
Project charges	-	-	-	-	-	(1,437)	-	(1,437)	1,437
Fringe benefits	-	-	-	-	284,600	274,385	-	274,385	10,215
Total public welfare	<u>167,068</u>	<u>160,314</u>	<u>6,754</u>	<u>-</u>	<u>2,889,600</u>	<u>2,500,212</u>	<u>263,100</u>	<u>2,763,312</u>	<u>126,288</u>
Payments to Component Units:									
Board of Education	-	-	-	-	599,014,500	599,014,500	-	599,014,500	-
Community College	-	-	-	-	30,245,200	30,245,200	-	30,245,200	-
Memorial Library	-	-	-	-	16,770,000	16,770,000	-	16,770,000	-
Total payments to component units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>646,029,700</u>	<u>646,029,700</u>	<u>-</u>	<u>646,029,700</u>	<u>-</u>
Total expenditures and encumbrances	<u>\$ 12,368,852</u>	<u>3,573,356</u>	<u>4,737,090</u>	<u>4,058,406</u>	<u>1,418,023,866</u>	<u>1,402,194,991</u>	<u>6,739,896</u>	<u>1,408,934,887</u>	<u>9,088,979</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Expenditures, Encumbrances and Other Financing
 Sources (Uses) Compared with Budget (Non-GAAP Budgetary Basis)
 General Fund
 For the year ended June 30, 2011

	Encumbrances outstanding July 1, 2010	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2011	Year ended June 30, 2011			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		
Other financing uses:									
Transfers out:									
Special revenue funds	-	-	-	-	(2,245,134)	(2,245,134)	-	(2,245,134)	-
Internal service funds	-	-	-	-	(7,112,500)	(7,112,500)	-	(7,112,500)	-
Debt service fund	-	-	-	-	(90,459,100)	(89,967,641)	-	(89,967,641)	491,459
Total transfers out	-	-	-	-	(99,816,734)	(99,325,275)	-	(99,325,275)	491,459
Total other financing uses	\$ -	-	-	-	(99,816,734)	(99,325,275)	-	(99,325,275)	491,459



NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

<u>Assets</u>	<u>Special Revenue</u>						<u>Total</u>
	<u>Property Management Services</u>	<u>Collington Center</u>	<u>Domestic Violence</u>	<u>Drug Enforcement and Education</u>	<u>Total</u>	<u>Debt Service</u>	
Cash and investments	\$ 2,140,394	1,137,974	249,319	12,659,896	16,187,583	866,432	17,054,015
Cash with fiscal agents	-	-	-	-	-	1,567,500	1,567,500
Due from other governmental units	-	-	21,776	-	21,776	397,123	418,899
Restricted cash and investments	-	-	-	-	-	6,890,084	6,890,084
	<u>\$ 2,140,394</u>	<u>1,137,974</u>	<u>271,095</u>	<u>12,659,896</u>	<u>16,209,359</u>	<u>9,721,139</u>	<u>25,930,498</u>
 <u>Liabilities and Fund Balances</u>							
<u>Liabilities:</u>							
Accounts payable	\$ 3,350	-	35,620	-	38,970	-	38,970
Matured bonds and interest payable	-	-	-	-	-	866,432	866,432
Total liabilities	<u>3,350</u>	<u>-</u>	<u>35,620</u>	<u>-</u>	<u>38,970</u>	<u>866,432</u>	<u>905,402</u>
 <u>Fund balances:</u>							
Restricted	-	-	235,475	10,453,263	10,688,738	8,854,707	19,543,445
Assigned	<u>2,137,044</u>	<u>1,137,974</u>	<u>-</u>	<u>2,206,633</u>	<u>5,481,651</u>	<u>-</u>	<u>5,481,651</u>
Total fund balances	<u>2,137,044</u>	<u>1,137,974</u>	<u>235,475</u>	<u>12,659,896</u>	<u>16,170,389</u>	<u>8,854,707</u>	<u>25,025,096</u>
	<u>\$ 2,140,394</u>	<u>1,137,974</u>	<u>271,095</u>	<u>12,659,896</u>	<u>16,209,359</u>	<u>9,721,139</u>	<u>25,930,498</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, 2011

	Special Revenue						Total
	Property Management Services	Collington Center	Domestic Violence	Drug Enforcement and Education	Total	Debt Service	
Revenues:							
Taxes	\$ -	-	-	-	-	1,724,550	1,724,550
Licenses and permits	-	-	255,356	-	255,356	-	255,356
Fines and forfeitures	-	-	-	1,463,867	1,463,867	-	1,463,867
Use of money and property:							
Interest and dividends	-	-	-	149,820	149,820	-	149,820
Charges for services	-	-	-	-	-	14,279,525	14,279,525
Sale of property	233,015	-	-	23,809	256,824	-	256,824
Intergovernmental	-	-	-	-	-	5,518,796	5,518,796
Total revenues	<u>233,015</u>	<u>-</u>	<u>255,356</u>	<u>1,637,496</u>	<u>2,125,867</u>	<u>21,522,871</u>	<u>23,648,738</u>
Expenditures:							
General government	276,781	5,000	-	-	281,781	164,749	446,530
Public safety	-	-	-	713	713	-	713
Public welfare	-	-	377,843	-	377,843	-	377,843
Debt service:							
Principal retirement	-	-	-	-	-	71,535,184	71,535,184
Interest	-	-	-	-	-	46,280,529	46,280,529
Total expenditures	<u>276,781</u>	<u>5,000</u>	<u>377,843</u>	<u>713</u>	<u>660,337</u>	<u>117,980,462</u>	<u>118,640,799</u>
Excess of revenues over (under) expenditures	<u>(43,766)</u>	<u>(5,000)</u>	<u>(122,487)</u>	<u>1,636,783</u>	<u>1,465,530</u>	<u>(96,457,591)</u>	<u>(94,992,061)</u>
Other financing sources (uses):							
Bond premium	-	-	-	-	-	6,365,760	6,365,760
Transfers in - other funds	-	-	119,000	-	119,000	96,592,625	96,711,625
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>119,000</u>	<u>102,958,385</u>	<u>103,077,385</u>
Net change in fund balances	<u>(43,766)</u>	<u>(5,000)</u>	<u>(3,487)</u>	<u>1,636,783</u>	<u>1,584,530</u>	<u>6,500,794</u>	<u>8,085,324</u>
Fund balances, beginning of year	<u>2,180,810</u>	<u>1,142,974</u>	<u>238,962</u>	<u>11,023,113</u>	<u>14,585,859</u>	<u>2,353,913</u>	<u>16,939,772</u>
Fund balances, end of year	<u>\$ 2,137,044</u>	<u>1,137,974</u>	<u>235,475</u>	<u>12,659,896</u>	<u>16,170,389</u>	<u>8,854,707</u>	<u>25,025,096</u>

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
 Nonmajor Governmental Funds - Special Revenue
 For the year ended June 30, 2011

	Property Management Services				Collington Center				Domestic Violence			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:												
Licenses and permits	\$ -	-	-	-	-	-	-	-	315,400	315,400	255,356	(60,044)
Interest and Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Use of money and property	50,000	50,000	-	(50,000)	-	-	-	-	-	-	-	-
Sale of property	125,000	125,000	233,015	108,015	-	-	-	-	-	-	-	-
Total revenues	175,000	175,000	233,015	58,015	-	-	-	-	315,400	315,400	255,356	(60,044)
Expenditures:												
General government	275,300	409,300	276,781	132,519	5,000	5,000	5,000	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-	434,400	434,400	377,843	56,557
Total expenditures	275,300	409,300	276,781	132,519	5,000	5,000	5,000	-	434,400	434,400	377,843	56,557
Excess of revenues over (under) expenditures	(100,300)	(234,300)	(43,766)	190,534	(5,000)	(5,000)	(5,000)	-	(119,000)	(119,000)	(122,487)	(3,487)
Other financing sources (uses):												
Transfers in - other funds	-	-	-	-	-	-	-	-	119,000	119,000	119,000	-
Appropriated fund balance	100,300	234,300	-	(234,300)	5,000	5,000	-	(5,000)	-	-	-	-
Total other financing sources (uses)	100,300	234,300	-	(234,300)	5,000	5,000	-	(5,000)	119,000	119,000	119,000	-
Net change in fund balances (budgetary basis)	\$ -	-	(43,766)	(43,766)	-	-	(5,000)	(5,000)	-	-	(3,487)	(3,487)
Current year encumbrances outstanding			-				-				-	
Fund balances, beginning of year			\$ 2,180,810				1,142,974				238,962	
Fund balances, end of year (GAAP basis)			\$ 2,137,044				1,137,974				235,475	

(Continued)

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, 2011

	Drug Enforcement and Education				Totals			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:								
Licenses and permits	\$ -	-	-	-	315,400	315,400	255,356	(60,044)
Interest and Dividends	-	-	-	-	-	-	-	-
Fines and forfeitures	2,500,000	1,775,000	1,463,867	(311,133)	2,500,000	1,775,000	1,463,867	(311,133)
Use of money and property	-	225,000	149,820	(75,180)	50,000	275,000	149,820	(125,180)
Sale of property	-	-	23,809	23,809	125,000	125,000	256,824	131,824
Total revenues	<u>2,500,000</u>	<u>2,000,000</u>	<u>1,637,496</u>	<u>(362,504)</u>	<u>2,990,400</u>	<u>2,490,400</u>	<u>2,125,867</u>	<u>(364,533)</u>
Expenditures:								
General government	-	-	-	-	280,300	414,300	281,781	132,519
Public safety	2,500,000	2,000,000	1,195,963	804,037	2,500,000	2,000,000	1,195,963	804,037
Public welfare	-	-	-	-	434,400	434,400	377,843	56,557
Total expenditures	<u>2,500,000</u>	<u>2,000,000</u>	<u>1,195,963</u>	<u>804,037</u>	<u>3,214,700</u>	<u>2,848,700</u>	<u>1,855,587</u>	<u>993,113</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>441,533</u>	<u>441,533</u>	<u>(224,300)</u>	<u>(358,300)</u>	<u>270,280</u>	<u>628,580</u>
Other financing sources (uses):								
Transfers in - other funds	-	-	-	-	119,000	119,000	119,000	-
Appropriated fund balance	-	-	-	-	105,300	239,300	-	(239,300)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,300</u>	<u>358,300</u>	<u>119,000</u>	<u>(239,300)</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>441,533</u>	<u>441,533</u>	<u>-</u>	<u>-</u>	<u>389,280</u>	<u>389,280</u>
Current year encumbrances outstanding			1,195,250				1,195,250	
Fund balances, beginning of year			<u>11,023,113</u>				<u>14,585,859</u>	
Fund balances, end of year (GAAP basis)			<u>12,659,896</u>				<u>16,170,389</u>	



INTERNAL SERVICE FUNDS

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

Assets	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	
Current assets:									
Cash and investments	\$ 334,046	-	1,709,703	14,327,668	12,842,636	41,505,425	15,349,102	24,626,561	110,695,141
Accounts receivable	-	83,020	32,303	14,050	-	405,161	4,445	1,599,903	2,138,882
Accrued interest receivable	-	-	3,886	33,344	29,193	-	-	-	66,423
Due from (to) other internal service funds	-	(996,619)	-	-	996,619	-	-	-	-
Due from component units	-	-	-	2,868,352	-	-	-	-	2,868,352
Inventories, at cost	-	-	-	-	-	-	436,840	46,890	483,730
Prepaid costs and deposits	-	-	-	-	4,793	81,482	-	-	86,275
Total current assets	334,046	(913,599)	1,745,892	17,243,414	13,873,241	41,992,068	15,790,387	26,273,354	116,338,803
Noncurrent assets:									
Restricted cash and investments	-	1,249,864	1,468,230	12,551,573	1,896,831	-	303,197	-	17,469,695
Capital assets:									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(2,204,290)	-	(2,204,290)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(310,847)	-	(310,847)
Equipment	-	-	-	-	-	-	12,459,357	22,248	12,481,605
Accumulated depreciation	-	-	-	-	-	-	(10,859,224)	(14,689)	(10,873,913)
Net capital assets	-	-	-	-	-	-	3,053,899	7,559	3,061,458
Deferred debt issue costs	-	-	-	-	-	-	63,121	-	63,121
Total noncurrent assets	-	1,249,864	1,468,230	12,551,573	1,896,831	-	3,420,217	7,559	20,594,274
Total assets	\$ 334,046	336,265	3,214,122	29,794,987	15,770,072	41,992,068	19,210,604	26,280,913	136,933,077

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

<u>Liabilities</u>	<u>Unemployment Compensation</u>	<u>Property Loss</u>	<u>Automobile Liability</u>	<u>Worker's Compensation</u>	<u>General Liability</u>	<u>Life and Health Benefits</u>	<u>Vehicle Maintenance Fund</u>	<u>Computer Services Fund</u>	<u>Total</u>
Current liabilities:									
Current portion of compensated absences and termination benefits payable \$	-	-	-	-	-	-	585,238	794,262	1,379,500
Current portion of notes payable	-	-	-	-	-	-	260,000	-	260,000
Accounts payable	178,939	-	-	81	52,002	1,745,915	599,348	2,007,134	4,583,419
Accrued costs	-	-	-	-	-	-	260,538	452,735	713,273
Deferred revenue	-	-	-	115,965	6	35,372	-	-	151,343
Current portion of estimated liability on pending claims	154,679	147,956	1,253,508	21,691,091	4,715,420	9,675,966	-	-	37,638,620
Total current liabilities	333,618	147,956	1,253,508	21,807,137	4,767,428	11,457,253	1,705,124	3,254,131	44,726,155
Noncurrent liabilities:									
Unamortized premium (discount)	-	-	-	-	-	-	8,539	-	8,539
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	60,394	120,373	180,767
Estimated liability on pending claims, less current portion	-	188,309	1,960,614	86,764,363	11,002,644	-	-	-	99,915,930
Notes payable, less current portion	-	-	-	-	-	-	840,000	-	840,000
Total long-term liabilities	-	188,309	1,960,614	86,764,363	11,002,644	-	908,933	120,373	100,945,236
Total liabilities	333,618	336,265	3,214,122	108,571,500	15,770,072	11,457,253	2,614,057	3,374,504	145,671,391
<u>Net Assets</u>									
Invested in net assets, net of related debt	-	-	-	-	-	-	2,008,481	7,559	2,016,040
Restricted	-	-	-	-	-	-	-	21,891,909	21,891,909
Unrestricted	428	-	-	(78,776,513)	-	30,534,815	14,588,066	1,006,941	(32,646,263)
Total net assets	\$ 428	-	-	(78,776,513)	-	30,534,815	16,596,547	22,906,409	(8,738,314)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the year ended June 30, 2011

	Self-Insurance Funds						Vehicle Maintenance Fund	Computer Services Fund	Total
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits			
Operating revenues:									
Premium contributions	597,100	1,490,516	1,222,107	43,706,973	5,661,776	60,145,677	-	-	112,824,149
Sales									
Fuel sales	-	-	-	-	-	-	17,925	-	17,925
Office automation sales	-	-	-	-	-	-	-	19,037,437	19,037,437
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	12,835,407	-	12,835,407
Use of money and property - rentals	-	-	-	-	-	-	181,557	10,870	192,427
Miscellaneous - subrogations and other	-	167,497	440,740	410,610	120	663,621	140,843	-	1,823,431
Total operating revenues	<u>597,100</u>	<u>1,658,013</u>	<u>1,662,847</u>	<u>44,117,583</u>	<u>5,661,896</u>	<u>60,809,298</u>	<u>13,175,732</u>	<u>19,048,307</u>	<u>146,730,776</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,546,635	6,171,602	9,718,237
Fringe benefits	-	-	-	-	-	-	1,979,319	2,873,035	4,852,354
Contractual services	-	-	-	-	-	-	154,395	8,239,502	8,393,897
Materials	-	-	-	-	-	-	190,388	5,467,432	5,657,820
Facility and equipment rental	-	-	-	-	-	-	259,849	60,055	319,904
General and administrative:									
Administrative expenses	16,724	151,890	700,962	3,039,718	1,155,604	2,354,394	159,357	399,306	7,977,955
State worker's compensation tax	-	-	-	362,130	-	-	-	-	362,130
Depreciation	-	-	-	-	-	-	1,811,329	2,447	1,813,776
Insurance claims	580,313	66,040	1,772,067	43,977,191	1,579,460	38,459,173	-	-	86,434,244
Insurance premiums	-	1,019,011	-	2,080,827	31,168	12,770,971	-	-	15,901,977
Other:									
Repair and maintenance	-	-	-	-	-	-	4,022,039	9,078	4,031,117
Total operating expenses	<u>597,037</u>	<u>1,236,941</u>	<u>2,473,029</u>	<u>49,459,866</u>	<u>2,766,232</u>	<u>53,584,538</u>	<u>12,123,311</u>	<u>23,222,457</u>	<u>145,463,411</u>
Operating income (loss)	<u>63</u>	<u>421,072</u>	<u>(810,182)</u>	<u>(5,342,283)</u>	<u>2,895,664</u>	<u>7,224,760</u>	<u>1,052,421</u>	<u>(4,174,150)</u>	<u>1,267,365</u>
Nonoperating revenue (expenses):									
Interest income	-	674	22,887	247,439	312,452	-	-	-	583,452
Interest expense	-	-	-	-	-	-	(47,940)	-	(47,940)
Debt issuance costs	-	-	-	-	-	-	(4,615)	-	(4,615)
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(24,869)	(532)	(25,401)
Total nonoperating revenue (expenses)	<u>-</u>	<u>674</u>	<u>22,887</u>	<u>247,439</u>	<u>312,452</u>	<u>-</u>	<u>(77,424)</u>	<u>(532)</u>	<u>505,496</u>
Income (loss) before transfers	<u>63</u>	<u>421,746</u>	<u>(787,295)</u>	<u>(5,094,844)</u>	<u>3,208,116</u>	<u>7,224,760</u>	<u>974,997</u>	<u>(4,174,682)</u>	<u>1,772,861</u>
Capital contributions	-	-	-	-	-	-	23,500	-	23,500
Interfund transfer in (out)	-	-	-	-	-	-	-	7,112,500	7,112,500
Intrafund transfers in (out)	-	(421,746)	787,295	2,842,567	(3,208,116)	-	-	-	-
Change in net assets	<u>63</u>	<u>-</u>	<u>-</u>	<u>(2,252,277)</u>	<u>-</u>	<u>7,224,760</u>	<u>998,497</u>	<u>2,937,818</u>	<u>8,908,861</u>
Total net assets (deficit) - beginning	<u>365</u>	<u>-</u>	<u>-</u>	<u>(76,524,236)</u>	<u>-</u>	<u>23,310,055</u>	<u>15,598,050</u>	<u>19,968,591</u>	<u>(17,647,175)</u>
Total net assets (deficit) - end	<u>428</u>	<u>-</u>	<u>-</u>	<u>(78,776,513)</u>	<u>-</u>	<u>30,534,815</u>	<u>16,596,547</u>	<u>22,906,409</u>	<u>(8,738,314)</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2011

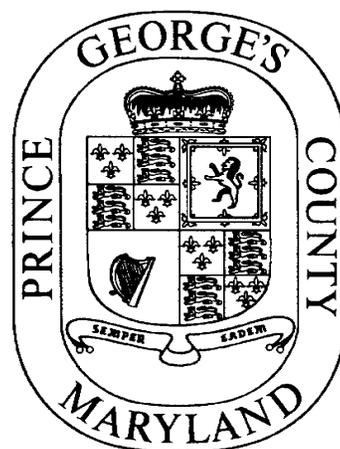
	Self-Insurance Funds							Total	
	Unemployment Compensation	Property Loss	Automobile Liability	Worker's Compensation	General Liability	Life and Health Benefits	Vehicle Maintenance Fund		Computer Services Fund
Cash flows from operating activities:									
Cash received from customers	597,100	1,658,013	1,660,205	43,429,567	5,627,550	60,552,652	13,034,413	19,162,093	145,721,593
Cash payments to suppliers for goods and services	(573,692)	(113,439)	(700,962)	(3,716,817)	(1,103,468)	(52,572,913)	(4,683,751)	(14,047,500)	(77,512,542)
Cash payments to employees for services	-	-	-	-	-	-	(5,667,719)	(8,964,931)	(14,632,650)
Premium and claim payments	-	(1,123,502)	(1,709,602)	(41,410,599)	(10,122,419)	-	-	-	(54,366,122)
Other cash receipts	-	-	-	-	-	663,621	140,843	-	804,464
Net cash and cash equivalents provided (used) by operating activities	23,408	421,072	(750,359)	(1,697,849)	(5,598,337)	8,643,360	2,823,786	(3,850,338)	14,743
Cash flows from noncapital financing activities:									
Interfund transfers in	-	-	-	-	-	-	-	7,112,500	7,112,500
Intrafund transfers in (out)	-	(421,746)	787,295	2,842,567	(3,208,116)	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(421,746)	787,295	2,842,567	(3,208,116)	-	-	7,112,500	7,112,500
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(163,931)	-	(163,931)
Principal payments on notes payable	-	-	-	-	-	-	(250,000)	-	(250,000)
Interest payments	-	-	-	-	-	-	(41,317)	-	(41,317)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(455,248)	-	(455,248)
Cash flows from investing activities:									
Interest on investments	-	674	19,607	282,987	348,945	-	-	-	652,213
Net cash and cash equivalents provided by investing activities	-	674	19,607	282,987	348,945	-	-	-	652,213
Net increase (decrease) in cash and cash equivalents	23,408	-	56,543	1,427,705	(8,457,508)	8,643,360	2,368,538	3,262,162	7,324,208
Cash and cash equivalents, beginning of year	310,638	1,249,864	3,121,390	25,451,536	23,196,975	32,862,065	13,283,761	21,364,399	120,840,628
Cash and cash equivalents, end of year	334,046	1,249,864	3,177,933	26,879,241	14,739,467	41,505,425	15,652,299	24,626,561	128,164,836

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2011

	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)	63	421,072	(810,182)	(5,342,283)	2,895,664	7,224,760	1,052,421	(4,174,150)	1,267,365
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	1,811,329	2,447	1,813,776
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	-	(2,642)	329,502	4,105	402,157	(476)	113,786	846,432
Inventories	-	-	-	-	-	-	(53,883)	(12,122)	(66,005)
Prepaid costs	-	-	-	-	128	-	-	-	128
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	(140,236)	53,470	(86,766)
Accounts payable	27,722	-	-	(314,969)	52,002	1,256,423	156,160	139,995	1,317,333
Accrued costs	-	-	-	-	6	(104)	(1,529)	26,236	24,609
Due to other funds	-	38,451	-	-	(38,451)	-	-	-	-
Deferred revenue	-	-	-	18,146	-	(244,694)	-	-	(226,548)
Deposits	-	-	-	(51,480)	-	-	-	-	(51,480)
Due from component units	-	-	-	(984,184)	-	-	-	-	(984,184)
Estimated liability on pending claims	(4,377)	(38,451)	62,465	4,647,419	(8,511,791)	4,818	-	-	(3,839,917)
Total adjustments	23,345	-	59,823	3,644,434	(8,494,001)	1,418,600	1,771,365	323,812	(1,252,622)
Net cash and cash equivalents provided (used) by operating activities	23,408	421,072	(750,359)	(1,697,849)	(5,598,337)	8,643,360	2,823,786	(3,850,338)	14,743
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	-	(3,280)	35,548	36,493	-	-	-	68,761
Donated capital assets	-	-	-	-	-	-	23,500	-	23,500
	-	-	(3,280)	35,548	36,493	-	23,500	-	92,261

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FIDUCIARY FUNDS

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

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

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

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

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Plan Net Assets
Pension and Other Postemployment Benefit Trust Funds
June 30, 2011

	Pension Trust Funds	Other Post- Employment Benefit Trust Fund	Total
Assets:			
Equity in pooled cash and investments	\$ 463,379	10,293,016	10,756,395
Collateral for loaned securities	30,869,419	-	30,869,419
Investments:			
Pooled separate accounts	340,793,159	-	340,793,159
U. S. Government & agency securities	25,044,938	8,626,422	33,671,360
Corporate bonds	71,420,783	18,917,776	90,338,559
Common stock	194,874,621	-	194,874,621
Real Estate Investment Trust	21,890,262	-	21,890,262
International Government securities	663,813	103,760	767,573
Preferred Stock	1,640,225	-	1,640,225
Asset-backed securities	14,972,641	9,407,639	24,380,280
Money market funds	409,572,668	-	409,572,668
Short-term investments	19,939,448	5,691,360	25,630,808
Alternative investments	188,093,447	-	188,093,447
Accounts receivable	-	291,555	291,555
Accrued interest receivable	1,609,442	356,206	1,965,648
Prepaid expenses	35,349	-	35,349
	<u>1,321,883,594</u>	<u>53,687,734</u>	<u>1,375,571,328</u>
Liabilities:			
Collateral for loaned securities payable	30,869,419	-	30,869,419
Accounts payable	185,837	431,068	616,905
Accrued costs	880,368	8,800,120	9,680,488
Due to other funds	7,890,000	-	7,890,000
	<u>39,825,624</u>	<u>9,231,188</u>	<u>49,056,812</u>
Net assets held in trust for benefit payments	<u>\$ 1,282,057,970</u>	<u>44,456,546</u>	<u>1,326,514,516</u>

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Changes in Plan Net Assets
Pension and Other Postemployment Benefit Trust Funds
For the year ended June 30, 2011

	<u>Pension Trust Funds</u>	<u>Other Post- Employment Benefit Trust Funds</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 95,959,345	28,946,239	124,905,584
Member	17,808,040	9,677,507	27,485,547
Other	-	709,127	709,127
Total contributions	113,767,385	39,332,873	153,100,258
Investment income:			
Net appreciation in fair value of investments	214,438,330	(677,405)	213,760,925
Interest and dividends	29,727,683	1,815,952	31,543,635
Total investment income	244,166,013	1,138,547	245,304,560
Less investment expense	5,124,261	88,247	5,212,508
Net investment income	239,041,752	1,050,300	240,092,052
Total additions	352,809,137	40,383,173	393,192,310
Deductions:			
Benefits	124,821,790	37,423,711	162,245,501
Refunds of contributions	4,126,421	-	4,126,421
General and administrative expenses	2,121,248	946,741	3,067,989
Total deductions	131,069,459	38,370,452	169,439,911
Net increase (decrease)	221,739,678	2,012,721	223,752,399
Net assets held in trust for benefit payments, beginning of year	1,060,318,292	42,443,825	1,102,762,117
Net assets held in trust for benefit payments, end of year	\$ 1,282,057,970	44,456,546	1,326,514,516

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Statement of Plan Net Assets
 Pension Trust Funds
 June 30, 2011

	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff	Correctional Officers'	Crossing Guards	AFCSCME	General Schedule	Fire Civilian	Police Civilian	
Assets:												
Equity in pooled cash and investments	\$ 8,983	10,668	12,227	64,245	98,202	93,196	16,849	7,083	94,102	38,249	19,575	463,379
Collateral for loaned securities	11,199,540	8,981,901	1,536,191	2,809,205	119,862	169,720	42,184	1,986,029	3,317,470	195,221	512,096	30,869,419
Investments:												
Pooled separate accounts	33,196,604	17,388,858	41,711,771	76,277,556	3,254,584	4,608,367	1,145,420	53,926,092	90,078,344	5,300,776	13,904,787	340,793,159
U. S. Government & agency securities	16,111,329	8,933,609	-	-	-	-	-	-	-	-	-	25,044,938
Corporate bonds	48,216,892	23,203,891	-	-	-	-	-	-	-	-	-	71,420,783
Common stock	135,922,687	58,951,934	-	-	-	-	-	-	-	-	-	194,874,621
Real Estate Investment Trust	14,897,783	6,992,479	-	-	-	-	-	-	-	-	-	21,890,262
International Government securities	402,124	261,689	-	-	-	-	-	-	-	-	-	663,813
Preferred Stock	1,115,193	525,032	-	-	-	-	-	-	-	-	-	1,640,225
Asset-backed securities	9,667,465	5,305,176	-	-	-	-	-	-	-	-	-	14,972,641
Money market funds	280,706,922	128,865,746	-	-	-	-	-	-	-	-	-	409,572,668
Short-term investments	14,127,602	5,811,846	-	-	-	-	-	-	-	-	-	19,939,448
Alternative investments	130,107,616	57,985,831	-	-	-	-	-	-	-	-	-	188,093,447
Accrued interest receivable	1,085,323	522,793	119	146	223	212	38	220	214	87	67	1,609,442
Prepaid expenses	19,202	8,922	1,133	2,002	-	-	29	1,304	2,279	137	341	35,349
Total assets	696,785,265	323,750,375	43,261,441	79,153,154	3,472,871	4,871,495	1,204,520	55,920,728	93,492,409	5,534,470	14,436,866	1,321,883,594
Liabilities:												
Collateral for loaned securities payable	11,199,540	8,981,901	1,536,191	2,809,205	119,862	169,720	42,184	1,986,029	3,317,470	195,221	512,096	30,869,419
Accounts payable	103,744	70,725	7,994	2,566	-	-	-	-	808	-	-	185,837
Accrued costs	431,721	197,154	38,968	70,095	-	-	993	46,732	78,061	4,594	12,050	880,368
Due to other funds	5,590,000	2,230,000	-	-	-	-	-	70,000	-	-	-	7,890,000
Total liabilities	17,325,005	11,479,780	1,583,153	2,881,866	119,862	169,720	43,177	2,102,761	3,396,339	199,815	524,146	39,825,624
Net assets held in trust for pension benefits	\$ 679,460,260	312,270,595	41,678,288	76,271,288	3,353,009	4,701,775	1,161,343	53,817,967	90,096,070	5,334,655	13,912,720	1,282,057,970

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Changes in Plan Net Assets
Pension Trust Funds
For the year ended June 30, 2011

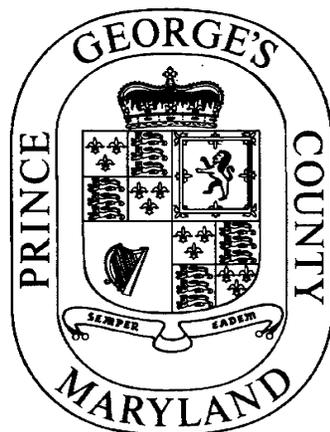
	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff's	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
Additions:												
Contributions:												
Employer	\$ 47,358,991	25,956,943	4,627,135	6,196,486	257,053	546,421	79,090	3,907,035	5,687,109	374,931	968,151	95,959,345
Employee	6,769,393	2,083,022	1,369,016	3,122,670	57,497	99,285	62,327	860,893	2,557,762	146,257	679,918	17,808,040
Total contributions	54,128,384	28,039,965	5,996,151	9,319,156	314,550	645,706	141,417	4,767,928	8,244,871	521,188	1,648,069	113,767,385
Transfers from (to) other funds	-	-	-	-	-	-	-	11,009	43,624	-	(54,633)	-
Investment income:												
Net depreciation in fair value of assets	111,803,695	52,352,182	7,248,433	13,197,085	619,931	764,542	200,718	9,167,351	15,753,586	946,976	2,383,831	214,438,330
Interest and dividends	14,648,720	6,561,003	1,227,363	2,234,471	103,997	132,067	34,040	1,562,721	2,658,507	159,402	405,392	29,727,683
Total investment income	126,452,415	58,913,185	8,475,796	15,431,556	723,928	896,609	234,758	10,730,072	18,412,093	1,106,378	2,789,223	244,166,013
Less investment expense	2,576,374	1,277,766	193,820	347,489	4,271	5,540	5,538	232,898	396,448	23,680	60,437	5,124,261
Net investment income	123,876,041	57,635,419	8,281,976	15,084,067	719,657	891,069	229,220	10,497,174	18,015,645	1,082,698	2,728,786	239,041,752
Total additions	178,004,425	85,675,384	14,278,127	24,403,223	1,034,207	1,536,775	370,637	15,276,111	26,304,140	1,603,886	4,322,222	352,809,137
Deductions:												
Benefits	66,141,625	34,691,654	4,964,481	6,999,312	641,258	249,279	119,044	2,133,493	7,357,285	496,408	1,027,951	124,821,790
Refunds of contributions	1,769,425	1,532,385	58,023	321,756	5,556	29,593	13,257	141,379	170,414	9,969	74,664	4,126,421
General and administrative expenses	766,922	537,785	202,176	200,894	24,930	24,930	25,782	93,429	116,915	62,269	65,216	2,121,248
Total deductions	68,677,972	36,761,824	5,224,680	7,521,962	671,744	303,802	158,083	2,368,301	7,644,614	568,646	1,167,831	131,069,459
Net increase (decrease)	109,326,453	48,913,560	9,053,447	16,881,261	362,463	1,232,973	212,554	12,907,810	18,659,526	1,035,240	3,154,391	221,739,678
Net assets held in trust for pension benefits, beginning of year	570,133,807	263,357,035	32,624,841	59,390,027	2,990,546	3,468,802	948,789	40,910,157	71,436,544	4,299,415	10,758,329	1,060,318,292
Net assets held in trust for pension benefits, end of year	\$ 679,460,260	312,270,595	41,678,288	76,271,288	3,353,009	4,701,775	1,161,343	53,817,967	90,096,070	5,334,655	13,912,720	1,282,057,970

PRINCE GEORGE'S COUNTY, MARYLAND
 Agency Funds - Primary Government
 Combining Statement of Changes in Assets and Liabilities
 For the year ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
State of Maryland property taxes:				
Assets:				
Cash and investments	\$ 11,988	91,216,774	(91,228,368)	394
Taxes receivable	431,425	98,813,897	(98,742,851)	502,471
Total assets	443,413	190,030,671	(189,971,219)	502,865
Liabilities:				
Due to State of Maryland	443,413	106,685,233	(106,625,781)	502,865
Total Liabilities	\$ 443,413	106,685,233	(106,625,781)	502,865
M-NCPPC property taxes:				
Assets:				
Cash and investments	\$ 2,837,380	251,024,613	(253,861,467)	526
Taxes receivable	3,533,262	252,071,545	(251,993,922)	3,610,885
Total assets	\$ 6,370,642	503,096,158	(505,855,389)	3,611,411
Liabilities:				
Due to M-NCPPC	\$ 6,370,642	271,482,069	(274,241,300)	3,611,411
Total liabilities	\$ 6,370,642	271,482,069	(274,241,300)	3,611,411
Washington Suburban Sanitary Commission charges:				
Assets:				
Cash and investments	\$ 9,573	32,550,418	(32,553,350)	6,641
Taxes receivable	177,483	32,471,710	(32,437,474)	211,719
Total assets	\$ 187,056	65,022,128	(64,990,824)	218,360
Liabilities:				
Liability - due to Washington Suburban Sanitary Commission	\$ 187,056	32,587,949	(32,556,645)	218,360
Total liabilities	\$ 187,056	32,587,949	(32,556,645)	218,360
Incorporated towns property taxes:				
Assets:				
Cash and investments	\$ 65	113,163,074	(113,162,927)	212
Taxes receivable	491,779	113,566,789	(113,446,311)	612,257
Total assets	\$ 491,844	226,729,863	(226,609,238)	612,469
Liabilities:				
Due to towns	491,844	131,457,860	(131,337,235)	612,469
Total liabilities	\$ 491,844	131,457,860	(131,337,235)	612,469
Washington Suburban Transit Commission taxes:				
Assets:				
Cash and investments	\$ 5,277,294	34,220,390	(34,154,345)	5,343,339
Taxes receivable	352,234	24,657,494	(24,646,196)	363,532
Total assets	\$ 5,629,528	58,877,884	(58,800,541)	5,706,871
Liabilities:				
Due to Washington Suburban Transit Commission	\$ 5,629,528	36,262,630	(36,185,287)	5,706,871
Total liabilities	\$ 5,629,528	36,262,630	(36,185,287)	5,706,871

PRINCE GEORGE'S COUNTY, MARYLAND
 Agency Funds - Primary Government
 Combining Statement of Changes in Assets and Liabilities, Continued
 For the year ended June 30, 2011

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
Special taxes:				
Assets:				
Cash and investments	\$ 1,224,416	23,285,749	(23,310,006)	1,200,159
Taxes Receivable	1,186,761	23,189,094	(23,225,293)	1,150,562
Total assets	\$ 2,411,177	46,474,843	(46,535,299)	2,350,721
Liabilities:				
Due to other participants	\$ 2,411,177	23,189,095	(23,249,551)	2,350,721
Total liabilities	\$ 2,411,177	23,189,095	(23,249,551)	2,350,721
Agricultural transfer taxes:				
Assets:				
Cash and investments	\$ 486,859	382,538	(30,000)	839,397
Total assets	\$ 486,859	382,538	(30,000)	839,397
Liabilities:				
Due to other governmental units	\$ 486,859	382,538	(30,000)	839,397
Total liabilities	\$ 486,859	382,538	(30,000)	839,397
Inmate Holding Account				
Assets:				
Cash and investments	\$ 78,716	806,845	(726,911)	158,650
Accounts receivable	479	72	(479)	72
Total assets	\$ 79,195	806,917	(727,390)	158,722
Liabilities:				
Accounts payable	\$ 47,248	864,344	(809,351)	102,241
Due to participants	31,947	806,439	(781,905)	56,481
Total liabilities	\$ 79,195	1,670,783	(1,591,256)	158,722
<u>Totals</u>				
Assets:				
Cash and investments	\$ 17,452,571	546,650,401	(549,027,374)	15,075,598
Taxes receivable	6,662,441	544,770,529	(544,492,047)	6,940,923
Accounts receivable	479	72	(479)	72
Total assets	\$ 24,115,491	1,091,421,002	(1,093,519,900)	22,016,593
Liabilities:				
Accounts payable	\$ 47,248	864,344	(809,351)	102,241
Due to other governmental units	21,625,119	578,858,279	(580,976,248)	19,507,150
Due to participants	2,443,124	23,995,534	(24,031,456)	2,407,202
Total liabilities	\$ 24,115,491	603,718,157	(605,817,055)	22,016,593



NONMAJOR COMPONENT UNITS

PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Assets
Nonmajor Component Units
June 30, 2011

	General Government			Education		Community Development		Total
	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	
ASSETS								
Current assets:								
Cash and investments	\$ 1,056,282	15,028,037	2,980,058	3,908,266	39,936,356	-	1,774,988	64,683,987
Receivables (net of allowances for uncollectibles)								
Accounts	105,000	12,374,346	-	581,830	20,095,816	719,603	-	33,876,595
Accrued interest receivable	-	-	18	-	17,071	-	-	17,089
Due from primary government	-	-	-	594,634	5,655,085	-	-	6,249,719
Due from other governmental units	-	-	2,446,343	536,060	2,126,798	2,310,082	-	7,419,283
Inventories	-	-	-	-	180,022	-	-	180,022
Prepaid costs and deposits	30,656	150,209	-	448,154	1,330,517	3,114	628	1,963,278
Total current assets	<u>1,191,938</u>	<u>27,552,592</u>	<u>5,426,419</u>	<u>6,068,944</u>	<u>69,341,665</u>	<u>3,032,799</u>	<u>1,775,616</u>	<u>114,389,973</u>
Restricted assets:								
Cash and investments	-	-	4,770	-	3,479,836	8,645,245	2,236,678	14,366,529
Land held for transfer and other	-	-	-	-	-	2,895,322	2,548,625	5,443,947
Total restricted assets	<u>-</u>	<u>-</u>	<u>4,770</u>	<u>-</u>	<u>3,479,836</u>	<u>11,540,567</u>	<u>4,785,303</u>	<u>19,810,476</u>
Noncurrent assets:								
Land	-	5,307,744	-	-	2,772,440	1,727,002	52,141,993	61,949,179
Construction in progress	-	-	-	-	-	-	1,368,152	1,368,152
Buildings and improvements	-	5,181,165	73,043,523	-	121,032,894	22,428,202	320,222	222,006,006
Accumulated depreciation	-	(882,035)	(22,376,346)	-	(30,524,296)	(10,731,890)	(36,025)	(64,550,592)
Improvements other than buildings	241,661	13,244,968	-	-	-	6,323,864	-	19,810,493
Accumulated depreciation	(241,661)	(9,353,827)	-	-	-	(4,019,421)	-	(13,614,909)
Equipment	178,183	1,383,269	-	20,028,597	22,724,260	2,049,683	54,208	46,418,200
Accumulated depreciation	(148,036)	(1,124,667)	-	(13,800,222)	(16,672,961)	(1,641,800)	(26,258)	(33,413,944)
Deferred debt issuance costs	-	-	1,173,041	-	-	55,649	-	1,228,690
Total noncurrent assets	<u>30,147</u>	<u>13,756,617</u>	<u>51,840,218</u>	<u>6,228,375</u>	<u>99,332,337</u>	<u>16,191,289</u>	<u>53,822,292</u>	<u>241,201,275</u>
Total assets	<u>\$ 1,222,085</u>	<u>41,309,209</u>	<u>57,271,407</u>	<u>12,297,319</u>	<u>172,153,838</u>	<u>30,764,655</u>	<u>60,383,211</u>	<u>375,401,724</u>

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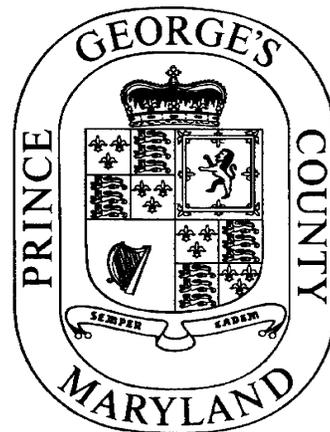
PRINCE GEORGE'S COUNTY, MARYLAND
Combining Statement of Net Assets
Nonmajor Component Units
June 30, 2011

	General Government			Education		Community Development		Total
	Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County	
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 5,156	196,894	-	672,843	10,236,587	745,637	439,823	12,296,940
Accrued liabilities	65,579	389,132	256,485	444,311	-	-	-	1,155,507
Due to primary government	450,000	3,463,149	-	645,000	877,942	1,842,682	-	7,278,773
Due to other governmental units	-	303,124	-	-	-	1,021,917	-	1,325,041
Deferred revenue	-	58,749	-	66,482	2,254,245	23,158	-	2,402,634
Deposits	-	98,589	-	-	-	667,447	158,500	924,536
Current portion of bonded debt	-	-	2,259,349	-	-	-	-	2,259,349
Current portion of capital lease obligations	-	28,069	-	-	942,461	-	6,966	977,496
Current portion of compensated absences and termination benefits payable	-	-	-	20,109	195,827	33,926	-	249,862
Total current liabilities	520,735	4,537,706	2,515,834	1,848,745	14,507,062	4,334,767	605,289	28,870,138
Noncurrent liabilities:								
Bonded debt, less current portion	-	-	65,265,000	-	-	1,052,584	-	66,317,584
Deferred bond refunding costs	-	-	(2,505,271)	-	-	-	-	(2,505,271)
Unamortized premium (discount)	-	-	431,394	-	-	-	-	431,394
Capital lease obligations, less current portion	-	137,994	-	-	373,929	-	21,502	533,425
Compensated absences and termination benefits payable, less current portion	-	-	-	2,394,088	1,905,798	644,588	-	4,944,474
Notes payable, less current portion	-	-	-	-	-	-	1,051,914	1,051,914
Net OPEB obligation	-	-	-	3,312,687	2,697,525	-	-	6,010,212
Total noncurrent liabilities	-	137,994	63,191,123	5,706,775	4,977,252	1,697,172	1,073,416	76,783,732
Total liabilities	520,735	4,675,700	65,706,957	7,555,520	19,484,314	6,031,939	1,678,705	105,653,870
NET ASSETS								
Invested in capital assets	-	13,590,554	8,942,264	6,228,375	98,103,778	14,335,032	51,920,003	193,120,006
Restricted	753	147,636	-	-	10,384,666	10,857,740	2,236,678	23,627,473
Unrestricted (deficit)	700,597	22,895,319	(17,377,814)	(1,486,576)	44,181,080	(460,056)	4,547,825	53,000,375
Total net assets (deficit)	\$ 701,350	36,633,509	(8,435,550)	4,741,799	152,669,524	24,732,716	58,704,506	269,747,854

PRINCE GEORGE'S COUNTY, MARYLAND
 Combining Statement of Activities
 Nonmajor Component Units
 For the year ended June 30, 2011

Programs / Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Assets								Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Government			Education		Community Development			
					Prince George's Community Television	Revenue Authority of Prince George's County	Industrial Development Authority of Prince George's County	Prince George's County Memorial Library	Prince George's Community College	Housing Authority of Prince George's County	Redevelopment Authority of Prince George's County		
Component Units:													
General government													
PGCT	\$ 1,610,509	440,562	-	-	(1,169,947)	-	-	-	-	-	-	(1,169,947)	
Revenue Authority	9,681,146	9,052,497	660,000	72,442	-	103,793	-	-	-	-	-	103,793	
IDA	7,371,447	-	-	7,877,002	-	-	505,555	-	-	-	-	505,555	
Education													
Library	31,264,652	1,509,379	178,636	1,820,191	-	-	-	(27,756,446)	-	-	-	(27,756,446)	
PGCC	118,842,744	33,791,237	26,959,647	16,301,631	-	-	-	-	(41,790,229)	-	-	(41,790,229)	
Community Development													
Housing Authority	79,755,440	2,274,465	73,966,260	1,976,602	-	-	-	-	-	(1,538,113)	-	(1,538,113)	
Redevelopment Authority	3,051,473	19,481	1,121,080	1,350,000	-	-	-	-	-	-	(560,912)	(560,912)	
Total component units \$	<u>251,577,411</u>	<u>47,087,621</u>	<u>102,885,623</u>	<u>29,397,868</u>	<u>(1,169,947)</u>	<u>103,793</u>	<u>505,555</u>	<u>(27,756,446)</u>	<u>(41,790,229)</u>	<u>(1,538,113)</u>	<u>(560,912)</u>	<u>(72,206,299)</u>	
General revenues:													
Other grants and contributions					1,146,820	-	-	24,314,006	58,950,298	-	-	84,411,124	
Investment income					725	19,129	22	7,710	554,024	12,976	911	595,497	
Miscellaneous					39	11,777,374	-	141,502	572,228	5,529,360	-	18,020,503	
Total general revenues					<u>1,147,584</u>	<u>11,796,503</u>	<u>22</u>	<u>24,463,218</u>	<u>60,076,550</u>	<u>5,542,336</u>	<u>911</u>	<u>103,027,124</u>	
Change in net assets					(22,363)	11,900,296	505,577	(3,293,228)	18,286,321	4,004,223	(560,001)	30,820,825	
Net assets - beginning of year					723,713	24,733,213	(8,941,127)	10,968,590	134,383,203	20,728,493	59,264,507	241,860,592	
Prior period adjustment					-	-	-	(2,933,563)	-	-	-	(2,933,563)	
Net assets - end of year					<u>\$ 701,350</u>	<u>36,633,509</u>	<u>(8,435,550)</u>	<u>4,741,799</u>	<u>152,669,524</u>	<u>24,732,716</u>	<u>58,704,506</u>	<u>269,747,854</u>	

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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, 2011

Function and activity	Total	Land	Buildings	Infrastructure	Equipment	Vehicles
Primary government:						
General Government:						
Control - legislative, executive and judicial	\$ 195,226,580	15,429,356	179,242,396	-	44,448	510,380
Staff agencies:						
Finance	57,332	-	-	-	31,712	25,620
Budget	14,409	-	-	-	-	14,409
Personnel	22,223	-	-	-	22,223	-
Central services	1,489,396	-	-	-	418,317	1,071,079
General government buildings	73,412,333	12,667,199	60,745,134	-	-	-
Other	41,415,435	-	-	-	11,990	41,403,445
Total staff agencies	<u>116,411,128</u>	<u>12,667,199</u>	<u>60,745,134</u>	<u>-</u>	<u>484,242</u>	<u>42,514,553</u>
Total general government	<u>311,637,708</u>	<u>28,096,555</u>	<u>239,987,530</u>	<u>-</u>	<u>528,690</u>	<u>43,024,933</u>
Public safety:						
Police services	32,046,635	1,698,192	17,897,862	-	3,248,364	9,202,217
Fire services	64,792,672	3,812,056	45,484,274	-	1,403,855	14,092,487
Environmental resources	14,892,816	-	14,256,906	-	28,884	607,026
Sheriff services	1,038,644	-	32,684	-	38,968	966,992
Corrections	76,848,457	94,589	75,843,664	-	383,413	526,791
Homeland Security	55,103,813	-	-	48,614,569	4,249,938	2,239,306
Total public safety	<u>244,723,037</u>	<u>5,604,837</u>	<u>153,515,390</u>	<u>48,614,569</u>	<u>9,353,422</u>	<u>27,634,819</u>
Public works	2,575,891,149	42,946,156	19,398,159	2,471,139,818	230,593	42,176,423
Health and welfare	16,452,174	165,800	15,176,754	-	390,661	718,959
Federal programs	17,156,047	2,856,588	2,540,519	-	9,376,592	2,382,348
Social Services	258,236	-	-	-	45,320	212,916
Total governmental fund capital assets allocated	<u>3,166,118,351</u>	<u>79,669,936</u>	<u>430,618,352</u>	<u>2,519,754,387</u>	<u>19,925,278</u>	<u>116,150,398</u>
Construction-in-progress	49,206,547					
Total primary government	<u>\$ 3,215,324,898</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 assets.

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, 2011

	Balance <u>June 30, 2009</u>	<u>Additions</u>	Deductions and <u>adjustments</u>	Net Inter-agency <u>transfers</u>	Balance <u>June 30, 2010</u>
Primary government:					
General government:					
Control, legislative, executive and judicial	\$ 168,849,783	26,504,798	(128,004)	-	195,226,577
Staff agencies:					
Finance	57,332	-	-	-	57,332
Management and budget	22,490	-	(8,080)	-	14,410
Personnel	22,223	-	-	-	22,223
Central services	1,310,561	195,057	(16,222)	-	1,489,396
General government buildings	73,412,332	-	-	-	73,412,332
Other	42,201,786	-	(786,350)	-	41,415,436
Total staff agencies	<u>117,026,724</u>	<u>195,057</u>	<u>(810,652)</u>	<u>-</u>	<u>116,411,129</u>
Total general government	<u>285,876,507</u>	<u>26,699,855</u>	<u>(938,656)</u>	<u>-</u>	<u>311,637,706</u>
Public safety:					
Police services	33,572,380	2,534,312	(4,060,056)	-	32,046,636
Fire services	55,497,950	10,088,085	(793,362)	-	64,792,673
Environmental resources	14,880,347	12,470	-	-	14,892,817
Sheriff services	1,140,347	75,896	(101,703)	(75,896)	1,038,644
Corrections	76,862,986	-	(14,529)	-	76,848,457
Homeland Security	53,327,604	1,847,257	(71,048)	-	55,103,813
Total public safety	<u>235,281,614</u>	<u>14,558,020</u>	<u>(5,040,698)</u>	<u>(75,896)</u>	<u>244,723,040</u>
Public works	2,503,877,802	77,612,307	(5,598,960)	-	2,575,891,149
Health and welfare	16,408,681	-	(32,403)	75,896	16,452,174
Federal programs	15,941,556	1,607,799	(393,309)	-	17,156,046
Social services	258,236	-	-	-	258,236
Construction-in-progress	83,579,782	48,499,564	(82,872,799)	-	49,206,547
Total governmental fund capital assets	<u>\$ 3,141,224,178</u>	<u>168,977,545</u>	<u>(94,876,825)</u>	<u>-</u>	<u>3,215,324,898</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 assets.

PRINCE GEORGE'S COUNTY, MARYLAND
 Schedule of Capital Assets Used in the Operation of Governmental Funds -
 By Source
 June 30, 2011

	<u>Primary Government</u>
Governmental fund capital assets	
Land	\$ 79,669,936
Buildings	430,618,352
Infrastructure	2,519,754,387
Equipment	136,075,676
Construction in progress	49,206,547
Total governmental fund capital assets	<u>\$ 3,215,324,898</u>
Investment in governmental fund capital assets from:	
Capital projects funds:	
General obligation bonds	\$ 41,468,970
Intergovernmental	6,385,078
General fund revenue	3,130,620,378
Special revenue fund revenue	18,341,928
Federal programs	17,156,046
Other	1,352,498
	<u>\$ 3,215,324,898</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 assets.

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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 Assets By Component
Last Ten Fiscal Years**

Table 1

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,215,115,843	\$ 1,229,044,309	\$ 1,279,249,232	\$ 1,361,493,750	\$ 1,370,963,205	\$ 1,351,726,843	\$ 1,421,477,574	\$ 1,481,956,322	\$ 1,475,449,993	\$ 1,466,248,836
Restricted	80,189,679	127,467,037	218,256,131	237,414,675	327,801,840	502,518,691	475,649,709	422,228,258	351,254,119	361,876,157
Unrestricted (deficit) (2)	(240,610,837)	(292,118,392)	(370,395,006)	(334,199,167)	(354,886,633)	(459,623,656)	(567,350,879)	(663,421,910)	(558,755,424)	(562,309,599)
Total governmental activities net assets	1,054,694,685	1,064,392,954	1,127,110,357	1,264,709,258	1,343,878,412	1,394,621,878	1,329,776,404	1,240,762,670	1,267,948,688	1,265,815,394
Business-type activities										
Invested in capital assets, net of related debt	79,363,316	94,872,069	93,119,769	98,064,648	114,802,351	118,553,646	131,283,415	143,085,674	156,560,233	148,934,828
Restricted	19,216,469	19,987,216	19,378,897	19,000,524	22,429,322	19,906,051	19,900,630	18,389,718	20,916,015	19,500,275
Unrestricted (deficit)	47,672,047	39,209,745	42,535,324	42,909,888	49,010,063	53,899,957	46,861,226	40,119,901	40,427,579	56,189,966
Total business-type activities net assets	146,251,832	154,069,030	155,033,990	159,975,060	186,241,736	192,359,654	198,045,271	201,595,293	217,903,827	224,625,069
Primary government										
Invested in capital assets, net of related debt	1,294,479,159	1,323,916,378	1,372,369,001	1,459,558,398	1,485,765,556	1,470,280,489	1,552,760,989	1,625,041,996	1,632,010,226	1,615,183,664
Restricted	99,406,148	147,454,253	237,635,028	256,415,199	350,231,162	522,424,742	495,550,339	440,617,976	372,170,134	381,376,432
Unrestricted (deficit) (1)	(192,938,790)	(252,908,647)	(327,859,682)	(291,289,279)	(305,876,570)	(405,723,699)	(520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)
Total primary government net assets	\$ 1,200,946,517	\$ 1,218,461,984	\$ 1,282,144,347	\$ 1,424,684,318	\$ 1,530,120,148	\$ 1,586,981,532	\$ 1,527,821,675	\$ 1,442,357,963	\$ 1,485,852,515	\$ 1,490,440,463

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 assets would have been:

Unrestricted (deficit) net assets noted above	\$ (192,938,790)	\$ (252,908,647)	\$ (327,859,682)	\$ (291,289,279)	\$ (305,876,570)	\$ (405,723,699)	\$ (520,489,653)	(623,302,009)	(518,327,845)	(506,119,633)
Debt issued for capital on behalf of others	251,138,398	302,553,455	384,948,599	334,947,973	412,915,242	481,347,768	481,969,501	470,259,263	435,418,383	399,196,957
County net assets absent effect of this relationship	\$ 58,199,608	\$ 49,644,808	\$ 57,088,917	\$ 43,658,694	\$ 107,038,672	\$ 75,624,069	\$ (38,520,152)	\$ (153,042,746)	\$ (82,909,462)	\$ (106,922,676)

Table 2

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

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ 152,298,127	\$ 163,569,671	\$ 157,603,722	\$ 182,388,220	\$ 246,279,862	\$ 234,249,287	\$ 276,079,032	\$ 264,000,847	\$ 293,993,880	\$ 278,735,961
Public safety	319,171,598	339,387,247	360,239,001	388,603,533	424,904,065	501,713,673	523,937,600	535,747,925	510,354,496	543,688,542
Public works and transportation	58,997,980	62,533,574	71,067,605	67,027,076	83,590,609	82,853,168	82,256,246	76,563,498	73,726,841	86,362,933
Health	51,902,711	54,483,180	58,284,732	55,967,064	63,442,632	68,872,373	74,844,743	72,693,381	63,570,608	70,689,145
Public welfare	30,478,658	28,142,139	25,697,781	23,963,838	22,385,664	24,061,357	25,757,726	30,774,715	41,274,315	27,802,206
Board of Education	520,690,491	545,372,385	584,304,396	612,603,456	660,804,233	657,734,909	665,957,080	652,303,197	684,470,305	656,525,606
Community College	13,128,109	14,594,442	15,675,323	17,183,604	19,441,705	35,272,367	28,438,902	38,415,219	33,644,625	40,125,724
Memorial Library	14,677,932	14,222,787	14,648,659	14,728,625	16,875,719	18,430,402	19,568,825	19,397,277	19,802,615	19,494,605
Interest on long-term debt	38,827,544	37,029,775	40,176,745	41,386,613	48,773,181	46,949,253	59,042,614	54,873,156	49,295,577	51,136,299
Total governmental activities expenses	1,200,173,150	1,259,335,200	1,327,697,964	1,403,852,029	1,586,497,670	1,670,136,789	1,755,882,768	1,744,769,215	1,770,133,262	1,774,561,021
Business-type activities:										
Solid Waste	75,391,389	69,991,390	83,352,020	81,849,710	73,753,196	95,820,024	97,039,320	99,930,368	87,486,790	95,955,265
Stormwater	20,391,800	23,021,516	24,800,758	26,415,945	27,533,408	29,913,750	33,743,601	35,724,787	48,297,374	42,103,279
Total business-type activities expenses	95,783,189	93,012,906	108,152,778	108,265,655	101,286,604	125,733,774	130,782,921	135,655,155	135,784,164	138,058,544
Total primary government expenses	\$ 1,295,956,339	\$ 1,352,348,106	\$ 1,435,850,742	\$ 1,512,117,684	\$ 1,687,784,274	\$ 1,795,870,563	\$ 1,886,665,689	\$ 1,880,424,370	\$ 1,905,917,426	\$ 1,912,619,565
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 23,202,168	\$ 39,149,559	\$ 45,248,866	\$ 72,211,781	\$ 91,686,725	\$ 87,079,431	\$ 63,137,800	\$ 47,130,404	\$ 60,275,045	\$ 55,529,493
Public safety	32,776,405	30,279,031	30,404,613	36,334,163	38,743,839	35,696,477	33,963,072	34,964,503	38,398,284	41,420,265
Public works and transportation	41,815,071	43,396,240	87,856,093	97,100,881	60,861,954	69,809,011	25,581,816	43,153,508	57,097,256	29,476,879
Health	12,230,469	12,341,764	12,181,791	9,552,619	15,671,981	10,275,707	12,750,430	11,377,788	8,140,830	9,636,570
Public welfare	717,333	965,354	842,728	545,858	873,099	555,026	789,608	1,265,049	1,138,098	793,575
Operating grants and contributions										
General government	34,544,045	19,954,575	20,171,814	20,831,525	17,522,852	19,955,319	59,178,382	39,248,215	56,606,758	57,182,264
Public safety	23,589,187	25,253,328	22,631,808	20,909,590	21,087,793	25,723,138	18,475,021	17,538,135	29,537,332	28,884,685
Public works and transportation	202,942	238,711	1,147,986	270,838	177,988	239,159	386,975	1,868,144	2,233,204	4,513,987
Health	30,238,103	31,278,514	35,614,493	33,211,432	35,371,200	39,844,187	39,453,888	38,917,256	41,360,531	48,013,111
Public welfare	27,672,769	25,670,983	22,112,853	21,146,751	19,448,587	20,988,260	22,530,154	26,532,340	23,817,917	23,873,172
Capital grants and contributions										
General government	-	-	-	-	12,115,657	6,221,385	5,767,776	5,756,794	36,514,825	7,466,894
Public safety	1,125,347	3,808,683	1,105,491	1,202,950	3,415,264	1,114,478	3,462,729	3,847,755	4,881,000	8,519,103
Public works and transportation	2,146,695	4,663,850	9,447,337	10,299,825	3,204,632	6,428,142	4,414,109	4,138,715	7,887,841	18,914,344
Health	-	-	-	5,500,000	2,096,963	-	-	-	-	117,954
Public welfare	-	-	-	-	14,368	-	-	-	-	-
Total governmental activities program revenues	230,260,534	237,000,592	288,765,873	329,118,213	322,292,902	323,929,720	289,891,760	275,738,606	368,006,875	334,575,887

continued

Table 2, continued

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

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Revenues, continued										
Business-type activities:										
Charges for services:										
Solid waste	76,124,333	73,600,843	76,026,670	77,182,008	79,655,114	82,202,081	84,240,272	86,550,100	90,575,778	90,451,449
Stormwater	2,036,618	2,700,339	4,278,248	6,166,326	5,264,325	5,156,895	3,729,657	3,057,990	3,369,309	2,150,063
Capital grants and contributions										
Stormwater	1,013,625	243,888	2,017,622	838,387	434,113	1,280,775	2,356,379	210,096	1,432,137	1,627,916
Total business-type activities program revenues	79,174,576	76,545,070	82,322,540	84,186,721	85,353,552	88,639,751	90,326,308	89,818,186	95,377,224	94,229,428
Total primary government program revenues	\$ 309,435,110	\$ 313,545,662	\$ 371,088,413	\$ 413,304,934	\$ 407,646,454	\$ 412,569,471	\$ 380,218,068	\$ 365,556,792	\$ 463,384,099	\$ 428,805,315
Net (Expense)/Revenue										
Governmental activities	(969,912,616)	(1,022,334,608)	(1,038,932,091)	(1,074,733,816)	(1,264,204,768)	(1,346,207,069)	(1,465,991,008)	(1,469,030,609)	(1,402,126,387)	(1,439,985,134)
Business-type activities	(16,608,613)	(16,467,836)	(25,830,238)	(24,078,934)	(15,933,052)	(37,094,023)	(40,456,613)	(45,836,969)	(40,406,940)	(43,829,116)
Total primary government net expense	\$ (986,521,229)	\$ (1,038,802,444)	\$ (1,064,762,329)	\$ (1,098,812,750)	\$ (1,280,137,820)	\$ (1,383,301,092)	\$ (1,506,447,621)	\$ (1,514,867,578)	\$ (1,442,533,327)	\$ (1,483,814,250)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 429,317,929	\$ 444,343,071	\$ 451,849,321	\$ 476,947,818	\$ 501,372,153	\$ 549,681,586	\$ 610,202,347	\$ 659,038,907	\$ 732,832,234	\$ 733,197,993
Income taxes	317,178,013	346,562,144	379,437,793	409,881,339	409,188,499	404,809,214	423,422,141	435,714,262	440,257,032	480,489,026
Transfer and recordation taxes	80,060,215	96,708,946	127,437,394	174,309,024	238,085,835	221,761,305	136,725,597	92,709,263	95,796,346	90,645,343
Energy taxes	42,919,700	48,292,064	44,876,654	43,203,312	48,281,237	54,373,964	62,747,183	66,805,287	71,280,769	63,880,450
Telecommunications tax	-	34,581,070	45,422,887	48,283,868	48,259,958	55,321,521	52,611,249	49,513,889	44,357,561	41,982,171
Unrestricted State shared tax	24,561,005	23,689,799	18,671,992	23,147,769	28,395,891	29,835,059	28,739,189	25,080,807	1,334,216	1,334,399
Other taxes	18,290,851	17,531,784	18,166,999	18,243,743	22,740,505	19,650,191	22,023,675	19,803,811	21,402,102	20,494,339
Investment earnings	15,628,460	10,034,035	5,854,600	13,506,949	27,856,149	42,680,195	38,333,826	29,435,697	9,101,595	3,122,028
Grants and contributions	9,834,288	9,897,793	9,250,891	9,789,432	10,654,521	9,246,405	9,875,131	1,371,225	1,970,627	1,865,679
Miscellaneous	991,658	392,171	680,963	856,117	1,071,976	1,817,209	7,811,548	543,727	1,492,071	840,412
Total governmental activities	938,782,119	1,032,032,877	1,101,649,494	1,218,169,371	1,335,906,724	1,389,176,649	1,392,491,886	1,380,016,875	1,419,824,553	1,437,851,840
Business-type activities:										
Property taxes	22,335,600	23,054,564	24,018,982	25,224,274	27,556,955	31,851,155	37,941,543	44,151,124	49,419,329	47,579,296
Investment earnings	973,062	1,230,470	2,776,216	3,795,730	6,205,935	8,442,987	8,200,687	5,235,867	3,953,359	2,971,062
Total business-type activities	23,308,662	24,285,034	26,795,198	29,020,004	33,762,890	40,294,142	46,142,230	49,386,991	53,372,688	50,550,358
Total primary government	\$ 962,090,781	\$ 1,056,317,911	\$ 1,128,444,692	\$ 1,247,189,375	\$ 1,369,669,614	\$ 1,429,470,791	\$ 1,438,634,116	\$ 1,429,403,866	\$ 1,473,197,241	\$ 1,488,402,198
Governmental activities										
Extraordinary items										
Asset impairment / insurance recovery (1)	-	-	-	(5,836,654)	7,467,198	7,773,886	8,653,648	-	-	-
Special items	-	-	-	-	-	-	-	-	10,700,000	-
Legal Recovery	-	-	-	-	-	-	-	-	-	-
Business-type activities:										
Special items										
Gain on capital asset due to change in estima	-	-	-	-	8,436,838	-	-	-	3,342,786	-
Change in Net Assets										
Governmental activities	(31,130,497)	9,698,269	62,717,403	137,598,901	79,169,154	50,743,466	(64,845,474)	(89,013,734)	28,398,166	(2,133,294)
Business-type activities	6,700,049	7,817,198	964,960	4,941,070	26,266,676	3,200,119	5,685,617	3,550,022	16,308,534	6,721,242
Total primary government	\$ (24,430,448)	\$ 17,515,467	\$ 63,682,363	\$ 142,539,971	\$ 105,435,830	\$ 53,943,585	\$ (59,159,857)	\$ (85,463,712)	\$ 44,706,700	\$ 4,587,948

Notes:

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

Table 3

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

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (3)
General Fund										
Reserved	\$ 60,994,436	\$ 97,585,536	\$100,234,706	\$111,998,051	\$124,132,311	\$134,748,047	\$148,641,724	\$146,494,025	\$144,338,502	
Unreserved	105,583,878	77,524,012	122,066,432	222,018,213	244,843,858	209,847,753	153,501,293	131,730,338	186,520,591	
Nonspendable	-	-	-	-	-	-	-	-	-	\$ 1,593,534
Restricted	-	-	-	-	-	-	-	-	-	144,187,959
Committed	-	-	-	-	-	-	-	-	-	52,389,072
Assigned	-	-	-	-	-	-	-	-	-	85,733,302
Unassigned	-	-	-	-	-	-	-	-	-	94,256,531
Sub-total General Fund	<u>166,578,314</u>	<u>175,109,548</u>	<u>222,301,138</u>	<u>334,016,264</u>	<u>368,976,169</u>	<u>344,595,800</u>	<u>302,143,017</u>	<u>278,224,363</u>	<u>330,859,093</u>	<u>378,160,398</u>
All Other Governmental Funds										
Reserved	\$ 64,280,697	\$ 82,951,698	\$ 87,486,588	\$ 96,941,880	\$133,640,179	\$234,004,815	\$208,115,317	\$200,562,222	\$147,214,598	
Unreserved										
Special revenue funds	6,052,031	6,332,460	7,217,274	12,148,269	8,420,864	9,879,522	10,253,895	12,254,369	14,585,859	
Capital projects funds	(33,315,843)	(26,843,404)	66,826,238	(18,118,439)	132,311,898	119,329,618	120,072,592	(10,280,606)	6,600,247	
Restricted	-	-	-	-	-	-	-	-	-	\$ 145,408,266
Assigned	-	-	-	-	-	-	-	-	-	5,481,651
Sub-total all other Governmental Funds	<u>\$ 37,016,885</u>	<u>\$ 62,440,754</u>	<u>\$161,530,100</u>	<u>\$ 90,971,710</u>	<u>\$274,372,941</u>	<u>\$363,213,955</u>	<u>\$338,441,804</u>	<u>\$202,535,985</u>	<u>\$168,400,704</u>	<u>\$ 150,889,917</u>
Total all Governmental Funds	<u>\$203,595,199</u>	<u>\$237,550,302</u>	<u>\$383,831,238</u>	<u>\$424,987,974</u>	<u>\$643,349,110</u>	<u>\$707,809,755</u>	<u>\$640,584,821</u>	<u>\$480,760,348</u>	<u>\$499,259,797</u>	<u>\$ 529,050,315</u>

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 921,120,075	\$ 1,009,958,885	\$ 1,072,194,498	\$ 1,186,496,069	\$ 1,306,817,992	\$ 1,334,376,477	\$ 1,335,935,914	\$ 1,348,462,490	\$ 1,412,184,766	\$ 1,423,616,459
Licenses and permits	16,611,586	15,958,685	17,822,954	22,748,523	29,249,555	27,722,783	20,960,406	17,751,849	17,471,856	18,577,036
Fines and forfeitures	2,879,928	2,933,869	3,360,746	3,737,746	3,864,070	3,637,603	3,506,178	4,444,315	4,351,788	5,877,508
Use and money and property	15,411,295	11,330,633	7,128,276	15,696,528	29,649,294	43,789,806	46,107,420	31,177,059	11,966,421	5,821,464
Charges for services	33,935,997	39,603,136	41,773,958	56,285,925	71,311,402	77,527,480	55,874,984	47,463,048	52,725,012	53,795,309
Intergovernmental (1)	128,952,097	128,921,453	129,630,243	127,824,934	135,645,708	134,926,985	128,630,290	132,186,494	212,201,660	207,706,513
Miscellaneous	4,275,065	5,381,399	5,612,509	10,650,794	6,757,912	3,102,382	2,493,716	6,066,125	6,810,373	5,184,078
Total revenues	1,123,186,043	1,214,088,060	1,277,523,184	1,423,440,519	1,583,295,933	1,625,083,516	1,593,508,908	1,587,551,380	1,717,711,876	1,720,578,367
Expenditures										
General Government	134,028,038	130,839,744	156,922,343	209,765,708	208,772,025	209,100,631	209,100,631	187,025,859	195,276,748	214,101,638
Public safety	331,448,643	340,515,309	367,881,878	419,969,267	482,844,406	515,162,619	515,162,619	512,181,110	509,526,761	535,858,802
Public works and transportation	15,728,102	14,637,507	11,943,852	19,261,252	22,581,172	16,821,432	16,821,432	16,986,921	15,855,250	26,947,228
Health	53,716,037	57,620,769	55,474,055	62,801,859	66,657,107	67,390,495	67,390,495	66,145,572	62,534,567	70,336,717
Public Welfare	28,181,330	25,693,398	23,932,372	22,403,113	24,124,657	25,799,663	25,799,663	30,772,563	41,306,745	27,853,947
Capital projects	57,260,328	71,809,754	57,078,754	54,015,564	68,393,656	109,892,836	109,892,836	103,289,706	82,735,106	82,297,319
Education										
Board of Education	545,372,385	584,304,396	612,603,456	660,804,233	657,734,909	665,957,080	665,957,080	652,303,197	684,470,305	656,525,606
Community College	14,594,442	15,675,323	17,183,604	19,441,705	35,272,367	28,438,902	28,438,902	38,415,219	33,644,625	40,125,724
Memorial Library	14,222,787	14,648,659	14,728,625	16,875,719	18,430,402	19,568,825	19,568,825	19,397,277	19,802,615	19,494,605
Debt service										
Interest	36,425,722	39,689,946	41,913,231	47,020,175	68,561,620	69,302,123	69,302,123	74,766,318	78,850,997	86,457,546
Principal	49,116,554	55,865,427	55,422,065	55,774,273	46,804,798	51,231,609	51,231,609	54,073,418	53,598,362	49,896,532
Total expenditures	1,280,094,368	1,351,300,232	1,415,084,235	1,588,132,868	1,700,177,119	1,778,666,215	1,778,666,215	1,755,357,160	1,777,602,081	1,809,895,664
Excess (deficiency) of revenues over (under) expenditures	(156,908,325)	(137,212,172)	(137,561,051)	(164,692,349)	(116,881,186)	(153,582,699)	(185,157,307)	(167,805,780)	(59,890,205)	(89,317,297)

Continued

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

	FISCAL YEARS									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)										
General obligation bonds issued	74,765,000	104,825,000	195,455,000	-	224,750,000	130,515,000	141,475,827	13,494,208	83,110,000	91,480,000
Bond and note premium	3,413,002	21,564	14,843,680	1,288,223	7,211,969	7,758,539	1,662,626	-	2,599,354	6,959,315
Other financing notes payable	-	-	15,809,964	29,552,000	-	18,665,000	-	-	-	-
Capital lease financing	-	-	-	-	-	-	-	2,764,699	-	27,781,000
Reallocation of notes payable	-	-	-	274,687	(56,096)	131,013	-	-	-	-
Transfers in - other funds	59,969,850	64,990,916	67,517,107	78,502,976	116,427,957	88,185,312	78,314,642	100,694,719	94,629,227	98,837,759
Debt Issued:										
Bond proceeds - refunding	70,880,000	-	83,055,000	132,765,000	-	68,615,000	-	-	-	-
Bond premium - refunding	5,046,885	-	11,485,976	11,350,044	-	4,469,091	-	-	-	-
Payment to bond refunding escrow agent	(75,271,303)	-	(93,859,544)	(143,467,041)	-	(72,998,809)	-	-	-	-
Transfers out - other funds	(65,469,850)	(69,876,069)	(74,249,199)	(86,402,976)	(132,602,957)	(137,975,312)	(87,758,842)	(108,972,319)	(101,948,927)	(105,950,259)
Total other financing sources (uses)	<u>73,333,584</u>	<u>99,961,411</u>	<u>220,057,984</u>	<u>23,862,913</u>	<u>215,730,873</u>	<u>107,364,834</u>	<u>133,694,253</u>	<u>7,981,307</u>	<u>78,389,654</u>	<u>119,107,815</u>
Extraordinary items										
Insurance recoveries (2)	-	-	-	8,937,539	7,467,198	7,773,886	8,653,648	-	-	-
Net change in fund balances	<u>\$ (83,574,741)</u>	<u>\$ (37,250,761)</u>	<u>\$ 82,496,933</u>	<u>\$ (140,829,436)</u>	<u>\$ 106,316,885</u>	<u>\$ (38,443,979)</u>	<u>\$ (42,809,406)</u>	<u>\$ (159,824,473)</u>	<u>\$ 18,499,449</u>	<u>\$ 29,790,518</u>
Debt service as a percentage of noncapital expenditures (3)	6.9%	7.3%	7.1%	6.7%	6.9%	7.0%	7.1%	7.7%	7.7%	7.8%

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				
2002	\$ 39,091,455,597	\$ 39,326,337,600	0.9806	76,808,260	1,254,433,430	1,768,081,350	\$ 3,099,323,040	2.4580	\$ 42,425,660,640	99.45%
2003	40,794,370,145	42,546,271,090	0.9801	75,653,720	1,265,665,260	1,696,444,219	3,037,763,199	2.4527	45,584,034,289	96.16
2004	43,066,687,540	45,195,232,850	0.9804	85,226,880	1,215,476,410	1,655,407,832	2,956,111,122	2.4503	48,151,343,972	95.58
2005	46,612,628,987	49,379,361,080	0.9777	48,164,540	1,175,337,090	1,604,883,723	2,828,385,353	2.4521	52,207,746,433	94.71
2006	52,277,304,579	58,874,923,900	0.9801	37,066,180	1,177,751,940	1,608,550,492	2,823,368,612	2.4440	61,698,292,512	89.31
2007	60,716,650,060	69,500,205,330	0.9245	34,671,840	1,172,858,450	1,620,014,257	2,827,544,547	2.4487	72,327,749,877	87.86
2008	72,900,955,419	82,244,049,810	0.9149	32,590,380	1,175,976,540	1,609,855,442	2,818,422,362	2.3116	85,062,472,172	89.02
2009	85,155,247,625	99,986,180,539	0.9066	29,129,440	1,232,270,320	1,392,949,067	2,654,348,827	2.3269	102,640,529,366	85.55
2010	96,054,707,346	102,512,190,089	0.8996	32,392,590	1,291,979,150	1,458,374,079	2,782,745,819	2.2940	105,294,935,908	93.87
2011	95,135,150,806	96,199,089,410	0.8998	48,907,200	1,334,149,600	1,366,211,620	2,749,268,420	2.0000	98,948,357,830	98.92

Notes:

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

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

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

Source: State Department of Assessment and Taxation.

Table 6

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

Fiscal Year	County Direct Rates - Real Property (1)				Overlapping Rates - Real Property		
	General (2)	Pre-Trim (4)	Stormwater Management	Total Direct (3)	State of Maryland	M-NCPPC	WSTC
2002	\$ 0.9246	\$ 0.0020	\$ 0.0540	\$ 0.9806	\$ 0.0840	\$ 0.2440	\$ 0.0260
2003	0.9241	0.0020	0.0540	0.9801	0.0840	0.2440	0.0260
2004	0.9264	-	0.0540	0.9804	0.1320	0.2790	0.0260
2005	0.9237	-	0.0540	0.9777	0.1320	0.2790	0.0260
2006	0.9261	-	0.0540	0.9801	0.1320	0.2790	0.0260
2007	0.9245	-	0.0540	0.9785	0.1120	0.2790	0.0260
2008	0.9149	-	0.0540	0.9689	0.1120	0.2790	0.0260
2009	0.9066	-	0.0540	0.9606	0.1120	0.2790	0.0260
2010	0.8996	-	0.0540	0.9536	0.1120	0.2790	0.0260
2011	0.8998	-	0.0540	0.9538	0.1120	0.2790	0.0260

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
2002	\$ 2.3137	\$ 0.0040	\$ 0.1350	\$ 2.4527	\$ 0.2100	\$ 0.6100	\$ 0.0650
2003	2.3113	0.0040	0.1350	2.4503	0.2100	0.6100	0.0650
2004	2.3171	-	0.1350	2.4521	0.3300	0.6975	0.0650
2005	2.3090	-	0.1350	2.4440	0.3300	0.6975	0.0650
2006	2.3137	-	0.1350	2.4487	0.3300	0.6975	0.0650
2007	2.3116	-	0.1350	2.4466	0.2800	0.6975	0.0650
2008	2.3269	-	0.1350	2.4619	0.2800	0.6975	0.0650
2009	2.2940	-	0.1350	2.4290	0.2800	0.6975	0.0650
2010	2.2724	-	0.1350	2.4074	0.2800	0.6975	0.0650
2011	2.0000	-	0.1350	2.1350	0.2800	0.6975	0.0650

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	
2002	\$ 0.252	0.240	0.554	0.628	0.580	0.640	0.572	0.376	0.500	
2003	0.292	0.250	0.554	0.656	0.580	0.640	0.807	0.045	0.500	
2004	0.292	0.268	0.554	0.696	0.580	0.730	0.790	0.450	0.500	
2005	0.322	0.268	0.620	0.716	0.580	0.730	0.790	0.450	0.500	
2006	0.322	0.285	0.547	0.766	0.630	0.720	0.790	0.450	0.580	
2007	0.352	0.299	0.650	0.766	0.630	0.720	0.790	0.450	0.580	
2008	0.352	0.299	0.730	0.786	0.630	0.720	0.790	0.450	0.580	
2009	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2010	0.380	0.322	0.730	0.786	0.630	0.710	0.790	0.500	0.580	
2011	0.400	0.322	0.730	0.790	0.630	0.710	0.790	0.500	0.580	
Towns										
Fiscal Year	Berwyn Heights	Bladensburg	Brentwood	Capitol Heights	Cheverly	Colmar Manor	Cottage City	Eagle Harbor	Edmonston	Fairmount Heights
2002	\$ 0.474	0.564	0.248	0.440	0.380	0.420	0.400	0.292	0.340	0.300
2003	0.474	0.590	0.248	0.440	0.400	0.450	0.460	0.292	0.400	0.420
2004	0.474	0.579	0.248	0.440	0.400	0.490	0.490	0.292	0.400	0.420
2005	0.486	0.676	0.248	0.428	0.400	0.490	0.690	0.292	0.400	0.420
2006	0.486	0.676	0.248	0.412	0.400	0.490	0.690	0.292	0.450	0.420
2007	0.486	0.676	0.248	0.412	0.450	0.490	0.670	0.292	0.500	0.420
2008	0.486	0.740	0.476	0.412	0.480	0.880	0.640	0.292	0.500	0.420
2009	0.486	0.740	0.443	0.412	0.480	1.000	0.600	0.292	0.600	0.388
2010	0.486	0.740	0.382	0.401	0.480	1.038	0.560	0.292	0.600	0.420
2011	0.486	0.740	0.382	0.039	0.480	1.038	0.520	0.292	0.600	0.420

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)
2002	\$ 0.260	0.246	0.400	0.440	0.288	0.620	0.600	-
2003	0.260	0.246	0.400	0.440	0.288	0.637	0.600	-
2004	0.260	0.246	0.480	0.650	0.288	0.730	0.600	-
2005	0.470	0.296	0.480	0.650	0.288	0.730	0.600	0.240
2006	0.470	0.296	0.480	0.800	0.288	0.677	0.600	0.240
2007	0.470	0.296	0.480	0.800	0.288	0.641	0.600	0.240
2008	0.510	0.275	0.480	0.800	0.288	0.641	0.600	0.240
2009	0.530	0.296	0.480	0.800	0.347	0.641	0.600	0.240
2010	0.530	0.296	0.480	0.780	0.347	0.641	0.541	0.240
2011	0.567	0.336	0.480	0.780	0.347	0.677	0.584	0.240

Notes:

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

Table 8

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

<u>Taxpayer</u>	2011			2002		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total County Taxable Assessed Value</u>
Gaylord National, LLC	\$ 581,995,100	1	1.54%			
Potomac Electric Power Co.	458,167,080	2	1.22%	495,957,350	1	1.18
Verizon Maryland	395,162,460	3	1.06%	474,751,290	2	1.13
Washington Gas Light Company	250,109,353	4	0.67%	163,813,496	5	0.39
Greenbelt Homes, Incorporated	233,512,719	5	0.62%	83,526,562	10	0.20
JKC Stadium (FedEx Field)	208,358,294	6	0.56%	207,937,332	4	0.49
Empirian Village of Maryland, LLC	202,133,413	7	0.54%			
Mirant Chalk Point LLC (1)	162,997,600	8	0.44%	473,756,590	3	1.12%
Baltimore Gas and Electric Co.	153,790,050	9	0.41%	99,407,950	8	0.24
Silver Oaks Campus LLC	143,179,100	10	0.38%			
Safeway Stores, Inc.				110,514,510	7	0.26
Summerfield Housing LTD Partnership				92,635,832	9	0.22
GFS Realty, Inc.				125,837,840	6	0.30

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
2002	\$ 459,483,726	\$ 452,649,953	98.51%	\$ 6,132,786	\$458,782,739	99.84%
2003	476,239,492	469,489,322	98.58	5,854,897	475,344,219	99.81
2004	493,925,578	477,318,393	96.64	15,324,109	492,642,502	99.74
2005	524,436,177	521,001,206	99.34	2,672,449	523,673,655	99.85
2006	578,213,071	574,355,664	99.33	3,137,750	577,493,414	99.88
2007	660,947,420	656,628,114	99.35	3,532,175	660,160,289	99.88
2008	777,425,089	770,467,248	99.35	5,801,765	776,269,013	99.85
2009	903,375,110	897,803,030	99.38	4,074,070	901,877,100	99.83
2010	1,001,271,795	995,260,491	99.40	3,696,678	998,957,169	99.77
2011	987,400,083	981,984,336	99.45	-	981,984,336	99.45

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, 2010

		General Fund							
Delinquent taxes by year		Unincorporated		Railroads and Public Utilities	Corporate Personal Property	Total General Fund			
		Real Property	Business Personal Property						
Year ended									
June 30:									
2011	\$	2,508,704	77,640	18,063	2,548,615	5,153,022			
2010		1,079,568	43,603	-	1,091,772	2,214,943			
2009		737,753	44,968	1	661,139	1,443,861			
2008		539,498	26,232	26,400	518,344	1,110,474			
2007		462,207	24,749	-	278,408	765,364			
2006		410,390	34,508	-	257,325	702,223			
2005		383,119	182,007	-	171,320	736,446			
2004		315,249	697,023	-	214,651	1,226,923			
2003		221,647	501,991	-	134,576	858,214			
2002 and prior		1,005,004	968,075	206	461,746	2,435,031			
Totals	\$	7,663,139	2,600,796	44,670	6,337,896	16,646,501			
		Agency Funds				Enterprise Funds			
Delinquent taxes by year		Maryland-National Capital Park and Planning State	Washington Suburban Sanitary Commission	Incorporated Towns	Washington Suburban Transit Commission	Total Agency Funds	Stormwater Management Fund	Total All Funds	
		Commission	Commission		Commission	Funds	Fund	Funds	
Year ended									
June 30:									
2011	\$	275,193	1,401,286	83,240	299,442	136,991	2,196,152	262,724	7,611,898
2010		93,491	536,867	39,686	136,159	52,750	858,953	99,684	3,173,580
2009		32,800	283,259	19,770	48,566	27,915	412,310	54,149	1,910,320
2008		33,071	238,195	16,087	56,860	23,517	367,730	45,602	1,523,806
2007		9,313	114,090	13,080	6,268	11,066	153,817	21,767	940,948
2006		17,705	93,621	8,366	3,875	8,968	132,535	17,435	852,193
2005		16,700	136,944	8,084	28,384	13,008	203,120	26,075	965,641
2004		10,916	257,792	4,623	22,438	27,920	323,689	56,153	1,606,765
2003		2,883	165,617	5,711	1,409	18,512	194,132	37,058	1,089,404
2002 and prior		10,399	383,214	13,072	8,856	42,885	458,426	86,439	2,979,896
Totals	\$	502,471	3,610,885	211,719	612,257	363,532	5,300,864	707,086	22,654,451

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

Fiscal Year	General Bonded Debt					Percentage of Actual Property Value	Per Capita	Other Governmental Activities Debt				
	General Obligation Bonds	LGIT GOB	State Participation Bonds - Schools	State Participation Bonds - Roads	Maryland CDA Infrastructure Bonds			Certificates of Participation	HUD Section 108 Notes	Maryland Industrial Land Act Loans	MDOT Loans	Capital Leases
2002	574,628,759	12,525,000	-	1,577,203	1.39%	714.23	1,092,700	53,466,363	6,740,000	2,228,696	8,490,603	-
2003	640,793,759	11,680,000	-	812,025	1.43%	786.22	1,047,900	40,330,274	6,385,000	2,139,313	8,553,056	-
2004	789,693,759	10,790,000	-	-	1.66%	957.40	1,001,900	42,774,242	10,522,000	345,851	7,698,779	-
2005	743,973,759	9,845,000	-	-	1.44%	896.86	953,400	63,811,800	11,945,000	327,139	6,773,207	-
2006	923,111,579	8,850,000	-	-	1.51%	1,113.93	903,600	55,886,421	11,455,000	307,109	5,821,916	-
2007	998,731,579	7,795,000	-	-	1.39%	1,208.75	851,300	66,387,883	7,206,000	285,669	4,818,594	-
2008	1,041,496,454	6,675,000	-	-	1.23%	1,262.08	796,500	55,351,920	6,801,000	262,720	3,760,309	-
2009	982,285,646	5,490,000	-	-	0.96%	1,183.59	739,300	42,384,528	6,361,000	238,154	2,643,957	2,764,699
2010	1,002,740,000	4,235,000	-	-	0.96%	1,166.26	679,600	28,935,874	5,893,000	211,859	1,466,254	2,764,699
2011	1,024,770,000	2,905,000	-	-	1.04%	n.a.	617,300	34,717,732	5,395,000	183,713	982,088	10,664,091

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	State Participation Bonds	Certificates of Participation	WSSC Loans	Capital Leases			
2002	70,540,000	44,086,028	46,918	845,042	8,690,000	-	784,957,312	3.08%	952.28
2003	67,530,000	40,360,581	24,155	585,455	6,490,000	-	826,731,518	3.15%	994.96
2004	75,890,000	33,761,193	-	653,667	4,540,000	196,481	977,867,872	3.47%	1,169.55
2005	71,921,748	29,722,552	-	1,248,654	3,245,000	84,525	943,851,784	3.20%	1,122.95
2006	75,226,102	25,584,333	-	1,217,767	2,655,000	-	1,111,018,827	3.65%	1,327.95
2007	74,595,000	21,246,201	-	886,082	2,055,000	-	1,184,858,308	3.74%	1,422.91
2008	81,045,000	16,747,810	-	687,929	1,420,000	-	1,215,044,642	3.71%	1,463.00
2009	76,215,000	12,028,800	-	482,209	745,000	-	1,132,378,293	3.42%	1,356.86
2010	81,225,000	7,083,800	-	266,208	-	-	1,135,501,294	n.a.	1,315.12
2011	104,200,000	5,042,425	-	39,326	-	-	1,189,516,675	n.a.	n.a.

Table 12

PRINCE GEORGE'S COUNTY, MARYLAND
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit:	<u>Debt Outstanding</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
Prince George's County:			
County Government	\$ 1,137,718,438 (1)		
Less: Self supporting debt	<u>423,298,912</u>		
County Government - net	714,419,526	100.00%	<u>714,419,526</u>
Total Net Direct Debt	<u>714,419,526</u>	100.00%	<u>714,419,526</u>
Overlapping areas:			
Maryland-National Capital Park and Planning Commission	65,925,197		
Less: self-supporting debt	65,925,197		
MNCPPC - net	-		
Washington Suburban Sanitary Commission	460,801,558		
Less: self-supporting debt	<u>460,801,558</u>		
WSSC - net	-		
Underlying towns and cities within the County	47,924,159		
Less: self-supporting debt	<u>47,924,159</u>		
Towns and Cities - net	-		
Component Unit:			
IDA of PG County lease revenue bonds	69,401,416		
Less: self-supporting debt	<u>-</u>		
IDA - net	69,401,416	100.00%	<u>69,401,416</u>
Total Net Overlapping Debt	69,401,416	100.00%	<u>69,401,416</u>
Total Net Direct and Overlapping Debt	<u>\$ 783,820,942</u>		<u>\$ 783,820,942</u>

(1) Total does not include certificates of participation, HUD Section 108 notes payable, MDOT loans, or capital leases.

Table 13

PRINCE GEORGE'S COUNTY, MARYLAND
Computation of Direct and Overlapping Debt
June 30, 2011

	Gross debt <u>principal amount</u>	Self-supporting <u>debt</u>	Net debt <u>principal amount</u>
Direct debt:			
Primary government:			
General obligation bonds:			
General purpose	\$ 711,514,526	-	711,514,526
Stormwater management	67,005,000	67,005,000 (1)	-
Solid waste management system	37,195,000	37,195,000 (2)	-
School facilities surcharge - supported	267,940,231	267,940,231 (3)	-
Telecommunications - supported	26,790,000	26,790,000 (4)	-
Mass transit	18,525,243	18,525,243 (5)	-
Local Government Insurance Trust obligation issued on behalf of the County	2,905,000	-	2,905,000 (6)
Maryland Industrial Land Act Loans	183,713	183,713 (7)	-
Maryland Community Development Administration Infrastructure Debt	617,300	617,300 (8)	-
Revenue bonds:			
Solid waste management system	<u>5,042,425</u>	<u>5,042,425 (2)</u>	<u>-</u>
Total direct debt	<u>1,137,718,438</u>	<u>423,298,912</u>	<u>714,419,526</u>
Overlapping debt:			
Other governmental units:			
Maryland-National Capital Park and Planning Commission general obligation bonds	65,925,197	65,925,197 (9)	-
Washington Suburban Sanitary Commission	521,512,292	521,512,292	-
Underlying towns and cities within the County	47,924,159	47,924,159 (10)	-
Component unit:			
Industrial Development Authority of Prince George's County lease revenue bonds	<u>67,524,349</u>	<u>- (11)</u>	<u>67,524,349</u>
Total overlapping debt	<u>702,885,997</u>	<u>635,361,648</u>	<u>67,524,349</u>
Total direct and overlapping debt	<u>\$ 1,840,604,435</u>	<u>1,058,660,560</u>	<u>781,943,875</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) The debt service payments on bonds is a general obligation of the County to which full faith and credit and taxing power are pledged.
- (7) Debt service costs of the Maryland Industrial Land Act notes are reimbursed to the County under loan agreements with developers.
- (8) Debt service costs of the Maryland Community Development Administration note are reimbursed to the County under a loan agreement with Accokeek Volunteer Fire Department.
- (9) At June 30, 2011, the County was contingently liable as guarantor on these bonds issued by the Maryland-National Capital Park and Planning Commission.
- (10) The debt issued by the towns and cities within the County is supported by the revenue sources of the respective towns and cities.
- (11) 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.

Table 14

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

Legal Debt Margin Calculation for Fiscal Year 2011:

Assessable base of Real Property	\$ 96,199,089,410
Assessable base of Personal Property	2,749,268,420
Debt limit (a total of 6% Real Property & 15% of Personal property)	6,184,335,628
Debt applicable to limit:	
General obligation bonds	711,514,526
Total net debt applicable to limit	711,514,526
Legal debt margin	5,472,821,102

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessable Base - Real property	39,326,337,600 \$	42,546,271,090 \$	45,195,232,850 \$	49,379,361,080 \$	58,874,923,900 \$	69,500,205,330 \$	82,244,049,810 \$	99,986,180,539 \$	102,512,190,089	96,199,089,410
Assessable Base - Personal property and operating real property	3,099,323,040	3,037,763,199	2,956,111,122	2,828,385,353	2,823,368,612	2,827,544,547	2,818,422,362	2,654,348,827	2,782,745,819	2,749,268,420
Assessed Value - total										
Debt limit - Percentage of Assessable Base:										
Debt limit (a total of 6% of Real Property Assessable base and 15% of Personal Property Assessable base).	2,824,478,712	3,008,440,745	3,177,988,702	3,387,019,468	3,956,000,726	4,594,144,002	5,357,406,343	6,397,323,156	6,568,143,278	6,184,335,628
Total net debt applicable to limit	<u>589,382,455</u>	<u>654,613,072</u>	<u>800,829,610</u>	<u>754,145,898</u>	<u>898,817,376</u>	<u>976,252,351</u>	<u>1,020,223,283</u>	<u>963,055,594</u>	<u>701,045,978</u>	<u>711,514,526</u>
Legal debt margin	<u>\$ 2,235,096,257</u>	<u>\$ 2,353,827,673</u>	<u>\$ 2,377,159,092</u>	<u>\$ 2,632,873,570</u>	<u>\$ 3,057,183,350</u>	<u>\$ 3,617,891,651</u>	<u>\$ 4,337,183,060</u>	<u>\$ 5,434,267,562</u>	<u>\$ 5,867,097,300</u>	<u>\$ 5,472,821,102</u>
Total net debt applicable to the limit as a percentage of debt limit	20.87%	21.76%	25.20%	22.27%	22.72%	21.25%	19.04%	15.05%	10.67%	11.51%

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 15

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)	
2002	76,704,075	54,696,240	22,007,835	3,551,809	2,224,560	3.81	11,351,872	2,999,544	8,352,328	4,750,000	2,406,327	1.17
2003	74,460,670	55,981,525	18,479,145	3,725,447	831,703	4.05	11,137,827	3,576,468	7,561,359	3,230,633	3,923,900	1.06
2004	78,442,407	61,606,638	16,835,769	3,789,388	1,896,825	2.96	13,228,504	4,732,321	8,496,183	3,874,153	4,524,200	1.01
2005	80,328,572	65,273,312	15,055,260	4,038,641	1,136,613	2.91	13,732,074	4,481,564	9,250,510	3,860,157	4,506,111	1.11
2006	84,557,528	67,134,060	17,423,468	4,098,219	1,065,552	3.37	7,290,715	9,754	7,280,961	2,648,105	4,471,937	1.02
2007	88,577,315	72,991,069	15,586,246	2,648,132	896,467	4.40	7,233,631	9,776	7,223,855	2,652,868	4,327,032	1.03
2008	90,150,726	81,910,241	8,240,485	4,498,391	901,821	1.53	7,114,384	9,740	7,104,644	2,681,618	4,301,679	1.02
2009	90,038,702	82,890,321	7,148,381	4,719,010	683,014	1.32	6,781,700	12,524	6,769,176	2,454,034	4,273,567	1.01
2010	93,076,593	79,534,255	13,542,338	4,945,000	453,396	2.51	6,829,328	13,145	6,816,183	2,482,842	4,255,642	1.01
2011	92,447,372	80,517,079	11,930,293	2,041,375	220,568	5.27	7,877,002	18,205	7,858,797	1,877,068	5,493,438	1.07

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

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

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

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

Table 16

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)
2002	76,124,333	43,964,630	32,159,703	119,171,937	3,551,809	2,224,560	5,776,369	13.18	5.57	20.63
2003	73,600,843	45,380,465	28,220,378	115,232,612	3,725,447	831,703	4,557,150	16.15	6.19	25.29
2004	76,026,670	47,734,034	28,292,636	117,565,728	3,789,388	1,896,825	5,686,213	13.37	4.98	20.68
2005	77,182,008	52,523,127	24,658,881	115,784,103	4,038,641	1,136,613	5,175,254	14.91	4.76	22.37
2006	79,655,114	53,308,233	26,346,881	120,762,728	4,098,219	1,065,552	5,163,771	15.43	5.10	23.39
2007	82,202,081	56,887,188	25,314,893	123,683,976	2,648,132	896,467	3,544,599	23.19	7.14	34.89
2008	84,240,272	64,034,265	20,206,007	109,795,144	4,498,391	901,821	5,400,212	15.60	3.74	20.33
2009	86,550,100	66,452,151	20,097,949	101,193,079	4,719,010	683,014	5,402,024	16.02	3.72	18.73
2010	93,122,207	64,057,763	29,064,444	113,001,227	4,945,000	453,396	5,398,396	17.25	5.38	20.93
2011	92,402,715	63,943,106	28,459,609	112,924,596	2,041,375	220,568	2,261,943	40.85	12.58	49.92

Notes:

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

Table 17

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>
2002	824,290	25,445,330	30,783	471,602	5.1	135,039
2003	830,923	26,248,500	31,429	475,007	5.2	135,439
2004	836,103	28,162,399	33,461	440,424	4.5	137,285
2005	840,513	29,518,546	35,120	445,124	4.5	136,095
2006	836,644	30,412,449	36,351	446,366	4.1	133,325
2007	832,699	31,658,181	38,019	448,144	3.7	131,014
2008	830,514	32,761,012	39,447	454,201	4.5	129,752
2009	834,560	33,079,238	39,637	452,754	7.1	127,977
2010	863,420	n.a.	n.a.	449,371	7.4	127,039
2011	n.a.	n.a.	n.a.	446,864	7.0	126,671

Notes:

(1) Population estimates are from the U.S. Bureau of the Census, updated August 2011.

(2) Bureau of Economic Analysis, U.S. Department of Commerce. (Income data for 2010 and 2011 is not currently available) Calendar year per capita income figures are shown in the above table, updated April 21,

(3) Maryland Department of Labor, Career and Workforce Information, updated July 29, 2011

(4) www.mdreportcard.org, updated June 29, 2011

TABLE 18

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

	2010			2001		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Private Sector Employer			449,371			485,077
United Parcel Service	4,220	1	0.94%	2,300	3	0.47%
Giant Food, Inc.	3,600	2	0.80%	6,152	1	1.27%
Verizon	2,738	3	0.61%			
Dimensions Health Corp.	2,500	4	0.56%	2,100	4	0.43%
Gaylord National Resort and Convention Center	2,000	5	0.45%			
Shoppers Food Warehouse	1,975	6	0.44%	1,975	6	0.41%
Safeway Stores, Inc.	1,605	7	0.36%	2,400	2	0.49%
Chevy Chase Bank	1,456	8	0.32%			
Target	1,400	9	0.31%			
Doctor's Community Hosp.	1,300	10	0.29%			
Southern MD Hospital Center	1,300	10	0.29%	1,300	7	0.27%
Computer Science Corp.				1,200	9	0.25%
Raytheon Systems Company				1,300	8	0.27%
Aetna U. S. Healthcare, Inc.				1,100	10	0.23%
Bell Atlantic Corp./Verizon				2,030	5	0.42%
Public Sector Employers						
University System of Maryland 1/ (includes UMCP, UMUC and	16,014	1				
Joint Base Andrews Naval Air Facility Washington	8,057	2				
Prince George's County Government	7,052	3				
Internal Revenue Service	5,539	4				
United States Bureau of the Census	4,287	5				
NASA/Goddard Space Flight Center	3,171	6				
USDA - Beltsville Agricultural Research Center	1,850	7				
National Maritime Intelligence Center	1,724	8				
Prince George's Community College	1,700	9				
National Oceanic and Atmospheric Administration	1,350	10				

Notes:

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

Employee counts for federal and military facilities exclude contractors.

Sources: Economic development agencies statewide and Maryland Department of Business and Economic Development, revised 2009
 2001 Public Sector Employer information is not available.

Table 19

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

Function/Agency	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
County Executive	44	43	48	48	48	48	48	48	46	45
County Council	86	87	89	97	99	100	111	113	103	101
Human Relations Commission	13	11	10	11	12	12	12	15	13	13
Personnel Board	2	2	2	2	2	2	2	2	2	2
Circuit Court	166	149	149	151	115	120	124	130	130	130
Orphans' Court	5	5	5	6	6	6	6	6	6	6
Office of the State's Attorney	133	136	136	138	142	148	151	154	152	149
Citizen Complaint Oversight Panel	2	2	2	2	2	2	2	2	1	1
Office of Finance	71	73	72	71	73	75	75	76	74	73
Office of Business & Regulatory Affairs	-	-	-	-	-	-	-	-	-	-
Office of Community Relations	10	10	15	17	19	24	26	26	26	25
Office of Management and Budget	21	20	24	24	25	26	27	27	27	26
Board of License Commissioners	6	6	7	7	7	7	7	7	7	7
Office of Law	55	55	54	57	57	57	60	61	60	60
Office of Human Resources Management	52	56	55	61	62	68	69	70	70	70
Office of Info. Tech. & Communications	173	202	48	49	0	0	0	0	0	0
Board of Elections	12	12	13	13	13	16	18	19	19	19
Soil Conservation District	9	9	9	9	10	13	13	13	13	13
Office of Central Services	237	239	239	240	172	180	182	182	178	170
Department of Family Services	61	58	48	52	17	28	28	28	28	31
Housing & Community Development	106	112	112	121	20	22	22	22	22	21
Subtotal	1,264	1,287	1,137	1,176	901	954	983	1,001	977	962
Public Safety										
Department of Environmental Resources	425	421	431	452	233	238	264	263	250	251
Police Department	1,686	1,683	1,675	1,675	1,763	1,904	2,056	2,132	2,123	2,122
Fire/EMS Department	789	786	778	780	804	821	833	849	837	846
Office of the Sheriff	253	250	246	281	274	324	338	347	342	335
Department of Corrections	527	539	529	538	565	602	630	646	637	644
Office of Homeland Security	-	-	167	187	187	190	204	214	214	211
Subtotal	3,680	3,679	3,826	3,913	3,826	4,079	4,325	4,451	4,403	4,409
Public Works										
Department of Public Works & Transportation	378	378	377	379	285	287	288	333	329	319
Subtotal	378	378	377	379	285	287	288	333	329	319
Health Department										
Health Department	531	527	531	527	276	294	291	302	289	261
Subtotal	531	527	531	527	276	294	291	302	289	261
Public Welfare - Department of										
Department of Social Services	24	23	32	36	13	13	14	15	15	14
Child Support Enforcement	-	-	-	-	-	-	-	-	-	-
Subtotal	24	23	32	36	13	13	14	15	15	14
Grand Total	5,877	5,894	5,903	6,031	5,301	5,627	5,901	6,102	6,013	5,965

Source: Office of Management and Budget Current Expense Budget

Table 20

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

<u>Agency/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>estimated</u> <u>2010</u>	<u>projected</u> <u>2011</u>
Circuit Court										
Criminal cases filed	9,460	8,855	8,080	9,167	9,134	8,765	7,823	7,907	8,302	8178
Juvenile cases filed or reopened	6,850	6,369	5,581	1,933	2,189	2,353	2,301	2,633	2,368	2,604
Office of the Sheriff										
Number of warrants on file	n/a	n/a	29,908	30,808	33,171	36,848	42,063	48,307	42,518	63,714
Number of domestic related documents served	n/a	n/a	8,961	8,502	8,882	9,230	9,514	7,496	5,747	4,867
Department of Corrections										
Average daily Correctional Center population	1,022	1,026	1,134	1,214	1,266	1,482	1,462	1,299	1,300	1,524
Number of inmate court appearances	19,348	19,226	18,436	15,583	21,276	21,276	n/a	n/a	n/a	n/a
Police Department										
Number of calls for service	n/a	n/a	528,182	560,327	604,189	655,994	700,000	676,662	782,722	785,000
Number of documented property crimes	n/a	n/a	44,275	42,869	37,505	37,420	36,457	30,714	30,975	29,000
Fire/EMS Department										
Number of fire calls for service	n/a	n/a	29,345	26,463	26,242	25,988	25,252	24,625	24,132	24,000
Office of Homeland Security										
Annual call volume	1,250,493	1,250,712	1,466,408	1,501,270	1,283,628	1,263,349	1,561,500	1,546,600	1,577,000	1,577,000
Public Works & Transportation										
Road miles maintained	1,702	1,722	1,749	1,775	1,789	1,804	1,818	1,818	1,825	1,830
Street resurfacing (in miles)	33.0	40.0	31	33	36	33	30	30	25	25
Department of Environmental Resources										
Abandoned vehicles impounded	6,108	6,522	5,650	4,801	4,800	3,400	n/a	n/a	n/a	n/a
Permits issued by Permits and Review Division	n/a	36,436	37,509	48,604	45,000	45,000	45,000	n/a	n/a	n/a
Soil Conservation District										
Number of new acres covered by completed soil and water quality plans	2,650	1,571	742	1,025	383	1,100	1,760	1,320	1,300	n/a
Department of Family Services										
Number of people requesting disability information and assistance	2,100	2,100	2,473	2,500	2,074	1,216	1,567	2,667	2,500	n/a
Health Department										
Total treatment admissions	930	2,085	3,158	3,309	3,000	n/a	n/a	n/a	n/a	n/a
Housing & Community Development										
Number of new units created	n/a	n/a	1,368	2,186	781	1,345	1,012	1,192	1,200	1,200
Department of Social Services										
Total households receiving energy assistance	3,904	5,336	5,001	5,491	6,062	7,110	8,085	11,005	11,642	12,106

Source: Office of Management and Budget Current Expense Budget

Table 21

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

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Facilities										
District Police Stations	6	6	6	6	6	6	6	6	6	6
Fire and Emergency Rescue Stations	47	47	47	49	44	44	44	44	44	44
Emergency Medical Units	62	56	56	56	53	54	56	56	58	58
Parks/Recreation Facilities (active parks)	522	522	522	358	358	358	564	560	582	583
Multi-Purpose Senior Centers	9	8	8	8	8	8	8	8	7	7
Libraries	20	20	20	20	20	20	18	18	18	19
Public Schools										
Elementary Schools	127	131	131	131	146	146	142	132	131	131
Middle Schools	26	28	28	28	21	21	32	31	29	29
High Schools	23	23	23	23	23	23	24	30	30	30
Special Centers	12	12	12	12	12	12	12	12	11	9
Department of Public Works and Transportation										
Miles of County-maintained Paved Roads	1,702	1,722	1,747	1,772	1,768	1,784	1,818	1,821	1,834	1,862
Signals in Service	216	218	228	230	236	232	183	266	266	267

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

Source: Office of Management and Budget Current Expense Budget