

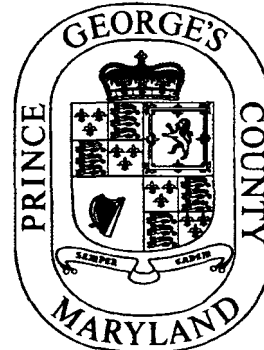
# Comprehensive Annual Financial Report

For the Year Ended June 30, 2010

Jack B. Johnson  
County Executive

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

**Jack B. Johnson  
County Executive**



***2009 - 2010***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2010**

**Prepared by Office of Finance**

**J. Michael Dougherty, Jr., Esq.**

**Director of Finance**

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## **INTRODUCTORY SECTION**

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

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**Prince George's County, Maryland  
Comprehensive Annual Financial Report  
Year Ended June 30, 2010**

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## ELECTED OFFICIALS

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**COUNTY EXECUTIVE**  
**Jack B. Johnson**

**Thomas E. Demoga**  
**COUNTY COUNCIL**  
**Chairman**

Marilynn M. Bland  
Will Campos  
Samuel H. Dean  
Camille A. Exum

Andrea Harrison  
Tony Knotts  
Eric C. Olson  
Ingrid M. Turner, Esq.

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## CERTAIN OTHER EXECUTIVE BRANCH APPOINTED OFFICIALS

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Ralph E. Moultrie, Acting Chief Administrative Officer

Iris B. Boswell, Deputy Chief Administrative Officer

Derrick L. Coley, Chief of Staff

Howard A. Burnett, Deputy Chief Administrative Officer

Stephanie P. Anderson, Esq., County Attorney

David J. Byrd, Deputy Chief Administrative Officer

J. Michael Dougherty, Jr., Esq., Director of Finance

Vernon R. Herron, Deputy Chief Administrative Officer

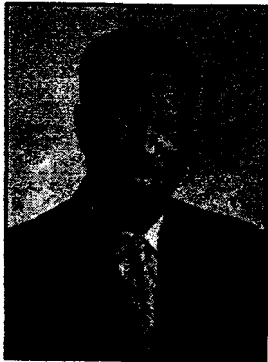
Jonathan R. Seeman, Director, Office of Management and Budget

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## INDEPENDENT AUDITORS

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Clifton Gunderson LLP



Jack B. Johnson  
County Executive



Jack B. Johnson  
County Executive

# Prince George's County Elected Officials



Thomas E. Dernoga  
Chair



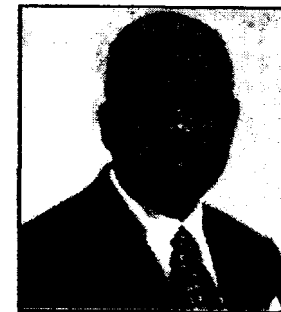
Andrea Harrison  
Vice Chair



Marilynn M. Bland



Will Campos



Samuel H. Dean



Camille A. Exum



Tony Knotts

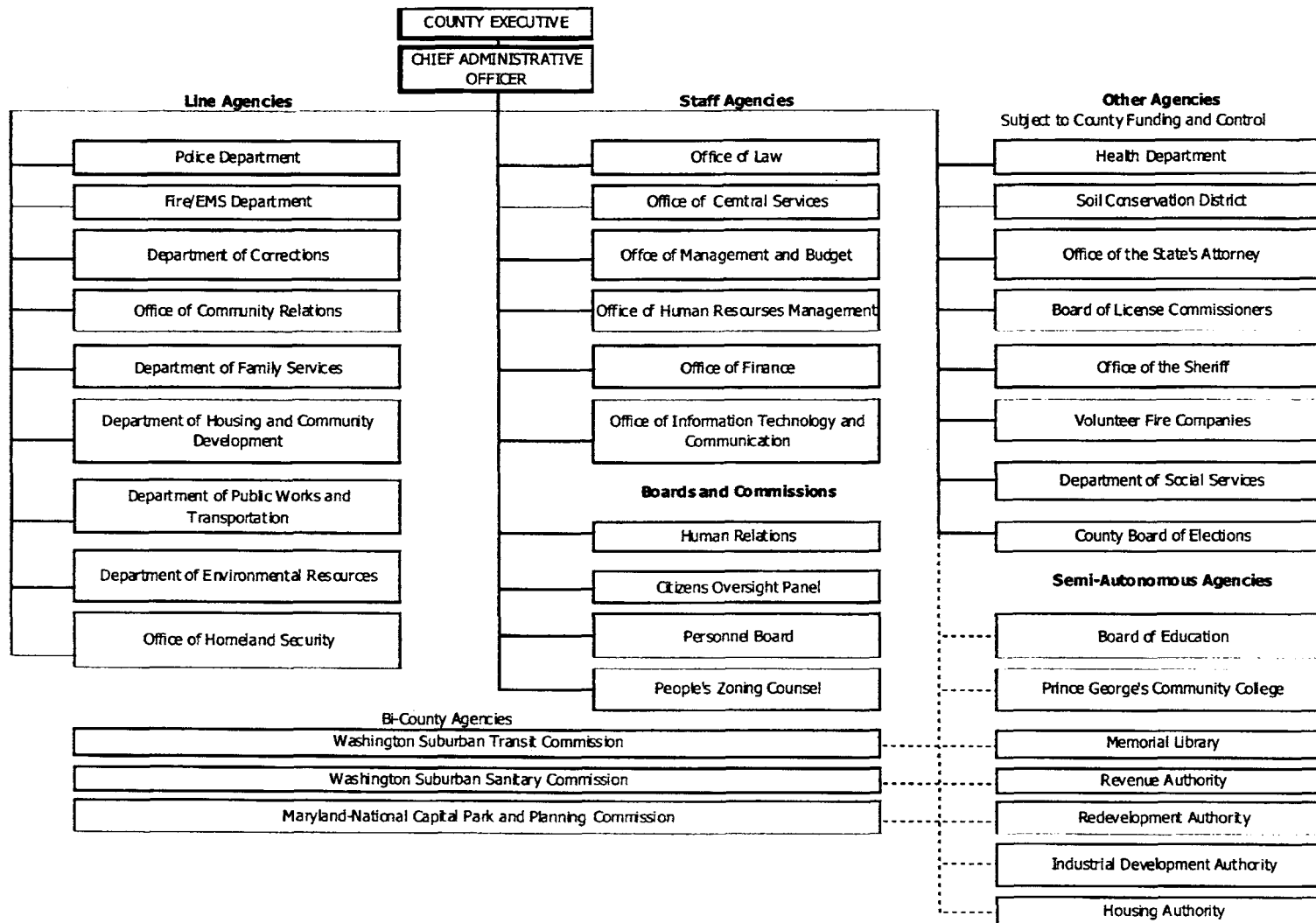


Eric C. Olson



Ingrid M. Turner

**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, 2009

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.



A handwritten signature in black ink, appearing to be "H.P.", written in a cursive style.

President

A handwritten signature in black ink, reading "Jeffrey R. Enow" in a cursive style.

Executive Director

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Prince George's County,  
Maryland



Office of Finance  
Gail D. Francis  
Acting Director of Finance

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December 29, 2010

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, 2010 required by local ordinances and state statutes. These ordinances and statutes stipulate that the County issue annually 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.

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 829,000 residents and 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 2010, the Prince George's County Government withstood the worst national and local economic conditions in nearly 70 years. The deterioration of the housing market and associated weakening of other segments of the economy significantly impacted the County's revenue stream causing severe reductions in funding to County agencies. With that said, the County 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. Our Livable Communities principles guided spending priorities, while prudent fiscal decisions balanced accomplishment of these spending priorities against the framework of sound financial management policies and practices. These precepts are the foundation of both short-term and long-term planning decisions. Livable Communities – The Vision means a community that is culturally and geographically diverse, proudly progressive, united for educational excellence, committed to vibrant economic development, and dedicated to the preservation of natural and historic resources. A community that we all can be proud to call home and one that is attractive to live, work, learn, play, worship, stay healthy and grow old in.

The County's commitment to programs and services continue to help improve the quality of life for our citizens and residents. Some of the major investments in the multiple facets of Livable Communities – described more fully in the fiscal year 2010 budget and briefly summarized below.

### Education

Education remains the County's highest priority with funding to the Board of Education making up close to 63% of all General Fund spending. The fiscal year 2010 budget included \$1.6 billion, a reduction of \$44.7 million from fiscal year 2009. This reduction includes the cut of approximately \$12 million in State aid. The total County contribution for fiscal year 2010 to the BOE was approximately \$615 million, (this includes a \$6.0 million supplemental appropriation) an increase of \$1.0 million from fiscal year 2009.

A Livable Community 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 2010, the County invested funds in the Laurel High School auditorium and classroom addition, the Greenbelt Middle School renovation, and the new SubRegion VI Elementary School. Funding was also included in the budget for major repairs and renovations.

The Honorable County Council,  
County Executive, and County Citizens

The Prince George's Community College received total funding of \$91.1 million in fiscal year 2010, a decrease of 1.8 million from fiscal year 2009. The County has continued its strong commitment to the community college by maintaining its funding level in fiscal year 2010 at approximately \$30.5 million. 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 these projects is a new 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. The Prince George's County Memorial Library System received \$25.9 million in fiscal year 2010, a decrease of \$798,900 from Fiscal Year 2009. The County contribution for fiscal year 2010 was \$17 million, a reduction of \$1.6 million from fiscal year 2009.

### Public Safety

Public Safety is a vital aspect of the County's Livable Communities Initiative and remains among the County's top priorities. Despite difficult fiscal conditions, this sector has made extraordinary progress to in reducing crime and maintaining safe communities. In total, the County invested \$495.6 million in public safety agencies – Police, Fire/EMS, Corrections, Sheriff, Homeland Security and Volunteer Fire – , a decrease of \$11.2 million from fiscal year 2009.

The Police Department received the majority of these funds (\$253.3 million). This was a decrease of \$3.2 million from fiscal year 2009. The Police Department's sworn staffing complement increased by 50 positions from 1,786 in fiscal year 2009 to 1,836 in fiscal year 2010. Its civilian staff was reduced by 9 positions from 346 in fiscal year 2009 to 337 in fiscal year 2010.

The Fire Department received approximately \$112.1 million in Fiscal Year 2010, a decrease of \$15,100, to assist in the delivery of fire and emergency medical system services to our residents. The Fire Department's sworn staffing levels decreased in fiscal year 2010 by 12 positions from 766 in fiscal year 2009 to 754 in fiscal year 2010.

The Office of Homeland Security has also played a critical role in improving the safety of our residents. The fiscal year 2010 budget provided \$18.7 million in funds to Homeland Security which was a reduction of \$1.1 million from fiscal year 2009. The budget also included \$12.2 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 a reduction of \$1.7 million from fiscal year 2009.

The Honorable County Council,  
County Executive, and County Citizens

In fiscal year 2010, the Department of Corrections and the Office of the Sheriff received \$66.8 million and \$32.5 million, respectively. The Department of Corrections' budget was reduced by \$2.9 million from fiscal year 2009. As a result, its civilian staff complement was reduced by 9 positions from 153 in fiscal year 2009 to 144 in fiscal year 2010. The Office of the Sheriff also experienced a decrease in funding this fiscal year of \$1.9 million from \$34.4 million in fiscal year 2009 to \$32.5 million in fiscal year 2010, forcing a reduction to its civilian staffing level by 5 positions from 99 in fiscal year 2009 to 94 in fiscal year 2010.

Funding for several major public safety capital projects was also included in the fiscal year 2010 budget to include a housing unit expansion project and kitchen facility replacement at the County's Correctional Center, two new 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 11.5%. The fiscal year 2010 budget included \$32.5 million in funding for various health and human services programs, including services for the elderly, disabled and families and children in need. The County also invested \$9 million in the Prince George's Hospital System which was a reduction of \$3 million from fiscal year 2009. 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 \$2.9 million in fiscal year 2010, a decrease of \$293,400 from fiscal year 2009. It also received grant revenues of approximately \$16.5 million. New programs instituted during this fiscal period enabled seniors to remain at home instead of going to nursing homes, provided for the expansion of case management services to reduce the number of incarcerated mentally ill, and resolved various ADA compliance issues throughout the County.

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 2010, DSS received \$2.7 million to continue those services, a reduction of \$295,100 from fiscal year 2009. The Health Department received \$24.7 in fiscal year 2010 to continue its mission of protecting and promoting a better quality of life for individuals within Prince George's County. Although this was a reduction of \$2.8 million of general funding from fiscal year 2009, the Health Department's grant funding increased by approximately \$6 million in fiscal year 2010 to provide expanded services relating to HIV/AIDS, addictions treatment programs and a new Operation Safe Kids program.

The Honorable County Council,  
County Executive, and County Citizens

### Housing and Community Development

Another segment of the Livable Communities Initiative 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. 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 2010, DHCD received \$2.2 million from the County, an increase of \$182,600 from fiscal year 2009. It also received grant funding in the amount of \$79.5 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 2010, the DHCD provided housing subsidies to nearly 5,000 families, created housing options for more than 550 residents with needs and created supportive public services for almost 11,000 low and moderate income residents.

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.

### Economic Development

Economic development is a vital component of the Livable Communities' commitment to ensure a high quality of life and the long-term viability of Prince George's County. In fiscal year 2010, the County invested \$4.5 million, a decrease of \$206,900 from fiscal year 2009, in three economic development-related agencies. 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. The Economic Development Corporation received \$2.9 million, the Prince George's Financial Services Corporation received \$613,100, and the Prince George's County Conference and Visitors Bureau received \$950,000 to help promote tourism in the County.

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

The Honorable County Council,  
County Executive, and County Citizens

### Grant Programs

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, Criminal/Civil Justice and Environmental Resources. For example, the Sheriff's Department received \$4.5 million in grant funds this fiscal year, an 81% increase over fiscal year 2009. Other areas receiving the additional funding include \$21.8 million for the Police Department (an 88.9% increase over the fiscal year 2009 budget and includes \$2.4 million in funding to address violent crime); \$3.5 million for the Department of Public Works and Transportation (an 87.9% increase over the fiscal year 2009 budget and includes \$2.0 million for a petroleum reduction technologies project); and \$2.7 million for the Office of the State's Attorney (a 209% increase over the fiscal year 2009 budget and includes \$495,400 for a domestic violence prosecution and victim support program).

### **KEY ECONOMIC FACTORS**

Property tax revenues continue to be a strong source of revenue for Prince George's County. Despite the downturn in the real estate market the past two years, the County has continued to see an increase in Property Tax revenues. The main factor has been the large run-up in assessable value and the County Charter imposed cap on assessment increases. This cap provides a credit to owner occupied properties when the assessable value exceeds the cap imposed limit.

Income tax revenues also exceeded expectations in FY 2010. Despite a rise in the County's unemployment rate, income tax revenues exceeded budget by 8.2%. This is attributable to an increase in the County's income tax rate from 3.1% to 3.2% and the relative stability of the types of jobs held by County residents.

The extreme weather experienced by the Washington, D.C. metropolitan area during the winter of 2009 and 2010, combined with the extreme heat in June 2010 lead to an increase in demand for energy consumption. Energy tax revenues finished 12.5% above budget in FY 2010

### **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 make its main priority providing quality government services for its citizens while maintaining a sound financial position.

The Honorable County Council,  
County Executive, and County Citizens

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

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

The Honorable County Council,  
County Executive, and County Citizens

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 2010. 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, 2009. This was the 30th consecutive year (fiscal years ended 1980 – 2009) 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, 2009. 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. 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  
Ivy Kline

Teresa Pinkney  
Dejuan Shambley  
Ronald Wells

Respectfully submitted,



Gail D. Francis  
Acting Director of Finance



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## **FINANCIAL SECTION**

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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, 2010, and the budgetary comparison for the general fund for the year ended June 30, 2010, 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, Prince George's County Housing Authority, Prince George's County Memorial Library and Prince George's Community Television, Inc., which represent 14% of the total assets and 11% of total revenues of the aggregate discretely presented component units as of and for the year ended June 30, 2010. 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. 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, 2010, 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.

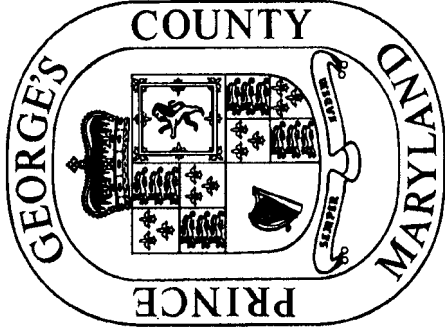
In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2010 on our consideration of Prince George's County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Gunderson LLP*

Baltimore, Maryland  
December 29, 2010



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**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

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PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

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, 2010. 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, 2010 by \$1.5 billion (net assets). The primary government has a negative unrestricted net asset balance of \$518.3 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 \$44.7 million from the previous year. Net assets of governmental activities increased \$28.4 million, while the net assets of business-type activities increased \$16.3 million.
- At June 30, 2010, the County's governmental funds report combined ending fund balances of \$499.3 million, an increase of \$18.5 million in comparison to the previous fiscal year. Of this amount, \$207.7 million remains in various funds of the County as unreserved.
- At June 30, 2010, the unreserved fund balance for the general fund was \$186.5 million, which represents approximately 13.4% of total general fund expenditures for fiscal year 2010.

**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, 2010. 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, 2010

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 109 to 112 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 113 to 117 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, 2010

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 88 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 89 through 91.

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 93 to 131.

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, 2010 were \$1.5 billion. Investment in capital assets such as land, roads, bridges, buildings, machinery and equipment accounts for \$1.63 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, 2010

**Schedules of Net Assets**  
**June 30, 2010 and 2009**  
(in thousands)

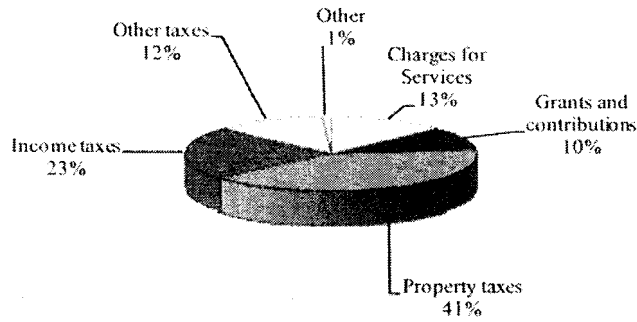
	Governmental activities		Business-type activities		Total	
	2010	2009 restated	2010	2009	2010	2009
Current and other assets	\$ 871,728	841,904	160,778	161,133	1,032,506	1,003,037
Capital assets	2,006,215	1,960,250	245,648	231,398	2,251,863	2,191,648
<b>Total assets</b>	<b>2,877,943</b>	<b>2,802,154</b>	<b>406,426</b>	<b>392,531</b>	<b>3,284,369</b>	<b>3,194,685</b>
Long-term liabilities	1,228,739	1,174,532	164,657	165,808	1,393,396	1,340,340
Other liabilities	381,256	388,071	23,865	25,128	405,121	413,199
<b>Total liabilities</b>	<b>1,609,995</b>	<b>1,562,603</b>	<b>188,522</b>	<b>190,936</b>	<b>1,798,517</b>	<b>1,753,539</b>
Net assets						
Invested in capital assets, net of related debt	1,475,450	1,481,956	156,560	143,086	1,632,010	1,625,042
Restricted	351,254	422,229	20,916	18,389	372,170	440,618
Unrestricted (deficit)	(558,756)	(664,634)	40,428	40,120	(518,328)	(624,514)
<b>Total net assets</b>	<b>\$ 1,267,948</b>	<b>1,239,551</b>	<b>217,904</b>	<b>201,595</b>	<b>1,485,852</b>	<b>1,441,146</b>

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, 2010.

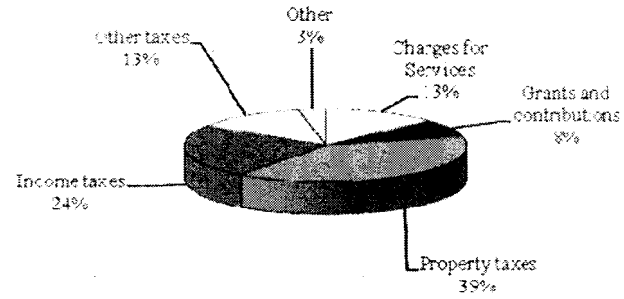
PRINCE GEORGE'S COUNTY, MARYLAND  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2010

The following represents revenues by source and expenditures by function of primary government for the years ended June 30, 2010 and June 30, 2009

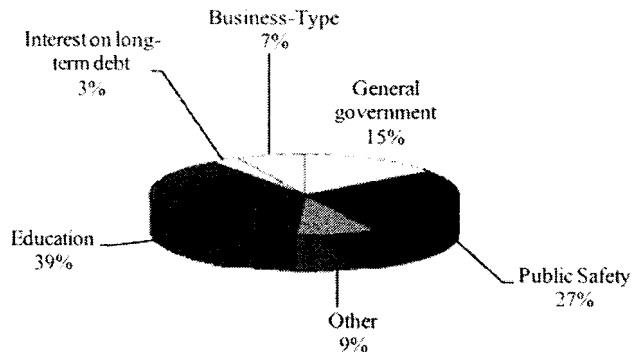
**Revenue by Source FY 2010**



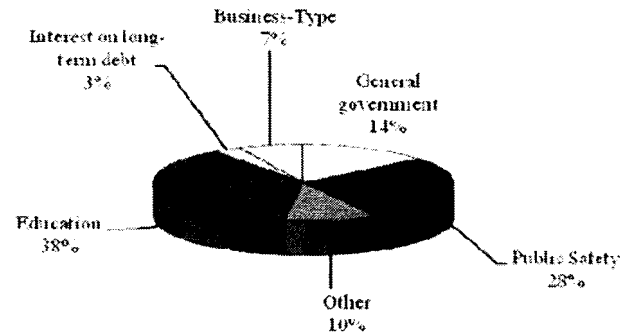
**Revenue by Source FY 2009**



**Expenses by Function FY 2010**



**Expenses by Function FY 2009**

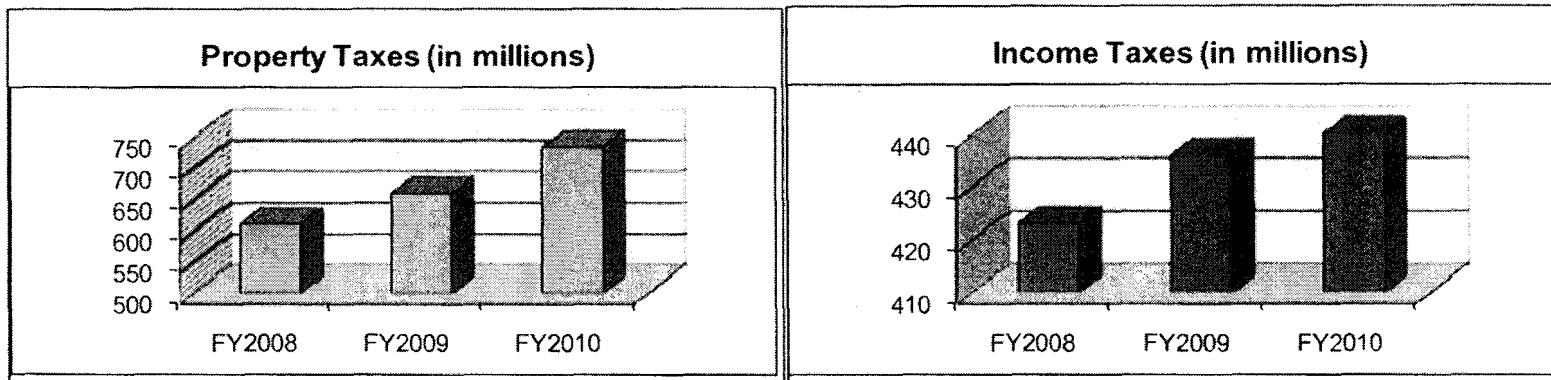


PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

Governmental Activities

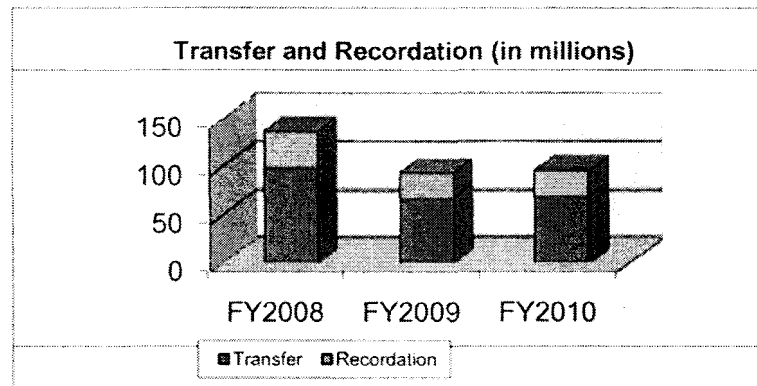
Net assets for the County's governmental activities increased by approximately \$28.4 million in fiscal year 2010.

The County's total revenue from governmental activities was approximately \$1.79 billion in fiscal year 2010 (approximately \$132.1 million more than fiscal year 2009.) Property and income taxes make up approximately 66 percent of this revenue. Property taxes increased by approximately \$73.8 million or 11.0 percent. Despite the weakening housing market, the County's real property tax base continues to grow due to the three-year phase-in assessment policy. In addition, the County's growth in owner occupied property assessment is capped at 3% because of the Homestead Tax Credit, which allows steady growth. Other significant revenue increases include additional operating grants and contribution from Maryland National Capital Park and Planning Commission (\$27.6 million for park and recreation related activities) and Prince George's County Public Schools (11.8 million for debt service.)



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

Transfer and recordation taxes (\$95.8 million), telecommunications taxes (\$44.4 million), and energy taxes (\$71.3 million) comprise the majority of the remaining other taxes. Other taxes increased by approximately \$4.0 million or 1.8 percent. The \$3.1 million increase in transfer and recordation taxes relates to sale of timeshares at National Harbor which generated approximately \$11.5 in revenue. This was the first increase in transfer and recordation taxes in three years.



The County's total expense from governmental activities was approximately \$1.77 billion in fiscal year 2010 (approximately \$25.1 million more than fiscal year 2009.) The categories experiencing the largest increases were general government (approximately \$29.8 million—11.2% increase) and public welfare (approximately \$10.5 million—34.1%). Some of the factors affecting the changes include:

- The County increased expenditures contributions to OPEB and Workers' compensation by approximately \$14.8 million and \$2.0 million respectively.
- Risk Management expenses increased by \$6.6 million mainly due to an increase in workers' compensation claim expenses.
- American Recovery and Reinvestment Act (ARRA) funded grant expenditures generated the majority of the increase in public welfare spending.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

**Schedule of Changes in Net Assets**  
**For the years ended June 30, 2010 and 2009**

	(in thousands)					
	Governmental activities		Business-type activities		Total	
	2010	2009 restated	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	\$ 165,050	137,891	93,945	89,608	258,995	227,499
Operating grants and contributions	153,556	124,104	-	-	153,556	124,104
Capital grants and contributions	49,402	13,743	1,432	210	50,834	13,953
General revenue:						
Property taxes	732,832	659,039	49,419	44,151	782,251	703,190
Income taxes	440,257	435,714	-	-	440,257	435,714
Other taxes	232,837	228,832	-	-	232,837	228,832
Other revenues	13,897	56,431	3,954	5,236	17,851	61,667
Total revenues	<u>1,787,831</u>	<u>1,655,754</u>	<u>148,750</u>	<u>139,205</u>	<u>1,936,581</u>	<u>1,794,959</u>
Expenses:						
General government	293,994	265,213	-	-	293,994	265,213
Public safety	510,354	535,747	-	-	510,354	535,747
Public works and transportation	73,727	76,563	-	-	73,727	76,563
Health	63,571	72,693	-	-	63,571	72,693
Public welfare	41,274	30,775	-	-	41,274	30,775
Education	737,918	710,116	-	-	737,918	710,116
Interest on long-term debt	49,296	54,873	-	-	49,296	54,873
Solid waste	-	-	87,487	99,930	87,487	99,930
Stormwater management	-	-	48,297	35,725	48,297	35,725
Total expenses	<u>1,770,134</u>	<u>1,745,980</u>	<u>135,784</u>	<u>135,655</u>	<u>1,905,918</u>	<u>1,881,635</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	28,397	(90,226)	16,309	3,550	44,706	(86,676)
Net assets - beginning of year, restated	1,239,551	1,329,777	201,595	198,045	1,441,146	1,527,822
Net assets - end of year	<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>

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

Business-type Activities

Business-type activities increased the County's net assets by approximately \$16.3 million in fiscal year 2010. Key elements of this increase are as follows:

- Total nonoperating revenue for the Stormwater Management Fund increased by approximately \$5.3 million or 11.9 percent. This was primarily a result of an increase in real property assessed values that generated a 12% increase in property tax revenue.
- Total operating expenses for the Solid Waste Fund decreased by approximately \$12.2 million or 12.5 percent. This was primarily a result of an overall decrease of depreciation and landfill post closure expenses. Depreciation expense, which includes the landfill, decreased by \$5.5 million or 72.7 percent. This is a result of the increase in capacity of the landfill, thereby increasing its useful life, resulting in a gain of approximately \$3.5 million. The decrease of over \$3.3 million for landfill post closure is also a result of the change in capacity.

**FINANCIAL ANALYSIS OF GOVERNMENT FUNDS**

Governmental Funds

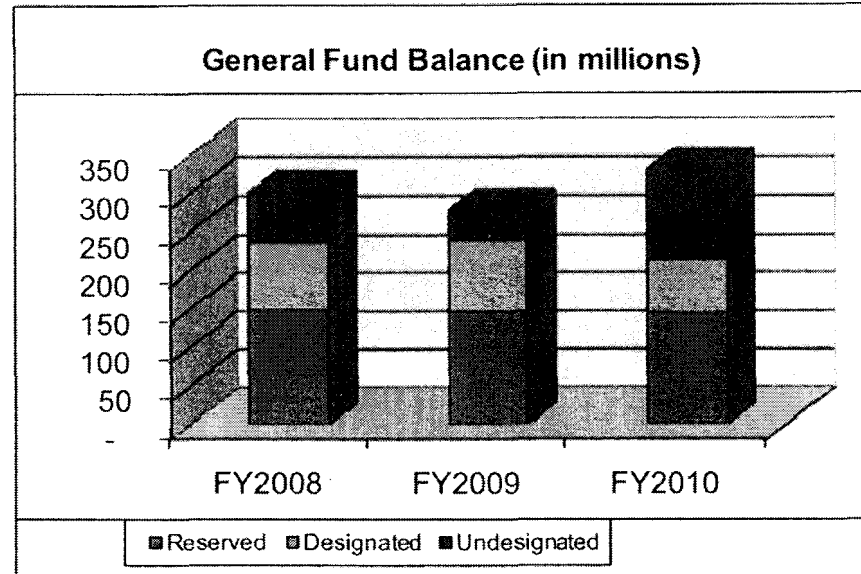
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing the County's financing requirements, unreserved fund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

As of June 30, 2010, County governmental funds reported combined fund balances of \$499.3 million, an increase of \$18.5 million in comparison to the prior year balances. Governmental funds reserved \$291.6 million to meet current commitments in the next fiscal year, including \$52.1 million for contracts and purchase orders not received at year-end, \$130.3 million for a charter-mandated contingency reserve (Rainy Day Fund), \$103.3 million for school construction, and \$5.9 million for other purposes.

The General Fund is the chief operating fund of the County. At June 30, 2010, total fund balance in the general fund was \$330.9 million of which \$186.5 million was unreserved. The General Fund balance increased by \$52.6 million as a result of current fiscal year operations. The following key factors were responsible for the changes:

- Total revenues increased \$87.6 million from fiscal year 2009, which exceeded the final budget by \$54.0 million. The majority of the increase related to property taxes which increased by \$67.7 million due to factors discussed earlier in the governmental activities analysis.
- Total expenditures and transfers out increased by \$8.1 million or less than 1 percent. The government was able to control spending by eliminating cost-of-living and merit increases for fiscal year 2010, extending the 10 day furlough program for a second fiscal year, and maintaining other expenditure controls.

PRINCE GEORGE'S COUNTY, MARYLAND  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2010



Capital Projects Fund expenditures totaled \$157.7 million for fiscal year 2010 compared to \$164.1 million in fiscal year 2009. There was an increase of \$17.2 million in spending on Board of Education projects including \$12.3 million in renovations to Laurel High School. The County spent \$260 thousand on the Duvall Restoration project (Courthouse) in fiscal year 2010 compared to \$13.5 million on the Courthouse in fiscal year 2009. The County costs related to major renovations decreased by \$6.1 million due to a reduction in costs related to the garage renovation. The County also decreased contributions to two major Community College projects (ERP system and Accokeek Hall renovations) by approximately \$7.5 million during fiscal year 2010. Multiple bond sales occurred during fiscal year 2010 generating proceeds of \$83.1 million. There was no bond sale in fiscal year 2009. These factors led to a total decrease in fund balance of approximately \$38.7 million in fiscal year 2010.

Expenditures in the Federal and State Aided Programs Fund increased by approximately \$21.0 million in comparison to fiscal year 2009. Major changes in grant funding during fiscal year 2010 include:

- The County received ARRA funding of \$14.0 million during fiscal year 2010. The majority of the funds were spent for the Neighborhood Stabilization Program.
- An additional \$2.5 million in Police grants including a \$1.5 million increase in expenditures for the COPS Technology grant.
- Homeland Security grant expenditures increased by approximately \$3.6 million, including new grants funds for enhancing public safety communications.
- The \$1 million AMOSS grant previously reported in the General Fund was transferred to the Federal and State Aided Programs fund in 2010.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

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, 2010, total net assets amounted to \$223.0 million for enterprise funds as compared to \$206.2 million at June 30, 2009. Unrestricted net assets of the Stormwater Management Fund at the end of the year amounted to \$40.0 million, and those for the Solid Waste Fund amounted to \$5.5 million. Total net assets increased by \$7.5 million in the Stormwater Management Fund and increased by \$9.3 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 revenue budget was increased by \$6.0 million from the original budget. The additional revenue was due to revised estimated taxes and the funds were transferred to the Prince George's County public schools to fund education. The County also used savings from the Police Department appropriation to increase General Fund appropriations related to increased costs for snow removal. The County took the following measures to reduce County spending:

- 10 day furlough for all County employees.
- \$3.0 million reduction in funding for Dimensions Hospital.
- No COLA's or merit increases for employees.

**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, 2010 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 2.8% (2.3% increase for governmental activities and 7.8% increase for business-type activities.)

Major capital asset events during the year include the following:

- Emergency Communication System project totaling \$45.9 million was completed and transferred to inventory.
- Road and bridge projects totaling \$28.6 million, including Lanham Sound Barriers (\$16.7 million), were completed in 2010 and transferred to inventory.
- Three fire department projects totaling \$10.5 million were completed in 2010 and transferred to inventory.
- Road and bridge project costs, including Suitland Road (\$2.0 million) and Mount Oak/Church Road intersection (\$4.7 million), increased construction in progress by \$15.1 million.
- \$11.9 million increase in construction in progress for Stormwater projects.



PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

The County's capital assets, net of accumulated depreciation, are presented in the following table as of June 30, 2010 and 2009:

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

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 79,828,797	75,153,338	19,737,522	19,737,522	99,566,319	94,890,860
Buildings and improvements	297,677,529	278,080,931	19,314,153	20,185,057	316,991,682	298,265,988
Equipment	34,364,595	41,757,780	7,108,067	7,240,406	41,472,662	48,998,186
Infrastructure	1,510,764,308	1,427,915,312	-	-	1,510,764,308	1,427,915,312
Landfill property in service	-	-	44,179,595	40,836,808	44,179,595	40,836,808
Stormwater property in service	-	-	49,725,926	51,981,908	49,725,926	51,981,908
Construction in progress	83,579,782	137,342,368	105,582,925	91,416,214	189,162,707	228,758,582
Total	\$ <u>2,006,215,011</u>	<u>1,960,249,729</u>	<u>245,648,188</u>	<u>231,397,915</u>	<u>2,251,863,199</u>	<u>2,191,647,644</u>

Additional information on the County's capital assets is located in note 7 on pages 55 to 59 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonded debt outstanding of \$1.10 billion. Of this amount, \$1.09 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**

	Governmental activities		Business-type activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 1,006,975,000	987,775,646	81,225,000	76,215,000	1,088,200,000	1,063,990,646
Revenue bonds	-	-	7,083,800	12,028,800	7,083,800	12,028,800
Total	\$ <u>1,006,975,000</u>	<u>987,775,646</u>	<u>88,308,800</u>	<u>88,243,800</u>	<u>1,095,283,800</u>	<u>1,076,019,446</u>

Total bonded debt of the County increased by \$19.3 million (1.8%) from the previous fiscal year. The key factors in the increase are bond proceeds of \$63.3 million and \$29.6 million issued in October 2009 and December 2009, respectively, and the retirement of \$73.7 million of General Obligation and Revenue Bonds.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

The underlying ratings of the County's general obligation bonds as of June 20, 2010, 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, 2010, 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, 2010, 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 73 of this report.

PRINCE GEORGE'S COUNTY, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010

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

Factors considered in preparing the County's budget for fiscal year 2010 included:

- The unemployment rate in the County increased from 3.9% in January 2008 to 6.5% in January 2009. The percentage is close to the State average but lower than the national average. However, unemployment is expected to increase in fiscal year 2010 due to the weakening economy.
- The office vacancy rate in the County increased from 17.0% in the first quarter of 2008 to 17.6% in the first quarter of 2009. The trend is in line with other jurisdictions in the region.
- Existing home transactions increased by 5.2% in January 2009 compared with January 2008. Existing home prices for the same time period were down by 22.3%. Similarly, neighboring jurisdictions were seeing an increase in sales volume and decrease in sales prices.
- In spite of the housing market downturn, the County's real property assessment base was projected by the State Department of Assessments and Taxation to grow by 11.7% in fiscal year 2010 before the impact of the Homestead Tax Credit.

During fiscal year 2010, the unreserved fund balance in the General Fund increased by \$54.8 million to a total of \$186.5 million. One factor impacting the increase was that actual tax revenue exceeded the estimated revenue by \$52.2 million which was influenced by the performance of property taxes addressed earlier. General fund reserves decreased \$2.1 million mainly due to the decrease in the contingency reserve (which is based on the estimated revenue in the final budget). The County has appropriated \$13.0 million of the unreserved fund balance for fiscal year 2010.

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](mailto:cmcurtis@co.pg.md.us).

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## **BASIC FINANCIAL STATEMENTS**

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets  
June 30, 2010

Exhibit A-1

	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		
<b>ASSETS</b>								
Cash and investments	\$ 430,756,392	58,367,482	489,123,874	42,286,548	78,517,715	120,804,263	-	609,928,137
Cash with fiscal agents	-	12,000	12,000	-	-	-	-	12,000
Receivables (net of allowances for uncollectibles):								
Taxes	9,095,556	666,171	9,761,727	-	-	-	-	9,761,727
Accounts	31,213,564	2,519,780	33,733,344	52,997,508	18,557,942	71,555,450	-	105,288,794
Notes	9,636,902	-	9,636,902	-	-	-	-	9,636,902
Special assessments	9,861	-	9,861	-	-	-	-	9,861
Accrued interest receivable	2,351,603	549,687	2,901,290	-	17,138	17,138	-	2,918,428
Internal balance	5,056,458	(5,056,458)	-	-	-	-	-	-
Due from component units	5,823,354	-	5,823,354	-	-	-	-	5,823,354
Due from primary government	-	-	-	9,970,078	843,396	10,813,474	-	10,813,474
Due from other governmental units	134,221,688	1,556,750	135,778,438	104,259,408	6,471,560	110,730,968	-	246,509,406
Inventories	2,049,441	-	2,049,441	6,297,184	225,199	6,522,383	-	8,571,824
Prepaid costs and deposits	86,403	-	86,403	3,677	1,827,018	1,830,695	-	1,917,098
Restricted assets:								
Cash and investments	241,294,323	87,150,384	328,444,707	-	6,865,327	6,865,327	-	335,310,034
Land	-	-	-	-	4,251,042	4,251,042	-	4,251,042
Capital assets:								
Nondepreciable assets	163,408,579	125,320,447	288,729,026	212,343,365	63,285,220	275,628,585	-	564,357,611
Depreciable assets, net	1,842,806,432	120,327,741	1,963,134,173	831,145,395	164,624,129	995,769,524	-	2,958,903,697
Deferred landfill closure costs	-	13,160,063	13,160,063	-	-	-	-	13,160,063
Deferred debt issue costs, net	82,794	1,851,943	1,934,737	-	1,326,177	1,326,177	-	3,260,914
Other assets	50,000	-	50,000	-	-	-	-	50,000
Total assets	<u>2,877,943,350</u>	<u>406,425,990</u>	<u>3,284,369,340</u>	<u>1,259,303,163</u>	<u>346,811,863</u>	<u>1,606,115,026</u>	<u>-</u>	<u>4,890,484,366</u>
<b>LIABILITIES</b>								
Accounts payable	56,676,808	9,733,868	66,410,676	82,452,143	14,999,876	97,452,019	-	163,862,695
Retainages payable	4,321,190	399,894	4,721,084	1,144,338	-	1,144,338	-	5,865,422
Accrued liabilities	42,039,290	1,907,819	43,947,109	71,870,739	2,008,173	73,878,912	-	117,826,021
Unearned revenue	44,129,056	-	44,129,056	39,521,991	3,022,838	42,544,829	-	86,673,885
Matured bonds and interest payable	-	722,820	722,820	-	-	-	-	722,820
Deposits	53,649,854	191,613	53,841,467	-	1,033,962	1,033,962	-	54,875,429
Due to primary government	-	-	-	1,880,223	3,943,131	5,823,354	-	5,823,354
Due to component units	10,813,474	-	10,813,474	-	-	-	-	10,813,474
Noncurrent liabilities:								
Due within one year	169,625,887	10,909,359	180,535,246	28,465,817	3,468,969	31,934,786	-	212,470,032
Due in more than one year	1,228,739,103	164,656,790	1,393,395,893	377,586,338	76,474,322	454,060,660	-	1,847,456,553
Total liabilities	<u>1,609,994,662</u>	<u>188,522,163</u>	<u>1,798,516,825</u>	<u>602,921,589</u>	<u>104,951,271</u>	<u>707,872,860</u>	<u>-</u>	<u>2,506,389,685</u>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	1,475,449,993	156,560,233	1,632,010,226	947,934,254	178,740,841	1,126,675,095	(435,418,383)	2,323,266,938
Restricted for:								
Capital projects	96,267,488	9,000,000	105,267,488	-	-	-	-	105,267,488
Contingency reserve	130,337,935	-	130,337,935	-	-	-	-	130,337,935
Debt service	105,698,994	3,630,473	109,329,467	-	-	-	-	109,329,467
Restricted for I-net	18,949,702	-	18,949,702	-	-	-	-	18,949,702
Landfill	-	6,454,223	6,454,223	-	-	-	-	6,454,223
Preservation	-	1,831,319	1,831,319	-	-	-	-	1,831,319
Education	-	-	-	-	10,528,885	10,528,885	-	10,528,885
Community development	-	-	-	-	23,143,105	23,143,105	-	23,143,105
Unrestricted (deficit)	(558,755,424)	40,427,579	(518,327,845)	(291,552,680)	29,447,761	(262,104,919)	435,418,383	(345,014,381)
Total Net Assets	<u>\$ 1,267,948,688</u>	<u>217,903,827</u>	<u>1,485,852,515</u>	<u>656,381,574</u>	<u>241,860,592</u>	<u>898,242,166</u>	<u>-</u>	<u>2,384,094,681</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Activities  
For the year ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Board of Education of Prince George's County	Other Component Units	
					Governmental Activities	Business-type Activities			Total
Primary government:									
Governmental activities:									
General government	\$ 293,993,880	60,275,045	56,606,758	36,514,825	(140,597,252)	-	(140,597,252)	-	-
Public safety	510,354,496	38,398,284	29,537,332	4,881,000	(437,537,880)	-	(437,537,880)	-	-
Public works and transportation	73,726,841	57,097,256	2,233,204	7,887,841	(6,508,540)	-	(6,508,540)	-	-
Health	63,570,608	8,140,830	41,360,531	117,954	(13,951,293)	-	(13,951,293)	-	-
Public welfare	41,274,315	1,138,098	23,817,917	-	(16,318,300)	-	(16,318,300)	-	-
Education:									
Board of Education	684,470,305	-	-	-	(684,470,305)	-	(684,470,305)	-	-
Community College	33,644,625	-	-	-	(33,644,625)	-	(33,644,625)	-	-
Memorial Library	19,802,615	-	-	-	(19,802,615)	-	(19,802,615)	-	-
Interest on long-term debt	49,295,577	-	-	-	(49,295,577)	-	(49,295,577)	-	-
Total governmental activities	<u>1,770,133,262</u>	<u>165,049,513</u>	<u>153,555,742</u>	<u>49,401,620</u>	<u>(1,402,126,387)</u>	<u>-</u>	<u>(1,402,126,387)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste	87,486,790	90,575,778	-	-	-	3,088,988	3,088,988	-	-
Stormwater	48,297,374	3,369,309	-	1,432,137	-	(43,495,928)	(43,495,928)	-	-
Total business-type activities	<u>135,784,164</u>	<u>93,945,087</u>	<u>-</u>	<u>1,432,137</u>	<u>-</u>	<u>(40,406,940)</u>	<u>(40,406,940)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 1,905,917,426</u>	<u>258,994,600</u>	<u>153,555,742</u>	<u>50,833,757</u>	<u>(1,402,126,387)</u>	<u>(40,406,940)</u>	<u>(1,442,533,327)</u>	<u>-</u>	<u>-</u>
Component units:									
Board of Education	1,925,251,518	23,896,660	316,239,089	44,764,926	-	-	-	(1,540,350,843)	-
Other Component Units:									
General Government	48,811,624	8,834,690	660,000	7,081,185	-	-	-	-	(32,235,749)
Education	132,251,999	36,962,570	23,207,455	5,663,511	-	-	-	-	(66,418,463)
Community development	82,188,417	2,723,955	71,803,688	5,098,703	-	-	-	-	(2,562,071)
Total component units	<u>\$ 2,188,503,558</u>	<u>72,417,875</u>	<u>411,910,232</u>	<u>62,608,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,540,350,843)</u>	<u>(101,216,283)</u>
General Revenues:									
Property taxes					732,832,234	49,419,329	782,251,563	-	-
Income taxes					440,257,032	-	440,257,032	-	-
Transfer and recordation taxes					95,796,346	-	95,796,346	-	-
Energy taxes					71,280,769	-	71,280,769	-	-
Telecommunications tax					44,357,561	-	44,357,561	-	-
Other taxes					21,402,102	-	21,402,102	-	-
Unrestricted state shared tax					1,334,216	-	1,334,216	-	-
Earnings on investments					9,101,595	3,953,359	13,054,954	415,688	383,878
Unrestricted grants and contributions					1,970,627	-	1,970,627	1,477,802,223	85,906,546
Miscellaneous revenues					1,492,071	-	1,492,071	115,498	1,285,368
Total general revenues					<u>1,419,824,553</u>	<u>53,372,688</u>	<u>1,473,197,241</u>	<u>1,478,333,409</u>	<u>87,575,792</u>
Special items									
Effect on capital asset due to change in estimate					-	3,342,786	3,342,786	-	-
Legal recovery					10,700,000	-	10,700,000	-	-
Change in net assets					28,398,166	16,308,534	44,706,700	(62,017,434)	(13,640,491)
Net assets - beginning of year					1,240,762,670	201,595,293	1,442,357,963	718,399,008	256,080,717
Prior period adjustment					(1,212,148)	-	(1,212,148)	-	(579,634)
Net assets - end of year					<u>\$ 1,267,948,688</u>	<u>217,903,827</u>	<u>1,485,852,515</u>	<u>656,381,574</u>	<u>241,860,592</u>

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Balance Sheet  
Governmental Funds  
June 30, 2010

<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	\$ 311,223,301	1,156,480	400,550	14,584,498	327,364,829
Receivables (net of allowances for uncollectibles):					
Taxes	9,095,556	-	-	-	9,095,556
Accounts	27,605,152	1,000	622,098	-	28,228,250
Notes	714,598	7,915,200	-	-	8,629,798
Special assessments	9,861	-	-	-	9,861
Accrued interest receivable	2,216,419	-	-	-	2,216,419
Due from other funds	26,500,000	-	-	-	26,500,000
Due from component units	3,939,186	-	-	-	3,939,186
Due from other governmental units	95,097,755	36,121,069	2,797,881	204,983	134,221,688
Inventories	1,631,716	-	-	-	1,631,716
Restricted assets:					
Cash and investments	5,171,840	1,830,076	214,666,053	2,177,289	223,845,258
Other assets	50,000	-	-	-	50,000
<b>Total assets</b>	<b>\$ 483,255,384</b>	<b>47,023,825</b>	<b>218,486,582</b>	<b>16,966,770</b>	<b>765,732,561</b>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Compensated absences and termination benefits payable	\$ 604,138	-	-	-	604,138
Accounts payable	29,361,079	7,471,141	15,793,958	16,998	52,643,176
Retainages	-	-	4,321,190	-	4,321,190
Accrued liabilities	25,980,032	1,440,422	-	-	27,420,454
Deferred revenue	63,412,715	27,159,243	-	-	90,571,958
Deposits	26,749,075	17,697	26,821,602	10,000	53,598,374
Due to other funds	-	9,000,000	17,500,000	-	26,500,000
Due to component units	6,289,252	105,246	4,418,976	-	10,813,474
Total liabilities	<u>152,396,291</u>	<u>45,193,749</u>	<u>68,855,726</u>	<u>26,998</u>	<u>266,472,764</u>
Fund balances:					
Reserved	144,338,502	1,830,076	143,030,609	2,353,913	291,553,100
Unreserved:					
Designated, reported in:					
General fund	70,307,014	-	-	-	70,307,014
Special revenue funds	-	-	-	239,300	239,300
Undesignated, reported in:					
General fund	116,213,577	-	-	-	116,213,577
Special revenue funds	-	-	-	14,346,559	14,346,559
Capital projects fund	-	-	6,600,247	-	6,600,247
Total fund balances	<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>
Total liabilities and fund balances	<b>\$ 483,255,384</b>	<b>47,023,825</b>	<b>218,486,582</b>	<b>16,966,770</b>	<b>765,732,561</b>

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, 2010

Total fund balances for governmental funds (Exhibit A-3) \$ 499,259,797

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	\$ 78,828,797	
Infrastructure, net of \$939,467,830 accumulated depreciation	1,510,764,308	
Buildings and improvements, net of \$98,035,312	297,091,718	
Equipment, net of \$102,219,228 accumulated depreciation	31,237,202	
Construction in progress	83,579,782	
Total capital assets		2,001,501,807

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: (12,590,717)

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. 47,846,220

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, 2010 are:

Unmatured accrued interest		(14,192,233)
Long-term liabilities:		
Bonded debt	(1,006,975,000)	
Deferred bond refunding costs	10,229,376	
Unamortized discount (premium)	(40,348,816)	
Capital lease obligations	(2,764,699)	
Pension and OPEB obligations	(94,073,615)	
Compensated absences and termination benefits payable	(83,339,298)	
Notes payable	(35,836,588)	
Arbitrage rebate	(767,546)	
Total long-term liabilities		(1,253,876,186)
Total net assets of governmental activities		\$ 1,267,948,688

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, 2010

	General	Federal and State Aided Programs	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 1,410,645,716	-	-	1,539,050	1,412,184,766
Licenses and permits	17,204,938	-	-	266,918	17,471,856
Fines and forfeitures	2,535,074	-	7,689	1,809,025	4,351,788
Use of money and property	9,834,420	1,133,888	73,276	924,837	11,966,421
Charges for services	34,866,520	1,995,065	-	15,863,427	52,725,012
Intergovernmental	65,231,690	109,615,318	32,471,180	4,883,472	212,201,660
Miscellaneous	1,373,901	527,925	4,885,736	22,811	6,810,373
Total revenues	<u>1,541,692,259</u>	<u>113,272,196</u>	<u>37,437,881</u>	<u>25,309,540</u>	<u>1,717,711,876</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	182,099,684	12,691,382	-	485,682	195,276,748
Public safety	492,130,587	17,395,272	-	902	509,526,761
Public works and transportation	12,209,452	3,645,798	-	-	15,855,250
Health	19,992,475	42,542,092	-	-	62,534,567
Public welfare	2,466,964	38,491,342	-	348,439	41,306,745
Capital projects	-	-	82,735,106	-	82,735,106
<b>Education:</b>					
Board of Education	615,503,900	-	68,966,405	-	684,470,305
Community College	30,484,600	-	3,160,025	-	33,644,625
Memorial Library	17,004,000	-	2,798,615	-	19,802,615
<b>Debt service:</b>					
Principal retirement	14,472,351	468,000	-	63,910,646	78,850,997
Interest	3,310,663	329,846	-	49,957,853	53,598,362
Total expenditures	<u>1,389,674,676</u>	<u>115,563,732</u>	<u>157,660,151</u>	<u>114,703,522</u>	<u>1,777,602,081</u>
Excess of revenues over (under) expenditures	<u>152,017,583</u>	<u>(2,291,536)</u>	<u>(120,222,270)</u>	<u>(89,393,982)</u>	<u>(59,890,205)</u>
<b>Other financing sources (uses):</b>					
General obligation bonds issued	-	-	83,110,000	-	83,110,000
Bond and notes premium	-	-	-	2,599,354	2,599,354
Transfers in - other funds	-	2,149,196	1,000,000	91,480,031	94,629,227
Transfers out - other funds	(99,382,853)	-	(2,566,074)	-	(101,948,927)
Total other financing sources (uses)	<u>(99,382,853)</u>	<u>2,149,196</u>	<u>81,543,926</u>	<u>94,079,385</u>	<u>78,389,654</u>
Net change in fund balances	<u>52,634,730</u>	<u>(142,340)</u>	<u>(38,678,344)</u>	<u>4,685,403</u>	<u>18,499,449</u>
Fund balances, beginning of year	278,224,363	1,972,416	188,309,200	12,254,369	480,760,348
Fund balances, end 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>

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, 2010

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

Net change in fund balances - total governmental funds		18,499,449
Capital Outlay, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Assets.		57,840,303
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.		(63,163,027)
Donated capital assets are reported as revenue on the statement of activities; however, they do not provide current financial resources to the funds.		53,496,760
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenue in the funds. This represents changes in deferred revenue at the fund level.		(8,198,804)
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.		(164,431)
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.		(246,419)
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	\$ (83,110,000)	
Bond and notes premium	(2,599,354)	
Principal payments	<u>78,850,997</u>	
Net adjustment		(6,858,357)
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.		(33,507,308)
Gain due to results appeal of prior year judgement. Amount was reflected a expenditure in prior year government-wide statements, but was designated in the governmental statements.		10,700,000
Change in net assets of governmental activities		<u><u>28,398,166</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,352,358,700	1,358,358,700	1,410,645,716	52,287,016
Licenses and permits	15,723,600	15,723,600	17,204,938	1,481,338
Fines and forfeitures	2,141,500	2,141,500	2,535,074	393,574
Use of money and property	12,356,600	12,356,600	9,834,420	(2,522,180)
Charges for services	24,426,600	24,426,600	34,866,520	10,439,920
Intergovernmental	59,687,900	73,652,300	65,231,690	(8,420,610)
Miscellaneous	14,963,400	999,000	1,373,901	374,901
Total revenues	<u>1,481,658,300</u>	<u>1,487,658,300</u>	<u>1,541,692,259</u>	<u>54,033,959</u>
<b>Expenditures:</b>				
<b>General government:</b>				
County Executive	5,457,300	5,457,300	4,285,285	1,172,015
Legislative Branch	12,638,400	12,638,400	11,244,460	1,393,940
Human Relations Commission	924,900	924,900	896,610	28,290
Circuit Court	13,946,400	13,714,028	13,506,152	207,876
Orphan's Court	385,500	385,500	384,251	1,249
State's Attorney's Office	13,817,900	13,857,900	11,991,828	1,866,072
Personnel Board	278,100	278,100	277,944	156
Office of Finance	4,084,200	4,084,200	4,083,984	216
Citizen Complaint Oversight Panel	248,000	248,000	239,709	8,291
Office of Community Relations	1,916,900	1,916,900	1,898,877	18,023
Office of Management and Budget	2,256,800	2,256,800	2,228,339	28,461
Board of License Commissioners	1,208,200	1,208,200	1,207,733	467
Office of Law	4,073,900	4,073,900	3,396,323	677,577
Office of Human Resource Management	5,991,500	5,991,500	5,948,438	43,062
Board of Elections	2,212,800	2,212,800	2,098,718	114,082
Office of Central Services	16,005,800	17,205,800	17,189,173	16,627
Department of Family Services	2,266,600	2,278,176	1,913,110	365,066
Department of Housing and Community Development	2,172,700	2,172,700	1,953,036	219,664
Non-departmental	112,891,900	115,591,900	115,611,522	(19,622)
Total general government	<u>202,777,800</u>	<u>206,497,004</u>	<u>200,355,492</u>	<u>6,141,512</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, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety				
Department of Environmental Resources	\$ 10,925,100	10,925,100	10,728,180	196,920
Police Department	253,289,600	250,401,300	247,583,798	2,817,502
Fire Department	124,235,500	124,288,400	118,611,613	5,676,787
Sheriff's Department	31,742,400	31,742,400	31,657,315	85,085
Department of Corrections	66,849,800	66,849,800	66,786,151	63,649
Office of Homeland Security	18,737,900	18,737,900	18,715,708	22,192
Total Public Safety	<u>505,780,300</u>	<u>502,944,900</u>	<u>494,082,765</u>	<u>8,862,135</u>
Public works and transportation	11,064,700	12,822,700	12,807,525	15,175
Health	24,284,100	24,284,100	19,993,624	4,290,476
Public welfare	2,723,400	2,723,400	2,559,767	163,633
Education	656,992,500	662,992,500	662,992,500	-
Total expenditures	<u>1,403,622,800</u>	<u>1,412,264,604</u>	<u>1,392,791,673</u>	<u>19,472,931</u>
Excess of revenues over expenditures	<u>78,035,500</u>	<u>75,393,696</u>	<u>148,900,586</u>	<u>73,506,890</u>
Other financing sources (uses):				
Prior year encumbrances cancelled	-	-	3,282,285	3,282,285
Transfers out - other funds	(103,035,500)	(100,393,696)	(99,382,853)	1,010,843
Appropriated fund balance	25,000,000	25,000,000	-	(25,000,000)
Total other financing sources (uses)	<u>(78,035,500)</u>	<u>(75,393,696)</u>	<u>(96,100,568)</u>	<u>(20,706,872)</u>
Deficiency of revenues and other financing sources under expenditures and other uses (budgetary basis)	<u>\$ -</u>	<u>-</u>	<u>52,800,018</u>	<u>52,800,018</u>
Adjustments:				
Prior year encumbrances cancelled			(3,282,285)	
Current year encumbrances outstanding			7,816,490	
Expenditure of prior year encumbrances			(4,699,493)	
Deficiency of revenues and other financing sources over expenditures and other uses (GAAP basis)			52,634,730	
Fund balance, beginning of year			278,224,363	
Fund balance, end of year			<u>\$ 330,859,093</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets  
Proprietary Funds  
June 30, 2010

Assets	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Current assets:				
Cash and investments	\$ 11,673,957	46,693,525	58,367,482	103,391,563
Cash with fiscal agents	12,000	-	12,000	-
Taxes receivable	-	683,675	683,675	-
Less allowance for uncollectibles	-	(17,504)	(17,504)	-
Accounts receivable	3,098,311	-	3,098,311	2,985,314
Less allowance for uncollectibles	(578,531)	-	(578,531)	-
Accrued interest receivable	368,283	181,404	549,687	135,184
Due from component units	-	-	-	1,884,168
Due from other governmental units	511,209	1,045,541	1,556,750	-
Inventories	-	-	-	417,725
Prepaid costs and deposits	-	-	-	86,403
Total current assets	<u>15,085,229</u>	<u>48,586,641</u>	<u>63,671,870</u>	<u>108,900,357</u>
Noncurrent assets:				
Restricted cash and investments				
Self-insurance	-	-	-	17,449,065
Revenue bond operation and maintenance	9,000,000	-	9,000,000	-
Sandy Hill Trust	1,890,485	-	1,890,485	-
Debt service	3,630,473	-	3,630,473	-
Landfill closure	72,250,871	-	72,250,871	-
Unspent bond proceeds	-	378,555	378,555	-
Total restricted cash and investments	<u>86,771,829</u>	<u>378,555</u>	<u>87,150,384</u>	<u>17,449,065</u>
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	(8,835,401)	(200,488)	(9,035,889)	(2,072,245)
Improvements other than buildings	3,203,990	-	3,203,990	328,014
Accumulated depreciation	(3,203,990)	-	(3,203,990)	(310,847)
Equipment	23,349,274	2,100,029	25,449,303	12,507,981
Accumulated depreciation	(17,126,407)	(1,214,829)	(18,341,236)	(9,380,588)
Landfill property in service	121,336,027	-	121,336,027	-
Accumulated depreciation	(77,156,432)	-	(77,156,432)	-
Stormwater property in service	-	90,948,151	90,948,151	-
Accumulated depreciation	-	(41,222,225)	(41,222,225)	-
Construction in progress	12,461,710	93,121,215	105,582,925	-
Total capital assets	<u>93,442,370</u>	<u>152,205,818</u>	<u>245,648,188</u>	<u>4,713,204</u>
Deferred landfill closure costs	13,160,063	-	13,160,063	-
Deferred debt issue costs - net	1,547,569	304,374	1,851,943	82,794
Total noncurrent assets	<u>194,921,831</u>	<u>152,888,747</u>	<u>347,810,578</u>	<u>22,245,063</u>
Total assets	<u>210,007,060</u>	<u>201,475,388</u>	<u>411,482,448</u>	<u>131,145,420</u>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Net Assets, Continued  
Proprietary Funds  
June 30, 2010

Liabilities	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Current liabilities:				
Payable from unrestricted assets:				
Current portion of bonded debt	\$ 4,001,375	3,150,000	7,151,375	-
Current portion of capital lease obligations	-	9,257	9,257	-
Current portion of compensated absences and termination benefits payable	1,018,291	1,762,154	2,780,445	1,373,832
Current portion of notes payable	178,886	47,996	226,882	250,000
Current portion of estimated liability on pending claims	-	-	-	42,328,199
Current portion of postclosure liability	741,400	-	741,400	-
Accounts payable	6,839,249	2,894,619	9,733,868	3,266,086
Retainages	66,377	333,517	399,894	-
Accrued liabilities	1,011,154	896,665	1,907,819	426,603
Unearned revenue	-	-	-	396,214
Matured bonds and interest payable	12,000	710,820	722,820	-
Deposits	80,313	111,300	191,613	51,480
Total current liabilities	<u>13,949,045</u>	<u>9,916,328</u>	<u>23,865,373</u>	<u>48,092,414</u>
Long-term liabilities:				
Bonded debt, less current portion	40,237,425	40,920,000	81,157,425	-
Deferred bond refunding costs	(209,355)	-	(209,355)	-
Unamortized bond premium (discount)	2,017,155	1,253,055	3,270,210	11,200
Capital lease obligations, less current portion	-	29,520	29,520	-
Compensated absences and termination benefits payable, less current portion	-	263,869	263,869	273,201
Notes payable, less current portion	38,281	1,045	39,326	1,100,000
Estimated liability on pending claims, less current portion	-	-	-	99,315,780
Estimated liability for landfill closure costs, less current portion	80,105,795	-	80,105,795	-
Total long-term liabilities	<u>122,189,301</u>	<u>42,467,489</u>	<u>164,656,790</u>	<u>100,700,181</u>
Total liabilities	<u>136,138,346</u>	<u>52,383,817</u>	<u>188,522,163</u>	<u>148,792,595</u>
Net assets (deficit):				
Invested in capital assets, net of related debt	49,323,839	107,236,394	156,560,233	3,434,798
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	3,630,473	-	3,630,473	-
Restricted for landfill closure costs	4,563,738	-	4,563,738	-
Restricted for Chesapeake Bay and tree preservation activities	-	1,831,319	1,831,319	-
Restricted for I-Net	-	-	-	18,949,702
Unrestricted	5,460,179	40,023,858	45,484,037	(40,031,675)
Total net assets (deficit)	\$ <u>73,868,714</u>	<u>149,091,571</u>	<u>222,960,285</u>	<u>(17,647,175)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(5,056,458)	
Net assets of business-type activities			<u>\$ 217,903,827</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, 2010

	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Operating revenues:				
Premium contributions	\$ -	-	-	113,780,237
Licenses and permits	-	3,369,309	3,369,309	-
Sales	972,871	-	972,871	19,946,725
Charges for services	89,099,107	-	89,099,107	13,307,688
Use of money and property - rentals	-	-	-	223,233
Miscellaneous	503,800	-	503,800	2,035,005
Total operating revenues	<u>90,575,778</u>	<u>3,369,309</u>	<u>93,945,087</u>	<u>149,292,888</u>
Operating expenses:				
Salaries	8,027,981	14,862,794	22,890,775	9,935,826
Project charges - salaries/recoveries	7,465,479	3,578,067	11,043,546	-
Fringe benefits	6,521,600	8,103,299	14,624,899	4,668,341
Contractual services	33,561,720	-	33,561,720	8,302,941
Materials	-	-	-	6,145,379
Rent	-	-	-	393,941
General and administrative	23,957,476	17,061,522	41,018,998	8,492,303
Depreciation and amortization	2,064,607	2,566,843	4,631,450	1,997,761
Insurance claims and premiums	-	-	-	114,706,633
Landfill postclosure expense	3,629,303	-	3,629,303	-
Other	-	-	-	3,364,101
Total operating expenses	<u>85,228,166</u>	<u>46,172,525</u>	<u>131,400,691</u>	<u>158,007,226</u>
Operating income (loss)	<u>5,347,612</u>	<u>(42,803,216)</u>	<u>(37,455,604)</u>	<u>(8,714,338)</u>
Nonoperating revenues (expenses):				
Taxes	-	49,419,329	49,419,329	-
Interest income	2,500,815	1,452,544	3,953,359	810,613
Interest expense	(2,092,136)	(2,037,064)	(4,129,200)	(61,564)
Debt issuance costs	(77,191)	(10,771)	(87,962)	(4,615)
Gain (loss) on sale of capital assets	285,544	(400)	285,144	(47,670)
Total nonoperating revenues (expenses)	<u>617,032</u>	<u>48,823,638</u>	<u>49,440,670</u>	<u>696,764</u>
Income (loss) before contributions and transfers	<u>5,964,644</u>	<u>6,020,422</u>	<u>11,985,066</u>	<u>(8,017,574)</u>
Transfers in - other funds	-	-	-	7,319,700
Capital contributions	-	1,432,137	1,432,137	-
Special item:				
Effect on capital asset due to change in estimate	3,342,786	-	3,342,786	-
Change in net assets	<u>9,307,430</u>	<u>7,452,559</u>	<u>16,759,989</u>	<u>(697,874)</u>
Net assets - beginning of year	64,561,284	141,639,012	-	(15,737,153)
Prior period adjustment	-	-	-	(1,212,148)
Net assets, beginning of year as restated	<u>64,561,284</u>	<u>141,639,012</u>	<u>-</u>	<u>(16,949,301)</u>
Net assets - end of year	<u>\$ 73,868,714</u>	<u>149,091,571</u>	<u>(451,455)</u>	<u>(17,647,175)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(451,455)	
Change in net assets of business-type activities			<u>\$ 16,308,534</u>	

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
Statement of Cash Flows  
Proprietary Funds  
For the year ended June 30, 2010

	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 90,303,867	3,369,309	93,673,176	143,059,388
Cash payments to suppliers for goods and services	(56,720,067)	(15,731,209)	(72,451,276)	(77,919,420)
Cash payments to employees for services	(21,913,266)	(26,460,385)	(48,373,651)	(14,569,156)
Premium and claim payments	-	-	-	(48,969,735)
Other cash receipts	-	-	-	590,996
Net cash and cash equivalents provided (used) by operating activities	<u>11,670,534</u>	<u>(38,822,285)</u>	<u>(27,151,751)</u>	<u>2,192,073</u>
Cash flows from noncapital financing activities:				
Tax collections	-	49,364,070	49,364,070	-
Transfer from General Fund	-	-	-	7,319,700
Net cash and cash equivalents provided by noncapital financing activities	<u>-</u>	<u>49,364,070</u>	<u>49,364,070</u>	<u>7,319,700</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of property, plant and equipment	(3,342,405)	(11,864,099)	(15,206,504)	(7,008)
Capital grants	-	555,964	555,964	-
Proceeds of bonded debt	10,143,919	-	10,143,919	-
Payment of bond issue costs	(33,833)	-	(33,833)	-
Principal payments on bonded debt	(6,855,000)	(2,905,000)	(9,760,000)	-
Principal payments on notes payable	(170,822)	(798,691)	(969,513)	(240,000)
Interest payments	(2,009,974)	(2,075,164)	(4,085,138)	(51,211)
Net cash and cash equivalents used in capital and related financing activities	<u>(2,268,115)</u>	<u>(17,086,990)</u>	<u>(19,355,105)</u>	<u>(298,219)</u>
Cash flows from investing activities:				
Interest on investments	2,539,882	1,629,573	4,169,455	922,967
Net cash and cash equivalents provided by investing activities	<u>2,539,882</u>	<u>1,629,573</u>	<u>4,169,455</u>	<u>922,967</u>
Net increase (decrease) in cash and cash equivalents	11,942,301	(4,915,632)	7,026,669	10,136,521
Cash and cash equivalents, beginning of year	86,515,485	51,987,712	138,503,197	110,704,107
Cash and cash equivalents, end of year	<u>\$ 98,457,786</u>	<u>47,072,080</u>	<u>145,529,866</u>	<u>120,840,628</u>
Classified as:				
Current assets	\$ 11,685,957	46,693,525	58,379,482	103,391,563
Restricted assets	86,771,829	378,555	87,150,384	17,449,065
	<u>\$ 98,457,786</u>	<u>47,072,080</u>	<u>145,529,866</u>	<u>120,840,628</u>

(Continued)



PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Cash Flows, Continued  
 Proprietary Funds  
 For the year ended June 30, 2010

	Business-type Activities - Enterprise Funds			Governmental
	Solid Waste Fund	Stormwater Management Fund	Total	Activities- Internal Service Funds
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 5,347,612	(42,803,216)	(37,455,604)	(8,714,338)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation and amortization	2,064,607	2,566,843	4,631,450	1,997,761
Provision for doubtful receivables	74,882	-	74,882	-
Effect of changes in operating assets and liabilities:				
Accounts receivable	(367,445)	-	(367,445)	(1,007,628)
Inventories	-	-	-	(73,826)
Due from other governmental units	20,652	-	20,652	-
Prepaid costs	-	-	-	(42,268)
Deferred landfill closure costs	7,430,525	-	7,430,525	-
Compensated absences and termination benefits payable	289	42,318	42,607	11,280
Accounts payable	1,597,038	1,586,501	3,183,539	1,000,323
Retainages	(267,385)	(12,688)	(280,073)	-
Accrued costs	101,505	41,457	142,962	23,835
Deferred revenue	(9,845)	-	(9,845)	(2,743,946)
Deposits	-	(243,500)	(243,500)	-
Due from component units	-	-	-	(1,884,168)
Estimated liability for landfill closure costs	(4,321,901)	-	(4,321,901)	-
Estimated liability on pending claims	-	-	-	13,625,048
Total adjustments	6,322,922	3,980,931	10,303,853	10,906,411
Net cash and cash equivalents provided (used) by operating activities	\$ 11,670,534	(38,822,285)	(27,151,751)	2,192,073
Non-cash investing, capital and related financing activities:				
Decrease (increase) in accrued interest receivable	\$ 213,262	176,636	389,898	112,355

See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Net Assets  
 Fiduciary Funds  
 June 30, 2010

	Pension and Other Postemployment Benefit Trust Funds	Agency Funds
<b>Assets:</b>		
Equity in pooled cash and investments	\$ 15,715,897	9,926,291
Collateral for loaned securities	122,616,232	-
<b>Investments:</b>		
Pooled separate accounts	261,309,047	-
U.S. Government & agency securities	26,043,749	-
Corporate bonds	80,251,340	-
Common stock	155,452,345	-
Real Estate Investment Trust	2,802,950	-
International Government securities	481,584	-
Preferred stock	665,665	-
Asset backed securities	21,261,400	-
Money market funds	355,044,900	-
Short-term investments	30,775,599	-
Alternative investments	160,466,675	-
<b>Receivables:</b>		
Taxes	-	6,172,944
Accounts	439,016	479
Accrued interest receivable	1,948,016	-
Prepaid costs and deposits	35,350	-
Total assets	<u>1,235,309,765</u>	<u>16,099,714</u>
<b>Liabilities:</b>		
Collateral for loaned securities payable	122,616,232	-
Accounts payable	564,276	47,248
Accrued costs	9,367,140	-
Due to other governmental units	-	13,609,342
Funds held in trust	-	2,443,124
Total liabilities	<u>132,547,648</u>	<u>16,099,714</u>
<b>Net assets:</b>		
Net assets held in trust for benefit payments	<u>\$ 1,102,762,117</u>	<u>-</u>

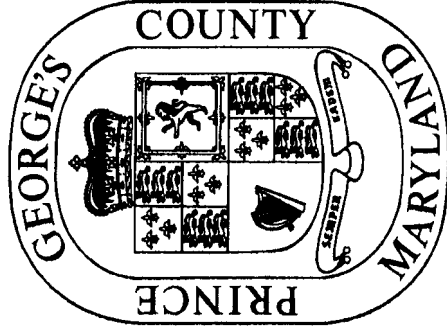
See accompanying notes to financial statements.

PRINCE GEORGE'S COUNTY, MARYLAND  
 Statement of Changes in Net Assets  
 Fiduciary Funds  
 For the year ended June 30, 2010

	<u>Pension and Other Postemployment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 115,771,515
Employee	26,144,561
Other	756,814
Total contributions	<u>142,672,890</u>
Investment income :	
Net appreciation in fair value of investments	118,469,835
Interest and dividends	30,187,471
Total investment income	<u>148,657,306</u>
Less investment expense	5,572,093
Net investment income	<u>143,085,213</u>
Total additions	<u>285,758,103</u>
Deductions:	
Benefits	150,981,000
Refunds of contributions	3,968,593
General and administrative expenses	2,984,424
Total deductions	<u>157,934,017</u>
Net increase	127,824,086
Net assets held in trust for benefit payments, beginning of year	<u>974,938,031</u>
Net assets held in trust for benefit payments, end of year	<u>\$ 1,102,762,117</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, 2010

PRINCE GEORGE'S COUNTY  
Notes to Financial Statements

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

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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.

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.

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 judgements, 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 reservation 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.
- Prior to June 1, the budget is legally enacted through passage of an ordinance.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

- 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 2010, such supplemental appropriations amounted to a \$6.0 million increase in the Primary Government's General Fund budget (major fund).
- All unencumbered appropriations in the General Fund lapse at the end of the fiscal year.

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

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

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

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

(e) Cash and Cash Equivalents

For Statement of Cash Flows purposes, the Primary Government defines cash equivalents to include the following: all highly liquid, unrestricted investments with a maturity of three months or less when purchased; all cash and investment pools which are used essentially as demand accounts; all cash with fiscal agents; and all restricted cash and investments 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, 2010.

(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	\$ 7,543,767
Federal and State Aided Fund	7,017,118
Solid Waste Fund	578,531
Stormwater Management Fund	<u>17,504</u>
	<u>\$ 15,156,920</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, 2010, there were approximately \$14.9 million of outstanding loans receivable under these programs. Approximately \$7.9 million of these loans are offset by equivalent deferred revenue in the Federal and State Aided Programs Special Revenue Fund. The remaining \$7.0 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, 2010 are recorded as prepaid expenses.

(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 \$827,136 and \$115,089 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 of 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) Reserved and Designated Fund Balances

In the governmental funds financial statements, portions of the County's fund balances are reserved for specific future uses. Such reservations evidence third party claims that have not materialized as liabilities at the balance sheet date, or assets that - because of their non-monetary nature or lack of liquidity, e.g., inventories - represent financial resources not available for current appropriation or expenditure. Designations represent management's tentative plans for future use of financial resources.

(q) 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 \$7,380,161, amounted to \$9,095,556.

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 2010, \$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 (\$435,418,383). 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 2010, the County implemented Governmental Accounting Standards Board (GASB) Statement 51, "Accounting and Financial Reporting for Intangible Assets" This Statement establishes accounting and financial reporting requirements for intangible assets. The County evaluated its current policies related to intangible assets and also reviewed the treatment of current internally generated software applications. Adoption of this standard had no material impact on the County's current financial statements.

In Fiscal Year 2010, the County implemented GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instruments. Additions were made to the cash and investments note disclosures to comply with this standard.

(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, 2010 was \$76,524,236. The County increased normal risk management contributions by 10.2% in fiscal year 2010; however, this was offset by a \$13.6 million increase 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.

(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.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

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

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting the exposure to fair value losses arising from rising interest rates, the Primary Government's investment policy limits investments with maturities greater than one year to a calculation based on 50% of the average of the investment low point for the last three years. Investments made with unspent bond proceeds may not have a maturity greater than 3 years at time of purchase. At June 30, 2010, investments with maturities greater than one year at the time of purchase were 51.4% of the portfolio. The table below includes the Primary Government's fixed income holdings by investment type, fair value, and maturity:

<b>Primary Government Investments (in thousands)</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 year</b>	<b>1 to 5</b>
U.S. Agency Securities	\$ 456,231	136,425	319,806
Bank Interest Bearing Savings Account	122,676	122,676	-
Certificates of Deposit	78,000	78,000	-
Money Market Mutual Funds	3,000	3,000	-
Local Government Investment Pool	169,000	169,000	-
	<b>\$ 828,907</b>	<b>509,101</b>	<b>319,806</b>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

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

Investment Type	OPEB Fund Investments (in thousands)				
	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10
U.S. Government securities	\$ 1,521	-	1,521	-	-
U.S. Agency securities	3,400	-	3,400	-	-
Corporate bonds	11,614	-	2,686	7,751	1,177
Foreign government investment	100	100	-	-	-
Asset-backed securities	5,340	-	-	-	5,340
Short-term investments	15,996	15,996	-	-	-
<b>\$</b>	<b>37,971</b>	<b>16,096</b>	<b>7,607</b>	<b>7,751</b>	<b>6,517</b>

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

Investment Type	Pension Fund Investments (in thousands) <sup>(1)</sup>				
	Fair Value	Less than 1 year	1 to 5	6 to 10	over 10
U.S. Government Securities	\$ 3,473	-	1,678	264	1,532
U.S. Agency Securities	22,343	201	11,129	5,029	5,984
Corporate Bonds	83,412	501	28,891	48,897	5,122
Asset-Backed Securities	35,802	-	3,205	3,997	28,600
Short-Term Investments	21,514	21,514	-	-	-
<b>\$</b>	<b>166,544</b>	<b>22,216</b>	<b>44,903</b>	<b>58,187</b>	<b>41,238</b>

<sup>(1)</sup> Table does not include International Government Securities or Real Estate Investment Trust investments. Investments do not have maturity dates.

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

(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, 2010, 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	\$ 456,231	Aaa	AAA	72.62%
Government Money Market Mutual Funds	3,000	Aaa	AAAm	0.48%
Maryland Local Government Investment Pool	169,000	NR	AAAm	26.90%
	<u>\$ 628,231</u>			

As of June 30, 2010, 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	\$ 547	AAA	1.50%	Corporate bonds	\$ 547	AAA	1.50%
Corporate bonds	6,276	A	17.22%	Corporate bonds	6,821	A	18.71%
Corporate bonds	4,544	BAA	12.47%	Corporate bonds	4,137	BBB	11.35%
Corporate bonds	138	BA	0.38%				
Corporate bonds	110	NR	0.30%	Corporate bonds	110	NR	0.30%
Foreign government investments	100	NR	0.27%	Foreign government investments	100	NR	0.27%
Asset-Backed securities	5,340	AAA	14.65%	Asset-Backed securities	5,340	AAA	14.65%
Short-Term investments	15,996	NR	43.88%	Short-Term investments	15,996	NR	43.88%
U.S. Agency securities	3,299	AAA	9.05%	U.S. Agency securities	3,299	AAA	9.05%
U.S. Agency securities	101	AA	0.28%	U.S. Agency securities	101	AA	0.28%
	<u>\$ 36,451</u>				<u>\$ 36,451</u>		

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. As of June 30, 2010 the Plans had investments in the following issuers with credit quality ratings as a percentage of the total investments in debt securities:

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. As of June 30, 2010 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 <sup>(1)</sup>							
Credit Risk							
Investment Type	Amount	Moody's	%	Investment Type	Amount	S&P	%
U.S. Agency Securities	\$ 14,773	Aaa	9.06%	U.S. Agency Securities	\$ 14,467	AAA	8.87%
U.S. Agency Securities	1,534	Aa	0.94%	U.S. Agency Securities	2,179	AA	1.34%
U.S. Agency Securities	754	Aa	0.46%	U.S. Agency Securities	1,935	A	1.19%
U.S. Agency Securities	704	Baa	0.43%	U.S. Agency Securities	268	BBB	0.16%
U.S. Agency Securities	3,619	NA	2.22%	U.S. Agency Securities	2,130	NA	1.31%
U.S. Agency Securities	959	NR	0.59%	U.S. Agency Securities	1,364	NR	0.84%
Short-Term Investments	21,514	NR	13.19%	Short-Term Investments	21,514	NR	13.19%
Corporate Bonds	2,572	Aaa	1.58%	Corporate Bonds	2,020	AAA	1.24%
Corporate Bonds	7,760	Aa	4.76%	Corporate Bonds	3,968	AA	2.43%
Corporate Bonds	16,605	A	10.18%	Corporate Bonds	20,043	A	12.29%
Corporate Bonds	5,243	Baa	3.22%	Corporate Bonds	6,058	BBB	3.71%
Corporate Bonds	5,298	Ba	3.25%	Corporate Bonds	14,136	BB	8.67%
Corporate Bonds	38,661	B	23.71%	Corporate Bonds	30,299	B	18.58%
Corporate Bonds	4,186	CAA	2.57%	Corporate Bonds	4,048	CCC	2.48%
Corporate Bonds	1,900	NA	1.17%	Corporate Bonds	1,888	NA	1.16%
Corporate Bonds	1,187	NR	0.73%	Corporate Bonds	952	NR	0.58%
Asset-Backed Securities	2,425	Aaa	1.49%	Asset-Backed Securities	1,873	AAA	1.15%
Asset-Backed Securities	1,230	Aa	0.75%				
Asset-Backed Securities	1,058	A	0.65%	Asset-Backed Securities	1,829	A	1.12%
Asset-Backed Securities	478	Baa	0.29%	Asset-Backed Securities	478	BBB	0.29%
Asset-Backed Securities	951	NA	0.58%	Asset-Backed Securities	1,503	NA	0.92%
Asset-Backed Securities	3,201	NR	1.96%	Asset-Backed Securities	3,660	NR	2.24%
Mortgage-Backed Securities	23,535	AAA	14.43%	Mortgage-Backed Securities	22,662	AAA	13.90%
				Mortgage-Backed Securities	331	AA	0.20%
				Mortgage-Backed Securities	195	A	0.12%
Mortgage-Backed Securities	223	BAA	0.14%				
				Mortgage-Backed Securities	223	B	0.14%
Mortgage-Backed Securities	195	NA	0.12%	Mortgage-Backed Securities	542	NA	0.33%
Mortgage-Backed Securities	2,505	NR	1.54%	Mortgage-Backed Securities	2,505	NR	1.54%
	<u>\$ 163,070</u>				<u>\$ 163,070</u>		

<sup>(1)</sup> Table does not include International Government Securities or Real Estate Investment Trust investments. Investments 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:

<b>Primary Government Investments</b>	
<b>Investment Type Name</b>	<b>Maximum %</b>
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	\$ 15,996,466
Percentage	42.13%

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.

		Police	Pension Plans Fire Service	Other
State Street /PIMCO				
Money Market Fund	\$	65,430,346	\$ 26,481,791	\$ 30,227,818
Percentage		14.33%	12.41%	13.36%
State Street / GMO Global				
Money Market Fund		-	-	\$ 16,090,354
Percentage		-	-	7.11%
State Street /Alliance Bernstein				
Money Market Fund	\$	35,840,274	\$ 16,805,940	-
Percentage		7.85%	7.88%	-
State Street /Pointer LP				
Alternative Investments	\$	31,319,549	\$ 14,071,102	-
Percentage		6.86%	6.59%	-
State Street / SSGA				
Money Market Fund	\$	28,715,046	-	-
Percentage		6.29%	-	-
State Street / Aberdeen Debt Emerging Markets				
Money Market Fund	\$	28,980,731	\$ 13,297,324	-
Percentage		6.35%	6.23%	-
State Street / Ballie Gifford Funds				
Money Market Fund	\$	35,381,262	\$ 18,565,783	-
Percentage		7.75%	8.70%	-
State Street / Advisors Inner Circle Fund				
Money Market Fund		-	-	11,835,825.00
Percentage		-	-	5.23%

(e) Custodial Credit Risk

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

Custodial credit risk for investments is the risk that securities are uninsured, unregistered, and held by the counterparty, or by its trust department or agent, but not in the County or the Plans' name. As of June 30, 2010, there were no investments exposed to custodial credit risk.



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(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, 2010:

Local Currency	Other Pension Fund Investments (in thousands)				
	Foreign Currency Exposure				
	Equity	Fixed Income	Other	Total	%
Australian Dollar	\$ 1,805	\$ 227	\$ -	\$ 2,032	0.23%
Canadian Dollar	3,146	759	458	4,363	0.49%
Danish Krone	184	5	-	189	0.02%
Euro Currency	7,818	4,741	237	12,796	1.43%
Hong Kong Dollar	1,050	22	-	1,072	0.12%
Japanese Yen	6,454	5,962	-	12,416	1.39%
Mexican Peso	-	678	-	678	0.08%
Norwegian Krone	186	728	-	914	0.10%
Pound Sterling	5,745	1,913	-	7,658	0.85%
Singapore Dollar	877	1,356	-	2,233	0.25%
Swedish Krona	867	895	-	1,762	0.20%
Swish Franc	1,630	262	-	1,892	0.21%
Total Foreign Holdings	<u>\$ 30,686</u>	<u>\$ 18,471</u>	<u>\$ 695</u>	<u>\$ 49,852</u>	5.56%

(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 102% of the market value of the securities lent and revalued daily to ensure that the collateral does not fall below 102%. The Plans are indemnified of credit risk as it relates to counterparty loan activity. The collateral securities and letters of credit cannot be sold or pledged unless the borrower defaults. As a result, such amounts have not been reported as assets and liabilities in the 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 244 days and a weighted average to maturity of 30 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, 2010 totaled \$122,681,232 and \$118,734,359, respectively. Cash collateral held, amounting to \$122,616,233, is included as an asset and liability in the accompanying financial statements at year-end.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(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 2010 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:

<b>Pension Fund Derivatives</b>				
<b>Investment Type</b>	<b>Notional Amount</b>	<b>Changes in Fair Value</b>	<b>Classification</b>	<b>Fair Value at June 30, 2010</b>
Foreign Currency Forward Contracts	\$ -	1,111,177	Investment	-
Index Futures	-	499,459	Investment	-
Rights	-	55,350	Investment	-
	<u>\$ -</u>	<u>1,665,986</u>		<u>-</u>

(5) Interfund Receivables, Payables, and Transfers

Interfund balances for the Primary Government as of June 30, 2010 are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Federal and State Aided Programs	\$ 9,000,000
	Capital Projects	17,500,000
		<u>\$ 26,500,000</u>

Due from/to other entities:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Component Unit - Board of Education	Primary Government - General Fund	\$ 6,000,000
Component Unit - Housing Authority	Primary Government - General Fund	289,252
Component Unit - Board of Education	Primary Government - Capital Projects Fund	3,970,078
Component Unit - Memorial Library	Primary Government - Capital Projects Fund	448,898
Component Unit - Housing Authority	Federal and State Aided Programs	105,246
		<u>\$ 10,813,474</u>
Primary Government - General Fund	Component Unit - Housing Authority	\$ 1,613,130
Primary Government - General Fund	Component Unit - Community Television	450,000
Primary Government - General Fund	Component Unit - Revenue Authority	1,876,056
Primary Government - Internal Service Funds	Component Unit - Memorial Library	3,945
Primary Government - Internal Service Funds	Component Unit - Board of Education	1,880,223
		<u>\$ 5,823,354</u>

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

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Interfund transfers for the Primary Government as of June 30, 2010 are as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Federal and State Aided Programs	\$ 2,149,196
	Nonmajor Governmental Funds	88,913,957
	Capital Projects	1,000,000
	Internal Service Funds	7,319,700
Capital Projects	Nonmajor Governmental Funds	<u>2,566,074</u>
		<u>\$ 101,948,927</u>

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

(6) Due From Other Governmental Units

The State owes the Primary Government \$77,530,125 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, 2010 is listed below:

	<u>State of Maryland</u>	<u>Federal Government</u>	<u>Other Sources</u>	<u>Total</u>
Primary Government	\$ <u>99,474,802</u>	<u>27,757,386</u>	<u>8,546,249</u>	<u>135,778,438</u>
Component Units:				
Board of Education	22,261,278	42,499,102	39,499,028	104,259,408
Other Component Units	<u>2,532,117</u>	<u>3,113,623</u>	<u>825,820</u>	<u>6,471,560</u>
Total	<u>24,793,395</u>	<u>45,612,725</u>	<u>40,324,848</u>	<u>110,730,968</u>
Total Reporting Entity	<u>\$ 124,268,197</u>	<u>73,370,111</u>	<u>48,871,097</u>	<u>246,509,406</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(7) Capital Assets

(a) Governmental Activities

Changes in capital assets during fiscal year 2010 were as follows:

	Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Disposals and Completed Construction</u>	Balance <u>June 30, 2010</u>
Primary Government:				
Capital assets, not being depreciated:				
Land	\$ 75,153,338	4,675,459	-	79,828,797
Construction in progress	137,342,368	48,143,686	101,906,272	83,579,782
Total capital assets, not being depreciated:	<u>212,495,706</u>	<u>52,819,145</u>	<u>101,906,272</u>	<u>163,408,579</u>
Capital assets, being depreciated:				
Buildings and improvements	370,240,202	27,855,731	-	398,095,933
Equipment	139,606,332	9,273,902	2,915,823	145,964,411
Infrastructure	2,327,083,843	123,295,664	147,369	2,450,232,138
Total capital assets, being depreciated:	<u>2,836,930,377</u>	<u>160,425,297</u>	<u>3,063,192</u>	<u>2,994,292,482</u>
Less accumulated depreciation for:				
Buildings and improvements	92,159,271	8,259,133	-	100,418,404
Equipment	97,848,551	16,472,673	2,721,408	111,599,816
Infrastructure	899,168,532	40,428,983	129,685	939,467,830
Total accumulated depreciation	<u>1,089,176,354</u>	<u>65,160,789</u>	<u>2,851,093</u>	<u>1,151,486,050</u>
Total capital assets being depreciated, net	<u>1,747,754,023</u>	<u>95,264,508</u>	<u>212,099</u>	<u>1,842,806,432</u>
Governmental activities capital assets	<u>\$ 1,960,249,729</u>	<u>148,083,653</u>	<u>102,118,371</u>	<u>2,006,215,011</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	\$ 12,660,866
Public safety	5,887,179
Public works and transportation, including depreciation of general infrastructure assets	44,222,728
Health	375,734
Public Welfare	16,521
Capital assets being held by internal service funds are charged to the various functions based on their usage of the assets	<u>1,997,761</u>
Total depreciation expense - governmental activities	<u><u>\$ 65,160,789</u></u>

Construction of capital assets in progress for the Primary Government at June 30, 2010, exclusive of Proprietary Fund assets and improvements not capitalized, is as follows:

	<u>Project No.</u>	Expended through <u>June 30, 2010</u>	Encumbered at <u>June 30, 2010</u>
Public Training Safety Complex	300143	\$ 4,333,878	5,774,590
AIS Legacy System	300223	-	2,979
Suitland Road	664081	3,582,441	430,625
Ammendale Virginia Manor Road III	664091	24,519,505	8,885
Library projects	Various	1,204,895	422,817
Public safety projects	Various	16,865,975	4,636,384
Other road and bridge projects	Various	<u>33,073,088</u>	<u>5,862,601</u>
Total Primary Government		<u><u>\$ 83,579,782</u></u>	<u><u>17,138,881</u></u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(b) Business-type Activities

Changes in capital assets during fiscal year 2010 were as follows:

	Balance July 1, 2009	Additions	Disposals and Completed Construction	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 19,737,522	-	-	19,737,522
Construction in progress	91,416,214	14,687,391	520,680	105,582,925
Total capital assets, not being depreciated:	<u>111,153,736</u>	<u>14,687,391</u>	<u>520,680</u>	<u>125,320,447</u>
Capital assets, being depreciated:				
Buildings and improvements	31,554,032	-	-	31,554,032
Equipment and vehicles	24,119,909	1,337,389	7,995	25,449,303
Landfill property in service	121,336,027	-	-	121,336,027
Stormwater property in service	90,948,151	-	-	90,948,151
Total capital assets being depreciated:	<u>267,958,119</u>	<u>1,337,389</u>	<u>7,995</u>	<u>269,287,513</u>
Less accumulated depreciation for:				
Buildings and improvements	11,368,975	870,904	-	12,239,879
Equipment and vehicles	16,879,503	1,469,328	7,595	18,341,236
Landfill property in service	80,499,219	-	3,342,787	77,156,432
Stormwater property in service	38,966,243	2,255,982	-	41,222,225
Total accumulated depreciation	<u>147,713,940</u>	<u>4,596,214</u>	<u>3,350,382</u>	<u>148,959,772</u>
Total capital assets being depreciated, net	<u>120,244,179</u>	<u>(3,258,825)</u>	<u>(3,342,387)</u>	<u>120,327,741</u>
Business-type activities capital assets	<u>\$ 231,397,915</u>	<u>11,428,566</u>	<u>(2,821,707)</u>	<u>245,648,188</u>

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

Solid Waste Fund	\$ 2,029,371
Stormwater Management Fund	2,566,843
Total depreciation expense - business-type activities	<u>\$ 4,596,214</u>

As of June 30, 2010, construction requisitions outstanding for proprietary funds of the Primary Government totaled \$16,016,895.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Changes in capital assets for the Stormwater Management Fund during 2010 were as follows:

	Balance July 1, 2009	Additions	Disposals and Completed Construction	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 8,431,440	-	-	8,431,440
Construction in progress	81,257,116	11,864,099	-	93,121,215
Total capital assets, not being depreciated:	<u>89,688,556</u>	<u>11,864,099</u>	<u>-</u>	<u>101,552,655</u>
Capital assets, being depreciated:				
Buildings and improvements	242,525	-	-	242,525
Equipment and vehicles	2,060,735	47,289	7,995	2,100,029
Stormwater property in service	90,948,151	-	-	90,948,151
Total capital assets being depreciated:	<u>93,251,411</u>	<u>47,289</u>	<u>7,995</u>	<u>93,290,705</u>
Less accumulated depreciation for:				
Buildings and improvements	190,786	9,702	-	200,488
Equipment and vehicles	921,265	301,159	7,595	1,214,829
Stormwater property in service	38,966,243	2,255,982	-	41,222,225
Total accumulated depreciation	<u>40,078,294</u>	<u>2,566,843</u>	<u>7,595</u>	<u>42,637,542</u>
Total capital assets being depreciated, net	<u>53,173,117</u>	<u>(2,519,554)</u>	<u>400</u>	<u>50,653,163</u>
Stormwater Management Fund capital assets	<u>\$ 142,861,673</u>	<u>9,344,545</u>	<u>400</u>	<u>152,205,818</u>

Changes in capital assets for the Solid Waste Fund during 2010 were as follows:

	Balance July 1, 2009	Additions	Disposals and Completed Construction	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 11,306,082	-	-	11,306,082
Construction in progress	10,159,098	2,823,292	520,680	12,461,710
Total capital assets, not being depreciated:	<u>21,465,180</u>	<u>2,823,292</u>	<u>520,680</u>	<u>23,767,792</u>
Capital assets, being depreciated:				
Buildings and improvements	31,311,507	-	-	31,311,507
Equipment and vehicles	22,059,174	1,290,100	-	23,349,274
Landfill property in service	121,336,027	-	-	121,336,027
Total capital assets being depreciated:	<u>174,706,708</u>	<u>1,290,100</u>	<u>-</u>	<u>175,996,808</u>
Less accumulated depreciation for:				
Buildings and improvements	11,178,189	861,202	-	12,039,391
Equipment and vehicles	15,958,238	1,168,169	-	17,126,407
Landfill property in service	80,499,219	-	3,342,787	77,156,432
Total accumulated depreciation	<u>107,635,646</u>	<u>2,029,371</u>	<u>3,342,787</u>	<u>106,322,230</u>
Total capital assets being depreciated, net	<u>67,071,062</u>	<u>(739,271)</u>	<u>(3,342,787)</u>	<u>69,674,578</u>
Solid Waste Fund capital assets	<u>\$ 88,536,242</u>	<u>2,084,021</u>	<u>(2,822,107)</u>	<u>93,442,370</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

Construction in progress in the enterprise funds as of June 30, 2010 consists of the following:

Primary Government - Business-type Activities:

o Stormwater Management Enterprise Fund		
- Stormdrain Relief Program (540425)	\$	25,778,378
- Water Quality Control Facility (540465)		4,175,500
- Anacostia Retrofit (540855)		13,981,504
- 44th Avenue University Park (540915)		234,597
- Bond Default Fund (540925)		2,069,537
- Oxon Run Flood Control Structure (541265)		1,878,882
- Major Reconstruction - DPWT (541435)		14,109,900
- Municipal Storm Drain Program (541455)		559,990
- COE Anacostia Restoration (541685)		4,097,741
- Water Quality Plan Implementation (541805)		3,505,237
- Bladensburg Environmental Revitalization (541835)		12,730,541
- Other miscellaneous projects		9,999,408
		<u>93,121,215</u>
o Solid Waste Enterprise Fund		
- Public Safety Training Facility (500653)		315,490
- Brown Station Landfill Expansion (541113)		832,271
- Rural Convenience Center (541135)		52,334
- Sandy Hill Landfill Expansion (548846)		11,162,447
- Commercial Manufacturer/Waste Transfer Station (548925)		99,168
		<u>12,461,710</u>
Total Primary Government - Business-type Activities	\$	<u>105,582,925</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 2010 were as follows:

	Balance June 30, 2009	Additions	Disposals and Completed Construction	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 19,669,912	-	-	19,669,912
Construction in progress	125,931,439	74,871,189	8,129,175	192,673,453
Total capital assets, not being depreciated:	<u>145,601,351</u>	<u>74,871,189</u>	<u>8,129,175</u>	<u>212,343,365</u>
Capital assets, being depreciated:				
Buildings and improvements	1,234,416,852	12,290,281	194,724	1,246,512,409
Equipment and vehicles	153,492,310	6,429,897	4,509,348	155,412,859
Total capital assets, being depreciated:	<u>1,387,909,162</u>	<u>18,720,178</u>	<u>4,704,072</u>	<u>1,401,925,268</u>
Less accumulated depreciation for:				
Buildings and improvements	435,903,181	33,061,483	27,388	468,937,276
Equipment and vehicles	95,682,809	10,558,672	4,398,884	101,842,597
Total accumulated depreciation	<u>531,585,990</u>	<u>43,620,155</u>	<u>4,426,272</u>	<u>570,779,873</u>
Total capital assets being, depreciated, net	<u>856,323,172</u>	<u>(24,899,977)</u>	<u>277,800</u>	<u>831,145,395</u>
Component units - Board of Education capital assets	<u>\$ 1,001,924,523</u>	<u>49,971,212</u>	<u>8,406,975</u>	<u>1,043,488,760</u>

Changes in other component units' capital assets during fiscal year 2010 were as follows:

	Balance June 30, 2009	Additions	Disposals and Completed Construction	Balance June 30, 2010
Capital assets, not being depreciated:				
Land	\$ 64,513,281	137,956	2,734,169	61,917,068
Construction in progress	1,368,152	-	-	1,368,152
Total capital assets, not being depreciated:	<u>65,881,433</u>	<u>137,956</u>	<u>2,734,169</u>	<u>63,285,220</u>
Capital assets, being depreciated:				
Buildings and improvements	226,527,673	8,639,301	14,231,052	220,935,922
Equipment and vehicles	59,097,300	3,986,873	15,606,113	47,478,060
Total capital assets, being depreciated:	<u>285,624,973</u>	<u>12,626,174</u>	<u>29,837,165</u>	<u>268,413,982</u>
Less accumulated depreciation for:				
Buildings and improvements	72,229,983	3,932,206	3,658,327	72,503,862
Equipment and vehicles	40,151,806	6,720,505	15,586,320	31,285,991
Total accumulated depreciation	<u>112,381,789</u>	<u>10,652,711</u>	<u>19,244,647</u>	<u>103,789,853</u>
Total capital assets being, depreciated, net	<u>173,243,184</u>	<u>1,973,463</u>	<u>10,592,518</u>	<u>164,624,129</u>
Other component units - capital assets	<u>\$ 239,124,617</u>	<u>2,111,419</u>	<u>13,326,687</u>	<u>227,909,349</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, 2010 are as follows:

	Risk Management <u>Pools</u>	Other <u>Self-Insurance</u>	<u>Total</u>
Primary Government:			
Internal Service Funds:			
Unemployment Compensation	\$ -	159,056	159,056
Property Loss	374,716	-	374,716
Automobile Liability	3,151,657	-	3,151,657
Workers' Compensation	103,808,035	-	103,808,035
General Liability	24,229,855	-	24,229,855
Life and Health Benefits	-	9,920,660	9,920,660
Total Primary Government	<u>\$ 131,564,263</u>	<u>10,079,716</u>	<u>141,643,979</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, 2010 is consistent with the prior year.

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

Participants of the risk management pools normally make contributions based upon prior experience with evaluations conducted annually by an actuary. In fiscal year 2010, the Primary Government made contributions amounting to \$54,593,085. 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.

The total claims liability of \$131,564,263 reported for the risk management pools at June 30, 2010 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, 2010. 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 2009 and 2010 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 2009	\$103,125,000	53,352,614	(38,470,614)	118,007,000
Fiscal year 2010	\$118,007,000	59,693,660	(46,136,397)	131,564,263

The following is a summary of the fiscal year 2010 claims expenses by fund:

	<u>Total Claim Payments</u>	<u>Liability on Pending Claims Adjustment</u>	<u>Total Claims Expenses</u>
Property Loss Fund	\$ 18,344	(41,284)	(22,940)
Auto Liability Fund	1,950,233	174,657	2,124,890
Workers' Compensation Fund	38,367,486	9,092,035	47,459,521
General Liability Fund	<u>5,800,334</u>	<u>4,331,855</u>	<u>10,132,189</u>
	<u>\$ 46,136,397</u>	<u>13,557,263</u>	<u>59,693,660</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 2009 and 2010 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 2009	\$8,580,435	41,606,248	(40,140,533)	10,046,150
Fiscal year 2010	\$10,046,150	40,464,716	(40,431,150)	10,079,716

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>2010</u>	<u>2009</u>	<u>2008</u>
Actuarial contribution requirement	\$ 11,441,980	10,631,244	12,887,106

(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 2010 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of July 1, 2008. The Primary Government's fiscal year 2010 total payroll was \$460,099,581. 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 2010 were as follows:

	<u>July 1, 2009 to June 30, 2010</u>		
	Employee	Employer	Covered
	<u>Rates</u>	<u>Rates</u>	<u>Payroll</u>
Comprehensive Plans:			
Police	5.50 %	39.60 %	\$105,067,297
Fire Service	4.00	47.70	48,791,822
Deputy Sheriff's	10.00	30.09	13,060,220
Correctional Officers'	12.00	22.64	23,217,583
Supplemental Plans:			
Deputy Sheriff's	5.20	19.70	1,307,494
Correctional Officers'	5.75	7.81	1,825,432
Crossing Guards	3.57	4.58	1,635,018
AFSCME	1.42	6.57	57,385,298
General Schedule	2.94	6.62	51,358,176
Fire Civilian	3.14	8.07	4,213,435
Police Civilian	3.40	5.00	17,631,392

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	07/01/2008	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based component	5%	\$35 per month
Fire Service	07/01/2008	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based component 3% per year	5%	minimum of \$35 per month or 4.9% of the monthly benefit
Deputy Sheriff's	07/01/2008	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based 3% per year	5%	\$10 per month
Correctional Officers'	07/01/2008	Entry age	Level percent, open	30 years	5-year smoothed market	8%	plus salary based	5%	\$10 per month
Supplemental Plans:									
Deputy Sheriff's	07/01/2008	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Correctional Officers'	07/01/2008	Entry age	Level percent, open	30 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
Crossing Guards	07/01/2008	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
AFSCME	07/01/2008	Entry age	Level percent, open	18 years	5-year smoothed market	8%	3% per year plus salary based	5%	none
General Schedule	07/01/2008	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based component 3% per year	5%	none
Fire Civilian	07/01/2008	Entry age	Level percent, open	18 years	5-year smoothed market	8%	plus salary based 3% per year	5%	none
Police Civilian	07/01/2008	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 \$64.2 million for fiscal year 2010. Based on recommendations from the County's actuary, the actual employer contribution for fiscal year 2010 was \$64.0 million. The resulting NPO of \$.2 million along with the \$13.7 million NPO from fiscal year 2009, results in a total NPO at the end of the year of \$13.9 million. Three-year trend information for Comprehensive Pension Plans is presented below (in thousands):

	Year Ended June 30	NPO beginning of year	Annual Pension Cost (APC)				Decrease in NPO	NPO End of year	Percentage of APC Contributed
			ARC	Interest	Adjustment	Total			
Comprehensive Pension Plans:									
Police	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
	2008	11,646	40,900	932	(711)	41,121	(40,900)	11,867	99
Fire Service	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
	2008	1,461	25,412	117	(89)	25,440	(25,412)	1,489	100
Deputy Sheriff's	2010	-	3,898	-	-	3,898	-	-	100
	2008	-	4,110	-	-	4,110	-	-	100
	2007	-	4,139	-	-	4,139	-	-	100
Correctional Officers'	2010	-	5,082	-	-	5,082	-	-	100
	2008	-	5,001	-	-	5,001	-	-	100
	2007	-	4,932	-	-	4,932	-	-	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):

	<u>Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Supplemental Pension Plans:				
Deputy Sheriff's	2010	\$ 255	100 %	-
	2009	214	100	-
	2008	224	100	-
Correctional Officers'	2010	142	100	-
	2009	150	100	-
	2008	167	100	-
Crossing Guards	2010	75	100	-
	2009	86	100	-
	2008	79	100	-
AFSCME	2010	3,761	100	-
	2009	4,101	100	-
	2008	3,978	100	-
General Schedule	2010	5,355	100	-
	2009	5,478	100	-
	2008	5,105	100	-
Fire Civilian	2010	339	100	-
	2009	346	100	-
	2008	350	100	-
Police Civilian	2010	882	100	-
	2009	956	100	-
	2008	892	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, 2009, 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)
Comprehensive						
Police	\$ 668,828,400	1,062,724,100	393,895,700	62.94	108,335,400	363.59
Fire Service	313,339,300	550,846,400	237,507,100	56.88	52,036,500	456.42
Deputy Sheriff's	37,362,400	76,873,900	39,511,500	48.60	13,597,000	290.59
Correctional Officers'	67,793,100	127,639,000	59,845,900	53.11	24,397,700	245.29
Supplemental						
Deputy Sheriff's	3,916,100	8,101,100	4,185,000	48.34	1,285,400	325.58
Correctional Officers'	4,036,000	6,558,800	2,522,800	61.54	1,808,200	139.52
Crossing Guards	1,104,200	1,828,200	724,000	60.40	1,685,200	42.96
AFSCME	44,700,300	69,406,900	24,706,600	64.40	58,701,800	42.09
General Schedule	82,628,200	132,510,700	49,882,500	62.36	82,751,800	60.28
Fire Civilian	5,005,000	8,737,600	3,732,600	57.28	4,337,100	86.06
Police Civilian	11,897,000	21,002,100	9,105,100	56.65	17,718,800	51.39

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 2010, 2009, and 2008.

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 2010 amounted to \$113,898,728, \$3,530,699 and \$1,736,449, 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 \$677,846 to these plans during fiscal year 2010. 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 \$32.0 million, during fiscal year 2010 including approximately \$28.6 million for current premiums (approximately 76% of total premiums) and an additional \$4.0 million to prefund benefits. Plan members receiving benefits contributed \$9.0 million (approximately 24 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 2010 was \$69.4 million. Actual contributions for the fiscal year were \$32.7 million. The resulting NOPEBO of \$36.7 million along with the \$43.5 million NOPEBO from fiscal year 2009, results in a total NOPEBO at the end of the year of \$80.2 million. Three-year trend information for the County's AOC, percentage of AOC contributed to the plan, and net NOPEBO are as follows (in thousands):

Year Ended 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			
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
2008	-	66,158	-	-	66,158	(52,861)	13,297	80

(d) Funding Status and Funding Progress

The following is the funded status for the OPEB plan as of July 1, 2008, 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)
\$ 29,647	\$ 792,265	\$ 762,618	3.74%	\$ 463,893	164%

(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	07/01/2008
Actuarial cost method	Projected unit credit cost method
Discount rate	7.2% which is based on 10-year phase to full funding
Health care trends	
Medical and Prescription	10% in 2009 with annual decrease of 1% through 2012, 1/2% decrease in 2013 through 2015, 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 2010 employer contributions to the Plan by the Housing Authority and the Memorial Library were \$121,000 and \$418,110, respectively. The Board of Education and the Community College operate separate retiree benefit plans. The Board of Education paid employer contribution of \$53.8 million and recognized a NOPEBO of \$237,341 million in fiscal year 2010. The Community College contributed \$8.8 million in employer contribution with an NOPEBO of \$2.6 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 514 annuities to former volunteer members of the County's fire companies or rescue squads who met certain age and service criteria. Benefits totaling \$1,871,897 in fiscal year 2010 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 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.

(12) 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, 2010 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.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to 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, 2010:

	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	\$ 70,780,000	936,195,000	5,110,000	76,115,000	75,890,000	1,012,310,000	1,088,200,000
Revenue bonds	-	-	2,041,375	5,042,425	2,041,375	5,042,425	7,083,800
Bond premium	-	40,360,016	-	3,270,210	-	43,630,226	43,630,226
Less deferred amounts	-	(10,229,376)	-	(209,355)	-	(10,438,731)	(10,438,731)
Total bonds payable	<u>70,780,000</u>	<u>966,325,640</u>	<u>7,151,375</u>	<u>84,218,280</u>	<u>77,931,375</u>	<u>1,050,543,920</u>	<u>1,128,475,295</u>
Notes payable	15,218,546	21,968,042	226,882	39,326	15,445,428	22,007,368	37,452,796
Capital lease obligations	124,010	2,640,689	9,257	29,520	133,267	2,670,209	2,803,476
Estimated liabilities on pending claims	42,328,199	99,315,780	-	-	42,328,199	99,315,780	141,643,979
Compensated absences and termination benefits payable	41,175,132	44,415,337	2,780,445	263,869	43,955,577	44,679,206	88,634,783
Pension obligations	-	13,867,627	-	-	-	13,867,627	13,867,627
OPEB obligations	-	80,205,988	-	-	-	80,205,988	80,205,988
Landfill closure / postclosure	-	-	741,400	80,105,795	741,400	80,105,795	80,847,195
Other long-term liabilities	98,845,887	262,413,463	3,757,984	80,438,510	102,603,871	342,851,973	445,455,844
Total long-term liabilities	<u>\$ 169,625,887</u>	<u>1,228,739,103</u>	<u>10,909,359</u>	<u>164,656,790</u>	<u>180,535,246</u>	<u>1,393,395,893</u>	<u>1,573,931,139</u>

(b) Bonded Debt Transactions

The following is a summary of bonded debt transactions of the County for the fiscal year ended June 30, 2010:

		Primary Government			Component Units	Total	
		Governmental Activities	Business-type Activities				
			Solid Waste	Stormwater Management	Total		
Bonded debt at July 1, 2009	\$	987,775,646	41,268,800	46,975,000	1,076,019,446	49,209,258	1,125,228,704
Debt issued		83,110,000	9,825,000	-	92,935,000	23,850,000	116,785,000
Debt retired		(63,910,646)	(6,855,000)	(2,905,000)	(73,670,646)	(2,547,841)	(76,218,487)
Bonded debt (including current portion)							
As of June 30, 2010		1,006,975,000	44,238,800	44,070,000	1,095,283,800	70,511,417	1,165,795,217
Less current portion		(70,780,000)	(4,001,375)	(3,150,000)	(77,931,375)	(1,877,068)	(79,808,443)
Noncurrent portion as of June 30, 2010	\$	<u>936,195,000</u>	<u>40,237,425</u>	<u>40,920,000</u>	<u>1,017,352,425</u>	<u>68,634,349</u>	<u>1,085,986,774</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(c) Debt Service Requirements

The annual requirements to amortize all bonded debt outstanding as of June 30, 2010 are as follows:

Year ended June 30,	Primary Government									
	Governmental Activities		Business-type Activities				Total	Component Units		Total
	Principal	Interest	Solid Waste		Stormwater Management			Principal	Interest	
2011	\$ 70,780,000	44,646,691	4,001,375	1,827,454	3,150,000	1,906,302	126,311,822	1,877,068	6,023,794	134,212,684
2012	74,150,000	41,148,444	4,168,148	1,659,835	3,375,000	1,793,087	126,294,514	2,324,349	5,661,171	134,280,034
2013	68,810,000	37,602,808	5,665,334	1,479,225	3,600,000	1,670,515	118,827,882	4,680,000	3,307,513	126,815,395
2014	68,445,000	34,197,893	4,492,945	1,255,778	1,745,000	1,540,026	111,676,642	4,875,000	3,104,776	119,656,418
2015	69,200,000	30,894,792	4,260,998	1,087,664	2,215,000	1,451,113	109,109,567	5,100,000	2,886,085	117,095,652
2016 - 2020	342,175,000	105,659,326	8,675,000	3,867,924	13,565,000	5,484,342	479,426,592	24,970,000	10,541,297	514,937,889
2021 - 2025	235,405,000	37,237,235	7,975,000	2,098,111	13,390,000	2,081,500	298,186,846	11,755,000	5,952,195	315,894,041
2026 - 2030	78,010,000	4,168,661	5,000,000	595,187	3,030,000	173,012	90,976,860	14,930,000	2,324,233	108,231,093
	<u>\$ 1,006,975,000</u>	<u>335,555,850</u>	<u>44,238,800</u>	<u>13,871,178</u>	<u>44,070,000</u>	<u>16,099,897</u>	<u>1,460,810,725</u>	<u>70,511,417</u>	<u>39,801,064</u>	<u>1,571,123,206</u>

(d) Bonded Debt Details

Details of the County's long-term bonded debt at June 30, 2010 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:				
1977, 1991-2004, 2004A-F, 2005-2007B, 2008, 2009A, 2009B CPI; 2009A TQSC, 2009B TESC	1.615 - 7.05%	2030	\$ 1,861,203,759	1,002,740,000
1992 self-insurance liability funding	5.00 - 6.05%	2012	18,500,000	4,235,000
Total governmental activities long-term bonded debt			<u>\$ 1,879,703,759</u>	<u>1,006,975,000</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

<u>Business-type Activities:</u>	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1993, 1997, 1999, 2000, 2000B, 2001, 2003, 2004, 2005, 2006, 2007A, 2007B, and 2008 stormwater management - general obligation	2.50 - 6.50%	2029	\$ 90,944,190	44,070,000
1995, 1996, 1998, 2000A, 2001, 2002, 2003B, 2004, 2004A-F, 2005, 2007B, 2008, 2009A and 2009B solid waste management system - general obligation	2.00 - 6.25%	2029	85,725,000	37,155,000
1993 - 1994, 2000 and 2003 solid waste management system - revenue bonds	2.50 - 6.50%	2015	103,767,386	7,083,800
Total business-type activities long-term bonded debt			<u>280,436,576</u>	<u>88,308,800</u>
Total primary government long-term bonded debt			<u>\$ 2,160,140,335</u>	<u>\$ 1,095,283,800</u>
<b>Component Units:</b>				
<b>Revenue bonds:</b>				
<b>Housing Authority -</b>				
Capital Fund Securitization Revenue Bonds	2.0 - 4.55%	2023	1,465,000	1,110,000
<b>Industrial Development Authority -</b>				
1989 building construction	6.80 - 6.95%	2012	8,460,825	1,251,417
2003A refunding lease revenue	2.0 - 5.125%	2019	27,430,000	25,980,000
2003B subordinated lease revenue	2.0 - 4.75%	2030	22,085,000	18,320,000
2009 taxable lease revenue bonds	0.64 - 6.169%	2030	<u>23,850,000</u>	<u>23,850,000</u>
Total Component Units revenue bonds			<u>\$ 83,290,825</u>	<u>\$ 70,511,417</u>
Total long-term bonded debt			<u>\$ 2,243,431,160</u>	<u>1,165,795,217</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, 2010 is summarized as follows:

	<u>Enabled Amount</u>	<u>Authorized and Unissued amount</u>
Enabled by authority of the State of Maryland:		
Schools	\$ 11,530,000	-
Washington Suburban Transit Commission	<u>15,746,000</u>	-
	<u>27,276,000</u>	-
Enabled by authority of Prince George's County:		
Parks and recreation	4,109,000	-
Health and solid waste	2,072,000	35,390,000
Roads, parking and mass transit	157,871,400	97,564,400
Hospitals	24,975,000	-
Public buildings	118,897,000	50,357,000
Public Safety	<u>92,203,600</u>	<u>35,388,600</u>
	<u>400,128,000</u>	<u>218,700,000</u>
	<u>\$ 427,404,000</u>	<u>218,700,000</u>

The legal debt limit and margin at June 30, 2010 were \$6,568,143,278 and \$5,867,097,300, respectively. The County was in compliance with all significant bond covenants at June 30, 2010.

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, 2009 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, 2010, \$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, 2010, \$6,795,000 of the refunded bonds outstanding that mature in the years 2011 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, 2010, \$13,700,000 of the outstanding Refunded Bonds, that mature in the years 2011 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, 2010, \$46,690,000 of the outstanding refunded bonds that mature in the years 2011 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, 2010, \$6,605,000 of the outstanding refunded bonds that mature in the years 2011 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, 2010, \$112,580,000 of the refunded bonds outstanding that mature in the years 2011 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, 2010, \$81,370,000 of the refunded bonds outstanding that mature in the years 2011 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, 2010, 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 \$56.0 million. The aggregate principal amount payable on June 30, 2010 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, 2010 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	95,000,000	07/01/2033
Prince George's County, Maryland Special Tax District Bonds, Series 2005	Victoria Falls Project	09/08/2005	12,000,000	11,910,000	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	6,765,000	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	7,705,000	07/01/2032
Prince George's County, Maryland Taxable Subordinate Special Obligation Bonds, Series 2008	National Harbor Convention Center Project	04/02/2008	50,000,000	50,000,000	09/01/2037
Prince George's County, Maryland Special Obligation Bonds, Series 2009	National Harbor Project	01/27/2009	35,000,000	35,000,000	01/01/2039
			<u>\$ 272,655,000</u>	<u>271,380,000</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 June 30, 2009	Additions	Reductions	Balance June 30, 2010
Pension obligations	\$ 13,609,241	258,386	-	13,867,627
OPEB obligations	43,531,295	36,674,693	-	80,205,988
Compensated absences and termination benefits payable	81,061,497	45,704,104	41,175,132	85,590,469
Estimated liabilities on pending claims and judgements	128,053,150	100,158,375	86,567,546	141,643,979
Capital lease obligations	2,764,699	-	-	2,764,699
Notes payable:				
Purchase agreements and certificates of participation	42,384,528	-	13,448,654	28,935,874
MILA loans	238,154	-	26,295	211,859
Maryland Department of Transportation loans:				
FedEx Field (formerly JKC Stadium) loan	2,063,544	-	897,648	1,165,896
Parking garage loan	580,413	-	280,054	300,359
Commercial Building Loan Fund	6,361,000	-	468,000	5,893,000
Maryland CDA Infrastructure Financing	739,300	-	59,700	679,600
Total notes payable	<u>52,366,939</u>	<u>-</u>	<u>15,180,351</u>	<u>37,186,588</u>
	<u>\$ 318,622,122</u>	<u>182,795,558</u>	<u>142,923,029</u>	<u>361,259,350</u>

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

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Compensated absences and termination benefits payable	3,001,707	2,823,052	2,780,445	3,044,314
Landfill closure / postclosure costs	85,169,096	-	4,321,901	80,847,195
Capital lease	-	38,777	-	38,777
Notes payable:				
Purchase agreements and certificates of participation	482,210	-	216,002	266,208
WSSC Loans	745,000	-	745,000	-
Total notes payable	<u>1,227,210</u>	<u>-</u>	<u>961,002</u>	<u>266,208</u>
	<u>\$ 89,398,013</u>	<u>2,861,829</u>	<u>8,063,348</u>	<u>84,196,494</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, \$1,647,033 (\$1,373,832 within one year, and \$273,201 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. The County also entered into a lease agreement to purchase copiers for its business type activities during fiscal year 2010. 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	-	47,289	47,289
Less: Accumulated depreciation	(184,314)	(9,457)	(193,771)
Total	<u>\$ 2,580,385</u>	<u>37,832</u>	<u>2,618,217</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

<u>Year ending June 30</u>	Governmental Activities	Business-type Activities Stormwater	Total
2011	\$ 227,011	10,033	237,044
2012	251,747	10,033	261,780
2013	259,299	10,033	269,332
2014	267,079	10,656	277,735
2015	275,092	-	275,092
2016-2020	1,504,315	-	1,504,315
2021-2025	912,247	-	912,247
Total minimum lease payments	3,696,790	40,755	3,737,545
Less: amount representing interest	(932,091)	(1,978)	(934,069)
Present value of minimum lease payments	<u>\$ 2,764,699</u>	<u>38,777</u>	<u>2,803,476</u>

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, 2010 for the Pension and OPEB liabilities was \$13,867,627 (see note 9 – Pension Plans) and \$80,205,988 (see note 10 – Postemployment Benefits Other Than Pensions), respectively.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

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, 2010 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, 2010 (in thousands):

	<u>Primary Government</u>					
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Total</u>	<u>Component Units</u>	<u>Total</u>
		<u>Solid Waste</u>	<u>Stormwater Management</u>			
Primary Government	\$ 85,591	1,018	2,026	88,635	-	88,635
Component Units:						
Board of Education	-	-	-	-	71,467	71,467
Housing Authority	-	-	-	-	699	699
Memorial Library	-	-	-	-	2,598	2,598
Community College	-	-	-	-	2,100	2,100
	<u>85,591</u>	<u>1,018</u>	<u>2,026</u>	<u>88,635</u>	<u>76,864</u>	<u>165,499</u>
Less current portion	<u>41,176</u>	<u>1,018</u>	<u>1,762</u>	<u>43,956</u>	<u>3,621</u>	<u>47,577</u>
Total long-term portion	<u>\$ 44,415</u>	<u>-</u>	<u>264</u>	<u>44,679</u>	<u>73,243</u>	<u>117,922</u>

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, 2010 (in thousands):

Year ending <u>June 30,</u>	Primary Government						
	Governmental Activities		Business-type Activities				Total
	Principal	Interest	Solid Waste		Stormwater Management		
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 13,993	2,629	179	6	48	1	16,856
2012	8,112	2,243	38	2	1	-	10,396
2013	2,113	2,084	-	-	-	-	4,197
2014	2,127	2,068	-	-	-	-	4,195
2015	2,148	2,047	-	-	-	-	4,195
2016 - 2020	443	2,048	-	-	-	-	2,491
Total note payments	\$ 28,936	13,119	217	8	49	1	42,330

(ii) Notes Payable - WSSC

In conjunction with the transfer of certain storm water drainage property and other assets from WSSC, the County was responsible for related debt service payments through the year 2010. The interest rates range from .01% to 8.5%. Debt service reimbursements to WSSC in fiscal year 2010 approximating \$752,500 are reported in the Primary Government's Stormwater Management Enterprise Fund. The debt was paid in full as of June 30, 2010.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(iii) Other General Long-Term Debt Notes Payable

The Primary Government is obligated for promissory notes in the amount of \$211,859 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 \$1,165,896 at June 30, 2010.

The Primary Government entered into a loan agreement with the Maryland Department of Transportation for \$3,346,200 for the design and construction of a parking garage, of which \$300,359 was outstanding at June 30, 2010. The loan is repayable to the State in 20 annual installments with an interest rate of 7.25% and matures July 1, 2010. The County was reimbursed for the principal and interest under a lease agreement with the Washington Metropolitan Area Transit Authority.

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, 2010, \$488,000 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, 2010, \$2,182,000 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, 2009, \$1,610,000 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, 2010 was \$1,613,000.

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 July 1, 2010. At June 30, 2010, \$679,600 remained outstanding.



PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(17) Reserved and Designated Fund Balances

A schedule of reserved and designated fund balances at June 30, 2010 follows:

	Primary Government				
	Total	General Fund	Federal and State Aided Programs	Capital Projects Fund	Non-Major Funds
<u>Reservation of Fund Balances</u>					
Reserved for encumbrances:					
These reserves represent the portion of purchase orders and contracts awarded for which the goods or services had not yet been received at year-end.	\$ 52,054,379	\$ 12,368,851	\$ -	\$ 39,685,528	\$ -
Reserved for school construction and debt service					
These reserves represent the unused portion of school surcharge revenue and telecommunications tax	103,345,081	-	-	103,345,081	-
Reserved for inventories:					
These amounts represent the portion of fund balance that is not available for expenditures because the asset is in the form of commodities and the County anticipates utilizing them in the normal course of future operations.	1,631,716	1,631,716	-	-	-
Reserved for contingencies:					
This amount represents the five percent charter-mandated reserve.	130,337,935	130,337,935	-	-	-
Reserved for future debt service payment and special projects					
These reservations are restricted by outside sources which are allocated for specific purposes.	4,183,989	-	1,830,076	-	2,353,913
Total reserved fund balances	<u>\$ 291,553,100</u>	<u>\$ 144,338,502</u>	<u>\$ 1,830,076</u>	<u>\$ 143,030,609</u>	<u>\$ 2,353,913</u>

Unreserved - Designated Fund Balances

Designations of fund balances are established to identify tentative plans for or restrictions on the future use of financial resources.

A schedule of unreserved fund balance designations is as follows:

	Total	General Fund	Non-Major Funds
Designated for subsequent years' expenditures	\$ 13,239,300	\$ 13,000,000	\$ 239,300
Designated for equipment purchases	36,919	36,919	-
Designated for real estate purchases	5,134,921	5,134,921	-
Designated for operating stability	52,135,174	52,135,174	-
Total designated fund balances	<u>\$ 70,546,314</u>	<u>\$ 70,307,014</u>	<u>\$ 239,300</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(18) 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 2010 have not yet been determined. The amount of expenditures which may be disallowed by the granting agencies cannot be specifically determined at this time. The County expects any disallowed costs to be immaterial, as has been the case in previous audits.

(ii) Brown Station Road Landfill

The Primary Government owns and operates the Brown Station Road Landfill, which is accounted for in the Solid Waste Enterprise Fund. Phase I of the landfill was closed in September 1993 after 25 years of operation. Phase II of the landfill began operations on May 13, 1992 and approximately 61.17% of total estimated capacity has been utilized as of June 30, 2010. It is expected to operate through the year 2014.

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 \$25.8 million (\$14.2 million of which has been liquidated), and closure and 30-year post-closure costs for Phase II of \$67.4 million. Estimated costs are "as if incurred" in fiscal year 2010 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, 2010, the Primary Government has recorded an accumulated total liability for closure and post-closure costs of \$52.2 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, 2010, the Primary Government's Solid Waste Enterprise Fund shows restricted assets of \$72,250,871 for landfill closure costs. The fiscal year 2010 financial statements reflect post-closure expenses of approximately \$3.6 million, based on the above criteria.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(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 2010.

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, \$13.2 million has been deferred as of June 30, 2010, 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.

(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>	
2011	\$ 16,644
2012	17,076
2013	17,537
2014	18,006
2015	18,513
2016-2020	91,441
2021-2025	82,753
2026-2030	<u>93,181</u>
	<u>\$ 355,151</u>

During fiscal year 2010, rent expense under these lease agreements amounted to approximately \$14.3 million.

PRINCE GEORGE'S COUNTY, MARYLAND  
Notes to Financial Statements

(19) 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 2010 amounted to \$70,490.

(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, 2010, the Primary Government was contingently liable as guarantor on bonds issued by M-NCPPC in the amount of \$76,534,154.

(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 2010, 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

(20) 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 2010 contributions to COG amounted to approximately \$497,676.

(21) Prior Period Adjustment

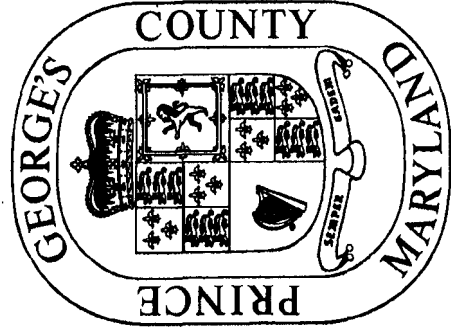
The net assets of the governmental activities and Internal Service Fund (Life and Health Benefits) were restated to correct an error in the accounting for a deposit refund. In fiscal year 2009 the County received a \$1,212,148 refund of a deposit from a third party health benefit administrator. The transaction was incorrectly recorded as a reduction in claims expenses instead of a reduction to the prepaid expense asset account. The restatement resulted in a decrease of \$1,212,148 in both the governmental activities and the Internal Service Fund net assets for June 30, 2009.

(22) Special Item

During fiscal year 2009 the County and various labor unions were involved in a \$10.7 million lawsuit concerning the Employee Furlough Program. The unions won a judgment and the County recorded an expense and liability in its government-wide financial statements. The judgment was overturned during the appeal in fiscal year 2010 resulting in a \$10.7 million gain recorded as a special item.

(23) Subsequent Event

On August 24, 2010, the County issued \$43,025,000 of General Obligation Consolidated Public Improvement Tax-Exempt Bonds, Series 2010A and \$51,515,000 of General Obligation Consolidated Public Improvement Taxable Build America Bonds, Series 2010B. The bonds are being issued to provide funds for the construction, reconstruction, establishment, extension, enlargement, demolition, improvement, or acquisition of certain capital projects.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Prince George's County, Maryland  
 Schedule of Funding Progress  
 For the fiscal year ended June 30, 2010

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, 2009. The OPEB Plan had its first actuarial valuation as of July 1, 2007. 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						
07/01/09	\$ 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
07/01/04	571,116,300	756,644,000	185,527,700	75.48	76,198,900	243.48
Fire Service						
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
07/01/04	261,791,800	357,848,500	96,056,700	73.16	40,278,600	238.48
Deputy Sheriffs'						
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
07/01/04	23,551,000	46,926,700	23,375,700	50.19	6,438,700	363.05
Correctional Officers'						
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
07/01/04	39,462,800	65,511,100	26,048,300	60.24	16,857,500	154.52

Required Supplementary Information

Prince George's County, Maryland  
 Schedule of Funding Progress, continued  
 For the fiscal year ended June 30, 2010

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'						
07/01/09	\$ 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
07/01/04	4,570,300	6,660,800	2,090,500	68.61	1,519,500	137.58
Correctional Officers'						
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
07/01/04	2,747,300	4,228,200	1,480,900	64.98	2,035,800	72.74
Crossing Guards						
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
07/01/04	787,200	1,412,900	625,700	55.72	1,508,300	41.48
AFSCME						
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
07/01/04	15,393,000	22,728,500	7,335,500	67.73	22,144,300	33.13



Prince George's County, Maryland  
 Schedule of Funding Progress, continued  
 For the fiscal year ended June 30, 2010

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						
07/01/09	\$ 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
07/01/04	64,036,100	110,736,200	46,700,100	57.83	80,081,400	58.32
Fire Civilian						
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
07/01/04	3,062,700	5,837,900	2,775,200	52.46	3,534,600	78.52
Police Civilian						
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
07/01/04	5,504,500	11,089,400	5,584,900	49.64	9,361,400	59.66

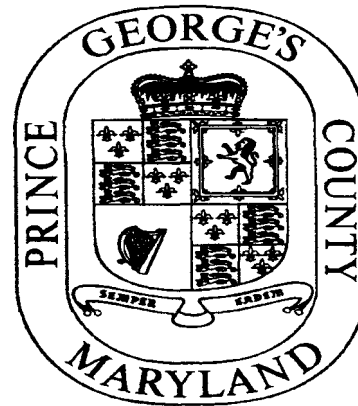
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
OPEB Plan (in thousands)						
07/01/08	\$ 29,647	\$ 792,265	\$ 762,618	3.74%	\$ 463,893	164.40%
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, 2010

<u>Assets</u>		<u>Liabilities and Fund Balance</u>	
Cash and investments	\$ 311,223,301	Liabilities:	
Taxes receivable:		Compensated absences and	
Property taxes	16,475,717	termination benefits payable	\$ 604,138
Less allowance for uncollectible taxes	<u>(7,380,161)</u>	Accounts payable	29,361,079
Net property taxes	<u>9,095,556</u>	Accrued costs	25,980,032
Accounts receivable	27,768,758	Deferred revenue	63,412,715
Less allowance for uncollectible accounts	<u>(163,606)</u>	Deposits	26,749,075
Net accounts receivable	<u>27,605,152</u>	Due to component units:	
Notes receivable	714,598	Prince George's County Public Schools	6,000,000
Special assessments receivable:		Housing Authority	<u>289,252</u>
Deferred	9,861	Total due to component units	<u>6,289,252</u>
Accrued interest receivable	2,216,419	Total liabilities	<u>152,396,291</u>
Due from other funds:		Fund balance:	
Special Revenue	9,000,000	Reserved for encumbrances	12,368,851
Capital Projects	<u>17,500,000</u>	Reserved for inventories	1,631,716
Total due from other funds	<u>26,500,000</u>	Reserved for contingency	<u>130,337,935</u>
Due from component units:		Total reserved	<u>144,338,502</u>
Housing Authority	1,613,130	Unreserved:	
Revenue Authority	1,876,056	Designated for equipment purchases	36,919
Prince George's Community Television	<u>450,000</u>	Designated for real estate purchases	5,134,921
Total due from component units	<u>3,939,186</u>	Designated for subsequent years' expenditures	13,000,000
Due from other governmental units:		Designated for operating stability	<u>52,135,174</u>
State	87,062,837	Total designated	<u>70,307,014</u>
Federal	101,962	Undesignated	<u>116,213,577</u>
Other	<u>7,932,956</u>	Total fund balance	<u>330,859,093</u>
Total due from other governmental units	<u>95,097,755</u>		
Inventories, at average cost	1,631,716		
Cash and investments-restricted	5,171,840		
Other assets	50,000		
	<u>\$ 483,255,384</u>		<u>\$ 483,255,384</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Schedule of Revenue, Expenditures, and Changes in Fund Balance  
 General Fund  
 For the year ended June 30, 2010

Revenues:	
Taxes	\$ 1,410,645,716
Licenses and permits	17,204,938
Fines and forfeitures	2,535,074
Use of money and property	9,834,420
Charges for services	34,866,520
Intergovernmental	65,231,690
Miscellaneous	<u>1,373,901</u>
Total revenues	<u>1,541,692,259</u>
Expenditures:	
General government (includes debt service payments of \$17,783,014)	199,882,698
Public safety	492,130,587
Public works	12,209,452
Health	19,992,475
Public welfare	2,466,964
Payments to component units	<u>662,992,500</u>
Total expenditures	<u>1,389,674,676</u>
Excess of revenues over expenditures	<u>152,017,583</u>
Other financing sources (uses):	
Transfers out - other funds	<u>(99,382,853)</u>
Total other financing sources (uses)	<u>(99,382,853)</u>
Excess of revenues and other financing sources under expenditures and other uses	<u>52,634,730</u>
Fund balance, beginning of year	<u>278,224,363</u>
Fund balance, end of year	<u>\$ <u>330,859,093</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, 2010

	Budget <u>As Revised</u>	Actual <u>Revenues</u>	Variance Positive <u>(Negative)</u>
General property taxes:			
Real property (net of credits)	\$ 642,094,900	654,439,062	12,344,162
Unincorporated business personal property	510,000	743,652	233,652
Railroad and public utility	28,325,000	30,248,823	1,923,823
Corporate personal property	<u>34,369,500</u>	<u>40,112,034</u>	<u>5,742,534</u>
Total general property taxes	<u>705,299,400</u>	<u>725,543,571</u>	<u>20,244,171</u>
Local taxes:			
Income	395,797,300	428,141,810	32,344,510
State income disparity grant	21,694,800	21,694,767	(33)
Recordation	25,191,900	27,028,937	1,837,037
Interest and penalties on delinquent taxes	4,460,000	4,494,067	34,067
Transfer	66,916,300	68,767,411	1,851,111
Trailer camp	40,000	36,936	(3,064)
Hotel/motel	5,056,100	4,882,625	(173,475)
Amusement	10,433,600	11,988,473	1,554,873
Telecommunications tax	49,243,800	44,357,561	(4,886,239)
Energy tax	<u>63,347,200</u>	<u>71,280,769</u>	<u>7,933,569</u>
Total local taxes	<u>642,181,000</u>	<u>682,673,356</u>	<u>40,492,356</u>
Shared taxes:			
Gas and motor vehicle	10,838,300	1,334,216	(9,504,084)
State transfer taxes	<u>40,000</u>	<u>1,094,573</u>	<u>1,054,573</u>
	<u>10,878,300</u>	<u>2,428,789</u>	<u>(8,449,511)</u>
Total taxes	<u>1,358,358,700</u>	<u>1,410,645,716</u>	<u>52,287,016</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, 2010

	Budget <u>As Revised</u>	Actual <u>Revenues</u>	Variance Positive <u>(Negative)</u>
Licenses and permits:			
Street privileges and permits	\$ 2,010,400	3,054,423	1,044,023
Liquor license and permits	1,241,000	1,250,370	9,370
Traders	971,000	626,007	(344,993)
Hawkers and peddlers	3,700	3,375	(325)
Refuse	62,600	46,494	(16,106)
Taxicab	291,900	255,208	(36,692)
Dance licenses	9,700	2,400	(7,300)
Bonder's license fees	733,700	723,393	(10,307)
Animal registration	172,200	155,622	(16,578)
Mechanics	21,800	14,150	(7,650)
Electrical licenses	135,200	143,557	8,357
Building permits	5,668,800	6,436,956	768,156
Single family and apartment rental license fee	2,091,900	2,191,238	99,338
New sign permits	24,300	47,252	22,952
Towing facility	10,300	72,775	62,475
Palmist	2,700	2,750	50
Burglar alarm	543,300	651,672	108,372
Benefit performance and casino permits	15,900	2,860	(13,040)
Board of registration - contractor's fee	14,000	7,650	(6,350)
Health permits	1,656,800	1,458,568	(198,232)
Secondhand dealers	24,800	35,500	10,700
Other	17,600	22,718	5,118
	<u>15,723,600</u>	<u>17,204,938</u>	<u>1,481,338</u>
Total licenses and permits			
Fines and forfeitures:			
Motor vehicles	446,300	834,065	387,765
Animal	31,500	47,175	15,675
Traffic Light	1,653,700	1,633,204	(20,496)
Other	10,000	20,630	10,630
Total fines and forfeitures	<u>2,141,500</u>	<u>2,535,074</u>	<u>393,574</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, 2010

	Budget As Revised	Actual Revenues	Variance Positive (Negative)
Use of money and property:			
Interest and dividends	\$ 10,849,300	8,106,609	(2,742,691)
Telephone commissions	440,100	376,321	(63,779)
Rental of County-owned property	1,000,000	1,250,347	250,347
Xerox commissions	14,600	6,502	(8,098)
Vending machines and cafeteria commissions	52,600	80,064	27,464
Other use of money and property	-	14,577	14,577
Total use of money and property	<u>12,356,600</u>	<u>9,834,420</u>	<u>(2,522,180)</u>
Charges for services:			
Sheriff's fees	3,000,000	3,984,117	984,117
Zoning Appeals Board fee	58,800	26,693	(32,107)
Tax certification fees	-	18,660	18,660
Tax collection service	173,800	65,000	(108,800)
Health fees	910,000	673,733	(236,267)
Appearance and witness fees	132,400	268,146	135,746
Emergency transport and related services	4,434,200	10,169,267	5,735,067
Tax sale cost recoveries	26,200	50,400	24,200
Housing - State prisoners	-	568,125	568,125
Housing - Federal prisoners	-	148,672	148,672
Contractual police services	352,600	548,081	195,481
Inmate commissions	-	193,341	193,341
County sales	700	667	(33)
Animal control fees	103,000	83,043	(19,957)
Mosquito control	18,400	14,000	(4,400)
Circuit Court marriage ceremonies	36,800	43,982	7,182
Local 911 fee	6,978,800	6,162,943	(815,857)
Project coordinator fee	-	-	-
Cable franchise fees	6,279,600	8,758,336	2,478,736
Stadium contract revenue	1,050,400	1,996,406	946,006
Jury fees reimbursements	562,700	630,000	67,300
Sex offenders registration fee	-	-	-
Interpreter fee	198,500	315,479	116,979
Other	109,700	147,429	37,729
Total charges for services	<u>24,426,600</u>	<u>34,866,520</u>	<u>10,439,920</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, 2010

	<u>Budget</u> <u>As Revised</u>	<u>Actual</u> <u>Revenues</u>	Variance Positive (Negative)
<b>Intergovernmental revenues:</b>			
Civil defense	\$ 100,000	93,955	(6,045)
Police protection	11,679,900	9,270,447	(2,409,453)
Circuit Court recoveries	200,000	-	(200,000)
Land management	10,000	8,582	(1,418)
Health Department - State share	7,703,000	4,541,405	(3,161,595)
Fire grant	-	-	-
Racing grant	100,000	30,981	(69,019)
Fish and wildlife service	250,000	194,146	(55,854)
DHR DSS grant	480,000	-	(480,000)
State grants	-	38,388	38,388
Federal grants	200,000	603,292	403,292
Payment from Revenue Authority	2,150,000	2,150,000	-
Payment from Prince George's County Public Schools	11,814,400	11,814,400	-
DSS salary reimbursement	215,000	348,639	133,639
Payment from M-NCPPC	<u>38,750,000</u>	<u>36,137,455</u>	<u>(2,612,545)</u>
Total intergovernmental revenues	<u>73,652,300</u>	<u>65,231,690</u>	<u>(8,420,610)</u>
<b>Miscellaneous revenues:</b>			
Cedarville state forest	-	9,244	9,244
Sale of surplus property	184,000	120,204	(63,796)
Sale of voter lists	10,700	1,958	(8,742)
Sale of accident reports and photos	166,700	96,548	(70,152)
Other miscellaneous sales	38,600	78,004	39,404
Miscellaneous revenue	<u>599,000</u>	<u>1,067,943</u>	<u>468,943</u>
Total miscellaneous revenues	<u>999,000</u>	<u>1,373,901</u>	<u>374,901</u>
	<u>\$ 1,487,658,300</u>	<u>1,541,692,259</u>	<u>54,033,959</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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government:									
County Executive:									
Compensation	\$ -	-	-	-	3,781,500	3,093,473	-	3,093,473	688,027
Other current expenses	16,909	35	-	16,874	800,800	477,158	-	477,158	323,642
Fringe benefits	-	-	-	-	875,000	714,654	-	714,654	160,346
Total County Executive	16,909	35	-	16,874	5,457,300	4,285,285	-	4,285,285	1,172,015
Legislative Branch:									
Compensation	-	-	-	-	8,514,100	8,501,761	-	8,501,761	12,339
Other current expenses	338,981	238,721	32,604	67,656	3,012,100	1,448,806	120,041	1,568,847	1,443,253
Capital outlay	-	-	-	-	95,900	11,085	-	11,085	84,815
Fringe benefits	-	-	-	-	2,007,300	2,145,532	-	2,145,532	(138,232)
Project charges	-	-	-	-	(991,000)	(982,765)	-	(982,765)	(8,235)
Total Legislative Branch	338,981	238,721	32,604	67,656	12,638,400	11,124,419	120,041	11,244,460	1,393,940
Human Relations Commission:									
Compensation	-	-	-	-	703,500	627,387	-	627,387	76,113
Other current expenses	7,952	2,287	5,665	-	81,300	64,364	7,512	71,876	9,424
Fringe benefits	-	-	-	-	160,100	197,347	-	197,347	(37,247)
Project charges	-	-	-	-	(20,000)	-	-	-	(20,000)
Total Human Relations Commission	7,952	2,287	5,665	-	924,900	889,098	7,512	896,610	28,290
Circuit Court:									
Compensation	-	-	-	-	8,634,400	8,229,925	-	8,229,925	404,475
Other current expenses	153,964	96,738	17,892	39,334	2,841,628	2,829,575	107,497	2,937,072	(95,444)
Capital Outlay	18,000	-	-	18,000	-	-	-	-	-
Fringe benefits	-	-	-	-	2,238,000	2,339,155	-	2,339,155	(101,155)
Total Circuit Court	171,964	96,738	17,892	57,334	13,714,028	13,398,655	107,497	13,506,152	207,876

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Orphan's Court:									
Compensation	\$ -	-	-	-	299,700	302,618	-	302,618	(2,918)
Other current expenses	-	-	-	-	14,100	8,222	-	8,222	5,878
Fringe benefits	-	-	-	-	71,700	73,411	-	73,411	(1,711)
Total Orphan's Court	-	-	-	-	385,500	384,251	-	384,251	1,249
State's Attorney Office:									
Compensation	-	-	-	-	10,117,900	8,479,719	-	8,479,719	1,638,181
Other current expenses	13,663	9,697	3,966	-	1,324,300	1,212,075	4,166	1,216,241	108,059
Fringe benefits	-	-	-	-	2,415,700	2,295,868	-	2,295,868	119,832
Total State's Attorney Office	13,663	9,697	3,966	-	13,857,900	11,987,662	4,166	11,991,828	1,866,072
Personnel Board:									
Compensation	-	-	-	-	177,200	172,884	-	172,884	4,316
Other current expenses	-	-	-	-	60,100	55,891	8,673	64,564	(4,464)
Fringe benefits	-	-	-	-	40,800	40,496	-	40,496	304
Total Personnel Board	-	-	-	-	278,100	269,271	8,673	277,944	156
Office of Finance:									
Compensation	-	-	-	-	4,535,700	4,563,898	-	4,563,898	(28,198)
Other current expenses	49,970	35,971	13,999	-	764,400	549,507	46,115	595,622	168,778
Fringe benefits	-	-	-	-	1,296,100	1,370,228	-	1,370,228	(74,128)
Project charges	-	-	-	-	(2,512,000)	(2,445,764)	-	(2,445,764)	(66,236)
Total Office of Finance	49,970	35,971	13,999	-	4,084,200	4,037,869	46,115	4,083,984	216
Citizen Complaint Oversight Panel:									
Compensation	-	-	-	-	115,400	113,015	-	113,015	2,385
Other current expenses	960	959	1	-	108,300	100,424	1,260	101,684	6,616
Fringe benefits	-	-	-	-	24,300	25,010	-	25,010	(710)
Total Citizen Complaint Oversight Panel	960	959	1	-	248,000	238,449	1,260	239,709	8,291

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010			Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	
General government, continued:								
Office of Community Relations								
Compensation	\$ -	-	-	-	1,431,900	1,390,715	-	41,185
Other current expenses	-	-	-	-	122,000	121,960	-	40
Fringe benefits	-	-	-	-	363,000	386,202	-	(23,202)
Total Office of Community Relations	-	-	-	-	1,916,900	1,898,877	-	18,023
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	-	-	-	-	1,918,200	1,890,614	-	27,586
Other current expenses	-	-	-	-	190,000	147,202	-	42,798
Fringe benefits	-	-	-	-	431,700	467,477	-	(35,777)
Project charges	-	-	-	-	(283,100)	(276,954)	-	(6,146)
Total Office of Management and Budget	-	-	-	-	2,256,800	2,228,339	-	28,461
Board of License Commissioners:								
Compensation	-	-	-	-	781,800	783,427	-	(1,627)
Other current expenses	2,089	472	1,617	-	166,800	132,734	13,529	20,537
Fringe benefits	-	-	-	-	259,600	278,043	-	(18,443)
Total Board of License Commissioners	2,089	472	1,617	-	1,208,200	1,194,204	13,529	467
Office of Law:								
Compensation	-	-	-	-	4,544,800	4,252,708	-	292,092
Other current expenses	13,144	8,849	4,295	-	363,300	337,061	1,865	24,374
Fringe benefits	-	-	-	-	985,200	1,011,148	-	(25,948)
Project charges	-	-	-	-	(1,819,400)	(2,206,459)	-	387,059
Total Office of Law	13,144	8,849	4,295	-	4,073,900	3,394,458	1,865	677,577

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Office of Human Resources Management									
Compensation	\$ -	-	-	-	5,297,600	5,217,892	-	5,217,892	79,708
Other current expenses	274,438	68,030	206,408	-	1,279,200	931,535	174,776	1,106,311	172,889
Fringe benefits	-	-	-	-	1,175,100	1,316,425	-	1,316,425	(141,325)
Project charges	-	-	-	-	(1,760,400)	(1,692,190)	-	(1,692,190)	(68,210)
<b>Total Office of Human Resources Management</b>	<b>274,438</b>	<b>68,030</b>	<b>206,408</b>	<b>-</b>	<b>5,991,500</b>	<b>5,773,662</b>	<b>174,776</b>	<b>5,948,438</b>	<b>43,062</b>
Board of Elections:									
Compensation	-	-	-	-	1,156,100	1,397,473	-	1,397,473	(241,373)
Other current expenses	10,000	-	10,000	-	836,800	319,294	15,211	334,505	502,295
Capital outlay	-	-	-	-	70,000	-	41,596	41,596	28,404
Fringe benefits	-	-	-	-	149,900	325,144	-	325,144	(175,244)
<b>Total Board of Elections</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>2,212,800</b>	<b>2,041,911</b>	<b>56,807</b>	<b>2,098,718</b>	<b>114,082</b>
Soil Conservation:									
Compensation	-	-	-	-	1,056,800	1,006,225	-	1,006,225	50,575
Other current expenses	-	-	-	-	14,000	14,983	-	14,983	(983)
Fringe benefits	-	-	-	-	224,700	213,672	-	213,672	11,028
Project charges	-	-	-	-	(1,295,500)	(1,234,880)	-	(1,234,880)	(60,620)
<b>Total Soil Conservation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		Subtotal
General government, continued:									
Office of Central Services:									
Compensation	\$ -	-	-	-	8,857,300	8,556,741	-	8,556,741	300,559
Other current expenses	529,715	288,595	211,920	29,200	8,230,500	7,052,544	101,325	7,153,869	1,076,631
Fringe benefits	-	-	-	-	2,754,000	3,041,865	-	3,041,865	(287,865)
Project charges	-	-	-	-	(2,636,000)	(1,563,302)	-	(1,563,302)	(1,072,698)
<b>Total Office of Central Services</b>	<b>529,715</b>	<b>288,595</b>	<b>211,920</b>	<b>29,200</b>	<b>17,205,800</b>	<b>17,087,848</b>	<b>101,325</b>	<b>17,189,173</b>	<b>16,627</b>
Department of Family Services									
Compensation	-	-	-	-	1,679,700	908,183	-	908,183	771,517
Other current expenses	56,645	45,428	2,709	8,508	765,876	682,054	62,328	744,382	21,494
Fringe benefits	-	-	-	-	379,300	265,745	-	265,745	113,555
Project charges	-	-	-	-	(546,700)	(5,200)	-	(5,200)	(541,500)
<b>Total Department of Family Services</b>	<b>56,645</b>	<b>45,428</b>	<b>2,709</b>	<b>8,508</b>	<b>2,278,176</b>	<b>1,850,782</b>	<b>62,328</b>	<b>1,913,110</b>	<b>365,066</b>
Department of Housing and Community Development:									
Compensation	-	-	-	-	1,485,700	1,060,753	-	1,060,753	424,947
Other current expenses	-	-	-	-	328,000	587,741	12,538	600,279	(272,279)
Fringe benefits	-	-	-	-	359,000	292,004	-	292,004	66,996
<b>Total Department of Housing and Community Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,172,700</b>	<b>1,940,498</b>	<b>12,538</b>	<b>1,953,036</b>	<b>219,664</b>

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
General government, continued:									
Non-departmental:									
Employee incentives	-	-	-	-	500,000	258,799	95,685	354,484	145,516
Grants to community organizations	\$ 328,193	328,193	-	-	2,680,000	2,155,944	-	2,155,944	524,056
Grants to governmental groups	12,000	12,000	-	-	177,500	165,346	-	165,346	12,154
Grants and contributions to componet units	-	-	-	-	3,716,900	2,816,900	-	2,816,900	900,000
Memberships	-	-	-	-	563,900	514,039	-	514,039	49,861
Economic Development	79,861	-	79,861	-	5,069,300	4,154,868	-	4,154,868	914,432
Conference and Visitors Bureau	-	-	-	-	950,000	950,000	-	950,000	-
Discretionary Grants	795,412	502,375	-	293,037	1,261,300	2,179,266	-	2,179,266	(917,966)
General Fund insurance payments	-	-	-	-	5,500,000	5,500,000	-	5,500,000	-
Judgments - associated legal and professional expenses	1,293,408	522,521	-	770,887	998,000	910,240	113,938	1,024,178	(26,178)
Professional Service	779,258	135,962	-	643,296	2,805,000	4,175,051	289,893	4,464,944	(1,659,944)
Postage	64,522	5,686	13,794	45,042	1,280,000	1,022,975	15,316	1,038,291	241,709
Utilities and leases	1,469,779	55,671	490,776	923,332	51,605,700	44,008,006	1,719,336	45,727,342	5,878,358
Grant to Hospital Authority	418,521	287,774	-	130,747	-	121	-	121	(121)
Debt payments	-	-	-	-	5,702,200	5,418,379	-	5,418,379	283,821
Debt issuance costs	-	-	-	-	-	7,718	-	7,718	(7,718)
Project charges	-	-	-	-	(5,456,500)	(3,510,290)	-	(3,510,290)	(1,946,210)
Contingency	-	-	-	-	-	-	-	-	-
Grant to Dimensions Health Corporation	-	-	-	-	12,000,000	9,000,000	-	9,000,000	3,000,000
Interest	-	-	-	-	97,200	329,113	-	329,113	(231,913)
Group Health (Retirees)	-	-	-	-	22,048,400	26,048,400	-	26,048,400	(4,000,000)
Group Life (Retirees)	-	-	-	-	950,000	950,000	-	950,000	-
Unemployment Compensation	-	-	-	-	250,000	829,500	-	829,500	(579,500)
Deferred compensation contributions	-	-	-	-	130,000	86,491	-	86,491	43,509
Retired county personnel pension payments	-	-	-	-	3,000	47,562	247	47,809	(44,809)
Compensated Absences	-	-	-	-	-	97,207	-	97,207	(97,207)
Summer Youth Programs	-	-	-	-	1,400,000	1,013,378	-	1,013,378	386,622
Workers Compensation	-	-	-	-	-	3,453,065	-	3,453,065	(3,453,065)
Other miscellaneous	273,269	34,089	183,116	56,064	1,360,000	595,029	200,000	795,029	564,971
Total non-departmental	5,514,223	1,884,271	767,547	2,862,405	115,591,900	113,177,107	2,434,415	115,611,522	(19,622)
Total general government	7,000,653	2,680,053	1,278,623	3,041,977	206,497,004	197,202,645	3,152,847	200,355,492	6,141,512

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety:									
Department of Environmental Resources:									
Compensation	\$ -	-	-	-	13,406,200	13,451,776	-	13,451,776	(45,576)
Other current expenses	116,659	44,905	38,211	33,543	3,745,200	1,295,984	166,491	1,462,475	2,282,725
Fringe benefits	-	-	-	-	4,027,500	4,224,372	-	4,224,372	(196,872)
Project charges	-	-	-	-	(10,253,800)	(8,410,443)	-	(8,410,443)	(1,843,357)
Total Department of Environmental Resources	<u>116,659</u>	<u>44,905</u>	<u>38,211</u>	<u>33,543</u>	<u>10,925,100</u>	<u>10,561,689</u>	<u>166,491</u>	<u>10,728,180</u>	<u>196,920</u>
Police Department:									
Compensation	-	-	-	-	151,893,900	143,616,117	-	143,616,117	8,277,783
Other current expenses	704,596	148,092	323,503	233,001	30,287,200	24,139,190	1,565,789	25,704,979	4,582,221
Capital outlay	260,215	260,215	-	-	243,000	7,286,266	502,860	7,789,126	(7,546,126)
Fringe benefits	-	-	-	-	69,532,800	70,881,949	-	70,881,949	(1,349,149)
Project charges	-	-	-	-	(1,555,600)	(408,373)	-	(408,373)	(1,147,227)
Total Police Department	<u>964,811</u>	<u>408,307</u>	<u>323,503</u>	<u>233,001</u>	<u>250,401,300</u>	<u>245,515,149</u>	<u>2,068,649</u>	<u>247,583,798</u>	<u>2,817,502</u>
Fire Department:									
Fire Department - Career Service:									
Compensation	-	-	-	-	64,489,800	62,485,946	-	62,485,946	2,003,854
Other current expenses	922,345	15,984	248,247	658,114	5,044,400	4,404,003	369,222	4,773,225	271,175
Fringe benefits	-	-	-	-	43,227,300	39,749,987	-	39,749,987	3,477,313
Project charges	-	-	-	-	(730,100)	(653,324)	-	(653,324)	(76,776)
Total Fire Department - Career Service	<u>922,345</u>	<u>15,984</u>	<u>248,247</u>	<u>658,114</u>	<u>112,031,400</u>	<u>105,986,612</u>	<u>369,222</u>	<u>106,355,834</u>	<u>5,675,566</u>
Volunteer Fire Companies:									
Other current expenses	778,723	284,280	350,872	143,571	10,257,000	10,134,460	234,897	10,369,357	(112,357)
Capital outlay	47,340	-	14,525	32,815	-	14,525	-	14,525	(14,525)
Fringe benefits	-	-	-	-	2,000,000	1,871,897	-	1,871,897	128,103
Total Volunteer Fire Companies	<u>826,063</u>	<u>284,280</u>	<u>365,397</u>	<u>176,386</u>	<u>12,257,000</u>	<u>12,020,882</u>	<u>234,897</u>	<u>12,255,779</u>	<u>1,221</u>
Total Fire Department	<u>1,748,408</u>	<u>300,264</u>	<u>613,644</u>	<u>834,500</u>	<u>124,288,400</u>	<u>118,007,494</u>	<u>604,119</u>	<u>118,611,613</u>	<u>5,676,787</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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public safety, continued:									
Sheriff's Department:									
Compensation	\$ -	-	-	-	18,845,600	19,047,869	-	19,047,869	(202,269)
Other current expenses	209,980	153,975	5	56,000	4,089,400	4,055,660	185,081	4,240,741	(151,341)
Capital outlay	6,372	6,372	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	8,807,400	8,410,629	-	8,410,629	396,771
Project charges	-	-	-	-	-	(41,924)	-	(41,924)	41,924
Total Sheriff's Department	216,352	160,347	5	56,000	31,742,400	31,472,234	185,081	31,657,315	85,085
Department of Corrections:									
Compensation	-	-	-	-	42,189,800	42,033,264	-	42,033,264	156,536
Other current expenses	86,083	54,528	31,555	-	11,007,250	9,891,192	137,085	10,028,277	978,973
Capital outlay	-	-	-	-	16,750	17,206	-	17,206	(456)
Fringe benefits	-	-	-	-	13,873,400	14,851,224	-	14,851,224	(977,824)
Project charges	-	-	-	-	(237,400)	(143,820)	-	(143,820)	(93,580)
Total Department of Corrections	86,083	54,528	31,555	-	66,849,800	66,649,066	137,085	66,786,151	63,649
Office of Homeland Security									
Compensation	-	-	-	-	13,031,000	11,926,996	-	11,926,996	1,104,004
Other current expenses	700,055	299,197	94,142	306,716	3,020,200	3,547,847	58,301	3,606,148	(585,948)
Fringe benefits	-	-	-	-	3,100,400	3,182,564	-	3,182,564	(82,164)
Project charges	-	-	-	-	(413,700)	-	-	-	(413,700)
Total Office of Homeland Security	700,055	299,197	94,142	306,716	18,737,900	18,657,407	58,301	18,715,708	22,192
Total public safety	3,832,368	1,267,548	1,101,060	1,463,760	502,944,900	490,863,039	3,219,726	494,082,765	8,862,135

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010				Variance Positive (Negative)
					Budget as revised	Expenditures	Encumbrances	Subtotal	
Public works - Department of									
Public Works and Transportation:									
Compensation	\$ -	-	-	-	21,057,400	18,886,990	-	18,886,990	2,170,410
Other current expenses	595,501	277,076	296,085	22,340	35,439,200	31,450,970	826,130	32,277,100	3,162,100
Capital outlay	-	1,492,972	(1,492,972)	-	3,750,000	-	49,019	49,019	3,700,981
Fringe benefits	-	-	-	-	5,756,600	6,248,983	-	6,248,983	(492,383)
Project charges	-	(1,492,972)	1,492,972	-	(53,180,500)	(44,654,567)	-	(44,654,567)	(8,525,933)
<b>Total public works</b>	<b>595,501</b>	<b>277,076</b>	<b>296,085</b>	<b>22,340</b>	<b>12,822,700</b>	<b>11,932,376</b>	<b>875,149</b>	<b>12,807,525</b>	<b>15,175</b>
Health - Health Department:									
Compensation	-	-	-	-	17,434,700	14,006,177	-	14,006,177	3,428,523
Other current expenses	1,010,608	400,551	585,772	24,285	4,471,600	4,029,464	401,700	4,431,164	40,436
Fringe benefits	-	-	-	-	4,483,400	4,379,072	-	4,379,072	104,328
Project charges	-	-	-	-	(2,105,600)	(2,822,789)	-	(2,822,789)	717,189
<b>Total health</b>	<b>1,010,608</b>	<b>400,551</b>	<b>585,772</b>	<b>24,285</b>	<b>24,284,100</b>	<b>19,591,924</b>	<b>401,700</b>	<b>19,993,624</b>	<b>4,290,476</b>
Public welfare - Department of									
Social Services:									
Compensation	-	-	-	-	1,168,100	1,055,752	-	1,055,752	112,348
Other current expenses	95,010	74,265	20,745	-	1,333,900	1,051,315	167,068	1,218,383	115,517
Project charges	-	-	-	-	(69,000)	-	-	-	(69,000)
Fringe benefits	-	-	-	-	290,400	285,632	-	285,632	4,768
<b>Total public welfare</b>	<b>95,010</b>	<b>74,265</b>	<b>20,745</b>	<b>-</b>	<b>2,723,400</b>	<b>2,392,699</b>	<b>167,068</b>	<b>2,559,767</b>	<b>163,633</b>
Payments to Component Units:									
Board of Education	-	-	-	-	615,503,900	615,503,900	-	615,503,900	-
Community College	-	-	-	-	30,484,600	30,484,600	-	30,484,600	-
Memorial Library	-	-	-	-	17,004,000	17,004,000	-	17,004,000	-
<b>Total payments to component units</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>662,992,500</b>	<b>662,992,500</b>	<b>-</b>	<b>662,992,500</b>	<b>-</b>
<b>Total expenditures and encumbrances</b>	<b>\$ 12,534,140</b>	<b>4,699,493</b>	<b>3,282,285</b>	<b>4,552,362</b>	<b>1,412,264,604</b>	<b>1,384,975,183</b>	<b>7,816,490</b>	<b>1,392,791,673</b>	<b>19,472,931</b>

(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, 2010

	Encumbrances outstanding July 1, 2009	Current year expenditures previously encumbered	Prior year encumbrances cancelled	Prior year encumbrances outstanding June 30, 2010	Year ended June 30, 2010			Variance Positive (Negative)	
					Budget as revised	Expenditures	Encumbrances		Subtotal
Other financing uses:									
Transfers out:									
Special revenue funds	-	-	-	-	(2,268,196)	(2,268,196)	-	(2,268,196)	-
Capital projects fund	-	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)	-
Internal service funds	-	-	-	-	(7,819,700)	(7,319,700)	-	(7,319,700)	500,000
Debt service fund	-	-	-	-	(89,305,800)	(88,794,957)	-	(88,794,957)	510,843
Total transfers out	-	-	-	-	(100,393,696)	(99,382,853)	-	(99,382,853)	1,010,843
Total other financing uses	\$ -	-	-	-	(100,393,696)	(99,382,853)	-	(99,382,853)	1,010,843



## **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, 2010

<u>Assets</u>	<u>Special Revenue</u>					<u>Debt Service</u>	<u>Total</u>
	<u>Property Management Services</u>	<u>Collington Center</u>	<u>Domestic Violence</u>	<u>Drug Enforcement and Education</u>	<u>Total</u>		
Cash and investments	\$ 2,184,771	1,152,974	223,640	11,023,113	14,584,498	-	14,584,498
Due from other governmental units	-	-	28,359	-	28,359	176,624	204,983
Restricted cash and investments	-	-	-	-	-	2,177,289	2,177,289
	<u>\$ 2,184,771</u>	<u>1,152,974</u>	<u>251,999</u>	<u>11,023,113</u>	<u>14,612,857</u>	<u>2,353,913</u>	<u>16,966,770</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 3,961	-	13,037	-	16,998	-	16,998
Deposits	-	10,000	-	-	10,000	-	10,000
Total liabilities	<u>3,961</u>	<u>10,000</u>	<u>13,037</u>	<u>-</u>	<u>26,998</u>	<u>-</u>	<u>26,998</u>
Fund balances:							
Reserved for debt service	-	-	-	-	-	2,353,913	2,353,913
Unreserved:							
Designated for subsequent years' expenditures	234,300	5,000	-	-	239,300	-	239,300
Undesignated	1,946,510	1,137,974	238,962	11,023,113	14,346,559	-	14,346,559
Total fund balances	<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>
	<u>\$ 2,184,771</u>	<u>1,152,974</u>	<u>251,999</u>	<u>11,023,113</u>	<u>14,612,857</u>	<u>2,353,913</u>	<u>16,966,770</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, 2010

	Special Revenue				Total	Debt Service	Total
	Property Management Services	Collington Center	Domestic Violence	Drug Enforcement and Education			
Revenues:							
Taxes	\$ -	-	-	-	-	1,539,050	1,539,050
Licenses and permits	-	-	266,918	-	266,918	-	266,918
Fines and forfeitures	-	-	-	1,809,025	1,809,025	-	1,809,025
Use of money and property:							
Interest and dividends	568,658	-	-	171,807	740,465	184,372	924,837
Charges for services	-	-	-	-	-	15,863,427	15,863,427
Sale of property	6,500	-	-	16,311	22,811	-	22,811
Intergovernmental	-	-	-	-	-	4,883,472	4,883,472
Total revenues	<u>575,158</u>	<u>-</u>	<u>266,918</u>	<u>1,997,143</u>	<u>2,839,219</u>	<u>22,470,321</u>	<u>25,309,540</u>
Expenditures:							
General government	272,388	5,000	-	-	277,388	208,294	485,682
Public safety	-	-	-	902	902	-	902
Public welfare	-	-	348,439	-	348,439	-	348,439
Debt service:							
Principal retirement	-	-	-	-	-	63,910,646	63,910,646
Interest	-	-	-	-	-	49,957,853	49,957,853
Total expenditures	<u>272,388</u>	<u>5,000</u>	<u>348,439</u>	<u>902</u>	<u>626,729</u>	<u>114,076,793</u>	<u>114,703,522</u>
Excess of revenues over (under) expenditures	<u>302,770</u>	<u>(5,000)</u>	<u>(81,521)</u>	<u>1,996,241</u>	<u>2,212,490</u>	<u>(91,606,472)</u>	<u>(89,393,982)</u>
Other financing sources (uses):							
Bond premium	-	-	-	-	-	2,599,354	2,599,354
Transfers in - other funds	-	-	119,000	-	119,000	91,361,031	91,480,031
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>119,000</u>	<u>-</u>	<u>119,000</u>	<u>93,960,385</u>	<u>94,079,385</u>
Net change in fund balances	302,770	(5,000)	37,479	1,996,241	2,331,490	2,353,913	4,685,403
Fund balances, beginning of year	<u>1,878,040</u>	<u>1,147,974</u>	<u>201,483</u>	<u>9,026,872</u>	<u>12,254,369</u>	<u>-</u>	<u>12,254,369</u>
Fund balances, end 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>

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, 2010

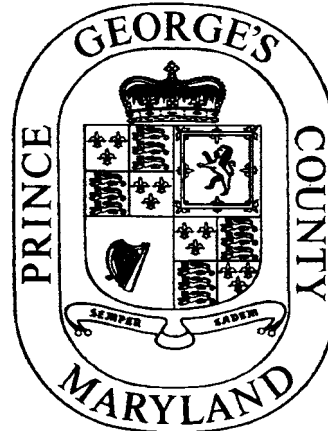
	Property Management Services				Collington Center				Domestic Violence			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:												
Licenses and permits	\$ -	-	-	-	-	-	-	-	315,400	315,400	266,918	(48,482)
Interest and Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Use of money and property	50,000	50,000	568,658	518,658	-	-	-	-	-	-	-	-
Sale of property	125,000	125,000	6,500	(118,500)	-	-	-	-	-	-	-	-
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>575,158</u>	<u>400,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,400</u>	<u>315,400</u>	<u>266,918</u>	<u>(48,482)</u>
Expenditures:												
General government	275,300	275,300	272,388	2,912	5,000	5,000	5,000	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-	-	434,400	434,400	348,439	85,961
Total expenditures	<u>275,300</u>	<u>275,300</u>	<u>272,388</u>	<u>2,912</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>434,400</u>	<u>434,400</u>	<u>348,439</u>	<u>85,961</u>
Excess of revenues over (under) expenditures	<u>(100,300)</u>	<u>(100,300)</u>	<u>302,770</u>	<u>403,070</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(119,000)</u>	<u>(119,000)</u>	<u>(81,521)</u>	<u>37,479</u>
Other financing sources (uses):												
Transfers in - other funds	-	-	-	-	-	-	-	-	119,000	119,000	119,000	-
Appropriated fund balance	100,300	100,300	-	(100,300)	5,000	5,000	-	(5,000)	-	-	-	-
Total other financing sources (uses)	<u>100,300</u>	<u>100,300</u>	<u>-</u>	<u>(100,300)</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>119,000</u>	<u>119,000</u>	<u>119,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>302,770</u>	<u>302,770</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>37,479</u>	<u>37,479</u>
Fund balances, beginning of year			<u>1,878,040</u>				<u>1,147,974</u>				<u>201,483</u>	
Fund balances, end of year			<u>\$ 2,180,810</u>				<u>1,142,974</u>				<u>238,962</u>	

(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, 2010

	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	266,918	(48,482)
Interest and Dividends	-	-	-	-	-	-	-	-
Fines and forfeitures	2,500,000	2,000,000	1,809,025	(190,975)	2,500,000	2,000,000	1,809,025	(190,975)
Use of money and property	-	-	171,807	171,807	50,000	50,000	740,465	690,465
Sale of property	-	-	16,311	16,311	125,000	125,000	22,811	(102,189)
Total revenues	<u>2,500,000</u>	<u>2,000,000</u>	<u>1,997,143</u>	<u>(2,857)</u>	<u>2,990,400</u>	<u>2,490,400</u>	<u>2,839,219</u>	<u>348,819</u>
Expenditures:								
General government	-	-	-	-	280,300	280,300	277,388	2,912
Public safety	2,500,000	2,000,000	902	1,999,098	2,500,000	2,000,000	902	1,999,098
Public welfare	-	-	-	-	434,400	434,400	348,439	85,961
Total expenditures	<u>2,500,000</u>	<u>2,000,000</u>	<u>902</u>	<u>1,999,098</u>	<u>3,214,700</u>	<u>2,714,700</u>	<u>626,729</u>	<u>2,087,971</u>
Excess of revenues over (under) expenditures	-	-	1,996,241	1,996,241	(224,300)	(224,300)	2,212,490	2,436,790
Other financing sources (uses):								
Transfers in - other funds	-	-	-	-	119,000	119,000	119,000	-
Appropriated fund balance	-	-	-	-	105,300	105,300	-	(105,300)
Total other financing sources (uses)	-	-	-	-	224,300	224,300	119,000	(105,300)
Net change in fund balances	\$ <u>-</u>	<u>-</u>	<u>1,996,241</u>	<u>1,996,241</u>	<u>-</u>	<u>-</u>	<u>2,331,490</u>	<u>2,331,490</u>
Fund balances, beginning of year		\$ <u>9,026,872</u>					<u>12,254,369</u>	
Fund balances, end of year		\$ <u>11,023,113</u>					<u>14,585,859</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, 2010

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
<b>Current assets:</b>									
Cash and investments	\$ 310,638	-	1,653,160	12,894,913	21,300,144	32,862,065	13,006,244	21,364,399	103,391,563
Accounts receivable	-	83,020	29,661	343,552	4,105	807,318	3,969	1,713,689	2,985,314
Accrued interest receivable	-	-	606	68,892	65,686	-	-	-	135,184
Due from (to) other internal service funds	-	(958,168)	-	-	958,168	-	-	-	-
Due from component units	-	-	-	1,884,168	-	-	-	-	1,884,168
Inventories, at cost	-	-	-	-	-	-	382,957	34,768	417,725
Prepaid costs and deposits	-	-	-	-	4,921	81,482	-	-	86,403
<b>Total current assets</b>	<b>310,638</b>	<b>(875,148)</b>	<b>1,683,427</b>	<b>15,191,525</b>	<b>22,333,024</b>	<b>33,750,865</b>	<b>13,393,170</b>	<b>23,112,856</b>	<b>108,900,357</b>
<b>Noncurrent assets:</b>									
Restricted cash and investments	-	1,249,864	1,468,230	12,556,623	1,896,831	-	277,517	-	17,449,065
<b>Capital assets:</b>									
Land	-	-	-	-	-	-	1,000,000	-	1,000,000
Buildings	-	-	-	-	-	-	2,640,889	-	2,640,889
Accumulated depreciation	-	-	-	-	-	-	(2,072,245)	-	(2,072,245)
Improvements other than buildings	-	-	-	-	-	-	328,014	-	328,014
Accumulated depreciation	-	-	-	-	-	-	(310,847)	-	(310,847)
Equipment	-	-	-	-	-	-	12,458,634	49,347	12,507,981
Accumulated depreciation	-	-	-	-	-	-	(9,341,779)	(38,809)	(9,380,588)
<b>Net capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,702,666</b>	<b>10,538</b>	<b>4,713,204</b>
Deferred debt issue costs	-	-	-	-	-	-	82,794	-	82,794
<b>Total noncurrent assets</b>	<b>-</b>	<b>1,249,864</b>	<b>1,468,230</b>	<b>12,556,623</b>	<b>1,896,831</b>	<b>-</b>	<b>5,062,977</b>	<b>10,538</b>	<b>22,245,063</b>
<b>Total assets</b>	<b>\$ 310,638</b>	<b>374,716</b>	<b>3,151,657</b>	<b>27,748,148</b>	<b>24,229,855</b>	<b>33,750,865</b>	<b>18,456,147</b>	<b>23,123,394</b>	<b>131,145,420</b>

(Continued)

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2010

<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>
<b>Current liabilities:</b>									
Current portion of compensated absences and termination benefits payable \$	-	-	-	-	-	-	650,577	723,255	1,373,832
Current portion of notes payable	-	-	-	-	-	-	250,000	-	250,000
Accounts payable	151,217	-	-	315,050	-	489,492	443,188	1,867,139	3,266,086
Accrued costs	-	-	-	-	-	104	-	426,499	426,603
Deferred revenue	-	-	-	97,819	-	30,554	267,841	-	396,214
Deposits	-	-	-	51,480	-	-	-	-	51,480
Current portion of estimated liability on pending claims	159,056	179,864	1,166,113	23,875,848	7,026,658	9,920,660	-	-	42,328,199
<b>Total current liabilities</b>	<b>310,273</b>	<b>179,864</b>	<b>1,166,113</b>	<b>24,340,197</b>	<b>7,026,658</b>	<b>10,440,810</b>	<b>1,611,606</b>	<b>3,016,893</b>	<b>48,092,414</b>
<b>Noncurrent liabilities:</b>									
Unamortized premium (discount)	-	-	-	-	-	-	11,200	-	11,200
Compensated absences and termination benefits payable, less current portion	-	-	-	-	-	-	135,291	137,910	273,201
Estimated liability on pending claims, less current portion	-	194,852	1,985,544	79,932,187	17,203,197	-	-	-	99,315,780
Notes payable, less current portion	-	-	-	-	-	-	1,100,000	-	1,100,000
<b>Total long-term liabilities</b>	<b>-</b>	<b>194,852</b>	<b>1,985,544</b>	<b>79,932,187</b>	<b>17,203,197</b>	<b>-</b>	<b>1,246,491</b>	<b>137,910</b>	<b>100,700,181</b>
<b>Total liabilities</b>	<b>310,273</b>	<b>374,716</b>	<b>3,151,657</b>	<b>104,272,384</b>	<b>24,229,855</b>	<b>10,440,810</b>	<b>2,858,097</b>	<b>3,154,803</b>	<b>148,792,595</b>
<b>Net Assets</b>									
Invested in net assets, net of related debt	-	-	-	-	-	-	3,424,260	10,538	3,434,798
Restricted	-	-	-	-	-	-	-	18,949,702	18,949,702
Unrestricted	365	-	-	(76,524,236)	-	23,310,055	12,173,790	1,008,351	(40,031,675)
<b>Total net assets</b>	<b>\$ 365</b>	<b>-</b>	<b>-</b>	<b>(76,524,236)</b>	<b>-</b>	<b>23,310,055</b>	<b>15,598,050</b>	<b>19,968,591</b>	<b>(17,647,175)</b>

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, 2010

	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
Operating revenues:									
Premium contributions	829,500	1,543,579	1,171,606	46,360,673	5,517,226	58,357,653	-	-	113,780,237
Sales									
Fuel sales	-	-	-	-	-	-	15,575	-	15,575
Office automation sales	-	-	-	-	-	-	-	19,931,150	19,931,150
Charges for services:									
Maintenance and repair charges	-	-	-	-	-	-	13,307,688	-	13,307,688
Use of money and property - rentals	-	-	-	-	-	-	208,893	14,340	223,233
Miscellaneous - subrogations and other	-	9,488	457,336	973,080	4,105	577,992	13,004	-	2,035,005
Total operating revenues	<u>829,500</u>	<u>1,553,067</u>	<u>1,628,942</u>	<u>47,333,753</u>	<u>5,521,331</u>	<u>58,935,645</u>	<u>13,545,160</u>	<u>19,945,490</u>	<u>149,292,888</u>
Operating expenses:									
Salaries	-	-	-	-	-	-	3,871,888	6,063,938	9,935,826
Fringe benefits	-	-	-	-	-	-	2,103,158	2,565,183	4,668,341
Contractual services	-	-	-	-	-	-	119,795	8,183,146	8,302,941
Materials	-	-	-	-	-	-	211,113	5,934,266	6,145,379
Facility and equipment rental	-	-	-	-	-	-	274,976	118,965	393,941
General and administrative:									
Administrative expenses	18,412	117,335	1,011,775	2,694,367	1,200,521	2,516,688	152,765	429,782	8,141,645
State worker's compensation tax	-	-	-	350,658	-	-	-	-	350,658
Depreciation	-	-	-	-	-	-	1,991,076	6,685	1,997,761
Insurance claims	811,005	-	2,124,890	47,459,521	10,132,189	39,652,281	-	-	100,179,886
Insurance premiums	-	1,088,532	-	1,630,323	91,543	11,716,349	-	-	14,526,747
Other:									
Repair and maintenance	-	-	-	-	-	-	3,298,790	64,906	3,363,696
Other operating expenses	-	-	-	-	-	-	405	-	405
Total operating expenses	<u>829,417</u>	<u>1,205,867</u>	<u>3,136,665</u>	<u>52,134,869</u>	<u>11,424,253</u>	<u>53,885,318</u>	<u>12,023,966</u>	<u>23,366,871</u>	<u>158,007,226</u>
Operating income (loss)	<u>83</u>	<u>347,200</u>	<u>(1,507,723)</u>	<u>(4,801,116)</u>	<u>(5,902,922)</u>	<u>5,050,327</u>	<u>1,521,194</u>	<u>(3,421,381)</u>	<u>(8,714,338)</u>
Nonoperating revenue (expenses):									
Interest income	-	47	8,906	426,988	374,672	-	-	-	810,613
Interest expense	-	-	-	-	-	-	(61,564)	-	(61,564)
Debt issuance costs	-	-	-	-	-	-	(4,615)	-	(4,615)
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(43,817)	(3,853)	(47,670)
Total nonoperating revenue (expenses)	<u>-</u>	<u>47</u>	<u>8,906</u>	<u>426,988</u>	<u>374,672</u>	<u>-</u>	<u>(109,996)</u>	<u>(3,853)</u>	<u>696,764</u>
Income (loss) before transfers	<u>83</u>	<u>347,247</u>	<u>(1,498,817)</u>	<u>(4,374,128)</u>	<u>(5,528,250)</u>	<u>5,050,327</u>	<u>1,411,198</u>	<u>(3,425,234)</u>	<u>(8,017,574)</u>
Interfund transfer in (out)	-	-	-	-	-	-	-	7,319,700	7,319,700
Intrafund transfers in (out)	-	(347,247)	1,498,817	(6,679,820)	5,528,250	-	-	-	-
Change in net assets	<u>83</u>	<u>-</u>	<u>-</u>	<u>(11,053,948)</u>	<u>-</u>	<u>5,050,327</u>	<u>1,411,198</u>	<u>3,894,466</u>	<u>(697,874)</u>
Total net assets (deficit) - beginning	<u>282</u>	<u>-</u>	<u>-</u>	<u>(65,470,288)</u>	<u>-</u>	<u>19,471,876</u>	<u>14,186,852</u>	<u>16,074,125</u>	<u>(15,737,153)</u>
Prior period adjustment	-	-	-	-	-	(1,212,148)	-	-	(1,212,148)
Total net assets (deficit) - end	<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>

PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Cash Flows  
Internal Service Funds  
For the year ended June 30, 2010

	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	829,500	1,553,067	2,541,929	42,439,071	4,559,058	58,003,304	13,535,683	19,597,776	143,059,388
Cash payments to suppliers for goods and services	(709,852)	(76,354)	(1,011,775)	(2,730,738)	(1,239,494)	(53,740,628)	(4,116,049)	(14,294,530)	(77,919,420)
Cash payments to employees for services	-	-	-	-	-	-	(5,971,441)	(8,597,715)	(14,569,156)
Premium and claim payments	-	(1,129,816)	(1,950,233)	(39,997,809)	(5,891,877)	-	-	-	(48,969,735)
Other cash receipts	-	-	-	-	-	577,992	13,004	-	590,996
Net cash and cash equivalents provided (used) by operating activities	119,648	346,897	(420,079)	(289,476)	(2,572,313)	4,840,668	3,461,197	(3,294,469)	2,192,073
Cash flows from noncapital financing activities:									
Interfund transfers in	-	-	-	-	-	-	-	7,319,700	7,319,700
Intrafund transfers in (out)	-	(347,247)	1,498,817	(6,679,820)	5,528,250	-	-	-	-
Net cash and cash equivalents provided (used) by noncapital financing activities	-	(347,247)	1,498,817	(6,679,820)	5,528,250	-	-	7,319,700	7,319,700
Cash flows from capital and related financing activities:									
Acquisition and construction of capital assets	-	-	-	-	-	-	(7,008)	-	(7,008)
Principal payments on notes payable	-	-	-	-	-	-	(240,000)	-	(240,000)
Interest payments	-	-	-	-	-	-	(51,211)	-	(51,211)
Net cash and cash equivalents used in capital and related financing activities	-	-	-	-	-	-	(298,219)	-	(298,219)
Cash flows from investing activities:									
Interest on investments	-	397	9,256	489,748	423,566	-	-	-	922,967
Net cash and cash equivalents provided by investing activities	-	397	9,256	489,748	423,566	-	-	-	922,967
Net increase (decrease) in cash and cash equivalents	119,648	47	1,087,994	(6,479,548)	3,379,503	4,840,668	3,162,978	4,025,231	10,136,521
Cash and cash equivalents, beginning of year	190,990	1,249,817	2,033,396	31,931,084	19,817,472	28,021,397	10,120,783	17,339,168	110,704,107
Cash and cash equivalents, end 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

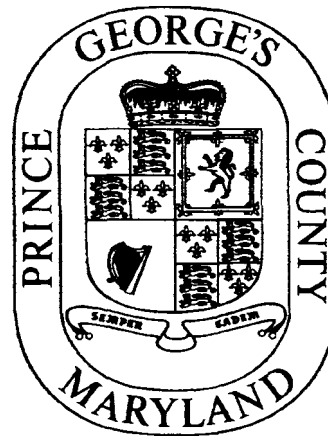
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PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Cash Flows  
 Internal Service Funds  
 For the year ended June 30, 2010

	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			
Reconciliation of operating income to net cash provided (used) by operating activities									
Operating income (loss)	83	347,200	(1,507,723)	(4,801,116)	(5,902,922)	5,050,327	1,521,194	(3,421,381)	(8,714,338)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities									
Depreciation - equipment	-	-	-	-	-	-	1,991,076	6,685	1,997,761
Changes in assets and liabilities:									
Decrease (increase) in:									
Accounts receivable	-	-	(4,200)	(295,497)	(4,105)	(359,639)	3,527	(347,714)	(1,007,628)
Inventories	-	-	-	-	-	-	(53,546)	(20,280)	(73,826)
Prepaid costs	-	-	-	-	765	(43,033)	-	-	(42,268)
Increase (decrease) in:									
Compensated absences and termination benefits payable	-	-	-	-	-	-	8,699	2,581	11,280
Accounts payable	57,070	-	-	314,287	(39,738)	216,548	(4,659)	456,815	1,000,323
Accrued costs	-	-	-	-	-	104	(5,094)	28,825	23,835
Due to other funds	-	40,981	-	-	(958,168)	-	-	-	(917,187)
Deferred revenue	-	-	-	(2,715,017)	-	(28,929)	-	-	(2,743,946)
Due from other funds	-	-	917,187	-	-	-	-	-	917,187
Due from component units	-	-	-	(1,884,168)	-	-	-	-	(1,884,168)
Estimated liability on pending claims	62,495	(41,284)	174,657	9,092,035	4,331,855	5,290	-	-	13,625,048
Total adjustments	119,565	(303)	1,087,644	4,511,640	3,330,609	(209,659)	1,940,003	126,912	10,906,411
Net cash and cash equivalents provided (used) by operating activities	119,648	346,897	(420,079)	(289,476)	(2,572,313)	4,840,668	3,461,197	(3,294,469)	2,192,073
Non-cash investing, capital and related financing activities:									
Decrease (increase) in accrued interest receivable	-	350	350	62,760	48,895	-	-	-	112,355

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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, 2010

	Pension Trust Funds	Other Post- Employment Benefit Trust Fund	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 2,964,559	12,751,338	15,715,897
Collateral for loaned securities	122,616,232	-	122,616,232
<b>Investments:</b>			
Pooled separate accounts	261,309,047	-	261,309,047
U. S. Government & agency securities	21,123,107	4,920,642	26,043,749
Corporate bonds	68,637,330	11,614,010	80,251,340
Common stock	155,452,345	-	155,452,345
Real Estate Investment Trust	2,802,950	-	2,802,950
International Government securities	381,584	100,000	481,584
Preferred Stock	665,665	-	665,665
Asset-backed securities	15,921,205	5,340,195	21,261,400
Money market funds	355,044,900	-	355,044,900
Short-term investments	14,779,133	15,996,466	30,775,599
Alternative investments	160,466,675	-	160,466,675
Accounts receivable	-	439,016	439,016
Accrued interest receivable	1,692,121	255,895	1,948,016
Prepaid expenses	35,350	-	35,350
	<u>1,183,892,203</u>	<u>51,417,562</u>	<u>1,235,309,765</u>
<b>Liabilities:</b>			
Collateral for loaned securities payable	122,616,232	-	122,616,232
Accounts payable	221,491	342,785	564,276
Accrued costs	736,188	8,630,952	9,367,140
	<u>123,573,911</u>	<u>8,973,737</u>	<u>132,547,648</u>
Net assets held in trust for benefit payments	<u>\$ 1,060,318,292</u>	<u>42,443,825</u>	<u>1,102,762,117</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, 2010

	Pension Trust Funds	Other Post- Employment Benefit Trust Funds	Total
Additions:			
Contributions:			
Employer	\$ 83,786,243	31,985,272	115,771,515
Member	17,176,371	8,968,190	26,144,561
Other	-	756,814	756,814
Total contributions	<u>100,962,614</u>	<u>41,710,276</u>	<u>142,672,890</u>
Investment income:			
Net appreciation in fair value of investments	117,216,198	1,253,637	118,469,835
Interest and dividends	29,036,136	1,151,335	30,187,471
Total investment income	<u>146,252,334</u>	<u>2,404,972</u>	<u>148,657,306</u>
Less investment expense	5,509,067	63,026	5,572,093
Net investment income	<u>140,743,267</u>	<u>2,341,946</u>	<u>143,085,213</u>
Total additions	<u>241,705,881</u>	<u>44,052,222</u>	<u>285,758,103</u>
Deductions:			
Benefits	114,277,031	36,703,969	150,981,000
Refunds of contributions	3,968,593	-	3,968,593
General and administrative expenses	2,098,420	886,004	2,984,424
Total deductions	<u>120,344,044</u>	<u>37,589,973</u>	<u>157,934,017</u>
Net increase (decrease)	121,361,837	6,462,249	127,824,086
Net assets held in trust for benefit payments, beginning of year	<u>938,956,455</u>	<u>35,981,576</u>	<u>974,938,031</u>
Net assets held in trust for benefit payments, end of year	<u>\$ 1,060,318,292</u>	<u>42,443,825</u>	<u>1,102,762,117</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Plan Net Assets  
 Pension Trust Funds  
 June 30, 2009

	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers'	Deputy Sheriff	Correctional Officers'	Crossing Guards	AFSCME	General Schedule	Fire Civilian	Police Civilian	
<b>Assets:</b>												
Equity in pooled cash and investments	\$ 1,626,458	522,485	75,933	205,327	104,012	29,241	38,820	107,460	144,165	4,226	106,432	2,964,559
Collateral for loaned securities	52,319,733	34,670,015	5,131,432	9,329,801	454,437	541,561	143,647	6,431,516	11,237,708	677,250	1,679,132	122,616,232
<b>Investments:</b>												
Pooled separate accounts	23,067,661	11,978,239	32,589,654	59,253,442	2,886,126	3,439,446	912,302	40,846,472	71,370,356	4,301,205	10,664,144	261,309,047
U. S. Government & agency securities	12,589,514	8,533,593	-	-	-	-	-	-	-	-	-	21,123,107
Corporate bonds	46,416,038	22,221,292	-	-	-	-	-	-	-	-	-	68,637,330
Common stock	106,671,966	48,780,379	-	-	-	-	-	-	-	-	-	155,452,345
Real Estate Investment Trust	1,924,007	878,943	-	-	-	-	-	-	-	-	-	2,802,950
International Government securities	222,158	159,426	-	-	-	-	-	-	-	-	-	381,584
Preferred Stock	451,535	214,130	-	-	-	-	-	-	-	-	-	665,665
Asset-backed securities	10,782,530	5,138,675	-	-	-	-	-	-	-	-	-	15,921,205
Money market funds	244,171,871	110,873,029	-	-	-	-	-	-	-	-	-	355,044,900
Short-term investments	10,165,383	4,613,750	-	-	-	-	-	-	-	-	-	14,779,133
Alternative investments	111,369,600	49,097,075	-	-	-	-	-	-	-	-	-	160,466,675
Accrued interest receivable	1,125,760	563,159	298	806	408	115	152	422	566	17	418	1,692,121
Prepaid expenses	19,013	8,873	1,188	2,075	-	-	31	1,291	2,392	143	344	35,350
<b>Total assets</b>	<b>622,923,227</b>	<b>298,253,063</b>	<b>37,798,505</b>	<b>68,791,451</b>	<b>3,444,983</b>	<b>4,010,363</b>	<b>1,094,952</b>	<b>47,387,161</b>	<b>82,755,187</b>	<b>4,982,841</b>	<b>12,450,470</b>	<b>1,183,892,203</b>
<b>Liabilities:</b>												
Collateral for loaned securities payable	52,319,733	34,670,015	5,131,432	9,329,801	454,437	541,561	143,647	6,431,516	11,237,708	677,250	1,679,132	122,616,232
Accounts payable	101,455	52,487	11,747	17,750	-	-	1,733	10,388	19,606	2,480	3,845	221,491
Accrued costs	368,232	173,526	30,485	53,873	-	-	783	35,100	61,329	3,696	9,164	736,188
<b>Total liabilities</b>	<b>52,789,420</b>	<b>34,896,028</b>	<b>5,173,664</b>	<b>9,401,424</b>	<b>454,437</b>	<b>541,561</b>	<b>146,163</b>	<b>6,477,004</b>	<b>11,318,643</b>	<b>683,426</b>	<b>1,692,141</b>	<b>123,573,911</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 570,133,807</b>	<b>263,357,035</b>	<b>32,624,841</b>	<b>59,390,027</b>	<b>2,990,546</b>	<b>3,468,802</b>	<b>948,789</b>	<b>40,910,157</b>	<b>71,436,544</b>	<b>4,299,415</b>	<b>10,758,329</b>	<b>1,060,318,292</b>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Changes in Plan Net Assets  
 Pension Trust Funds  
 For the year ended June 30, 2009

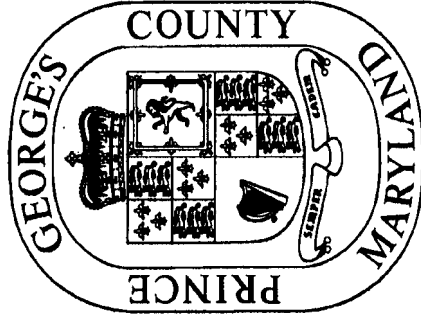
	Comprehensive Pension Plans				Supplemental Pension Plans							Total
	Police	Fire Service	Deputy Sheriff's	Correctional Officers	Deputy Sheriff's	Correctional Officers	Crossing Guards	AFSQME	General Schedule	Fire Civilian	Police Civilian	
<b>Additions:</b>												
Contributions:												
Employer	\$ 40,746,884	23,247,348	3,898,491	5,082,212	255,608	142,397	74,880	3,761,772	5,355,284	339,173	882,194	83,786,243
Employee	6,683,035	2,001,093	1,348,832	2,966,295	67,990	104,967	58,370	815,098	2,397,343	132,719	600,629	17,176,371
Total contributions	47,429,919	25,248,441	5,247,323	8,048,507	323,598	247,364	133,250	4,576,870	7,752,627	471,892	1,482,823	100,962,614
Transfers from (to) other funds	-	-	-	-	-	-	-	2,603	(7,150)	-	4,547	-
Investment income :												
Net depreciation in fair value of assets	69,051,468	32,031,824	2,335,025	4,228,238	243,295	250,972	66,798	2,771,548	5,194,163	309,662	733,205	117,216,198
Interest and dividends	14,882,548	6,848,929	1,054,510	1,909,230	101,989	112,343	30,252	1,297,590	2,317,462	139,919	341,364	29,036,136
Total investment income	83,934,016	38,880,753	3,389,535	6,137,468	345,284	363,315	97,050	4,069,138	7,511,625	449,581	1,074,569	146,252,334
Less investment expense	2,999,813	1,515,907	151,537	270,745	3,887	4,306	4,037	176,366	317,187	18,988	46,294	5,509,067
Net investment income	80,934,203	37,364,846	3,237,998	5,866,723	341,397	359,009	93,013	3,892,772	7,194,438	430,593	1,028,275	140,743,267
Total additions	128,364,122	62,613,287	8,485,321	13,915,230	664,995	606,373	226,263	8,472,245	14,939,915	902,485	2,515,645	241,705,881
<b>Deductions:</b>												
Benefits	60,216,392	32,539,406	4,344,159	6,134,976	581,591	244,213	107,029	1,887,218	6,901,370	403,374	917,303	114,277,031
Refunds of contributions	990,195	1,959,630	101,915	424,191	3,208	-	3,381	200,347	241,242	6,213	38,271	3,968,593
General and administrative expenses	678,449	555,118	223,505	246,725	23,824	24,171	24,331	93,269	121,435	51,852	55,741	2,098,420
Total deductions	61,885,036	35,054,154	4,669,579	6,805,892	608,623	268,384	134,741	2,180,834	7,264,047	461,439	1,011,315	120,344,044
Net increase (decrease)	66,479,086	27,559,133	3,815,742	7,109,338	56,372	337,989	91,522	6,291,411	7,675,868	441,046	1,504,330	121,361,837
Net assets held in trust for pension benefits, beginning of year	503,654,721	235,797,802	28,809,099	52,280,689	2,934,174	3,130,813	857,267	34,618,746	63,760,676	3,858,369	9,253,999	938,956,455
Net assets held in trust for pension benefits, end 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

PRINCE GEORGE'S COUNTY, MARYLAND  
 Agency Funds - Primary Government  
 Combining Statement of Changes in Assets and Liabilities  
 For the year ended June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>State of Maryland property taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 50,136	88,004,129	(88,042,277)	11,988
Taxes receivable	397,008	94,316,285	(94,281,868)	431,425
Total assets	<u>447,144</u>	<u>182,320,414</u>	<u>(182,324,145)</u>	<u>443,413</u>
<b>Liabilities:</b>				
Due to State of Maryland	447,144	107,555,253	(107,558,984)	443,413
Total Liabilities	<u>\$ 447,144</u>	<u>107,555,253</u>	<u>(107,558,984)</u>	<u>443,413</u>
<b>M-NCPPC property taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 508,533	275,230,790	(272,901,943)	2,837,380
Taxes receivable	3,197,983	275,004,105	(274,668,826)	3,533,262
Total assets	<u>\$ 3,706,516</u>	<u>550,234,895</u>	<u>(547,570,769)</u>	<u>6,370,642</u>
<b>Liabilities:</b>				
Due to M-NCPPC	\$ 3,706,516	276,186,774	(273,522,648)	6,370,642
Total liabilities	<u>\$ 3,706,516</u>	<u>276,186,774</u>	<u>(273,522,648)</u>	<u>6,370,642</u>
<b>Washington Suburban Sanitary Commission charges:</b>				
<b>Assets:</b>				
Cash and investments	\$ 50,940	34,469,351	(34,510,718)	9,573
Taxes receivable	178,246	34,310,132	(34,310,895)	177,483
Total assets	<u>\$ 229,186</u>	<u>68,779,483</u>	<u>(68,821,613)</u>	<u>187,056</u>
<b>Liabilities:</b>				
Liability - due to Washington Suburban Sanitary Commission	\$ 229,186	34,468,956	(34,511,086)	187,056
Total liabilities	<u>\$ 229,186</u>	<u>34,468,956</u>	<u>(34,511,086)</u>	<u>187,056</u>
<b>Incorporated towns property taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 411	106,932,151	(106,932,497)	65
Taxes receivable	401,715	107,048,636	(106,958,572)	491,779
Total assets	<u>\$ 402,126</u>	<u>213,980,787</u>	<u>(213,891,069)</u>	<u>491,844</u>
<b>Liabilities:</b>				
Due to towns	402,126	131,079,190	(130,989,472)	491,844
Total liabilities	<u>\$ 402,126</u>	<u>131,079,190</u>	<u>(130,989,472)</u>	<u>491,844</u>
<b>Washington Suburban Transit Commission taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ -	35,918,955	(30,641,661)	5,277,294
Taxes receivable	321,734	26,872,746	(26,842,246)	352,234
Total assets	<u>\$ 321,734</u>	<u>62,791,701</u>	<u>(57,483,907)</u>	<u>5,629,528</u>
<b>Liabilities:</b>				
Due to Washington Suburban Transit Commission	\$ 321,734	37,338,080	(32,030,286)	5,629,528
Total liabilities	<u>\$ 321,734</u>	<u>37,338,080</u>	<u>(32,030,286)</u>	<u>5,629,528</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Agency Funds - Primary Government  
 Combining Statement of Changes in Assets and Liabilities, Continued  
 For the year ended June 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
<b>Special taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 1,196,616	23,699,011	(23,671,211)	1,224,416
Taxes Receivable	<u>1,118,511</u>	<u>23,863,312</u>	<u>(23,795,062)</u>	<u>1,186,761</u>
Total assets	<u>\$ 2,315,127</u>	<u>47,562,323</u>	<u>(47,466,273)</u>	<u>2,411,177</u>
<b>Liabilities:</b>				
Due to other participants	\$ 2,315,127	23,863,312	(23,767,262)	2,411,177
Total liabilities	<u>\$ 2,315,127</u>	<u>23,863,312</u>	<u>(23,767,262)</u>	<u>2,411,177</u>
<b>Agricultural transfer taxes:</b>				
<b>Assets:</b>				
Cash and investments	\$ 2,835,815	7,189	(2,356,145)	486,859
Total assets	<u>\$ 2,835,815</u>	<u>7,189</u>	<u>(2,356,145)</u>	<u>486,859</u>
<b>Liabilities:</b>				
Due to other governmental units	\$ 2,835,815	7,189	(2,356,145)	486,859
Total liabilities	<u>\$ 2,835,815</u>	<u>7,189</u>	<u>(2,356,145)</u>	<u>486,859</u>
<b>Inmate Holding Account</b>				
<b>Assets:</b>				
Cash and investments	\$ 89,306	750,429	(761,019)	78,716
Accounts receivable	<u>940</u>	<u>479</u>	<u>(940)</u>	<u>479</u>
Total assets	<u>\$ 90,246</u>	<u>750,908</u>	<u>(761,959)</u>	<u>79,195</u>
<b>Liabilities:</b>				
Accounts payable	\$ 50,422	781,203	(784,377)	47,248
Due to participants	<u>39,824</u>	<u>749,968</u>	<u>(757,845)</u>	<u>31,947</u>
Total liabilities	<u>\$ 90,246</u>	<u>1,531,171</u>	<u>(1,542,222)</u>	<u>79,195</u>
<b>Totals</b>				
<b>Assets:</b>				
Cash and investments	\$ 4,731,757	565,012,005	(559,817,471)	9,926,291
Taxes receivable	5,615,197	561,415,216	(560,857,469)	6,172,944
Accounts receivable	<u>940</u>	<u>479</u>	<u>(940)</u>	<u>479</u>
Total assets	<u>\$ 10,347,894</u>	<u>1,126,427,700</u>	<u>(1,120,675,880)</u>	<u>16,099,714</u>
<b>Liabilities:</b>				
Accounts payable	\$ 50,422	781,203	(784,377)	47,248
Due to other governmental units	7,942,521	586,635,442	(580,968,621)	13,609,342
Due to participants	<u>2,354,951</u>	<u>24,613,280</u>	<u>(24,525,107)</u>	<u>2,443,124</u>
Total liabilities	<u>\$ 10,347,894</u>	<u>612,029,925</u>	<u>(606,278,105)</u>	<u>16,099,714</u>



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**NONMAJOR COMPONENT UNITS**



PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Nonmajor Component Units  
June 30, 2010

ASSETS	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	
Current assets:								
Cash and investments	\$ 1,097,240	12,658,249	2,937,571	5,684,566	49,818,461	-	6,321,628	78,517,715
Receivables (net of allowances for uncollectibles)								
Accounts	105,000	349,286	-	1,247,171	15,753,255	873,686	229,544	18,557,942
Accrued interest receivable	-	-	67	-	17,071	-	-	17,138
Due from primary government	-	-	-	448,898	-	394,498	-	843,396
Due from other governmental units	-	-	2,507,038	-	1,740,707	2,223,815	-	6,471,560
Inventories	-	-	-	-	225,199	-	-	225,199
Prepaid costs and deposits	22,867	102,416	-	346,412	1,347,476	2,624	5,223	1,827,018
Total current assets	<u>1,225,107</u>	<u>13,109,951</u>	<u>5,444,676</u>	<u>7,727,047</u>	<u>68,902,169</u>	<u>3,494,623</u>	<u>6,556,395</u>	<u>106,459,968</u>
Restricted assets:								
Cash and investments	-	-	4,695	-	-	6,860,632	-	6,865,327
Land held for transfer and other	-	-	-	-	-	2,895,322	1,355,720	4,251,042
Total restricted assets	<u>-</u>	<u>-</u>	<u>4,695</u>	<u>-</u>	<u>-</u>	<u>9,755,954</u>	<u>1,355,720</u>	<u>11,116,369</u>
Noncurrent assets:								
Land	-	5,307,744	-	-	2,772,440	1,717,586	52,119,298	61,917,068
Construction in progress	-	-	-	-	-	-	1,368,152	1,368,152
Buildings and improvements	-	5,181,165	73,043,523	-	102,024,221	20,567,570	320,222	201,136,701
Accumulated depreciation	-	(808,018)	(20,914,709)	-	(27,782,648)	(10,021,005)	(28,019)	(59,554,399)
Improvements other than buildings	241,661	13,235,023	-	-	-	6,322,537	-	19,799,221
Accumulated depreciation	(241,661)	(8,845,143)	-	-	-	(3,862,659)	-	(12,949,463)
Equipment	167,812	1,321,671	-	22,249,252	21,667,973	2,035,356	35,996	47,478,060
Accumulated depreciation	(140,700)	(984,777)	-	(14,434,222)	(14,132,389)	(1,564,620)	(29,283)	(31,285,991)
Deferred debt issuance costs	-	-	1,258,028	-	-	68,149	-	1,326,177
Total noncurrent assets	<u>27,112</u>	<u>14,407,665</u>	<u>53,386,842</u>	<u>7,815,030</u>	<u>84,549,597</u>	<u>15,262,914</u>	<u>53,786,366</u>	<u>229,235,526</u>
Total assets	\$ <u>1,252,219</u>	<u>27,517,616</u>	<u>58,836,213</u>	<u>15,542,077</u>	<u>153,451,766</u>	<u>28,513,491</u>	<u>61,698,481</u>	<u>346,811,863</u>

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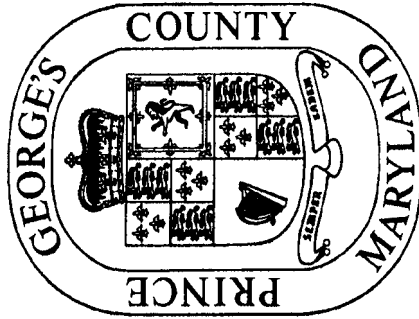
PRINCE GEORGE'S COUNTY, MARYLAND  
Combining Statement of Net Assets  
Nonmajor Component Units  
June 30, 2010

	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	
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	\$ 7,435	122,569	-	909,881	8,888,204	702,690	1,170,837	11,801,616
Accrued liabilities	70,017	290,696	673,914	973,546	-	-	-	2,008,173
Due to primary government	450,000	1,876,056	-	3,945	-	1,613,130	-	3,943,131
Due to other governmental units	-	152,787	-	87,988	-	2,827,288	-	3,068,063
Deferred revenue	1,054	57,009	-	-	2,957,520	7,255	-	3,022,838
Deposits	-	98,589	-	-	-	816,873	118,500	1,033,962
Current portion of bonded debt	-	-	1,877,068	-	-	-	-	1,877,068
Current portion of capital lease obligations	-	88,076	-	-	1,263,963	-	5,457	1,357,496
Current portion of compensated absences and termination benefits payable	-	-	-	28,146	171,338	34,921	-	234,405
Current portion of notes payable	-	-	-	-	-	-	-	-
Total current liabilities	<u>528,506</u>	<u>2,685,782</u>	<u>2,550,982</u>	<u>2,003,506</u>	<u>13,281,025</u>	<u>6,002,157</u>	<u>1,294,794</u>	<u>28,346,752</u>
Noncurrent liabilities:								
Accounts payable	-	-	-	-	-	-	130,197	130,197
Bonded debt, less current portion	-	-	67,524,349	-	-	1,119,335	-	68,643,684
Deferred bond refunding costs	-	-	(2,818,430)	-	-	-	-	(2,818,430)
Unamortized premium (discount)	-	-	520,439	-	-	-	-	520,439
Capital lease obligations, less current portion	-	98,621	-	-	1,299,552	-	1,880	1,400,053
Compensated absences and termination benefits payable, less current portion	-	-	-	2,569,981	1,928,205	663,506	-	5,161,692
Notes payable, less current portion	-	-	-	-	-	-	1,007,103	1,007,103
Net OPEB obligation	-	-	-	-	2,559,781	-	-	2,559,781
Total noncurrent liabilities	<u>-</u>	<u>98,621</u>	<u>65,226,358</u>	<u>2,569,981</u>	<u>5,787,538</u>	<u>1,782,841</u>	<u>1,139,180</u>	<u>76,604,519</u>
Total liabilities	<u>528,506</u>	<u>2,784,403</u>	<u>67,777,340</u>	<u>4,573,487</u>	<u>19,068,563</u>	<u>7,784,998</u>	<u>2,433,974</u>	<u>104,951,271</u>
<b>NET ASSETS</b>								
Invested in capital assets	27,112	14,220,969	9,164,455	7,815,030	82,073,913	13,519,359	51,920,003	178,740,841
Restricted	753	10,364,690	-	-	10,528,132	8,600,503	4,177,912	33,671,990
Unrestricted (deficit)	695,848	147,554	(18,105,582)	3,153,560	41,781,158	(1,391,369)	3,166,592	29,447,761
Total net assets (deficit)	<u>\$ 723,713</u>	<u>24,733,213</u>	<u>(8,941,127)</u>	<u>10,968,590</u>	<u>134,383,203</u>	<u>20,728,493</u>	<u>59,264,507</u>	<u>241,860,592</u>

PRINCE GEORGE'S COUNTY, MARYLAND  
 Combining Statement of Activities  
 Nonmajor Component Units  
 For the year ended June 30, 2010

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	
<b>Component Units:</b>												
<b>General government</b>												
PGCT	\$ 1,599,514	437,151	-	-	(1,162,363)	-	-	-	-	-	-	(1,162,363)
Revenue Authority	9,194,103	8,397,539	660,000	251,931	-	115,367	-	-	-	-	-	115,367
IDA	38,018,007	-	-	6,829,254	-	-	(31,188,753)	-	-	-	-	(31,188,753)
<b>Education</b>												
Library	29,107,517	951,167	74,114	680,037	-	-	-	(27,402,199)	-	-	-	(27,402,199)
PGCC	103,144,482	36,011,403	23,133,341	4,983,474	-	-	-	-	(39,016,264)	-	-	(39,016,264)
<b>Community Development</b>												
Housing Authority	76,393,537	2,656,283	70,606,373	962,650	-	-	-	-	-	(2,168,231)	-	(2,168,231)
Redevelopment Authority	5,794,880	67,672	1,197,315	4,136,053	-	-	-	-	-	-	(393,840)	(393,840)
Total component units	\$ 263,252,040	48,521,215	95,671,143	17,843,399	(1,162,363)	115,367	(31,188,753)	(27,402,199)	(39,016,264)	(2,168,231)	(393,840)	(101,216,283)
<b>General revenues:</b>												
Other grants and contributions					1,212,162	-	-	24,702,826	59,991,558	-	-	85,906,546
Investment income					340	21,314	74	10,782	337,612	12,569	1,187	383,878
Miscellaneous					500	19,678	-	529,401	735,789	-	-	1,285,368
Total general revenues					1,213,002	40,992	74	25,243,009	61,064,959	12,569	1,187	87,575,792
Change in net assets					50,639	156,359	(31,188,679)	(2,159,190)	22,048,695	(2,155,662)	(392,653)	(13,640,491)
Net assets - beginning of year					673,074	24,576,854	22,247,552	13,127,780	112,334,508	22,884,155	60,236,794	256,080,717
Prior period adjustment					-	-	-	-	-	-	(579,634)	(579,634)
Net assets - end 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

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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, 2010

Exhibit G-1

<u>Function and activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Infrastructure</u>	<u>Equipment</u>	<u>Vehicles</u>
Primary government:						
General Government:						
Control - legislative, executive and judicial	\$ 168,849,786	15,429,356	152,886,124	-	44,448	489,858
Staff agencies:						
Finance	57,332	-	-	-	31,712	25,620
Budget	22,489	-	-	-	8,079	14,410
Personnel	22,223	-	-	-	22,223	-
Central services	1,310,561	-	-	-	418,317	892,244
General government buildings	73,412,333	12,667,199	60,745,134	-	-	-
Other	42,201,785	-	-	-	11,990	42,189,795
Total staff agencies	<u>117,026,723</u>	<u>12,667,199</u>	<u>60,745,134</u>	<u>-</u>	<u>492,321</u>	<u>43,122,069</u>
Total general government	<u>285,876,509</u>	<u>28,096,555</u>	<u>213,631,258</u>	<u>-</u>	<u>536,769</u>	<u>43,611,927</u>
Public safety:						
Police services	33,572,379	1,698,192	17,897,862	-	4,795,093	9,181,232
Fire services	55,497,949	3,429,465	36,415,065	-	1,424,855	14,228,564
Environmental resources	14,880,346	-	14,244,436	-	28,884	607,026
Sheriff services	1,140,347	-	32,684	-	38,968	1,068,695
Corrections	76,862,986	94,589	75,843,664	-	383,413	541,320
Homeland Security	53,327,604	-	-	46,813,675	4,249,938	2,263,991
Total public safety	<u>235,281,611</u>	<u>5,222,246</u>	<u>144,433,711</u>	<u>46,813,675</u>	<u>10,921,151</u>	<u>27,890,828</u>
Public works	2,503,877,801	42,487,608	19,344,788	2,403,418,463	230,593	38,396,349
Health and welfare	16,408,681	165,800	15,176,754	-	390,661	675,466
Federal programs	15,941,557	2,856,588	2,540,519	-	8,194,182	2,350,268
Social Services	258,236	-	-	-	45,320	212,916
Total governmental fund capital assets allocated	<u>3,057,644,395</u>	<u>78,828,797</u>	<u>395,127,030</u>	<u>2,450,232,138</u>	<u>20,318,676</u>	<u>113,137,754</u>
Construction-in-progress	83,579,782					
Total primary government	<u>\$ 3,141,224,177</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, 2010

	Balance June 30, 2009	Additions	Deductions and adjustments	Net Inter-agency transfers	Balance June 30, 2010
Primary government:					
General government:					
Control, legislative, executive and judicial	\$ 160,168,580	8,681,203	-	-	168,849,783
Staff agencies:					
Finance	57,332	-	-	-	57,332
Management and budget	22,490	-	-	-	22,490
Personnel	22,223	-	-	-	22,223
Central services	1,124,430	213,800	(27,669)	-	1,310,561
Family services	-	-	-	-	-
General government buildings	73,412,332	-	-	-	73,412,332
Other	42,752,345	-	(542,465)	(8,094)	42,201,786
Total staff agencies	<u>117,391,152</u>	<u>213,800</u>	<u>(570,134)</u>	<u>(8,094)</u>	<u>117,026,724</u>
Total general government	<u>277,559,732</u>	<u>8,895,003</u>	<u>(570,134)</u>	<u>(8,094)</u>	<u>285,876,507</u>
Public safety:					
Police services	35,069,484	-	(1,497,104)	-	33,572,380
Fire services	40,518,536	14,750,128	229,286	-	55,497,950
Environmental resources	1,848,513	13,043,901	(12,067)	-	14,880,347
Sheriff services	1,115,347	25,000	-	-	1,140,347
Corrections	76,896,332	1,398	(34,744)	-	76,862,986
Homeland Security	6,526,105	46,898,024	(96,525)	-	53,327,604
Total public safety	<u>161,974,317</u>	<u>74,718,451</u>	<u>(1,411,154)</u>	<u>-</u>	<u>235,281,614</u>
Public works	2,424,273,609	80,345,983	(741,791)	-	2,503,877,801
Health and welfare	16,384,246	62,500	(46,159)	8,094	16,408,681
Federal programs	14,985,175	1,077,712	(121,331)	-	15,941,556
Social services	258,236	-	-	-	258,236
Construction-in-progress	137,342,368	48,143,686	(101,906,272)	-	83,579,782
Total governmental fund capital assets	<u>\$ 3,032,777,683</u>	<u>213,243,335</u>	<u>(104,796,841)</u>	<u>-</u>	<u>3,141,224,177</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, 2010

	Primary Government
Governmental fund capital assets	
Land	\$ 78,828,797
Buildings	395,127,030
Infrastructure	2,450,232,139
Equipment	133,456,429
Construction in progress	83,579,782
Total governmental fund capital assets	<u>\$ 3,141,224,177</u>
Investment in governmental fund capital assets from:	
Capital projects funds:	
General obligation bonds	\$ 68,958,001
Intergovernmental	11,790,288
General fund revenue	3,023,360,913
Special revenue fund revenue	18,341,928
Federal programs	15,941,555
Other	2,831,492
	<u>\$ 3,141,224,177</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 Nine Fiscal Years (1)**

Table 1

	FISCAL YEAR								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>									
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
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
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)
<b>Total governmental activities net assets</b>	<b>1,054,694,685</b>	<b>1,064,392,954</b>	<b>1,127,110,357</b>	<b>1,264,709,258</b>	<b>1,343,878,412</b>	<b>1,394,621,878</b>	<b>1,329,776,404</b>	<b>1,240,762,670</b>	<b>1,267,948,688</b>
<b>Business-type activities</b>									
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
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
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
<b>Total business-type activities net assets</b>	<b>146,251,832</b>	<b>154,069,030</b>	<b>155,033,990</b>	<b>159,975,060</b>	<b>186,241,736</b>	<b>192,359,654</b>	<b>198,045,271</b>	<b>201,595,293</b>	<b>217,903,827</b>
<b>Primary government</b>									
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
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
Unrestricted (deficit) (2)	(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)
<b>Total primary government net assets</b>	<b>\$ 1,200,946,517</b>	<b>\$ 1,218,461,984</b>	<b>\$ 1,282,144,347</b>	<b>\$ 1,424,684,318</b>	<b>\$ 1,530,120,148</b>	<b>\$ 1,586,981,532</b>	<b>\$ 1,527,821,675</b>	<b>\$ 1,442,357,963</b>	<b>\$ 1,485,852,515</b>

Notes:

(1) Due to the implementation of GASB 34 in information prior to fiscal year 2002 is unavailable.

(2) 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)
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
<b>County net assets absent effect of this relationship</b>	<b>\$ 58,199,608</b>	<b>\$ 49,644,808</b>	<b>\$ 57,088,917</b>	<b>\$ 43,658,694</b>	<b>\$ 107,038,672</b>	<b>\$ 75,624,069</b>	<b>\$ (38,520,152)</b>	<b>\$ (153,042,746)</b>	<b>\$ (82,909,462)</b>

Table 2

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Change In Net Assets**  
**Last Nine Fiscal Years (1)**

	FISCAL YEAR								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
<b>Governmental activities:</b>									
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
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
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
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
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
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
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
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
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
<b>Total governmental activities expenses</b>	<b>1,200,173,150</b>	<b>1,259,335,200</b>	<b>1,327,697,964</b>	<b>1,403,852,029</b>	<b>1,586,497,670</b>	<b>1,670,136,789</b>	<b>1,755,882,768</b>	<b>1,744,769,215</b>	<b>1,770,133,262</b>
<b>Business-type activities:</b>									
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
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
<b>Total business-type activities expenses</b>	<b>95,783,189</b>	<b>93,012,906</b>	<b>108,152,778</b>	<b>108,265,655</b>	<b>101,286,604</b>	<b>125,733,774</b>	<b>130,782,921</b>	<b>135,655,155</b>	<b>135,784,164</b>
<b>Total primary government expenses</b>	<b>\$ 1,295,956,339</b>	<b>\$ 1,352,348,106</b>	<b>\$ 1,435,850,742</b>	<b>\$ 1,512,117,684</b>	<b>\$ 1,687,784,274</b>	<b>\$ 1,795,870,563</b>	<b>\$ 1,886,665,689</b>	<b>\$ 1,880,424,370</b>	<b>\$ 1,905,917,426</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
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
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
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
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
Public welfare	717,333	965,354	842,728	545,858	873,099	555,026	789,608	1,265,049	1,138,098
<b>Operating grants and contributions</b>									
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
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
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
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
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
<b>Capital grants and contributions</b>									
General government	-	-	-	-	12,115,657	6,221,385	5,767,776	5,756,794	36,514,825
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
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
Health	-	-	-	5,500,000	2,096,963	-	-	-	117,954
Public welfare	-	-	-	-	14,368	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>230,260,534</b>	<b>237,000,592</b>	<b>288,765,873</b>	<b>329,118,213</b>	<b>322,292,902</b>	<b>323,929,720</b>	<b>289,891,760</b>	<b>275,738,606</b>	<b>368,006,875</b>

(1) Due to the implementation of GASB 34 in information prior to fiscal year 2002 is unavailable.

continued

Table 2, continued

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

	FISCAL YEAR								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Program Revenues, continued</b>									
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
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
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
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
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
<b>Net (Expense)/Revenue</b>									
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)
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)
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)
<b>General Revenues and Other Changes in Net Assets</b>									
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
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
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
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
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
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
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
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
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
Miscellaneous	991,658	392,171	680,963	856,117	1,071,976	1,817,209	7,811,548	543,727	1,492,071
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
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
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
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
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
Governmental activities									
Extraordinary items									
Asset impairment / insurance recovery (2)	-	-	-	(5,836,654)	7,467,198	7,773,886	8,653,648	-	-
Special items									
Legal Recovery	-	-	-	-	-	-	-	-	10,700,000
Business-type activities:									
Special items									
Gain on capital asset due to change in estimate	-	-	-	-	8,436,838	-	-	-	3,342,786
<b>Change in Net Assets</b>									
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
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
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

## Notes:

- (1) Due to the implementation of GASB 34 in FY02, information prior to FY02 is unavailable.  
(2) 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 57,083,299	\$ 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	<u>101,502,403</u>	<u>105,583,878</u>	<u>77,524,012</u>	<u>122,066,432</u>	<u>222,018,213</u>	<u>244,843,858</u>	<u>209,847,753</u>	<u>153,501,293</u>	<u>131,730,338</u>	<u>186,520,591</u>
Sub-total General Fund	<u>158,585,702</u>	<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>
All Other Governmental Funds										
Reserved	\$ 56,611,050	\$ 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	6,152,538	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	<u>2,048,083</u>	<u>(33,315,843)</u>	<u>(26,843,404)</u>	<u>66,826,238</u>	<u>(18,118,439)</u>	<u>132,311,898</u>	<u>119,329,618</u>	<u>120,072,592</u>	<u>(10,280,606)</u>	<u>6,600,247</u>
Sub-total all other Governmental Funds	<u>\$ 64,811,671</u>	<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>
Total all Governmental Funds	<u>\$ 223,397,373</u>	<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>

## 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.

Table 4

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

	FISCAL YEARS									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 895,814,367	\$ 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
Licenses, fees and permits	14,532,016	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
Fines and penalties	3,499,631	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
Charges for services	28,452,859	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
Intergovernmental (1)	126,890,082	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
Investment earnings	24,033,549	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
Other revenues	6,833,785	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
<b>Total revenues</b>	<b>1,100,056,289</b>	<b>1,123,186,043</b>	<b>1,214,088,060</b>	<b>1,277,523,184</b>	<b>1,423,440,519</b>	<b>1,583,295,933</b>	<b>1,625,083,516</b>	<b>1,593,508,908</b>	<b>1,587,551,380</b>	<b>1,717,711,876</b>
<b>Expenditures</b>										
General Government	144,864,517	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
Public safety	304,459,411	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
Public works and transportation	12,874,662	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
Health	51,656,607	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
Public Welfare	30,540,098	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
Capital projects	58,682,210	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
Education										
Board of Education	520,690,491	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
Community College	13,128,109	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
Memorial Library	14,677,932	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
Debt service										
Interest	30,182,353	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
Principal	40,504,999	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
<b>Total expenditures</b>	<b>1,222,261,389</b>	<b>1,280,094,368</b>	<b>1,351,300,232</b>	<b>1,415,084,235</b>	<b>1,588,132,868</b>	<b>1,700,177,119</b>	<b>1,778,666,215</b>	<b>1,778,666,215</b>	<b>1,755,357,160</b>	<b>1,777,602,081</b>
Excess (deficiency) of revenues over (under) expenditures	(122,205,100)	(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)

Continued

Table 4, continued

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

	FISCAL YEARS									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Other Financing Sources (Uses)</b>										
General obligation bonds issued	73,425,000	74,765,000	104,825,000	195,455,000	-	224,750,000	130,515,000	141,475,827	13,494,208	83,110,000
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
Other financing notes payable	22,314,341	-	-	15,809,964	29,552,000	-	18,665,000	-	-	-
Capital lease financing	-	-	-	-	-	-	-	-	2,764,699	-
Reallocation of notes payable	-	-	-	-	274,687	(56,096)	131,013	-	-	-
Transfers in - other funds	65,916,703	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
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	(65,916,703)	(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)
Total other financing sources (uses)	95,739,341	73,333,584	99,961,411	220,057,984	23,862,913	215,730,873	107,364,834	133,694,253	7,981,307	78,389,654
<b>Extraordinary items</b>										
Insurance recoveries (2)	-	-	-	-	8,937,539	7,467,198	7,773,886	8,653,648	-	-
Net change in fund balances	<u>\$ (26,465,759)</u>	<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>
Debt service as a percentage of noncapital expenditures (%)	6.3%	6.9%	7.3%	7.1%	6.7%	6.9%	7.0%	7.1%	7.7%	7.7%

## Notes:

- (1) For FY01 and prior, includes amounts previously classified as "Transfers in from Component Units."  
(2) Relates to insurance recoveries from Courthouse fire November 3, 2004.  
(3) Non-capital expenditures represent total expenditures above, less Capital Project Funds and capital outlay expenditures that resulted in capital assets.



Table 5

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

Fiscal Year Ended June 30	Real Property (1)		Total Direct Tax Rate	Personal Property (2)			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Value		Unincorporated Personal Property	Public Utilities	Incorporated Ordinary Business				
2001	\$ 15,173,826,029	\$ 38,267,540,867	2.4580	\$ 71,460,230	\$ 1,547,401,380	\$ 1,390,216,270	\$ 3,009,077,880	2.4580	\$ 41,276,618,747	44.50%
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	2.4527	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	2.4503	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	2.4521	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	2.4440	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	2.4487	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	2.3116	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	2.3269	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	2.2940	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	2.2724	105,294,935,908	93.87

## Notes:

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

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

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

Source: State Department of 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
2001	\$ 2.3130	\$ 0.0110	\$ 0.1350	\$ 2.4590	\$ 0.2100	\$ 0.6100	\$ 0.0650
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

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
2001	\$ 2.3130	\$ 0.0100	\$ 0.1350	\$ 2.4580	\$ 0.2100	\$ 0.6100	\$ 0.0650
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

## 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	Takoma Park(5)	
2001	\$ 0.630	0.570	1.210	1.540	1.450	1.600	1.400	0.940	1.000	-	
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	-	

Towns											
Fiscal Year	Berwyn Heights	Bladensburg	Brentwood	Capitol Heights	Cheverly	Colmar Manor	Cottage City	Eagle Harbor	Edmonston	Fairmount Heights	
2001	\$ 1.140	1.470	0.620	1.100	0.950	1.000	1.000	0.730	0.850	0.750	
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	

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 (6)	
2001	\$ 0.580	0.630	1.000	1.100	0.720	1.420	1.510	-	
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	

## Notes:

- (1) Tax rates are per \$100 of assessed value.
- (2) Prior to fiscal 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.
- (3) The County does not collect personal property taxes for the Cities or Towns.
- (4) Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.
- (5) Effective July 1, 1997, the citizens of Takoma Park, which was located partly in Montgomery County and partly in Prince George's County, voted by referendum to have the City located entirely in Montgomery County.
- (6) During fiscal years 2000 through 2004, the Town of Upper Marlboro did not collect town taxes.

Table 8

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Gaylord National, LLC	754,309,030	1	2.02%			
Mirant Chalk Point LLC (1)	\$ 503,954,157	2	1.35%			
Potomac Electric Power Co.	452,530,746	3	1.21%	848,113,130	1	4.66%
Verizon Maryland	423,839,970	4	1.13%			
Washington Gas Light Company	242,450,682	5	0.65%	153,165,910	3	0.84
Greenbelt Homes, Incorporated	226,099,520	6	0.60%			
Empirian Village of Maryland, LLC	201,815,840	7	0.54%			
JKC Stadium (FedEx Field)	198,178,697	8	0.53%	82,178,460	6	0.45
Baltimore Gas and Electric Co.	145,079,100	9	0.39%	97,914,380	4	0.54
Silver Oaks Campus LLC	143,432,632	10	0.38%			
Safeway Stores, Inc.				63,949,440	7	0.35
Summerfield Housing LTD Partnership				37,052,900	10	0.20
Secretary of HUD				39,366,710	9	0.22
Digex Incorp				82,816,390	5	0.46
Bell Atlantic Maryland				384,671,990	2	2.12
Jones Communication of MD Inc				46,486,070	8	0.26

## 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
2001	\$ 446,399,310	\$ 439,310,688	98.41%	\$ 6,460,734	\$445,771,422	99.86%
2002	459,483,726	452,649,953	98.51	6,066,889	458,716,842	99.83
2003	476,239,492	469,489,322	98.58	5,768,453	475,257,775	99.79
2004	493,925,578	477,318,393	96.64	15,225,320	492,543,713	99.72
2005	524,436,177	521,001,206	99.34	2,593,320	523,594,526	99.84
2006	578,213,071	574,355,664	99.33	3,027,810	577,383,474	99.85
2007	660,947,420	656,628,114	99.35	3,389,214	660,017,328	99.86
2008	777,425,089	770,467,248	99.35	5,577,076	776,044,324	99.82
2009	903,375,110	897,803,030	99.38	3,529,868	901,332,898	99.77
2010	1,001,271,795	995,260,491	99.40	-	995,260,491	99.40

## 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					Total General Fund			
	Real Property	Business Personal Property	Railroads and Public Utilities	Corporate Personal Property					
Year ended									
June 30:									
2010	\$	2,767,414	83,367	427,176	2,447,326	5,725,283			
2009		975,471	62,023	1	924,582	1,962,077			
2008		649,076	55,618	26,400	594,951	1,326,045			
2007		532,554	29,369	-	341,449	903,372			
2006		454,791	40,272	-	313,801	808,864			
2005		427,403	185,372	-	201,134	813,909			
2004		357,140	705,374	-	260,415	1,322,929			
2003		262,453	509,415	-	170,697	942,565			
2002		250,824	376,574	-	111,266	738,664			
2001 and prior		916,605	623,896	206	391,302	1,932,009			
Totals	\$	<u>7,593,731</u>	<u>2,671,280</u>	<u>453,783</u>	<u>5,756,923</u>	<u>16,475,717</u>			
		Agency Funds					Enterprise Funds		
Delinquent taxes by year	Maryland-National Capital Park and Planning Commission		Washington Suburban Sanitary Commission	Incorporated Towns	Washington Suburban Transit Commission	Total Agency Funds	Stormwater Management Fund	Total All Funds	
	State	Commission	Commission	Towns	Commission	Funds	Fund	Funds	
Year ended									
June 30:									
2010	\$	268,225	1,581,572	83,351	267,894	151,427	2,352,469	286,020	8,363,772
2009		56,052	422,341	30,346	83,252	41,395	633,386	80,134	2,675,597
2008		40,551	287,598	19,169	66,780	28,210	442,308	54,719	1,823,072
2007		11,752	140,827	12,554	8,878	13,590	187,601	26,721	1,117,694
2006		17,289	110,729	8,366	3,884	10,578	150,846	20,733	980,443
2005		16,249	145,591	8,084	28,385	13,821	212,130	27,742	1,053,781
2004		10,220	272,090	4,623	22,438	29,270	338,641	58,936	1,720,506
2003		2,417	175,374	3,763	1,410	19,560	202,524	39,152	1,184,241
2002		1,988	126,898	2,800	677	14,117	146,480	28,220	913,364
2001 and prior		6,684	270,243	4,429	8,182	30,266	319,804	61,297	2,313,110
Totals	\$	<u>431,427</u>	<u>3,533,263</u>	<u>177,485</u>	<u>491,780</u>	<u>352,234</u>	<u>4,986,189</u>	<u>683,674</u>	<u>22,145,580</u>

Table 11

**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
2001	\$ 539,013,759	\$ 13,325,000	-	\$ 3,017,202	1.35%	681.39	\$ 1,136,300	\$ 58,293,394	\$ 6,930,000	\$ 2,289,924	\$ 9,300,227	-
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%	n.a.	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%	n.a.	679,600	28,935,874	5,893,000	211,859	1,466,254	2,764,699

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			
2001	\$ 64,225,000	\$ 47,637,837	\$ 89,754	\$ 1,776,709	\$ 11,025,000	-	\$ 758,060,106	3.11%	930.10
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	n.a.	1,463.00
2009	76,215,000	12,028,800	-	482,209	745,000	-	1,132,378,293	n.a.	n.a.
2010	81,225,000	7,083,800	-	266,208	-	-	1,135,501,294	n.a.	n.a.



Table 12

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2010**

<b>Governmental Unit:</b>	<u>Debt Outstanding</u>	<u>Percentage of Debt Applicable to this Jurisdiction</u>	<u>Jurisdiction's Share of Debt</u>
Prince George's County:			
County Government	\$ 1,096,175,259		
Less: Self supporting debt	<u>390,894,281</u>		
County Government - net	705,280,978	100.00%	<u>705,280,978</u>
Total Net Direct Debt	<u>705,280,978</u>	100.00%	<u>705,280,978</u>
Overlapping areas:			
Maryland-National Capital Park and Planning Commission	76,536,154		
Less: self-supporting debt	76,536,154		
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	53,455,765		
Less: self-supporting debt	<u>53,455,765</u>		
Towns and Cities - net	-		
<b>Component Unit:</b>			
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	<u>69,401,416</u>	100.00%	<u>69,401,416</u>
Total Net Direct and Overlapping Debt	<u>\$ 774,682,394</u>		<u>\$ 774,682,394</u>

**PRINCE GEORGE'S COUNTY, MARYLAND**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2010**

	Gross debt principal amount	Self-supporting debt	Net debt principal amount
Direct debt:			
Primary government:			
General obligation bonds:			
General purpose	\$ 701,045,978	-	701,045,978
Stormwater management	44,070,000	44,070,000 <sup>(1)</sup>	-
Solid waste management system	37,155,000	37,155,000 <sup>(2)</sup>	-
School facilities surcharge - supported	252,549,038	252,549,038 <sup>(3)</sup>	-
Telecommunications - supported	27,290,000	27,290,000 <sup>(4)</sup>	-
Mass transit	21,854,984	21,854,984 <sup>(5)</sup>	-
Local Government Insurance Trust obligation issued on behalf of the County	4,235,000	-	4,235,000 <sup>(6)</sup>
Maryland Industrial Land Act Loans	211,859	211,859 <sup>(7)</sup>	-
Maryland Community Development Administration Infrastructure Debt	679,600	679,600 <sup>(8)</sup>	-
Revenue bonds:			
Solid waste management system	<u>7,083,800</u>	<u>7,083,800</u> <sup>(2)</sup>	<u>-</u>
Total direct debt	<u>1,096,175,259</u>	<u>390,894,281</u>	<u>705,280,978</u>
Overlapping debt:			
Other governmental units:			
Maryland-National Capital Park and Planning Commission general obligation bonds	76,536,154	76,536,154 <sup>(9)</sup>	-
Washington Suburban Sanitary Commission	460,801,558	460,801,558	-
Underlying towns and cities within the County	53,406,465	53,406,465 <sup>(10)</sup>	-
Component unit:			
Industrial Development Authority of Prince George's County lease revenue bonds	<u>69,401,416</u>	<u>-</u> <sup>(11)</sup>	<u>69,401,416</u>
Total overlapping debt	<u>660,145,593</u>	<u>590,744,177</u>	<u>69,401,416</u>
Total direct and overlapping debt	<u>\$ 1,756,320,852</u>	<u>981,638,458</u>	<u>774,682,394</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, 2009, 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 2010:**

<b>Assessable base of Real Property</b>	\$ 102,512,190,089
<b>Assessable base of Personal Property</b>	2,782,745,819
<b>Debt limit (a total of 6% Real property &amp; 15% of Personal property)</b>	6,568,143,278
<b>Debt applicable to limit:</b>	
<b>General obligation bonds</b>	701,045,978
<b>Total net debt applicable to limit</b>	701,045,978
<b>Legal debt margin</b>	5,867,097,300

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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
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
Assessed Value - total	\$ 18,182,903,909									
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
Debt limit - 15% of assessed value	2,727,435,586									
Total net debt applicable to limit	<u>554,638,522</u>	<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>
Legal debt margin	<u>\$ 2,172,797,064</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	20.34%	20.87%	21.76%	25.20%	22.27%	22.72%	21.25%	19.04%	15.05%	10.67%

## 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			Total Revenues (2)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service		
				Principal	Interest (4)	Coverage				Principal	Interest (4)	Coverage
2001	73,306,282	51,110,847	22,195,435	3,438,463	2,049,142	4.04	10,378,248	2,322,875	8,055,373	4,525,000	2,638,573	1.12
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

(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)
2001	72,263,412	42,066,757	30,196,655	98,033,450	3,438,463	2,049,142	5,487,605	13.17	5.50	17.86
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

## 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>
2000	803,189	23,195,413	28,894	452,067	4.3	131,059
2001	815,028	24,414,098	29,909	485,077	4.0	133,723
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	n.a.	n.a.	450,657	6.9	127,977
2010	n.a.	n.a.	n.a.	445,119	7.4	127,039

## Notes:

(1) Population estimates are from the U.S. Bureau of the Census, updated March 2010.

(2) Bureau of Economic Analysis, U.S. Department of Commerce. (Income data for 2009 and 2010 is not currently available) Calendar year per capita income figures are shown in the above table, updated August 9,

(3) Maryland Department of Labor, Career and Workforce Information, updated July 23, 2010

(4) www.mdreportcard.org, updated August 4, 2010

TABLE 18

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

	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
<b>Private Sector Employer</b>			442,890			452,067
United Parcel Service	4,220	1	0.95%	2,300	3	0.51%
Giant Food Inc.	3,600	2	0.81%	4,400	1	0.97%
Verizon	2,738	3	0.62%			
Dimensions Health Corp.	2,500	4	0.56%	2,100	4	0.46%
Gaylord National Resort and Convention Center	2,000	5	0.45%			
Shoppers Food Warehouse	1,975	6	0.45%	1,975	6	0.44%
Chevy Chase Bank	1,456	7	0.33%			
Target	1,400	8	0.32%			
Doctor's Community Hosp.	1,300	9	0.29%			
Southern MD Hospital Center	1,300	10	0.29%	1,300	7	0.29%
Safeway Stores, Inc.				2,400	2	0.53%
Computer Science Corp.				1,200	8	0.27%
Raytheon Systems Company				1,200	9	0.27%
Aetna U. S. Healthcare, Inc.				1,100	10	0.24%
Bell Atlantic Corp./Verizon				2,000	5	0.44%
<b>Public Sector Employers</b>						
University System of Maryland 1/ (includes UMCP, UMUC and	16,014	1				
Joint Base Andrews Naval Air Facility Washington	8,473	2				
Prince George's County Government	7,105	3				
Internal Revenue Service	5,539	4				
United States Bureau of the Census	4,287	5				
NASA/Goddard Space Flight Center	3,171	6				
Prince George's Community College	1,700	7				
USDA - Beltsville Agricultural Research Center	1,700	8				
USDT - Financial Mgt. Serv.	1,200	9				
Adelphi Laboratory Center	911	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  
 2000 Public Sector Employer information is not available.

Table 19

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

<u>Function/Agency</u>	<u>2001</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>
General Government										
County Executive	44	44	43	48	48	48	48	48	48	46
County Council	87	86	87	89	97	99	100	111	113	103
Human Relations Commission	13	13	11	10	11	12	12	12	15	13
Personnel Board	2	2	2	2	2	2	2	2	2	2
Circuit Court	165	166	149	149	151	115	120	124	130	130
Orphans' Court	5	5	5	5	6	6	6	6	6	6
Office of the State's Attorney	130	133	136	136	138	142	148	151	154	152
Citizen Complaint Oversight Panel	2	2	2	2	2	2	2	2	2	1
Office of Finance	70	71	73	72	71	73	75	75	76	74
Office of Business & Regulatory Affairs	-	-	-	-	-	-	-	-	-	-
Office of Community Relations	22	10	10	15	17	19	24	26	26	26
Office of Management and Budget	44	21	20	24	24	25	26	27	27	27
Board of License Commissioners	6	6	6	7	7	7	7	7	7	7
Office of Law	48	55	55	54	57	57	57	60	61	60
Office of Human Resources Management	53	52	56	55	61	62	68	69	70	70
Office of Info. Tech. & Communications	-	173	202	48	49	0	0	0	0	0
Board of Elections	12	12	12	13	13	13	16	18	19	19
Soil Conservation District	9	9	9	9	9	10	13	13	13	13
Office of Central Services	238	237	239	239	240	172	180	182	182	178
Department of Family Services	59	61	58	48	52	17	28	28	28	28
Housing & Community Development	102	106	112	112	121	20	22	22	22	22
<b>Subtotal</b>	<b>1,111</b>	<b>1,264</b>	<b>1,287</b>	<b>1,137</b>	<b>1,176</b>	<b>901</b>	<b>954</b>	<b>983</b>	<b>1,001</b>	<b>977</b>
Public Safety										
Department of Environmental Resources	415	425	421	431	452	233	238	264	263	250
Police Department	1,799	1,686	1,683	1,675	1,675	1,763	1,904	2,056	2,132	2,123
Fire/EMS Department	792	789	786	778	780	804	821	833	849	837
Office of the Sheriff	231	253	250	246	281	274	324	338	347	342
Department of Corrections	527	527	539	529	538	565	602	630	646	637
Office of Homeland Security	-	-	-	167	187	187	190	204	214	214
<b>Subtotal</b>	<b>3,764</b>	<b>3,680</b>	<b>3,679</b>	<b>3,826</b>	<b>3,913</b>	<b>3,826</b>	<b>4,079</b>	<b>4,325</b>	<b>4,451</b>	<b>4,403</b>
Public Works										
Department of Public Works & Transportation	372	378	378	377	379	285	287	288	333	329
<b>Subtotal</b>	<b>372</b>	<b>378</b>	<b>378</b>	<b>377</b>	<b>379</b>	<b>285</b>	<b>287</b>	<b>288</b>	<b>333</b>	<b>329</b>
Health Department										
Health Department	509	531	527	531	527	276	294	291	302	289
<b>Subtotal</b>	<b>509</b>	<b>531</b>	<b>527</b>	<b>531</b>	<b>527</b>	<b>276</b>	<b>294</b>	<b>291</b>	<b>302</b>	<b>289</b>
Public Welfare - Department of										
Department of Social Services	14	24	23	32	36	13	13	14	15	15
Child Support Enforcement	69	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>83</b>	<b>24</b>	<b>23</b>	<b>32</b>	<b>36</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>Grand Total</b>	<b>5,839</b>	<b>5,877</b>	<b>5,894</b>	<b>5,903</b>	<b>6,031</b>	<b>5,301</b>	<b>5,627</b>	<b>5,901</b>	<b>6,102</b>	<b>6,013</b>

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>2001</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>
Circuit Court										
Criminal cases filed	10,496	9,460	8,855	8,080	9,167	9,134	8,765	7,823	8,500	8,670
Juvenile cases filed or reopened	6,728	6,850	6,369	5,581	1,933	2,189	2,353	3,526	3,581	3,842
Office of the Sheriff										
Number of warrants on file	n/a	n/a	n/a	29,908	30,808	33,171	36,848	42,063	48,000	54,000
Number of domestic related documents served	n/a	n/a	n/a	8,961	8,502	8,882	9,230	9,514	9,700	9,800
Department of Corrections										
Average daily Correctional Center population	1,107	1,022	1,026	1,134	1,214	1,266	1,482	1,462	1,310	1,310
Number of inmate court appearances	19,902	19,348	19,226	18,436	15,583	21,276	21,276	n/a	n/a	n/a
Police Department										
Number of calls for service	n/a	n/a	n/a	528,182	560,327	604,189	655,994	700,000	750,000	735,000
Number of documented property crimes	n/a	n/a	n/a	44,275	42,869	37,505	37,420	36,457	33,000	30,000
Fire/EMS Department										
Number of fire calls for service	n/a	n/a	n/a	29,345	26,463	26,242	25,988	25,242	24,625	24,132
Office of Homeland Security										
Annual call volume	n/a	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
Public Works & Transportation										
Road miles maintained	1,672	1,702	1,722	1,749	1,775	1,789	1,804	1,818	1,820	1,830
Street resurfacing (in miles)	50.0	33.0	40.0	31	33	36	33	30	15	17
Department of Environmental Resources										
Abandoned vehicles impounded	6,653	6,108	6,522	5,650	4,801	4,800	3,400	n/a	n/a	n/a
Permits issued by Permits and Review Division	n/a	n/a	36,436	37,509	48,604	45,000	45,000	45,000	n/a	n/a
Soil Conservation District										
Number of new acres covered by completed soil and water quality plans	3,500	2,650	1,571	742	1,025	383	1,100	1,760	1,320	1,300
Department of Family Services										
Number of people requesting disability information and assistance	923	2,100	2,100	2,473	2,500	2,074	1,216	1,567	2,667	2,500
Health Department										
Total treatment admissions	926	930	2,085	3,158	3,309	3,000	n/a	n/a	n/a	n/a
Housing & Community Development										
Number of new units created	n/a	n/a	n/a	1,368	2,186	781	1,345	1,012	1,100	1,200
Department of Social Services										
Total households receiving energy assistance	6,707	3,904	5,336	5,001	5,491	6,062	7,110	8,085	9,630	10,000

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>2001</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>
Public Facilities										
District Police Stations	6	6	6	6	6	6	6	6	6	6
Fire and Emergency Rescue Stations	48	47	47	47	49	44	44	44	44	44
Emergency Medical Units	51	62	56	56	56	53	54	56	56	58
Parks/Recreation Facilities (active parks)	488	522	522	522	358	358	358	564	560	582
Multi-Purpose Senior Centers	8	9	8	8	8	8	8	8	8	8
Libraries	20	20	20	20	20	20	20	18	18	18
Public Schools										
Elementary Schools	125	127	131	131	131	146	146	142	132	131
Middle Schools	26	26	28	28	28	21	21	32	31	29
High Schools	22	23	23	23	23	23	23	24	30	30
Special Centers	n/a	12	12	12	12	12	12	12	12	11
Department of Public Works and Transportation										
Miles of County-maintained Paved Roads	1,672	1,702	1,722	1,747	1,772	1,768	1,784	1,818	1,821	1,834
Signals in Service	203	216	218	228	230	236	232	183	266	266

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

Source: Office of Management and Budget Current Expense Budget