



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF NEW CARROLLTON, MARYLAND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013



**CITY OF NEW CARROLLTON, MARYLAND  
New Carrollton, Maryland**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Year Ended June 30, 2013**

**PREPARED BY THE  
Department of Finance and Accounting  
Skaria Abraham  
Director of Finance and Accounting**

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**CITY OF NEW CARROLLTON, MARYLAND**  
**For The Year Ended June 30, 2013**  
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**For The Year Ended June 30, 2013**  
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# **INTRODUCTORY SECTION**





# CITY of NEW CARROLLTON

6016 Princess Garden Parkway – New Carrollton, MD 20784-2898  
(301) 459-6100 FAX (301) 459-8172

December 5, 2013

Honorable Chairman and Members of the City Council  
City of New Carrollton, Maryland:

**MAYOR**

ANDREW C. HANKO

**CITY COUNCIL**

DUANE H. ROSENBERG  
CHAIRMAN

LIZA FENTON  
VICE CHAIRMAN

KATRINA R. DODRO  
MAYOR PRO TEM

RICHARD BECHTOLD  
ALTERNATE TREASURER

LINCOLN LASHLEY  
COUNCIL MEMBER

GRAHAM WATERS  
ADMINISTRATIVE OFFICER

GREGORY WILLS  
PUBLIC WORKS DIRECTOR

CITY LAW FIRM  
BRENNAN MCKENNA  
MANZI SHAY LEVAN,  
CHARTERED

M. REGINA ROBINSON  
CITY CLERK

The City Charter, Section C-14 Budget and Finance, paragraph (e), requires that the financial books and accounts of the City be audited annually in accordance with applicable State laws and the requirements of the City Council. The City Council has elected to have its financial statements prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a certified public accountant. We hereby issue the comprehensive annual financial report (CAFR) for the year ended June 30, 2013.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the City; and, that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been provided.

Bridgett, Mock & Associates, P.A. a firm of licensed certified public accountants, has audited the City of New Carrollton, Maryland's financial statements. The independent auditor's report is included with the City's financial statements in the Financial Section of this report. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. On the basis of this examination, the independent auditors have issued an unmodified opinion that the presentation of the basic financial statements conforms to accounting principles generally accepted in the United States. In conducting the audit, the auditors performed tests of the accounting records and such other procedures as were considered necessary in the circumstances to provide a reasonable basis for the opinion on the financial statements. The auditors also assessed the accounting principles used and the significant estimates made by management, as well as evaluated the overall financial statement presentation.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report.

## **PROFILE OF THE GOVERNMENT**

The City of New Carrollton is located in central Prince George's County, Maryland, approximately eight miles northeast of Washington, D.C. With a population of 12,135 and a land area of 1.5 square miles, New Carrollton is the seventeenth largest municipality in Maryland and the sixth largest in Prince George's County.

The City was incorporated on April 11, 1953, by an act of the Maryland General Assembly and granted a Charter as the City of Carrollton. On February 17, 1965, a resolution was introduced in the City Council for an amendment to the City Charter that would change the name of the City from "Carrollton" to "New Carrollton." A public hearing was held on the name change, and on April 7, 1965, the City Council approved the change. The issue of the new name was brought to referendum and was subsequently approved by the voters on May 2, 1966.

Another significant legal change occurred in 1970 when the citizens voted to alter the form of government. In May 1971, a new City Charter became effective changing the government from a commission to a Mayor and Council form. The duties of the Mayor and City Council were expressly defined, separating executive and legislative functions.

The Mayor is the City's chief executive officer, directing the administration of the municipal services of general government and public works, including public safety and public health, sanitation, highways, and parks and recreation. The Mayor is not a member of the City Council and has no vote at Council sessions. The Mayor, however, has veto power over any ordinance or resolution passed by the Council. The Mayor appoints, with the advice and consent of the City Council, all City officers. The Mayor proposes and executes the budget.

The City Council, in its legislative role, adopts all ordinances and resolutions and establishes the general policies for the City. The Council may also override an executive veto, and it must grant all special exceptions or variances to any ordinance. The City Council sets the tax rate and approves and adopts the budget. All bills must be approved by the Council before payment. Another duty includes the annual appointment of the City Auditor. The Council may investigate or call for an accounting of any action by the Mayor and the executive department. The Mayor and members of the City Council serve on a part-time basis.

The programs of the City government are carried out through three major departments (administrative, police, and public works), headed by a full-time City Administrative Officer, Police Chief, and a Director of Public Works. These officials are responsible directly to the Mayor. All work priorities are set by the Mayor within the limitations imposed by the budget and the City Council. The Mayor is also assisted in operating the City by an appointed City Treasurer, a designated Law firm, and Engineering firm. The Board of Elections is a semi-autonomous body appointed by the Mayor with approval of the Council.

Official City committees, such as the Welcome Committee, the Ethics Commission, and the Weinbach Scholarship Committee are comprised of citizen volunteers. These committees perform important functions and advise the Mayor and City Council in their respective areas of expertise. The City's operating philosophy has been one, which encourages the greatest possible input and participation.

## **ECONOMIC CONDITION AND OUTLOOK**

The economy of the surrounding metropolitan area is dominated by the presence of the United States Federal Government. Historically, our region has fared well throughout fluctuating economic conditions and has continued to attract businesses and development because of its long-term growth potential. Within Prince George's County, Maryland, the local economy mirrors the metropolitan area in both residential and commercial terms. While the area has fared better than other parts of the United States, the budget balancing cuts by the State government, especially Highway User Revenue (HUR) and State Aid for Police Protection, with the possibility of future cuts in Fiscal Year 2014 present future budget problems for the City.

## **LONG-TERM FINANCIAL PLANNING**

The City borrowed in February 2012 a \$1,750,000 bond to fund much needed street and sidewalk repairs and over half the work was performed in Fiscal Year 2013. In order to keep the same revenue amount from real property tax, the City adopted the constant yield rate for Fiscal Year 2013. Also, the City is in the process of annexing additional property with the expectation of augmenting the real property, personal property, and public safety taxes.

## **RELEVANT FINANCIAL POLICIES**

The City adopted a Debt Management Policy which incorporates fiscal policies contained in the City Charter with newly established policies. The City also follows an Investment Policy of long standing.

The City has also adopted a Purchase Order System for purchases over \$1,000.

## **MAJOR INITIATIVES**

In Fiscal Year 2012, the City entered into a loan agreement with PNC Bank to acquire vehicles and equipment, but the City spent only \$185,000 in 2012. The remaining balance of \$165,000 was spent in 2013.

Also, in Fiscal Year 2012, the City issued a bond for \$1,750,000 through Sun Trust Bank at 2.52% for the repair and upgrade of the City streets. This work began during Fiscal Year 2013. The City also assigned \$865,146 from the general fund for the street work to be performed in Fiscal Year 2014.

By adopting constant yield rate on real property in Fiscal Year 2013, the City did not need to use any of the undesignated fund balance for the Fiscal Year 2013 operating expenditures.

Possible annexation of Metro area and other surrounding properties continue to remain on the City's economic radar screen.

The Police Department has 18 officers to patrol the City 24 hours a day, 7 days a week and also has appointed two full time parking enforcement officers and one animal control officer in Fiscal Year 2013.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Carrollton, Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the thirty-third consecutive year that the City 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 generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Administrative Department. I want to express my sincere appreciation to all the members of the Department who assisted in and contributed to its preparation and to all employees of the City for their cooperation throughout the year in supporting the financial goals of the City. I would also like to thank the City Council for their interest and support in planning the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrea L. Harbo". The signature is written in a cursive style with a large initial 'A'.



Government Finance Officers Association

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

Presented to

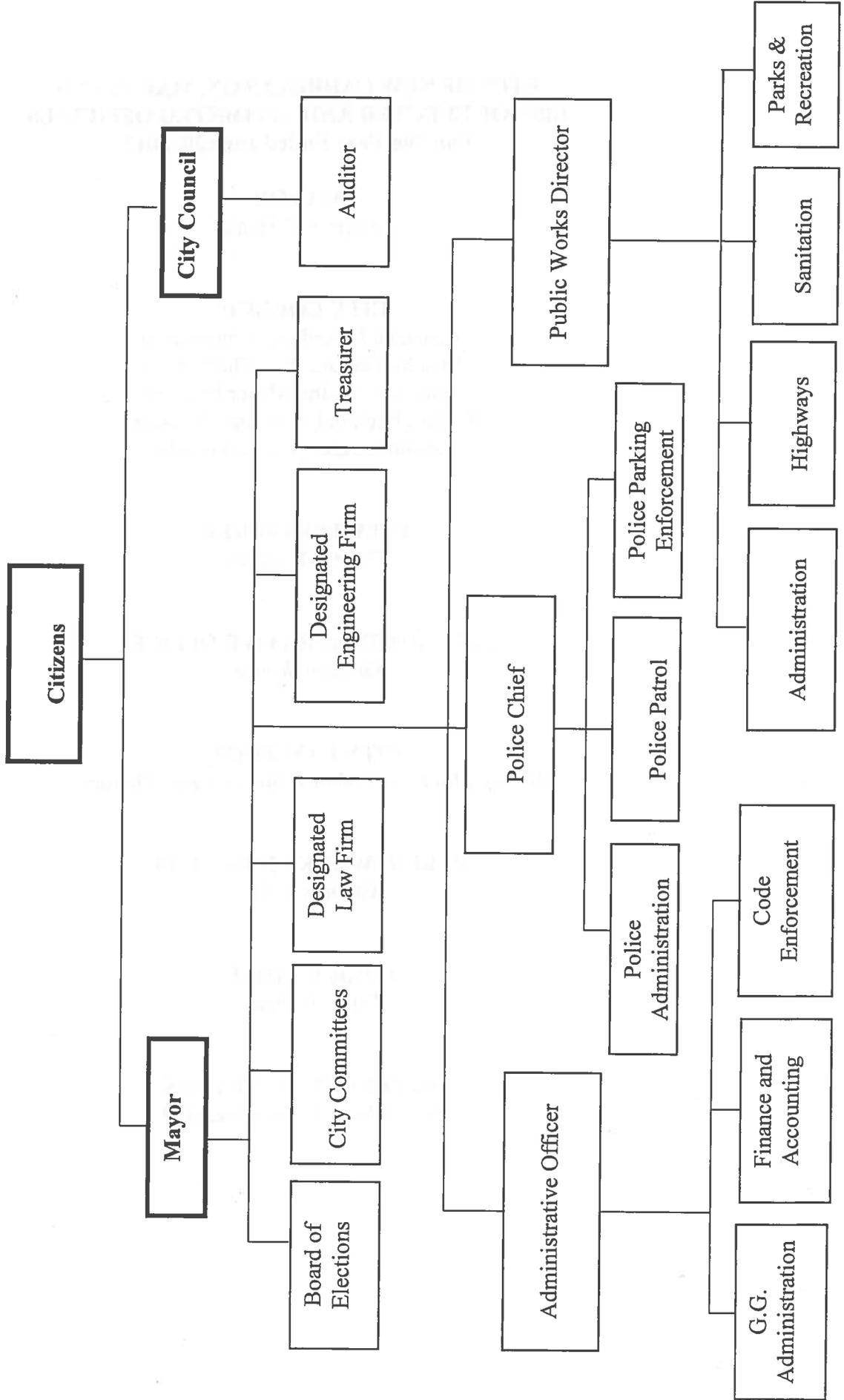
**City of New Carrollton  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**CITY OF NEW CARROLLTON, MARYLAND  
 ORGANIZATIONAL CHART  
 For The Year Ended June 30, 2013**



**CITY OF NEW CARROLLTON, MARYLAND  
LIST OF ELECTED AND APPOINTED OFFICIALS  
For The Year Ended June 30, 2013**

**MAYOR**

Andrew C. Hanko

**CITY COUNCIL**

Duane H. Rosenberg, Chairperson  
Liza M. Fenton, Vice Chairperson  
Katrina R. Dodro, Mayor Pro-Tem  
Richard Bechtold, Alternate Treasurer  
Lincoln Lashley, Councilmember

**CITY TREASURER**

Cheryl D. Dawes

**CITY ADMINISTRATIVE OFFICER**

Graham Waters

**CITY LAW FIRM**

Brennan, McKenna, Manzi, Shay, Levan, Chartered

**PUBLIC WORKS DIRECTOR**

Gregory Wills

**POLICE CHIEF**

David G. Rice

**INDEPENDENT AUDITORS**

Bridgett, Mock & Associates, P.A.

# **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council  
City of New Carrollton  
New Carrollton, Maryland

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the budgetary comparison for the general fund of the City of New Carrollton, Maryland, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the City of New Carrollton, Maryland, as of June 30, 2013, and the respective changes in financial position and the budgetary comparison for the general fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Carrollton, Maryland's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Bridgett, Mock & Associates, P.A.*  
Waldorf, Maryland  
December 5, 2013

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

## **INTRODUCTION**

This section of the City of New Carrollton's annual financial report presents a discussion and analysis, prepared by the City's senior management, of the financial performance for the year ended June 30, 2013. The Management's Discussion and Analysis (MD&A) is best understood if read in conjunction with the transmittal letter and the City's basic financial statements. We encourage users to read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

## **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2013**

- The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$11,444,799 (*net position*). Of this amount, \$6,137,280 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net position increased by \$21,595.
- As of the close of the current fiscal year, the City's governmental funds reported an ending fund balance of \$8,965,017, a decrease of \$186,315 in comparison to the prior year. During fiscal year 2013, approximately \$1 million was spent on street work repair and maintenance.
- The City's Police Department has a patrol staff of 18 for 24 hours a day, 7 days a week. In fiscal year 2013, the City added one more police officer. The Police Department purchased \$158,700 in new equipment and vehicles.

## **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. This Annual Financial Report (AFR) consists of two sections - Financial and Statistical. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements. This AFR also contains other required supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – The government-wide financial statements, which are the *Statement of Net Position* and the *Statement of Activities*, provide information about the activities of the City as a whole. They present both short-term and long-term information about the City's overall financial status. They provide readers with a broader overview of the City's finances in a manner similar to a private-sector business entity.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

The *Statement of Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position and condition of the City is improving or deteriorating.

The *Statement of Activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus revenues and expenses are reported in this statement for certain items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financials include only the City because the City has no component unit relationships with any other governmental agency. The government-wide financials can be found on pages 20 and 21 of this AFR.

**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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** – *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, *governmental fund* financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements.

The City only operates one governmental fund, the General Fund. Information is presented for this fund in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements and statement of budgetary comparison can be found on pages 22-34 of this AFR.

**Proprietary funds** – The City operates no proprietary funds.

**Fiduciary funds** – The City operates no fiduciary funds.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

**Summary of significant accounting policies and notes to the financial statements** – The summary and notes to the government-wide and fund financial statements provide additional information that is essential to a full understanding of this AFR. They can be found on pages 35-48 of this AFR.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following tables and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year ended June 30, 2013 with comparative information for the previous fiscal year.

As noted earlier, net position may serve, over time, as a useful indicator of a government's overall financial condition and position. In the case of the City, assets exceeded liabilities by \$11,444,799 at the close of the most recent fiscal year. The City's net position is divided into three categories: 1) net invested in capital assets; 2) restricted net position; and 3) unrestricted net position.

The City's investment in capital assets, net of depreciation and any unamortized debt used to acquire those assets represents approximately 36.8% of total net position. The City uses these assets to provide services to the citizens of the City. Consequently, these assets are not available for future spending.

Restricted net position is resources that are subject to external restrictions on how they may be used. Restricted net position represent 9.6% of net position and are restricted for street improvements, scholarships to the City's youth, and public safety expenses.

Unrestricted net position of the City represents approximately 53.6% of the City's total net position. The City may use the net position to meet the City's ongoing obligations to citizens and creditors.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

Figure 3 presents a summary of the Statement of Net Position for the City as of June 30, 2013 and 2012, respectively:

**Figure 3**

**Total Governmental Activities**

	<u>2013</u>	<u>2012</u>
<b>Assets</b>		
Current and other assets	\$ 9,650,937	\$ 9,829,519
Land	760,825	760,825
Capital assets, net	4,588,626	4,580,089
<b>Total Assets</b>	<u>\$ 15,000,388</u>	<u>\$ 15,170,433</u>
<b>Liabilities</b>		
Long-term liabilities outstanding	\$ 2,994,469	\$ 3,315,824
Other liabilities	561,120	431,405
<b>Total Liabilities</b>	<u>\$ 3,555,589</u>	<u>\$ 3,747,229</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 4,210,659	\$ 4,307,241
Restricted	1,096,860	2,279,372
Unrestricted	6,137,280	4,836,591
<b>Total Net Position</b>	<u>\$ 11,444,799</u>	<u>\$ 11,423,204</u>

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

General revenues of governmental activities were approximately \$5.92 million, while total expenses, net of charges for services and grants, were approximately \$5.9 million. The increase in net position for governmental activities was \$21,595. Revenues from property taxes decreased by approximately \$48,035 over the prior year. Expenses increased in fiscal year 2013 over 2012 by \$1,156,042, which was mostly due to street repair and maintenance performed in fiscal year 2013. Figure 4 presents statement of governmental activities for the City as of June 30, 2013 and 2012, respectively.

**Figure 4**

**Total Governmental Activities**

	<b>2013</b>	<b>2012</b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 1,518,824	\$ 1,589,736
Operating grants and contributions	322,490	337,013
Capital grants and contributions	-	118,443
General revenues		
Property tax	4,927,471	4,975,506
Shared taxes	886,124	893,906
Miscellaneous	98,226	149,448
Investment earnings	10,941	6,754
Total Revenues	7,764,076	8,070,806
<b>Expenses</b>		
General government	1,296,603	1,442,186
Public health code enforcement	403,164	408,166
Public safety police services	2,160,469	2,007,356
Public works	393,398	526,310
Highways	1,746,985	445,052
Sanitation	1,064,410	1,027,779
Parks and recreation	587,562	650,128
Weinbach scholarship	-	2,000
Interest	89,890	77,462
Total Expenses	7,742,481	6,586,439
<b>Increase in net position</b>	21,595	1,484,367
<b>Net position, beginning</b>	11,423,204	9,938,837
<b>Net position, ending</b>	\$ 11,444,799	\$ 11,423,204

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

Figure 5 represents the cost and program revenues of each of the City's activities for the years ending June 30, 2013 and 2012. This table also shows each activity's net cost (total cost less fees generated by the activities and program specific intergovernmental aid). The net cost shows the financial burden placed upon local taxpayers for each of these functions.

**Figure 5**

**Net Cost of Governmental Activities – Year Ending June 30, 2013**

	<u>Services</u>	<u>Revenues</u>	<u>Cost of Services</u>
General government	\$ 1,296,603	\$ 327,336	\$ 969,267
Public health code enforcement	403,164	234,369	168,795
Public safety police services	2,160,469	895,420	1,265,049
Public works	393,398	-	393,398
Highways	1,746,985	72,350	1,674,635
Sanitation	1,064,410	311,667	752,743
Parks	587,562	-	587,562
Weinbach scholarship	-	172	(172)
Interest	89,890	-	89,890
<b>Total</b>	<b><u>\$ 7,742,481</u></b>	<b><u>\$ 1,841,314</u></b>	<b><u>\$ 5,901,167</u></b>

**Net Cost of Governmental Activities – Year Ending June 30, 2012**

	<u>Services</u>	<u>Revenues</u>	<u>Cost of Services</u>
General government	\$ 1,442,186	\$ 349,448	\$ 1,092,738
Public health code enforcement	408,166	213,000	195,166
Public safety police services	2,007,356	939,809	1,067,547
Public works	526,310	-138,337	387,973
Highways	445,052	16,140	428,912
Sanitation	1,027,779	311,805	715,974
Parks	650,128	76,653	573,475
Weinbach scholarship	2,000	-	2,000
Interest	77,462	-	77,462
<b>Total</b>	<b><u>\$ 6,586,439</u></b>	<b><u>\$ 2,045,192</u></b>	<b><u>\$ 4,541,247</u></b>

The total cost of all governmental activities this year was approximately \$7.7 million. Some costs of government activities were paid by those who directly benefited from the programs (\$1,518,824) and other governments and organizations that subsidized certain programs with grants and contributions (\$322,490).

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

**GOVERNMENT FUND FINANCIAL ANALYSIS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund** - The focus of the City's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2013, the City reported a fund balance of \$8,965,017, a decrease of \$186,315 over the prior fiscal year. The general fund is the chief operating and only fund of the City. Of the fund balance, \$1,096,860 is restricted due to external restrictions as to usage, \$4,424 is nonspendable, \$250,000 is committed due to the restrictions placed upon it by the Mayor and Council of New Carrollton, \$3,055,827 is classified as assigned, and the unassigned fund balance is \$4,557,906. The City's Charter established an operating reserve of \$250,000 which can only be spent in the last three months of the fiscal year if necessary. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 56.7% of total general fund expenditures, while total fund balance represents 111.6% of that same amount.

Revenues decreased by \$438,738 or 5.3% over the preceding year. Taxes decreased by \$219,929. Service charges revenues decreased by \$6,548.

Expenditures increased by \$1,346,197 or 20.1% over the preceding year. Public safety police services expenditures increased by \$100,765 mostly due to an increase in personnel costs in special operations and capital outlay.

**General fund budgetary highlights**

During the fiscal year, the City made several amendments to the General Fund original approved budget. On a budgetary basis, actual revenues for the fiscal year were less than the final budget by \$2,383,465. The City's revenue source "speed camera" has leveled out and the actual revenue fell short of the budget. Actual general fund expenditures were \$2,197,150 less than revised budget authorization. This variance was due to lower anticipated costs in almost every department, especially capital outlay of the Highway Department, and actual expenditures were reduced to reduce operating and personnel expenditures.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

The positive variance between expected and actual expenditures in the highway department capital outlay is attributable to the temporary delay in street, sidewalk and bridge repairs which is expected to continue during the next fiscal year. This variance has been included in the assigned fund balance for future expenditure for street, sidewalk, and bridge repairs of \$865,146 and the restricted fund balance of \$833,725 which represents the unspent bond's funds to be used for street improvements.

An analysis of the budget and actual revenues and expenditures for the General Fund can be found on pages 26-34 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets**

As of June 30, 2013, the City had approximately \$5.3 million invested in net capital assets including land, buildings, computers, infrastructure, park facilities, vehicles, and equipment. During the year ended June 30, 2013, the City purchased \$447,164 of capital assets and had total depreciation expense of \$437,427.

Figure 6 displays a summary of governmental activities capital assets by type as of June 30, 2013 and 2012.

**Figure 6  
Capital Assets, Net of Depreciation  
Total Government Activities**

	<u>2013</u>	<u>2012</u>
Land	\$ 760,825	\$ 760,825
Buildings	1,580,809	1,632,042
Improvements other than buildings	29,031	31,249
Street and infrastructure	1,470,832	1,515,019
Equipment	1,465,655	1,357,793
Software	42,299	43,986
<b>Total</b>	<u>\$ 5,349,451</u>	<u>\$ 5,340,914</u>

Additional information on the City's capital assets can be found in Note 5, pages 43-44 of this AFR.

**Debt**

As of June 30, 2013, the City had total debt outstanding of \$2,994,469. Of this amount, \$690,500 is comprised of bonds payable to the Maryland Department of Housing and Community Development (MDHCD) and Community Development Administration (CDA), \$1,665,037 of bonds payable to Sun Trust Bank, and \$448,292 in notes payable to PNC, a local commercial bank. The remaining \$190,640 represents amounts due to City employees for accrued compensated absences.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2013**

Figure 7 displays a summary of governmental activities long-term debt by type as of June 30, 2013 and 2012.

**Figure 7  
Long-Term Debt  
Total Government Activities**

	<b>2013</b>	<b>2012</b>
Notes payable	\$ 448,292	\$ 665,766
Bonds payable	2,355,537	2,467,907
Compensated absences	190,640	182,151
<b>Total</b>	<b>\$ 2,994,469</b>	<b>\$ 3,315,824</b>

Additional information on the City of New Carrollton's long-term debt can be found in Note 6 on pages 44-46 of this AFR.

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

- Real property tax revenues in Fiscal Year 2014 are expected to be similar to prior year. The City does not expect any increase in the state and county shared revenues. The City continues to collect a service fee on trash collection for single family homes and condominiums that will bring an estimated \$269,000 in revenue. There is an expected decrease of \$100,000 in fines and forfeitures from speed camera revenue. Net revenue, if any, from speed cameras are required to be used for public safety purposes.
- Estimated salary costs increased for Fiscal Year 2014, as there was a 3.0% cost of living or merit raise awarded to employees. An approximate 9.0% increase in personnel costs is estimated due to the rise in cost of health insurance, workman compensation insurance, and state retirement contribution premiums. There is a 4.0% decrease in operating expenditures and a significant decrease in capital expenditures budgeted for Fiscal Year 2014.
- The City is committed in growing the tax base of the commercial properties. The City assigned \$1 million of its fund balance in Fiscal Year 2014 to an incentive program. These economic incentives will be provided to a targeted growth area known as the New Carrollton Area Revitalization District or NARD. The City is pursuing annexing much of the commercial district along the 450 corridor, as well as the commercial area around the Metro Station.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide residents, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions, please contact the City's Finance and Accounting Department at (301) 459-6100.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF NET POSITION**  
**June 30, 2013**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,106,691
Cash, restricted	45,478
Receivables, net	217,782
Due from other units of government	276,562
Prepaid expenses	4,424
Land	760,825
Capital assets, net of accumulated depreciation	<u>4,588,626</u>
Total Assets	<u><u>\$ 15,000,388</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 171,060
Accrued expenses	136,913
Unearned revenue	233,048
Due to other units of government	20,099
Non-current liabilities	
Due within one year	343,731
Due in more than one year	<u>2,650,738</u>
Total Liabilities	<u><u>\$ 3,555,589</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 4,210,659
Restricted for	
Weinbach scholarship	45,478
Public safety	217,657
Street improvements	833,725
Unrestricted	<u>6,137,280</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 11,444,799</u></u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Position
					Governmental Activities
<b>Governmental activities</b>					
General government	\$ 1,296,603	\$ 218,382	\$ 108,954	\$ -	\$ (969,267)
Public health code enforcement	403,164	234,369	-	-	(168,795)
Public safety police services	2,160,469	738,266	157,154	-	(1,265,049)
Public works	393,398	-	-	-	(393,398)
Highways	1,746,985	16,140	56,210	-	(1,674,635)
Sanitation	1,064,410	311,667	-	-	(752,743)
Parks and recreation	587,562	-	-	-	(587,562)
Weinbach scholarship	-	-	172	-	172
Interest on long-term debt	89,890	-	-	-	(89,890)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,742,481</b>	<b>\$ 1,518,824</b>	<b>\$ 322,490</b>	<b>\$ -</b>	<b>(5,901,167)</b>
<b>GENERAL REVENUES</b>					
Property taxes					4,927,471
Income taxes					777,713
Other taxes					108,411
Miscellaneous					98,226
Unrestricted investment earnings					10,941
Total General Revenues					5,922,762
<b>CHANGE IN NET POSITION</b>					21,595
<b>NET POSITION, BEGINNING OF YEAR</b>					11,423,204
<b>NET POSITION, END OF YEAR</b>					\$ 11,444,799

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2013**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,106,691
Cash restricted	45,478
Receivables, net	217,782
Due from other units of government	276,562
Prepaid items	<u>4,424</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 9,650,937</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 171,060
Other liabilities	128,486
Unearned revenue	233,048
Due to other units of government	<u>20,099</u>
Total Liabilities	552,693
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue property and income taxes	<u>133,227</u>
Total Deferred Inflows Of Resources	133,227
<b>FUND BALANCES</b>	
Restricted for	
Weinbach scholarship	45,478
Public safety	217,657
Street improvements	833,725
Nonspendable	
Prepaid items	4,424
Committed	
Operating reserve	250,000
Assigned	
Capital assets replacement	259,448
Street, sidewalk, and bridge repairs	865,146
Future expenditures	1,740,594
Compensated absences	190,639
Unassigned	<u>4,557,906</u>
Total Fund Balances	<b><u>8,965,017</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 9,650,937</u></b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
For The Year Ended June 30, 2013**

<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>	<b>\$ 8,965,017</b>
Amounts reported for governmental activities in the Statement of Net Position are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of these assets is \$9,780,340 and the accumulated depreciation is \$4,430,889.	5,349,451
Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds.	(2,994,469)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(8,427)
Certain receivables are offset by unavailable revenue in the governmental funds since they are not available to pay for current-period expenditures. This is the amount of deferred inflows of resources.	<u>133,227</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 11,444,799</u></u></b>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2013**

	<b>General Fund</b>
<b>REVENUES</b>	
Taxes	\$ 5,950,030
Licenses and permits	206,567
Intergovernmental	157,154
Revenues from other agencies	108,955
Charges of services	584,623
Fines and forfeitures	711,495
Investment earnings	10,941
Miscellaneous	115,739
	7,845,504
<b>EXPENDITURES</b>	
Current	
General government	1,307,638
Public health code enforcement	399,299
Public safety police services	2,143,502
Public works	517,807
Highways	1,646,879
Sanitation	1,029,277
Parks and recreation	567,221
Weinbach scholarship	-
Debt service	
Principal	329,844
Interest	90,352
	8,031,819
	(186,315)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>9,151,332</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 8,965,017</b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2013**

<b>TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS</b>	<b>\$ (186,315)</b>
<p>Amounts reported for governmental activities in the Statement of  Activities are different because</p>	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay \$447,164 exceeds depreciation expense \$437,427 in the period.	9,737
Long-term debt repayments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of long-term debt repayments for 2013.	329,844
Some expense in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds. This is the amount by which accumulated long-term unused compensated absences increased.	(50,705)
Interest expense in the Statement of Activities differs from the amount reported in governmental funds due to the net change in accrued interest.	461
Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance current expenditures. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in "unavailable" revenues at the end of the year over the amount at the beginning of the year.	(80,227)
The net effect of various transactions involving capital assets (i.e., sales and trade-in) is to decrease net position.	(1,200)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 21,595</b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**  
**For The Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Real property	\$ 4,481,132	\$ 4,381,132	\$ 4,263,698	\$ (117,434)
Business real property - public safety	171,000	261,500	265,508	4,008
Personal property - businesses	253,000	293,000	302,817	9,817
Personal property - public safety	25,900	40,900	48,819	7,919
Property of railroads and public utilities	45,000	45,000	48,201	3,201
Penalties and interest on delinquent taxes	9,500	9,500	4,366	(5,134)
Total General Property Taxes	<u>4,985,532</u>	<u>5,031,032</u>	<u>4,933,409</u>	<u>(97,623)</u>
State shared taxes				
Admissions and amusements	1,750	1,750	1,453	(297)
Highway user and motor vehicle	57,000	57,000	56,210	(790)
Income taxes	648,000	648,000	852,000	204,000
Total State Shared Taxes	<u>706,750</u>	<u>706,750</u>	<u>909,663</u>	<u>202,913</u>
County shared taxes				
Disposal fee rebate	33,467	33,467	33,468	1
Hotel/motel tax	49,000	49,000	73,471	24,471
PMT in lieu of bank stock	20	20	19	(1)
Total County Shared Taxes	<u>82,487</u>	<u>82,487</u>	<u>106,958</u>	<u>24,471</u>
Total Taxes	<u>5,774,769</u>	<u>5,820,269</u>	<u>5,950,030</u>	<u>129,761</u>
<b>Licenses and permits</b>				
State traders and peddlers	9,750	9,750	10,831	1,081
City business licenses	11,500	11,500	10,100	(1,400)
Comcast cable franchise fees	76,000	76,000	93,118	17,118
Verizon cable franchise fees	68,000	68,000	78,748	10,748
Cricket communication franchise fees	4,800	4,800	4,800	-
Verizon property lease	7,200	7,200	6,960	(240)
Building permit fees	2,000	2,000	2,010	10
Total Licenses And Permits	<u>179,250</u>	<u>179,250</u>	<u>206,567</u>	<u>27,317</u>
<b>Intergovernmental grants</b>				
State aid for police protection	86,000	86,000	83,618	(2,382)
Crime control and prevention grant	-	9,500	6,760	(2,740)
Community policing service grants	71,500	71,500	62,776	(8,724)
School bus grant	4,000	4,000	4,000	-
Total Intergovernmental Grants	<u>161,500</u>	<u>171,000</u>	<u>157,154</u>	<u>(13,846)</u>
<b>Revenues from other agencies</b>				
Cable tv equipment support grant - Comcast	48,000	48,000	55,871	7,871
Cable tv equipment support grant - Verizon	45,000	45,000	50,084	5,084
LIGIT employee training grant	-	3,000	3,000	-
Total Revenue From Other Agencies	<u>93,000</u>	<u>96,000</u>	<u>108,955</u>	<u>12,955</u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**  
**(continued)**  
**For The Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES (continued)</b>				
<b>Current service charges</b>				
Advertising fees	4,500	4,500	7,730	3,230
Municipal center room rent	1,750	1,750	4,085	2,335
General service fees	500	500	-	(500)
Board of appeals fees	800	800	-	(800)
Fingerprint fees	900	900	315	(585)
Special police services	26,000	26,000	28,285	2,285
Rental property inspection	188,500	188,500	212,525	24,025
Property clean-up and liens	35,000	35,000	20,016	(14,984)
Trash pickup service fees	269,000	269,000	269,050	50
Recycling fees	42,600	42,600	42,617	17
<b>Total Current Service Charges</b>	<b>569,550</b>	<b>569,550</b>	<b>584,623</b>	<b>15,073</b>
<b>Fines and forfeitures</b>				
Municipal infractions	2,400	2,400	1,730	(670)
Red light camera	-	-	-	-
Speed camera revenue	600,000	600,000	295,268	(304,732)
Vehicle control fines and towing	195,000	328,000	414,497	86,497
<b>Total Fines And Forfeitures</b>	<b>797,400</b>	<b>930,400</b>	<b>711,495</b>	<b>(218,905)</b>
<b>Interest earned on investments</b>	<b>5,500</b>	<b>5,500</b>	<b>10,941</b>	<b>5,441</b>
<b>Other revenues</b>				
Scrap metal and paper	7,500	7,500	3,485	(4,015)
Seized revenue	3,500	3,500	1,115	(2,385)
Right-of-way fees (ICC)	16,000	16,000	16,140	140
Pension rebate	37,000	37,000	39,887	2,887
Miscellaneous revenue	15,500	15,500	54,939	39,439
Weinbach scholarship grant	500	500	173	(327)
<b>Total Other Revenues</b>	<b>80,000</b>	<b>80,000</b>	<b>115,739</b>	<b>35,739</b>
<b>Contingency Reserve</b>	<b>130,000</b>	<b>130,000</b>	<b>-</b>	<b>(130,000)</b>
<b>Designated for street repair</b>	<b>-</b>	<b>1,750,000</b>	<b>-</b>	<b>(1,750,000)</b>
<b>Undesignated prior year surplus</b>	<b>-</b>	<b>247,000</b>	<b>-</b>	<b>(247,000)</b>
<b>Operating reserve carryover</b>	<b>250,000</b>	<b>250,000</b>	<b>-</b>	<b>(250,000)</b>
<b>TOTAL REVENUES</b>	<b>8,040,969</b>	<b>10,228,969</b>	<b>7,845,504</b>	<b>(2,383,465)</b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**  
**(continued)**

**For The Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES</b>				
<b>General government</b>				
Mayor and city council				
Personnel	38,061	38,061	36,986	1,075
Operating				
Computer supplies	500	500	479	21
Office supplies and printing	500	500	355	145
Dues and subscriptions	500	500	215	285
Travel and meetings	17,500	20,500	16,576	3,924
Telephones	750	750	-	750
Cell phones	720	720	55	665
Fire department grant	5,000	5,000	5,000	-
Youth activities grant	-	5,000	5,000	-
Welcome committee	500	500	56	444
Weinbach scholarship committee	500	500	-	500
Total Operating	<u>26,470</u>	<u>34,470</u>	<u>27,736</u>	<u>6,734</u>
Total Mayor And City Council	<u>64,531</u>	<u>72,531</u>	<u>64,722</u>	<u>7,809</u>
Administration				
Personnel	609,867	601,813	522,006	79,807
Operating				
Computer and IT support	43,500	43,500	39,417	4,083
Website service	4,500	7,000	5,072	1,928
Legal services	25,000	51,000	50,314	686
Engineering services	2,000	2,000	-	2,000
Consulting services	-	6,000	6,000	-
Advertising expenses	11,500	14,500	9,519	4,981
Cable television operation	500	500	224	276
City newsletter	30,500	36,000	33,123	2,877
HVAC system cleaning	2,500	2,500	-	2,500
General liability insurance	7,500	7,500	5,387	2,113
Auto insurance	8,000	8,000	3,941	4,059
Public officials liability and bonding	12,500	12,500	12,500	-
Equipment maintenance contracts	14,500	14,500	10,318	4,182
Office equipment maintenance contracts	4,500	5,500	4,295	1,205
Building maintenance and repair	48,000	78,000	64,712	13,288
Office equipment maintenance & repair	1,000	1,000	861	139
Vehicle operations and maintenance	3,500	3,500	2,587	913
Vehicle gasoline use	3,250	3,250	2,325	925
Computer supplies	6,000	8,500	4,799	3,701
Pantry supplies	5,000	5,000	3,976	1,024
Office supplies and printing	16,500	16,500	14,875	1,625
Janitorial supplies	9,500	9,500	8,418	1,082
Dues and subscriptions	17,000	17,000	16,620	380
Employee training	1,500	1,500	1,224	276
Travel and meetings	2,000	4,500	4,346	154
Employee sub. testing and physicals	1,000	1,000	581	419
Employee gifts - special occasions	7,500	10,500	8,550	1,950
Uniforms	1,500	2,000	1,777	223
Telephones	7,751	7,751	6,162	1,589

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**

(continued)

For The Year Ended June 30, 2013

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
Cell phones	4,800	4,800	2,998	1,802
Utility - electricity	34,200	34,200	29,368	4,832
Utility - natural gas	14,328	14,328	9,632	4,696
Utility - water	10,700	10,700	4,817	5,883
Postage meter and courier services	10,500	10,500	9,198	1,302
Upkeep of Hanco building	13,900	13,900	11,369	2,531
Annexation	2,500	37,500	29,960	7,540
Election	7,000	11,000	10,886	114
Community promotion	22,000	22,000	21,224	776
Ordinance recodification	5,200	7,700	7,292	408
General code floppy disc	1,700	1,700	1,468	232
Miscellaneous	2,500	2,500	1,534	966
Total Operating	427,329	551,329	461,669	89,660
Capital outlay				
Furniture and fixtures	-	3,500	3,285	215
Office equipment and computers	5,000	6,500	5,350	1,150
Generator and trailer	-	23,300	23,290	10
Cable tv equipment	93,000	93,000	55,273	37,727
Total Capital Outlay	98,000	126,300	87,198	39,102
Total Administration	1,135,196	1,279,442	1,070,873	208,569
Financial administration				
Personnel	160,993	160,993	138,686	22,307
Operating				
Auditing service	18,000	18,000	17,604	396
Computer and IT support	9,000	9,000	5,068	3,932
Computer supplies	2,500	2,500	1,162	1,338
Office supplies and printing	3,000	3,000	2,331	669
Small equipment	500	500	-	500
Dues and subscriptions	1,000	1,000	979	21
Employee training	1,500	1,500	950	550
Travel and meetings	1,000	1,000	148	852
Telephones	2,500	2,500	1,918	582
Credit card service fees	2,000	2,000	1,740	260
Miscellaneous	1,000	1,000	349	651
Total Operating	42,000	42,000	32,249	9,751
Capital outlay				
Computers	2,500	2,500	1,108	1,392
Software	4,000	4,000	-	4,000
Total Capital Outlay	6,500	6,500	1,108	5,392
Total Financial Administration	209,493	209,493	172,043	37,450
Total General Government	1,409,220	1,561,466	1,307,638	253,828

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**  
**(continued)**  
**For The Year Ended June 30, 2013**

EXPENDITURES (continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Public health code enforcement</b>				
Code enforcement				
Personnel	383,840	383,840	340,257	43,583
Operating				
Property clean-up	39,500	39,500	17,423	22,077
Vehicle operations and maintenance	6,000	6,000	592	5,408
Vehicle gasoline use	14,720	14,720	12,814	1,906
Insect and animal control	500	500	500	-
Computer supplies	4,700	4,700	1,170	3,530
Office supplies and printing	6,000	6,000	4,295	1,705
Field supplies	2,000	2,000	1,295	705
Signs, notices and permits	2,500	2,500	754	1,746
Small office equipment	500	500	-	500
Dues and subscriptions	1,000	1,000	390	610
Employee training	1,500	1,500	645	855
Travel and meetings	1,500	1,500	1,442	58
Employee sub. testing and physicals	750	750	160	590
Uniforms	1,500	1,500	1,254	246
Telephones	2,500	2,500	1,201	1,299
Cell phones	5,000	5,000	3,426	1,574
Miscellaneous	500	500	45	455
Total Operating	<u>90,670</u>	<u>90,670</u>	<u>47,406</u>	<u>43,264</u>
Capital outlay				
Computers	6,000	6,000	-	6,000
Code enforcement software	15,000	15,000	11,636	3,364
Total Capital Outlay	<u>21,000</u>	<u>21,000</u>	<u>11,636</u>	<u>9,364</u>
Total Public Health Code Enforcement	<u>495,510</u>	<u>495,510</u>	<u>399,299</u>	<u>96,211</u>
<b>Public safety police services</b>				
Police administration				
Personnel	323,581	326,081	301,361	24,720
Operating				
Equipment maintenance and repair	1,500	1,500	348	1,152
Vehicle operation and maintenance	5,500	8,000	4,571	3,429
Vehicle gasoline use	9,500	9,500	9,474	26
Computer supplies	1,500	1,500	1,433	67
Pantry supplies	3,000	3,000	1,374	1,626
Office supplies and printing	5,000	5,000	4,878	122
Small equipment	1,750	1,750	-	1,750
Dues and subscriptions	1,200	1,200	775	425
Employee training	1,500	4,500	4,495	5
Travel and meetings	2,500	2,500	2,490	10
Employee sub. testing and physicals	1,200	1,200	35	1,165
Uniforms	3,000	3,000	2,855	145
Telephones	2,500	2,500	1,826	674
Cell phones	3,500	3,500	3,243	257
Postage meter and courier service	2,000	2,000	1,380	620
Neighborhood watch	2,500	6,500	3,578	2,922
Vehicle control fine service fees	40,500	63,100	59,187	3,913

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**

(continued)

For The Year Ended June 30, 2013

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
Miscellaneous	1,000	1,000	906	94
Total Operating	89,150	121,250	102,848	18,402
Capital outlay				
Computers	5,000	5,000	-	5,000
Total Capital Outlay	5,000	5,000	-	5,000
Total Police Administration	417,731	452,331	404,209	48,122
Police special operations				
Personnel	357,229	357,229	335,528	21,701
Operating				
Computer IT support	4,500	4,500	3,795	705
General liability insurance	26,000	26,000	18,780	7,220
Auto insurance	20,000	20,000	19,270	730
Public official liability and bonding	2,500	2,500	2,500	-
Office equipment maintenance & repair	4,500	4,500	343	4,157
Vehicle operations and maintenance	6,500	6,500	3,802	2,698
Vehicle gasoline use	14,500	14,500	11,361	3,139
Office supplies and printing	8,500	8,500	800	7,700
Field supplies	3,500	3,500	379	3,121
Small weapons	3,500	3,500	-	3,500
Dues and subscriptions	1,000	1,000	545	455
Employee training	3,700	3,700	-	3,700
Travel and meetings	2,500	2,500	-	2,500
Employee sub. testing and physicals	2,700	2,700	240	2,460
Uniforms	6,500	6,500	100	6,400
Telephones	2,500	2,500	1,854	646
Cell phones	3,600	3,600	3,555	45
Total Operating	116,500	116,500	67,324	49,176
Capital outlay				
Building security system	-	72,000	25,071	46,929
Vehicles	105,000	115,000	112,028	2,972
Vehicle equipment	20,000	20,000	19,753	247
Motorola vehicle radios	2,000	2,000	1,859	141
Total Capital Outlay	127,000	209,000	158,711	50,289
Total Police Special Operations	600,729	682,729	561,563	121,166
Police patrol				
Personnel	931,926	936,926	869,845	67,081
Operating				
Vehicle operations and maintenance	18,500	26,000	24,436	1,564
Vehicle gasoline use	40,500	33,000	29,896	3,104
Office supplies and printing	6,500	6,500	5,505	995
Field supplies	7,000	18,650	16,020	2,630
Small equipment	2,500	2,500	1,949	551
Small weapons	4,000	7,350	5,340	2,010
Employee training	5,500	5,500	4,627	873
Travel and meetings	3,500	3,500	1,129	2,371
Employee sub. testing and physicals	7,500	7,500	2,974	4,526

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**  
**(continued)**

**For The Year Ended June 30, 2013**

<b>EXPENDITURES (continued)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts - Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
Uniforms	10,500	10,500	3,849	6,651
Telephones	2,800	2,800	2,027	773
Cell phones	12,750	15,250	15,028	222
Miscellaneous	2,500	2,500	1,155	1,345
Total Operating	<u>124,050</u>	<u>141,550</u>	<u>113,935</u>	<u>27,615</u>
Total Police Patrol	1,055,976	1,078,476	983,780	94,696
<b>Parking enforcement</b>				
Personnel	200,907	200,907	174,249	26,658
<b>Operating</b>				
Vehicle operation and maintenance	5,100	7,600	5,475	2,125
Vehicle gasoline use	11,500	11,500	7,453	4,047
Office supplies and printing	3,500	3,500	2,798	702
Field supplies	4,200	4,200	345	3,855
Employee training	1,000	1,000	20	980
Employee sub. testing and physicals	500	500	250	250
Uniforms	3,500	3,500	700	2,800
Telephones	750	750	747	3
Cell phones	2,950	2,950	1,913	1,037
Total Operating	<u>33,000</u>	<u>35,500</u>	<u>19,701</u>	<u>15,799</u>
<b>Capital outlay</b>				
Computers	2,500	2,500	-	2,500
Total Capital Outlay	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Parking Enforcement	<u>236,407</u>	<u>238,907</u>	<u>193,950</u>	<u>44,957</u>
Total Public Safety Police Services	2,310,843	2,452,443	2,143,502	308,941
<b>Public works</b>				
<b>Administration</b>				
Personnel	433,322	419,822	378,758	41,064
<b>Operating</b>				
General liability insurance	7,500	7,500	6,500	1,000
Auto insurance	29,000	29,000	27,749	1,251
Equipment maintenance contracts	7,500	10,000	7,448	2,552
Preventive vehicle and maintenance	28,500	28,500	23,447	5,053
Building maintenance and repair	13,500	13,500	6,298	7,202
Office equipment, maintenance & repair	2,500	2,500	1,569	931
Vehicle operations and maintenance	2,300	7,300	7,265	35
Vehicle gasoline use	5,500	5,500	4,900	600
Computer supplies	2,000	2,000	1,563	437
Pantry supplies	4,000	4,000	3,985	15
Office supplies and printing	5,500	5,500	5,145	355
Janitorial supplies	4,500	4,500	4,407	93
Safety supplies	1,500	1,500	1,074	426
Dues and subscriptions	1,000	1,000	993	7
Travel and meetings	1,500	3,000	1,690	1,310
Employee sub. testing and physicals	600	600	399	201
Uniforms	3,200	3,200	2,934	266

These financial statements should be read only in connection with  
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**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**

(continued)

For The Year Ended June 30, 2013

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
Telephones	3,500	3,500	3,337	163
Cell phones	4,500	4,500	4,371	129
Utility - electricity	13,500	13,500	9,287	4,213
Utility - natural gas	13,000	13,000	9,292	3,708
Utility - water	4,000	5,500	4,204	1,296
Miscellaneous	1,200	1,200	1,192	8
Total Operating	<u>159,800</u>	<u>170,300</u>	<u>139,049</u>	<u>31,251</u>
Total Public Works	593,122	590,122	517,807	72,315
<b>Highways</b>				
Personnel	286,029	265,029	201,128	63,901
Operating				
Engineering services	1,500	1,500	-	1,500
Landfill fees	5,200	6,700	4,500	2,200
Street lighting	114,000	114,000	96,575	17,425
Street light improvements	1,500	1,500	-	1,500
Vehicle operations and maintenance	14,200	37,200	33,632	3,568
Vehicle gasoline use	34,500	34,500	33,849	651
Small operating equipment and parts	1,000	1,000	347	653
Equipment rental	1,000	6,500	5,665	835
Traffic safety supplies	3,500	3,500	2,113	1,387
Street & storm drain maintenance materials	8,500	8,500	7,928	572
Snow removal supplies	12,500	12,500	9,688	2,812
Small equipment	500	500	38	462
Employee sub. testing and physicals	1,500	1,500	377	1,123
Uniforms	4,000	4,000	3,042	958
Shared street sweeper	23,000	28,000	28,000	-
Total Operating	<u>226,400</u>	<u>261,400</u>	<u>225,754</u>	<u>35,646</u>
Capital outlay				
Dump truck	-	95,000	95,000	-
Vehicle - street sweeper	30,000	30,000	28,070	1,930
Vehicle - pickup truck	25,000	25,000	24,710	290
Chipper	-	65,000	51,655	13,345
Leaf boxes	-	25,000	24,860	140
Snow plows	5,000	14,000	950	13,050
Radios	30,000	21,500	21,476	24
Street repairs	57,000	1,807,000	973,276	833,724
Total Capital Outlay	<u>147,000</u>	<u>2,082,500</u>	<u>1,219,997</u>	<u>862,503</u>
Total Highways	<u>659,429</u>	<u>2,608,929</u>	<u>1,646,879</u>	<u>962,050</u>
<b>Sanitation</b>				
Personnel	609,713	609,713	549,568	60,145
Operating				
Refuse collection contract	100,000	100,000	95,195	4,805
Recycling contract	57,000	77,000	74,880	2,120
Landfill fees - County	224,500	204,400	203,651	749
Compose fees	15,500	15,500	14,379	1,121
Vehicle operations and maintenance	23,500	33,500	27,160	6,340
Vehicle gasoline use	37,500	37,500	31,578	5,922
Equipment rental	500	500	113	387
Equipment repair and maintenance	1,000	1,000	-	1,000

These financial statements should be read only in connection with  
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and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL**  
**(NON-GAAP BUDGETARY BASIS) – GENERAL FUND**  
**(continued)**

**For The Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (continued)</b>				
Sanitation supplies	8,750	8,750	555	8,195
Small equipment	500	500	373	127
Employee training	500	500	236	264
Employee sub. testing and physicals	2,000	2,000	603	1,397
Uniforms	5,500	6,500	6,217	283
Miscellaneous	1,000	1,000	59	941
<b>Total Operating</b>	<u>477,750</u>	<u>488,650</u>	<u>454,999</u>	<u>33,651</u>
Capital outlay				
Utility truck	25,000	25,000	24,710	290
<b>Total Capital Outlay</b>	<u>25,000</u>	<u>25,000</u>	<u>24,710</u>	<u>290</u>
<b>Total Sanitation</b>	<u>1,112,463</u>	<u>1,123,363</u>	<u>1,029,277</u>	<u>94,086</u>
<b>Parks and recreation</b>				
Personnel	523,193	514,693	459,895	54,798
Operating				
Sports park contractual	3,500	3,500	1,830	1,670
Vehicle operations and maintenance	18,500	31,000	23,195	7,805
Vehicle gasoline use	37,500	37,500	35,349	2,151
Playground equipment maintenance	5,500	5,500	4,436	1,064
Equipment rental	1,000	1,000	165	835
Equipment repair and maintenance	1,500	1,500	1,384	116
Small equipment	1,000	1,000	433	567
Employee sub. Testing and physicals	1,500	1,500	867	633
Uniforms	4,750	5,750	5,515	235
Parks, fields and tree maintenance	28,000	28,000	23,274	4,726
Curb trees	2,500	2,500	-	2,500
Community garden	8,500	8,500	(695)	9,195
Recreation-boys and girls club	7,500	7,500	7,343	157
<b>Total Operating</b>	<u>121,250</u>	<u>134,750</u>	<u>103,096</u>	<u>31,654</u>
Capital outlay				
Mowers	5,000	5,000	4,230	770
<b>Total Capital Outlay</b>	<u>5,000</u>	<u>5,000</u>	<u>4,230</u>	<u>770</u>
<b>Total Parks And Recreation</b>	<u>649,443</u>	<u>654,443</u>	<u>567,221</u>	<u>87,222</u>
Weinbach scholarship	2,000	2,000	-	2,000
Debt service - principal & interest payments	187,850	187,850	187,113	737
Debt service - vehicles	233,220	233,220	233,083	137
<b>Miscellaneous</b>				
Contingency reserve	130,000	91,500	-	91,500
Operating reserve	250,000	220,254	-	220,254
Operating reserve - Speed Camera	7,469	7,469	-	7,469
Judgment and losses	400	400	-	400
<b>Total Miscellaneous</b>	<u>387,869</u>	<u>319,623</u>	<u>-</u>	<u>319,623</u>
<b>TOTAL EXPENDITURES</b>	<u>8,040,969</u>	<u>10,228,969</u>	<u>8,031,819</u>	<u>2,197,150</u>
<b>(DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (186,315)</u>	<u>\$ (186,315)</u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2013**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments. A summary of significant accounting policies followed by the City are presented below.

**REPORTING ENTITY**

The City of New Carrollton, Maryland (the City) was incorporated in April 11, 1953 with its legal authority derived from Chapter 310, Section 2 of the Annotated Code of Maryland. The City is to be construed to mean both the City and its inhabitants. The City operates under the Council-Mayor form of government. Services provided include sanitation, highway and streets, parks and recreation, police, and planning and zoning.

For financial reporting purposes, in conformance with accounting principles generally accepted in the United States of America, the reporting entity includes the Mayor and City Council and the primary government.

The City has no component units as defined by generally accepted accounting principles.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Governmental activities are those which are supported by taxes and intergovernmental revenues, whereas business-type activities are those supported through customer service charges. The City does not have any business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those specifically associated with a program or function. Program revenues include charges for services and grants and contributions restricted to the capital or operational requirements of specific programs or functions. Revenues that are not classified as program revenues, such as taxes, are reported as general revenues.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting is determined by its measurement focus. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized in the year of levy and grants are recognized when all eligibility requirements are met.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2013**

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (continued)**

Governmental fund statements are presented using the flow of economic 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 become both measurable and available). Measurable means the amount of the transaction that can be determined and available means collected within 60 days of the year-end. Expenditures are recorded when the related liability is incurred as in the accrual basis of accounting. However, principal and interest on long-term debt and expenditures for compensated absences are recorded when the payments are due.

Those revenues susceptible to accrual are property taxes, taxes collected by the State and County on behalf of the City, franchise taxes, revenues from other agencies, interest revenue, and charges for services. Fines and forfeitures, licenses, permits, penalties and interest (on property taxes), and other revenues become measurable and available when cash is received by the City and are recognized as revenue at that time.

The City has one major governmental fund, the General Fund. It is used to account for all activities of the government not accounted for in another fund. The general fund accounts for the normal recurring activities of the City such as police, public works, parks and recreation, general government, etc. These activities are financed primarily by property taxes, other taxes, service charges, and grants from other governmental units.

**USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS**

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 expenditures during the reporting period. Actual results could differ from those estimates.

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES**

In June 2011, GASB issued Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance on reporting deferred inflows and outflows of resources and redefines net assets as net position. The City has implemented this standard as of July 1, 2012.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2013**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (continued)**

In March 2012, GASB issued Statement No. 65, “*Items Previously Reported as Assets and Liabilities.*” This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City has implemented this standard as of July 1, 2012.

**Cash, cash equivalents, and investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months. Cash deposits of the City are made in accordance with the Annotated Code of Maryland (the Code), which requires depositories to give security in the form of collateral as provided for in the Code, for the safekeeping of these deposits.

Excess funds are also permitted to be invested either in bonds or other obligations for the payment of principal and interest of which the full faith and credit of the United States of America are pledged, obligations of Federal government agencies issued pursuant to acts of Congress, or in the local government investment pool created by the State of Maryland.

Property taxes are reported at their estimated collectible value. The following summarizes the property tax calendar:

	<u>Real Property</u>	<u>Personal and Corporate</u>
Assessment roll validated	Dec. 31	Jan. 1
Tax rate ordinance approved	June 30	June 30
Beginning of fiscal year for which taxes have been levied	July 1	July 1
Tax bills rendered and due	July 1	On County bill
Owner-occupied residential	July 1 and Jan. 1	July 1 and Jan. 1
Property taxes payable		
Delinquent	Oct. 1, Feb. 1	After 30 days
Terms	60 days	30 days
Delinquent interest	18%	18%
Tax rates constant yield	\$0.71 per \$100	\$1.00 per \$100

Information presented is for “full year” levy. “Half year” levy dates are each 6 months later, and relate to new construction in the first six months of the calendar year. A lien is attached to property on the billing date, becomes delinquent October 1 and is sold at tax sale by the end of 18 months.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2013**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (continued)**

Allowances for uncollectible accounts are maintained on all types of receivables that historically experience bad debt. Receivables are shown net of such an allowance for uncollectibles. Real property taxes are generally fully collectible.

**Restricted assets**

Proceeds from donations received from external parties are restricted for the payment of scholarships to eligible students, and are held in a separate cash account until disbursement. Also, included in restricted assets are funds required to be used for public safety purposes.

**Capital assets**

Capital assets, which include property, plant and equipment, and infrastructure such as roads, storm drains and pipe systems, are reported in the government-wide financial statements. The City defines capital assets as those which individually have an acquisition cost or donated value of at least \$2,500 and an estimated useful life of three years or more. Such assets are valued at historical or estimated historical cost if actual is not available. Donated assets are stated at their fair market value at the date of donation. The cost of normal maintenance and repairs that do not add value or extend asset lives are not capitalized.

Expenditures for major assets and improvements are capitalized as the assets are acquired or constructed. Interest on debt during the construction period is capitalized. Exhaustible capital assets are depreciated, which is charged as an expense against their operations.

Accumulated depreciation is reported in the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 40 years
Improvements other than buildings	10 - 15 years
Streets and infrastructure	40 - 50 years
Equipment	4 - 10 years
Computer software	5 - 7 years

**Long-term obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the face amount of newly issued debt is reported as other financing sources and the amount of principal repayment is reported as an expenditure.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2013**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (continued)**

**Compensated absences**

Vested or accumulated vacation is accrued when earned by employees and a liability is recorded in the government-wide financial statements. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits, as the City does not pay these amounts when employees separate from service.

The City pays all outstanding vacation leave at separation. A liability for vacation pay is recorded in the governmental fund financial statements only if it has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

**Net position**

The government-wide financial statements utilize a net asset presentation. Net position are categorized as invested in capital (net of related debt), restricted, and unrestricted.

- *Net investment in capital assets* - This category groups all capital assets including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributed to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted net position* - This category presents external restrictions imposed by creditors, grantors or laws and regulations of other governments.
- *Unrestricted net position* - This category presents the net position of the City not included elsewhere.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as needed.

**Fund balance**

In the fund financial statements, governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* fund balance are amounts that are restricted to specific purposes when the constraints are externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by the City Charter, City Code or enabling legislation.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2013**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (continued)**

- Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City's Council, the decision-making authority, are to be reported as *committed* fund balance.
- Amounts that are constrained by the City's intent to be used for specific purposes, but neither restricted nor committed, are to be reported as *assigned* fund balance. The City's Council and management are authorized to assign amounts for specific purposes.
- *Unassigned* fund balance is the residual classification for the general fund.

The City considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The City also considers committed fund balances to be spent first, assigned fund balances to be spent second and unassigned fund balances to be spent last when other unrestricted fund balance classifications are available for use.

**STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary information**

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

1. Prior to July 1, the budget is legally enacted through passage of an ordinance. The budget ordinance becomes effective July 1 and provides spending authority for the operations of the City government.
2. Subsequent to passage of the budget ordinance, the City Council may approve supplemental expenditures. Management may not make adjustments or transfers within the budget without approval of the City Council.
3. At the end of the fiscal year, unencumbered appropriations lapse.
4. The budget for the General Fund is adopted on a basis consistent with budget estimates. Budgetary control is maintained at the line-item level.
5. The budget information presented in the accompanying financial statements includes all budget ordinances and amendments as approved by the Mayor and City Council for the fiscal year ending June 30, 2013.

**Reconciliation of budgetary basis and GAAP basis**

Actual results of operations are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund on the non-GAAP budgetary basis of accounting in order to provide a meaningful comparison of actual results with budget estimates. The budget includes budgeted amounts for prior year surplus and a contingency as a revenue source.

There are no reconciling items for budgetary basis and GAAP basis for actual revenues or expenditures for the year ended June 30, 2013.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 1 – CASH AND CASH EQUIVALENTS**

**Deposits**

Custodial risk, in the case of deposits, is the risk that in the event of a bank failure, the City's exposed balance may not be returned to it. At year-end, the carrying amount of the City deposits (including cash on hand of \$500) was \$1,363,909 and the bank balance was \$1,420,705. As of June 30, 2013, all of the City's deposits were either covered by federal depository insurance or were covered by collateral held by the City's agent in the City's name.

**Investments**

At June 30, 2013, the City's investments were pooled in the State created Maryland Local Government Investment Pool (MLGIP), a money market fund. The fair values of those investments were \$7,788,260 and have a maturity of less than 1 year.

Reconciliation of cash and temporary investments as shown on the Statement of Net Position:

Carrying amount of deposits	\$ 1,363,909
Carrying amount of temporary investments	7,788,260
Less: carrying amount of restricted deposits	<u>(45,478)</u>
<b>Total Cash And Temporary Investments Per Statement Of Net Position</b>	<b><u>\$ 9,106,691</u></b>

*Investment Rate Risk*

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit the City's exposure to fair value losses arising from increasing interest rates, the City's investment policy limits the term of investment maturities between 30 days to one year in order to remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. City management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose. The investments at June 30, 2013, met the City investment policy as of that date. Investment income was comprised entirely of interest and dividends amounting to \$10,941 for the year ended June 30, 2013.

*Credit Risk*

The investment policy of the City permits investments in the following types of investments as authorized by the State of Maryland: direct U.S. obligations, U.S. agency obligations, repurchase agreements, bankers' acceptances, municipal securities, commercial paper, money market mutual funds, and the MLGIP. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland and is under the administration of the State Treasurer. It is rated AAAM by Standard & Poor's, their highest rating for money market mutual funds. The MLGIP seeks to maintain a constant value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 1 – CASH AND TEMPORARY INVESTMENTS (continued)**

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The investments of the City were not exposed to custodial credit risk at June 30, 2013.

*Foreign Currency Risk*

The City's investment policy does not allow for investments in foreign currencies.

**NOTE 2 – PROPERTY TAXES**

**Summary of receivables**

Receivables as of year-end for the government's funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	<b>Governmental Activities</b>
Taxes - property	\$ 27,404
Accounts receivables - other	190,378
<b>Net Receivables</b>	<b>\$ 217,782</b>

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

At June 30, 2013, the balance of due from other governments consisted of the following:

<b>State of Maryland</b>	
Income tax	81,744
Income tax reserve	106,591
Highway user tax	13,046
School bus grant	1,200
Admission and amusement tax	67
Vehicle control fines	2,682
State traders license fee	4,095
Total State of Maryland	209,425
<b>Prince George's County</b>	
Hotel motel tax	24,978
Enterprise zone tax	42,159
Total Prince George's County	67,137
<b>Total</b>	<b>\$ 276,562</b>

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 4 – UNAVAILABLE AND UNEARNED REVENUE**

Governmental funds report advanced revenue in connection to receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not earned. At the end of the fiscal year, the unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Income taxes	\$ 106,590	\$ -	\$ 106,590
Property taxes	26,637	-	26,637
Fees	-	233,048	233,048
	<u>\$ 133,227</u>	<u>\$ 233,048</u>	<u>\$ 366,275</u>

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of governmental capital asset activity for the year ended June 30, 2013:

	Balance at June 30, 2012	Additions	Deletions	Balance at June 30, 2013
Capital assets (not being depreciated or amortized)				
Land	\$ 760,825	\$ -	\$ -	\$ 760,825
Capital assets (being depreciated or amortized)				
Building	3,015,374	24,771	-	3,040,145
Improvements other than buildings	284,514	-	-	284,514
Streets and infrastructure	1,767,485	-	-	1,767,485
Equipment	3,434,199	410,757	11,485	3,833,471
Computer software	82,264	11,636	-	93,900
Total Capital Assets (Being Depreciated Or Amortized)	8,583,836	447,164	11,485	9,019,515
Less - accumulated depreciation or amortization for				
Buildings	1,383,332	76,004	-	1,459,336
Improvements other than buildings	253,265	2,218	-	255,483
Streets and infrastructure	252,466	44,187	-	296,653
Equipment	2,076,406	301,695	10,285	2,367,816
Computer software	38,278	13,323	-	51,601
Total Accumulated Depreciation Or Amortization	4,003,747	437,427	10,285	4,430,889
<b>Total Governmental Activities Capital Assts, Net</b>	<u>\$5,340,914</u>	<u>\$ 9,737</u>	<u>\$ 1,200</u>	<u>\$5,349,451</u>

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 5 – CAPITAL ASSETS (continued)**

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

General government	\$	74,211
Public works		59,397
Public health		10,386
Public safety		121,920
Highway and streets		95,614
Sanitation		53,773
Parks and recreation		22,126
	<u>\$</u>	<u>437,427</u>

**NOTE 6 – LONG-TERM DEBT**

The following is a summary of changes in the City’s governmental long-term liabilities for the year ended June 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Repayments &amp; Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>					
General obligation bonds	\$2,467,907	\$ -	\$ 112,370	\$ 2,355,537	\$ 115,626
Loans payable	665,766	-	217,474	448,292	180,445
Compensated absences	182,151	135,146	126,657	190,640	47,660
<b>Governmental Activities Long-Term Liabilities</b>	<u>\$3,315,824</u>	<u>\$ 135,146</u>	<u>\$ 456,501</u>	<u>\$2,994,469</u>	<u>\$ 343,731</u>

**Bonds payable**

The City of New Carrollton adopted a resolution on January 26, 2006 providing for the issuance and sale of \$1,000,000 aggregate par amount of bonds known as “Infrastructure Bond, 2005 Series A.” The bond is issued in connection with the Infrastructure Financing Program of the Community Development Administration, an agency in the Division of Development Finance of the Department of Housing and Community Development, for the purpose of providing a portion of the funds necessary for bridge repairs and street improvements. Interest is paid semiannually and principal is paid annually. The full faith and credit of the City is pledged to the payment of principal and interest. The term of the bonds is twenty (20) years, with maturity expected to occur on May 1, 2025. The current interest rate is 4.2%. The rate increased to 4.2% on May 1, 2011 and will remain the same until May 1, 2022, when it will increase to 4.3%, and the final increase will occur on May 1, 2023 to 4.45% and will remain the same through maturity.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 6 – LONG-TERM DEBT (continued)**

**Bonds payable (continued)**

The City of New Carrollton adopted a resolution on February 15, 2012 providing for the issuance and sale of \$1,750,000 aggregate par amount of bonds known as “City of New Carrollton Public Improvements Bond, 2012-1”. The bond is issued for the public purpose of funding the continuation of the City Roads Program. Principal and interest are paid monthly. The full faith and credit of the City is pledged to the payment of principal and interest. The term of the bonds is twenty (20) years, with maturity expected to occur on March 1, 2032. Annual interest rate is 2.52%.

The annual requirements to amortize bonds payable to maturity are as follows:

<u>For the Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 115,626	\$ 70,731	\$ 186,357
2015	119,427	67,040	186,467
2016	123,273	63,220	186,493
2017	127,166	59,269	186,435
2018	131,108	55,185	186,293
2019 - 2023	724,944	209,449	934,393
2024 - 2028	619,973	80,892	700,865
2029 - 2032	394,020	19,047	413,067
<b>Total</b>	<u>\$ 2,355,537</u>	<u>\$ 624,833</u>	<u>\$ 2,980,370</u>

**Loans payable**

In fiscal year 2008, the City borrowed \$300,000 from PNC, a commercial bank, to purchase equipment. The loan has an interest rate of 4.36% and a maturity date of July 20, 2012. The loan repayment schedule calls for monthly payments of principal and interest of \$5,655. The loan was paid off in fiscal year 2013.

During fiscal year 2009, the City borrowed \$200,000 from PNC, a commercial bank, to purchase police vehicles and related equipment. The loan has an interest rate of 4.891% and a maturity date of August 1, 2013. The loan repayment schedule calls for monthly payments of principal and interest of \$3,764.

During fiscal year 2010, the City borrowed \$175,000 from PNC, a commercial bank, to purchase police vehicles, dump truck, and computer equipment. The loan has an interest rate of 3.98% and a maturity date of July 28, 2014. The loan repayment schedule calls for monthly payments of principal and interest of \$3,221.31.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 6 – LONG-TERM DEBT (continued)**

During fiscal year 2011, the City borrowed \$325,000 from PNC, a commercial bank, to purchase two dump trucks and a Ford truck for the parking enforcement department. The loan has an interest rate of 2.40% and a maturity date of November 10, 2015. The loan repayment schedule calls for monthly payments of principal and interest of \$5,753.57.

During fiscal year 2012, the City borrowed \$350,000 from PNC, a commercial bank, to purchase vehicles, computer equipment, leaf boxes, and snow plows. The loan has an interest rate of 2.51% and maturity date on October 14, 2016. The loan repayment schedule calls for monthly payments of principal and interest of \$6,213.12.

The annual requirements to amortize to maturity for loans payable are as follows:

<u>For the Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 180,445	\$ 9,341	\$ 189,786
2015	141,587	4,999	146,586
2016	101,537	1,788	103,325
2017	24,723	129	24,852
<b>Total</b>	<u>\$ 448,292</u>	<u>\$ 16,257</u>	<u>\$ 464,549</u>

**NOTE 7 – STATE RETIREMENT AND PENSION SYSTEMS OF MARYLAND**

**Plan description**

Employees of the City are covered by the Pension System for Employees of the State of Maryland or The Employees Retirement System of the State of Maryland. These systems are part of the Maryland State Retirement and Pension System (the State System), and are cost-sharing multiple-employer public employee retirement systems. The State System provides pension, death, and disability benefits to plan members and beneficiaries.

The plan is administered by the State Retirement Agency (the Agency). Responsibility for the administration and operation of the State System is vested in a 12-member Board of Trustees. The State System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland. The Agency issued a publicly available financial report that includes basic financial statements and required supplementary information for the State System.

The report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202, or by calling 410-625-5555.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 7 – STATE RETIREMENT AND PENSION SYSTEMS OF MARYLAND (continued)**

**Funding policy**

The State Personnel and Pensions Article requires active members to contribute to the State System at the rate of 7.0% of their covered salary depending upon the retirement option selected. The City is required to contribute at an actuarially determined rate. The City's contribution for the years ended June 30, 2013, 2012, and 2011 were \$224,553, \$257,316, and \$253,649, respectively, which were equal to the required contributions for each year.

**NOTE 8 – POST-RETIREMENT BENEFITS**

The City does not provide and therefore has no liability for post-retirement benefits at June 30, 2013.

**NOTE 9 – RISK MANAGEMENT**

The City's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance. For property, general, and health and dental insurance, the City is covered through commercial insurance carriers subject to deductibles and to annual aggregate/per occurrence dollar limits. For excess environmental liability coverage the City is a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement. The City pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. No insurance settlement has exceeded the coverage to date. The City is fully insured for worker's compensation through the Injured Worker's Insurance Fund of Maryland. Employees are bonded through commercial insurance carriers to limit the loss to the City in the event of employees committing acts of embezzlement or theft. There have been no settlements which exceeded coverage during the past three fiscal years.

**NOTE 10 – CONTINGENT LIABILITIES**

The City participates in certain federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2013**

**NOTE 11 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD STANDARDS**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the year ended June 30, 2013 that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City:

Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, issued March 2012, effective for financial statements for periods beginning after December 15, 2012.

Statement No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, issued June 2012, effective for financial statements for fiscal years beginning after June 15, 2013.

Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, issued June 2012, effective for financial statements for fiscal years beginning after June 15, 2014.

Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013, effective for fiscal years beginning after December 15, 2013.

Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013, effective for fiscal years beginning after June 15, 2013.

**NOTE 12 – SUBSEQUENT EVENTS**

The City evaluated subsequent events for potential required disclosures through December 5, 2013, which represents the date the financial statements were available to be issued.

# STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## Contents

### Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



**CITY OF NEW CARROLLTON, MARYLAND**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 4,210,659	\$ 4,307,241	\$ 4,202,586	\$ 4,000,143	\$ 3,937,476	\$ 3,867,861	\$ 3,353,644	\$ 2,348,698	\$ 2,177,277	\$ 3,100,255
Restricted	1,096,860	2,279,372	395,118	47,290	51,178	53,237	54,792	50,858	46,949	47,786
Unrestricted	6,137,280	4,836,591	5,341,133	4,284,568	3,065,903	2,121,029	2,302,589	2,695,533	2,558,122	1,176,269
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>\$ 11,444,799</b>	<b>\$ 11,423,204</b>	<b>\$ 9,938,837</b>	<b>\$ 8,332,001</b>	<b>\$ 7,054,557</b>	<b>\$ 6,042,127</b>	<b>\$ 5,711,025</b>	<b>\$ 5,095,089</b>	<b>\$ 4,782,348</b>	<b>\$ 4,324,310</b>

**CITY OF NEW CARROLLTON, MARYLAND**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 1,296,603	\$ 1,442,186	\$ 1,402,371	\$ 1,286,886	\$ 1,211,140	\$ 1,253,729	\$ 1,144,628	\$ 926,991	\$ 754,944	\$ 721,422
Public health code enforcement	403,164	408,166	374,144	398,466	373,221	422,504	324,397	298,118	-	320,364
Public safety police services	2,160,469	2,007,356	1,809,257	1,413,243	1,294,109	1,095,405	868,812	258,924	579,487	126,487
Public works	393,398	526,310	528,577	456,430	451,183	661,942	528,803	531,362	500,558	426,671
Highways	1,746,985	445,052	496,236	583,084	482,175	352,124	492,789	506,986	486,481	448,352
Sanitation	1,064,410	1,027,779	998,858	922,845	897,146	881,235	914,342	872,552	848,663	852,625
Parks and recreation	587,562	650,128	570,242	578,704	542,138	570,438	518,466	533,413	513,525	476,193
Weinbach scholarship	-	2,000	2,000	4,000	3,000	5,000	4,000	4,000	4,000	4,000
Interest on long-term debt	89,890	77,462	61,442	72,291	78,373	88,032	38,194	53,621	42,237	41,153
Total Primary Government Expenses	7,742,481	6,586,439	6,243,127	5,715,949	5,332,485	5,330,409	4,834,431	3,985,967	3,729,895	3,417,267
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	218,382	205,981	198,468	195,078	165,567	160,217	89,599	167,462	155,240	153,598
Public health code enforcement	234,369	213,000	224,740	200,165	236,175	185,560	175,588	-	-	-
Public safety police services	738,266	813,841	997,035	1,011,516	207,973	173,933	108,866	-	-	-
Public works	-	28,969	37,374	59,447	24,185	20,126	-	-	-	-
Highways	16,140	16,140	16,140	16,140	16,140	-	-	-	331,406	-
Sanitation	311,667	311,805	267,155	42,600	42,600	42,600	80,929	-	-	-
Weinbach scholarship	-	-	-	-	115	-	-	-	-	-
Operating grants and contributions	322,490	337,013	254,130	287,917	492,928	654,483	656,092	572,189	195,560	435,878
Capital grants and contributions	-	118,443	29,819	-	-	-	152,000	-	-	27,928
Total Primary Government Program Revenues	1,841,314	2,045,192	2,024,861	1,812,863	1,185,683	1,236,919	1,263,074	739,651	677,206	617,404
Total Primary Government Net Expense	(5,901,167)	(4,541,247)	(4,218,266)	(3,903,086)	(4,146,802)	(4,093,490)	(3,571,357)	(3,246,316)	(3,052,689)	(2,799,863)
<b>GENERAL REVENUES AND OTHER</b>										
CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property tax	4,927,471	4,975,506	4,612,847	4,272,781	4,041,481	3,264,745	2,800,795	2,478,151	2,402,577	2,218,433
Shared taxes	886,124	893,906	962,661	830,964	891,105	863,978	707,901	798,771	837,939	763,754
Miscellaneous revenues	98,226	149,448	241,378	68,455	188,572	212,028	569,198	215,864	245,115	228,426
Investment earnings	10,941	6,754	8,216	8,330	38,074	83,841	109,399	66,271	25,096	9,882
Total Primary Government	5,922,762	6,025,614	5,825,102	5,180,530	5,159,232	4,424,592	4,187,293	3,559,057	3,510,727	3,220,495
<b>CHANGE IN NET POSITION,</b>										
<b>GOVERNMENTAL ACTIVITIES</b>	\$ 21,595	\$ 1,484,367	\$ 1,606,836	\$ 1,277,444	\$ 1,012,430	\$ 331,102	\$ 615,936	\$ 312,741	\$ 458,038	\$ 420,632

**CITY OF NEW CARROLLTON, MARYLAND**  
**GOVERNMENTAL ACTIVITIES**  
**TAX REVENUES BY SOURCE**  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Income Taxes	Hotel/Motel Taxes	Other Taxes	Total
2004	2,106,642	700,360	63,394	4,479	2,874,875
2005	2,385,989	769,693	71,817	13,017	3,240,516
2006	2,448,075	756,168	64,167	8,512	3,276,922
2007	2,800,795	690,363	16,559	979	3,508,696
2008	3,264,745	683,608	53,044	37,141	4,038,538
2009	4,041,481	784,741	72,067	34,297	4,932,586
2010	4,272,781	723,772	72,507	34,685	5,103,745
2011	4,612,847	877,057	51,205	34,399	5,575,508
2012	4,975,506	796,454	62,399	35,053	5,869,412
2013	4,927,471	777,713	73,471	34,940	5,813,595

Source: City's financial records.

**CITY OF NEW CARROLLTON, MARYLAND**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Reserved</u>	<u>Designated</u>	<u>Undesignated</u>	<u>Restricted</u>	<u>Nonspendable</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
2004	47,786	593,678	319,454	-	-	-	-	-	960,918
2005	46,949	1,753,415	541,140	-	-	-	-	-	2,341,504
2006	74,270	1,902,962	599,785	-	-	-	-	-	2,577,017
2007	54,792	1,478,185	692,066	-	-	-	-	-	2,225,043
2008	53,237	1,637,653	332,604	-	-	-	-	-	2,023,494
2009	51,178	2,182,109	758,620	-	-	-	-	-	2,991,907
2010	47,290	3,184,383	896,319	-	-	-	-	-	4,127,992
2011	-	-	-	395,118	-	250,000	3,109,522	1,698,072	5,452,712
2012	-	-	-	2,279,372	-	250,000	2,657,730	3,964,230	9,151,332
2013	-	-	-	1,096,860	4,424	250,000	3,055,827	4,557,906	8,965,017

Source: City's financial records.

Note: GASB Standard 54 altered the classification of governmental fund balances on a prospective basis effective with fiscal year 2011.

**CITY OF NEW CARROLLTON, MARYLAND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

**(Modified Accrual Basis of Accounting)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>REVENUES</b>										
Taxes	\$ 5,950,030	\$ 6,169,959	\$ 5,508,728	\$ 5,066,353	\$ 5,301,025	\$ 4,507,301	\$ 3,999,419	\$ 3,686,490	\$ 3,601,819	\$ 3,179,591
Licenses and permits	206,567	198,170	338,940	187,186	165,567	160,217	495,001	180,398	198,101	171,021
Intergovernmental	266,109	368,344	254,575	247,616	152,534	262,372	340,224	135,325	154,827	158,650
Charges for services	584,623	591,171	569,655	360,044	278,775	228,160	218,188	61,331	59,807	65,096
Fines and forfeitures	711,495	784,255	964,332	961,576	232,158	194,059	161,442	34,897	34,920	11,985
Investment earnings	10,941	6,754	8,216	8,330	38,074	83,841	109,399	66,271	25,096	9,882
Miscellaneous	115,739	165,589	120,875	84,595	204,827	212,028	154,352	140,779	136,789	160,384
Total Revenues	7,845,504	8,284,242	7,765,321	6,915,700	6,372,960	5,647,978	5,478,025	4,305,491	4,211,359	3,756,609
<b>EXPENDITURES</b>										
Current										
General government	1,307,638	1,336,976	1,361,955	1,208,177	1,266,976	1,184,111	1,144,988	987,121	739,685	887,675
Public health code enforcement	399,299	397,513	366,084	406,675	385,779	343,358	344,321	288,796	589,299	441,499
Public safety police services	2,143,502	2,042,737	1,957,957	1,463,257	1,311,351	1,253,476	1,063,486	320,984	-	-
Public works	517,807	465,722	468,079	422,925	419,104	661,147	494,787	519,863	454,346	408,525
Highways	1,646,879	357,989	409,173	607,968	452,021	533,727	1,631,938	541,045	576,717	883,110
Sanitation	1,029,277	972,501	1,233,123	894,595	866,299	999,670	898,678	856,134	822,693	929,461
Parks and recreation	567,221	721,194	543,569	547,397	511,343	495,608	517,448	534,057	551,232	489,704
Weinbach Scholarship	-	2,000	2,000	4,000	3,000	5,000	4,000	4,000	4,000	4,000
Debt service										
Principal	329,844	314,887	361,428	326,597	307,855	285,708	256,326	181,093	128,706	113,704
Interest	90,352	74,103	62,233	73,024	80,819	87,722	38,261	54,448	39,095	41,906
Total Expenditures	8,031,819	6,685,622	6,765,601	5,954,615	5,604,547	5,849,527	6,394,233	4,287,541	3,905,773	4,199,584
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(186,315)	1,598,620	999,720	961,085	768,413	(201,549)	(916,208)	17,950	305,586	(442,975)
<b>OTHER FINANCING SOURCES</b>										
Issuance of debt	-	2,100,000	325,000	175,000	200,000	-	564,234	110,431	1,075,000	164,545
<b>NET CHANGE IN FUND BALANCE</b>	\$ (186,315)	\$ 3,698,620	\$ 1,324,720	\$ 1,136,085	\$ 968,413	\$ (201,549)	\$ (351,974)	\$ 128,381	\$ 1,380,586	\$ (278,430)
<b>DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES</b>	5.5%	6.2%	6.9%	7.1%	7.4%	7.1%	6.1%	5.9%	4.8%	4.5%

**CITY OF NEW CARROLLTON, MARYLAND**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

Fiscal Year	Other Taxes	Property Taxes	Income Taxes	Highway User Taxes	Disposal Fee Rebate	Hotel/Motel Taxes	Total
2004	4,791	2,106,642	700,360	270,937	33,467	63,394	3,179,591
2005	13,017	2,385,989	766,122	331,406	33,468	71,817	3,601,819
2006	8,512	2,448,075	734,604	397,664	33,468	64,167	3,686,490
2007	979	2,828,453	690,363	429,597	33,468	16,559	3,999,419
2008	3,673	3,252,270	772,735	392,111	33,468	53,044	4,507,301
2009	810	4,041,481	812,786	340,394	33,467	72,067	5,301,005
2010	1,217	4,124,973	793,887	40,301	33,468	72,507	5,066,353
2011	931	4,566,911	826,839	29,374	33,468	51,205	5,508,728
2012	1,584	5,149,146	836,249	87,113	33,468	62,399	6,169,959
2013	1,472	4,933,409	852,000	56,210	33,468	73,471	5,950,030

Source: City's financial records.

**CITY OF NEW CARROLLTON, MARYLAND**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property		Personal Property		Property of Railroads and Public Utilities		Total	
	Assessed Value	Direct Tax Rate (a)	Assessed Value	Direct Tax Rate (a)	Assessed Value	Direct Tax Rate (a)	Assessed Value	Direct Tax Rate (a)
2004	434,515,644	0.4500	14,075,290	0.94	4,792,800	0.94	453,383,734	0.47
2005	464,943,333	0.4500	31,150,212	0.94	4,720,957	0.94	500,814,502	0.49
2006	489,790,250	0.4500	24,495,090	0.94	4,688,730	0.94	518,974,070	0.48
2007	552,380,358	0.4500	30,108,723	0.94	4,162,872	0.94	586,651,953	0.48
2008	626,637,556	0.4500	31,067,660	0.94	4,469,362	0.94	662,174,578	0.48
2009	699,764,200	0.5000	31,472,000	1.00	4,137,700	1.00	735,373,900	0.52
2010	752,818,800	0.5000	26,298,410	1.00	4,928,180	1.00	784,045,390	0.52
2011	815,192,400	0.5000	25,449,900	1.00	4,973,950	1.00	845,616,250	0.52
2012	887,723,800	0.5000	25,742,940	1.00	4,978,280	1.00	918,445,020	0.52
2013	629,055,993	0.7136	28,028,700	1.00	4,820,150	1.00	661,904,843	0.73

(a) In dollars per \$100 of assessed value.

Real and personal property are assessed at 100% of estimated actual value.

Property owned by the City, other governments, churches and schools are exempt, and no estimate of value is included.

In fiscal year 2005, the State of Maryland performed certain personal property tax audits resulting in increased assessments.

Source: Prince George's County Assessments' Office.

**CITY OF NEW CARROLLTON, MARYLAND**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**  
**Last Ten Fiscal Years**

Fiscal Year	City Total Direct Rate <sup>(2)</sup>	Overlapping Rates							Direct and Overlapping Total
		Prince George's County <sup>(1)</sup>	Storm Water Management <sup>(1)</sup>	State of Maryland <sup>(1)</sup>	Maryland-National Capital Park and Planning Commission	Washington Suburban Sanitary Commission <sup>(1)</sup>			
2004	0.4704	0.9246	0.0540	0.1320	0.2790	0.0260			1.8860
2005	0.4851	0.9237	0.0540	0.1320	0.2790	0.0260			1.8998
2006	0.4776	0.9261	0.0540	0.1320	0.2790	0.0260			1.8947
2007	0.4786	0.9245	0.0540	0.1120	0.2790	0.0260			1.8741
2008	0.4763	0.8970	0.0540	0.1120	0.2790	0.0260			1.8443
2009	0.5242	0.8460	0.0540	0.1120	0.2790	0.0260			1.8412
2010	0.5199	0.8420	0.0540	0.1120	0.2790	0.0260			1.8329
2011	0.5180	0.8420	0.0540	0.1120	0.2790	0.0260			1.8310
2012	0.5167	0.8350	0.0540	0.1120	0.2790	0.0260			1.8227
2013	0.7244	0.8340	0.0540	0.1120	0.2790	0.0260			2.0294

Source: (1) Prince George's County Department of Finance.

(2) City records.

Note: In dollars per \$100 of assessed value.

**CITY OF NEW CARROLLTON, MARYLAND**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Fiscal Year and Nine Years Ago**

2013

Taxpayer	Type of Business	Assessed Value <sup>(1)</sup>	Percent of Total Assessed Value
Foundation Club Apartments	Apartment Development	\$ 30,877,833	4.91
Norton Butler (Heritage Square Apts)	Apartment Development	26,003,833	4.13
Carrollton Limited Partnership	Shopping Center	27,235,533	4.33
Bryant Woods Ltd. Partnership	Apartment Development	11,762,733	1.87
Albert Turner	Shopping Center	19,145,100	3.04
Wedgewood Terrace Associates, Ltd.	Apartment Development	10,531,533	1.67
Ritchell Carrollton, LLC	Hotel Complex	22,796,833	3.62
Decar Realty	Shopping Center	9,056,500	1.44
Virginia Brush, et al	Car Dealership	4,918,200	0.78
Kim's Apartments Ltd. Partnership	Apartment Development	5,322,100	0.86
Wide Water, LLC	Shopping Center	6,706,300	1.07
HGLC	Apartment Development	2,463,733	0.39
<b>Total</b>		<b>\$ 176,820,231</b>	<b>28.11</b>

2004

Taxpayer	Type of Business	Assessed Value	Percent of Total Assessed Value
Foundation Club Apartments	Apartment Development	\$ 16,792,200	3.86
Carrollton Limited Partnership	Shopping Center	15,595,500	3.59
Norton Butler	Apartment Development	15,476,700	3.56
Bryant Woods Ltd. Partnership	Apartment Development	8,364,100	1.92
Wedgewood Terrace Associates, Ltd.	Apartment Development	6,584,600	1.52
Albert Turner	Shopping Center	5,859,500	1.35
PWL Realty General Partners, Inc. (Michael, Norrie E.)	Hotel Complex	5,716,200	1.32
Decar Realty	Shopping Center	4,371,600	1.01
Virginia Luongo, et al	Car Dealership	3,993,000	0.92
Kim Apartments Ltd. Partnership	Apartment Development	2,969,400	0.68
<b>Total</b>		<b>\$ 85,722,800</b>	<b>19.73</b>

Source: Prince George's County Office of the Treasury:  
(1) Assessed value equals 100% of total valuation.

**CITY OF NEW CARROLLTON, MARYLAND  
REAL PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy		Current Tax Collections		Percent of Levy Collected		Delinquent Tax Collections		Total Tax Collections		Total Collections as Percent of Current Levy		Outstanding Delinquent Taxes		Percent of Current Delinquent	
	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Delinquent Tax Collections	Total Tax Collections	Current Levy	Outstanding Delinquent Taxes	Percent of Current Levy	Outstanding Delinquent Taxes	Percent of Current Delinquent				
2004	1,963,927	1,959,993	99.80	2,786	1,962,779	2,786	99.94	7,187	0.37							
2005	2,083,456	2,075,827	99.63	581	2,076,408	581	99.66	7,629	0.37							
2006	2,161,550	2,153,921	99.65	6,403	2,160,324	6,403	99.94	1,226	0.06							
2007	2,532,706	2,531,850	99.97	-	2,531,850	-	99.97	2,081	0.08							
2008	2,819,869	2,779,210	98.56	-	2,779,210	-	98.56	40,659	1.44							
2009	3,498,821	3,458,162	98.84	34,117	3,492,279	34,117	99.81	6,542	0.19							
2010	3,800,530	3,766,668	99.11	-	3,766,668	-	99.11	33,862	0.89							
2011	4,399,711	4,341,205	98.67	4,169	4,345,374	4,169	98.76	94,742	2.15							
2012	4,671,202	4,668,798	99.95	81,518	4,750,316	81,518	103.92	13,223	0.28							
2013	4,592,726	4,584,955	99.83	-	4,584,955	-	99.62	20,995	0.46							

Source: Finance Department.

**CITY OF NEW CARROLLTON, MARYLAND  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Loans Payable</b>	<b>Total</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2004	589,944	156,665	746,609	4.45	58.25
2005	1,504,363	188,540	1,692,903	2.04	132.07
2006	1,377,920	244,321	1,622,241	2.19	126.56
2007	1,245,421	684,728	1,930,149	1.94	150.58
2008	1,138,112	506,329	1,644,441	2.36	128.29
2009	1,024,356	512,230	1,536,586	2.53	119.88
2010	903,652	481,336	1,384,988	2.86	108.05
2011	776,000	572,560	1,348,560	2.98	111.13
2012	2,467,907	665,766	3,133,673	N/A	258.23
2013	2,355,537	448,292	2,803,829	N/A	231.05

Source: City Financial records.

N/A: Not available currently.

**CITY OF NEW CARROLLTON, MARYLAND**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

Fiscal Year	Population <sup>(1)</sup>	Assessed Value	Gross Bonded Debt <sup>(2)</sup>		Less Budgeted Debt Service Requirements		Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value		Net Debt Per Capita
2004	12,818	453,383,734	746,609	136,465	610,144	0.13	47.60			
2005	12,818	500,814,502	1,692,903	200,435	1,492,468	0.30	116.44			
2006	12,818	518,974,070	1,622,241	202,750	1,419,491	0.27	110.74			
2007	12,818	586,651,953	1,930,149	285,640	1,644,509	0.28	128.30			
2008	12,818	662,174,578	1,644,441	314,093	1,330,348	0.20	103.79			
2009	12,818	735,373,900	1,536,586	328,285	1,208,301	0.16	94.27			
2010	12,818	784,045,390	1,384,988	361,650	1,023,338	0.13	79.84			
2011	12,135	845,616,250	1,348,560	403,850	944,710	0.11	77.85			
2012	12,135	918,445,020	3,133,673	330,565	2,803,108	0.31	230.99			
2013	12,135	661,904,843	2,803,829	329,619	2,474,210	0.38	203.89			

Source: (1) Official U.S. Census.

(2) Includes all long-term general obligation debt.

**CITY OF NEW CARROLLTON, MARYLAND**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**For The Year Ended June 30, 2013**

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of</u>
Direct debt			
City of New Carrollton	\$ 2,803,829	100.00%	\$ 2,803,829
Overlapping debt <sup>(2)</sup> :			
Prince George's County <sup>(3)</sup>	<u>1,624,511,149</u>	0.83% <sup>(1)</sup>	<u>13,447,301</u>
<b>Total Direct And Overlapping Debt</b>	<u><u>\$ 1,627,314,978</u></u>		<u><u>\$ 16,251,130</u></u>

(1) Rate of assessed real property value in the City (\$629,055,993) to assessed real property value in the County (\$75,993,572,331).

(2) Overlapping debt is not bonded debt of the City of New Carrollton on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the City of New Carrollton are obligated to pay through direct tax levies of these respective governmental entities. The debts of Prince George's County, Washington Suburban Sanitary Commission, and Maryland-National Capital Park and Planning Commission are direct general obligation debts of the respective governmental entities for facilities to benefit citizens of the County as a whole, including those residents within municipalities. Facilities include schools, hospitals, police and fire departments, industrial park sites, community college, mass transit, storm drainage, control park land acquisition, etc., and the citizens of the City of New Carrollton benefit generally from their use.

(3) Source of this information is the Prince George's County Department of Finance.

**CITY OF NEW CARROLLTON, MARYLAND  
LEGAL DEBT MARGIN INFORMATION**

**Last Ten Fiscal Years**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit (in thousands)	\$31,453	\$45,922	\$40,760	\$37,641	\$34,988	\$31,332	\$29,333	\$25,921	\$25,041	\$22,669
Total net debt applicable to limit (in thousands)	2,804	3,134	1,349	1,385	1,537	1,644	1,930	1,622	1,693	747
Legal debt margin (in thousands)	\$28,649	\$42,788	\$39,411	\$36,256	\$33,451	\$29,688	\$27,403	\$24,299	\$23,348	\$21,922
Total net debt applicable to the limit as a percentage of debt limit	8.91%	6.82%	3.31%	3.68%	4.39%	5.25%	6.58%	6.26%	6.76%	3.30%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Fiscal year 2013 assessed value of taxable real property	\$ 629,055,993
Debt limit: 5% of assessed value	\$ 31,452,800
Amount of debt applicable to debt limitation	2,803,829
<b>Legal Debt Margin</b>	<b>\$ 28,648,971</b>

Note: Section 16(a) of the City Charter mandates a limit on the general borrowing authority, as summarized below.

**Section 16 - General Borrowing Authority**

- a. **Authority and Limits** - The Council may from time to time authorize the Mayor to borrow upon the faith and credit of the City for general administration purposes and payment of its obligations, and for financing municipal improvements or purchases of property, structures or equipment, and improvements authorized as benefit assessment projects, such sum or sums of money as may be necessary, provided that the total outstanding long-term indebtedness does not exceed at any time a total of five per centum (5%) of the assessed valuation of the taxable real property in the City.
- b. **Approval of Borrowing** - The Council is prohibited from borrowing money for any purpose, except for improvements for which a benefit assessment has been or will be levied to recover the entire cost of said improvements, unless first approved by a majority vote at a regular or special municipal election. If the money to be borrowed is to be used for more than one specific purpose, each such purpose and the amount of money proposed for each shall be listed as a separate question on the ballot.

**CITY OF NEW CARROLLTON, MARYLAND**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Fiscal Year	Population <sup>(1)</sup>	Personal Income	Per Capita Income <sup>(4)</sup>	Median Age	Education Level		Unemployment Rate (%) <sup>(2)</sup>
					in Years of Formal Schooling	School Enrollment	
2004	12,818	26,710,371	30,608	33	N/A	132,840	4.8
2005	12,818	26,021,341	34,912	33	N/A	131,490	4.8
2006	12,818	30,137,985	36,108	33	N/A	133,872	4.1
2007	12,818	30,994,985	37,555	33	N/A	131,014	4.0
2008	12,818	32,761,012	39,447	33	N/A	129,752	4.1
2009	12,818	33,079,238	39,637	33	N/A	127,977	6.9
2010	12,818	34,302,938	39,647	33	N/A	127,039	7.4
2011	12,135	35,036,640	40,215	33	N/A	126,671	7.0
2012	12,135	N/A	N/A	33	N/A	123,833	6.8
2013	12,135	N/A	N/A	33	N/A	123,737	6.9

Source: (1) Official U.S. Census.

Note: (2) This information is not available for the City of New Carrollton on a separate basis. The data presented above is the latest available data from Prince George's County, Maryland, which includes the City of New Carrollton, Maryland in its totals. The City of New Carrollton accounts for 1.6% of the population and 0.31% of the area of Prince George's County, Maryland.

N/A: Not available currently.

**CITY OF NEW CARROLLTON, MARYLAND  
PRINCIPAL EMPLOYERS  
Current Fiscal Year and Ten Years Ago**

**2013**

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Lowes Business	147	1	17.15
Four Points by Sheraton	142	2	16.57
Shoppers Food Warehouse	127	3	14.82
Forman Mills, Inc.	118	4	13.77
Foodway International	105	5	12.25
Darcars	72	6	8.40
K & G Men's Company	66	7	7.70
CVS Pharmacy	46	8	5.37
Staples	34	9	3.97
<b>Total</b>	<b><u>857</u></b>		<b><u>100.00</u></b>
<b>Total Prince Georges County Employees</b>	<b><u>464,436</u></b>		

Data for 2004 is currently unavailable.

Source: Amounts are estimates generated from correspondence with the companies.

**CITY OF NEW CARROLLTON, MARYLAND**  
**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Government	11	14	18	17	19	19	15	12	12	11
Public Works Administration	6	6	5	5	5	6	6	6	6	7
Public Safety – Police	24	24	21	19	14	14	13	7	-	-
Public Health Code Enforcement	6	6	5	5	5	5	5	4	4	3
Highways	4	3	3	5	5	4	5	5	5	5
Sanitation	11	11	11	10	11	11	11	11	11	11
Parks and Recreation	10	10	10	10	10	10	10	10	10	10
<b>Total</b>	<u>72</u>	<u>74</u>	<u>73</u>	<u>71</u>	<u>69</u>	<u>69</u>	<u>65</u>	<u>55</u>	<u>48</u>	<u>47</u>

Source: City financial records.

Method: Using 1.0 for each full-time employee (FTE).

**CITY OF NEW CARROLLTON, MARYLAND**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	2,013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Information:</b>										
Population	12,135	12,135	12,135	12,818	12,818	12,818	12,818	12,818	12,818	12,818
Registered voters	-	5,984	5,892	5,770	6,082	5,219	5,508	5,675	5,675	4,915
<b>General Government:</b>										
Commercial construction permits issued	2	2	3	5	2	-	5	-	3	2
Residential construction permits issued	62	107	117	121	124	119	170	266	224	182
Estimated value of construction (000's)	1,130	423	1,127	1,245	1,240	1,190	1,508	798	2,116	782
<b>Public Health and Safety<sup>(1)</sup>:</b>										
Criminal arrests	160	225	519	172	145	267	276	80	N/A	N/A
Parking violations	4,224	3,553	1,970	2,086	1,602	1,378	682	97	N/A	N/A
Traffic violations	5,500	4,500	5,763	1,128	1,122	1,370	1,782	812	N/A	N/A
<b>Sanitation:</b>										
Co-mingled (tons/day)	13	12.75	12.50	12.50	12.50	12.50	12.50	12.50	11.75	11.25
<b>Parks and Recreation:</b>										
Community Center admissions	425	387	507	515	512	503	498	492	524	474
Athletic field permits issued	101	103	99	101	97	93	97	95	89	82
<b>Highways:</b>										
Street resurfacing-miles	1	0.91	0.15	0.10	0.25	0.75	1.25	None	1.00	1.50
Potholes repaired	177	143	167	145	132	128	123	103	97	104

(1) The City contracted police services through Prince George's County through November 2005 and started its own police department in December 2005.

Source: City financial records.

N/A: Data currently not available.

**CITY OF NEW CARROLLTON, MARYLAND  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Information:</b>										
Area in square miles	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
<b>Public Health and Safety – Police<sup>1</sup>:</b>										
Stations	1	1	1	1	1	1	1	1	N/A	N/A
Number of patrol units	18	16	16	15	13	13	13	3	N/A	N/A
<b>Highways:</b>										
City streets (miles)	25	25	25	25	25	25	25	25	25	25
State streets (miles)	1	1	1	1	1	1	1	1	1	1
Street lights	577	577	577	577	577	577	577	577	577	577
<b>Recreation and Culture:</b>										
Park acreage	-	-	-	-	-	-	-	-	-	-
Parks	14	14	14	14	14	14	14	14	14	14
Museums	-	-	-	-	-	-	-	-	-	-
Swimming pools	1	1	1	1	1	1	1	-	-	-
Jogging course	1	1	1	1	1	1	1	1	1	1
Community centers	2	2	2	2	2	2	2	1	1	1
Performance arts	-	-	-	-	-	-	-	-	-	-
Tennis courts	2	2	2	2	2	2	2	2	2	2

(1) The City contracted police services through Prince George's County through November 2005 and started its own police department in December 2005. Data is not applicable prior to 2006.

Source: City financial records.  
N/A: Data currently not available.

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