



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
CITY OF NEW CARROLLTON, MARYLAND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For The Year Ended June 30, 2011**

**PREPARED BY THE  
Department of Finance  
Skaria Abraham  
Chief Financial Officer**

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**CITY OF NEW CARROLLTON, Maryland**  
**For The Year Ended June 30, 2011**  
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**For The Year Ended June 30, 2011**  
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# **INTRODUCTORY SECTION**





# CITY of NEW CARROLLTON

6016 PRINCESS GARDEN PARKWAY • NEW CARROLLTON, MARYLAND 20784-2898  
(301) 459-6100 FAX (301) 459-8172

November 10, 2011

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

**MAYOR**

ANDREW C. HANKO

**CITY COUNCIL**

JUNE D. GARRETT  
CHAIRMAN

KATRINA R. DODRO  
VICE CHAIRMAN

JAMES A. WILDONER  
MAYOR PRO-TEM

DUANE H. ROSENBERG  
ALT. TREASURER

LIZA M. FENTON  
COUNCIL MEMBER

J. MICHAEL DOWNES  
CITY ADMINISTRATOR

GREGORY WILLS  
PUBLIC WORKS DIRECTOR

ROBERT A. MANZI, ESQ.  
CITY ATTORNEY

TONYA F. EVANS  
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, 2011.

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 unqualified 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 12,818 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 safety and 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 and is also the City's chief financial officer.

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 two major departments (administrative and public works), headed by a full-time City Administrative Officer and a Director of Public Works. Both 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 a part-time professional staff, including the City Treasurer, Attorney, and Engineer. The Board of Elections is a semi-autonomous body appointed by the Mayor with approval of the Council.

Official City committees, such as the Public Safety and Health Committee, the Ethics Commission, the Education Committee, 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 2012 present future budget problems for the City.

## **LONG-TERM FINANCIAL PLANNING**

The City is exploring the possibility of a bond issuance to fund much needed street and sidewalk repairs in fiscal year 2012. In addition, a possible real property tax increase to fund General Fund expenditures to ensure the continuance of City provided core services may be necessary in the face of a continued economic downturn.

## **RELEVANT FINANCIAL POLICIES**

The City adopted a Debt Management Policy last year 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 fund a five-year capital improvement project. In 2012, the City is expected to use \$350,000 of the amount borrowed to purchase vehicles and equipment.

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

The Police Department has 17 officers to patrol the City 24 hours a day, 7 days a week and also appointed a full time paroling enforcement officer in Fiscal Year 2012.

## **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, 2010. This was the thirty-second 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,



# 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, 2010

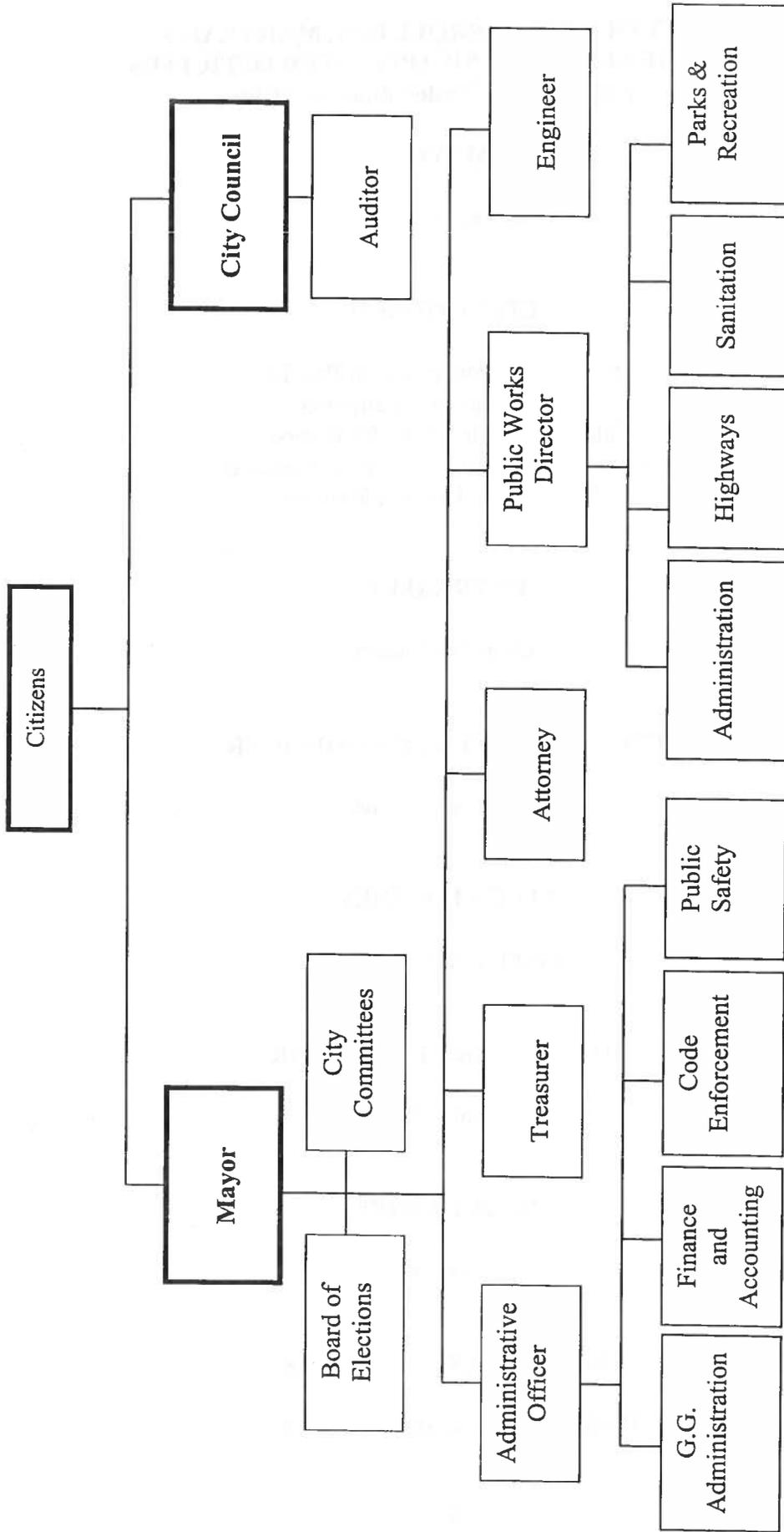
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

**CITY OF NEW CARROLLTON, MARYLAND  
 ORGANIZATIONAL CHART  
 For The Year Ended June 30, 2011**



**CITY OF NEW CARROLLTON, MARYLAND  
LIST OF ELECTED AND APPOINTED OFFICIALS  
For The Year Ended June 30, 2011**

**MAYOR**

Andrew C. Hanko

**CITY COUNCIL**

James A. Wildoner, Mayor Pro-Tem  
June D. Garrett, Chairperson  
Katrina R. Dodro, Vice Chairperson  
Duane H. Rosenberg, Alternate Treasurer  
Lisa Fenton, Council Member

**CITY TREASURER**

Cheryl D. Dawes

**CITY ADMINISTRATIVE OFFICER**

J. Michael Downes

**CITY ATTORNEY**

Robert A. Manzi, ESQ.

**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

We have audited the accompanying financial statements of the governmental activities and the general fund of the City of New Carrollton, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of New Carrollton's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 as of June 30, 2011, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 20 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Carrollton's basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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, Mack & Associates, P. A.*

Waldorf, Maryland  
November 10, 2011

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

## **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, 2011. 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 2011**

- The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$9,938,837 (*net assets*). Of this amount, \$5,341,133 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors. The City's total net assets increased by \$1,606,836.
- As of the close of the current fiscal year, the City's governmental funds reported an ending fund balance of \$5,452,712, an increase of \$1,324,720 in comparison to the prior year.
- The City's Police Department has a patrol staff of 17 for 24 hours a day, 7 days a week. This is the same level of staffing in fiscal year 2011 as 2010. The Police Department purchased \$265,245 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 Assets* 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, 2011**

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 21 and 22 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 Fund Balance Sheets and in the Governmental Fund 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 23-35 of this AFR.

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

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

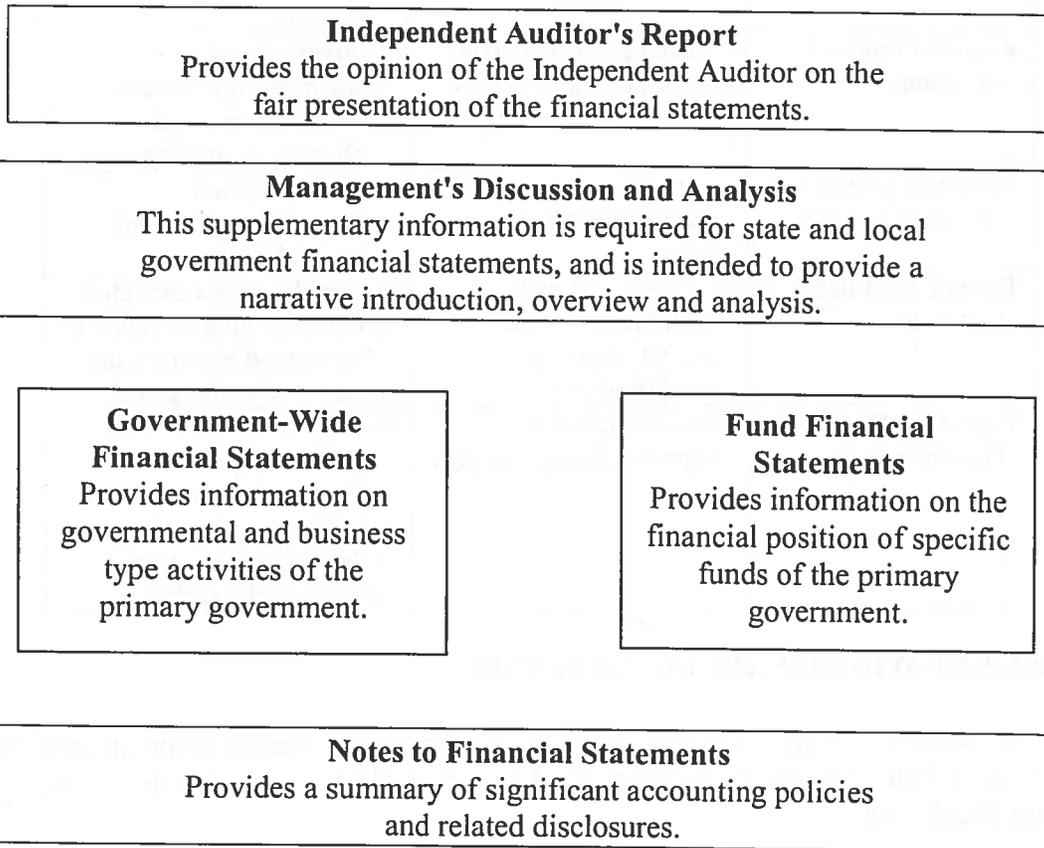
**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

**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 36-48 of this AFR.

Figure 1 shows how the various parts of this annual report are arranged and are related to one another.

**Figure 1**

**Organization and Flow of Financial Section Information**



**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

Figure 2 summarizes the major features of the City's financial statements, including the portion of the activities they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis highlights the structure and contents of each of the statements.

**Figure 2**

**Major Features of the Government-Wide and Fund Financial Statements**

	<b>Government-Wide Statements</b>	<b>Fund Financial Statements - Government Funds</b>
Scope	Entire City	The activities of the City that are not proprietary or fiduciary.
Required financial statements	- Statement of net assets - Statement of activities	- Balance Sheet - Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter
Type of in-flow/out-flow information	All revenues and expenses during the year	Revenues for which cash is received, expenditures when goods or services have been received, and related liabilities that are due and payable

**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, 2011 with comparative information for the previous fiscal year.

As noted earlier, net assets 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 \$9,938,837 at the close of the most recent fiscal year. The City's net assets are divided into three categories: 1) invested in capital assets, net of related debt; 2) restricted net assets; and 3) unrestricted net assets.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

The City's investment in capital assets, net of depreciation and any unamortized debt used to acquire those assets represents approximately 42.3% of total net assets. 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 assets are resources that are subject to external restrictions on how they may be used. Restricted net assets represent 4.0% of net assets and are restricted for scholarships to the City's youth and public safety expenses.

Unrestricted net assets of the City represent approximately 53.7% of the City's total net assets. The City may use these net assets to meet the City's ongoing obligations to citizens and creditors.

Figure 3 presents a summary of the Statement of Net Assets for the City as of June 30, 2011 and 2010, respectively:

**Figure 3**

**Total Governmental Activities**

	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Current and other assets	\$ 6,181,482	\$ 4,817,216
Land	760,825	760,825
Capital assets, net	<u>4,773,315</u>	<u>4,624,306</u>
Total Assets	<u>\$ 11,715,622</u>	<u>\$ 10,202,347</u>
<b>Liabilities</b>		
Long-term liabilities outstanding	\$ 1,505,825	\$ 1,540,813
Other liabilities	<u>270,960</u>	<u>329,533</u>
Total Liabilities	<u>\$ 1,776,785</u>	<u>\$ 1,870,346</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	\$ 4,202,586	\$ 4,000,143
Restricted	395,118	47,290
Unrestricted	<u>5,341,133</u>	<u>4,284,568</u>
<b>Total Net Assets</b>	<u>\$ 9,938,837</u>	<u>\$ 8,332,001</u>

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

General revenues of governmental activities were approximately \$5.8 million, while total expenses, net of charges for services and grants, were approximately \$4.2 million. The increase in net assets for governmental activities was \$1,606,836, which is an increase of \$329,392 over the prior year. Revenues from property taxes increased by approximately \$340,066 over the prior year. Figure 4 presents statement of governmental activities for the City as of June 30, 2011 and 2010, respectively.

**Figure 4**

<b><u>Total Governmental Activities</u></b>		
	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 1,740,912	\$ 1,524,946
Operating and capital grants and contributions	254,130	287,917
Capital grants and contributions	29,819	-
General revenues		
Property tax	4,612,847	4,272,781
Shared taxes	877,057	830,964
Miscellaneous	326,982	68,455
Investment earnings	<u>8,216</u>	<u>8,330</u>
Total Revenues	7,849,963	6,993,393
<b>Expenses</b>		
General government	1,402,371	1,286,886
Public health code enforcement	374,144	398,466
Public safety police services	1,809,257	1,413,243
Public works	528,577	456,430
Highways	496,236	583,084
Sanitation	998,858	922,845
Parks and recreation	570,242	578,704
Weinbach Scholarship	2,000	4,000
Interest	<u>61,442</u>	<u>72,291</u>
Total Expenses	6,243,127	5,715,949
<b>Increase in net assets</b>	1,606,836	1,277,444
<b>Net assets, beginning</b>	<u>8,332,001</u>	<u>7,054,557</u>
<b>Net assets, ending</b>	<u>\$ 9,938,837</u>	<u>\$ 8,332,001</u>

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

Figure 5 represents the cost and program revenues of each of the City's activities for the years ending June 30, 2011 and 2010. 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, 2011**

	<u>Services</u>	<u>Revenues</u>	<u>Cost of Services</u>
General government	\$ 1,402,371	\$ 320,077	\$ 1,082,294
Public safety and health	374,144	224,740	149,404
Public safety police services	1,809,257	1,130,001	679,256
Public works	528,577	291,248	237,329
Highways	496,236	16,140	480,096
Sanitation	998,858	42,655	956,203
Parks	570,242	-	570,242
Weinbach Scholarship	2,000	-	2,000
Interest	61,442	-	61,442
<b>Total</b>	<b><u>\$ 6,243,127</u></b>	<b><u>\$ 2,024,861</u></b>	<b><u>\$ 4,218,266</u></b>

**Net Cost of Governmental Activities – Year Ending June 30, 2010**

	<u>Services</u>	<u>Revenues</u>	<u>Cost of Services</u>
General government	\$ 1,286,886	\$ 274,702	\$ 1,012,184
Public safety and health	398,466	200,165	198,301
Public safety police services	1,413,243	1,179,508	233,735
Public works	456,430	99,748	356,682
Highways	583,084	16,140	566,944
Sanitation	922,845	42,600	880,245
Parks	578,704	-	578,704
Weinbach Scholarship	4,000	-	4,000
Interest	72,291	-	72,291
<b>Total</b>	<b><u>\$ 5,715,949</u></b>	<b><u>\$ 1,812,863</u></b>	<b><u>\$ 3,903,086</u></b>

The total cost of all governmental activities this year was approximately \$6.2 million. Some costs of government activities were paid by those who directly benefited from the programs (\$1,740,912) and other governments and organizations that subsidized certain programs with grants and contributions (\$283,949).

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

**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, 2011, the City reported a fund balance of \$5,452,712, an increase of \$1,324,720 over the prior fiscal year. The general fund is the chief operating and only fund of the City. Of the fund balance, \$395,118 is restricted due to external restrictions as to usage, \$250,000 is committed due to the restrictions placed upon it by the Mayor and Council of New Carrollton, \$3,109,522 is classified as assigned, and the unassigned fund balance is \$1,698,072. 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 25.1% of total general fund expenditures, while total fund balance represents 80.6% of that same amount.

Revenues increased by \$849,621 or 12.3% over the preceding year. Property taxes increased by \$442,375 with the primary increase in real property taxes resulting from assessment growth within the City. Service charges revenues increased by \$209,611 due primarily from a new revenue source from trash pickup service fees.

Expenditures increased by \$810,986 for 13.6% over the preceding year. Public safety police services expenditures increased by \$494,700 mostly due to an increase in personnel costs in special operations and capital outlay. Sanitation expenditures also increased by \$338,528 due to an increase in contracted services and a purchase of a refuse truck.

**General fund budgetary highlights**

During the fiscal year, the City made several amendments to the General Fund original approved budget. The net result of these amendments increased both budgeted revenues and expenditures by \$648,350. On a budgetary basis, actual revenues for the fiscal year were less than the final budget by \$335,308. The City did not need to use the operating and contingency reserves which were budgeted for \$741,000. The budgeted amount for highway user revenue has continued to be reduced significantly from the previous years due to the significant state reduction. The City's new revenue source "speed camera" has grown significantly and the actual revenue exceeded its budgeted estimation. Actual general fund expenditures were \$1,660,028 less than revised budget authorization. This variance was due to lower anticipated costs in almost every 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, 2011**

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 expected to commence during the current fiscal year. This variance has been included in the designations of fund balance for future expenditure for street, sidewalk, and bridge repairs of \$49,500.

An analysis of the budget and actual revenues and expenditures for the General Fund can be found on pages 27-35 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets**

As of June 30, 2011, the City had approximately \$5.5 million invested in net capital assets including land, buildings, computers, infrastructure, park facilities, vehicles, and equipment. During the year ended June 30, 2011, the City purchased \$591,735 of capital assets and had total depreciation expense of approximately \$431,213.

Figure 6 displays a summary of governmental activities capital assets by type as of June 30, 2011 and 2010.

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

	<b>2011</b>	<b>2010</b>
Land	\$ 760,825	\$ 760,825
Buildings	1,678,616	1,753,056
Improvements other than buildings	11,087	13,305
Street and infrastructure	1,559,206	1,603,393
Equipment	1,469,424	1,254,552
Software	54,982	-
<b>Total</b>	<b>\$ 5,534,140</b>	<b>\$ 5,385,131</b>

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, 2011, the City had total debt outstanding of \$1,505,825. Of this amount, \$776,000 is comprised of bonds payable to the Maryland Department of Housing and Community Development (MDHCD), and Community Development Administration (CDA), and \$572,560 in notes payable to a local commercial bank. The remaining \$157,265 represents amounts due City employees for accrued vacation.

**CITY OF NEW CARROLLTON, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2011**

A loan in the amount of \$325,000 was borrowed in the year ended June 30, 2011 to purchase two dump trucks and a Ford truck for parking enforcement.

Figure 7 displays a summary of governmental activities long-term debt by type as of June 30, 2011 and 2010.

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

	<b>2011</b>	<b>2010</b>
Notes payable	\$ 572,560	\$ 481,336
Bonds payable	776,000	903,652
Compensated absences	157,265	155,825
<b>Total</b>	<b>\$ 1,505,825</b>	<b>\$ 1,540,813</b>

Additional information on the City of New Carrollton's long-term debt can be found in Note 6 on pages 44-45 of this AFR.

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

- Real property tax revenues in Fiscal Year 2012 are expected to be similar to prior year. The City does not expect any increase in the state and county shared revenues. The City introduced a new service fee on trash collection for single family homes and condominiums that will bring an estimated \$250,000 in revenue. There is an expected decrease of \$200,000 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 2012, as there was a 3% cost of living or merit raise awarded to employees. An approximate 6% 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 an 8% decrease in operating expenditures and a significant increase in capital expenditures budgeted for Fiscal Year 2012 due to the allocation of \$2 million for the street work.

**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 City Hall at (301) 459-6100.

**CITY OF NEW CARROLLTON, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**June 30, 2011**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,336,100
Cash, restricted	47,375
Receivables, net	382,162
Due from other units of government	415,845
Land	760,825
Capital assets, net of accumulated depreciation	<u>4,773,315</u>
Total Assets	<u><u>\$ 11,715,622</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 94,622
Accrued expenses	106,123
Unearned revenue	69,264
Due to other units of government	951
Non-current liabilities	
Due within one year	290,823
Due in more than one year	<u>1,215,002</u>
Total Liabilities	<u><u>\$ 1,776,785</u></u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	\$ 4,202,586
Restricted for	
Weinbach Scholarship	47,375
Public safety	347,743
Unrestricted	<u>5,341,133</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 9,938,837</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, 2011**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenues and Changes in Net Assets
					Governmental Activities
<b>Governmental activities</b>					
General government	\$ 1,402,371	\$ 198,468	\$ 91,790	\$ 29,819	\$ (1,082,294)
Public health code enforcement	374,144	224,740	-	-	(149,404)
Public safety police services	1,809,257	997,035	132,966	-	(679,256)
Public works	528,577	261,874	29,374	-	(237,329)
Highways	496,236	16,140	-	-	(480,096)
Sanitation	998,858	42,655	-	-	(956,203)
Parks and recreation	570,242	-	-	-	(570,242)
Weinbach Scholarship	2,000	-	-	-	(2,000)
Interest on long-term debt	61,442	-	-	-	(61,442)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 6,243,127</b>	<b>\$ 1,740,912</b>	<b>\$ 254,130</b>	<b>\$ 29,819</b>	<b>(4,218,266)</b>
<b>GENERAL REVENUES</b>					
Property taxes					4,612,847
Income taxes					877,057
Other taxes					85,604
Miscellaneous					100,735
Gain (Loss) on disposals of assets					(7,513)
Revenue from sale of easement					148,156
Unrestricted investment earnings					8,216
Total General Revenues					5,825,102
<b>CHANGE IN NET ASSETS</b>					
					1,606,836
<b>NET ASSETS, BEGINNING OF YEAR</b>					
					8,332,001
<b>NET ASSETS, END OF YEAR</b>					
					\$ 9,938,837

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, 2011**

	<b>General Fund</b>
<b>ASSETS</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,336,100
Cash restricted	47,375
Receivables, net	382,162
Due from other units of government	415,845
<b>TOTAL ASSETS</b>	<b>\$ 6,181,482</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 94,622
Other liabilities	100,594
Unearned revenue	496,154
Due to other units of government	951
Compensated absences payable	36,449
Total Liabilities	728,770
<b>FUND BALANCES</b>	
Restricted for	
Weinbach Scholarship	47,375
Public safety	347,743
Committed	
Operating reserve	250,000
Assigned	
Capital assets replacement	215,832
Street, sidewalk, and bridge repairs	840,146
Future expenditures	1,797,516
Compensated absences	126,028
Contingency reserve	130,000
Unassigned	1,698,072
Total Fund Balances	5,452,712
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,181,482</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 ASSETS  
For The Year Ended June 30, 2011**

<b>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</b>	<b>\$ 5,452,712</b>
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because</p>	
<p>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 \$9,340,401 and the accumulated depreciation is \$3,806,261.</p>	5,534,140
<p>Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds.</p>	(1,469,376)
<p>Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.</p>	(5,529)
<p>Certain receivables are offset by deferred revenue in the governmental funds since they are not available to pay for current-period expenditures. This is the amount of deferred revenue related to these receivables.</p>	<u>426,890</u>
<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 9,938,837</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, 2011**

	<b>General Fund</b>
<b>REVENUES</b>	
Taxes	\$ 5,508,728
Licenses and permits	338,940
Intergovernmental	167,785
Revenues from other agencies	86,790
Charges of services	569,655
Fines and forfeitures	964,332
Investment earnings	8,216
Miscellaneous	120,875
Total Revenues	7,765,321
<b>EXPENDITURES</b>	
Current	
General government	1,361,955
Public health code enforcement	366,084
Public safety police services	1,957,957
Public works	468,079
Highways	409,173
Sanitation	1,233,123
Parks and recreation	543,569
Weinbach Scholarship	2,000
Debt service	
Principal	361,428
Interest	62,233
Total Expenditures	6,765,601
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	
<b>BEFORE OTHER FINANCING SOURCES</b>	999,720
<b>OTHER FINANCING SOURCES</b>	
Issuance of debt	325,000
<b>NET CHANGE IN FUND BALANCE</b>	1,324,720
<b>FUND BALANCE, BEGINNING OF YEAR</b>	4,127,992
<b>FUND BALANCE, END OF YEAR</b>	\$ 5,452,712

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, 2011**

**TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS** \$ 1,324,720

Amounts reported for governmental activities in the Statement of  
 Activities are different because

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 (\$591,735) exceeds depreciation expense (\$431,213) in the period. 160,522

Long-term debt repayments are an expenditure in the governmental funds, but  
 the repayment reduces long-term liabilities in the Statement of Net Assets.  
 This is the amount of long-term debt repayments for 2011. 361,428

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. (266)

The issuance of long-term debt provides current financial resources to  
 governmental funds; however, it is not reported as revenue in the Statement  
 of Activities. (325,000)

Interest expense in the Statement of Activities differs from the amount reported  
 in governmental funds due to the net change in accrued interest. 792

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  
 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. 96,153

Governmental funds only report the disposal of assets to the extent proceeds  
 are received from the sale. In the statement of activities, a gain or loss is  
 reported for each disposal. The amount of the proceeds must be removed  
 and the deduction for the loss on the disposal of capital assets must also  
 be recognized. (11,513)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** \$ 1,606,836

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, 2011**

	<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	\$ 4,085,592	\$ 4,085,592	\$ 4,075,962	\$ (9,630)
Business real property - public safety	81,600	91,600	98,277	6,677
Personal property - businesses	309,000	309,000	286,409	(22,591)
Personal property - public safety	16,400	16,400	40,392	23,992
Property of railroads and public utilities	43,000	43,000	49,720	6,720
Penalties and interest on delinquent taxes	10,500	10,500	16,151	5,651
Total General Property Taxes	<u>4,546,092</u>	<u>4,556,092</u>	<u>4,566,911</u>	<u>10,819</u>
State shared taxes				
Admissions and amusements	2,500	2,500	912	(1,588)
Highway user and motor vehicle	14,000	14,000	29,374	15,374
Income taxes	575,000	575,000	826,839	251,839
Total State Shared Taxes	<u>591,500</u>	<u>591,500</u>	<u>857,125</u>	<u>265,625</u>
County shared taxes				
Disposal fee rebate	33,467	33,467	33,468	1
Hotel/motel tax	56,000	56,000	51,205	(4,795)
PMT in lieu of bank stock	20	20	19	(1)
Total County Shared Taxes	<u>89,487</u>	<u>89,487</u>	<u>84,692</u>	<u>(4,795)</u>
Total Taxes	<u>5,227,079</u>	<u>5,237,079</u>	<u>5,508,728</u>	<u>271,649</u>
<b>Licenses and permits</b>				
State traders and peddlers	8,500	8,500	11,676	3,176
City business licenses	11,000	11,000	14,400	3,400
Comcast cable franchise fees	79,500	79,500	84,253	4,753
Verizon cable franchise fees	35,600	35,600	61,200	25,600
Nextel franchise fees	-	-	5,500	5,500
Cricket communication franchise fees	2,400	2,400	4,800	2,400
Verizon property lease	7,200	7,200	7,200	-
Tower company easement purchase	-	148,000	148,156	156
Building permit fees	3,500	3,500	1,755	(1,745)
Total Licenses And Permits	<u>147,700</u>	<u>295,700</u>	<u>338,940</u>	<u>43,240</u>
<b>Intergovernmental grants</b>				
State aid for police	81,000	81,000	83,618	2,618
Crime control and prevention grant	-	49,350	49,348	(2)
Safe routes to school grant	-	24,500	-	(24,500)
School bus grant	-	5,000	5,000	-
Energy efficiency and conservation grant	-	72,000	29,819	(42,181)
Total Intergovernmental Grants	<u>81,000</u>	<u>231,850</u>	<u>167,785</u>	<u>(64,065)</u>
<b>Revenues from other agencies</b>				
Cable tv equipment support grant - Comcast	43,000	43,000	49,467	6,467
Cable tv equipment support grant - Verizon	17,000	17,000	37,323	20,323
Total Revenue From Other Agencies	<u>60,000</u>	<u>60,000</u>	<u>86,790</u>	<u>26,790</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, 2011**

	<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	2,500	2,500	5,139	2,639
Municipal center room rent	1,500	1,500	2,545	1,045
General service fees	500	500	-	(500)
Board of appeals fees	1,100	1,100	-	(1,100)
Fingerprint fees	1,100	1,100	1,237	137
Special police services	7,500	7,500	31,465	23,965
Rental property inspection	184,700	184,700	224,740	40,040
Property clean-up and liens	36,500	36,500	37,374	874
Trash pickup service fee	200,000	224,500	224,500	-
Recycling fees	42,600	42,600	42,655	55
<b>Total Current Service Charges</b>	<u>478,000</u>	<u>502,500</u>	<u>569,655</u>	<u>67,155</u>
<b>Fines and forfeitures</b>				
Municipal infractions	2,500	2,500	2,485	(15)
Red light camera	-	-	3,082	3,082
Speed camera revenue	750,000	750,000	729,569	(20,431)
Vehicle control fines and towing	187,000	187,000	229,196	42,196
<b>Total Fines And Forfeitures</b>	<u>939,500</u>	<u>939,500</u>	<u>964,332</u>	<u>24,832</u>
<b>Interest earned on investments</b>	20,500	10,500	8,216	(2,284)
<b>Other revenues</b>				
Scrap metal and paper	2,500	2,500	8,199	5,699
Seized revenues	2,500	2,500	28	(2,472)
Right-of-way fees (ICC)	16,000	16,000	16,140	140
Pension rebate	33,000	33,000	36,179	3,179
Miscellaneous	26,500	26,500	60,329	33,829
Weinbach Scholarship grant	2,000	2,000	-	(2,000)
<b>Total Other Revenues</b>	<u>82,500</u>	<u>82,500</u>	<u>120,875</u>	<u>38,375</u>
<b>Undesignated prior year surplus</b>	491,000	491,000	-	(491,000)
<b>Operating reserve carryover</b>	250,000	250,000	-	(250,000)
<b>TOTAL REVENUES</b>	<u>7,777,279</u>	<u>8,100,629</u>	<u>7,765,321</u>	<u>(335,308)</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, 2011**

	<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	38,529	38,529	37,520	1,009
Operating				
Advertising expenses	1,200	1,200	-	1,200
Computer supplies	500	500	-	500
Office supplies and printing	500	500	109	391
Dues and subscriptions	1,077	1,077	335	742
Travel and meetings	16,500	16,500	15,091	1,409
Fire department grant	5,000	5,000	5,000	-
Transformation foundation grant	2,500	2,500	2,500	-
Welcome committee	1,000	1,000	761	239
Weinbach scholarship committee	1,500	1,500	-	1,500
Total Operating	<u>29,777</u>	<u>29,777</u>	<u>23,796</u>	<u>5,981</u>
Total Mayor And City Council	<u>68,306</u>	<u>68,306</u>	<u>61,316</u>	<u>6,990</u>
<b>Administration</b>				
Personnel	611,258	601,758	567,901	33,857
Operating				
Computer and IT support	33,500	41,500	35,503	5,997
Website service	4,950	4,950	2,630	2,320
Legal services	23,000	32,000	27,350	4,650
Engineering services	2,000	2,000	725	1,275
Advertising expenses	10,000	7,000	5,120	1,880
Cable television operation	500	500	-	500
City newsletter	33,500	30,500	30,438	62
HVAC system cleaning	2,500	2,500	2,200	300
General liability insurance	43,000	39,000	36,375	2,625
Auto insurance	69,500	64,500	58,344	6,156
Public officials liability and bonding	9,500	9,500	8,500	1,000
Equipment maintenance contracts	11,500	11,500	6,859	4,641
Office equipment maintenance contracts	6,500	6,500	4,218	2,282
Building maintenance and repair	32,500	66,500	62,258	4,242
Office equipment maintenance & repair	1,750	1,750	736	1,014
Vehicle operations and maintenance	3,500	3,500	1,576	1,924
Vehicle gasoline use	1,750	1,750	1,450	300
Computer supplies	6,500	9,500	6,279	3,221
Pantry supplies	5,000	6,500	5,714	786
Office supplies and printing	15,200	15,200	14,621	579
Janitorial supplies	8,500	8,500	8,380	120
Dues and subscriptions	18,000	18,000	14,489	3,511
Employee training	1,500	1,500	749	751
Travel and meetings	2,000	2,000	1,972	28
Employee sub. testing and physicals	500	500	460	40
Employee gifts - special occasions	9,500	7,000	4,590	2,410
Uniforms	1,000	1,000	966	34
Telephones	13,000	13,000	7,957	5,043
Cell phones	4,800	4,800	4,373	427

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, 2011**

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
Utility - electricity	34,000	34,000	30,326	3,674
Utility - natural gas	15,500	15,500	12,362	3,138
Utility - water	8,500	8,500	5,673	2,827
Postage meter and courier services	10,500	10,500	6,053	4,447
Upkeep of Hanko building	15,000	15,000	12,879	2,121
Annexation	2,500	2,500	-	2,500
Election	6,500	9,500	7,114	2,386
Community promotion	23,000	26,000	24,221	1,779
Ordinance recodification	6,200	6,200	5,623	577
General code floppy disc	1,500	1,500	1,010	490
Miscellaneous	1,500	9,500	9,130	370
Total Operating	<u>499,650</u>	<u>551,650</u>	<u>469,223</u>	<u>82,427</u>
Capital outlay				
Building improvements	-	72,000	29,819	42,181
Vehicle-call-a-bus	-	3,500	3,313	187
Furniture and fixtures	4,000	3,000	2,590	410
Computers	7,000	7,000	5,124	1,876
Cable tv equipment	60,000	60,000	51,609	8,391
Total Capital Outlay	<u>71,000</u>	<u>145,500</u>	<u>92,455</u>	<u>53,045</u>
Total Administration	<u>1,181,908</u>	<u>1,298,908</u>	<u>1,129,579</u>	<u>169,329</u>
Financial administration				
Personnel	137,612	137,612	136,158	1,454
Operating				
Auditing service	16,500	16,500	16,500	-
Computer and IT support	12,500	10,000	6,337	3,663
Computer supplies	2,700	2,700	428	2,272
Office supplies and printing	3,100	3,100	2,699	401
Small equipment	750	750	-	750
Dues and subscriptions	1,000	1,000	594	406
Employee training	1,500	1,500	605	895
Travel and meetings	500	500	-	500
Telephones	2,500	2,500	1,720	780
Credit card service fees	2,000	3,000	2,673	327
Bank service fees	770	770	265	505
Miscellaneous	1,500	1,500	597	903
Total Operating	<u>45,320</u>	<u>43,820</u>	<u>32,418</u>	<u>11,402</u>
Capital outlay				
Computers	2,500	2,500	2,484	16
Software	6,500	1,500	-	1,500
Total Capital Outlay	<u>9,000</u>	<u>4,000</u>	<u>2,484</u>	<u>1,516</u>
Total Financial Administration	<u>191,932</u>	<u>185,432</u>	<u>171,060</u>	<u>14,372</u>
Total General Government	<u>1,442,146</u>	<u>1,552,646</u>	<u>1,361,955</u>	<u>190,691</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, 2011**

	<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>				
<b>Public health code enforcement</b>				
Code enforcement				
Personnel	343,685	332,185	295,416	36,769
Operating				
Property clean-up	46,500	41,500	38,065	3,435
Vehicle operations and maintenance	5,750	5,750	286	5,464
Vehicle gasoline use	10,400	10,400	10,315	85
Insect and animal control	1,500	1,500	307	1,193
Computer supplies	4,500	4,500	3,359	1,141
Office supplies and printing	6,500	6,500	4,093	2,407
Field supplies	2,500	2,500	1,258	1,242
Signs, notices and permits	3,200	3,200	1,099	2,101
Small office equipment	500	500	-	500
Dues and subscriptions	1,000	1,000	580	420
Employee training	2,000	2,000	170	1,830
Travel and meetings	2,000	2,000	455	1,545
Employee sub. testing and physicals	750	750	490	260
Uniforms	1,500	1,500	1,495	5
Telephones	2,500	2,500	2,220	280
Cell phones	6,500	6,500	4,241	2,259
Miscellaneous	500	500	332	168
Total Operating	<u>98,100</u>	<u>93,100</u>	<u>68,765</u>	<u>24,335</u>
Capital outlay				
Computers	2,500	2,500	1,903	597
Total Capital Outlay	<u>2,500</u>	<u>2,500</u>	<u>1,903</u>	<u>597</u>
Total Public Health Code Enforcement	<u>444,285</u>	<u>427,785</u>	<u>366,084</u>	<u>61,701</u>
<b>Public safety police services</b>				
Police administration				
Personnel	267,006	267,006	231,061	35,945
Operating				
Equipment maintenance and repair	1,000	1,000	254	746
Vehicle operation and maintenance	5,500	5,500	3,921	1,579
Vehicle gasoline use	6,500	6,500	4,107	2,393
Computer supplies	2,000	2,000	1,654	346
Office supplies and printing	5,500	5,500	4,280	1,220
Small equipment	1,750	1,750	1,029	721
Dues and subscriptions	1,200	1,200	375	825
Employee training	1,500	1,500	760	740
Travel and meetings	2,750	3,750	3,576	174
Employee sub. testing and physicals	1,500	1,500	540	960
Uniforms	2,750	2,750	2,537	213
Telephones	2,500	2,500	2,047	453
Cell phones	3,500	3,500	3,483	17
Postage meter and courier service	1,000	1,000	340	660
Neighborhood watch	1,500	1,500	-	1,500
Vehicle control fine service fees	31,200	31,200	31,233	(33)
Red light camera service fees	4,500	4,500	3,279	1,221
Miscellaneous	500	500	474	26
Total Operating	<u>76,650</u>	<u>77,650</u>	<u>63,889</u>	<u>13,761</u>

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, 2011

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
Capital outlay				
Furniture and fixtures	3,500	3,500	-	3,500
Computers	2,500	2,500	540	1,960
Total Capital Outlay	<u>6,000</u>	<u>6,000</u>	<u>540</u>	<u>5,460</u>
Total Police Administration	349,656	350,656	295,490	55,166
Police special operations				
Personnel	340,788	357,788	344,020	13,768
Operating				
Computer IT support	5,500	5,500	5,455	45
Consulting services	-	11,000	8,518	2,482
General liability insurance	3,500	3,500	3,425	75
Auto insurance	6,500	6,500	6,275	225
Public official liability and bonding	2,500	2,500	2,400	100
Office equipment maintenance & repair	8,500	8,500	116	8,384
Vehicle operations and maintenance	10,500	14,500	12,816	1,684
Vehicle gasoline use	9,250	9,250	8,750	500
Office supplies and printing	9,500	9,500	8,687	813
Field supplies	3,200	3,200	2,601	599
Small weapons	3,000	10,000	7,618	2,382
Dues and subscriptions	1,250	1,250	-	1,250
Employee training	4,500	4,500	2,505	1,995
Travel and meetings	3,250	3,250	165	3,085
Employee sub. testing and physicals	2,500	2,500	100	2,400
Uniforms	7,500	14,500	8,041	6,459
Telephones	2,500	2,500	1,310	1,190
Cell phones	3,600	3,600	3,381	219
Total Operating	<u>87,050</u>	<u>116,050</u>	<u>82,163</u>	<u>33,887</u>
Capital outlay				
Vehicles	-	81,000	77,330	3,670
Motorola vehicle radios	-	90,000	89,915	85
Computers and software	-	28,000	27,500	500
Total Capital Outlay	<u>-</u>	<u>199,000</u>	<u>194,745</u>	<u>4,255</u>
Total Police Special Operations	<u>427,838</u>	<u>672,838</u>	<u>620,928</u>	<u>51,910</u>
Police patrol				
Personnel	776,702	780,702	735,574	45,128
Operating				
Vehicle operations and maintenance	19,500	22,000	21,540	460
Vehicle gasoline use	36,500	36,500	25,735	10,765
Office supplies and printing	8,200	10,900	7,706	3,194
Field supplies	6,750	6,750	4,110	2,640
Small equipment	1,500	1,500	1,202	298
Small weapons	3,000	3,000	99	2,901
Car to car radios	3,500	3,500	-	3,500
Employee training	5,500	5,500	4,462	1,038
Travel and meetings	2,500	2,500	1,199	1,301
Employee sub. testing and physicals	5,250	5,250	4,349	901

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, 2011**

	<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>				
Uniforms	11,500	19,500	19,445	55
Telephones	2,500	2,500	2,414	86
Cell phones	11,500	11,500	11,480	20
Miscellaneous	2,000	2,000	1,658	342
Total Operating	<u>119,700</u>	<u>132,900</u>	<u>105,399</u>	<u>27,501</u>
Capital outlay				
Vehicle equipment	3,000	3,000	986	2,014
Computers	5,000	5,000	1,041	3,959
Police radio interoperability	-	49,350	48,247	1,103
Total Capital Outlay	<u>8,000</u>	<u>57,350</u>	<u>50,274</u>	<u>7,076</u>
Total Police Patrol	904,402	970,952	891,247	79,705
Parking enforcement				
Personnel	127,250	120,550	93,790	26,760
Operating				
Vehicle operation and maintenance	7,100	7,100	4,692	2,408
Vehicle gasoline use	9,500	9,500	7,579	1,921
Office supplies and printing	3,700	3,700	1,776	1,924
Field supplies	3,942	3,942	3,699	243
Employee training	750	750	-	750
Employee sub. testing and physicals	1,250	1,250	590	660
Uniforms	4,250	4,250	3,198	1,052
Telephones	750	750	465	285
Cell phones	2,950	2,950	2,468	482
Total Operating	<u>34,192</u>	<u>34,192</u>	<u>24,467</u>	<u>9,725</u>
Capital outlay				
Vehicles	-	35,000	32,035	2,965
Total Capital Outlay	<u>-</u>	<u>35,000</u>	<u>32,035</u>	<u>2,965</u>
Total Parking Enforcement	<u>161,442</u>	<u>189,742</u>	<u>150,292</u>	<u>39,450</u>
Total Public Safety Police Services	1,843,338	2,184,188	1,957,957	226,231
Public works				
Administration				
Personnel	433,837	404,837	361,373	43,464
Operating				
Equipment maintenance contracts	8,500	5,500	5,433	67
Preventive vehicle and maintenance	27,500	31,500	24,955	6,545
Building maintenance and repair	14,500	14,500	10,462	4,038
Office equipment, maintenance & repair	2,500	2,500	578	1,922
Vehicle operations and maintenance	2,300	4,300	3,422	878
Vehicle gasoline use	2,500	2,500	1,717	783
Computer supplies	1,750	3,000	2,015	985
Pantry supplies	3,750	5,000	4,889	111
Office supplies and printing	4,750	9,500	6,982	2,518
Janitorial supplies	4,500	5,750	5,538	212
Safety supplies	1,500	3,000	2,077	923
Dues and subscriptions	1,000	1,000	609	391
Travel and meetings	1,500	1,500	1,496	4
Employee sub. testing and physicals	500	2,000	668	1,332

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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, 2011

	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES (continued)</b>				
Uniforms	3,500	3,500	2,759	741
Telephones	3,500	5,000	4,749	251
Cell phones	1,200	4,200	3,510	690
Utility - electricity	14,200	16,200	11,519	4,681
Utility - natural gas	14,500	14,500	10,552	3,948
Utility - water	4,000	4,000	1,785	2,215
Miscellaneous	1,000	1,000	991	9
Total Operating	<u>118,950</u>	<u>139,950</u>	<u>106,706</u>	<u>33,244</u>
Total Public Works	552,787	544,787	468,079	76,708
<b>Highways</b>				
Personnel	307,330	288,330	216,508	71,822
Operating				
Engineering services	1,500	1,500	-	1,500
Landfill fees	5,200	5,200	3,240	1,960
Street lighting	116,000	109,000	97,177	11,823
Street light improvements	2,000	2,000	244	1,756
Vehicle operations and maintenance	14,200	22,200	13,877	8,323
Vehicle gasoline use	24,320	30,320	27,494	2,826
Small operating equipment and parts	1,200	1,200	268	932
Equipment rental	1,000	1,000	202	798
Traffic safety supplies	3,500	3,500	3,396	104
Street & storm drain maintenance materials	10,500	10,500	5,917	4,583
Snow removal supplies	18,200	18,200	16,291	1,909
Small equipment	1,200	1,200	369	831
Employee sub. testing and physicals	700	1,700	881	819
Uniforms	4,000	4,000	2,840	1,160
Shared street sweeper	22,500	31,500	20,469	11,031
Total Operating	<u>226,020</u>	<u>243,020</u>	<u>192,665</u>	<u>50,355</u>
Capital outlay				
Street repairs	-	24,500	-	24,500
Bridge repair	25,000	25,000	-	25,000
Total Capital Outlay	<u>25,000</u>	<u>49,500</u>	<u>-</u>	<u>49,500</u>
Total Highways	558,350	580,850	409,173	171,677
<b>Sanitation</b>				
Personnel	584,137	584,137	532,135	52,002
Operating				
Refuse collection contract	86,000	96,000	94,043	1,957
Recycling contract	57,000	47,000	39,063	7,937
Landfill fees - County	234,500	214,500	205,454	9,046
Compose fees	27,500	27,500	10,745	16,755
Vehicle operations and maintenance	22,500	32,500	31,981	519
Vehicle gasoline use	28,500	33,500	28,494	5,006
Equipment rental	1,000	1,000	215	785
Equipment repair and maintenance	3,500	3,500	912	2,588
Sanitation supplies	10,000	10,000	7,975	2,025

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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, 2011**

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)
Small equipment	1,000	1,000	231	769
Employee training	1,000	1,000	-	1,000
Employee sub. testing and physicals	2,600	2,600	1,417	1,183
Uniforms	5,200	5,200	4,623	577
Miscellaneous	1,000	1,000	79	921
Total Operating	<u>481,300</u>	<u>476,300</u>	<u>425,232</u>	<u>51,068</u>
Capital Outlay				
Refuse truck	-	290,000	275,756	14,244
Total Capital Outlay	<u>-</u>	<u>290,000</u>	<u>275,756</u>	<u>14,244</u>
Total Sanitation	1,065,437	1,350,437	1,233,123	117,314
<b>Parks and recreation</b>				
Personnel	502,025	489,025	451,075	37,950
Operating				
Sports park contractual	5,000	5,000	2,240	2,760
Vehicle operations and maintenance	18,500	28,500	13,893	14,607
Vehicle gasoline use	28,500	34,500	27,964	6,536
Playground equipment maintenance	8,600	8,600	4,532	4,068
Equipment rental	1,000	1,000	300	700
Equipment repair and maintenance	1,500	1,500	1,479	21
Small equipment	1,000	1,000	640	360
Employee sub. Testing and physicals	1,000	2,000	1,135	865
Uniforms	6,500	6,500	3,710	2,790
Parks, fields and tree maintenance	28,000	28,000	28,255	(255)
Curb trees	2,500	2,500	1,748	752
Community garden	-	7,000	6,598	402
Recreation-boys and girls club	7,500	7,500	-	7,500
Total Operating	<u>109,600</u>	<u>133,600</u>	<u>92,494</u>	<u>41,106</u>
Total Parks And Recreation	611,625	622,625	543,569	79,056
Weinbach Scholarship	2,000	2,000	2,000	-
Debt service - principal & interest payments	383,686	424,036	423,661	375
Miscellaneous				
Contingency reserve	130,000	130,000	-	130,000
Operating reserve	413,500	521,150	-	521,150
Operating reserve - Speed Camera	329,725	84,725	-	84,725
Judgment and losses	400	400	-	400
Total Miscellaneous	<u>873,625</u>	<u>736,275</u>	<u>-</u>	<u>736,275</u>
<b>TOTAL EXPENDITURES</b>	<u><u>7,777,279</u></u>	<u><u>8,425,629</u></u>	<u><u>6,765,601</u></u>	<u><u>1,660,028</u></u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES</b>	-	(325,000)	999,720	1,324,720
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	-	325,000	325,000	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,324,720</u></u>	<u><u>\$ 1,324,720</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**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2011**

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, 2011**

**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, AND NET ASSETS OR EQUITY**

**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 three 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.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2011**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)**

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

	<b>Real Property</b>	<b>Personal and Corporate</b>
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	\$0.50 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.

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.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2011**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (continued)**

Accumulated depreciation is reported in the Statement of Net Assets. 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 Assets. 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.

**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 assets/fund equity**

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

- *Invested in capital assets, net of related debt* - This category groups all capital assets including infrastructure into one component of net assets. 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 assets* - This category presents external restrictions imposed by creditors, grantors or laws and regulations of other governments.
- *Unrestricted net assets* - This category presents the net assets of the City not included elsewhere.

**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.

**CITY OF NEW CARROLLTON, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**For The Year Ended June 30, 2011**

**ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (continued)**

- 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 law through constitutional provisions or enabling legislation.
- Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of 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.
- *Unassigned* fund balance is the residual classification for the general fund.

**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, 2011.

**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, 2011.

**CITY OF NEW CARROLLTON, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
For The Year Ended June 30, 2011**

**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 \$1,110,911 and the bank balance was \$1,185,410. As of June 30, 2011, 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, 2011, 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 \$4,272,564 and have a maturity of less than one year.

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

Carrying amount of deposits	\$ 1,110,911
Carrying amount of temporary investments	4,272,564
Less: carrying amount of restricted deposits	<u>(47,375)</u>
<b>Total Cash And Temporary Investments Per Statement Of Net Assets</b>	<b><u>\$ 5,336,100</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 thirty 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, 2011, met the City investment policy as of that date. Investment income was comprised entirely of interest and dividends amounting to \$8,216 for the year ended June 30, 2011.

*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, 2011**

**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, 2011.

*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	\$ 206,217
Accounts receivables - other	175,945
<b>Net Receivables</b>	<b>\$ 382,162</b>

**NOTE 3 – DUE FROM OTHER GOVERNMENTS**

At June 30, 2011, the balance of due from other governments consisted of the following:

<b>Federal</b>	
Crime grant	\$ 49,348
Energy efficiency grant	29,819
<b>Total Federal</b>	<b>79,167</b>
<b>State of Maryland</b>	
Income tax	83,976
Income tax reserve	220,673
Highway user tax	4,904
School bus grant	2,000
State traders license fee	1,193
<b>Total State of Maryland</b>	<b>312,746</b>
<b>Prince George's County</b>	
Hotel tax	15,204
Disposal fee rebates	8,367
Other	361
<b>Total Prince George's County</b>	<b>23,932</b>
<b>Total</b>	<b>\$ 415,845</b>

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2011**

**NOTE 4 – DEFERRED/UNEARNED REVENUE**

Governmental funds report deferred revenue in relation to receivables for revenues or due from other governments that are not considered to be available to liquidate liabilities of the current period such as property taxes not collected within 60 days after fiscal year end. Deferred revenue also includes rental and program advances, franchise fees and similar prepayments received by the City, grant revenue received prior to the incurrence of qualifying expenditures. Governmental funds also defer revenue recognition in connection with resources that have been received but not earned. Deferred revenue for the General Fund consisted of the following:

Income taxes	\$ 220,673
Property taxes	206,217
Charges for services	68,864
Other	400
	<u>400</u>
	<u>\$ 496,154</u>

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of governmental capital asset activity for the year ended June 30, 2011:

	Balance at June 30, <u>2010</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	Balance at June 30, <u>2011</u>
Capital assets (not being depreciated or amortized)				
Land	\$ 760,825	\$ -	\$ -	\$ 760,825
Capital assets (being depreciated or amortized)				
Buildings	2,987,266	-	-	2,987,266
Improvements other than buildings	262,134	-	-	262,134
Streets and infrastructure	1,767,485	-	-	1,767,485
Equipment	3,389,459	564,235	473,267	3,480,427
Computer software	-	<u>27,500</u>	<u>(54,764)</u>	<u>82,264</u>
Total Capital Assets (being depreciated or amortized)	<u>8,406,344</u>	<u>591,735</u>	<u>418,503</u>	<u>8,579,576</u>
Less – accumulated depreciation/amortization for				
Buildings	1,234,210	74,682	242	1,308,650
Improvements other than buildings	248,829	2,218	-	251,047
Streets and infrastructure	164,092	44,187	-	208,279
Equipment	2,134,907	301,372	425,276	2,011,003
Computer software	-	<u>8,754</u>	<u>(18,528)</u>	<u>27,282</u>
Total Accumulated Depreciation/Amortization	<u>3,782,038</u>	<u>431,213</u>	<u>406,990</u>	<u>3,806,261</u>
<b>Total Governmental Activities Capital Assets, Net</b>	<u>\$ 5,385,131</u>	<u>\$ 160,522</u>	<u>\$ 11,513</u>	<u>\$ 5,534,140</u>

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2011**

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

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

General government	\$ 83,148
Public works	60,499
Public health	8,059
Public safety	124,284
Highway and streets	87,063
Sanitation	41,490
Parks and recreation	<u>26,670</u>
<b>Total Depreciation Expense – Governmental Activities</b>	<b><u>\$ 431,213</u></b>

**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, 2011:

	<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	\$ 903,652	\$ -	\$ 127,652	\$ 776,000	\$ 42,000
Loans payable	481,336	325,000	233,776	572,560	212,374
Compensated absences	<u>155,825</u>	<u>26,960</u>	<u>25,520</u>	<u>157,265</u>	<u>36,449</u>
<b>Governmental Activities Long-Term Liabilities</b>	<b><u>\$ 1,540,813</u></b>	<b><u>\$ 351,960</u></b>	<b><u>\$ 386,948</u></b>	<b><u>\$ 1,505,825</u></b>	<b><u>\$ 290,823</u></b>

**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, 2011**

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

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>
2012	\$ 42,000	\$ 33,175	\$ 75,175
2013	43,500	31,411	74,911
2014	45,000	29,584	74,584
2015	47,000	27,694	74,694
2016	49,000	25,720	74,720
2017-2021	278,000	95,969	373,969
2022-2025	<u>271,500</u>	<u>30,787</u>	<u>302,287</u>
<b>Total</b>	<b><u>\$ 776,000</u></b>	<b><u>\$ 274,340</u></b>	<b><u>\$ 1,050,340</u></b>

**Loans payable**

In fiscal year 2004, the City borrowed \$199,569 from a commercial bank to purchase equipment. The loan has an interest rate of 4.78% and a maturity date of August 1, 2011. The loan repayment schedule calls for monthly payments of principal and interest of \$3,742.

In fiscal year 2008, the City borrowed \$300,000 from a commercial credit company 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.

During fiscal year 2009, the City borrowed \$200,000 from a commercial credit company 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 a commercial credit company to purchase police vehicles, dump truck, and computer equipment. The loan has an interest rate of 3.09% 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, 2011**

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

During fiscal year 2011, the City borrowed \$325,000 from a commercial credit company 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.

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>
2012	\$ 212,374	\$ 15,544	\$ 227,918
2013	149,833	11,691	161,524
2014	111,070	4,157	115,227
2015	70,687	1,577	72,264
2016	<u>28,596</u>	<u>172</u>	<u>28,768</u>
<b>Total</b>	<u>\$ 572,560</u>	<u>\$ 33,141</u>	<u>\$ 605,701</u>

**NOTE 7 – OTHER DISCLOSURES**

The expenditures exceeded the budgeted amounts for the following line items at June 30, 2011:

Public Safety – Police Administration	
Vehicle control fine service fees	\$ 33
Park and Recreation	
Park, fields and tree maintenance	\$ 255

**NOTE 8 – 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.

**CITY OF NEW CARROLLTON, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended June 30, 2011**

**NOTE 8 – STATE RETIREMENT AND PENSION SYSTEMS OF MARYLAND (continued)**

**Plan description (continued)**

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.

**Funding policy**

The State Personnel and Pensions Article requires active members to contribute to the State System at the rate of 5% or 7% 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, 2011, 2010, and 2009 were \$253,649, \$152,396, and \$188,017, respectively, which were equal to the required contributions for each year.

**NOTE 9 – POST-RETIREMENT BENEFITS**

The City does not provide and therefore has no liability for post-retirement benefits at June 30, 2011.

**NOTE 10 – 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 11 – 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, 2011**

**NOTE 12 – NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD STANDARDS**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the year ended June 30, 2011 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:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will be effective for the City in Fiscal Year 2013. The purpose of this Statement is to improve financial reporting by addressing issues related to service concession arrangements which are a type of public-private or public-public partnership.

GASB Statement Number 61, *the Financial Reporting Entity: Omnibus*, will be effective for the City beginning with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity.

GASB Statement Number 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, will be effective for the City beginning with its year ending June 30, 2013. This Statement incorporates into GASB's authoritative literature accounting and financial reporting guidance included in certain pronouncements issued on or before November 30, 1989.

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will be effective for the City Beginning with its year ending June 30, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

GASB Statement Number 64, *Derivative Instruments – Application of Hedge Accounting Termination Provisions – An Amendment of GASB Statement No. 53*, will be effective for the City Beginning with its year ending June 30, 2012. This Statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider and whether hedge accounting should continue to be applied.

**NOTE 13 – SUBSEQUENT EVENTS**

The City evaluated subsequent events for potential required disclosures through November 10, 2011, 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 ASSETS BY COMPONENT**  
**Last Eight Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year							
	2011	2010	2009	2008	2007	2006	2005	2004
<b>GOVERNMENTAL ACTIVITIES</b>								
Invested in capital assets, net of related debt	\$ 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	395,118	47,290	51,178	53,237	54,792	50,858	46,949	47,786
Unrestricted	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 ASSETS</b>	<u>\$ 9,938,837</u>	<u>\$ 8,332,001</u>	<u>\$ 7,054,557</u>	<u>\$ 6,042,127</u>	<u>\$ 5,711,025</u>	<u>\$ 5,095,089</u>	<u>\$ 4,782,348</u>	<u>\$ 4,324,310</u>

Note: Information for fiscal years 2002 and 2003 is not readily available.

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

	2011	2010	2009	2008	2007	2006	2005	2004
<b>EXPENSES</b>								
Governmental activities								
General government	\$ 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	374,144	398,466	373,221	422,504	324,397	298,118	-	320,364
Public safety policy services	1,809,257	1,413,243	1,294,109	1,095,405	868,812	258,924	579,487	126,487
Public works	528,577	456,430	451,183	661,942	528,803	531,362	500,558	426,671
Highways	496,236	583,084	482,175	352,124	492,789	506,986	486,481	448,352
Sanitation	998,858	922,845	897,146	881,235	914,342	872,552	848,663	852,625
Parks and recreation	570,242	578,704	542,138	570,438	518,466	533,413	513,525	476,193
Weinbach Scholarship	2,000	4,000	3,000	5,000	4,000	4,000	4,000	4,000
Interest on long-term debt	61,442	72,291	78,373	88,032	38,194	53,621	42,237	41,153
Total Primary Government Expenses	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	198,468	195,078	165,567	160,217	89,599	167,462	155,240	153,598
Public health code enforcement	224,740	200,165	236,175	185,560	175,588	-	-	-
Public safety police services	997,035	1,011,516	207,973	173,933	108,866	-	-	-
Public works	261,874	59,447	24,185	20,126	-	-	-	-
Highways	16,140	16,140	16,140	-	-	-	-	-
Sanitation	42,655	42,600	42,600	42,600	80,929	-	331,406	-
Weinbach Scholarship	-	-	115	-	-	-	-	-
Operating grants and contributions	254,130	287,917	492,928	654,483	656,092	572,189	195,560	435,878
Capital grants and contributions	29,819	-	-	-	152,000	-	-	27,928
Total Primary Government Program Revenues	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	(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 CHANGES IN NET ASSETS</b>								
Governmental activities								
Taxes								
Property tax	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	962,661	830,964	891,105	863,978	707,901	798,771	837,939	763,754
Miscellaneous revenues	241,378	68,455	188,572	212,028	569,198	215,864	245,115	228,426
Investment earnings	8,216	8,330	38,074	83,841	109,399	66,271	25,096	9,882
Total Primary Government	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 ASSETS, GOVERNMENTAL ACTIVITIES</b>	<u>\$ 1,606,836</u>	<u>\$ 1,277,444</u>	<u>\$ 1,012,430</u>	<u>\$ 331,102</u>	<u>\$ 615,936</u>	<u>\$ 312,741</u>	<u>\$ 458,038</u>	<u>\$ 420,632</u>

Note: Information for fiscal years 2002 through 2003 is not readily available.

**CITY OF NEW CARROLLTON, MARYLAND**  
**GOVERNMENTAL ACTIVITIES**  
**TAX REVENUES BY SOURCE**  
 Last Eight 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	\$ 2,875,187
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	4,128,723
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

Source: City's financial records

Note: Information for fiscal years 2002 and 2003 is not readily available.

**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>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
2002	\$52,400	\$1,072,631	\$280,847	-	-	-	-	1,405,878
2003	50,518	883,469	305,361	-	-	-	-	1,239,348
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

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)**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>REVENUES</b>										
Taxes	\$ 5,508,728	\$ 5,066,353	\$ 5,301,025	\$ 4,507,301	\$ 3,999,419	\$ 3,686,490	\$ 3,601,819	\$ 3,179,591	\$ 3,098,757	\$ 2,867,686
Licenses and permits	338,940	187,186	165,567	160,217	495,001	180,398	198,101	171,021	163,909	20,096
Intergovernmental	254,575	247,616	152,534	262,372	340,224	135,325	154,827	158,650	196,691	253,480
Charges for services	569,655	360,044	278,775	228,160	218,188	61,331	59,807	65,096	63,761	-
Fines and forfeitures	964,332	961,576	232,158	194,059	161,442	34,897	34,920	11,985	37,757	-
Investment earnings	8,216	8,330	38,074	83,841	109,399	66,271	25,096	9,882	22,800	37,191
Miscellaneous	120,875	84,595	204,827	212,028	154,352	140,779	136,789	160,384	92,878	355,754
Total Revenues	7,765,321	6,915,700	6,372,960	5,647,978	5,478,025	4,305,491	4,211,359	3,756,609	3,676,553	3,534,207
<b>EXPENDITURES</b>										
Current										
General government	1,361,955	1,208,177	1,266,976	1,184,111	1,144,988	987,121	739,685	887,675	723,859	847,275
Public health code enforcement	366,084	406,675	385,779	343,358	344,321	288,796	589,299	441,499	530,552	513,961
Public safety police services	1,957,957	1,463,257	1,311,351	1,253,476	1,063,486	320,984	-	-	-	-
Public works	468,079	422,925	419,104	661,147	494,787	519,863	454,346	408,525	385,149	397,614
Highways	409,173	607,968	452,021	533,727	1,631,938	541,045	576,717	883,110	838,577	441,994
Sanitation	1,233,123	894,595	866,299	999,670	898,678	856,134	822,693	929,461	784,093	735,710
Parks and recreation	543,569	547,397	511,343	495,608	517,448	534,057	551,232	489,704	421,136	374,281
Weinbach Scholarship	2,000	4,000	3,000	5,000	4,000	4,000	4,000	4,000	4,000	4,000
Debt service										
Principal	361,428	326,597	307,855	285,708	256,326	181,093	128,706	113,704	110,381	115,310
Interest	62,233	73,024	80,819	87,722	38,261	54,448	39,095	41,906	45,336	51,408
Total Expenditures	6,765,601	5,954,615	5,604,547	5,849,527	6,394,233	4,287,541	3,905,773	4,199,584	3,843,083	3,481,553
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	999,720	961,085	768,413	(201,549)	(916,208)	17,950	305,586	(442,975)	(166,530)	52,654
<b>OTHER FINANCING SOURCES</b>										
Issuance of debt	325,000	175,000	200,000	-	564,234	110,431	1,075,000	164,545	-	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1,324,720	\$ 1,136,085	\$ 968,413	\$ (201,549)	\$ (351,974)	\$ 128,381	\$ 1,380,586	\$ (278,430)	\$ (166,530)	\$ 52,654
<b>DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES</b>	6.9%	7.1%	7.4%	7.1%	6.1%	5.9%	4.8%	4.5%	4.1%	4.8%

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

Fiscal Year	Admission & Amusement Taxes	Property Taxes	Income Taxes	Highway		Disposal Fee Rebate	Hotel/Motel Taxes	Total
				User Taxes	Taxes			
2002	7,519	1,693,306	698,938	363,287	33,467	71,169	2,867,686	
2003	6,430	1,977,480	678,283	337,109	33,467	65,388	3,098,757	
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	5,301,025	
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	

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 <sup>(1)</sup>		Personal Property <sup>(2)</sup>		Property of Railroads and Public Utilities		Total		Total Direct Tax Rate	Ratio <sup>(2)</sup> of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2002	424,747,708	424,747,718	13,614,149	27,228,298	5,076,170	10,152,340	443,438,027	462,128,356	0.38	95.96
2003	406,425,750	406,425,750	12,389,149	24,778,298	4,829,255	9,658,510	423,644,154	440,862,558	0.45	96.09
2004	434,515,644	434,515,644	14,075,290	28,150,580	4,792,800	9,585,600	453,383,734	472,251,824	0.45	96.01
2005	464,943,333	464,943,333	31,150,212	62,300,424	4,720,957	9,441,914	500,814,502	536,685,671	0.45	93.32
2006	489,790,250	489,790,250	24,495,090	48,990,180	4,688,730	9,377,460	518,974,070	548,157,890	0.45	94.68
2007	552,380,358	552,380,358	30,108,723	60,217,446	4,162,872	8,325,744	586,651,953	620,923,548	0.45	94.48
2008	626,637,556	626,637,556	31,067,660	62,135,319	4,469,362	8,938,723	662,174,578	697,711,598	0.45	94.91
2009	699,764,200	699,764,200	31,472,000	62,944,000	4,137,700	8,275,400	735,373,900	770,983,600	0.50	95.38
2010	752,818,800	752,818,800	26,298,410	52,596,820	4,928,180	9,856,360	784,045,390	815,271,980	0.50	96.17
2011	815,192,400	815,192,400	25,449,900	50,899,800	4,973,950	9,947,900	845,616,250	876,040,100	0.50	96.53

(1)

Starting in fiscal year 2002, real property is assessed at 100% of estimated actual value.

(2)

Starting in fiscal year 2002, the ratio only applies to personal property and property of railroads and public utilities.

(3)

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.

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

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

Fiscal Year <sup>(3)</sup>	City of New Carrollton <sup>(2)</sup>	Prince George's County <sup>(1)</sup>	Overlapping Rates				Total Direct and Overlapping Rate
			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>	
2002	0.3760	0.9246	0.0540	0.0840	0.2440	0.0540	1.7366
2003	0.4500	0.9246	0.0540	0.0840	0.2440	0.0260	1.7826
2004	0.4500	0.9246	0.0540	0.1320	0.2790	0.0260	1.8656
2005	0.4500	0.9237	0.0540	0.1320	0.2790	0.0260	1.8647
2006	0.4500	0.9261	0.0540	0.1320	0.2790	0.0260	1.8671
2007	0.4500	0.9245	0.0540	0.1120	0.2790	0.0260	1.8455
2008	0.4500	0.8970	0.0540	0.1120	0.2790	0.0260	1.8180
2009	0.5000	0.8460	0.0540	0.1120	0.2790	0.0260	1.8170
2010	0.5000	0.8420	0.0540	0.1120	0.2790	0.0260	1.8130
2011	0.5000	0.8420	0.0540	0.1120	0.2790	0.0260	1.8130

Source:

- (1) Prince George's County Department of Finance.
- (2) City records.
- (3) Starting in fiscal year 2002, real estate is assessed at 100% of estimated actual value. As a result, the City's tax rate was adjusted proportionately.

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

2011

Taxpayer	Type of Business	Assessed Value <sup>(1)</sup>	Percent of Total Assessed Value
Fountain Club Apartments	Apartment Development	\$ 27,510,298	3.37%
Norton Butler	Apartment Development	23,768,600	2.92
Carrollton Limited Partnership	Shopping Center	19,853,330	2.44
Bryant Woods Ltd. Partnership	Apartment Development	13,969,000	1.71
Albert Turner	Shopping Center	17,976,566	2.21
Wedgewood Terrace Associates, Ltd.	Apartment Development	10,558,400	1.30
American Hospitality Management	Hotel Complex	19,748,266	2.42
Decar Realty	Shopping Center	9,572,466	1.17
Virginia Brush, et al	Car Dealership	4,725,598	.58
Kim's Apartments Ltd. Partnership	Apartment Development	6,269,032	.77
Wide Water, LLC		5,778,232	.70
HGLC		2,191,466	.27
<b>Total</b>		<u>\$ 161,921,254</u>	<u>19.86%</u>

2002

Taxpayer	Type of Business	Assessed Value <sup>(2)</sup>	Percent of Total Assessed Value
Fountain Club Apartments	Apartment Development	\$ 15,179,000	3.43%
Norton Butler	Apartment Development	12,283,730	2.77
Carrollton Limited Partnership	Shopping Center	6,124,000	1.39
Albert Turner	Shopping Center	5,676,666	1.28
Wedgewood Terrace Associates, Ltd.	Apartment Development	6,002,200	1.36
Bryant Woods Ltd. Partnership	Apartment Development	6,868,332	1.55
Decar Realty	Shopping Center	4,195,032	.97
Virginia Luongo, et al	Car Dealership	3,786,600	.86
PNP General Partners, Inc.	Hotel Complex	4,291,766	.97
Kim Apartments Ltd. Partnership	Apartment Development	2,951,300	.67
<b>Total</b>		<u>\$ 67,358,626</u>	<u>15.25%</u>

Source: Prince George's County Office of the Treasury.

(1) Assessed value equals 100% of total valuation.

(2) Assessed value equals 40% 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		Percent of Current Levy Delinquent
						Collections as Percent of Current Levy	Outstanding Delinquent Taxes	
2002	1,718,387	1,692,890	98.52	-	1,692,890	98.52	8,784	0.51
2003	1,889,636	1,877,852	99.38	-	1,877,852	99.38	9,000	0.48
2004	1,963,927	1,959,993	99.80	2,786	1,962,779	99.94	7,187	0.37
2005	2,083,456	2,075,827	99.63	581	2,076,408	99.66	7,629	0.37
2006	2,161,550	2,153,921	99.65	6,403	2,160,324	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	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	98.76	94,742	2.15

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>
2002	748,357	57,792	806,149	N/A	62.93
2003	670,970	24,798	695,768	N/A	54.28
2004	589,944	156,665	746,609	N/A	58.25
2005	1,504,363	188,540	1,692,903	N/A	132.07
2006	1,377,920	244,321	1,622,241	N/A	126.56
2007	1,245,421	684,728	1,930,149	N/A	150.58
2008	1,138,112	506,329	1,644,441	N/A	128.29
2009	1,024,356	512,230	1,536,586	N/A	119.88
2010	903,652	481,336	1,384,988	N/A	108.05
2011	776,000	572,560	1,348,560	N/A	111.13

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**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Assessed Value <sup>(2)</sup></b>	<b>Gross Bonded Debt <sup>(3)</sup></b>	<b>Less Budgeted Debt Service Requirements</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2002	12,811	443,438,027	806,149	182,570	623,579	0.14	48.68
2003	12,818	423,644,154	695,768	139,734	556,034	0.13	43.38
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	626,637,556	1,644,441	314,093	1,330,348	0.21	103.79
2009	12,818	699,764,200	1,536,586	328,285	1,208,301	0.17	94.27
2010	12,818	752,818,800	1,384,988	361,650	1,023,338	0.14	79.84
2011	12,135	815,192,400	1,348,560	361,650	986,910	0.12	81.33

**Source:**

(1) Official U.S. census.

(2) From Table IV.

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

**CITY OF NEW CARROLLTON, MARYLAND**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**For The Year Ended June 30, 2011**

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
Direct debt			
City of New Carrollton	\$ 1,348,560	100.00%	\$ 1,348,560
Overlapping debt <sup>(2)</sup> :			
Prince George's County <sup>(3)</sup>	<u>1,241,146,281</u>	0.84 <sup>(1)</sup>	<u>10,425,629</u>
<b>Total Direct And Overlapping Debt</b>	<u>\$ 1,242,494,841</u>		<u>\$ 11,774,189</u>

(1) Rate of assessed value in the City (\$815,192,400) to total assessed value in the County (\$95,138,793,399).

(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**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit (in thousands)	\$ 40,760	\$ 37,641	\$ 34,988	\$ 31,332	\$ 29,333	\$ 25,921	\$ 25,041	\$ 22,669	\$ 20,321	\$ 22,172
Total net debt applicable to limit (in thousands)	<u>1,349</u>	<u>1,385</u>	<u>1,537</u>	<u>1,644</u>	<u>1,930</u>	<u>1,622</u>	<u>1,693</u>	<u>747</u>	<u>696</u>	<u>806</u>
Legal debt margin (in thousands)	\$ <u>42,109</u>	\$ <u>36,256</u>	\$ <u>33,451</u>	\$ <u>29,688</u>	\$ <u>27,403</u>	\$ <u>24,299</u>	\$ <u>23,348</u>	\$ <u>21,922</u>	\$ <u>19,625</u>	\$ <u>21,366</u>
Total net debt applicable to the limit as a percentage of debt limit	3.31%	3.68%	4.39%	5.25%	6.58%	6.26%	6.76%	3.30%	3.43%	3.64%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Fiscal year 2011 assessed value of taxable property	\$ <u>815,192,400</u>
Debt limit: 5% of assessed value	\$ 40,759,620
Amount of debt applicable to debt limitation	<u>1,348,560</u>
<b>Legal Debt Margin</b>	<u>\$ 39,411,060</u>

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 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>(3)</sup>	Median Age	Education Level		School Enrollment	Unemployment Rate (%) <sup>(2)</sup>
					in Years of Formal Schooling			
2002	12,818	24,414,098	30,489	33	N/A		131,737	5.1
2003	12,818	25,715,341	31,936	33	N/A		132,899	5.2
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	N/A	N/A	33	N/A		127,039	7.4
2011	12,135	N/A	N/A	33	N/A		126,671	7.0

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**

2011			
Employer	Employees	Rank	Percentage of Total City Employment
Lowes Business	147	1	17.38%
Four Points by Shcraton	141	2	16.67
Shoppers Food Warehouse	131	3	15.48
Forman Mills, Inc.	114	4	13.48
Darcars	89	5	10.52
Foodway International	87	6	10.28
K & G Men's Company	60	7	7.09
CVS Pharmacy	43	8	5.08
Staples	34	9	4.02
Total	<u>846</u>		<u>100.00%</u>
Total Prince Georges County Employees	<u>446,864</u>		

Data for 2002 is currently unavailable.

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

N/A: Data currently not available.

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government	18	17	19	19	15	12	12	11	11	11
Public Works Administration	5	5	5	6	6	6	6	7	7	7
Public Safety – Police	21	19	14	14	13	7	0	0	0	0
Public Health Code Enforcement	5	5	5	5	5	4	4	3	3	3
Highways	3	5	5	4	5	5	5	5	5	5
Sanitation	11	10	11	11	11	11	11	11	11	11
Parks and Recreation	10	10	10	10	10	10	10	10	10	10
<b>Total</b>	<b>73</b>	<b>71</b>	<b>69</b>	<b>69</b>	<b>65</b>	<b>55</b>	<b>48</b>	<b>47</b>	<b>47</b>	<b>47</b>

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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Information:</b>										
Population	12,135	12,818	12,818	12,818	12,818	12,818	12,818	12,818	12,818	12,811
Registered voters	5,892	5,770	6,082	5,219	5,508	5,675	5,675	4,915	5,220	5,154
<b>General Government:</b>										
Commercial construction permits issued	3	5	2	-	5	-	3	2	1	-
Residential construction permits issued	117	121	124	119	170	266	224	182	164	122
Estimated value of construction (000's)	1,127	1,245	1,240	1,190	1,508	798	2,116	782	15,459	516
<b>Public Health and Safety<sup>1</sup>:</b>										
Criminal arrests	519	172	145	267	276	80	N/A	N/A	N/A	N/A
Parking violations	1,970	2,086	1,602	1,378	682	97	N/A	N/A	N/A	N/A
Traffic violations	5,763	1,128	1,122	1,370	1,782	812	N/A	N/A	N/A	N/A
<b>Sanitation:</b>										
Co-mingled (tons/day)	12.5	12.5	12.5	12.5	12.5	12.5	11.75	11.25	10.10	9.7
<b>Parks and Recreation:</b>										
Community Center admissions	507	515	512	503	498	492	524	474	479	399
Athletic field permits issued	99	101	97	93	97	95	89	82	83	97
<b>Highways:</b>										
Street resurfacing-miles	.15	.10	.25	.75	1.25	None	1	1.5	4	1.25
Potholes repaired	167	145	132	128	123	103	97	104	79	127

(1) The City contracted police services through Prince Georges 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.

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Information:										
Area in square miles	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49	1.49
Public Health and Safety										
- Police:										
Stations	1	1	1	1	1	1	N/A	N/A	N/A	N/A
Number of patrol units	16	15	13	13	13	3	N/A	N/A	N/A	N/A
Highways:										
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
Recreation and Culture:										
Park acreage	-	-	-	-	-	-	-	-	-	-
Parks	14	14	14	14	14	14	14	14	14	14
Museums	-	-	-	-	-	-	-	-	-	-
Swimming pools	1	1	1	1	1	-	-	-	-	-
Jogging course	1	1	1	1	1	1	1	1	1	1
Community centers	2	2	2	2	2	1	1	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 Georges 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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