



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF NEW CARROLLTON, MARYLAND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

CITY OF NEW CARROLLTON, MARYLAND
New Carrollton, Maryland

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2012

PREPARED BY THE
Department of Finance
Skaria Abraham
Chief Financial Officer

CITY OF NEW CARROLLTON, Maryland
For The Year Ended June 30, 2012
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CITY of NEW CARROLLTON

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

November 2, 2012

MAYOR

ANDREW C. HANKO

CITY COUNCIL

DUANE H. ROSENBERG
CHAIRMAN

LISA M. FENTON
VICE CHAIRMAN

KATRINA R. DODRO
MAYOR PRO-TEM

JAMES A. WILDONER
ALT. TREASURER

JUNE D. GARRETT
COUNCIL MEMBER

GRAHAM WATERS
ACTING ADMINISTRATIVE OFFICER

GREGORY WILLS
PUBLIC WORKS DIRECTOR

ROBERT A. MANZI, ESQ.
CITY ATTORNEY

M. REGINA ROBINSON
CITY CLERK

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

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, 2012.

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 public safety and public health, sanitation, highways, and parks and recreation. The Mayor is not a member of the City Council and has no vote at Council sessions. The Mayor, however, has veto power over any ordinance or resolution passed by the Council. The Mayor appoints, with the advice and consent of the City Council, all City officers. The Mayor proposes and executes the budget.

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

The programs of the City government are carried out through 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 2013 present future budget problems for the City.

LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICIES

The City adopted a Debt Management Policy 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 \$350,000 loan agreement with PNC Bank to acquire vehicles and equipment.

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

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

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

The Police Department has 17 officers to patrol the City 24 hours a day, 7 days a week and also has appointed two full time parking enforcement officers and one animal control officer in Fiscal Year 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, 2011. This was the thirty-third consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Andrea L. Hancock".

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, 2011

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



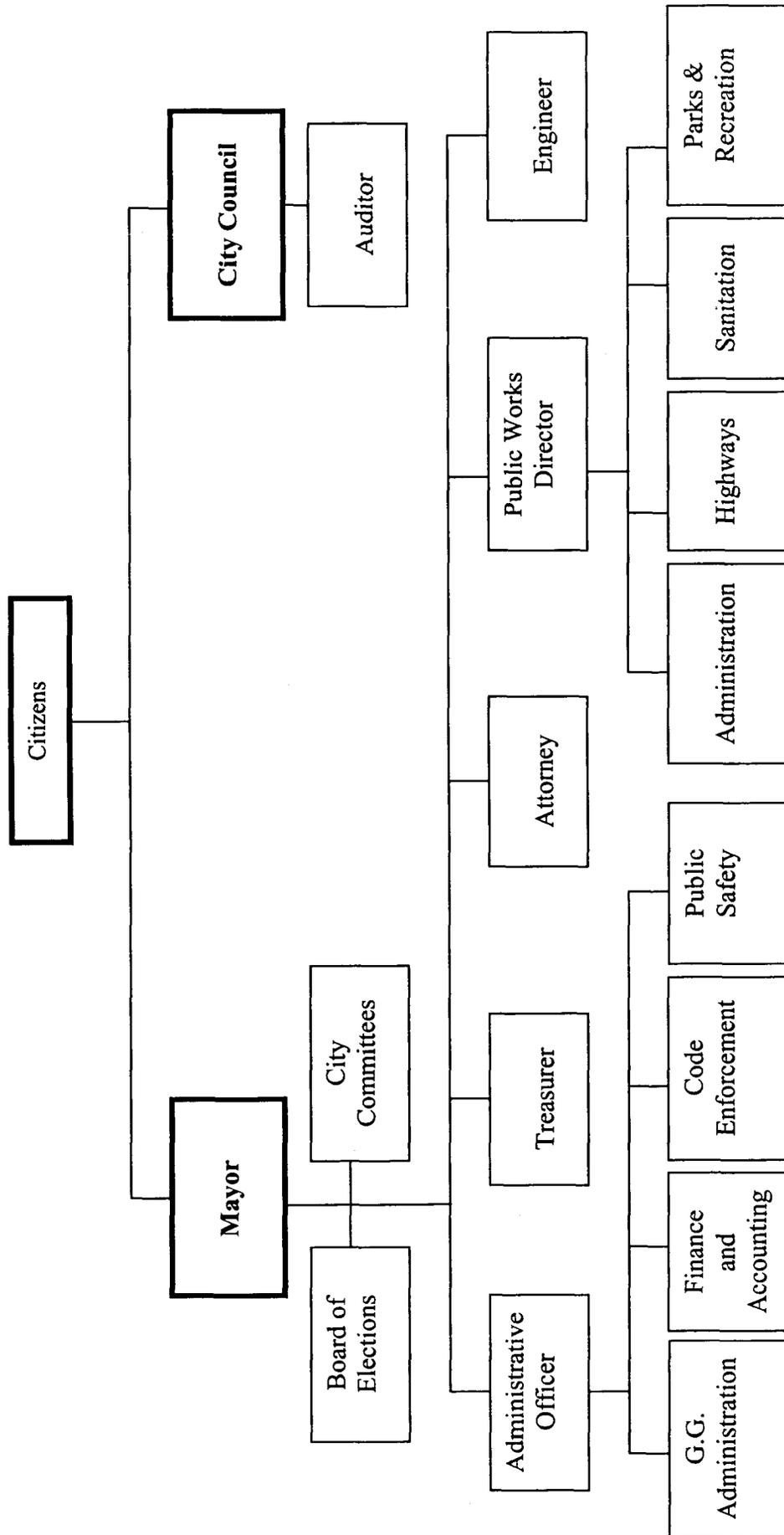
Linda C. Sandson

President

Jeffrey R. Emery

Executive Director

**CITY OF NEW CARROLLTON, MARYLAND
 ORGANIZATIONAL CHART
 For The Year Ended June 30, 2012**



**CITY OF NEW CARROLLTON, MARYLAND
LIST OF ELECTED AND APPOINTED OFFICIALS
For The Year Ended June 30, 2012**

MAYOR

Andrew C. Hanko

CITY COUNCIL

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

CITY TREASURER

Cheryl D. Dawes

ACTING CITY ADMINISTRATIVE OFFICER

Graham Waters

CITY ATTORNEY

Robert A. Manzi, ESQ.

PUBLIC WORKS DIRECTOR

Gregory Wills

POLICE CHIEF

David G. Rice

INDEPENDENT AUDITORS

Bridgett, Mock & Associates, P.A.



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, Maryland, as of and for the year ended June 30, 2012, 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, Maryland'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, Maryland, as of June 30, 2012, 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, Maryland'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, Mock + Associates, P.A.

Waldorf, Maryland
November 2, 2012

**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

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, 2012. 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 2012

- The City's assets exceeded its liabilities at the close of the most recent fiscal year by \$11,423,204 (*net assets*). Of this amount, \$4,836,591 (*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 \$1,484,367.
- As of the close of the current fiscal year, the City's governmental funds reported an ending fund balance of \$9,151,332, an increase of \$3,698,620 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 2012 as 2011. The Police Department purchased \$125,432 in new equipment and vehicles.
- The City issued a bond for \$1,750,000 at 2.52% to fund the upgrade of the City's streets and sidewalks. This work is scheduled to be performed in fiscal year 2013.

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, 2012**

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.

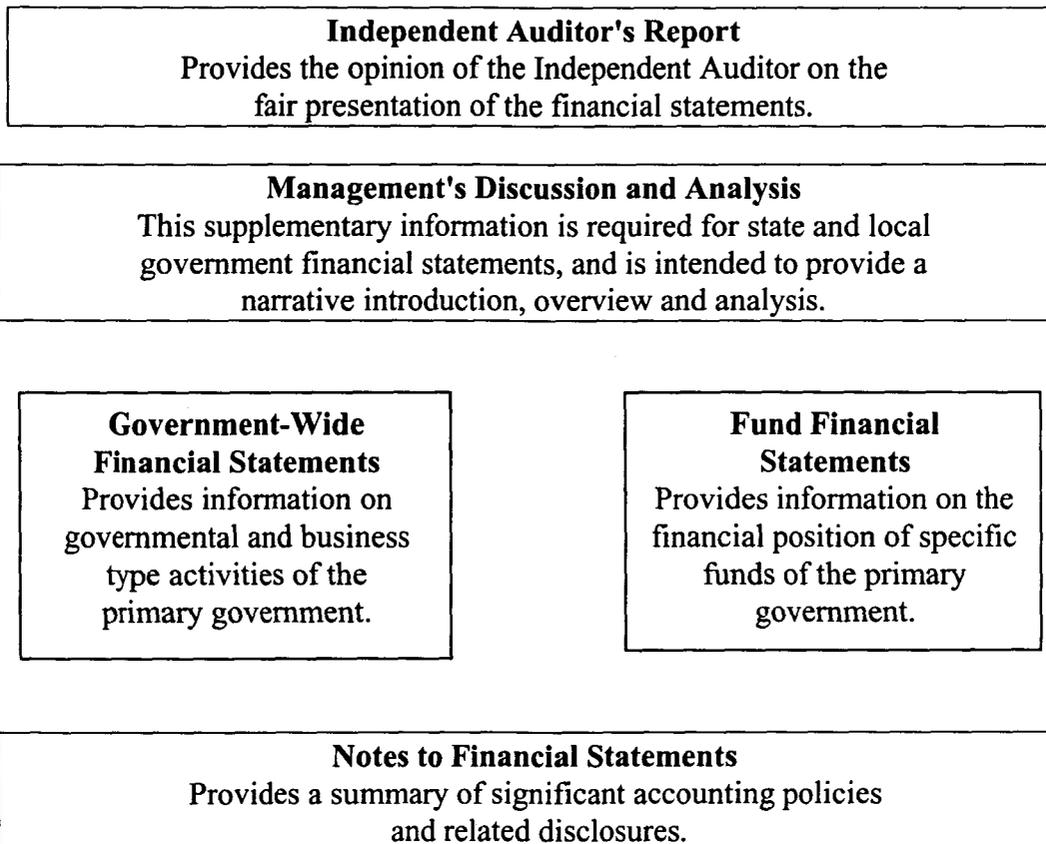
**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

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, 2012**

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

	Government-Wide Statements	Fund Financial Statements - Government Funds
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, 2012 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 \$11,423,204 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, 2012**

The City's investment in capital assets, net of depreciation and any unamortized debt used to acquire those assets represents approximately 37.7% 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 20.0% of net assets and are restricted for street improvements, scholarships to the City's youth, and public safety expenses.

Unrestricted net assets of the City represent approximately 42.3% 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, 2012 and 2011, respectively:

Figure 3

Total Governmental Activities

	<u>2012</u>	<u>2011</u>
Assets		
Current and other assets	\$ 9,829,519	\$ 6,181,482
Land	760,825	760,825
Capital assets, net	4,580,089	4,773,315
Total Assets	<u>\$ 15,170,433</u>	<u>\$ 11,715,622</u>
Liabilities		
Long-term liabilities outstanding	\$ 3,315,824	\$ 1,505,825
Other liabilities	431,405	270,960
Total Liabilities	<u>\$ 3,747,229</u>	<u>\$ 1,776,785</u>
Net Assets		
Invested in capital assets, net of related debt	\$ 4,307,241	\$ 4,202,586
Restricted	2,279,372	395,118
Unrestricted	4,836,591	5,341,133
Total Net Assets	<u>\$ 11,423,204</u>	<u>\$ 9,938,837</u>

**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

General revenues of governmental activities were approximately \$6.0 million, while total expenses, net of charges for services and grants, were approximately \$4.5 million. The increase in net assets for governmental activities was \$1,484,367, which is a decrease of \$122,469 over the prior year. Revenues from property taxes increased by approximately \$362,659 over the prior year. Figure 4 presents statement of governmental activities for the City as of June 30, 2012 and 2011, respectively.

Figure 4

Total Governmental Activities

	2012	2011
Revenues		
Program revenues		
Charges for services	\$ 1,589,736	\$ 1,740,912
Operating grants and contributions	337,013	254,130
Capital grants and contributions	118,443	29,819
General revenues		
Property tax	4,975,506	4,612,847
Shared taxes	893,906	877,057
Miscellaneous	149,448	326,982
Investment earnings	6,754	8,216
Total Revenues	8,070,806	7,849,963
 Expenses		
General government	1,442,186	1,402,371
Public health code enforcement	408,166	374,144
Public safety police services	2,007,356	1,809,257
Public works	526,310	528,577
Highways	445,052	496,236
Sanitation	1,027,779	998,858
Parks and recreation	650,128	570,242
Weinbach scholarship	2,000	2,000
Interest	77,462	61,442
Total Expenses	6,586,439	6,243,127
 Increase in net assets	 1,484,367	 1,606,836
 Net assets, beginning	 9,938,837	 8,332,001
 Net assets, ending	 \$ 11,423,204	 \$ 9,938,837

**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

Figure 5 represents the cost and program revenues of each of the City's activities for the years ending June 30, 2012 and 2011. 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, 2012

	<u>Services</u>	<u>Revenues</u>	<u>Cost of Services</u>
General government	\$ 1,442,186	\$ 349,448	\$ 1,092,738
Public health code enforcement	408,166	213,000	195,166
Public safety police services	2,007,356	939,809	1,067,547
Public works	526,310	407,487	118,823
Highways	445,052	16,140	428,912
Sanitation	1,027,779	42,655	985,124
Parks	650,128	76,653	573,475
Weinbach scholarship	2,000	-	2,000
Interest	77,462	-	77,462
Total	<u>\$ 6,586,439</u>	<u>\$ 2,045,192</u>	<u>\$ 4,541,247</u>

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 health code enforcement	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
Total	<u>\$ 6,243,127</u>	<u>\$ 2,024,861</u>	<u>\$ 4,218,266</u>

The total cost of all governmental activities this year was approximately \$6.6 million. Some costs of government activities were paid by those who directly benefited from the programs (\$1,589,736) and other governments and organizations that subsidized certain programs with grants and contributions (\$455,456).

**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

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, 2012, the City reported a fund balance of \$9,151,332, an increase of \$3,698,620 over the prior fiscal year. The general fund is the chief operating and only fund of the City. Of the fund balance, \$2,279,372 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, \$2,657,730 is classified as assigned, and the unassigned fund balance is \$3,964,230. 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 59.3% of total general fund expenditures, while total fund balance represents 136.9% of that same amount.

Revenues increased by \$518,921 or 6.7% over the preceding year. Taxes increased by \$661,231 with the primary increase in real property taxes resulting from assessment growth within the City. Service charges revenues increased by \$21,516 due primarily from an increase in trash pickup service fees.

Expenditures decreased by \$79,979 for 1.2% over the preceding year. Public safety police services expenditures increased by \$84,780 mostly due to an increase in personnel costs in special operations and capital outlay.

General fund budgetary highlights

During the fiscal year, the City made several amendments to the General Fund original approved budget. On a budgetary basis, actual revenues for the fiscal year were less than the final budget by \$313,160. The City did not need to use the operating and contingency reserves which were budgeted for \$250,000 and \$130,000, respectively. The City's revenue source "speed camera" has leveled out and the actual revenue fell short of the budget. Actual general fund expenditures were \$4,011,780 less than revised budget authorization. This variance was due to lower anticipated costs in almost every department, especially capital outlay of the Highway Department, and actual expenditures were reduced to reduce operating and personnel expenditures.

**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

The positive variance between expected and actual expenditures in the highway department capital outlay is attributable to the temporary delay in street, sidewalk and bridge repairs which is expected to commence during the next fiscal year. This variance has been included in the assigned fund balance for future expenditure for street, sidewalk, and bridge repairs of \$865,146 and the restricted fund balance of \$1,750,000 which represents the unspent bond's funds to be used for street improvements.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2012, the City had approximately \$5.3 million invested in net capital assets including land, buildings, computers, infrastructure, park facilities, vehicles, and equipment. During the year ended June 30, 2012, the City purchased \$379,655 of capital assets and had total depreciation expense of \$448,960.

Figure 6 displays a summary of governmental activities capital assets by type as of June 30, 2012 and 2011.

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

	2012	2011
Land	\$ 760,825	\$ 760,825
Buildings	1,632,042	1,678,616
Improvements other than buildings	31,249	11,087
Street and infrastructure	1,515,019	1,559,206
Equipment	1,357,793	1,469,424
Software	43,986	54,982
Total	\$ 5,340,914	\$ 5,534,140

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, 2012, the City had total debt outstanding of \$3,315,824. Of this amount, \$734,000 is comprised of bonds payable to the Maryland Department of Housing and Community Development (MDHCD) and Community Development Administration (CDA), \$1,733,907 of bonds payable to Sun Trust Bank, and \$665,766 in notes payable to PNC, a local commercial bank. The remaining \$182,151 represents amounts due City employees for accrued vacation.

**CITY OF NEW CARROLLTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For The Year Ended June 30, 2012**

A loan in the amount of \$350,000 was borrowed in the year ended June 30, 2012 to purchase vehicles and equipment. A bond in the amount of \$1,750,000 was issued in the year ended June 30, 2012 to fund street and sidewalk improvements.

Figure 7 displays a summary of governmental activities long-term debt by type as of June 30, 2012 and 2011.

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

	2012	2011
Notes payable	\$ 665,766	\$ 572,560
Bonds payable	2,467,907	776,000
Compensated absences	182,151	157,265
Total	\$ 3,315,824	\$ 1,505,825

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 2013 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 \$269,000 in revenue. There is an expected decrease of \$300,000 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 2013, as there was a 2.0% cost of living or merit raise awarded to employees. An approximate 1.5% 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 7.0% decrease in operating expenditures and a significant increase in capital expenditures budgeted for Fiscal Year 2013 due to the allocation of \$1.8 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, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 9,128,374
Cash, restricted	45,421
Receivables, net	213,001
Due from other units of government	442,723
Land	760,825
Capital assets, net of accumulated depreciation	<u>4,580,089</u>
Total Assets	<u><u>\$ 15,170,433</u></u>
LIABILITIES	
Accounts payable	\$ 106,159
Accrued expenses	134,098
Unearned revenue	190,197
Due to other units of government	951
Non-current liabilities	
Due within one year	371,835
Due in more than one year	<u>2,943,989</u>
Total Liabilities	<u><u>\$ 3,747,229</u></u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 4,307,241
Restricted for	
Weinbach scholarship	45,421
Public safety	483,951
Street improvements	1,750,000
Unrestricted	<u>4,836,591</u>
TOTAL NET ASSETS	<u><u>\$ 11,423,204</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, 2012

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
Governmental activities					
General government	\$ 1,442,186	\$ 205,981	\$ 101,677	\$ 41,790	\$ (1,092,738)
Public health code enforcement	408,166	213,000	-	-	(195,166)
Public safety police services	2,007,356	813,841	125,968	-	(1,067,547)
Public works	526,310	298,119	109,368	-	(118,823)
Highways	445,052	16,140	-	-	(428,912)
Sanitation	1,027,779	42,655	-	-	(985,124)
Parks and recreation	650,128	-	-	76,653	(573,475)
Weinbach scholarship	2,000	-	-	-	(2,000)
Interest on long-term debt	77,462	-	-	-	(77,462)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 6,586,439	\$ 1,589,736	\$ 337,013	\$ 118,443	(4,541,247)
GENERAL REVENUES					
					4,975,506
Property taxes					796,454
Income taxes					97,452
Other taxes					149,448
Miscellaneous					6,754
Unrestricted investment earnings					
Total General Revenues					6,025,614
CHANGE IN NET ASSETS					1,484,367
NET ASSETS, BEGINNING OF YEAR					9,938,837
NET ASSETS, END OF YEAR					\$ 11,423,204

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, 2012**

	General Fund
ASSETS	
ASSETS	
Cash and cash equivalents	\$ 9,128,374
Cash restricted	45,421
Receivables, net	213,001
Due from other units of government	442,723
TOTAL ASSETS	\$ 9,829,519
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 106,159
Other liabilities	125,210
Unearned revenue	403,651
Due to other units of government	951
Compensated absences payable	42,216
Total Liabilities	678,187
FUND BALANCES	
Restricted for	
Weinbach scholarship	45,421
Public safety	483,951
Street improvements	1,750,000
Committed	
Operating reserve	250,000
Assigned	
Capital assets replacement	516,562
Street, sidewalk, and bridge repairs	865,146
Future expenditures	1,019,993
Compensated absences	126,029
Contingency reserve	130,000
Unassigned	3,964,230
Total Fund Balances	9,151,332
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,829,519

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, 2012

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 9,151,332
Amounts reported for governmental activities in the Statement of Net Assets are different because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of these assets is \$9,344,661 and the accumulated depreciation is \$4,003,747.	5,340,914
Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds.	(3,273,608)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(8,888)
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.	<u>213,454</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u><u>\$ 11,423,204</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 REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2012**

	General Fund
REVENUES	
Taxes	\$ 6,169,959
Licenses and permits	198,170
Intergovernmental	270,667
Revenues from other agencies	97,677
Charges of services	591,171
Fines and forfeitures	784,255
Investment earnings	6,754
Miscellaneous	165,589
Total Revenues	8,284,242
EXPENDITURES	
Current	
General government	1,336,976
Public health code enforcement	397,513
Public safety police services	2,042,737
Public works	465,722
Highways	357,989
Sanitation	972,501
Parks and recreation	721,194
Weinbach scholarship	2,000
Debt service	
Principal	314,887
Interest	74,103
Total Expenditures	6,685,622
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	1,598,620
OTHER FINANCING SOURCES	
Issuance of debt	2,100,000
NET CHANGE IN FUND BALANCE	3,698,620
FUND BALANCE, BEGINNING OF YEAR	5,452,712
FUND BALANCE, END OF YEAR	\$ 9,151,332

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, 2012**

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS **\$ 3,698,620**

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 depreciation expense (\$448,960) exceeds capital outlay (\$379,655) in the period. (69,305)

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. 314,887

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. (19,120)

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. (2,100,000)

Interest expense in the Statement of Activities differs from the amount reported in governmental funds due to the net change in accrued interest. (3,359)

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. (213,435)

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. (123,921)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 1,484,367**

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes				
General property taxes				
Real property	\$ 4,085,592	\$ 4,305,592	\$ 4,438,619	\$ 133,027
Business real property - public safety	80,173	130,173	245,559	115,386
Personal property - businesses	265,000	265,000	235,852	(29,148)
Personal property - public safety	20,500	20,500	36,820	16,320
Property of railroads and public utilities	44,000	44,000	51,876	7,876
Penalties and interest on delinquent taxes	11,500	11,500	140,420	128,920
Total General Property Taxes	<u>4,506,765</u>	<u>4,776,765</u>	<u>5,149,146</u>	<u>372,381</u>
State shared taxes				
Admissions and amusements	1,500	1,500	1,565	65
Highway user and motor vehicle	14,000	14,000	87,113	73,113
Income taxes	570,000	570,000	836,249	266,249
Total State Shared Taxes	<u>585,500</u>	<u>585,500</u>	<u>924,927</u>	<u>339,427</u>
County shared taxes				
Disposal fee rebate	33,467	33,467	33,468	1
Hotel/motel tax	62,000	62,000	62,399	399
PMT in lieu of bank stock	20	20	19	(1)
Total County Shared Taxes	<u>95,487</u>	<u>95,487</u>	<u>95,886</u>	<u>399</u>
Total Taxes	<u>5,187,752</u>	<u>5,457,752</u>	<u>6,169,959</u>	<u>712,207</u>
Licenses and permits				
State traders and peddlers	9,500	9,500	10,803	1,303
City business licenses	11,000	11,000	13,200	2,200
Comcast cable franchise fees	90,500	90,500	87,791	(2,709)
Verizon cable franchise fees	45,000	45,000	71,626	26,626
Cricket communication franchise fees	2,400	2,400	4,800	2,400
Verizon property lease	7,200	7,200	7,800	600
Building permit fees	2,500	2,500	2,150	(350)
Total Licenses And Permits	<u>168,100</u>	<u>168,100</u>	<u>198,170</u>	<u>30,070</u>
Intergovernmental grants				
State aid for police protection	86,000	86,000	83,618	(2,382)
Crime control and prevention grant	-	9,700	7,640	(2,060)
Community policing service grants	-	71,500	34,711	(36,789)
Safe routes to school grant	-	24,500	22,255	(2,245)
School bus grant	-	4,000	4,000	-
Community development grants	-	79,000	76,653	(2,347)
Energy efficiency and conservation grant	-	42,200	41,790	(410)
Total Intergovernmental Grants	<u>86,000</u>	<u>316,900</u>	<u>270,667</u>	<u>(46,233)</u>
Revenues from other agencies				
Cable tv equipment support grant - Comcast	47,000	47,000	52,123	5,123
Cable tv equipment support grant - Verizon	29,000	29,000	45,554	16,554
Total Revenue From Other Agencies	<u>76,000</u>	<u>76,000</u>	<u>97,677</u>	<u>21,677</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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES (continued)				
Current service charges				
Advertising fees	3,500	3,500	4,286	786
Municipal center room rent	1,600	1,600	2,695	1,095
General service fees	500	500	-	(500)
Board of appeals fees	400	400	830	430
Fingerprint fees	1,100	1,100	385	(715)
Special police services	25,500	25,500	29,201	3,701
Rental property inspection	186,500	186,500	213,000	26,500
Property clean-up and liens	37,000	37,000	28,969	(8,031)
Trash pickup service fees	280,000	280,000	269,150	(10,850)
Recycling fees	42,600	42,600	42,655	55
Total Current Service Charges	578,700	578,700	591,171	12,471
Fines and forfeitures				
Municipal infractions	2,500	2,500	2,422	(78)
Red light camera	1,000	1,000	-	(1,000)
Speed camera revenue	550,000	550,000	487,360	(62,640)
Vehicle control fines and towing	192,000	192,000	294,473	102,473
Total Fines And Forfeitures	745,500	745,500	784,255	38,755
Interest earned on investments	8,000	8,000	6,754	(1,246)
Other revenues				
Scrap metal and paper	2,750	2,750	8,794	6,044
Seized revenue	500	500	3,888	3,388
Right-of-way fees (ICC)	16,000	16,000	16,140	140
Pension rebate	33,200	33,200	37,987	4,787
Rita memorial collection fund	-	-	100	100
Guzman memorial collection fund	-	-	475	475
Miscellaneous revenue	20,500	35,500	98,205	62,705
Weinbach scholarship grant	500	500	-	(500)
Total Other Revenues	73,450	88,450	165,589	77,139
Contingency Reserve	130,000	130,000	-	(130,000)
Undesignated prior year surplus	778,000	778,000	-	(778,000)
Operating reserve carryover	250,000	250,000	-	(250,000)
TOTAL REVENUES	8,081,502	8,597,402	8,284,242	(313,160)

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES				
General government				
Mayor and city council				
Personnel	38,529	38,529	37,055	1,474
Operating				
Computer supplies	500	500	-	500
Office supplies and printing	500	500	473	27
Dues and subscriptions	500	500	315	185
Travel and meetings	7,000	16,000	14,472	1,528
Fire department grant	5,000	5,000	5,000	-
Welcome committee	500	500	361	139
Weinbach scholarship committee	500	500	-	500
Total Operating	<u>14,500</u>	<u>23,500</u>	<u>20,621</u>	<u>2,879</u>
Total Mayor And City Council	53,029	62,029	57,676	4,353
Administration				
Personnel	641,667	570,667	520,906	49,761
Operating				
Computer and IT support	40,000	40,000	38,892	1,108
Website service	6,500	6,500	2,898	3,602
Legal services	25,000	32,000	27,774	4,226
Engineering services	2,000	2,000	-	2,000
Advertising expenses	11,500	14,000	12,944	1,056
Cable television operation	500	500	-	500
City newsletter	30,500	35,500	30,905	4,595
HVAC system cleaning	2,500	2,500	-	2,500
General liability insurance	43,000	17,500	16,238	1,262
Auto insurance	69,500	43,500	33,304	10,196
Public officials liability and bonding	9,500	15,000	11,719	3,281
Equipment maintenance contracts	16,500	16,500	9,991	6,509
Office equipment maintenance contracts	4,000	4,000	2,572	1,428
Building maintenance and repair	34,000	59,000	56,402	2,598
Office equipment maintenance & repair	1,000	1,000	404	596
Vehicle operations and maintenance	3,500	3,500	3,443	57
Vehicle gasoline use	2,250	2,250	2,223	27
Computer supplies	5,500	5,500	4,674	826
Pantry supplies	5,000	6,500	5,129	1,371
Office supplies and printing	15,200	15,200	15,167	33
Janitorial supplies	8,500	10,000	8,121	1,879
Dues and subscriptions	17,000	17,000	15,201	1,799
Employee training	1,500	1,500	1,315	185
Traven and meetings	2,000	3,500	3,490	10
Employee sub. testing and physicals	500	500	420	80
Employee gifts - special occasions	7,500	7,500	4,110	3,390
Uniforms	1,000	1,500	1,152	348
Telephones	11,000	11,000	6,971	4,029
Cell phones	4,800	4,800	3,957	843

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES (continued)				
Utility - electricity	35,000	35,000	30,461	4,539
Utility - natural gas	14,500	14,500	7,298	7,202
Utility - water	8,500	8,500	5,721	2,779
Postage meter and courier services	8,500	13,500	12,392	1,108
Upkeep of Hanko building	15,000	15,000	10,078	4,922
Annexation	2,500	2,500	1,922	578
Election	7,000	7,000	5,705	1,295
Community promotion	22,000	22,000	15,769	6,231
Ordinance recodification	6,200	6,200	2,455	3,745
General code floppy disc	1,500	1,500	1,391	109
TIF and bond counsel	-	6,500	6,400	100
Miscellaneous	1,500	1,500	1,030	470
Total Operating	<u>503,450</u>	<u>513,450</u>	<u>420,038</u>	<u>93,412</u>
Capital outlay				
Building improvements	-	42,200	41,790	410
Vehicle - car	-	15,000	14,534	466
Furniture and fixtures	4,000	4,000	-	4,000
Computers	7,000	7,000	-	7,000
Floor machine - scrubber	-	6,000	5,519	481
Cable tv equipment	76,000	106,000	101,740	4,260
Capital purchase reserve	200,000	155,000	-	155,000
Total Capital Outlay	<u>287,000</u>	<u>335,200</u>	<u>163,583</u>	<u>171,617</u>
Total Administration	<u>1,432,117</u>	<u>1,419,317</u>	<u>1,104,527</u>	<u>314,790</u>
Financial administration				
Personnel	158,413	158,413	142,649	15,764
Operating				
Auditing service	16,500	16,500	16,500	-
Computer and IT support	10,500	10,500	6,855	3,645
Computer supplies	2,500	2,500	1,414	1,086
Office supplies and printing	3,000	3,000	2,752	248
Small equipment	500	500	-	500
Dues and subscriptions	1,000	1,000	409	591
Employee training	1,500	1,500	-	1,500
Travel and meetings	500	500	-	500
Telephones	2,500	2,500	1,721	779
Credit card service fees	2,000	3,000	2,160	840
Bank service fees	500	500	-	500
Miscellaneous	1,000	1,000	313	687
Total Operating	<u>42,000</u>	<u>43,000</u>	<u>32,124</u>	<u>10,876</u>
Capital outlay				
Computers	2,500	2,500	-	2,500
Software	6,500	6,500	-	6,500
Total Capital Outlay	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>9,000</u>
Total Financial Administration	<u>209,413</u>	<u>210,413</u>	<u>174,773</u>	<u>35,640</u>
Total General Government	<u>1,694,559</u>	<u>1,691,759</u>	<u>1,336,976</u>	<u>354,783</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, 2012

EXPENDITURES (continued)	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Public health code enforcement				
Code enforcement				
Personnel	362,291	381,291	323,677	57,614
Operating				
Property clean-up	40,500	43,500	34,885	8,615
Vehicle operations and maintenance	5,750	5,750	3,811	1,939
Vehicle gasoline use	12,400	15,400	13,535	1,865
Insect and animal control	1,000	1,000	690	310
Computer supplies	4,500	4,500	3,300	1,200
Office supplies and printing	6,500	6,500	4,978	1,522
Field supplies	2,000	2,000	1,560	440
Signs, notices and permits	2,500	2,500	549	1,951
Small office equipment	500	500	-	500
Dues and subscriptions	1,000	1,000	658	342
Employee training	2,000	2,000	-	2,000
Travel and meetings	2,000	2,000	200	1,800
Employee sub. testing and physicals	750	750	180	570
Uniforms	1,500	1,500	1,118	382
Telephones	2,500	2,500	1,957	543
Cell phones	5,000	5,000	3,915	1,085
Miscellaneous	500	500	-	500
Total Operating	<u>90,900</u>	<u>96,900</u>	<u>71,336</u>	<u>25,564</u>
Capital outlay				
Computers	2,500	2,500	2,500	-
Total Capital Outlay	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total Public Health Code Enforcement	<u>455,691</u>	<u>480,691</u>	<u>397,513</u>	<u>83,178</u>
Public safety police services				
Police administration				
Personnel	295,582	295,582	282,020	13,562
Operating				
Equipment maintenance and repair	1,000	1,000	790	210
Vehicle operation and maintenance	5,500	5,500	5,434	66
Vehicle gasoline use	7,500	10,500	8,514	1,986
Computer supplies	2,000	3,500	1,915	1,585
Pantry supplies	3,000	3,000	1,167	1,833
Office supplies and printing	5,500	5,500	3,997	1,503
Small equipment	1,750	1,750	1,035	715
Dues and subscriptions	1,200	1,200	845	355
Employee training	1,750	1,750	997	753
Travel and meetings	2,750	3,750	3,504	246
Employee sub. testing and physicals	1,500	1,500	180	1,320
Uniforms	3,500	3,500	1,941	1,559
Telephones	2,500	2,500	1,145	1,355
Cell phones	3,500	3,500	3,378	122
Postage meter and courier service	1,000	3,000	2,672	328
Neighborhood watch	2,500	2,500	1,100	1,400
Vehicle control fine service fees	32,500	43,000	42,146	854
Red light camera service fees	1,200	1,200	1,200	-

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES (continued)				
Miscellaneous	500	500	535	(35)
Total Operating	<u>80,650</u>	<u>98,650</u>	<u>82,495</u>	<u>16,155</u>
Total Police Administration	376,232	394,232	364,515	29,717
Police special operations				
Personnel	372,170	372,170	326,001	46,169
Operating				
Computer IT support	5,500	5,500	5,213	287
Consulting services	4,500	1,000	-	1,000
General liability insurance	3,500	3,500	3,500	-
Auto insurance	6,500	6,500	6,500	-
Public official liability and bonding	2,500	2,500	2,500	-
Office equipment maintenance & repair	8,500	8,500	7,274	1,226
Vehicle operations and maintenance	8,500	8,500	7,218	1,282
Vehicle gasoline use	10,250	13,750	11,744	2,006
Office supplies and printing	9,500	9,500	6,196	3,304
Field supplies	3,200	3,200	3,070	130
Small weapons	3,000	3,000	-	3,000
Dues and subscriptions	1,250	1,250	-	1,250
Employee training	4,500	4,500	1,806	2,694
Travel and meetings	3,250	3,250	222	3,028
Employee sub. testing and physicals	2,500	2,500	505	1,995
Uniforms	7,500	7,500	5,077	2,423
Telephones	2,500	2,500	1,445	1,055
Cell phones	3,600	3,600	3,555	45
Total Operating	<u>90,550</u>	<u>90,550</u>	<u>65,825</u>	<u>24,725</u>
Capital outlay				
Building security system	-	100,000	28,245	71,755
Vehicles	-	100,000	98,022	1,978
Total Capital Outlay	<u>-</u>	<u>200,000</u>	<u>126,267</u>	<u>73,733</u>
Total Police Special Operations	462,720	662,720	518,093	144,627
Police patrol				
Personnel	863,786	927,286	811,473	115,813
Operating				
Auto insurance	-	13,500	12,500	1,000
Police legal liability	-	22,500	21,524	976
Vehicle operations and maintenance	18,500	25,500	23,686	1,814
Vehicle gasoline use	38,500	38,500	34,381	4,119
Office supplies and printing	6,500	8,000	5,258	2,742
Field supplies	7,000	9,500	7,182	2,318
Small equipment	2,500	2,500	2,115	385
Small weapons	4,000	4,000	1,055	2,945
Employee training	5,500	5,500	5,449	51
Travel and meetings	3,500	3,500	215	3,285
Employee sub. testing and physicals	7,500	7,500	6,210	1,290

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, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES (continued)				
Uniforms	10,500	11,700	8,562	3,138
Telephones	2,800	2,800	1,876	924
Cell phones	12,750	14,750	13,697	1,053
Miscellaneous	2,500	2,500	1,893	607
Total Operating	122,050	172,250	145,603	26,647
Capital outlay				
Vehicle	-	25,000	24,105	895
Computers	-	4,500	4,500	-
Street signs-safe route to school grant	-	24,500	22,380	2,120
Total Capital Outlay	-	54,000	50,985	3,015
Total Police Patrol	985,836	1,153,536	1,008,061	145,475
Parking enforcement				
Personnel	137,024	165,438	134,179	31,259
Operating				
Vehicle operation and maintenance	7,100	7,100	1,893	5,207
Vehicle gasoline use	10,500	10,500	9,424	1,076
Office supplies and printing	3,700	3,700	1,686	2,014
Field supplies	4,500	4,500	526	3,974
Employee training	1,000	1,000	323	677
Employee sub. testing and physicals	1,000	1,000	150	850
Uniforms	3,500	3,500	670	2,830
Telephones	750	750	475	275
Cell phones	2,950	2,950	2,742	208
Total Operating	35,000	35,000	17,889	17,111
Capital outlay				
Computers	2,500	2,500	-	2,500
Total Capital Outlay	2,500	2,500	-	2,500
Total Parking Enforcement	174,524	202,938	152,068	50,870
Total Public Safety Police Services	1,999,312	2,413,426	2,042,737	370,689
Public works				
Administration				
Personnel	461,371	456,371	363,417	92,954
Operating				
Equipment maintenance contracts	7,500	10,000	7,618	2,382
Preventive vehicle and maintenance	28,500	31,000	30,402	598
Building maintenance and repair	14,500	14,500	7,284	7,216
Office equipment, maintenance & repair	2,500	2,500	1,124	1,376
Vehicle operations and maintenance	2,300	4,000	3,977	23
Vehicle gasoline use	4,000	4,000	4,000	-
Computer supplies	2,000	2,000	1,176	824
Pantry supplies	4,000	4,000	3,902	98
Office supplies and printing	5,500	8,000	4,831	3,169
Janitorial supplies	4,500	4,500	3,373	1,127
Safety supplies	1,500	2,500	1,611	889
Dues and subscriptions	1,000	1,000	740	260
Travel and meetings	1,500	1,500	1,499	1
Employee sub. testing and physicals	600	600	500	100
Uniforms	3,500	3,500	2,512	988

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

For The Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES (continued)				
Telephones	3,500	3,500	1,611	1,889
Cell phones	4,500	4,500	4,071	429
Utility - electricity	14,000	14,000	10,488	3,512
Utility - natural gas	13,500	13,500	6,973	6,527
Utility - water	4,000	4,000	3,817	183
Miscellaneous	1,000	1,000	796	204
Total Operating	<u>123,900</u>	<u>134,100</u>	<u>102,305</u>	<u>31,795</u>
Capital outlay				
Heating & air conditioning	6,000	6,000	-	6,000
Total Capital Outlay	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Total Public Works	<u>591,271</u>	<u>596,471</u>	<u>465,722</u>	<u>130,749</u>
Highways				
Personnel	316,752	303,752	146,431	157,321
Operating				
Engineering services	1,500	1,500	-	1,500
Landfill fees	5,200	5,200	2,460	2,740
Street lighting	114,000	114,000	105,256	8,744
Street light improvements	1,500	1,500	1,400	100
Vehicle operations and maintenance	14,200	18,200	17,672	528
Vehicle gasoline use	28,500	33,000	30,792	2,208
Small operating equipment and parts	1,000	1,000	812	188
Equipment rental	1,000	1,000	777	223
Traffic safety supplies	3,500	6,000	3,137	2,863
Street & storm drain maintenance materials	8,500	8,500	7,970	530
Snow removal supplies	12,500	12,500	8,248	4,252
Small equipment	500	500	334	166
Employee sub. testing and physicals	1,500	1,500	562	938
Uniforms	4,000	4,000	2,947	1,053
Shared street sweeper	23,000	35,000	22,708	12,292
Total Operating	<u>220,400</u>	<u>243,400</u>	<u>205,075</u>	<u>38,325</u>
Capital outlay				
Dump truck	88,000	88,000	-	88,000
Leaf boxes	35,000	35,000	-	35,000
Snow plows	27,000	27,000	-	27,000
Street repairs	2,100,000	1,750,000	6,483	1,743,517
Bridge repair	25,000	25,000	-	25,000
Total Capital Outlay	<u>2,275,000</u>	<u>1,925,000</u>	<u>6,483</u>	<u>1,918,517</u>
Total Highways	<u>2,812,152</u>	<u>2,472,152</u>	<u>357,989</u>	<u>2,114,163</u>
Sanitation				
Personnel	621,505	621,505	538,758	82,747
Operating				
Refuse collection contract	100,000	100,000	94,159	5,841
Recycling contract	57,000	57,000	45,033	11,967
Landfill fees - County	224,500	224,500	207,252	17,248
Compose fees	22,500	22,500	6,905	15,595
Vehicle operations and maintenance	23,500	34,000	32,908	1,092
Vehicle gasoline use	32,500	36,000	32,636	3,364
Equipment rental	500	500	-	500
Equipment repair and maintenance	1,500	1,500	117	1,383

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

For The Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts - Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES (continued)				
Sanitation supplies	10,000	10,000	6,352	3,648
Small equipment	500	500	485	15
Employee training	500	500	-	500
Employee sub. testing and physicals	2,500	2,500	1,214	1,286
Uniforms	5,200	6,200	5,975	225
Miscellaneous	1,000	1,000	707	293
Total Operating	<u>481,700</u>	<u>496,700</u>	<u>433,743</u>	<u>62,957</u>
Total Sanitation	1,103,205	1,118,205	972,501	145,704
Parks and recreation				
Personnel	543,275	543,275	510,288	32,987
Operating				
Sports park contractual	5,000	5,000	4,401	599
Vehicle operations and maintenance	18,500	24,500	23,918	582
Vehicle gasoline use	32,500	36,000	34,309	1,691
Playground equipment maintenance	6,500	6,500	3,898	2,602
Equipment rental	1,000	1,000	-	1,000
Equipment repair and maintenance	1,500	1,500	1,500	-
Small equipment	1,000	1,800	1,774	26
Employee sub. Testing and physicals	1,500	1,500	1,057	443
Uniforms	5,500	5,500	4,493	1,007
Parks, fields and tree maintenance	28,000	28,000	26,769	1,231
Curb trees	2,500	2,500	951	1,549
Community garden	-	10,000	7,125	2,875
Recreation-boys and girls club	7,500	7,500	377	7,123
Total Operating	<u>111,000</u>	<u>131,300</u>	<u>110,572</u>	<u>20,728</u>
Capital outlay				
Vehicles	-	30,000	23,536	6,464
Frenchman creek playground	-	79,000	76,798	2,202
Total Capital Outlay	<u>-</u>	<u>109,000</u>	<u>100,334</u>	<u>8,666</u>
Total Parks And Recreation	654,275	783,575	721,194	62,381
Weinbach scholarship	2,000	2,000	2,000	-
Debt service - principal & interest payments	544,944	544,944	388,990	155,954
Miscellaneous				
Contingency reserve	130,000	130,000	-	130,000
Operating reserve	250,000	250,000	-	250,000
Operating reserve- real property tax	28,414	148,500	-	148,500
Operating reserve - Speed Camera	265,279	65,279	-	65,279
Judgment and losses	400	400	-	400
Total Miscellaneous	<u>674,093</u>	<u>594,179</u>	<u>-</u>	<u>594,179</u>
TOTAL EXPENDITURES	<u>10,531,502</u>	<u>10,697,402</u>	<u>6,685,622</u>	<u>4,011,780</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	(2,450,000)	(2,100,000)	1,598,620	3,698,620
OTHER FINANCING SOURCES				
Issuance of debt	2,450,000	2,100,000	2,100,000	-
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,698,620</u>	<u>\$ 3,698,620</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, 2012

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, 2012

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, 2012

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

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

	<u>Real Property</u>	<u>Personal and Corporate</u>
Assessment roll validated	Dec. 31	Jan. 1
Tax rate ordinance approved	June 30	June 30
Beginning of fiscal year for which taxes have been levied	July 1	July 1
Tax bills rendered and due	July 1	On County bill
Owner-occupied residential	July 1 and Jan. 1	July 1 and Jan. 1
Property taxes payable		
Delinquent	Oct. 1, Feb. 1	After 30 days
Terms	60 days	30 days
Delinquent interest	18%	18%
Tax rates	\$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, 2012

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, 2012

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, 2012.

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, 2012.

CITY OF NEW CARROLLTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2012

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 \$2,918,047 and the bank balance was \$3,008,736. As of June 30, 2012, 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, 2012, 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 \$6,255,748 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	\$ 2,918,047
Carrying amount of temporary investments	6,255,748
Less: carrying amount of restricted deposits	<u>(45,421)</u>
Total Cash And Temporary Investments Per Statement Of Net Assets	<u><u>\$ 9,128,374</u></u>

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, 2012, met the City investment policy as of that date. Investment income was comprised entirely of interest and dividends amounting to \$6,754 for the year ended June 30, 2012.

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, 2012

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, 2012.

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:

	Governmental Activities
Taxes - property	\$ 35,107
Accounts receivables - other	177,894
Net Receivables	<u>\$ 213,001</u>

NOTE 3 – DUE FROM OTHER GOVERNMENTS

At June 30, 2012, the balance of due from other governments consisted of the following:

Federal	
Policing grant	\$ 34,710
State of Maryland	
Income tax	79,881
Income tax reserve	180,878
Highway user tax	19,517
School bus grant	600
Energy efficiency grant	41,790
Crime control prevention grant	249
Admission and amusement tax	215
Vehicle control fines	3,173
State traders license fee	1,735
Total State of Maryland	<u>328,038</u>
Prince George's County	
Hotel motel tax	28,245
Real property tax	245
Enterprise zone tax	51,485
Total Prince George's County	<u>79,975</u>
Total	<u>\$ 442,723</u>

CITY OF NEW CARROLLTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2012

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	\$	180,878
Property taxes		32,576
Charges for services		190,197
	<u>\$</u>	<u>403,651</u>

NOTE 5 – CAPITAL ASSETS

The following is a summary of governmental capital asset activity for the year ended June 30, 2012:

	<u>Balance at June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2012</u>
Capital assets (not being depreciated or amortized)				
Land	\$ 760,825	\$ -	\$ -	\$ 760,825
Capital assets (being depreciated or amortized)				
Building	2,987,266	28,108	-	3,015,374
Improvements other than buildings	262,134	22,380	-	284,514
Streets and infrastructure	1,767,485	-	-	1,767,485
Equipment	3,480,427	329,167	375,395	3,434,199
Computer software	82,264	-	-	82,264
Total Capital Assets (Being Depreciated Or Amortized)	<u>8,579,576</u>	<u>379,655</u>	<u>375,395</u>	<u>8,583,836</u>
Less - accumulated depreciation or amortization for				
Buildings	1,308,650	74,682	-	1,383,332
Improvements other than buildings	251,047	2,218	-	253,265
Streets and infrastructure	208,279	44,187	-	252,466
Equipment	2,011,003	316,877	251,474	2,076,406
Computer software	27,282	10,996	-	38,278
Total Accumulated Depreciation Or Amortization	<u>3,806,261</u>	<u>448,960</u>	<u>251,474</u>	<u>4,003,747</u>
Total Governmental Activities Capital Assts, Net	<u><u>\$5,534,140</u></u>	<u><u>\$(69,305)</u></u>	<u><u>\$123,921</u></u>	<u><u>\$5,340,914</u></u>

CITY OF NEW CARROLLTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2012

NOTE 5 – CAPITAL ASSETS (continued)

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

General government	\$	84,835
Public works		60,588
Public health		8,059
Public safety		127,785
Highway and streets		87,063
Sanitation		55,278
Parks and recreation		25,352
	<u>\$</u>	<u>448,960</u>

NOTE 6 – LONG-TERM DEBT

The following is a summary of changes in the City’s governmental long-term liabilities for the year ended June 30, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Repayments & Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
General obligation bonds	\$ 776,000	\$1,750,000	\$ 58,093	\$ 2,467,907	\$ 112,370
Loans payable	572,560	350,000	256,794	\$ 665,766	217,249
Compensated absences	157,265	43,548	18,662	\$ 182,151	42,216
Governmental Activities Long-Term Liabilities	<u>\$1,505,825</u>	<u>\$2,143,548</u>	<u>\$ 333,549</u>	<u>\$ 3,315,824</u>	<u>\$ 371,835</u>

Bonds payable

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

CITY OF NEW CARROLLTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2012

NOTE 6 – LONG-TERM DEBT (continued)

Bonds payable (continued)

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

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

<u>For the Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 112,370	\$ 74,314	\$ 186,684
2014	115,626	70,731	186,357
2015	119,427	67,040	186,467
2016	123,273	63,220	186,493
2017	127,166	59,269	186,435
2018 - 2022	701,467	232,190	933,657
2023 - 2028	674,091	111,575	785,666
2029 - 2032	494,487	36,435	530,922
Total	<u>\$ 2,467,907</u>	<u>\$ 714,774</u>	<u>\$ 3,182,681</u>

Loans payable

In fiscal year 2007, the City borrowed \$199,569 from PNC, a commercial bank, to purchase equipment. The loan had an interest rate of 4.78% and a maturity date of August 1, 2011. The loan repayment schedule called for monthly payments of principal and interest of \$3,742. The loan was paid off in fiscal year 2012.

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

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

During fiscal year 2010, the City borrowed \$175,000 from PNC, a commercial bank, to purchase police vehicles, dump truck, and computer equipment. The loan has an interest rate of 3.09% 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, 2012

NOTE 6 – LONG-TERM DEBT (continued)

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

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

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

<u>For the Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 217,249	\$ 18,593	\$ 235,842
2014	180,445	9,341	189,786
2015	141,812	4,999	146,811
2016	101,537	1,788	103,325
2017	24,723	129	24,852
Total	<u>\$ 665,766</u>	<u>\$ 34,850</u>	<u>\$ 700,616</u>

NOTE 7 – STATE RETIREMENT AND PENSION SYSTEMS OF MARYLAND

Plan description

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

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

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

CITY OF NEW CARROLLTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2012

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

Funding policy

The State Personnel and Pensions Article requires active members to contribute to the State System at the rate of 7.0% of their covered salary depending upon the retirement option selected. The City is required to contribute at an actuarially determined rate. The City's contribution for the years ended June 30, 2012, 2011, and 2010 were \$257,316, \$253,649, and \$152,396, respectively, which were equal to the required contributions for each year.

NOTE 8 – POST-RETIREMENT BENEFITS

The City does not provide and therefore has no liability for post-retirement benefits at June 30, 2012.

NOTE 9 – RISK MANAGEMENT

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

NOTE 10 – CONTINGENT LIABILITIES

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

CITY OF NEW CARROLLTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2012

NOTE 11 - NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD STANDARDS

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the year ended June 30, 2012 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.

Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012, effective for financial statements for periods beginning after December 15, 2012.

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

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

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

NOTE 12 – SUBSEQUENT EVENTS

The City evaluated subsequent events for potential required disclosures through November 2, 2012, 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 Nine Fiscal Years
 (Accrual Basis of Accounting)

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

Note: Information for fiscal year 2003 is not readily available.

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES									
Governmental activities									
General government	\$ 1,442,186	\$ 1,402,371	\$ 1,286,886	\$ 1,211,140	\$ 1,253,729	\$ 1,144,628	\$ 926,991	\$ 754,944	\$ 721,422
Public health code enforcement	408,166	374,144	398,466	373,221	422,504	324,397	298,118	-	320,364
Public safety police services	2,007,356	1,809,257	1,413,243	1,294,109	1,095,405	868,812	258,924	579,487	126,487
Public works	526,310	528,577	456,430	451,183	661,942	528,803	531,362	500,558	426,671
Highways	445,052	496,236	583,084	482,175	352,124	492,789	506,986	486,481	448,352
Sanitation	1,027,779	998,858	922,845	897,146	881,235	914,342	872,552	848,663	852,625
Parks and recreation	650,128	570,242	578,704	542,138	570,438	518,466	533,413	513,525	476,193
Weinbach scholarship	2,000	2,000	4,000	3,000	5,000	4,000	4,000	4,000	4,000
Interest on long-term debt	77,462	61,442	72,291	78,373	88,032	38,194	53,621	42,237	41,153
Total Primary Government Expenses	6,586,439	6,243,127	5,715,949	5,332,485	5,330,409	4,834,431	3,985,967	3,729,895	3,417,267
PROGRAM REVENUES									
Governmental activities									
Charges for services									
General government	205,981	198,468	195,078	165,567	160,217	89,599	167,462	155,240	153,598
Public health code enforcement	213,000	224,740	200,165	236,175	185,560	175,588	-	-	-
Public safety police services	813,841	997,035	1,011,516	207,973	173,933	108,866	-	-	-
Public works	298,119	261,874	59,447	24,185	20,126	-	-	-	-
Highways	16,140	16,140	16,140	16,140	-	-	-	331,406	-
Sanitation	42,655	42,655	42,600	42,600	42,600	80,929	-	-	-
Weinbach scholarship	-	-	-	115	-	-	-	-	-
Operating grants and contributions	337,013	254,130	287,917	492,928	654,483	656,092	572,189	195,560	435,878
Capital grants and contributions	118,443	29,819	-	-	-	152,000	-	-	27,928
Total Primary Government Program Revenues	2,045,192	2,024,861	1,812,863	1,185,683	1,236,919	1,263,074	739,651	677,206	617,404
Total Primary Government Net Expense	(4,541,247)	(4,218,266)	(3,903,086)	(4,146,802)	(4,093,490)	(3,571,357)	(3,246,316)	(3,052,689)	(2,799,863)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS									
Governmental activities									
Taxes									
Property tax	4,975,506	4,612,847	4,272,781	4,041,481	3,264,745	2,800,795	2,478,151	2,402,577	2,218,433
Shared taxes	893,906	962,661	830,964	891,105	863,978	707,901	798,771	837,939	763,754
Miscellaneous revenues	149,448	241,378	68,455	188,572	212,028	569,198	215,864	245,115	228,426
Investment earnings	6,754	8,216	8,330	38,074	83,841	109,399	66,271	25,096	9,882
Total Primary Government	6,025,614	5,825,102	5,180,530	5,159,232	4,424,592	4,187,293	3,559,057	3,510,727	3,220,495
CHANGE IN NET ASSETS, GOVERNMENTAL ACTIVITIES	\$ 1,484,367	\$ 1,606,836	\$ 1,277,444	\$ 1,012,430	\$ 331,102	\$ 615,936	\$ 312,741	\$ 458,038	\$ 420,632

Note: Information for fiscal year 2003 is not readily available.

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

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

Source: City's financial records.

Note: Information for fiscal year 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>
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
2012	-	-	-	2,279,372	250,000	2,657,730	3,964,230	9,151,332

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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Taxes	\$ 6,169,959	\$ 5,508,728	\$ 5,066,353	\$ 5,301,025	\$ 4,507,301	\$ 3,999,419	\$ 3,686,490	\$ 3,601,819	\$ 3,179,591	\$ 3,098,757
Licenses and permits	198,170	338,940	187,186	165,567	160,217	495,001	180,398	198,101	171,021	163,909
Intergovernmental	368,344	254,575	247,616	152,534	262,372	340,224	135,325	154,827	158,650	196,691
Charges for services	591,171	569,655	360,044	278,775	228,160	218,188	61,331	59,807	65,096	63,761
Fines and forfeitures	784,255	964,332	961,576	232,158	194,059	161,442	34,897	34,920	11,985	37,757
Investment earnings	6,754	8,216	8,330	38,074	83,841	109,399	66,271	25,096	9,882	22,800
Miscellaneous	165,589	120,875	84,595	204,827	212,028	154,352	140,779	136,789	160,384	92,878
Total Revenues	8,284,242	7,765,321	6,915,700	6,372,960	5,647,978	5,478,025	4,305,491	4,211,359	3,756,609	3,676,553
EXPENDITURES										
Current										
General government	1,336,976	1,361,955	1,208,177	1,266,976	1,184,111	1,144,988	987,121	739,685	887,675	723,859
Public health code enforcement	397,513	366,084	406,675	385,779	343,358	344,321	288,796	589,299	441,499	530,552
Public safety police services	2,042,737	1,957,957	1,463,257	1,311,351	1,253,476	1,063,486	320,984	-	-	-
Public works	465,722	468,079	422,925	419,104	661,147	494,787	519,863	454,346	408,525	385,149
Highways	357,989	409,173	607,968	452,021	533,727	1,631,938	541,045	576,717	883,110	838,577
Sanitation	972,501	1,233,123	894,595	866,299	999,670	898,678	856,134	822,693	929,461	784,093
Parks and recreation	721,194	543,569	547,397	511,343	495,608	517,448	534,057	551,232	489,704	421,136
Weinbach Scholarship	2,000	2,000	4,000	3,000	5,000	4,000	4,000	4,000	4,000	4,000
Debt service										
Principal	314,887	361,428	326,597	307,855	285,708	256,326	181,093	128,706	113,704	110,381
Interest	74,103	62,233	73,024	80,819	87,722	38,261	54,448	39,095	41,906	45,336
Total Expenditures	6,685,622	6,765,601	5,954,615	5,604,547	5,849,527	6,394,233	4,287,541	3,905,773	4,199,584	3,843,083
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,598,620	999,720	961,085	768,413	(201,549)	(916,208)	17,950	305,586	(442,975)	(166,530)
OTHER FINANCING SOURCES										
Issuance of debt	2,100,000	325,000	175,000	200,000	-	564,234	110,431	1,075,000	164,545	-
NET CHANGE IN FUND BALANCE	\$ 3,698,620	\$ 1,324,720	\$ 1,136,085	\$ 968,413	\$ (201,549)	\$ (351,974)	\$ 128,381	\$ 1,380,586	\$ (278,430)	\$ (166,530)
DEBT SERVICE AS A PERCENTAGE OF NON-CAPITAL EXPENDITURES	6.2%	6.9%	7.1%	7.4%	7.1%	6.1%	5.9%	4.8%	4.5%	4.1%

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 User Taxes	Disposal Fee Rebate	Hotel/Motel Taxes	Total
	2003	6,430	1,977,480	678,283	337,109	33,467	65,388
2004	4,791	2,106,642	700,360	270,937	33,467	63,394	3,179,591
2005	13,017	2,385,989	766,122	331,406	33,468	71,817	3,601,819
2006	8,512	2,448,075	734,604	397,664	33,468	64,167	3,686,490
2007	979	2,828,453	690,363	429,597	33,468	16,559	3,999,419
2008	3,673	3,252,270	772,735	392,111	33,468	53,044	4,507,301
2009	810	4,041,481	812,786	340,394	33,467	72,067	5,301,005
2010	1,217	4,124,973	793,887	40,301	33,468	72,507	5,066,353
2011	931	4,566,911	826,839	29,374	33,468	51,205	5,508,728
2012	1,584	5,149,146	836,249	87,113	33,468	62,399	6,169,959

Source: City's financial records.

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

Fiscal Year	Real Property		Personal Property		Property of Railroads and Public Utilities		Total	
	Assessed Value	Direct Tax Rate (a)	Assessed Value	Direct Tax Rate (a)	Assessed Value	Direct Tax Rate (a)	Assessed Value	Direct Tax Rate (a)
2003	406,425,750	0.45	12,389,149	0.94	4,829,255	0.94	423,644,154	0.47
2004	434,515,644	0.45	14,075,290	0.94	4,792,800	0.94	453,383,734	0.47
2005	464,943,333	0.45	31,150,212	0.94	4,720,957	0.94	500,814,502	0.49
2006	489,790,250	0.45	24,495,090	0.94	4,688,730	0.94	518,974,070	0.48
2007	552,380,358	0.45	30,108,723	0.94	4,162,872	0.94	586,651,953	0.48
2008	626,637,556	0.45	31,067,660	0.94	4,469,362	0.94	662,174,578	0.48
2009	699,764,200	0.50	31,472,000	1.00	4,137,700	1.00	735,373,900	0.52
2010	752,818,800	0.50	26,298,410	1.00	4,928,180	1.00	784,045,390	0.52
2011	815,192,400	0.50	25,449,900	1.00	4,973,950	1.00	845,616,250	0.52
2012	887,723,800	0.50	25,742,940	1.00	4,978,280	1.00	918,445,020	0.52

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

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

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

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

Source: Prince George's County Assessments' Office.

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

Fiscal Year	City Total Direct Rate ⁽²⁾	Overlapping Rates						
		Prince George's County ⁽¹⁾	Storm Water Management ⁽¹⁾	State of Maryland ⁽¹⁾	Maryland-National Capital Park and Planning Commission	Washington Suburban Sanitary Commission ⁽¹⁾		
2003	0.4699	0.9246	0.0540	0.0840	0.2440	0.0260		
2004	0.4704	0.9246	0.0540	0.1320	0.2790	0.0260		
2005	0.4851	0.9237	0.0540	0.1320	0.2790	0.0260		
2006	0.4776	0.9261	0.0540	0.1320	0.2790	0.0260		
2007	0.4786	0.9245	0.0540	0.1120	0.2790	0.0260		
2008	0.4763	0.8970	0.0540	0.1120	0.2790	0.0260		
2009	0.5242	0.8460	0.0540	0.1120	0.2790	0.0260		
2010	0.5199	0.8420	0.0540	0.1120	0.2790	0.0260		
2011	0.5180	0.8420	0.0540	0.1120	0.2790	0.0260		
2012	0.5167	0.8350	0.0540	0.1120	0.2790	0.0260		

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

(2) City records.

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

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

2012

Taxpayer	Type of Business	Assessed Value ⁽¹⁾	Percent of Total Assessed Value
Foundation Club Apartments	Apartment Development	\$ 29,598,400	3.33
Norton Butler	Apartment Development	25,587,100	2.88
Carrollton Limited Partnership	Shopping Center	28,032,300	3.16
Bryant Woods Ltd. Partnership	Apartment Development	14,553,500	1.64
Albert Turner	Shopping Center	20,358,400	2.29
Wedgewood Terrace Associates, Ltd.	Apartment Development	10,200,000	1.15
American Hospitality Management	Hotel Complex	21,643,400	2.44
Decar Realty	Shopping Center	9,858,400	1.11
Virginia Brush, et al	Car Dealership	4,860,900	0.55
Kim's Apartments Ltd. Partnership	Apartment Development	7,039,400	0.79
Wide Water, LLC		6,337,600	0.71
HGLC		2,279,600	0.26
Total		\$ 180,349,000	20.31

2003

Taxpayer	Type of Business	Assessed Value	Percent of Total Assessed Value
Fountain Club Apartments	Apartment Development	\$ 15,716,732	3.87
Norton Butler	Apartment Development	14,122,833	3.47
Carrollton Limited Partnership	Shopping Center	14,811,965	3.64
Albert Turner	Shopping Center	5,243,733	1.29
Wedgewood Terrace Associates, Ltd.	Apartment Development	6,196,333	1.52
Bryant Woods Ltd. Partnership	Apartment Development	7,523,033	1.85
Decar Realty	Shopping Center	4,260,800	1.05
Virginia Luongo, et al	Car Dealership	3,855,400	0.95
PWL Realty General Partners, Inc. (Michael, Norrie E.)	Hotel Complex	5,057,599	1.24
Kim Apartments Ltd. Partnership	Apartment Development	2,957,333	0.74
Total		\$ 79,745,761	19.62

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

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

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

Fiscal Year	Total Tax Levy		Current Tax Collections		Percent of Levy Collected		Delinquent Tax Collections		Total Collections as Percent of Current Levy		Outstanding Delinquent Taxes		Percent of Current Delinquent	
	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Current Levy	Outstanding Delinquent Taxes	Percent of Current Delinquent						
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						
2012	4,671,202	4,668,798	99.95	81,518	4,750,316	103.92	13,223	0.28						

Source: Finance Department.

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

Fiscal Year	General Obligation Bonds	Loans Payable	Total	Percentage of Personal Income	Per Capita
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
2012	2,467,907	665,766	3,133,673	N/A	258.23

Source: City Financial records.

N/A: Not available currently.

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

Fiscal Year	Population ⁽¹⁾	Assessed Value	Gross Bonded Debt ⁽²⁾	Less Budgeted Debt Service Requirements	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Debt Per Capita
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	662,174,578	1,644,441	314,093	1,330,348	0.20	103.79
2009	12,818	735,373,900	1,536,586	328,285	1,208,301	0.16	94.27
2010	12,818	784,045,390	1,384,988	361,650	1,023,338	0.13	79.84
2011	12,135	845,616,250	1,348,560	403,850	944,710	0.11	77.85
2012	12,135	918,445,020	3,133,673	330,565	2,803,108	0.31	230.99

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

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

CITY OF NEW CARROLLTON, MARYLAND
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
For The Year Ended June 30, 2012

	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of</u>
Direct debt			
City of New Carrollton	\$ 3,133,673	100.00%	\$ 3,133,673
Overlapping debt ⁽²⁾ :			
Prince George's County ⁽³⁾	<u>1,231,859,551</u>	1.11 ⁽¹⁾	<u>13,636,684</u>
Total Direct And Overlapping Debt	<u><u>\$ 1,234,993,224</u></u>		<u><u>\$ 16,770,357</u></u>

(1) Rate of assessed value in the City (\$918,445,020) to total assessed value in the County (\$82,964,524,929).

(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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit (in thousands)	\$45,922	\$40,760	\$37,641	\$34,988	\$31,332	\$29,333	\$25,921	\$25,041	\$22,669	\$20,321
Total net debt applicable to limit (in thousands)	3,134	1,349	1,385	1,537	1,644	1,930	1,622	1,693	747	696
Legal debt margin (in thousands)	\$42,788	\$39,411	\$36,256	\$33,451	\$29,688	\$27,403	\$24,299	\$23,348	\$21,922	\$19,625
Total net debt applicable to the limit as a percentage of debt limit	6.82%	3.31%	3.68%	4.39%	5.25%	6.58%	6.26%	6.76%	3.30%	3.43%

Legal Debt Margin Calculation for Fiscal Year 2012

Fiscal year 2012 assessed value of taxable property	\$ 918,445,020
Debt limit: 5% of assessed value	\$ 45,922,251
Amount of debt applicable to debt limitation	3,133,673
Legal Debt Margin	\$ 42,788,578

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 ⁽¹⁾	Personal Income	Per Capita Income ⁽³⁾	Median Age	Education Level		Unemployment Rate (%) ⁽²⁾
					in Years of Formal Schooling	School Enrollment	
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
2012	12,135	N/A	N/A	33	N/A	123,833	6.8

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 Nine Years Ago**

2012			
Employer	Employees	Rank	Percentage of Total City Employment
Lowes Business	143	1	16.61
Four Points by Sheraton	139	2	16.14
Shoppers Food Warehouse	133	3	15.45
Forman Mills, Inc.	117	4	13.59
Foodway International	97	5	11.27
Darcars	94	6	10.92
K & G Men's Company	64	7	7.43
CVS Pharmacy	41	8	4.76
Staples	33	9	3.83
Total	861		100.00
Total Prince Georges County Employees	464,436		

Data for 2003 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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government	14	18	17	19	19	15	12	12	11	11
Public Works Administration	6	5	5	5	6	6	6	6	7	7
Public Safety – Police	24	21	19	14	14	13	7	-	-	-
Public Health Code Enforcement	6	5	5	5	5	5	4	4	3	3
Highways	3	3	5	5	4	5	5	5	5	5
Sanitation	11	11	10	11	11	11	11	11	11	11
Parks and Recreation	10	10	10	10	10	10	10	10	10	10
Total	<u>74</u>	<u>73</u>	<u>71</u>	<u>69</u>	<u>69</u>	<u>65</u>	<u>55</u>	<u>48</u>	<u>47</u>	<u>47</u>

Source: City financial records.

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