

City of Takoma Park Maryland



*Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2011*

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City of Takoma Park Maryland



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2011

Prepared by: City of Takoma Park, Maryland

*Barbara B. Matthews
City Manager*

*Yovonda D. Brooks, CPA
Director of Finance*

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CITY OF TAKOMA PARK, MARYLAND

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INTRODUCTORY SECTION

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City of Takoma Park

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7500 Maple Avenue
Takoma Park, MD 20912

Barbara B. Matthews, City Manager

October 28, 2011

Honorable Members of the City Council
and Citizens of the City of Takoma Park, Maryland:

The City's Charter, Section 821, requires that the financial books and accounts of the City be audited annually in accordance with applicable State laws and the requirements of the City Council. The City Council has elected to have its financial statements prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a certified public accountant. We hereby issue the comprehensive annual financial report (CAFR) for the year ended June 30, 2011.

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

Clifton Gunderson LLP, a firm of licensed certified public accountants, has audited the City of Takoma Park, 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 and, for the basic financial statements of the City, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 of America. 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 Takoma Park is approximately 2.4 square miles in size and is located in Montgomery County, Maryland on the border of Washington, D.C. The City was incorporated in 1890 and currently has a population of 16,715 (U. S. Census 2010).

The City of Takoma Park operates under a Council/Manager form of government. Policy-making and legislative authority are vested in a governing body consisting of seven members (Mayor and six Council members). The City Council is elected on a non-partisan basis. All seven members serve two-year terms. Six Councilmembers are elected by wards. The Mayor is elected at large. The City Council's responsibilities include passing ordinances and resolutions, adopting the City's annual budget, appointing members to committees, and hiring both the City Manager and the City Attorney.

The City Manager is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and appointing the heads of various departments.

The City provides a range of municipal services including, but not limited to, housing and property inspections, solid waste and recycling collection, storm drainage maintenance, street maintenance, snow removal, street lighting, parks and recreation, and police protection.

ECONOMIC CONDITION AND OUTLOOK

The City is a residential community located in the southern part of Montgomery County in the inner suburbs of the Washington, D.C. metropolitan area. City residents benefit from the excellent Montgomery County public school system. The Takoma Park-Silver Spring campus of Montgomery College and the four-year Washington Adventist University are located in Takoma Park. The City has a large historic district, two major commercial districts, many parks, and attractive, walkable neighborhoods. The City is located along the Red Line of the region's Metrorail system and is well served by bus systems and bicycle trails. Offices, attractions, and entertainment are close by in adjacent Washington, D.C. and Silver Spring, Maryland. Baltimore and Annapolis are a short distance away via I-95 and Maryland Route 50, respectively.

According to the 2010 Census, the City had a total of 7,162 housing units. Of these, 3,444 were owner-occupied housing units. Forty-seven percent (47%) of Takoma Park's households live in multi-family residential structures.

Because of its location and attractive environment, Takoma Park is a highly desirable place to live. Its economic health rests heavily on the value of its residential property. Total assessed real and personal property value for Takoma Park was estimated at \$1.9 billion during fiscal year 2011. The City's assessable base has grown, primarily due to the increase in the assessed value of its real

property. Housing values have risen sharply since 2000, when the median value of an owner occupied home was \$189,200, according to the 2000 Census. The American Community Survey (ACS) of 2005-2009 reflected a median owner-occupied housing unit value of \$493,900. However, the reassessment of real property in 2010 reflected a change from the rapid growth in property values seen in recent years.

Real property in the State of Maryland is reassessed on a triennial basis. Fiscal year 2010 was the third year of the phase in of assessed values established in 2006. All real property in Takoma Park was reassessed during 2010, with the new values impacting the City's budget since fiscal year 2011. With the recent decline in the regional housing market, the City has experienced only a modest increase in assessed values and is expected to face difficult choices relative to service delivery in the years to come.

The Metropolitan Washington Council of Governments reported that the region grew by 252,600 persons between 2004 and 2008, with the inner suburbs growing by 2.5%. The region added 131,879 jobs during this period. The 2000 Census showed the median family income for the City of Takoma Park at \$63,434, with a per capita income of \$26,437 (in 1999 dollars). According to the American Community Survey, the 2005-2009 average per capita income was \$39,808. According to the Montgomery County, Maryland Finance Department, personal income in the County grew by an average annual rate of 10.5% between 2007 and 2011.

While the Washington, D.C. area has fared better than other parts of the United States, it has been impacted by the downturn in the economy. The City has experienced a decline in certain revenue sources, including investment income, State Police Protection Aid, and Highway User Revenues. Montgomery County, Maryland reported a projected unemployment rate of 5.0% for fiscal year 2011. Some Takoma Park residents are likely among those who have lost their jobs, impacting income tax receipts. Because it will take some time for the country and the region to recover from the economic downturn, the City will focus on the continuation and maintenance of core services in the next fiscal year.

The City is working in partnership with the business associations to increase the health of its commercial districts—the City's Old Takoma area in the Takoma Park Historic District and the much larger Takoma/Langley Crossroads area near the intersection of University Boulevard and New Hampshire Avenue. Officials and business organizations have identified a number of improvements that are needed—as well as opportunities worth investigating—to promote long-term economic health and stability.

In recent years, significant streetscape improvements have taken place in the Old Takoma area. The business association has a Maryland Main Street designation. The Takoma/Langley Crossroads area is the planned location for a major station of the "Purple Line," a light rail transit system under design by the State of Maryland to cross Montgomery and Prince George's Counties. Revitalization planning efforts for the Crossroads are underway in a collaborative effort of the planning agencies in both counties and the City of Takoma Park. The area was designated as a Maryland Enterprise Zone in 2005, providing tax incentives to new and expanding businesses.

LONG-TERM FINANCIAL PLANNING

The City of Takoma Park Police Employees' Retirement Plan covers sworn police officers who are employed on a regular full-time basis. Plan provisions include retirement, disability, and death benefits to plan members and their beneficiaries. Since its inception in 2001, the Plan has experienced a higher than expected rate of disability awards, resulting in a steadily increasing City contribution rate. During fiscal year 2009, the City modified the existing Plan in an attempt to address the rate of disability. The City contribution rate has been relatively stable since enactment of the change.

Both the City of Takoma Park Police Employees' Retirement Plan and the Maryland State Retirement and Pension System, which covers the City's non-sworn staff, have been impacted by the volatility of the stock market in recent years, resulting in a decline in asset values. The impact of this volatility has been most notable with the Maryland State Retirement and Pension System, with the employer contribution rate increasing significantly in recent years.

In accordance with the City Charter, certain monies are set aside for the scheduled replacement of vehicles and equipment. These funds are accounted for in the Equipment Replacement Reserve. For a period of time, the Equipment Replacement Reserve was not adequately funded. Since the mid-2000s, the City has made a concerted effort to more adequately fund the Equipment Replacement Reserve, and its funding status has improved considerably in recent years. This funding effort should be continued going forward to ensure that the City has sufficient funds on hand to maintain its vehicle fleet and other equipment in good working order.

Effective July 1, 2011, the City will establish a Reserve for Facility Maintenance with an initial contribution of \$250,000. The creation of a Facility Maintenance Reserve would provide a more focused mechanism to ensure that the City identifies and plans for future facility maintenance items.

In May 2012, the City plans to redeem its 2002 Community Center bond issue. The early redemption of these bonds will save the City approximately \$347,000. The projected payoff amount for this bond issue is \$1,240,500.

RELEVANT FINANCIAL POLICIES

As noted earlier in this transmittal message, the downturn in the economy has affected the City in a number of ways. The Federal Reserve's interest rate cuts have significantly reduced the City's investment revenues. The financial difficulties of the State of Maryland have resulted in a reduction in Highway User Revenues, Police Protection Aid, and grant funding that the City has historically relied upon to finance park improvements and other community amenities.

In light of these economic difficulties, the City's focus will be on the continuation and maintenance of core services rather than expansion of services. The City plans to maintain adequate unreserved fund balance in its General Fund in order to address revenue fluctuations and to avoid any disruption in services caused by a future decline in significant revenue sources and rising costs. Additionally, the City's use of unrestricted future fund balances and one-time revenue sources will be limited to specific non-recurring projects.

MAJOR INITIATIVES

City activities in fiscal year 2011 were largely focused on three major policy areas:

- Sustainability
- Livable Community
- Engaged, Responsive, and Service-Oriented Government

Major accomplishments related to the aforementioned priorities during fiscal year 2011 included the following:

- Began an ongoing sidewalk retrofit project as part of the City's compliance efforts with the Americans with Disabilities Act
- Initiated the Ward 6 sidewalk design process, which included extensive public outreach efforts
- Constructed several stormwater management projects that use environmental site design principles
- Awarded a contract for the installation of additional solar panels at the Takoma Park Community Center and at the Public Works Facility
- Commenced the renovation of the Public Works Facility, which will include the addition of numerous "green" features
- Developed and implemented online rental housing licensing and rent stabilization programs
- Continued extensive staff involvement in the development of the Takoma Langley Sector Plan, the corresponding Urban Design Guidelines, and the Commercial/Residential Zones Zoning Text Amendment
- Developed and coordinated the new "We are Takoma" cultural series, providing more than 30 free programs to the community
- Developed the innovative and successful crosswalks simulation and skate board training modules as part of the Safe Routes to School Program
- Undertook efforts to install two new speed cameras as part of the City's effort to enhance public safety
- Received a Judith Krug grant from the American Library Association Freedom to Read Foundation, with the monies being used to fund a "Readout" celebration

- Lobbied successfully to restore municipal tax duplication funds after the County Executive proposed a second year of reductions
- Enhanced both the number and quality of recreation program offerings, providing a higher level of service to the community and increasing revenues from this source
- Initiated the Flower Avenue Green Street Project which will entail street, pedestrian safety, and stormwater improvements

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Takoma Park for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied 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 CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for consideration for another certificate.

The preparation of this annual report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to everyone who assisted and contributed to its preparation. We are also grateful to the City's independent auditor, Clifton Gunderson LLP, for the professional assistance provided during the course of the audit. We are also grateful to Lindsey & Associates LLC for providing professional assistance during the preparation of the City's annual report. Finally, we would like to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and professional manner.

Respectfully submitted,



Barbara B. Matthews
City Manager



Yovonda D. Brooks, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Takoma Park
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



A stylized, handwritten signature in black ink.

President

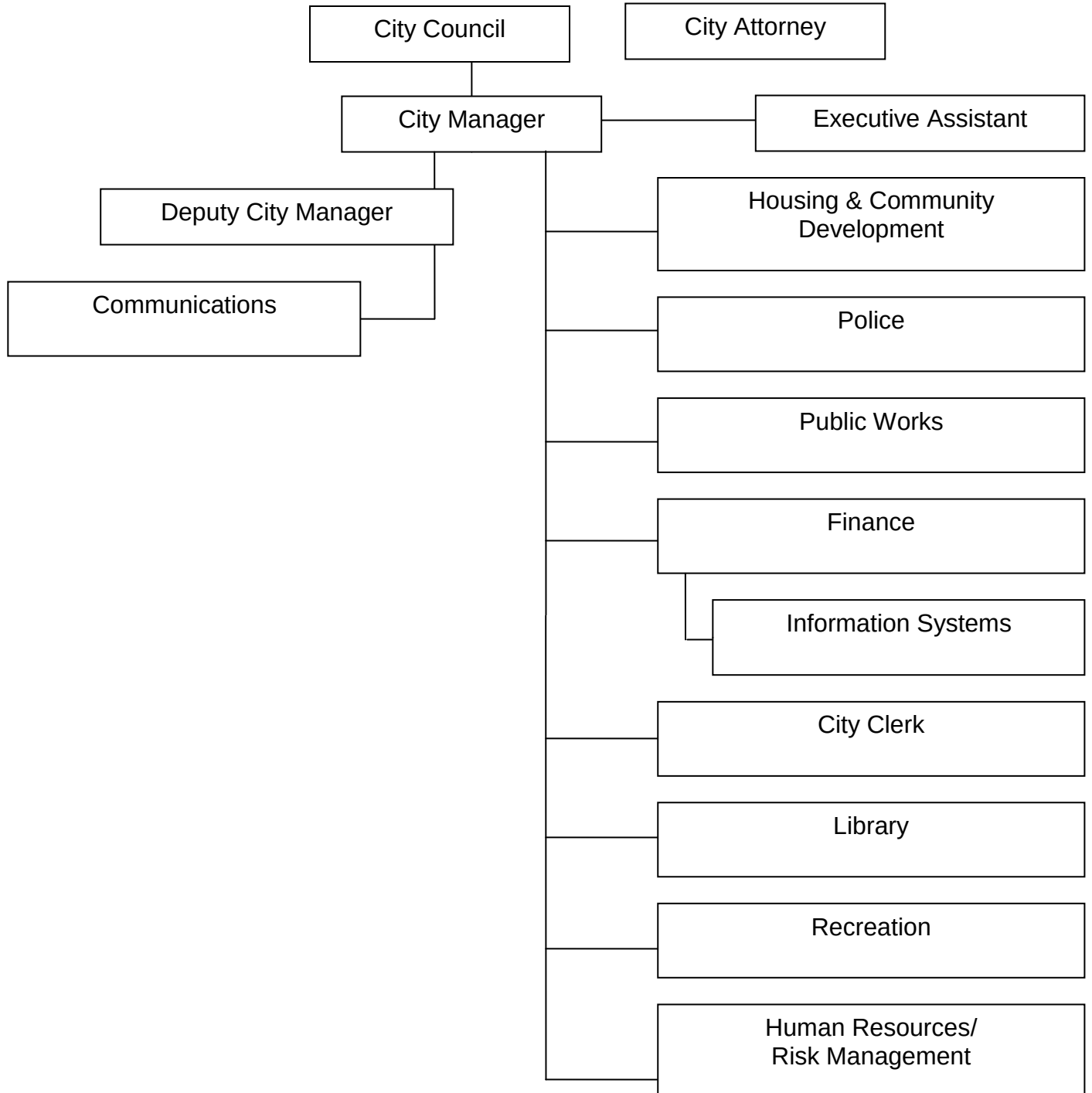
A stylized, handwritten signature in black ink.

Executive Director

Organizational Chart

The City of Takoma Park, Maryland

Residents of Takoma Park



**CITY OF TAKOMA PARK, MARYLAND
LIST OF CITY OFFICIALS
Year Ended June 30, 2011**

MAYOR

BRUCE R. WILLIAMS

CITY COUNCIL

JOSH WRIGHT
COLLEEN CLAY
DAN ROBINSON

TERRY SEAMENS
REUBEN SNIPPER
FRED SCHULTZ

CITY MANAGER

BARBARA B. MATTHEWS

DIRECTOR OF FINANCE

YOVONDA D. BROOKS, CPA

INDEPENDENT AUDITORS

CLIFTON GUNDERSON LLP

Prepared by the Finance Department

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FINANCIAL SECTION



Independent Auditor's Report

The Members of City Council
City of Takoma Park, Maryland

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Takoma Park, Maryland (the City) as of and for the year ended June 30, 2011, and the respective changes in financial position and the budgetary comparison for the General and Speed Camera funds, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Takoma Park, Maryland as of June 30, 2011, and the respective changes in financial position and the budgetary comparison for the General and Speed Camera funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 24, 2011, on our consideration of the City of Takoma Park, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Takoma Park, Maryland's basic financial statements. The accompanying supplemental information, such as the introductory section, combining and individual nonmajor fund financial statements, budgetary schedules for nonmajor funds and statistical schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary schedules for nonmajor funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other data, listed under the introductory and statistical sections in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clifton Gunderson LLP

Calverton, Maryland
October 24, 2011

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

As management of the City of Takoma Park, we offer this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented herein in conjunction with the accompanying transmittal letter and financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Takoma Park exceeded its liabilities at the close of the fiscal year 2011 by \$31,635,831 (net assets). This represents an increase of \$1,898,365 from the prior year. Approximately 16 percent or \$296,110 of this variance was due to increases in property tax revenues resulting from higher real property tax assessments. The balance of this increase was due to the approximately \$2.0 million reduction in expenses, which was primarily due to a one-time payment of \$1.5 million to the Maryland State Retirement and Pension System in fiscal year 2010 to reduce the employee pension plan's unfunded liability; fiscal year 2011 staff reductions also contributed to the decrease in expenses. Of the City's total net assets, \$5,825,803 may be used to meet its ongoing obligations to residents and creditors (unrestricted net assets).
- As of June 30, 2011, the City of Takoma Park's governmental funds reported combined ending fund balances of \$12,229,083, an increase of \$749,487 or 6.5 percent, from the prior year. The ending fund balances of \$12,229,083 include \$5,158,361 that is available for spending at the government's discretion (unassigned fund balance). The increase in the combined ending governmental fund balances was due primarily to unspent cable equipment grant revenue of \$566,000.
- At the end of fiscal year 2011, the unassigned fund balance for the General Fund was \$5,158,361 or 25 percent of total General Fund expenditures.
- The City of Takoma Park's long-term debt increased by \$627,933 during the fiscal year. The increase was due to the issuance of bonds in the amount of \$1.5 million and the increase in compensated absences of \$37,201. These increases were partially offset by principal payments of \$909,268 on existing debt.

OVERVIEW OF FINANCIAL STATEMENTS

GASB Statement 34 requires the utilization of dual focus financial reporting. Information is presented on a government-wide basis and on a fund basis.

This discussion and analysis is intended to serve as an introduction to the City of Takoma Park's basic financial statements that were prepared using these reporting requirements. The City of Takoma Park's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements, which include the Statement of Net Assets and the Statement of Activities, are designed to provide readers with a broad overview of the City of Takoma Park's finances. All City operations are categorized

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, recreation, community development, and general government administration. The City currently does not have any business-type activities.

The government-wide financial statements can be found on pages 29 and 30 of this report.

Statement of Net Assets. The Statement of Net Assets presents information on all of the City of Takoma Park's assets and liabilities, with the difference between the two reported as net assets. Net assets are further separated into those amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Takoma Park is improving or deteriorating.

Statement of Activities. The Statement of Activities presents information on how the government's net assets changed during the 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 some items that will only result in cash flows in future fiscal periods (e.g., uncollected tax revenue and earned but unused vacation leave).

Fund Financial Statements. The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Takoma Park, like other local governments, uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. All of the funds of the City of Takoma Park can be divided into two categories: governmental 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 focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate the comparison between governmental funds and governmental activities.

The City of Takoma Park maintains six individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Speed Camera Fund,

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds (Special Revenue Fund, Stormwater Management Fund, Community Center Fund and Rehabilitation Loans and Grants Fund) is provided in the form of combining statements elsewhere in this report.

The City of Takoma Park adopts an annual appropriated budget for its two major funds - General Fund and Speed Camera Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 31 - 36 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Takoma Park's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37 and 38 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 - 66 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to the City of Takoma Park's progress in funding its obligation to provide pension benefits to its Public Safety employees. Other supplementary information includes budgetary comparison schedules related to the General Fund and the non-major governmental funds and any combining statements related to non-major governmental funds and fiduciary funds. Supplemental information can be found on pages 67 - 79 of this report.

THE CITY AS A WHOLE

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City of Takoma Park's assets exceeded liabilities by \$31,635,831 as of June 30, 2011.

By far the largest portion of the City of Takoma Park's net assets reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. This investment was \$20,973,813 or 66 percent of the City's net assets as of June 30, 2011. Due to the nature of these assets, they are not available for future spending.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Unrestricted net assets totaled \$5,825,803. This category represents the net assets of the City that may be used to meet the City's ongoing obligations to its residents and creditors.

During the fiscal year, the City of Takoma Park's net assets increased by \$1,898,365. Factors contributing to this growth include the increase in property tax revenue of about \$296,110 due to the rise of the assessable tax base for real property. The balance of the variance is due to the decreases in expenses from fiscal year 2010 to fiscal year 2011 resulting from the reduction of staff by 7.35 and other cost-saving measures. During fiscal year 2011, the City renovated its Public Works Facility using bond proceeds of \$1.5 million and City funds totaling \$755,745. The Facility is expected to be completed in November 2011. The following table reflects the City's net assets as of June 30, 2011 compared to June 30, 2010.

Governmental Activities

Net Assets

	2011	2010
Assets		
Current and other assets	\$ 14,994,139	\$ 14,428,663
Capital assets	25,886,351	24,119,374
Total assets	40,880,490	38,548,037
Liabilities		
Current and other liabilities	2,177,051	2,370,896
Long-term liabilities	7,067,608	6,439,675
Total liabilities	9,244,659	8,810,571
Net assets		
Invested in capital assets, net of related debt	20,973,813	19,250,374
Restricted	4,836,215	2,381,395
Unrestricted	5,825,803	8,105,697
Total net assets	\$ 31,635,831	\$ 29,737,466

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Governmental Activities

Governmental activities increased the City of Takoma Park's net assets by \$1,898,365 during fiscal year 2011, thereby accounting for the total growth in the net assets. The key elements of this increase are shown below. Information for the prior fiscal year is provided for comparative purposes.

Governmental Activities	2011	2010
Change in Net Assets		
Revenues		
Program revenues:		
Charges for services	\$ 3,416,252	\$ 3,629,608
Operating grants and contributions	4,189,088	4,927,311
Capital grants and contributions	728,089	2,298,112
General revenues:		
Property taxes	11,381,629	11,085,519
Intergovernmental	2,914,276	2,472,591
Miscellaneous	(9,076)	63,069
Unrestricted investment earnings	46,947	76,217
Total revenues	22,667,205	24,552,427
Expenses		
General Government	3,655,556	5,719,008
Public Safety	7,213,649	7,563,656
Public Works	5,564,151	5,099,655
Housing and Community Development	1,360,806	1,836,561
Recreation and Culture	2,678,012	2,622,686
Interest on long-term debt	296,666	213,883
Total expenses	20,768,840	23,055,449
Change in net assets	1,898,365	1,496,978
Net assets, beginning of year	29,737,466	28,240,488
Net assets, end of year	\$ 31,635,831	29,737,466

Overall revenues decreased \$1,885,222 from fiscal year 2010 to fiscal year 2011. The variance was attributable to non-recurring grant funded projects in fiscal year 2010. During fiscal year 2010, the City received \$1.9 million in capital grants and contributions to renovate the Community Center

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Auditorium, to repair its two bridges, to construct a retaining wall for storm water remediation, and to install a green roof at its Community Center.

Intergovernmental revenues increased \$441,685 from fiscal year 2010. This variance was due primarily to the \$192,000 increase in income tax revenues and the \$132,000 increase in revenues from franchise fees. Property tax revenues increased by \$296,110 or about three percent from the previous fiscal year; the increase was attributable to real property values. These increases were offset by decreases in several other revenue sources. The overall decrease is primarily due to the reduction of \$1,570,023 in capital grants and contributions from fiscal year 2010 to fiscal year 2011.

Charges for services decreased \$213,356, in large part due to a reduction in speed camera revenues. The decrease of \$738,223 in operating grants and contributions was attributable largely to the 15 percent across the board reduction in tax duplication payments from Montgomery County, Maryland; the City receives tax duplication payments for police services, road maintenance, and park maintenance and incurred a revenue loss of \$450,000 in fiscal year 2011. Reductions in grant funds that were used in fiscal year 2010 for streetscape projects and other infrastructure improvements in the City's business districts account for the remainder of the variance in operating grants and contributions.

Expenses decreased by \$2,286,609 or about ten percent from fiscal year 2010 to fiscal year 2011. Approximately 65 percent of the decrease in expenses was related to personnel costs. In response to revenue losses from several key sources, staffing was reduced by about seven full-time equivalents in fiscal year 2011, impacting virtually all areas of City services.

General Government accounts for \$2,063,452 of the \$2,286,609 decline in expenses. Personnel expenses for payments related to the unfunded portion of the Maryland State Retirement and Pension System are accounted for in General Government. The decrease in General Government expenses was primarily due to the \$1.5 million pay off of the City's unfunded retirement costs in the Maryland State Retirement and Pension System in fiscal year 2010 and the aforementioned staff reductions. General Government expenses include grant-funded purchases for cable and audio-visual equipment; these purchases were \$305,000 less than the prior fiscal year. Contractual and legal services decreased approximately \$100,000 from fiscal year 2010 to fiscal year 2011. This variance is due to the additional services needed during fiscal year 2010 to address the Certificate of Need application of Washington Adventist Hospital, which is seeking permission to relocate outside of the City.

Public Safety accounts for \$350,007 of the decrease in expenses. Contractual costs related to the maintenance and processing costs for the City's speed camera program decreased \$139,000 during fiscal year 2011 as a result of the decline in revenues from speed camera fines. The balance of the variance was due to the reclassification of sidewalk expenses to Public Works and lower personnel costs related to the staffing reductions in fiscal year 2011.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

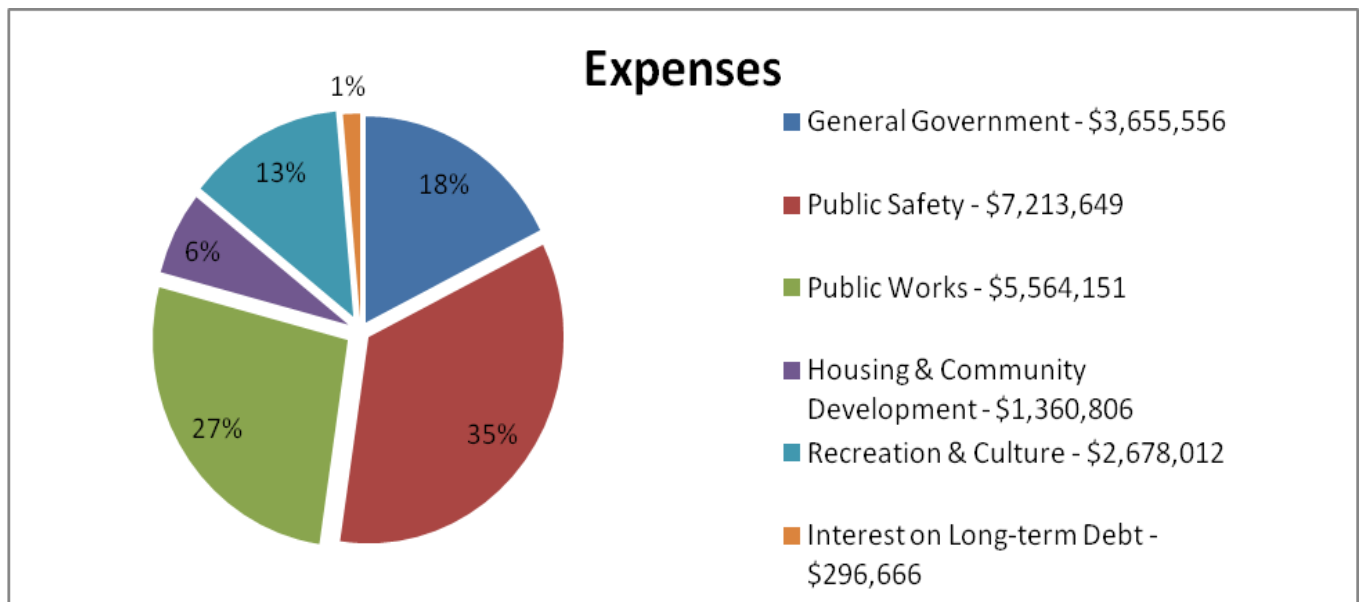
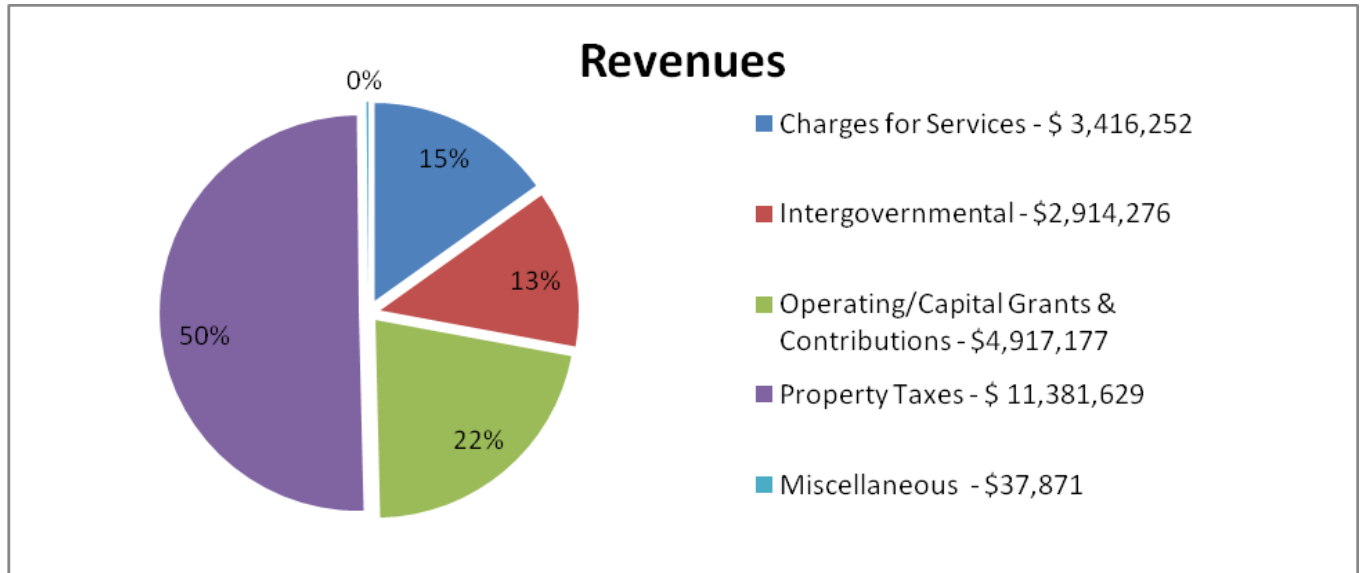
Public Works expenses increased \$464,496 primarily due to capital outlays related to infrastructure improvements for ADA compliant sidewalks and the reclassification of sidewalk-related work as described above. Combined, contractual costs related to building maintenance and City right-of-ways increased about \$96,000 in fiscal year 2011.

In Housing and Community Development, the decrease in expenses of \$475,755 in fiscal year 2011 was due primarily to reduced grant expenses of \$295,000, lower personnel costs due to staff reductions, and reduced contractual costs.

As shown previously, the cost of all governmental activities was \$20,768,840. Those who directly benefited from the services paid \$3,416,252 of the activity costs. The City also received operating and capital grants and contributions from other governments and organizations of \$4,917,177, which reduced the amount paid by City residents for certain services. The net cost of the City's governmental activities totaled \$12,435,411 and was funded with general revenues, including property taxes.

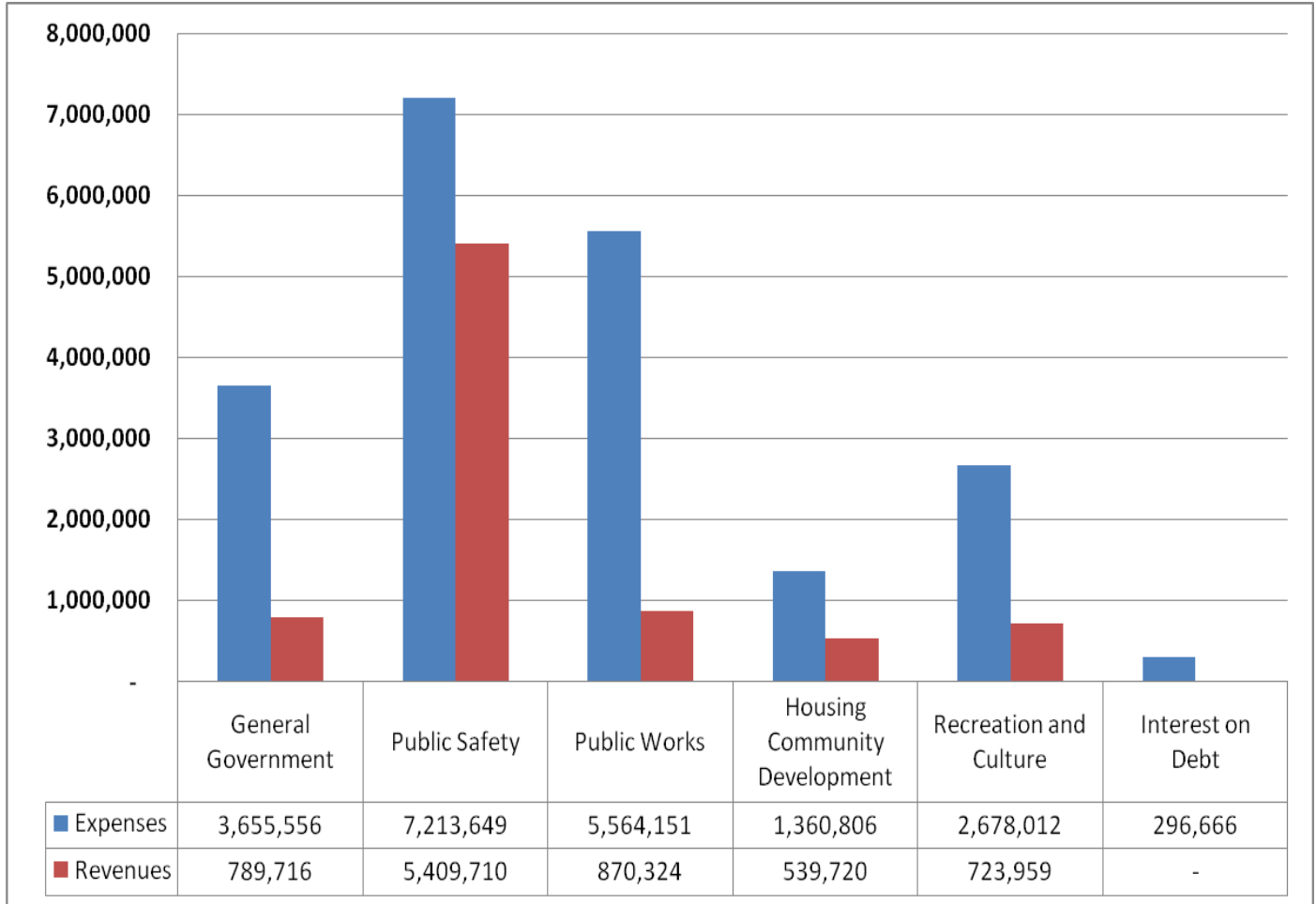
**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

**Governmental Activities
Fiscal Year Ended June 30, 2011**



**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

**Governmental Activities
Comparison of Program Revenues versus Expenses
Fiscal Year Ended June 30, 2011**



CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2011, the City's governmental funds had combined fund balances of \$12,229,083, an increase of \$749,487 from the prior year. Seventy-five percent of this increase or \$566,000 resulted from cable equipment support grant revenues that were not spent in fiscal year 2011. Approximately 23 percent of the fund balance amount is restricted or considered "nonspendable" and is not available for new spending. The portion of the fund balance that is restricted or not available for spending totals \$2,749,884.

The General Fund is the chief operating fund of the City of Takoma Park. At the end of the fiscal year, it had a total fund balance of \$9,775,598, an increase of \$440,234. The increase in fund balance was due to construction delays associated with the Public Works Facility renovation, resulting in unexpended monies in fiscal year 2011. The General Fund fund balance includes \$224,754 which is restricted for street improvements and \$383,459 which is nonspendable (e.g., deposits and prepaid expenditures). A portion of the General Fund fund balance, totaling \$2,469,790 or 25 percent, is committed for the following purposes:

- | | |
|-------------------------|--------------|
| • Equipment Replacement | \$ 2,067,706 |
| • Emergency | 402,084 |

In addition, General Fund fund balance of \$1,539,234 is assigned for the subsequent fiscal year. The unassigned portion of the General Fund fund balance as of June 30, 2011 is \$5,158,361.

Besides the General Fund, the City has one other major fund. The Speed Camera Fund was established to account for the activity related to the City's Speed Camera Program. Fines and fees collected during fiscal year 2011 totaled about \$1.7 million. These fines and fees cover operational costs, including the contractual payment to the program vendor, other program administration costs including staffing, and ticket processing costs. Revenues not required for program administration costs are restricted by law and must be used for public safety purposes. The Speed Camera Fund had a fund balance of \$1,119,537 at June 30, 2011. The entire fund balance is restricted for public safety purposes.

The City has four non-major funds: the Stormwater Management Fund, the Special Revenue Fund, the Rehabilitation Loans and Grants Fund, and the Community Center Fund.

The Stormwater Management Fund, which was established to account for revenue and expenditure activity related to the maintenance and construction of the City's stormwater systems, had a fund balance of \$311,814 as of June 30, 2011. The \$147,997 decrease in the fund balance was due to the purchase of a street sweeper during the fiscal year.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

The Special Revenue Fund, which was established to account for revenue and expenditure activity related to the City's grant activities, had a fund balance of \$1,012,063 as of June 30, 2011. The entire fund balance is restricted for the acquisition of cable equipment. The \$565,733 increase in the fund balance of the Special Revenue Fund resulted from the City not expending all of the cable grant funds received in fiscal year 2011.

The Rehabilitation Loans and Grants Fund, which was established to account for activities related to loans and grants to assist low- and moderate-income City homeowners in rehabilitating their homes to conform to locally adopted codes, had a fund balance of \$10,071 as of June 30, 2011. The entire fund balance is restricted and related to outstanding notes receivable.

The Community Center Fund was established to account for construction activities related to the City's community and municipal center. During fiscal year 2011, the activities in this fund related to the completion of the renovation of the Community Center Auditorium. The Community Center Fund did not have a fund balance at June 30, 2011.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, there was a \$49,365 increase in General Fund expenditure appropriations between the original and the final budget. This increase was to provide additional funds for the purchase of two trash trucks for Public Works. In addition to this increase in the fiscal year 2011 budget, budget amendments included transfers between various fringe benefit accounts to properly allocate appropriations for expenditures related to employee health insurance benefits and worker's compensation insurance.

On a budgetary basis, actual revenues for the fiscal year exceeded the final budget by \$386,242. Income tax revenues accounted for \$209,454 of the increase while highway user revenues exceeded the budgeted amount by \$19,179. Revenues generated by the City's recreation programs were \$90,983 higher than anticipated. Combined, fees related to cable franchises and hotel taxes exceeded budget by \$70,821.

Actual General Fund expenditures were \$1,760,534 less than the revised budget authorization. Capital projects accounted for \$1,174,534 of this variance. Weather and utility issues delayed the renovation of the Public Works Facility, resulting in an unexpended balance of \$949,255. Other capital projects were also delayed.

General Government expenditures were \$201,364 under budget. Items paid for out of the Non-Departmental budgetary unit are classified as General Government expenditures. Anticipated expenditures for employee training/recognition, property and liability insurance, supplies, and unemployment payments were \$54,000 less than budgeted. A vacancy in the Finance office accounted for \$30,000 of the decrease. Other General Government cost savings were realized in legal services (\$32,282) and City Council expenditures (\$25,817). Savings in contracts, copying, postage, printing, and recruiting costs were also realized.

Public Works expenditures were \$160,446 less than budget. This variance resulted from savings in

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

electricity costs, refuse fees, telephone costs, and personnel costs in the Right-of-Way Division.

Expenditures for Housing and Community Development were \$115,286 less than budget. Cost savings for contractual services accounted for \$64,000 of the variance. Other factors contributing to the variance were cost savings in part-time salaries, community development site improvements, and copying.

Expenditures for Recreation and Culture were \$176,914 less than budget. Recreation and Culture activities include those of the Takoma Park Library and Communications. The variance was due primarily to savings in personnel costs, library books and supplies, media contracts, and copying costs.

Public Safety expenditures exceeded the budget by \$69,068. The Police Department incurred significant overtime costs during fiscal year 2011 due to staffing shortages resulting from injuries and family leave, increased crime investigations, and court hearings. The additional compensation paid to officers who worked on holidays was significantly higher than budgeted.

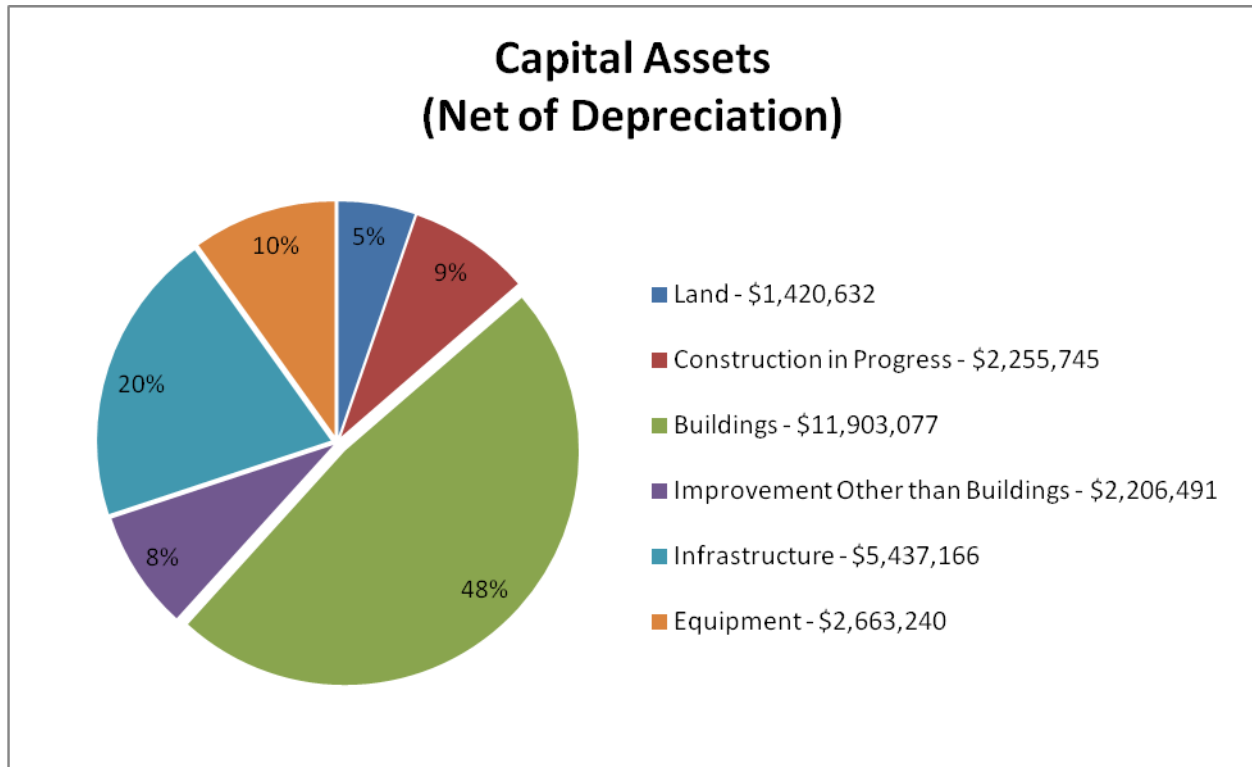
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2011, the City of Takoma Park's investment in capital assets (buildings, roads and other infrastructure, vehicles, and equipment) for its governmental activities totaled \$25,886,351 (net of accumulated depreciation). This amount represents an increase of \$1,766,977 from the prior year. The increase was primarily attributable to asset additions totaling \$3,306,684, net of depreciation expense of \$1,488,440 and asset disposals with a book value of \$51,267. Asset additions made during the fiscal year included \$2,320,305 for building improvements related to the renovation of the Public Works Facility. Other asset additions totaling \$775,288 included equipment for Public Safety, Public Works, Housing and Community Development, and the City's newly renovated Community Center Auditorium. Infrastructure improvements of \$211,091 included ADA sidewalk work and storm drain construction. Further information on the City's capital assets is shown follows:

Governmental Activities		
	2011	2010
Capital Assets (net of depreciation)		
Land	\$ 1,420,632	\$ 1,420,632
Construction in progress	2,255,745	-
Buildings	11,903,077	12,190,560
Improvements other than buildings	2,206,491	2,368,915
Infrastructure	5,437,166	5,762,415
Equipment	2,663,240	2,376,852
Total	\$ 25,886,351	\$ 24,119,374

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**



Additional information on the City's capital assets can be found in Note 8 - Capital Assets and Other Property on page 52 of this report.

Debt Administration

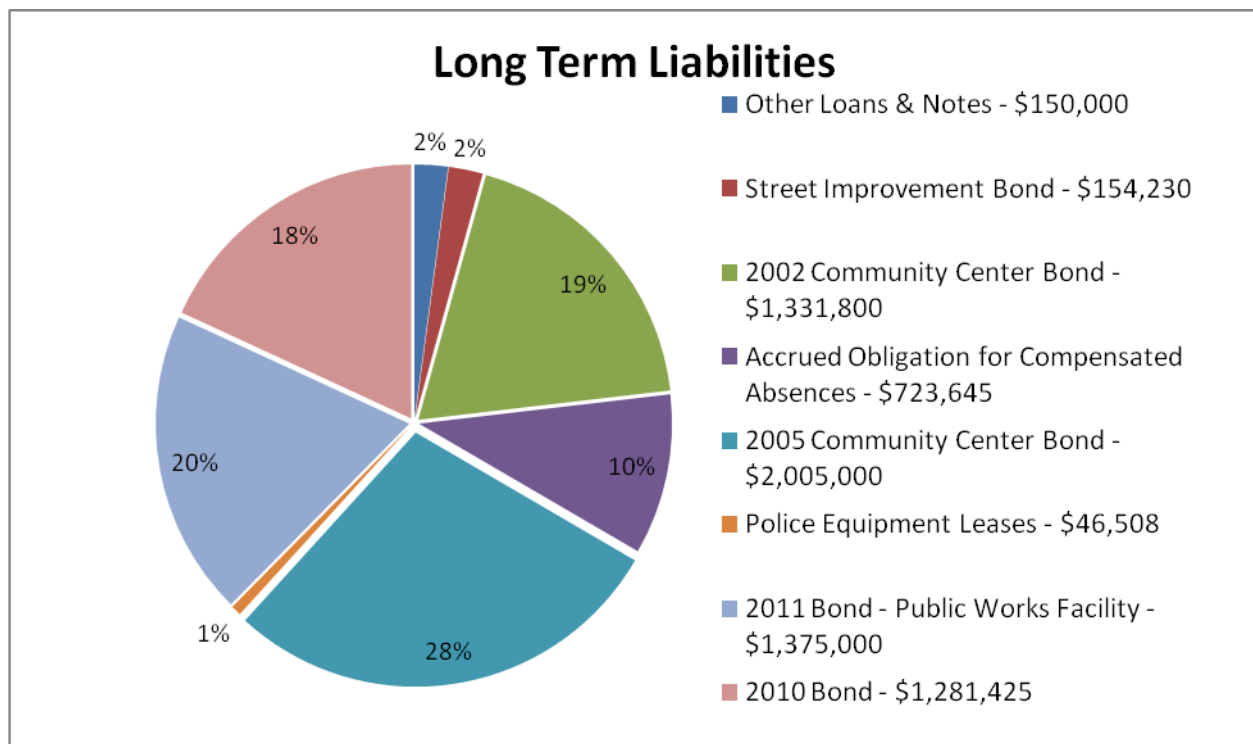
At year-end, the City had \$7,067,608 in outstanding debt, an increase of \$627,933 or about ten percent from the prior year. The outstanding debt is comprised of long-term notes and bonds, capital leases, and accrued obligations for compensated absences. The increase in outstanding debt was primarily due to the issuance of general obligation bonds totaling \$1.5 million to finance the renovation of the Public Works Facility. Compensated absences increased \$37,201. These increases were offset by principal payments on existing debt of \$909,268.

Further information on the City's outstanding debt is shown in the following table. Information for the prior fiscal year is shown for comparative purposes.

CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Governmental Activities

	<u>2011</u>	<u>2010</u>
Long-Term Liabilities		
Long-term note – MICRF	\$ -	\$ 2,260
Loan Payable- MD Department of Housing & Community Development	150,000	150,000
Bonds payable – Maryland Retirement Plan	1,281,425	1,400,000
Bonds payable – Community Center (2002)	1,331,800	1,424,300
Bonds payable – Street improvements	154,230	462,692
Bonds payable – Community Center (2005)	2,005,000	2,112,000
Bonds payable – Public Works Facility	1,375,000	-
Capital lease payable – Police Vehicles	46,508	90,362
Capital lease payable- Police Vehicles	-	111,617
Accrued obligations for compensated absences	723,645	686,444
Total	<u><u>\$ 7,067,608</u></u>	<u><u>\$ 6,439,675</u></u>



Additional information on the City's long-term debt can be found in Note 9 - Non-Current Liabilities on pages 53 - 57 of this report.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATES

The following are some highlights of the adopted budget for the fiscal year beginning July 1, 2011:

- The tax rate for real property remains at \$0.58 per \$100 of the assessed valuation.
- Projected increase of approximately \$395,000 in revenues from real property taxes due to the rise in the City's real property taxable base.
- Purchase of replacement police vehicles at a cost of \$171,000.
- Anticipated revenue of \$1.6 million from the Speed Camera Program with estimated expenditures of \$2.28 million. Speed Camera Fund expenditures include operating expenditures (e.g., payments to the program contractor and program staff costs), the design and installation of new sidewalks, the retrofit of existing sidewalks for compliance with the Americans with Disabilities Act, the purchase of police equipment, and personnel costs for a traffic officer and a gang task force officer. Excess expenditures will be paid from the accumulated net revenues from prior fiscal years.
- An adjustment in staff salaries to maintain the City's market competitiveness, an estimated 7.5 percent escalation in employee health insurance costs, and an increase in the City's contribution costs for its two retirement plans.
- Anticipated use of \$1,539,234 of the General Fund fund balance to cover expenditures in excess of anticipated revenues, primarily for the early redemption of the 2002 Community Center bond issue estimated to cost \$1.24 million and a portion of the Equipment Replacement Reserve contribution of \$700,000.
- Completion of the Public Works Facility Renovation, which will add numerous "green" features to the Facility.
- Continued focus on existing services rather than undertaking new services due to uncertain national economic conditions and the ongoing budget challenges of the State of Maryland and Montgomery County, negatively impacting the City's budget and overall financial condition.
- Impact of lower interest rates and the continued volatility of the stock market on both the City's Police Retirement Plan and the Maryland State Retirement and Pension System, possibly resulting in increases in the City's future contribution rates for both retirement plans.

**CITY OF TAKOMA PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

- Anticipated expenditures of \$1.57 million for sidewalk and street improvements, funded with \$1.0 million from the Speed Camera Fund and \$568,193 from the General Fund.
- Increased funding for environmental initiatives, including the hiring of a sustainability coordinator on a contractual basis.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the City of Takoma Park Finance Department, 7500 Maple Avenue, Takoma Park, Maryland 20912.

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BASIC FINANCIAL STATEMENTS

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CITY OF TAKOMA PARK, MARYLAND
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 2,523,286
Investments	10,525,754
Accounts receivable, net	271,396
Notes receivable, net	52,571
Due from other units of government	1,233,274
Other assets	383,603
Net pension benefit	4,255
Capital assets, net	
Non-depreciable	3,676,377
Depreciable	22,209,974
Total assets	<u>40,880,490</u>
LIABILITIES	
Accounts payable	1,516,355
Accrued liabilities	212,996
Deposits and escrows held	110,340
Due to other governments	204,435
Unearned revenue	132,925
Non-current liabilities:	
Due within one year	1,160,628
Due in more than one year	5,906,980
Total liabilities	<u>9,244,659</u>
NET ASSETS	
Invested in capital assets, net of related debt	20,973,813
Restricted for:	
Public safety	1,119,537
Cable equipment	1,012,063
Loans	10,071
Emergency expenses	402,084
Streets	224,754
Equipment replacement	2,067,706
Unrestricted	5,825,803
TOTAL NET ASSETS	<u><u>\$ 31,635,831</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 TAKOMA PARK, MARYLAND
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

		Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
<u>Functions/Programs</u>	<u>Expenses</u>				<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 3,655,556	\$ 80,613	\$ -	\$ 709,103	\$ (2,865,840)
Public safety	7,213,649	2,044,513	3,365,197	-	(1,803,939)
Public works	5,564,151	484,608	376,230	9,486	(4,693,827)
Housing and community development	1,360,806	349,099	190,621	-	(821,086)
Recreation and culture	2,678,012	457,419	257,040	9,500	(1,954,053)
Interest on long-term debt	296,666	-	-	-	(296,666)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 20,768,840</u>	<u>\$ 3,416,252</u>	<u>\$ 4,189,088</u>	<u>\$ 728,089</u>	<u>\$ (12,435,411)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,381,629
Intergovernmental / unrestricted					2,914,276
Miscellaneous losses					(9,076)
Unrestricted investment earnings					46,947
Total general revenues					<u>14,333,776</u>
CHANGE IN NET ASSETS					1,898,365
NET ASSETS, BEGINNING OF YEAR					<u>29,737,466</u>
NET ASSETS, END OF YEAR					<u><u>\$ 31,635,831</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 TAKOMA PARK, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>General Fund</u>	<u>Speed Camera Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 131,301	\$ 1,696,825	\$ 695,160	\$ 2,523,286
Investments	10,525,754	-	-	10,525,754
Receivables, net				
Taxes	211,794	-	-	211,794
Notes	-	-	52,571	52,571
Other	43,352	-	16,250	59,602
Due from other funds	571,578	6,507	806,139	1,384,224
Due from other units of government	749,582	-	483,692	1,233,274
Other assets	383,603	-	-	383,603
TOTAL ASSETS	<u><u>\$ 12,616,964</u></u>	<u><u>\$ 1,703,332</u></u>	<u><u>\$ 2,053,812</u></u>	<u><u>\$ 16,374,108</u></u>
LIABILITIES				
Accounts payable	\$ 1,301,816	\$ 150,560	\$ 63,979	\$ 1,516,355
Accrued expenditures	173,297	7,223	6,397	186,917
Deposits and escrows held	90,366	-	19,974	110,340
Due to other funds	598,605	426,012	359,607	1,384,224
Due to other units of government	-	-	204,435	204,435
Deferred revenue	677,282	-	65,472	742,754
Total liabilities	<u>2,841,366</u>	<u>583,795</u>	<u>719,864</u>	<u>4,145,025</u>
FUND BALANCES				
Nonspendable	383,459	-	-	383,459
Restricted	224,754	1,119,537	1,022,134	2,366,425
Committed	2,469,790	-	-	2,469,790
Assigned	1,539,234	-	311,814	1,851,048
Unassigned	5,158,361	-	-	5,158,361
Total fund balances	<u>9,775,598</u>	<u>1,119,537</u>	<u>1,333,948</u>	<u>12,229,083</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 12,616,964</u></u>	<u><u>\$ 1,703,332</u></u>	<u><u>\$ 2,053,812</u></u>	<u><u>\$ 16,374,108</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 TAKOMA PARK, MARYLAND
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2011

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 12,229,083
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 \$43,475,693 and the accumulated depreciation is \$17,589,342.	25,886,351
Certain long-term liabilities (\$7,067,608) are not due and payable in the current period and therefore are not reported as liabilities in the funds. This is comprised of \$7,067,608 in long-term liabilities less \$0 in short-term liabilities pertaining to accrued compensated absences for terminated employees, which is also reported in the fund financial statements under the modified accrual basis of accounting.	(7,067,608)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(26,079)
Net pension benefit is recognized as an asset on the Statement of Net Assets but not in the fund financial statements.	4,255
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>609,829</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	<u><u>\$ 31,635,831</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 TAKOMA PARK, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	General Fund	Speed Camera Fund	Non-Major Fund	Total Governmental Funds
REVENUES				
Taxes and utility fees	\$ 13,751,914	\$ -	\$ -	\$ 13,751,914
Licenses and permits	78,664	-	-	78,664
Fines and forfeitures	253,694	1,734,132	-	1,987,826
Use of money and property	44,111	2,836	-	46,947
Stimulus grant	-	-	9,486	9,486
Charges for services	989,821	-	373,657	1,363,478
Intergovernmental	4,304,639	-	1,020,516	5,325,155
Miscellaneous	137,121	-	4,880	142,001
Total revenues	<u>19,559,964</u>	<u>1,736,968</u>	<u>1,408,539</u>	<u>22,705,471</u>
EXPENDITURES				
General government	3,190,551	-	118,089	3,308,640
Public safety	5,821,798	1,033,167	110,347	6,965,312
Public works	3,728,947	-	249,616	3,978,563
Housing and community development	1,150,502	-	182,273	1,332,775
Recreation and culture	2,507,446	-	5,945	2,513,391
Capital outlay	3,033,129	806,477	337,842	4,177,448
Debt Service				
Principal	909,268	-	-	909,268
Interest	270,587	-	-	270,587
Total expenditures	<u>20,612,228</u>	<u>1,839,644</u>	<u>1,004,112</u>	<u>23,455,984</u>
Excess of revenues over expenditures before other financing sources	<u>(1,052,264)</u>	<u>(102,676)</u>	<u>404,427</u>	<u>(750,513)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long term debt	1,500,000	-	-	1,500,000
Transfers in (out)	<u>(7,502)</u>	<u>-</u>	<u>7,502</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	440,234	(102,676)	411,929	749,487
FUND BALANCES, BEGINNING OF YEAR	<u>9,335,364</u>	<u>1,222,213</u>	<u>922,019</u>	<u>11,479,596</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,775,598</u>	<u>\$ 1,119,537</u>	<u>\$ 1,333,948</u>	<u>\$ 12,229,083</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 TAKOMA PARK, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES FUND BALANCES OF THE GOVERNMENT FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 749,487
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay \$3,306,684 exceeds depreciation expense \$(1,488,440) in the period.	1,818,244
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year). This year, leave earned exceeded vacation used by \$37,201.	(37,201)
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 fiscal year 2011.	909,268
Proceeds from new debt is considered an other financing source in the governmental funds, but is recorded as an increase in long-term debt in the statement of activities. This is the amount of the proceeds of new debt.	(1,500,000)
Interest expense in the statement of activities differs from the amount reported in governmental funds due to the net decrease in accrued interest.	(24,830)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(51,267)
The net effect of various transactions involving revenues and expenses is to decrease net assets.	(20,837)
Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance current expenditures. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in "unavailable" revenues at the end of the year over the amount at the beginning of the year.	55,501
CHANGE IN NET ASSETS OF GOVERNMENTAL FUNDS	\$ 1,898,365

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

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes and utility fees	\$ 13,548,772	\$ 13,548,772	\$ 13,751,914	\$ 203,142
Licenses and permits	71,604	71,604	78,664	7,060
Fines and forfeitures	207,000	268,960	253,694	(15,266)
Use of money and property	76,000	76,000	44,111	(31,889)
Charges for services	835,700	835,700	989,821	154,121
Intergovernmental	4,065,941	4,229,361	4,304,639	75,278
Miscellaneous	101,200	143,325	137,121	(6,204)
Total revenues	<u>18,906,217</u>	<u>19,173,722</u>	<u>19,559,964</u>	<u>386,242</u>
EXPENDITURES				
Current:				
General government	3,420,722	3,391,915	3,190,551	201,364
Public safety	5,737,407	5,752,730	5,821,798	(69,068)
Public works	3,869,270	3,889,393	3,728,947	160,446
Housing and community development	1,258,419	1,265,788	1,150,502	115,286
Recreation and culture	2,718,038	2,684,360	2,507,446	176,914
Capital outlay	4,125,078	4,207,663	3,033,129	1,174,534
Debt service	1,194,463	1,180,913	1,179,855	1,058
Total expenditures	<u>22,323,397</u>	<u>22,372,762</u>	<u>20,612,228</u>	<u>1,760,534</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(3,417,180)</u>	<u>(3,199,040)</u>	<u>(1,052,264)</u>	<u>2,146,776</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	1,500,000	1,500,000	-
Transfers in (out)	(500)	(500)	(7,502)	(7,002)
Total other financing sources (uses)	<u>(500)</u>	<u>1,499,500</u>	<u>1,492,498</u>	<u>(7,002)</u>
NET CHANGE IN FUND BALANCE	(3,417,680)	(1,699,540)	440,234	2,139,774
FUND BALANCE, BEGINNING OF YEAR	<u>7,361,833</u>	<u>8,826,052</u>	<u>9,335,364</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,944,153</u>	<u>\$ 7,126,512</u>	<u>\$ 9,775,598</u>	<u>\$ 2,139,774</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 TAKOMA PARK, MARYLAND
SPEED CAMERA FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS)
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property - interest income	\$ 3,500	\$ 3,500	\$ 2,836	\$ (664)
Fines and forfeitures	<u>960,000</u>	<u>1,595,000</u>	<u>1,734,132</u>	<u>139,132</u>
Total revenues	<u>963,500</u>	<u>1,598,500</u>	<u>1,736,968</u>	<u>138,468</u>
EXPENDITURES				
Public safety	764,781	1,022,166	1,033,167	(11,001)
Capital outlay	<u>500,000</u>	<u>1,000,000</u>	<u>806,477</u>	<u>193,523</u>
Total expenditures	<u>1,264,781</u>	<u>2,022,166</u>	<u>1,839,644</u>	<u>182,522</u>
Excess (deficiency) of revenues over expenditures	(301,281)	(423,666)	(102,676)	320,990
FUND BALANCES, BEGINNING OF YEAR	<u>1,686,914</u>	<u>649,647</u>	<u>1,222,213</u>	<u>572,566</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,385,633</u>	<u>\$ 225,981</u>	<u>\$ 1,119,537</u>	<u>\$ 893,556</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 TAKOMA PARK, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011

	<u>Total</u>
ASSETS	
Cash and cash equivalents	\$ 295,755
Investments, at fair value:	
Equities	4,249,383
Fixed Income	2,449,497
Total investments	<u>6,698,880</u>
TOTAL ASSETS	<u><u>\$ 6,994,635</u></u>
NET ASSETS	
Held in trust for pension benefits	<u><u>\$ 6,994,635</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 TAKOMA PARK, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal Year Ended June 30, 2011

	<u>Total</u>
ADDITIONS	
Employer contributions	\$ 944,093
Plan member contributions	238,255
Other receipts	<u>2,205</u>
Total contributions and other receipts	<u>1,184,553</u>
Net investment earnings	<u>1,175,249</u>
Total additions	<u>2,359,802</u>
DEDUCTIONS	
Benefits and refunds paid	474,901
Administrative expenses	<u>57,462</u>
Total deductions	<u>532,363</u>
CHANGE IN NET ASSETS	1,827,439
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>5,167,196</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 6,994,635</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 TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

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

REPORTING ENTITY

The City of Takoma Park, Maryland (the City) was incorporated in 1890 with its legal authority derived from Chapter 310, Section 2 of the Annotated Code of Maryland. The City is construed to mean both the City and its inhabitants. Since inception, the City has operated under the Council-Manager form of government. Services provided include refuse, streets and drainage, recreation and parks, police, planning, community development, and housing services.

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

City of Takoma Park Police Employees' Retirement Plan (Pension Trust)
City of Takoma Park Employees 401(a) Plan (Defined Contribution Plan)

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

Additional information and actuarial reports for the pension plan and additional plan information for the 401(a) plan may be obtained from the City Clerk's office, 7500 Maple Avenue, Takoma Park, Maryland 20912.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Changes in Net Assets report information on all of the non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are that interfund services provided and used are not eliminated in the process of consolidation. 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.

Separate financial statements are shown for governmental funds and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The accounting and financial reporting is determined by its measurement focus. Government-wide and fiduciary fund 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. For pension trust funds, employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Governmental fund statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they 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 two major governmental funds: General and Speed Camera Fund. The General Fund accounts for the normal recurring activities of the City such as police, public works, recreation and parks, general government, etc. These activities are financed primarily by property taxes, other taxes, service charges and grants from other governmental units. The Speed Camera Fund accounts for the financial activity related to the City's speed enforcement cameras. There are four non-major governmental funds: the Stormwater Management, the Rehabilitation Loans and Grants, the Community Center, and the Special Revenue Fund. The Stormwater Management Fund was established to track the financial activity related to construction of the City's stormwater management facilities. The Rehabilitation Loans and Grants Fund accounts for the financial activity related to the City's rehabilitation loans and grants. The Community Center Fund accounts for the financial activity related to the construction of the City's Community Center. The Special Revenue Fund was established to account for the financial activity of proceeds of special revenue sources that are legally restricted to expenditure for specific purposes. During fiscal year 2011, most Special Revenue Fund revenues came from cable companies for upgrading cable equipment. The Fiduciary Fund accounts for the financial activity of the City's Police Employees' Retirement Plan and the City's defined contribution pension plan.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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 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 at the time of purchase. 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. The pension Trust Funds are also authorized to invest in corporate bonds and notes, preferred stocks, and common stocks. Investments are reported at fair value. Assets in the Pension Trust Funds are also reported at fair value.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

Receivables and Payables

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, Jan. 1	After 30 days
Terms	60 days	30 days
Delinquent interest, per month	2/3 of 1%	2/3 of 1%

Information presented is for a “full year” levy. “Half year” levy dates are each six 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 and 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.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure such as roads, storm drains and pipe systems, are reported in the governmental fund in the government-wide financial statements. In accordance with GASB 34, the City has included infrastructure. The City defines capital assets as those which have an individual acquisition cost or donated value of at least \$5,000 (except for infrastructure which is \$100,000) and an estimated useful life of three years or more. Such assets are valued at historical or estimated historical cost if actual cost is not available. Donated assets are stated at their donated 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.

In accordance with GASB 51 intangible assets are capitalized at historical cost or fair market value, if donated. Capitalization thresholds are \$500,000 for internally generated computer software, \$250,000 for other computer software and \$100,000 for land use rights and other intangible assets such as patents, trademarks, and copyrights.

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. Land is not an exhaustible asset and is a non-depreciable asset. Accumulated depreciation is reported in the Statement of Net Assets. Depreciation has been provided over the estimated useful lives using the straight-line method. Intangible assets are amortized over their useful lives using the straight line method if they do not have indefinite useful lives. Estimated useful lives are as follows

Buildings	20 - 40 years
Improvements other than buildings	25 - 50 years
Equipment	4 - 10 years
Infrastructure	25 - 50 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 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 outstanding vacation leave at separation. The accrual is included as "non-current liabilities" in the government-wide statements is \$723,645.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

Net Assets/Fund Equity

The government-wide financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (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 or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net assets* - This category presents the net assets of the City not included elsewhere.

Governmental Fund Balances

On July 1, 2010, the City adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance in the balance sheets of governmental type funds.

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of restrictions imposed externally by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by the City Charter, City Code or enabling legislation.
3. Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action by City Council, the City's highest level of decision-making authority, ordinance or resolution and can only be changed by a formal action by City Council, ordinance or resolution.

CITY OF TAKOMA PARK, MARYLAND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2011

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY (CONTINUED)

4. Assigned Fund Balance – amounts that are constrained by the City’s intent that they will be used for specific purposes but are neither restricted nor committed. Pursuant to the City Charter, the City Manager and the City Council are authorized to assign amounts for specific purposes.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

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

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 – 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.
2. The budget ordinance becomes effective July 1 and provides spending authority for the operations of the City government.
3. In compliance with the City Charter, a general expenditure contingency (equal to at least 0.5% of total budgeted revenue for the general fund) is budgeted. The account is maintained to meet extraordinary or unanticipated expenditures as directed by the Council.
4. The City Manager may reallocate expenditures within the budget adopted by the Council, subject to such restrictions as the Council shall impose by ordinance. Subsequent to passage of the budget ordinance, the City Council must approve additional expenditures.
5. At the end of the fiscal year, unencumbered appropriations lapse.
6. The annual budgets for the General, Stormwater Management, Community Center, Speed Camera Fund, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control is maintained at the fund level. An annual budget is not adopted for the Rehabilitation Loans and Grants Fund.
7. The budget information presented in the accompanying basic financial statements includes all budget ordinances and amendments as approved by the City Council for the fiscal year ending June 30, 2011.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – CASH AND INVESTMENTS

A. Cash on Hand

At year-end, cash on hand for petty cash and change funds was \$1,376.

B. Deposits

At year-end, the carrying amount of the City of Takoma Park (the City) deposits was \$2,521,910 and the corresponding bank balances were \$2,514,887. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and \$2,264,887 was covered by collateral held in the pledging bank's trust department in the City's name. The City was not exposed to custodial credit risk as of June 30, 2011. The City has a contractual arrangement with the bank for funds to be transferred daily from investment in a repurchase agreement to cover checks as presented.

C. Investments

At June 30, 2011, the City's investment balances by type were as follows:

	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (in Year)</u>		
			<u>Less than 1</u>	<u>1-5</u>	<u>More than 5</u>
Repurchase agreements	AAA	\$ 4,693,305	\$ 4,693,305	\$ -	\$ -
Maryland Local Government Investment Pool	AAAm	3,832,177	3,832,177	-	-
Money Market Mutual Funds*	N/A	295,756	295,756		
Equities*	N/A	3,953,627	-	-	3,953,627
Certificates of Deposit	Not Rated	2,000,272	250,492	1,749,780	-
Fixed Income*	**	2,449,497	-	-	2,449,497
Total investments		<u>\$ 17,224,634</u>	<u>\$ 9,071,730</u>	<u>\$ 1,749,780</u>	<u>\$ 6,403,124</u>

* Included in Fiduciary Funds.

** 75% of portfolio is rated Aaa; 5.1% is rated Aa; 10.4% is rated A and 9.5 % is rated Baa.

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

Cash on hand	\$ 1,376
Carrying amount of deposits	2,521,910
Carrying amount of investments	<u>17,224,634</u>
Total cash and investments	19,747,920
Less fiduciary funds	<u>6,698,880</u>
Total cash and investments per Statement of Net Assets	<u>\$ 13,049,040</u>
Cash and cash equivalents	2,523,286
Investments	<u>10,525,754</u>
Total cash and investments per Statement of Net Assets	<u>\$ 13,049,040</u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investment interest 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 except in the fiduciary funds, for which longer term maturities are allowed to match the cash flow of liabilities. The City's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose. The investments at June 30, 2011 met the City's investment policy as of that date.

Investment income includes the following for the year ended June 30, 2011:

Total net investment income per Statement of Activities	<u>\$ 46,947</u>
--	-------------------------

Net investment income per the Statement of Activities of \$46,947 is comprised of dividends and interest.

The net investment income per the *Statement of Changes in Fiduciary Net Assets* is comprised of the following:

Dividends and Interest	\$ 124,580
Realized gain	84,883
Unrealized gain	<u>965,786</u>
	<u><u>\$ 1,175,249</u></u>

The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments, and realized gains and losses of the current period include unrealized amounts from prior periods.

Credit Risk

The City invests in the Maryland Local Government Investment Pool (MLGIP) which is under the administration of the State Treasurer. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland. 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. The City's policy is to attain a rate of return consistent with credit risk. All investments in U.S. Government Agencies Bonds are rated AAA by Standard & Poor's as of June 30, 2011. On August 5, 2011, Standard & Poor's revised its rating to AA+. The MLGIP is rated AAAM by Standard & Poor's. The repurchase agreements are guaranteed by financial institutions that are rated AAA by Standard & Poor's. The City places no limit on the amount the City may invest in any one issuer. The Fiduciary Funds investments have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed.

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

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

that are in the possession of an outside party. The City's investments were \$4,693,305 in repurchase agreements, \$3,832,177 in MLGIP, \$3,953,627 in direct securities and \$2,000,272 in certificates of deposit and \$295,756 in money market funds. At June 30, 2011, all of the City's investments were insured or registered, or for which the securities were held by the City or its agent in the City's name or were invested in the MLGIP.

NOTE 3 – PROPERTY TAXES

Real and personal property taxes are levied at rates enacted by the City Council in the annual budget ordinance on the assessed value of the property as determined by the Maryland State Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings.

The real and personal property tax rate for fiscal year 2011 was \$0.580 per \$100 and \$1.450 per \$100, respectively, of assessed value. The City charges taxpayers interest (at the rate of 2/3 of 1% per month) and penalties (at the rate of 1% per month) on all overdue taxes.

Property tax revenues are recognized in the year levied and when they become available, including amounts expected to be collected soon enough after the end of the year to be used to pay liabilities of the current period (estimated by the City as 60 days). At June 30, 2011, taxes receivable, net of an allowance for uncollectibles of \$63,977, amounted to \$211,794.

NOTE 4 – NOTES RECEIVABLES, NET

Notes receivable of \$52,571 are comprised of \$42,500 and \$10,071 recorded in Special Revenue Fund and the Rehabilitation Fund, respectively. Notes receivable recorded in the Rehabilitation Loans and Grants Fund consist mainly of below market interest rate loans made to City homeowners of low and moderate income through the rehabilitation loan and grant program, for the purpose of conforming their homes to locally adopted codes and fund balance is nonspendable for general purposes, and may only be used for loans serving the same purpose. At June 30, 2011, notes receivable – Rehabilitation Fund, net of allowances for uncollectibles of \$2,233, amounted to \$10,071.

The notes receivable in the amount of \$42,500, net of allowance for uncollectible of \$0, recorded in the Special Revenue Fund as a note receivable and deferred revenue consists of an unsecured loan to a nonprofit organization for repaving and other improvements along Maple Avenue. Repayment terms call for 0% interest rate and monthly payments of \$417 beginning in January, 2010 with full payment no later than December, 2019. If the organization defaults on the loan the interest rate may be increased to 6%.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5 – DEFERRED/UNEARNED REVENUES

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Income taxes, General Fund	\$ 477,440	\$ -	\$ 477,440
Property taxes receivable, General Fund	65,532	-	65,532
Charges for services, General Fund	8,814	-	8,814
Fees, General Fund	-	73,418	73,418
Stormwater receivable	15,543	-	15,543
General Fund	-	52,078	52,078
Grant funds received in excess of expenditures			
Special Revenue Fund	42,500	7,429	49,929
	<u>\$ 609,829</u>	<u>\$ 132,925</u>	<u>\$ 742,754</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS

The General Fund periodically advances funds to the Special Revenue Fund and the Community Center Fund to cover operating cash deficits. In addition, transfers are used to move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

During the year ended June 30, 2011, net transfers in the General Fund were \$7,502 comprised of transfers to the Special Revenue Fund in the amount of \$249 to provide the required matching funds for grants and \$7,253 was transferred from the General Fund to the Community Center Fund.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 6 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS (CONTINUED)

The balances at June 30, 2011 of individual fund interfund borrowings were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 571,578	\$ 598,605
Speed Camera	6,507	426,012
	<u>578,085</u>	<u>1,024,617</u>
Non-major funds:		
Community Center	19,805	207,226
Special Revenue	786,026	6,507
Storm Water	308	143,736
Rehab Loan	-	2,138
	<u>806,139</u>	<u>359,607</u>
Total	<u><u>\$ 1,384,224</u></u>	<u><u>\$ 1,384,224</u></u>

NOTE 7 – DUE FROM OTHER GOVERNMENTS

The June 30, 2011 balance of due from other governments is as follows:

Federal Government	\$ 202,942
State of Maryland:	
Income tax	149,139
Income tax reserve	477,440
Highway user tax	7,337
State Highway Administration	38,006
Department of Housing and Community Development	1,037
Montgomery County - grants	117,675
Hotel Tax	17,936
Other	221,762
Total	<u><u>\$ 1,233,274</u></u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 8 – CAPITAL ASSETS AND OTHER PROPERTY

A summary of changes in capital assets during fiscal year 2011 follows:

	Balance June 30, 2010	Additions	Deletions and Adjustments	Balance June 30, 2011
Capital assets (not being depreciated)				
Land	\$ 1,420,632	\$ -	\$ -	\$ 1,420,632
Construction in progress	-	2,255,745	-	2,255,745
Total non-depreciable capital assets	<u>1,420,632</u>	<u>2,255,745</u>	<u>-</u>	<u>3,676,377</u>
Capital assets (being depreciated)				
Buildings	14,987,405	64,560	-	15,051,965
Improvements other than buildings	3,256,922	-	-	3,256,922
Equipment	4,793,615	775,288	(216,431)	5,352,472
Infrastructure	15,926,866	211,091	-	16,137,957
Total depreciable capital assets	<u>38,964,808</u>	<u>1,050,939</u>	<u>(216,431)</u>	<u>39,799,316</u>
Less - accumulated depreciation for:				
Buildings	(2,796,845)	(352,043)	-	(3,148,888)
Improvements other than buildings	(888,007)	(162,424)	-	(1,050,431)
Equipment	(2,416,763)	(437,633)	165,164	(2,689,232)
Infrastructure	<u>(10,164,451)</u>	<u>(536,340)</u>	<u>-</u>	<u>(10,700,791)</u>
Total accumulated depreciation	<u>(16,266,066)</u>	<u>(1,488,440)</u>	<u>165,164</u>	<u>(17,589,342)</u>
Total capital assets being depreciated	<u>22,698,742</u>	<u>(437,501)</u>	<u>(51,267)</u>	<u>22,209,974</u>
Total capital assets	<u><u>\$ 24,119,374</u></u>	<u><u>\$ 1,818,244</u></u>	<u><u>\$ (51,267)</u></u>	<u><u>\$ 25,886,351</u></u>

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

General government	\$ 337,271
Public safety	191,476
Housing and community development	13,817
Public works	810,578
Recreation and culture	135,298
	<u><u>\$ 1,488,440</u></u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9 – NON-CURRENT LIABILITIES

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2011:

	Balance June 30, 2010	Increase	Decrease	Balance June 30, 2011	Due Within One Year	Coupon Interest Rate	Date of Maturity
Notes payable:							
Long-term note - Maryland Industrial and Commercial Redevelopment Fund (MICRF)	\$ 2,260	\$ -	\$ (2,260)	\$ -	\$ -	0.00%	February 2011
Loan payable - Maryland Department of Housing and Community Development (DHCD)	150,000	-	-	150,000	-	0.00%	June 2022
Other long-term liabilities:							
Bonds payable	1,400,000	-	(118,575)	1,281,425	122,890	3.59%	April 2020
Bonds payable	1,424,300	-	(92,500)	1,331,800	96,500	3.95%	May 2022
Bonds payable	462,692	-	(308,462)	154,230	154,230	3.34%	July 2011
Bonds payable	2,112,000	-	(107,000)	2,005,000	110,500	4.00%	May 2025
Bonds payable	-	1,500,000	(125,000)	1,375,000	135,000	2.97%	June 2020
Capital lease payable	111,617	-	(111,617)	-	-	6.55%	December 2010
Capital lease payable	90,362	-	(43,854)	46,508	46,508	6.05%	April 2012
Compensated absences	686,444	529,090	(491,889)	723,645	495,000		
	<u>\$ 6,439,675</u>	<u>\$ 2,029,090</u>	<u>\$ (1,401,157)</u>	<u>\$ 7,067,608</u>	<u>\$ 1,160,628</u>		

A. Notes and Bonds

On February 3, 2003, the City and State renegotiated the remaining balance of a MICRF loan. Under the new terms, the loan has a 0.0% interest rate and matured in February 2011. The principal was repaid in eight annual installments of \$5,000 and one final payment of \$2,260. The balance of the loan at June 30, 2011 is \$0.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)

A. Notes and Bonds (CONTINUED)

On April 16, 2002, the City participated in a bond issuance with the Maryland Department of Housing and Community Development in the amount of \$2,048,700 to be used for the construction of a community center. The principal is to be repaid in variable amounts increasing each year until the bond is paid. Principal payment is based on a variable interest rate. The interest rate at June 30, 2011 was 3.95%.

The annual installments for the repayment of the bond as of June 30, 2011 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 96,500	\$ 60,360	\$ 156,860
2013	99,300	56,500	155,800
2014	104,500	52,379	156,879
2015	109,700	47,938	157,638
2016	113,200	43,166	156,366
2017 - 2021	657,300	132,713	790,013
2022 - 2026	151,300	7,262	158,562
Total	<u><u>\$ 1,331,800</u></u>	<u><u>\$ 400,318</u></u>	<u><u>\$ 1,732,118</u></u>

In June, 2004 the City entered into a Community Legacy Program Loan Agreement with the Maryland Department of Housing and Community Development for an unsecured loan of up to \$300,000 for the construction of a multi-level public parking structure in the Old Town business district. This Agreement was amended in June, 2008, and funds were reallocated for other parking related improvements. The total amount of the loan proceeds through June 30, 2010 was \$150,000. The interest rate is 0% annually and principal and interest payments are deferred until June 30, 2022 at which time the unpaid and un-forgiven portion of the loan is due and payable. The balance of the loan at June 30, 2011 is \$150,000.

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ -	\$ -	\$ -
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017 - 2021	-	-	-
2022 - 2026	150,000	-	150,000
Total	<u><u>\$ 150,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 150,000</u></u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)

On July 15, 2004 the City issued bonds in the amount of \$2,005,000 to be used for street improvement construction projects. The principal is to be repaid with semi-annual payments of \$154,230 at a 3.34% interest rate.

The annual installments for the repayment of the bond as of June 30, 2011 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 154,230	\$ 2,575	\$ 156,805
Total	<u>\$ 154,230</u>	<u>\$ 2,575</u>	<u>\$ 156,805</u>

On May 26, 2005, the City issued bonds in the amount of \$2,600,000 to be used for the community center construction project. The principal is to be repaid in variable amounts, increasing each year until the bond is paid. Principal payment is based on variable interest rates. The interest rate at June 30, 2011 was 4.00%.

The annual installments for the repayment of the bond as of June 30, 2011 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 110,500	\$ 85,696	\$ 196,196
2013	114,500	81,055	195,555
2014	118,500	76,246	194,746
2015	123,000	71,269	194,269
2016	127,500	66,103	193,603
2017 - 2021	719,500	245,674	965,174
2022 - 2026	<u>691,500</u>	<u>78,322</u>	<u>769,822</u>
Total	<u>\$ 2,005,000</u>	<u>\$ 704,365</u>	<u>\$ 2,709,365</u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)

On April 23, 2010 the City issued bonds in the amount of \$1,400,000 to be used for funding the unfunded pension liability to the State Retirement and Pension System of Maryland. The principal is to be repaid with quarterly payments of \$41,813 at a 3.59% interest rate.

Fiscal Years	Principal	Interest	Total
2012	\$ 122,890	\$ 44,361	\$ 167,251
2013	127,361	39,890	167,251
2014	131,996	35,255	167,251
2015	136,799	30,452	167,251
2016	141,776	25,475	167,251
2017 - 2021	620,603	48,401	669,004
Total	\$ 1,281,425	\$ 223,834	\$ 1,505,259

In July, 2010 the City issued bonds in the amount of \$1,500,000 to renovate the Public Works facility. The interest rate is 2.97% annually. Principal is repaid annually and interest payments are made semiannually. The loan matures on June 15, 2020. The balance of the loan at June 30, 2011 is \$1,375,000. The annual installments for the repayment of the loan as of June 30, 2011 are as follows:

Fiscal Years	Principal	Interest	Total
2012	\$ 135,000	\$ 40,838	\$ 175,838
2013	140,000	36,828	176,828
2014	145,000	32,670	177,670
2015	150,000	28,364	178,364
2016	155,000	23,909	178,909
2017 - 2020	650,000	49,005	699,005
Total	\$ 1,375,000	\$ 211,614	\$ 1,586,614

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)

B. Capital Lease

The City has entered into a capital lease agreement for the purchase of equipment. The equipment underlying this agreement is police equipment with an original cost of \$220,029 and a book value net of accumulated depreciation of \$102,593. The minimum lease payments as of June 30, 2011 are as follows:

<u>Fiscal Years</u>	<u>Police Equipment</u>
2012	\$ 49,321
Interest portion	<u>(2,813)</u>
Present value of lease payments	<u>\$ 46,508</u>

NOTE 10 – FUND BALANCES

As disclosed in Note 1, the City adopted the provisions of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances for the City's governmental funds consisted of the following as of June 30, 2011:

Nonspendable Fund Balances

Nonspendable fund balances total \$383,459, as of June 30, 2011, comprised of prepaid expenditures of \$338,372, deposits of \$43,000 and trash bins of \$2,087 in the General Fund.

Restricted Fund Balances

Restricted funds balances total \$2,366,425 as of June 30, 2011. The General Fund restricted fund balance at June 30, 2011 is \$224,754 pertaining to street improvements. All fund balances in the Speed Camera Fund is restricted to public safety projects. At June 30, 2011, this amount was \$1,119,537. The fund balance in the Special Revenue Fund is restricted to cable equipment and related expenditures. At June 30, 2011, this amount was \$1,012,063. The amount restricted in the Rehabilitation Loans and Grants Fund related to notes receivable is \$10,071 as of June 30, 2011.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 10 – FUND BALANCES (CONTINUED)

Committed Fund Balances

The General Fund has \$2,469,790 in committed fund balances as of June 30, 2011. This is comprised of the following:

Equipment replacement reserve	\$ 2,067,706
Emergency reserve	<u>402,084</u>
	<u><u>\$ 2,469,790</u></u>

Assigned Fund Balances

Assigned fund balances total \$1,851,048, comprised of \$1,539,234 in the General Fund for future expenditures and \$311,814 in the Stormwater Management Fund assigned to stormwater management projects.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11 – RETIREMENT PLANS

A. Description of Plans

The State of Maryland identifies multiple-employer defined benefit pension plans as cost-sharing plans.

On October 1, 1941, the Employees' Retirement System of the State of Maryland was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension System was established.

The Employees Pension System of the State of Maryland (Pension System) was established January 1, 1980. The Pension System covers employees hired after December 31, 1979, as well as Retirement System participants who have voluntarily joined the Pension System. The Employees Contributory Pension System of the State of Maryland (Contributory Pension System) was established July 1, 1998. As of July 1, 1999, and retroactively to July 1, 1998, the City elected to participate in the Contributory Pension System for all service earned on or after July 1, 1998.

Under the terms of the Retirement System, a member may retire with full benefits upon attaining age 60 or after completing 30 years of eligible service regardless of age. A member may retire with reduced benefits prior to attaining age 60 after completing 25 years of eligible service. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested retirement allowance upon age 60.

Under the terms of the Contributory Pension System, a member may retire after 30 years of service regardless of age; at age 65 with two years of service; at age 64 with three years of service; at age 63 with four years of service; or at age 62 with at least five years of service. An employee may also take early retirement with reduced benefits at age 55 with 15 years of service. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested pension allowance upon reaching age 62.

On retirement from service, a member of any of these plans shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service multiplied by a factor. This factor varies from 1.2% to 2.0% per eligible service year, depending on employee/employer contributions and other plan-specific provisions. Early retirement, where available, is subject to provisions that reduce the benefit received.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11 – RETIREMENT PLANS (CONTINUED)

A. Description of Plans (Continued)

Benefits under the two plans are established under the State Personnel and Pensions Article of the Annotated Code of Maryland.

The State Retirement and Pension System of Maryland issues a comprehensive annual financial report that includes disclosures regarding: actuarial value of assets; total actuarial accrued liability; unfunded actuarial accrued liability, if any; and funded liability ratio. This report can be obtained from the agency's office as follows:

State Retirement and Pension System of Maryland
120 E. Baltimore Street, Suite 1601
Baltimore, Maryland 21202-1600

Funding Policy

Obligations to contribute to the plans are under the Annotated Code of Maryland. Members of the three plans contribute a percentage of their gross employee compensation. For the Retirement System and Contributory Pension System, members contribute 7 percent, 5 percent or 2 percent. Contribution rate to the Contributory Pension System was 5 percent for fiscal year 2011 and will be 7 percent for each fiscal year thereafter.

Required contributions under the plans are not funded by employee contributions but are funded entirely by the City. Contributions by the City to all three State plans take place during the fiscal year and are based upon salaries for the preceding fiscal year. The City contributions for the year ending June 30, 2011 are based on salaries for the year ending June 30, 2010. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees. The required and actual contributions for the fiscal years ending June 30th were as follows:

	Fiscal Year Ending June 30		
	2011	2010	2009
Retirement plan contributions	<u>\$581,285</u>	<u>\$445,941</u>	<u>\$417,281</u>

B. City of Takoma Park Police Employees' Retirement Plan

General

This Retirement Plan is a single-employer contributory defined benefit pension plan established by City ordinance. The plan is governed by the City of Takoma Park which is responsible for the management of plan assets. The City has delegated the authority to manage plan assets to PNC Institutional Investments.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11 – RETIREMENT COMMITMENTS (CONTINUED)

B. City of Takoma Park Police Employees' Retirement Plan (Continued)

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated values.

Plan Membership

As of July 1, 2011, the pension plan's membership consisted of:

Active employees	41
Retirees and beneficiaries currently receiving benefits	16
Terminated employees entitled to benefits but not yet receiving them	<u>2</u>
Total	<u><u>59</u></u>

Contribution Information and Funding Policy

The Plan covers sworn police officers who are employed on a regular full-time basis. Provisions of the Plan include retirement, disability and death benefits to plan members and their beneficiaries. Cost of living adjustments are provided annually as prescribed by the City Code.

Contributions to the Plan made by the City are based on an actuarially determined rate. The police officers contribute to the Plan based on 7% of salaries. Member's actual contributions were \$186,472 at June 30, 2011. Administrative costs are financed through investment earnings.

The actuarially required contributions for the years ended June 30, 2011, 2010 and 2009 were \$930,263, \$835,105, and \$703,661, respectively. The amounts paid into the Plan for each of the years ended June 30, 2011, 2010 and 2009 were equal to the actuarially required contributions.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11 – RETIREMENT COMMITMENTS (CONTINUED)

B. City of Takoma Park Police Employees' Retirement Plan (Continued)

Annual Pension Cost and Net Pension Benefit

The City's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 930,263
Interest on NPO	(315)
Annual pension cost	<u>929,948</u>
Contributions made	(930,263)
Increase in net pension benefit	<u>315</u>
Net pension benefit, beginning of year	<u>3,940</u>
 Net pension benefit, end of year	 <u><u>\$ 4,255</u></u>

The annual pension cost for 2011, 2010, and 2009, was \$930,263, \$835,105, and \$706,715, respectively. The contributions made as a percentage of the annual pension cost for 2011, 2010 and 2009 were 100%, 100%, and 106%, respectively. The annual required contribution for the current year was determined as part of the actuarial valuation on July 1, 2011 using the projected unit credit method. The actuarial assumptions included (a) 8.0% investment rate of return (net of administrative expenses) and (b) projected salary increases at 5.5% compounded annually per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using the market value method. The unfunded actuarial accrued liability is being amortized as a level dollar of projected payroll on an open basis. The remaining amortization period at June 30, 2001 was 20 years, which is reestablished each year.

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the accrued actuarial liability.

Actuarial valuation date:	June 30, 2011
Actuarial value of assets:	\$ 6,795,093
Actuarial accrued liability (AAL):	\$ 16,397,138
Total unfunded actuarial accrued liability:	\$ 9,602,045
Actuarial value of assets as a percentage of the AAL (funded ratio):	41.4%
Annual covered payroll:	\$ 2,774,501
Ratio of unfunded actuarial liability to annual covered payroll:	346%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11 – RETIREMENT COMMITMENTS (CONTINUED)

C. 457 Deferred Compensation Plan

All employees of the City Government may participate in the deferred compensation plan organized under the Internal Revenue Code Section 457, and administered by the International City Management Association Retirement Corporation (“ICMA-RC”). Under the terms of the plan, participating employees may have a portion of their salaries withheld, subject to limitations imposed by the Internal Revenue Service, and invested in the plan. All taxes are deferred on these contributions and related earnings until the participant terminates from the plan. The City is in compliance with the Internal Revenue Code Section 457(g) requiring all assets and income of the plan to be held in trust for the exclusive benefit of participants and their beneficiaries. Management’s involvement with the plan is limited to transferring amounts withheld from payroll to the Plan Administrator. Management has little administrative involvement with the plan and does not perform the investing function for the plan. Accordingly, the fair values of the plan assets are not reflected in the City’s financial statements.

D. Defined Contribution

The City of Takoma Park Governmental Money Purchase Plan & Trust is a defined contribution pension plan established to provide benefits to certain employees. At June 30, 2011, there was one active plan participant and one inactive participant. The City is required to contribute 10.83% of the active participant’s monthly compensation, which averages \$1,249 per month. Plan provisions and contribution requirements are established and may be amended by the City Council. The City’s contribution to the plan for the year ended June 30, 2011 was \$13,831. The plan administrator is ICMA-RC.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 11 – RETIREMENT COMMITMENTS (CONTINUED)

E. Condensed Financial Information

	Pension Trust	Defined Contribution Plan	Total
ASSETS			
Cash and cash equivalents	\$ 295,755	\$ -	\$ 295,755
Total investments	<u>6,499,337</u>	<u>199,543</u>	<u>6,698,880</u>
TOTAL ASSETS	<u><u>\$ 6,795,092</u></u>	<u><u>\$ 199,543</u></u>	<u><u>\$ 6,994,635</u></u>
NET ASSETS - Held in trust for pension benefits	<u><u>\$ 6,795,092</u></u>	<u><u>\$ 199,543</u></u>	<u><u>\$ 6,994,635</u></u>
ADDITIONS			
Total contributions	\$ 1,116,734	\$ 65,614	\$ 1,182,348
Other receipts	2,205	-	2,205
Net investment income	<u>1,150,180</u>	<u>25,069</u>	<u>1,175,249</u>
Total additions (deductions)	<u>2,269,119</u>	<u>90,683</u>	<u>2,359,802</u>
DEDUCTIONS			
Total deductions	<u>532,363</u>	<u>-</u>	<u>532,363</u>
CHANGE IN NET ASSETS	1,736,756	90,683	1,827,439
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>5,058,336</u>	<u>108,860</u>	<u>5,167,196</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 6,795,092</u></u>	<u><u>\$ 199,543</u></u>	<u><u>\$ 6,994,635</u></u>

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 12 – RISKS AND UNCERTAINTIES

The Police Employees' Retirement Plan and the Defined Contribution Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in certain federally-assisted grant programs, principally Community Development Block Grants. 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 agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial which has been the case in previous program audits.

NOTE 14 – POST RETIREMENT BENEFITS

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

NOTE 15 – RISK MANAGEMENT

The City's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For property, general, excess and 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 in any of the past three fiscal years.

The City is fully insured for worker's compensation through the Insured Workers Insurance Fund. 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.

CITY OF TAKOMA PARK, MARYLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued the following statements:

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, issued in December 2009, effective for financial statements for periods beginning after June 15, 2011.

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, effective for financial statements for periods beginning after December 15, 2011.

Statement No. 61, *The Financial Reporting Entity: Omnibus*, issued November 2010, effective for financial statements for periods beginning after June 15, 2012.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued December 2010, effective for financial statements for periods beginning after December 15, 2011.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011, effective for financial statements for periods beginning after December 15, 2011.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provision – an amendment of GASB Statement No. 53*, issued June 2011, effective for financial statements for periods beginning after June 15, 2011.

The City will implement these statements as necessary as of their effective dates. While the City is still in the process of determining the effect of implementing these GASB statements, they are not expected to have a material effect on the financial position of the City.

REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF TAKOMA PARK, MARYLAND
REQUIRED SUPPLEMENTAL INFORMATION
POLICE EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS
June 30, 2005 – 2011**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
July 1, 2011	\$ 6,795,092	\$16,397,138	\$ 9,602,046	41.4%	\$ 2,774,501	346.1%
July 1, 2010	5,058,336	15,094,744	10,036,408	33.5%	2,713,518	369.9%
July 1, 2009	4,035,510	14,355,855	10,320,345	28.1%	2,671,071	386.4%
July 1, 2008	4,500,963	13,402,672	8,901,709	33.6%	2,383,190	373.5%
July 1, 2007	4,287,464	10,772,448	6,484,984	39.8%	2,204,862	294.1%
July 1, 2006	3,371,139	9,609,655	6,238,516	35.1%	1,961,026	318.1%
July 1, 2005	2,849,268	8,910,824	6,061,556	32.0%	1,919,819	315.7%

**POLICE EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2005 – 2011**

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
June 30, 2011	\$ 930,263	100.0%
June 30, 2010	835,105	100.0%
June 30, 2009	703,661	106.4%
June 30, 2008	651,866	100.0%
June 30, 2007	611,405	100.0%
June 30, 2006	535,092	100.0%
June 30, 2005	456,645	100.0%

SUPPLEMENTAL INFORMATION

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Taxes:				
<u>Property</u>				
Real property	\$ 10,903,651	\$ 10,903,651	\$ 10,858,055	\$ (45,596)
Business or other property	472,740	472,740	460,664	(12,076)
Penalty and Interest	30,000	30,000	62,267	32,267
Total property	<u>11,406,391</u>	<u>11,406,391</u>	<u>11,380,986</u>	<u>(25,405)</u>
<u>Local Taxes</u>				
Admission and Amusement	<u>600</u>	<u>600</u>	<u>514</u>	<u>(86)</u>
	600	600	514	(86)
<u>Shared taxes</u>				
Highway	21,010	21,010	40,189	19,179
Income tax	<u>2,120,771</u>	<u>2,120,771</u>	<u>2,330,225</u>	<u>209,454</u>
Total shared taxes	<u>2,141,781</u>	<u>2,141,781</u>	<u>2,370,414</u>	<u>228,633</u>
Total taxes	<u>13,548,772</u>	<u>13,548,772</u>	<u>13,751,914</u>	<u>203,142</u>
Licenses and permits	<u>71,604</u>	<u>71,604</u>	<u>78,664</u>	<u>7,060</u>
Fines and forfeitures	<u>207,000</u>	<u>268,960</u>	<u>253,694</u>	<u>(15,266)</u>
Use of Money and Property:				
Interest & dividends	<u>76,000</u>	<u>76,000</u>	<u>44,111</u>	<u>(31,889)</u>
Charges for Services:				
Public Parking	50,000	50,000	54,950	4,950
Protective inspection fees	280,000	280,000	310,427	30,427
Waste collection and disposal	76,200	76,200	71,237	(4,963)
Passport	20,000	20,000	25,550	5,550
Recreation	337,200	337,200	428,183	90,983
Library fines and fees	22,000	22,000	29,236	7,236
Other	<u>50,300</u>	<u>50,300</u>	<u>70,238</u>	<u>19,938</u>
Total charges for services	<u>835,700</u>	<u>835,700</u>	<u>989,821</u>	<u>154,121</u>

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2011

(Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES (Continued)				
Intergovernmental Revenues:				
Police protection	\$ 256,959	\$ 256,959	\$ 261,254	\$ 4,295
In Lieu of Police	1,973,720	1,973,720	1,973,720	-
In Lieu of County Services	576,339	576,339	576,339	-
Police rebate	717,580	881,000	881,162	162
Bank share tax	5,643	5,643	5,643	-
Library Aid	100,950	100,950	100,950	-
Montgomery County Tax	341,000	341,000	411,821	70,821
Takoma/Langley Recreation Center	93,750	93,750	93,750	-
Total intergovernmental revenues	<u>4,065,941</u>	<u>4,229,361</u>	<u>4,304,639</u>	<u>75,278</u>
Miscellaneous revenue - other	<u>101,200</u>	<u>143,325</u>	<u>137,121</u>	<u>(6,204)</u>
Total revenues	<u>18,906,217</u>	<u>19,173,722</u>	<u>19,559,964</u>	<u>386,242</u>
EXPENDITURES				
General Government:				
City Council	152,085	152,085	126,268	25,817
City Manager	1,136,902	1,143,502	1,086,181	57,321
Finance	504,636	507,050	468,624	38,426
Legal	216,475	216,475	184,193	32,282
Information Systems Administration	418,193	430,986	425,482	5,504
Other - unclassified	992,431	941,817	899,803	42,014
Total general government	<u>3,420,722</u>	<u>3,391,915</u>	<u>3,190,551</u>	<u>201,364</u>
Public Safety:				
Office of the Chief	477,213	478,518	484,553	(6,035)
Communications	415,452	418,555	390,050	28,505
Patrol	3,056,928	3,077,232	3,193,164	(115,932)
Criminal investigations	1,240,183	1,219,879	1,208,793	11,086
Administration	547,631	558,546	545,238	13,308
Total public safety	<u>5,737,407</u>	<u>5,752,730</u>	<u>5,821,798</u>	<u>(69,068)</u>
Public Works:				
Administration	308,091	310,252	297,486	12,766
Building Maintenance	776,136	778,963	750,512	28,451
Equipment Maintenance	457,138	458,785	457,924	861
Right of Way	967,327	973,212	916,719	56,493
Solid Waste Management	791,030	796,917	733,109	63,808
Urban forest/ City Gardens	412,664	413,969	409,583	4,386
City engineer	156,884	157,295	163,614	(6,319)
Total public works	<u>3,869,270</u>	<u>3,889,393</u>	<u>3,728,947</u>	<u>160,446</u>

CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2011

(Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)				
Housing and Community Development:	\$ 1,258,419	\$ 1,265,788	\$ 1,150,502	\$ 115,286
Recreation and Culture:				
Recreation	1,340,630	1,346,678	1,267,910	78,768
Library and media	1,377,408	1,337,682	1,239,536	98,146
Total recreation and culture	2,718,038	2,684,360	2,507,446	176,914
Capital Outlay	4,125,078	4,207,663	3,033,129	1,174,534
Debt Service:				
Repayments	1,194,463	1,180,913	1,179,855	1,058
Total debt service	1,194,463	1,180,913	1,179,855	1,058
Total expenditures	22,323,397	22,372,762	20,612,228	1,760,534
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(3,417,180)	(3,199,040)	(1,052,264)	2,146,776
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	1,500,000	1,500,000	-
Transfers:				
Community Center	-	-	(7,253)	(7,253)
Community Center	-	-	-	-
Special Revenue	(500)	(500)	(249)	251
Total other financing sources (uses)	(500)	1,499,500	1,492,498	(7,002)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,417,680)	(1,699,540)	440,234	2,139,774
APPROPRIATION OF FUND BALANCE	3,417,680	1,699,540	-	(1,699,540)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	\$ 440,234	\$ 440,234

CITY OF TAKOMA PARK, MARYLAND
COMMUNITY CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental - grants and contracts	\$ 20,000	\$ 20,000	\$ 9,500	\$ (10,500)
Donations	-	-	-	-
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>9,500</u>	<u>(10,500)</u>
EXPENDITURES				
Contracts	-	-	-	-
Construction costs	<u>20,000</u>	<u>20,000</u>	<u>22,560</u>	<u>(2,560)</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>22,560</u>	<u>(2,560)</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,060)</u>	<u>(13,060)</u>
OTHER FINANCING SOURCES (USES)				
Transfer to General Fund	-	-	7,253	7,253
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(5,807)	(5,807)
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>5,807</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,807)</u></u>

CITY OF TAKOMA PARK, MARYLAND
STORMWATER MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Stimulus grant	\$ -	\$ -	\$ 9,486	\$ 9,486
Charges for services	366,000	366,000	373,657	7,657
Miscellaneous	12,000	12,000	4,880	(7,120)
Total revenues	<u>378,000</u>	<u>378,000</u>	<u>388,023</u>	<u>10,023</u>
EXPENDITURES				
Public works	254,884	255,978	246,268	9,710
Capital outlay	246,500	313,000	289,752	23,248
Total expenditures	<u>501,384</u>	<u>568,978</u>	<u>536,020</u>	<u>32,958</u>
Excess (deficiency) of revenues over expenditures before other financing sources (users)	<u>(123,384)</u>	<u>(190,978)</u>	<u>(147,997)</u>	<u>42,981</u>
NET CHANGE IN FUND BALANCE	(123,384)	(190,978)	(147,997)	42,981
FUND BALANCE, BEGINNING OF YEAR	<u>407,571</u>	<u>407,571</u>	<u>459,811</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 284,187</u>	<u>\$ 216,593</u>	<u>\$ 311,814</u>	<u>\$ 42,981</u>

CITY OF TAKOMA PARK, MARYLAND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 787,795	\$ 884,304	\$ 1,011,016	\$ 126,712
Total revenues	<u>787,795</u>	<u>884,304</u>	<u>1,011,016</u>	<u>126,712</u>
EXPENDITURES				
General government	350,500	350,500	118,089	232,411
Public safety	40,098	151,715	110,347	41,368
Public works	264,050	83,500	3,348	80,152
Housing and community development	69,647	232,670	182,273	50,397
Recreation and culture	5,000	7,419	5,945	1,474
Capital outlay	-	-	25,530	(25,530)
Total expenditures	<u>729,295</u>	<u>825,804</u>	<u>445,532</u>	<u>380,272</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>58,500</u>	<u>58,500</u>	<u>565,484</u>	<u>506,984</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	<u>500</u>	<u>500</u>	<u>249</u>	<u>(251)</u>
NET CHANGE IN FUND BALANCE	<u>59,000</u>	<u>59,000</u>	<u>565,733</u>	<u>506,733</u>
FUND BALANCE, BEGINNING OF YEAR	<u>717,153</u>	<u>382,153</u>	<u>446,330</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 776,153</u>	<u>\$ 441,153</u>	<u>\$ 1,012,063</u>	<u>\$ 506,733</u>

CITY OF TAKOMA PARK, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Fund	Stormwater Management Fund	Community Center	Rehabilitation Loans and Grants	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash and temporary investments	\$ -	\$ 488,587	\$ -	\$ 206,573	\$ 695,160
Notes receivable, net	42,500	-	-	10,071	52,571
Other receivables	-	16,250	-	-	16,250
Due from other funds	786,026	308	19,805	-	806,139
Due from other governments	293,692	-	190,000	-	483,692
Total assets	<u>\$ 1,122,218</u>	<u>\$ 505,145</u>	<u>\$ 209,805</u>	<u>\$ 216,644</u>	<u>\$ 2,053,812</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 41,206	\$ 20,194	\$ 2,579	\$ -	\$ 63,979
Accrued expenses	4,328	2,069	-	-	6,397
Deposits and escrows held	8,185	11,789	-	-	19,974
Due to other funds	6,507	143,736	207,226	2,138	359,607
Due to other governments	-	-	-	204,435	204,435
Deferred revenue	49,929	15,543	-	-	65,472
Total liabilities	<u>110,155</u>	<u>193,331</u>	<u>209,805</u>	<u>206,573</u>	<u>719,864</u>
<u>Fund Balances</u>					
Restricted	1,012,063	-	-	10,071	1,022,134
Committed	-	-	-	-	-
Assigned	-	311,814	-	-	311,814
Unassigned	-	-	-	-	1,333,948
Total fund balances	<u>1,012,063</u>	<u>311,814</u>	<u>-</u>	<u>10,071</u>	<u>1,333,948</u>
Total liabilities and fund balances	<u>\$ 1,122,218</u>	<u>\$ 505,145</u>	<u>\$ 209,805</u>	<u>\$ 216,644</u>	<u>\$ 2,053,812</u>

CITY OF TAKOMA PARK, MARYLAND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
NON-MAJOR GOVERNMENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Fund	Stormwater Management Fund	Community Center	Rehabilitation Loans and Grants	Total Nonmajor Governmental Funds
REVENUES					
Stimulus grant	\$ -	\$ 9,486	\$ -	\$ -	\$ 9,486
Charges for service	-	373,657	-	-	373,657
Intergovernmental	1,011,016	-	9,500	-	1,020,516
Miscellaneous	-	4,880	-	-	4,880
Total revenues	<u>1,011,016</u>	<u>388,023</u>	<u>9,500</u>	<u>-</u>	<u>1,408,539</u>
EXPENDITURES					
General government	118,089	-	-	-	118,089
Public safety	110,347	-	-	-	110,347
Public works	3,348	246,268	-	-	249,616
Housing and community development	182,273	-	-	-	182,273
Recreation and culture	5,945	-	-	-	5,945
Capital outlay	25,530	289,752	22,560	-	337,842
Total expenditures	<u>445,532</u>	<u>536,020</u>	<u>22,560</u>	<u>-</u>	<u>1,004,112</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>565,484</u>	<u>(147,997)</u>	<u>(13,060)</u>	<u>-</u>	<u>404,427</u>
OTHER FINANCING SOURCES (USES)					
Transfer from General Fund	<u>249</u>	<u>-</u>	<u>7,253</u>	<u>-</u>	<u>7,502</u>
NET CHANGE IN FUND BALANCE	<u>565,733</u>	<u>(147,997)</u>	<u>(5,807)</u>	<u>-</u>	<u>411,929</u>
FUND BALANCE, BEGINNING OF YEAR	<u>446,330</u>	<u>459,811</u>	<u>5,807</u>	<u>10,071</u>	<u>922,019</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,012,063</u></u>	<u><u>\$ 311,814</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,071</u></u>	<u><u>\$ 1,333,948</u></u>

CITY OF TAKOMA PARK, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	Pension Trust	Defined Contribution Plan	Totals	
			2011	2010
ASSETS				
Cash and cash equivalents	\$ 295,755	\$ -	\$ 295,755	\$ 86,075
Investments, at fair value:				
Equities	4,049,840	199,543	4,249,383	3,149,229
Fixed Income	2,449,497	-	2,449,497	1,931,892
Total investments	6,499,337	199,543	6,698,880	5,081,121
TOTAL ASSETS	<u>6,795,092</u>	<u>199,543</u>	<u>6,994,635</u>	<u>5,167,196</u>
NET ASSETS				
Held in trust for pension benefits	<u>\$ 6,795,092</u>	<u>\$ 199,543</u>	<u>\$ 6,994,635</u>	<u>\$ 5,167,196</u>

CITY OF TAKOMA PARK, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(With Comparative Totals for 2010)

	Pension Trust	Defined Contribution Plan	Totals	
			2011	2010
ADDITIONS				
Employer contributions	\$ 930,262	\$ 13,831	\$ 944,093	\$ 847,191
Plan member contributions	186,472	51,783	238,255	178,112
Other receipts	2,205	-	2,205	-
Total contributions and other receipts	<u>1,118,939</u>	<u>65,614</u>	<u>1,184,553</u>	<u>1,025,303</u>
Investment earnings	<u>1,150,180</u>	<u>25,069</u>	<u>1,175,249</u>	<u>546,507</u>
Total additions	<u>2,269,119</u>	<u>90,683</u>	<u>2,359,802</u>	<u>1,571,810</u>
DEDUCTIONS				
Benefit and refunds paid	474,901	-	474,901	459,401
Administrative expenses	<u>57,462</u>	<u>-</u>	<u>57,462</u>	<u>70,165</u>
Total deductions	<u>532,363</u>	<u>-</u>	<u>532,363</u>	<u>529,566</u>
CHANGE IN NET ASSETS	1,736,756	90,683	1,827,439	1,042,244
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>5,058,336</u>	<u>108,860</u>	<u>5,167,196</u>	<u>4,124,952</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 6,795,092</u></u>	<u><u>\$ 199,543</u></u>	<u><u>\$ 6,994,635</u></u>	<u><u>\$ 5,167,196</u></u>

STATISTICAL SECTION

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 City's economic condition.

Contents

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant own-source revenues.

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 for 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 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.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in Fiscal Year 2003. The schedules presenting government-wide information include information beginning in that year.

CITY OF TAKOMA PARK, MARYLAND
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	<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>
Governmental Activities									
Invested in capital assets, net of related debt	\$ 20,973,813	\$ 19,250,374	\$ 17,912,991	\$ 17,227,232	\$ 17,112,525	\$ 12,220,247	\$ 9,053,902	\$ 6,361,971	\$ 2,465,056
Restricted	4,836,215	2,381,395	1,766,922	1,672,038	1,327,101	1,524,639	4,065,550	1,677,812	1,617,967
Unrestricted	<u>5,825,803</u>	<u>8,105,697</u>	<u>8,560,575</u>	<u>7,439,030</u>	<u>6,118,379</u>	<u>4,210,070</u>	<u>1,228,025</u>	<u>1,697,656</u>	<u>4,913,094</u>
TOTAL PRIMARY									
GOVERNMENT NET ASSETS	<u>\$ 31,635,831</u>	<u>\$ 29,737,466</u>	<u>\$ 28,240,488</u>	<u>\$ 26,338,300</u>	<u>\$ 24,558,005</u>	<u>\$ 17,954,956</u>	<u>\$ 14,347,477</u>	<u>\$ 9,737,439</u>	<u>\$ 8,996,117</u>

Table 2

CITY OF TAKOMA PARK, MARYLAND
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	<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>
EXPENSES									
Governmental activities:									
General government	\$ 3,655,556	\$ 5,719,008	\$ 3,120,349	\$ 3,425,823	\$ 2,764,025	\$ 2,819,521	\$ 3,029,141	\$ 3,181,117	\$3,719,307
Public safety	7,213,649	7,563,656	6,048,350	5,797,560	5,214,230	4,726,609	4,520,348	4,374,347	4,115,905
Public works	5,564,151	5,099,655	5,774,672	4,798,252	4,526,174	3,651,129	4,059,898	4,174,364	3,499,188
Housing and community development	1,360,806	1,836,561	1,403,582	1,264,767	1,198,331	1,005,222	917,685	1,214,972	763,328
Recreation and culture	2,678,012	2,622,686	2,623,651	2,526,988	2,540,913	2,170,734	1,966,910	2,209,011	2,006,076
Interest	296,666	213,883	250,349	246,360	250,342	263,379	210,411	106,551	106,606
Total primary government expenses	<u>20,768,840</u>	<u>23,055,449</u>	<u>19,220,953</u>	<u>18,059,750</u>	<u>16,494,015</u>	<u>14,636,594</u>	<u>14,704,393</u>	<u>15,260,362</u>	<u>14,210,410</u>
PROGRAM REVENUES									
Governmental activities:									
Charges for services:									
General government	80,613	82,479	103,010	75,238	39,080	537,608	456,113	40,866	27,163
Public safety	2,044,513	2,424,778	882,331	236,428	181,219	190,287	179,322	104,539	130,455
Public works	484,608	485,424	490,129	513,215	840,248	831,409	764,039	340,060	561,748
Housing and community development	349,099	328,503	333,619	346,593	-	614	314,486	204,222	-
Recreation and culture	457,419	308,424	286,090	274,653	322,675	249,909	242,363	188,933	221,713
Operating grants and contributions	4,189,088	4,927,311	5,311,448	4,879,649	3,943,472	5,528,750	5,055,228	5,716,825	4,534,872
Capital grants and contributions	728,089	2,298,112	-	43,348	531,460	716,414	2,586,088	986,403	239,970
Total primary government program revenues	<u>8,333,429</u>	<u>10,855,031</u>	<u>7,406,627</u>	<u>6,369,124</u>	<u>5,858,154</u>	<u>8,054,991</u>	<u>9,597,639</u>	<u>7,581,848</u>	<u>5,715,921</u>
Total primary government net expense	(12,435,411)	(12,200,418)	(11,814,326)	(11,690,626)	(10,635,861)	(6,581,603)	(5,106,754)	(7,678,514)	(8,494,489)
GENERAL REVENUES AND OTHER									
CHANGES IN NET ASSETS									
Governmental activities:									
Taxes:									
Property taxes	11,381,629	11,085,519	10,459,749	9,627,880	8,764,784	7,901,543	7,630,236	6,634,987	6,112,206
Intergovernmental / unrestricted	2,914,276	2,472,591	3,030,468	3,342,710	3,662,840	1,904,784	1,740,886	1,583,275	1,449,812
Unrestricted investment earnings	46,947	76,217	172,830	353,747	359,342	184,751	130,409	67,832	191,071
Miscellaneous and other	(9,076)	63,069	53,467	146,584	180,062	198,004	215,261	133,742	630,506
Total primary government	<u>14,333,776</u>	<u>13,697,396</u>	<u>13,716,514</u>	<u>13,470,921</u>	<u>12,967,028</u>	<u>10,189,082</u>	<u>9,716,792</u>	<u>8,419,836</u>	<u>8,383,595</u>
TOTAL PRIMARY GOVERNMENT									
CHANGE IN NET ASSETS	<u>\$ 1,898,365</u>	<u>\$ 1,496,978</u>	<u>\$ 1,902,188</u>	<u>\$ 1,780,295</u>	<u>\$ 2,331,167</u>	<u>\$ 3,607,479</u>	<u>\$ 4,610,038</u>	<u>\$ 741,322</u>	<u>\$ (110,894)</u>

Table 3

CITY OF TAKOMA PARK, MARYLAND
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Nonspendable	\$ 383,459	\$ 54,627	\$ 18,175	\$ 8,210	\$ 46,969	\$ -	\$ 7,369	\$ -	\$ 152,772	\$ 63,400
Restricted	224,754	224,372	43,949	43,337	-	117,347	1,229,659	-	1,617,967	-
Committed	2,469,790	2,157,023	1,722,973	1,628,701	1,327,101	1,215,203	1,327,442	1,964,847	1,318,077	1,243,762
Assigned	1,539,234	3,417,680	1,559,362	1,715,916	1,513,213	1,222,641	1,354,088	724,561	1,260,431	3,875,255
Unassigned	5,158,361	3,481,662	5,576,736	4,553,565	3,517,381	2,325,305	966,533	-	1,340,303	1,314,093
Total general fund	<u>\$ 9,775,598</u>	<u>\$ 9,335,364</u>	<u>\$ 8,921,195</u>	<u>\$ 7,949,729</u>	<u>\$ 6,404,664</u>	<u>\$ 4,880,496</u>	<u>\$ 4,885,091</u>	<u>\$ 2,689,408</u>	<u>\$ 5,689,550</u>	<u>\$ 6,496,510</u>
Total all other governmental funds										
Restricted	\$ 2,141,671.00	\$ 1,678,614.00	\$ 1,066,524.00	\$ 485,574.00	\$ 413,714.00	\$ 439,023.00	\$ 154,361.00	\$ 480,554.00	\$ 250,547.00	\$ 266,497.00
Committed	-	-	-	-	-	-	-	-	-	380,002
Assigned	311,814	465,618	381,953	300,162	272,423	143,704	720,840	222,841	188,746	-
Total	<u>\$ 2,453,485</u>	<u>\$ 2,144,232</u>	<u>\$ 1,448,477</u>	<u>\$ 785,736</u>	<u>\$ 686,137</u>	<u>\$ 582,727</u>	<u>\$ 875,201</u>	<u>\$ 703,395</u>	<u>\$ 439,293</u>	<u>\$ 646,499</u>

Note: In 2011 the City implemented GASB 54 and accordingly fund balances for years 2002 through 2010 have been revised to be consistent with 2011.

Table 4

CITY OF TAKOMA PARK, MARYLAND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
REVENUES										
Property taxes	\$ 13,751,914	\$ 13,287,014	\$ 13,318,311	\$ 12,573,318	\$ 11,486,637	\$ 10,306,405	\$ 9,826,025	\$ 8,618,452	\$ 8,115,007	\$ 7,952,305
Licenses and permits	78,664	75,030	72,291	45,470	104,597	62,415	63,610	63,862	31,928	35,720
Fines and forfeitures	1,987,826	2,376,632	839,804	213,197	181,219	190,287	179,323	104,539	130,455	70,948
Use of money and property	46,947	76,217	172,830	353,747	359,342	184,751	130,409	67,832	191,072	187,311
Stimulus grant	9,486	180,225	-	-	-	-	-	-	-	-
Charges for services	1,363,478	1,364,673	1,092,405	831,249	1,108,872	1,007,213	1,136,197	773,186	784,312	704,096
Intergovernmental	5,325,155	7,046,959	5,654,908	4,762,643	5,475,182	6,245,164	7,641,316	6,004,235	4,342,372	4,004,899
Miscellaneous	142,001	299,362	163,841	157,676	174,241	247,158	215,261	382,952	652,055	150,470
Total revenues	<u>22,705,471</u>	<u>24,706,112</u>	<u>21,314,390</u>	<u>18,937,300</u>	<u>18,890,090</u>	<u>18,243,393</u>	<u>19,192,141</u>	<u>16,015,058</u>	<u>14,247,201</u>	<u>13,105,749</u>
EXPENDITURES										
Current:										
General government	3,308,640	5,357,962	3,077,096	2,994,878	2,621,670	2,435,598	2,597,839	3,038,787	3,017,496	1,926,294
Public safety	6,965,312	7,115,499	5,981,975	5,349,349	5,037,668	4,659,466	4,489,515	4,292,117	4,044,399	3,827,164
Public works	3,978,563	4,136,274	4,047,071	3,611,130	3,765,225	3,480,726	3,895,853	3,997,466	3,355,898	2,865,254
Housing/community development	1,332,775	1,751,912	1,392,147	1,277,216	1,189,911	1,003,247	1,112,569	1,212,228	758,430	1,069,886
Recreation and culture	2,513,391	2,545,113	2,389,783	2,324,744	2,160,849	2,129,854	2,001,449	2,159,158	1,975,967	2,049,767
Capital outlay	4,177,448	3,305,507	1,807,850	931,837	2,029,151	4,127,017	6,958,497	3,943,729	1,110,105	1,033,833
Debt service:										
Principal	909,268	665,769	752,343	919,207	733,584	612,522	205,984	200,317	1,095,680	257,321
Interest	270,587	212,634	231,918	251,511	250,342	249,983	167,946	106,771	103,392	70,642
Total expenditures	<u>23,455,984</u>	<u>25,090,670</u>	<u>19,680,183</u>	<u>17,659,872</u>	<u>17,788,400</u>	<u>18,698,413</u>	<u>21,429,652</u>	<u>18,950,573</u>	<u>15,461,367</u>	<u>13,105,161</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(750,513)</u>	<u>(384,558)</u>	<u>1,634,207</u>	<u>1,277,428</u>	<u>1,101,690</u>	<u>(455,020)</u>	<u>(2,237,511)</u>	<u>(2,935,515)</u>	<u>(1,214,166)</u>	<u>5,588</u>
OTHER FINANCING SOURCES (USES)										
Bond/Loan proceeds	1,500,000	1,494,484	-	220,029	525,888	-	4,605,000	19,475	380,000	2,104,550
Sale of property	-	-	-	109,276	-	157,951	-	-	-	-
Transfers in (out)	-	-	-	(61,668)	-	-	-	-	-	-
Total other financing sources	<u>1,500,000</u>	<u>1,494,484</u>	<u>-</u>	<u>267,637</u>	<u>525,888</u>	<u>157,951</u>	<u>4,605,000</u>	<u>19,475</u>	<u>380,000</u>	<u>2,104,550</u>
NET CHANGES IN FUND BALANCES	<u>\$ 749,487</u>	<u>\$ 1,109,926</u>	<u>\$ 1,634,207</u>	<u>\$ 1,545,065</u>	<u>\$ 1,627,578</u>	<u>\$ (297,069)</u>	<u>\$ 2,367,489</u>	<u>\$ (2,916,040)</u>	<u>\$ (834,166)</u>	<u>\$ 2,110,138</u>
Debt service as a percentage of noncapital expenditures	6.51%	3.93%	5.34%	6.93%	6.03%	5.81%	2.58%	2.04%	8.36%	2.70%

Table 5

**CITY OF TAKOMA PARK, MARYLAND
GENERAL FUND TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

Fiscal Year	General Property Taxes	Utility and Personal Property	Penalties and Interest on Delinquent Tax	Additions and Abatements	Amusement Tax	Income Tax	Highway Tax	Total
2011	\$ 10,858,055	\$ 460,664	\$ 62,267	\$ -	\$ 514	\$ 2,330,225	\$ 40,189	\$ 13,751,914
2010	10,556,622	470,012	61,172	-	614	2,138,384	60,210	13,287,014
2009	10,007,250	434,015	58,807	(1,139)	268	2,310,208	508,902	13,318,311
2008	9,032,239	550,415	47,447	(2,221)	102	2,359,552	585,784	12,573,318
2007	8,232,645	535,626	78,387	18,071	420	2,016,347	605,141	11,486,637
2006	7,369,473	490,667	10,325	(58,142)	486	1,904,784	588,812	10,306,405
2005	6,923,415	575,799	41,668	13,532	108	1,740,886	530,617	9,826,025
2004	6,054,625	608,613	39,162	(16,389)	38	1,583,275	349,128	8,618,452
2003	5,680,412	472,828	30,964	70,071	-	1,449,812	410,920	8,115,007
2002	5,201,068	540,974	62,561	209,476	19	1,506,694	431,513	7,952,305

Source: City's financial records.

Table 6

**CITY OF TAKOMA PARK, MARYLAND
REAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Current Tax Collections and Credits	Percent of Levy Collected	Delinquent Tax Collections and Credits	Total Tax Collections and Credits	Percent of Total Tax Collections to Tax Levy
2011	\$ 10,839,223	\$ 10,610,360	97.9%	\$ 117,035	\$ 10,727,395	99.0%
2010	10,595,358	10,538,917	99.5%	54,514	10,593,431	100.0%
2009	10,025,305	9,953,428	99.3%	8,783	9,962,211	99.4%
2008	8,959,820	8,881,476	99.1%	13,565	8,895,041	99.3%
2007	8,730,162	8,649,985	99.1%	-	8,649,985	99.1%
2006	7,747,197	7,674,253	99.1%	-	7,674,253	99.1%
2005	7,415,063	7,322,124	98.7%	-	7,322,124	98.7%
2004	6,659,214	6,551,640	98.4%	31,938	6,583,578	98.9%
2003	6,245,222	6,190,738	99.1%	13,056	6,203,794	99.3%
2002	5,757,152	5,487,781	95.3%	245,526	5,733,307	99.6%

Source: City's Finance Department.

Table 7

CITY OF TAKOMA PARK, MARYLAND
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property		Public Utilities		Personal Property		Total		Ratio of Total Assessed to Total	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value	Estimated Actual Value (3)	
2011	\$ 1,868,831,518	\$ 1,868,831,518	\$ 11,113,060	\$ 11,113,060	\$ 21,189,430	\$ 21,189,430	1,901,134,008	1,901,134,008	100	0.580
2010	1,826,785,810	1,826,785,810	10,919,000	10,919,000	20,707,720	20,707,720	1,858,412,530	1,858,412,530	100	0.580
2009	1,669,463,691	1,669,463,691	10,236,720	10,236,720	21,517,740	21,517,740	1,701,218,151	1,701,218,151	100	0.605
2008	1,480,266,902	1,480,266,902	10,139,630	10,139,630	24,076,170	24,076,170	1,514,482,702	1,514,482,702	100	0.610
2007	1,305,972,838	1,305,972,838	10,406,020	10,406,020	21,500,830	21,500,830	1,337,879,698	1,337,879,698	100	0.630
2006	1,159,577,994	1,159,577,994	9,507,450	9,507,450	20,828,000	20,828,000	1,189,913,444	1,189,913,444	100	0.630
2005	1,040,717,919	1,040,717,919	10,670,330	10,670,330	22,440,290	22,440,290	1,073,828,539	1,073,828,539	100	0.660
2004	934,275,038	934,275,038	10,708,000	10,708,000	24,642,630	24,642,630	969,625,688	969,625,688	100	0.660
2003	869,676,011	869,676,011	10,930,630	10,930,630	19,263,630	19,263,630	899,870,271	899,870,271	100	0.660
2002	815,876,168	815,876,168	12,151,340	12,151,340	20,199,252	20,199,252	848,226,760	848,226,760	100	0.642

- (1) Property owned by the City, other governments, churches and schools is exempt. No estimate of exempt property is included.
- (2) Personal property and public utilities are assessed at 100% of estimated actual value.
- (3) Prior to FY 2002, real property was assessed at 40% of estimated full value. Pursuant to a change in State law, the FY 2002 assessed values reflect the conversion to full value assessment of real property.

Source: State of Maryland Department of Assessment and Taxation.

Table 8

CITY OF TAKOMA PARK, MARYLAND
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Per \$100 of Assessed Value)

Fiscal Year	Takoma Park General ⁽²⁾	Tax Rates ⁽¹⁾					
		State of Maryland	Montgomery County	Maryland - National Capital Park and Planning Commission	Transit District	Recreation Areas	Total ⁽²⁾
2011	\$ 0.5800	\$ 0.1120	\$ 0.6990	\$ 0.0610	\$ 0.0370	\$ 0.0180	\$ 1.5070
2010	0.5800	0.1120	0.6830	0.0690	0.0370	0.0190	1.5000
2009	0.6050	0.1120	0.6610	0.0730	0.0400	0.0220	1.5130
2008	0.6100	0.1120	0.6270	0.0780	0.0580	0.0240	1.5090
2007	0.6300	0.1120	0.6240	0.0780	0.0530	0.0240	1.5210
2006	0.6300	0.1320	0.6790	0.0840	0.0420	0.0250	1.5920
2005	0.6600	0.1320	0.7340	0.0800	0.0440	0.0250	1.6750
2004	0.6600	0.1320	0.7510	0.0810	0.0440	0.0220	1.6900
2003	0.6600	0.0840	0.8710	0.0870	0.0380	0.0200	1.7600
2002	0.6420	0.0840	0.8500	0.0910	0.0500	0.0270	1.7440

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

(2) Prior to FY 2002, real property was assessed at 40% of estimated full value. Pursuant to a change in State law, the FY 2002 tax rates reflect the conversion to full value assessments of real property.

Source: State of Maryland Department of Assessment and Taxation.

**CITY OF TAKOMA PARK, MARYLAND
COMPUTATION OF LEGAL DEBT MARGIN
Year Ended June 30, 2011**

Fiscal year 2011 real property assessed value	<u>\$ 1,868,831,518</u>
Debt limit - 100% of assessed value	1,868,831,518
Amount of debt applicable to debt limit - legal debt margin	<u>6,343,963</u>
Legal debt margin	<u>\$ 1,862,487,555</u>

SECTION 823 - AUTHORIZATION TO BORROW MONEY

(a) The Council of Takoma Park shall have the power to borrow money for any proper purpose and to evidence such borrowing by the issue and sale of its general obligation bonds, notes, or other certificates of indebtedness in the manner prescribed in Section 31 to 37 inclusive, of Article 23A of the Annotated Code of Maryland (1998 edition, as amended), title "Municipal Corporations," sub-title "Creation of Municipal Public Debt." Notwithstanding the provisions of this subsection, the Council may authorize a private negotiated sale of bonds upon a finding by the Council that such private negotiated sale is in the best interests of the City of Takoma Park.

(b) Any proposed new indebtedness that is greater than five percent (5%) of the revenue budgeted for that year shall be subject to a public hearing and the Council shall not take final action on the proposed indebtedness less than fourteen (14) days following the hearing.

SECTION 824 - PAYMENT OF INDEBTEDNESS

The power and obligation of the City to pay any and all bonds, notes, or other evidences of indebtedness issued by it shall be unlimited and the City shall levy ad valorem taxes on all the taxable property in the City for payment of such bonds, notes, or other evidences of indebtedness and interest thereon. The faith and credit of the City is pledged for the payment of the principal and interest on all bonds, notes or other evidences of indebtedness issued under the authority of this Charter, whether or not such pledge be stated in the bonds, notes or other evidences of indebtedness, or in the ordinance authorizing their issuance.

CITY OF TAKOMA PARK, MARYLAND
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Assessed Value ⁽²⁾	Bonded Debt	Capital Leases	Notes Payable	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2011	16,715	\$ 1,901,134,008	\$ 6,147,455	\$ 46,508	\$ 150,000	0.32%	\$367.78
2010	17,299	1,858,412,530	5,398,992	201,979	152,260	0.29%	\$312.10
2009	17,299	1,701,218,151	4,869,000	363,687	7,260	0.29%	\$281.46
2008	17,299	1,514,482,702	5,621,343	561,768	67,260	0.37%	\$324.95
2007	17,299	1,337,879,698	6,320,521	541,584	122,260	0.47%	\$365.37
2006	17,299	1,189,913,444	6,528,217	192,763	177,260	0.55%	\$377.38
2005	17,299	1,073,828,539	7,140,738	252,946	232,260	0.66%	\$412.78
2004	17,299	969,625,688	2,741,845	310,586	287,260	0.28%	\$158.50
2003	17,299	899,870,271	2,922,687	344,461	342,260	0.32%	\$168.95
2002	17,299	848,226,760	3,627,826	50,074	386,719	0.43%	\$209.71

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

(2) Prior to FY 2002, real property was assessed at 40% of estimated full value. Pursuant to a change in State law, the FY 2002 assessed value reflects the conversion to full value assessment of real property.

CITY OF TAKOMA PARK, MARYLAND
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures (Percent)
2011	\$ 909,268	\$ 270,587	\$ 1,179,855	\$ 20,612,228	5.72%
2010	665,769	212,634	878,403	20,336,802	4.32%
2009	752,343	231,918	984,261	18,127,353	5.43%
2008	919,207	251,511	1,170,718 ⁽¹⁾	17,659,872	6.63%
2007	733,584	250,342	983,926	17,788,399	5.53%
2006	612,521	249,984	862,505	18,698,413	4.61%
2005	205,984	167,946	373,930	21,429,652	1.74%
2004	200,317	106,771	307,088	18,950,573	1.62%
2003	1,095,680	103,392	1,190,072 ⁽²⁾	15,461,367	7.70%
2002	257,321	70,642	327,963	13,100,161	2.50%

(1) Takoma Junction loan balance was fully paid.

(2) MEDCO Bonds were fully paid.

Source: City's financial records.

CITY OF TAKOMA PARK, MARYLAND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT ⁽²⁾
June 30, 2011

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
Direct debt –			
City of Takoma Park	\$ 6,343,963	100%	\$ 6,343,963
Direct debt sub-total	<u>6,343,963</u>		<u>6,343,963</u>
Overlapping debt -			
Montgomery County	2,838,506,502	1% ⁽¹⁾	28,385,065
Maryland-National Capital Park and Planning Commission			
Montgomery County	<u>29,223,294</u>	1% ⁽¹⁾	<u>292,233</u>
Overlapping debt sub-total	<u>2,867,729,796</u>		<u>28,677,298</u>
Total direct and overlapping debt	<u><u>\$ 2,874,073,759</u></u>		<u><u>\$ 35,021,261</u></u>

(1) Rate of assessed value in the City to total assessed value in Montgomery County.

(2) The overlapping debt is not a debt of the City of Takoma Park, Maryland on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the City of Takoma Park, Maryland are obligated to pay through direct tax levies of these governmental entities.

Source: Montgomery County Department of Finance.

Table 13

**CITY OF TAKOMA PARK, MARYLAND
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population ⁽¹⁾	Personal Income (2) (thousands)	Per Capita Income ^{(2) (3)}	Labor Force ^{(2) (3)}	Unemployment Rate ^{(2) (3)}	Registered Pupils ⁽²⁾
Montgomery County:						
2011	16,715	\$ 69,220,000	\$ 70,665	517,995	5.0	143,309
2010	17,299	67,000,000	68,946	513,884	5.6	140,500
2009	17,299	64,438,944	66,323	516,728	5.4	137,763
2008	17,299	64,809,366	67,957	521,326	3.3	137,745
2007	17,299	62,643,745	66,537	517,734	2.7	137,798
2006	17,299	60,372,289	64,558	508,142	2.8	139,387
2005	17,299	55,846,295	60,120	508,251	3.1	139,337
2004	17,299	52,238,928	56,722	497,204	3.2	139,203
2003	17,299	48,650,108	53,176	496,223	3.3	138,891
2002	17,299	46,951,186	51,814	496,101	3.5	136,832

- (1) U.S. Census Bureau. Includes annexed area.
- (2) Personal income, per capita income and registered pupils are not available for the City of Takoma Park, Maryland on a separate basis. The best available information is provided by the Finance Department of Montgomery County, Maryland and the Bureau of Economic Analysis - U.S. Department of Commerce (BEA). Estimates for 2001-2008 revised by BEA and data for 2009 is a preliminary estimate from BEA.
- (3) Per Capita Income Rate for the years 2002-2010 have been revised. Unemployment Rate has been revised for the year 2009. Labor Force data has been revised for the years 2006 – 2010.

Table 14

**CITY OF TAKOMA PARK, MARYLAND
PRINCIPAL PROPERTY TAXPAYERS
Current Fiscal Year and Nine Years Ago**

Taxpayer	2011			Taxpayer	Fiscal Year 2002 ⁽¹⁾		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Tenacity 7333 New Hampshire Ave LLC	\$ 27,090,600	1	1.42%	Saul Subsidiary I LTD Partnership	\$ 9,762,933	1	1.15%
Saul Subsidiary I LTD Partnership	22,860,233	2	1.20	Takoma Langley Improvements	9,590,301	2	1.13
Walgreen Company	20,131,132	3	1.06	Oxon Equities	8,830,066	3	1.04
Park Ritchie Apartments	11,228,266	4	0.59	Potomac Electric Power Company ⁽²⁾	7,677,080	4	0.90
Takoma Park Land LLP	10,233,200	5	0.54	Franklin Associates	7,027,666	5	0.83
7401 New Hampshire Avenue, LLC	9,910,700	6	0.52	Park Ritchie Apartments	6,857,066	6	0.80
Franklin Associates	9,420,000	7	0.50	Hampshire Place LLC	4,396,993	7	0.52
Takoma Business Center LLC	8,451,466	8	0.44	Maple View Apartments LLC	3,913,883	8	0.46
Parkview Towers LTD	8,226,366	9	0.43	Essex House	3,512,433	9	0.41
Hampshire Lodging Inc	7,807,666	10	0.41	SK Kock Properties LLC	3,291,066	10	0.39
Total	<u>\$ 135,359,629</u>		<u>7.11%</u>		<u>\$ 64,859,487</u>		<u>7.63%</u>

Notes:

- (1) Prior to fiscal year 2002, real property was assessed at 40% of estimated full value.
(2) Represents the assessed valuation for operating real and personal property taxes.

Source: State of Maryland Department of Assessment and Taxation

Table 15

**CITY OF TAKOMA PARK, MARYLAND
PRINCIPAL EMPLOYERS
Current Fiscal Year and Nine Years Ago**

Employer	Fiscal Year 2011			Fiscal Year 2002 ⁽²⁾		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Adventist Healthcare Inc, (Hospital)	1,607	1	27.19%	1,815	1	35.94%
Montgomery Community College	485	2	8.21%	300	4	5.94%
Montgomery County Public Schools	278	3	4.70%	250	5	4.95%
City of Takoma Park	184	4	3.11%	174	6	3.45%
Community Clinic, Inc.	130	5	2.20%	-		-
Washington Adventist University ⁽¹⁾	119	6	2.01%	119	7	2.36%
Crosswood, Inc	109	7	1.84%	-		-
Casa De Maryland Inc.	79	8	1.34%	-		-
FirstCare Nursing Services	60	9	1.02%	-		-
Expo Emart LLC	55	10	0.93%	-		-
Wackenhut Corporation	-		-	600	2	11.88%
Aspen Temporary Services Inc	-		-	392	3	7.76%
Total	<u>3,106</u>		<u>52.55%</u>	<u>3,650</u>		<u>72.28%</u>

Notes:

⁽¹⁾ Formerly Columbia Union College

⁽²⁾ Fiscal year 2002 data was provided by Dun & Bradstreet.

Table 16

CITY OF TAKOMA PARK, MARYLAND
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN YEARS

	<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>	<u>2002</u>
FUNCTION										
General government	16.50	18.00	18.00	18.00	16.00	16.00	16.50	17.25	15.50	14.00
Public safety	59.49	60.19	60.87	59.50	58.73	57.47	57.47	57.97	56.97	56.19
Public works	33.00	33.38	33.38	33.38	33.58	33.29	33.07	32.07	32.07	33.47
Housing and community development	9.75	10.25	9.50	9.50	9.50	8.81	9.81	11.81	14.11	12.80
Recreation and culture	<u>28.55</u>	<u>33.20</u>	<u>32.57</u>	<u>32.95</u>	<u>32.40</u>	<u>31.73</u>	<u>28.71</u>	<u>28.71</u>	<u>28.84</u>	<u>26.47</u>
TOTAL	<u><u>147.29</u></u>	<u><u>155.02</u></u>	<u><u>154.32</u></u>	<u><u>153.33</u></u>	<u><u>150.21</u></u>	<u><u>147.30</u></u>	<u><u>145.56</u></u>	<u><u>147.81</u></u>	<u><u>147.49</u></u>	<u><u>142.93</u></u>

Source: City's Finance Department

Table 17

**CITY OF TAKOMA PARK, MARYLAND
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	<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>	<u>2002</u>
Public Safety:										
Crimes reported	700	725	764	739	832	791	875	787	887	1,099
Dispatched Calls/Events Handled	19,000	20,500	19,661	21,483	18,622	16,569	16,073	16,944	18,293	19,288
Hours-foot/bike patrol	3,700	3,600	2,897	3,689	3,705	3,320	2,720	1,699	1,353	2,026
Physical arrests	470	450	480	461	363	353	356	386	330	335
Calls for service	14,000	15,000	14,405	16,048	14,363	13,071	12,880	13,869	15,106	16,052
Traffic stops	5,000	5,300	5,256	5,435	4,259	3,498	3,193	3,255	3,187	3,236
Parking tickets processed	3,800	4,000	4,084	3,665	3,357	3,882	3,780	4,858	3,993	3,980
Criminal investigations assigned	269	400	426	324	370	313	313	290	289	279
Criminal cases closed	76	140	139	119	123	108	96	126	45	122
Warrants received for service	425	440	475	440	372	N/A	N/A	N/A	N/A	N/A
NCIC Validations (Wanted Items/Persons)	1110	1150	1129	1109	1052	N/A	N/A	N/A	N/A	N/A
Public Works:										
Permits Processed	133	229	297	321	293	319	328	330	N/A	N/A
Vehicles maintained	73	74	75	73	74	62	62	62	63	63
Tons of leaves collected	2,000	2,100	2,150	2,100	2,100	2,000	2,000	2,000	N/A	N/A
Tons of refuse collected	3,476	3,550	3,513	4,300	4,222	4,053	4,100	4,300	4,256	3,915
Tons of recyclables collected	1,544	1,500	1,662	1,440	1,380	1,151	1,200	1,400	1,112	1,403
Tons of yard waste collected	765	250	233	420	410	413	425	450	574	437
Streets resurfacing (miles)	0.4	0.43	0.44	0.63	0.98	3	2.33	3.33	N/A	N/A
Storm drains inspected (linear feet)	8,254	11,000	14,259	8,500	12,831	8,203	8,906	13,000	N/A	N/A
New storm drain pipes (linear feet)	307	-	-	300	350	350	945	-	N/A	N/A
Replaced storm drain pipes (linear feet)	125	50	181	100	50	-	152	200	N/A	N/A
Recreation and culture:										
Library materials circulated	118,328	105,344	104,083	89,754	80,606	70,016	70,028	76,082	85,243	98,571
Library program attendance	14,682	14,963	13,133	11,539	6,346	N/A	N/A	N/A	10,398	6,161
Housing and Community Development:										
Rental housing inspections (Note 4)	3,100	2,936	3,357	3,200	2,280	N/A	N/A	N/A	N/A	N/A
Number of rental licenses issued	390	431	341	351	213	N/A	N/A	589	N/A	N/A
Landlord certifications issued	150	132	130	212	112	N/A	N/A	N/A	N/A	N/A
Number of new nuisance complaints	360	364	356	186	108	N/A	N/A	N/A	N/A	N/A
Number of nuisance complaints closed	360	364	465	210	56	N/A	N/A	N/A	N/A	N/A
Courtesy Notices issued	340	290	390	674	N/A	N/A	N/A	N/A	N/A	N/A
Handbill and flyers removed	625	737	397	275	N/A	N/A	N/A	N/A	N/A	N/A
Landlord and tenant contacts	2,500	2,642	2,539	2,537	2,491	N/A	N/A	N/A	N/A	N/A
Rent stabilization reports monitored	260	251	273	276	251	N/A	N/A	N/A	N/A	N/A
Permit letters issued	190	178	185	150	N/A	N/A	N/A	N/A	N/A	N/A
Rent increase petitions processed	5	1	3	5	47	N/A	N/A	N/A	N/A	N/A
General Government:										
Original City TV program hours	251	207	201	220	225	220	231	230	N/A	N/A

Source: Various government departments

- Notes:
- 1 - Data was not routinely collected prior to 2004. Data that is unavailable is labeled as N/A.
 - 2 - Public Safety 2011 data is preliminary.
 - 3 - Data for Housing and Community Development has been revised for 2010 and 2009
 - 4 - Data for Library materials circulated has been revised for 2010.

**CITY OF TAKOMA PARK, MARYLAND
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	<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>	<u>2002</u>
Public Safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	44	42	41	40	38	26	26	25	25	25
Public Works:										
Sanitation collection trucks	6	4	4	6	6	6	6	7	7	7
Leaf vacuums	7	7	7	7	7	7	7	7	7	7
Stormwater drains (miles)	16.82	16.72	16.72	16.72	16.66	16.59	16.53	16.35	16.35	16.35
Streets (miles)	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60
Streetlights	78	78	78	78	68	62	62	62	62	62
Recreation and Culture:										
Parks acreage	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98
Parks	7	7	7	7	7	7	7	7	7	7
Community Centers	1	1	1	1	1	1	-	-	-	-
Vehicles	2	2	2	2	2	2	1	1	1	1

Sources: Various City departments.

Notes: No capital asset indicators are available for the General Government and Housing and Community Development Functions.

**CITY OF TAKOMA PARK, MARYLAND
MISCELLANEOUS STATISTICAL DATA
June 30, 2011**

Date of incorporation	1890
Date of adoption of City Charter	1890
Revision of City Charter	2002
Form of government	Council - Manager
Area - square miles	2.4
Miles of streets and sidewalks:	
Streets	34.60
Sidewalks	27.87
Housing:	
Number of housing units	7,162
Number of owner-occupied housing units	3,444
Fire and rescue services	Montgomery County Fire Department
Police protection:	
Number of stations	1
Number of authorized police (sworn officers)	41
Municipal water plant (Washington Suburban Sanitary Commission)	None
Telephone, natural gas and electricity services are furnished by private corporations	
Recreation and parks - number of acres	8.98

	<u>City</u>	<u>School</u>	<u>Park and Planning Commission</u>	<u>Total</u>
Playgrounds	7	2	5	14
Baseball diamonds	1	2	1	4
Football fields	-	1	1	2
Swimming pools	-	1	-	1
Tennis courts	-	4	4	8

**CITY OF TAKOMA PARK, MARYLAND
MISCELLANEOUS STATISTICAL DATA**

June 30, 2011

(Continued)

Number of schools:

Elementary (public)	2
Intermediate (public)	1
Private	3
Colleges	2

Election:

Registered voters – November, 2009	10,934
Number of votes cast - November, 2009	1,728
Percentage voting	15.8%

Population by age group

(Source: U.S. Census Bureau)

Age	2010	2000	1990	1980	1970
Under 5	1,254	1,237	1,320	955	1,367
5 – 17	2,495	2,261	2,201	2,463	3,250
18 – 24	1,361	2,094	1,567	2,447	3,284
25 – 44	5,150	6,206	7,288	5,842	4,710
45 – 64	4,787	3,972	2,551	2,616	3,950
65 – 74	973	787	928	1,071	1,163
75 and over	<u>695</u>	<u>742</u>	<u>845</u>	<u>837</u>	<u>731</u>
Total	<u><u>16,715</u></u>	<u><u>17,299</u></u>	<u><u>16,700</u></u>	<u><u>16,231</u></u>	<u><u>18,455</u></u>

CITY OF TAKOMA PARK, MARYLAND
SCHEDULE OF INSURANCE IN FORCE
June 30, 2011

Type of Coverage/Company Name	Policy Number	From	To	Limits of Coverage	Premiums
Commercial General Liability – Local Government Insurance Trust	TAKO-01-PLP	7/01/10	⁽¹⁾ 6/30/11	\$2,000,000 aggregate – \$1,000,000, occurrence	\$ 17,496
Public Officials Liability – Local Government Insurance Trust	TAKO-01-PLP	7/01/10	⁽¹⁾ 6/30/11	\$1,000,000 aggregate – \$2,500 deductible	\$ 7,583
Police Liability – Local Government Insurance Trust	TAKO-01-PLP	7/01/10	⁽¹⁾ 6/30/11	\$1,000,000 aggregate – \$2,500 deductible	\$ 8,604
Comprehensive Auto Liability – Local Government Insurance Trust	TAKO-01-PLP	7/01/10	⁽¹⁾ 6/30/11	Physical damage: Comprehensive – \$1,000,000/occurrence, \$500 deductible Collision – \$1,000,000/occurrence, \$500 deductible Bodily injury – no deductible BI & PD \$1,000,000 aggregate	\$ 29,425
Excess Liability – Local Government Insurance Trust	TAKO-01-XSL	7/01/10	⁽¹⁾ 6/30/11	Insurance for the City against losses in excess of \$1,000,000 up to an additional \$5,000,000 for automobile liability, commercial general liability, public officials, and police/personal injury liability	\$ 4,960
Building and Contents (includes boiler and machinery) Local Government Insurance Trust	TAKO-01-PRO	7/01/10	⁽¹⁾ 6/30/11	Insured to \$13,388,768, \$1,000 deductible.	\$ 19,306
Injured Workers' Insurance Fund – Workers' Compensation	-	7/01/10	⁽¹⁾ 6/30/11	Statutory limit	\$ 244,591
Fidelity Bond – United States Insurance Services	Various	Various	⁽¹⁾ Various	\$15,000 to \$100,000 deductibles	\$ 3,253

(1) Insurance policy was renewed with the carrier for an additional one year period.