City of Bowie, Maryland

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Issued By

City Of Bowie, Prince George's County

Maryland

For Fiscal Year

July 1, 2006 To June 30, 2007

Prepared By Department Of Finance

Robert S. Patrick, Finance Director

H. Byron Matthews, Assistant Finance Director

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Kathleen Straser, Accountant

CITY OF BOWIE, MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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SECTION I - INTRODUCTORY

"Growth, Unity, Progress"

CITY COUNCIL

G. FREDERICK ROBINSON, MAYOR

TODD M. TURNER, MAYOR PRO TEM

DENNIS BRADY

JAMES L. MARCOS

DIANE M. POLANGIN

ISAAC C. TROUTH

GERALDINE VALENTINO-SMITH

==========

CITY MANAGER
DAVID J. DEUTSCH

ASSISTANT CITY MANAGER
JOHN L. FITZWATER

CITY ATTORNEY
ROBERT H. LEVAN

FINANCE DIRECTOR
ROBERT S. PATRICK

ASSISTANT FINANCE DIRECTOR
H. BYRON MATTHEWS

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
REZNICK GROUP, P.C.

CITY OF BOWIE

December 20, 2007

Honorable Members of the Bowie City Council:

State law requires that all municipalities publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a certified public accountant. Pursuant to that requirement and the provisions of the City's Charter, Section 40, we hereby issue the comprehensive annual financial report (CAFR) for the City of Bowie, Maryland, for the year ended June 30, 2007.

This report consists of management's representations concerning the finances of the City of Bowie, Maryland. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Bowie, Maryland has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Bowie, Maryland statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Bowie, Maryland comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Reznick Group, P.C., a firm of licensed certified public accountants, has audited the City of Bowie, Maryland's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Bowie, Maryland for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bowie, Maryland financial statements for the fiscal year ended June 30, 2007,

are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of the CAFR.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Bowie, Maryland's MD&A can be found immediately following the report of the independent auditor in the Financial Section of the CAFR.

PROFILE OF THE GOVERNMENT

The City of Bowie is approximately 18 square miles in size and located halfway between Washington, DC, and Baltimore, Maryland. Founded in 1870, and incorporated as a town in 1916, Bowie has grown from a small railroad stop to the largest municipality in Prince George's County, and the fourth largest city in the State of Maryland, with an estimated population of 55,626. The town was first called Huntington City, though its train station was named in honor of local resident, Governor Oden Bowie, president of the Baltimore and Potomac Railroad. The town was subsequently rechartered as Bowie. In the early days the land was subdivided by developers into more than 500 residential building lots, to create a large town site at a junction of the Baltimore and Potomac's main line to southern Maryland, and the branch line to Washington, DC.

In 1957, the firm of Levitt and Sons acquired the nearby Belair Estate, the original colonial plantation of Governor Samuel Ogle, where it developed the residential community of "Belair at Bowie". Two years later the Town of Bowie annexed the Levitt properties, and it re-incorporated as a city in 1963.

Today, the City of Bowie represents 8.2% of the total Prince George's County assessable base and 32% of the total municipal assessable base within the county.

The City of Bowie operates under a Council/Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of seven members (Mayor and six Council members). The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. All seven members serve two-year terms. Four of the council members are elected by district. The mayor and the two remaining council members are elected at large.

The City provides a range of municipal services including, but not limited to the following: housing and property inspections; solid waste and recycling collection; police department; storm drainage; street and bike trail maintenance; snow removal and

street lighting; parks and recreation; youth counseling; senior services and animal control. In addition, the City also provides water and sewer services to approximately 7,900 customers, of which 98% are residential households.

ECONOMIC CONDITION AND OUTLOOK

The City is located in the northern part of Prince George's County at the crossroads of highways 3/301 and 50. Although considered to be in the Washington, DC metropolitan area, the City's location also gives it easy access to Baltimore and Annapolis. The City's total assessed value continues to grow, primarily due to increasing assessed values, commercial development and continued annexations of adjacent properties. The City issued 44 permits for new home construction during FY2007 as compared to 33 permits issued in FY2006. The majority of homes in the city are owner occupied single-family homes that the 2000 census placed in the price range of $150,000 to $199,000 with a median value of $158,100. The price of homes sold in the City during FY2007 well exceeded the median values from the 2000 census. The current economic condition of the City is excellent, with an outlook for the intermediate to longer term of stable.

The Maryland Department of Labor, Licensing and Regulation reported the unemployment rate in Prince George's County at 4.2 percent and the State at 4 percent on June 30, 2007. The 2000 Census showed the median household income for the City of Bowie at $76,778. The income level far exceeds the State of Maryland at $45,289 and the United States at $37,005. According to the Office of Federal Housing Enterprise Oversight, Maryland ranked twenty-first in the nation for home price appreciation during the last year.

State-administered income tax proceeds, the City's largest source of intergovernmental revenue, increased by 4.3% in FY2007. State-administered Highway User Revenues, the City's second largest source of intergovernmental revenue, increased by 3% in FY2007. Uncertainty surrounding the State of Maryland's budget stresses the need for the City to maintain its fiscally conservative policy.

The City prepares long-term financial forecasts which are used in the development of the annual operating budget and six-year capital improvements program. The assumptions used in the financial forecasts are reviewed with the City Council as background for decisions about revenue projections and estimated costs.

RELEVANT FINANCIAL POLICIES

In October 2006, the City sold a parcel of surplus land, commonly referred to as the Hohensee Property. It is the City's policy that "onetime" resource inflows not be used for operating purposes. Accordingly, the City has designated the proceeds from the land sale for the construction of a new City Hall.

MAJOR INITIATIVES

The following activities highlight some of the City's major accomplishments during FY2007:

- In November 2005, 77% of the voters supported the creation of a City Police Department. On September 11, 2006, the City hired its first police chief. By June 30, 2007, fifteen officers were on board, including a Deputy Police Chief. In addition, a temporary police facility was located adjacent to City Hall.
- The City received an innovation award from the Maryland Municipal League for its implementation of a recreation and facility management system.
- Eight City employees traveled to Bowie's adopted city of D'Iberville, Mississippi to assist with rebuilding efforts necessitated by the damage caused by Hurricane Katrina. Proceeds from a Bowie staff yard sale were presented at a D'Iberville City Council meeting to benefit the employees whose homes had been destroyed by the hurricane. Donations from Bowie businesses, churches, clubs, and individuals were presented to the D'Iberville Volunteer Foundation to assist with rebuilding efforts.
- On August 25, 2006, the City opened a 10,000 square foot concrete skate park located at Allen Pond Park. The facility grand opening attracted more than 500 attendees.
- The City purchased its first three hybrid vehicles for use in the motor pool.
- The Senior Center developed a marketing plan to reach the Boomers generation ages 55-60 which has weekly programs tailored to this group and featured a Boomer Week.
- The Youth Services Bureau distributed drug awareness kits to each of the seventeen elementary and middle schools within the City of Bowie.
- A contract was awarded in the amount of $4.1 million dollars, to demolish and construct a new Parks and Grounds and Stormwater Management Maintenance Facility that will house 37 staff. The staff at this 3-acre facility is responsible for the maintenance of all athletic fields, trails, curb trees, rights of way, field lighting and stormwater management facilities. The facility will be a certified Silver LEEDS facility which will feature a living roof, the use of recycled materials, solar energy, and geothermal heating. The projected completion date is early 2008.
- Facility generators were installed at the Bowie Senior Center and the Bowie Ice Arena. These improvements, allow each site to operate independently in the event of loss of electricity.
- The snack bar at the Bowie Ice Arena implemented an inventory software package. This allows staff to track sales, maintain inventory and order materials.

- The Old Town Bowie Residential Façade Program concluded on February 1, 2007. This sixteen-month program, designed with input from the community, enabled Huntington residents to invest over $100,000 in façade projects and improve fourteen neighborhood homes.
- During the months of September 2006 and February 2007, the City experienced two huge storms that created tremendous debris which was collected and eventually hauled away for recycling. Crews from the City's Public Works and Community Services departments were responsible for the city-wide clean up effort.
- The City is a member of the Baltimore Regional Cooperative Purchasing Committee (BRCPC). This buying co-op allows its members to purchase electricity at lower rates. In FY2007, the City saved $367,028 in electricity costs. Therefore, even though the City experienced higher electric rates in FY2007 than it did in FY2006, the magnitude of the increase was greatly reduced because of the City's participation with the BRCPC.
- Completion of a segment of the hiker/biker trail along MD Route 197.
- Significant construction occurred on the new Parks and Grounds facility. The facility will incorporate Green Building and Low Impact Development features.
- Continued curb, gutter and sidewalk improvements in Old Town Bowie.
- Completion of Lansdale Park, including a hiker/biker trail and cemetery memorial.
- The Hohensee property was sold during the year. Proceeds from this land sale will be used for the construction of a new City Hall.
- In January 2007, the Public Improvement Refunding Bonds of 1994 were redeemed.
- Several new buildings were constructed or neared completion at the Maryland Science and Technology Center during the year including: a 150,000 square foot Class "A" office building; two 40,800 square foot office buildings; and the International Masonry Institute, which includes a 234,000 square foot campus consisting of a 60,500 square foot national training center, a 45,500 square foot main building/dormitory.
- Completion of the new Northview Elementary School.
- A City Hall space evaluation study was conducted. The study determined current and future facility needs.
- The State Highway Administration opened a new bridge over the CSX railroad tracks on Old MD Route 450, providing access to West Bowie Village.
- The Maryland-National Capital Park and Planning Commission completed major renovations to the Bowie Community Center located on Stonybrook Drive.
- The Shoppes at Highbridge, consisting of 60,000 square feet of retail commercial space located at the intersection of MD Route 450 and High Bridge Road, opened during the year.

- Construction completed on a 132,000 square foot office building and one bank at the Bowie Corporate Center.
- In March 2006, the City approved the granting of a franchise agreement with Verizon to provide high speed internet, voice over internet protocol, and video-on-demand services to Bowie customers. Verizon began installing fiber throughout the city and substantially completed the project by June 2007.
- Major changes at Freestate Shopping Center neared completion, including a new prototype Giant Food Store and Cold Stone Creamery.
- The City actively pursued and received grants for various capital projects.

Future developments include:

- FY2007 real and personal property tax rates remain at $.352 and $.88 per hundred dollars of assessed valuation, respectively.
- Selection of a project management firm to oversee the design and construction of a new 80,000 square foot City Hall, to be located at the Bowie Town Center.
- The City's Police Department is scheduled to receive a $500,000 interoperability appropriation from the federal government for 800 megahertz radios for all Bowie police officers.
- The FY2008 budget includes the hiring of 17 new officers for the City's Police Department, bringing the total number of officers to 33 by June 30, 2008.
- Plans submitted for 287 multi-family apartment units on Health Center Drive near the Bowie Town Center.
- Anticipated construction by Prince George's County of a full service fire/EMS station at the intersection of Health Center and Northview Drives.
- A major upgrade to the Waste Water Treatment Plant is planned, which includes an enhanced nutrient removal system that will help improve the health of the Chesapeake Bay. The State's Bay Restoration Fund will contribute approximately 85% towards the cost of this project.
- Annexation of Phase I of the Ashleigh subdivision (77 single family homes).
- Implementation of the GOVQA system. This Government Question and Answer system, which also includes a service request option, will be added to the City's website.
- Renovation of the South Bowie Community Center by the Maryland-National Capital Park and Planning Commission.

- Building permit application submitted for a 150,000 square foot, four-story office building at the Maryland Science and Technology Center. Plans have been submitted for a 300-room hotel conference center, 135,000 square feet of office space in five buildings and 250,000 square feet of flex space in seven buildings at this same location.

RETIREMENT AND OTHER POSTEMPLOYMENT BENEFITS

The City has a defined contribution employee savings plan authorized under Section 401(k) of the Internal Revenue Service Code covering all full-time employees. Additionally, the City has established a deferred compensation plan in accordance with Internal Revenue Code Section 457 which is available to all employees.

The City also provides hospitalization and prescription benefits for qualifying retirees. Two retirees received benefits during the year, which were financed on a pay-as-you-go basis.

Additional information on the City's retirement and other post-employment benefits can be found in Notes 3F, 3G and 3I to the basic financial statements.

CASH MANAGEMENT

Temporary idle cash during the year was invested in the State created Maryland Local Government Investment Pool, certificates of deposit, and an interest bearing cash account. On June 30, 2007, the City's financial assets consisted of $1,304,918 cash and $35,652,593 in the investment pool. Interest earned on investments during fiscal year 2007 totaled $1,804,308. This was $648,552 more than the interest earned on investments in fiscal year 2006.

Additional information on the City's cash management can be found in Note 3 to the basic financial statements.

RISK MANAGEMENT

On July 1, 1987, the City joined with other local governments and formed the Local Government Insurance Trust. The Local Government Insurance Trust is a self-insurance pool providing coverage for all risks except Workers' Compensation. The Injured Workers' Insurance Fund, a not-for-profit organization established by the State of Maryland, provides coverage for Workers' Compensation.

Additional information on the City's risk management can be found in Note 4 to the basic financial statements.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bowie, Maryland, for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the thirty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

DISTINGUISHED BUDGET PRESENTATION

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Bowie for its annual budget for the fiscal year beginning July 1, 2007. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

ACKNOWLEDGMENTS

Our sincere appreciation is extended to the staff of the Finance Department whose efficient and dedicated support throughout the year has culminated in the completion of this report. A word of thanks also goes to the City staff for their continuing cooperation. We thank the City Council for their interest and support in the planning and implementing of the financial operations of the City. A special acknowledgment is given to H. Byron Matthews, Kathleen Straser, Alice Smith, Michael Finelli and Ellen Hall for their efforts in the completion of this report.

Respectfully submitted:

David J. Deutsch
City Manager

Robert S. Patrick
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bowie
Maryland

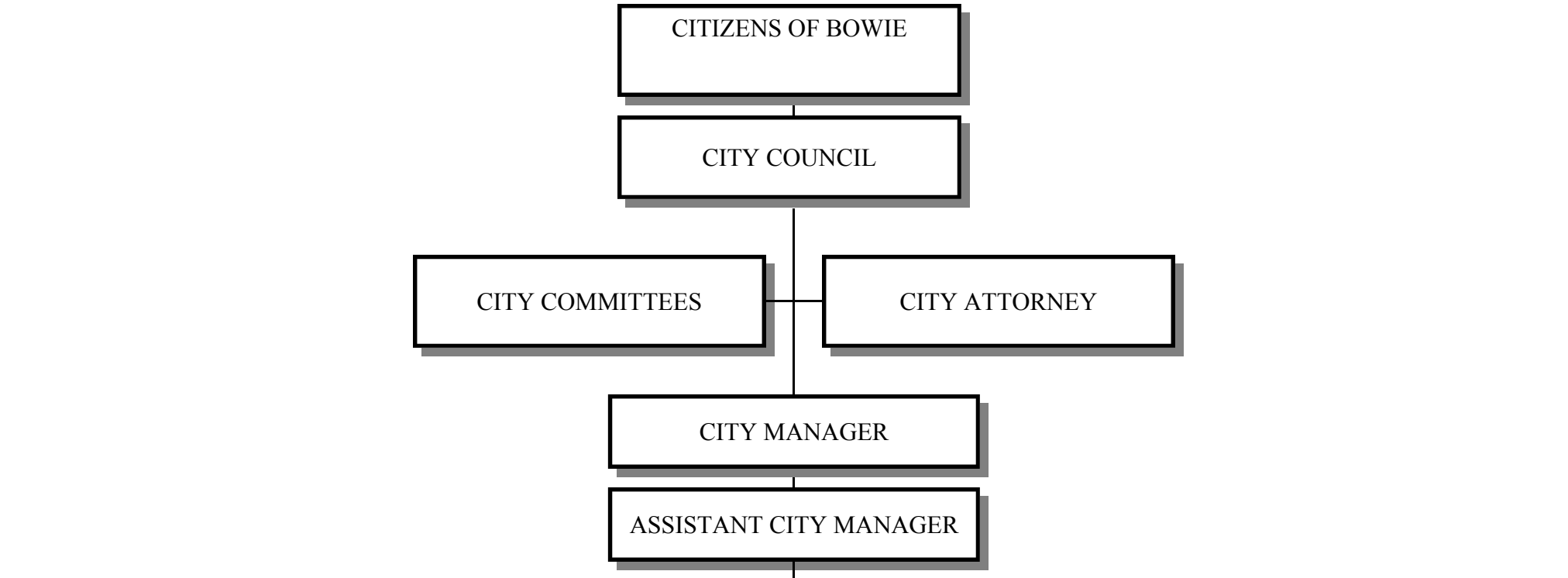
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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

President

Executive Director

CITY OF BOWIE, MARYLAND
ORGANIZATION CHART



City Manager
Personnel
Elections
Legal Services
Public Information
City Clerk
Public Safety
Risk Management
Grants

Police Services

Network Services
Voice Services
Data Services
Internet Services
GIS Services

Accounting
Budgeting
Financial Reporting
Payroll
Tax Billing
Water and Sewer Billing
Debt Administration

Public Buildings
Code Compliance
Senior Citizen Services
Youth Services
Animal Control
Special Events and Park Operations
Parks and Grounds
Stormwater Management
Ice Arena
Historic Properties and Museums
Gymnasium

Planning
Economic Development

Equipment Maintenance
Solid Waste Collection
Street Maintenance
Street Lighting
Snow Removal
Water and Sewer
Engineering
Project Management

"Growth, Unity, Progress"

SECTION II - FINANCIAL

"Growth, Unity, Progress"

Reznick Group

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, Members of the City Council and City Manager
City of Bowie, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowie, Maryland (City), as of and for the year ended June 30, 2007, 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. 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bowie, Maryland, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of 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.

Reznick Group

The Management's Discussion and Analysis information on pages 17 through 29 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB). 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 Bowie, Maryland's basic financial statements. The Budgetary Comparison Schedule - General Fund on pages 66 through 67 is not a required part of the basic financial statements but is supplementary information required by the GASB. The other supplementary information and individual fund budgetary schedules as listed in the Table of Contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Baltimore, Maryland
December 20, 2007

Reznick Group, P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) of the City of Bowie's Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2007. The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights

The assets of the City exceeded its liabilities at June 30, 2007 by $114.1 million (net assets). Of this amount, $38.5 million is unrestricted and may be used to meet the City's future obligations. Of the $38.5 million unrestricted assets, $36.9 million is related to governmental activities, which includes the General Fund. Of the $36.9 million unrestricted assets, $20.8 million is undesignated and available for future General Fund expenditures. The $1.6 million remaining balance of unrestricted assets is related to Business-type activities, which consists entirely of the City's Water and Sewer Fund.

The unreserved fund balance for the General Fund represented 71.4% of total General Fund expenditures compared to the Council adopted target of 25%.

In comparison with the prior fiscal year, the City's total net assets increased $9.5 million from $104.6 million. Net assets of governmental activities increased $10.1 million from $89.8 million and net assets of business-type activities decreased approximately $0.6 million from $14.9 million.

During the current fiscal year, the City's total long-term debt decreased by $1 million.

Overview of the Financial Statements

The financial section of the CAFR consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. This discussion and analysis are intended to serve as an introduction to the City of Bowie's basic financial statements. The City of Bowie's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Bowie's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Bowie include general government, economic development, public safety, social services, public works, parks, culture and recreation, and interest expense. Business-type activities are limited to the City's water and sewer system.

Fund financial statements. Traditional readers of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental and proprietary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

Proprietary funds. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like government-wide financial statements, provide both long-term and short-term financial information. The fund financial statements provide more detail and additional information, such as cash flows, for the City's enterprise fund (one type of proprietary fund). The enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City. A budgetary comparison schedule has been provided for the General Fund.

Other Supplementary Information. Budgetary comparison schedules have been provided for the following funds to demonstrate compliance with their budgets:

- Equipment Acquisition and Replacement Fund
- Capital Projects Fund
- Water and Sewer Fund

Statistical Section

The statistical section provides supplemental financial and statistical information intended to provide a broader understanding of the City's financial and economic environment. Much of the data presented is multi-year and some of it is derived from records external to the City's accounting records, therefore the statistical section is unaudited.

Financial Analysis of the City as a Whole

Government-wide Financial Analysis

The City's financial statements are prepared in conformity with the reporting model required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments. MD&A includes prior fiscal year results for the purpose of providing comparative information.

Net Assets

	Governmental activities		Business-type activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Current and other assets	$40,000,424	$34,066,229	$ 2,406,706	$ 2,538,039	$ 42,407,130	$ 36,604,268
Capital assets, net	63,038,056	59,577,190	15,579,932	16,136,285	78,617,988	75,713,475
Total assets	103,038,480	93,643,419	17,986,638	18,674,324	121,025,118	112,317,743
Long-term liabilities outstanding	859,149	1,573,008	3,068,554	3,240,280	3,927,703	4,813,288
Other liabilities	2,268,358	2,292,014	680,916	564,988	2,949,274	2,857,002
Total liabilities	3,127,507	3,865,022	3,749,470	3,805,268	6,876,977	7,670,290
Net assets:						
Invested in capital assets, net of related debt	63,038,056	58,787,190	12,646,680	13,030,257	75,684,736	71,817,447
Unrestricted	36,872,917	30,991,207	1,590,488	1,838,799	38,463,405	32,830,006
Total net assets	$99,910,973	$89,778,397	$14,237,168	$14,869,056	$114,148,141	$104,647,453

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2007, the City's assets exceeded liabilities by $114.1 million.

By far the largest portion of the City's net assets (66 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the investment in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The governmental activities investment in capital assets, net of related debt increased by $4.3 million or 7.2%. Most of this increase is related to construction in progress for the new Parks Maintenance Facility and the addition of infrastructure.

The business-type activities investment in capital assets, net of related debt decreased by $0.4 million or 2.9%.

The following table summarizes the City's change in net assets for the year ended June 30, 2007:

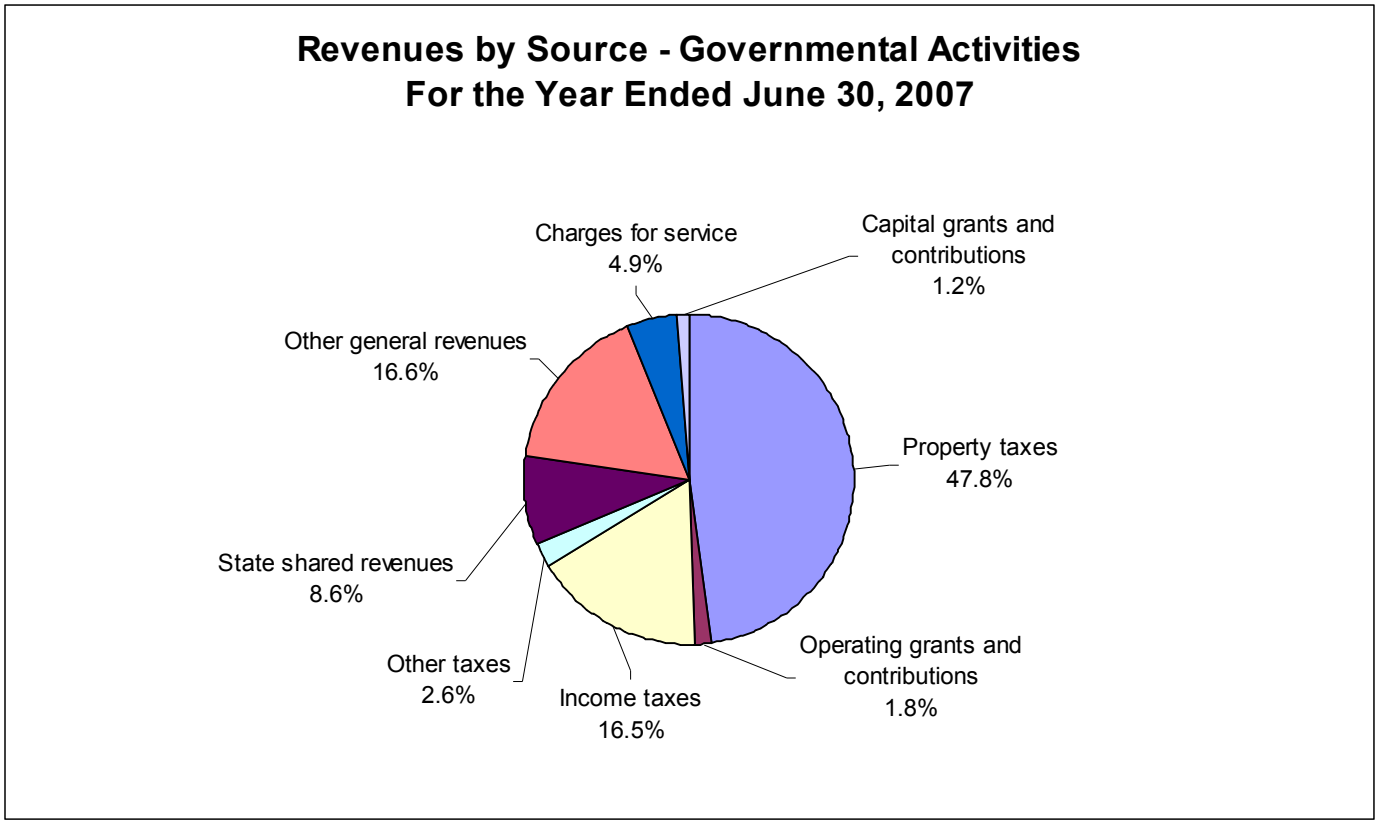
Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Revenues:						
Program revenues:						
Charges for service	$ 1,774,328	$ 1,596,909	$ 4,086,247	$ 4,171,785	$ 5,860,575	$ 5,768,694
Operating grants and contributions	653,146	608,325	-	-	653,146	608,325
Capital grants and contributions	450,803	448,468	-	-	450,803	448,468
General revenues:						
Property taxes	17,394,203	14,868,855	-	-	17,394,203	14,868,855
Income taxes	6,022,381	6,280,436	-	-	6,022,381	6,280,436
State shared revenues	3,128,356	3,038,416	-	-	3,128,356	3,038,416
Other taxes	955,894	906,281	-	-	955,894	906,281
Other general revenues	2,942,107	2,605,651	76,536	85,596	3,018,643	2,691,247
Total revenues	33,321,218	30,353,341	4,162,783	4,257,381	37,484,001	34,610,722
Expenses:						
General government	6,075,685	5,662,395	-	-	6,075,685	5,662,395
Economic development	311,325	323,902	-	-	311,325	323,902
Public safety	2,208,335	1,392,616	-	-	2,208,335	1,392,616
Social services	1,581,332	1,429,927	-	-	1,581,332	1,429,927
Public works	10,819,541	10,115,878	-	-	10,819,541	10,115,878
Parks, culture and recreation	5,273,747	4,879,148	-	-	5,273,747	4,879,148
Interest	16,223	45,192			16,223	45,192
Water and wastewater	-	-	4,474,971	4,118,182	4,474,971	4,118,182
Total expenses	26,286,188	23,849,058	4,474,971	4,118,182	30,761,159	27,967,240
Increase (Decrease) in net assets before special items and transfers	7,035,030	6,504,283	(312,188)	139,199	6,722,842	6,643,482
Special item - gain on sale of land	2,777,846	-	-	-	2,777,846	-
Transfers	319,700	311,000	(319,700)	(311,000)	-	-
Increase (Decrease) in net assets	10,132,576	6,815,283	(631,888)	(171,801)	9,500,688	6,643,482
Net assets - beginning, as restated	89,778,397	82,963,114	14,869,056	15,040,857	104,647,453	98,003,971
Net assets - ending	$ 99,910,973	$ 89,778,397	$ 14,237,168	$ 14,869,056	$ 114,148,141	$ 104,647,453

The overall increase in the City's net assets amounted to $9.5 million during the fiscal year. These increases are explained in the governmental and business-type activities discussion that follows.

Governmental Activities

Governmental activities increased the City's net assets by $10.1 million. Total revenues and transfers of $36.4 million are comprised of program revenues totaling $2.9 million, or 8%, and general revenues and transfers of $33.5 million, or 92%. General revenues are the principal source of funding for the major activities of the City. Sources of revenue are comprised of the following items:

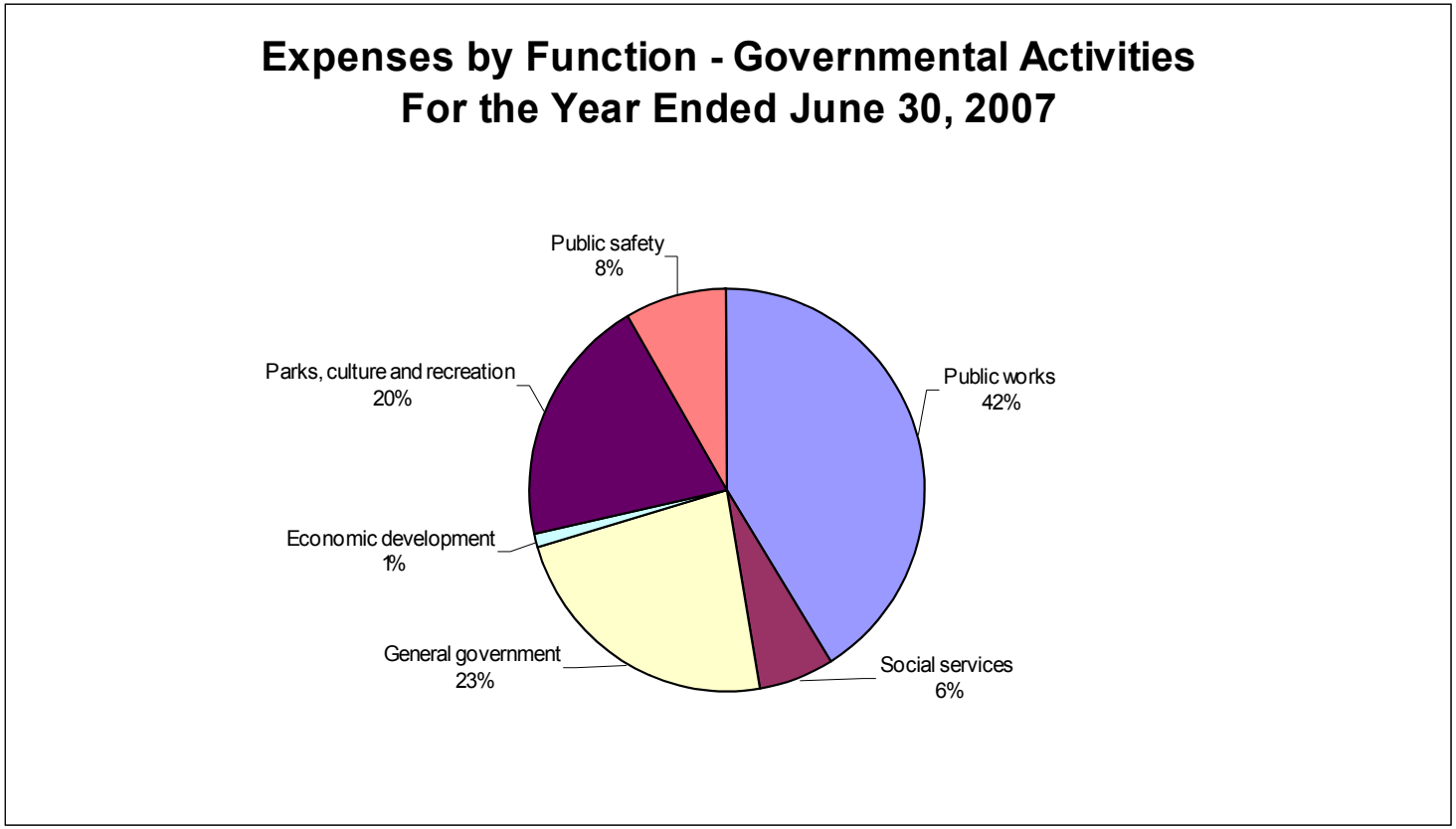


Key elements of the increase in net assets are as follows:

- Property taxes increased by $2.5 million during the year, primarily due to a tax rate increase.
- The City sold a parcel of surplus land which provided a gain on the sale of $2.8 million.

A more detailed discussion of the City's revenue results for FY2007 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A.

The cost of all governmental activities for FY2007 was $26.3 million. As the following chart indicates, Public Works constitutes the City's largest program, totaling $10.8 million. General government expenses totaled $6.1 million, while Parks, culture and recreation, the third largest expense for the City, totaled $5.3 million.



The following table presents the cost and program revenues of each of the City's five largest programs – public works, general government, parks, culture and recreation, public safety, and social services – as well as each program's net cost (total cost less fees generated by the activities and program-specific grants and contributions).

Net Cost of City's Governmental Activities

	Expenses		Program Revenues		Net Cost of Services	
	2007	2006	2007	2006	2007	2006
Public works	$ 10,819,541	$ 10,115,878	$ 825,036	$ 875,595	$ 9,994,505	$ 9,240,283
General government	6,075,685	5,662,395	117,734	48,343	5,957,951	5,614,052
Parks, culture and recreation	5,273,747	4,879,148	1,381,687	1,196,622	3,892,060	3,682,526
Public safety	2,208,335	1,392,616	346,269	335,874	1,862,066	1,056,742
Social services	1,581,332	1,429,927	207,551	184,768	1,373,781	1,245,159
Other	327,548	369,094	-	12,500	327,548	356,594
Total	$ 26,286,188	$ 23,849,058	$ 2,878,277	$ 2,653,702	$ 23,407,911	$ 21,195,356

Business-type Activities

The City's water and sewer operation is reported here. Charges for services represent the principal revenue source for the City's business-type activities. During the current fiscal year, revenue from business-type activities totaled $4.2 million. Expenses and transfers for these activities totaled $4.8 million and resulted in a decrease in net assets of $0.6 million.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal 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. Such information is valuable in assessing the City's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of major governmental funds reported by the City include the General Fund, Equipment Acquisition and Replacement Fund and the Capital Projects Fund.

At the end of FY2007, the City's governmental funds reported combined ending fund balances of $35.5 million. Of the total ending fund balances, $31.5 million constitutes the unreserved fund balance, which is available for spending at the City's discretion. Of the unreserved fund balance, $7.5 million has been designated by the City Council for subsequent years expenditures and other uses leaving an unreserved undesignated amount of $24 million. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period ($3.8 million) and to account for prepaid costs ($0.2 million).

The General Fund is the primary operating fund of the City. At the end of FY2007, unreserved and undesignated fund balance of the General Fund was $20.8 million, while the total fund balance totaled $22 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and undesignated fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 68.8 percent of the total General Fund expenditures and transfers out, while total fund balance represents 72.9 percent of the same amount.

The fund balance of the City's General Fund increased by $2.6 million during the current fiscal year. Revenues increased by $3.4 million primarily due to increasing assessments of taxable property ($2.5 million). Interest income increased by $0.5 million as a result of higher interest rates. Intergovernmental revenues increased by $0.3 million, reflecting a $0.3 million increase in Income Taxes and a $0.1 million increase in Highway User Revenue received from the State of Maryland.

Expenditures increased by $4.8 million as a result of the following:

- Implementation of the new City police department increased Public Safety expenditures by $0.8 million.
- The increase of $1.1 million in the Public Works area is mainly attributable to the increased costs incurred by the Streets Maintenance Division. Higher resurfacing costs and additional personnel and related fringe benefit costs accounted for $0.7 million of the increase in FY2007.
- Transfers to the Equipment Acquisition and Replacement Fund and the Capital Projects Fund increased by $0.7 million and $0.6 million, respectively.
- Debt service costs increased by $0.5 million.

The Equipment Acquisition and Replacement Fund has a total fund balance of $3.6 million, which predominantly is all designated by the City Council for subsequent years expenditures. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period. The net increase in fund balance during the current year was $0.5 million. The required transfer from the General Fund was $0.7 million more than the previous year. Expenditures increased by $0.3 million and included the purchase of 15 police cars and the replacement of two refuse trucks, three dump trucks and other equipment per the replacement schedule.

The Capital Projects Fund is used to account for the overall financing and expenditure of uncompleted projects. Of the total ending fund balance of $9.8 million, $6.4 million constitutes the unreserved fund balance. Of the unreserved fund balance, $3.1 million has been designated by the City Council for subsequent years expenditures and other uses, leaving an unreserved undesignated amount of $3.3 million. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period ($3.5 million). The net increase in fund balance during the current year was $3.1 million. The transfer from the General Fund was $0.6 million less than the previous year. Expenditures increased by $1.5 million as compared to the previous year.

Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide statements, but include more detail.

Unrestricted net assets of the Water and Sewer Fund at the end of the year were $1.6 million. After a transfer to the General Fund of $0.3 million, the fund ended FY2007 with a decrease in net assets of $0.6 million.

A discussion of enterprise fund long-term debt can be found in the Debt Administration section presented later in this MD&A. Other factors concerning the finances of the enterprise fund are addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains City Council approved supplemental appropriations and transfers between activities. The amount of transfers between the major expenditure functions was relatively minor. Supplemental appropriations totaling $1,363,900 were approved. The supplemental appropriations can be briefly summarized as follows:

- $575,600 – Increased the transfer to the Capital Projects Fund to provide additional funding for the new Parks Maintenance Facility and the installation of a new traffic signal on Northview Drive.
- $543,000 – Redemption of the Public Improvement Refunding Bonds of 1994.
- $135,600 – Increased the transfer to the Equipment Acquisition and Replacement Fund to purchase an additional three police cars.
- $59,700 – Updated the Green Infrastructure Plan and map. Funding provided by a federal grant
- $50,000 – Additional police personnel and related equipment.

Actual expenditures and other financing uses were $1.8 million less than the final amended budget. These differences can be briefly summarized as follows:

- Initial Police Department expenditures were $0.4 million less, primarily due to personnel and fringe benefit costs being lower than anticipated.
- Less than anticipated expenditures for contract police officers and the deferral of the installation of a new traffic signal at the intersections of Race Track Road, Idlewild Lane and Marquette Lane accounted for the $0.2 million difference between budgeted and actual expenditures.
- Expenditures across the board in Recreation and Stormwater Management were $0.2 and $0.1 million, respectively, less than anticipated
- Total Information Technology expenditures were $0.1 million less than budgeted.
- Public Information expenditures were $0.1 million less, primarily due to capital outlay costs being lower than anticipated.
- The required transfer to the Equipment Acquisition and Replacement Fund was $0.1 million less than originally estimated.
- The remaining differences were spread across the various other activities of the General Fund and were relatively minor within each activity.

Revenues and other financing sources amounted to $32.8 million in fiscal year 2007, an increase of 11.6 percent from fiscal year 2006.

General property taxes produced $2.5 million more revenue than in fiscal year 2006, an increase of 17 percent. The assessable tax base increased to $4.6 billion, an increase of 9.5 percent.

Intergovernmental revenues increased by $0.3 million. Income tax and highway user revenue proceeds received from the State of Maryland increased by $0.3 million in total.

Expenditures and transfers amounted to $30.2 million, an increase of $4.8 million, or 19.2 percent from fiscal year 2006.

Transfer to the Equipment Acquisition and Replacement Fund and the Capital Projects Fund increased by $0.7 million and $0.6 million respectively.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2007, amounted to $78.6 million (net of accumulated depreciation). Capital assets include land, historical treasures, building and improvements, improvements other than buildings, machinery and equipment and infrastructure. The total net increase in the City's capital assets for the current fiscal year was 3.8% (a 5.8% increase for governmental activities and a 3.5% decrease for business-type activities) as shown in the following table.

Capital Assets, Net of Depreciation

	Governmental activities		Business-type activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Land	$ 13,407,726	$ 13,410,226	$ 1,489,192	$ 1,489,192	$ 14,896,918	$ 14,899,418
Historical treasures	187,830	187,830	-	-	187,830	187,830
Buildings and improvements	18,455,788	17,803,773	4,622,784	4,337,742	23,078,572	22,141,515
Improvements other than buildings	6,221,358	6,338,458	4,001,529	4,163,753	10,222,887	10,502,211
Machinery and equipment	4,573,946	4,118,945	606,034	767,143	5,179,980	4,886,088
Infrastructure	17,806,201	15,677,270	4,797,028	4,880,859	22,603,229	20,558,129
Construction in progress	2,385,207	2,040,688	63,365	497,596	2,448,572	2,538,284
Total	$ 63,038,056	$ 59,577,190	$ 15,579,932	$ 16,136,285	$ 78,617,988	$ 75,713,475

Under the Governmental Activities Capital Assets, the balance of $2,385,207 for Construction in Progress includes: ongoing construction cost for the Parks Maintenance Facility totaling $2,053,061; $10,759 for additional Hiker-Biker Trails; $228,373 for construction costs of temporary police facilities and $93,014 for various other projects.

The other significant additions to Governmental Activities Capital Assets included: $127,077 for parking lot lighting at Allen Pond; $144,942 for renovations of the HVAC system and installation of a generator at the Bowie Ice Arena; $193,838 for installation of a generator at the Senior Citizen Center; $137,188 for street resurfacing and lights at Church Road Park and $430,129 for improvements to streets and stormwater systems in Old Town Bowie.

Under the Business-type Activities Capital Assets, the more significant additions included: $68,350 to replace two rotors for the oxidation ditch at the wastewater treatment plant; $63,724 for the Washington Suburban Sanitary Commission Interconnection Project; $35,349 for a utility truck; and electrical upgrades and generator installation at the streets/utility building for $80,130.

More detailed information about the City's capital assets is presented in Note 3D to the basic financial statements.

Debt Administration

At year-end, the City had $2.9 million in bonds outstanding versus $3.9 million last year – a decrease of 24.7 percent - as shown in the following table.

Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
General obligation bonds (backed by the City)	$ -	$ 790,000	$ -	$ -	$ -	$ 790,000
Long-term financing with State of Maryland	-	-	2,938,634	3,112,190	2,938,634	3,112,190
Compensated absences	859,149	783,008	129,920	128,090	989,069	911,098
Total outstanding debt	$ 859,149	$ 1,573,008	$ 3,068,554	$ 3,240,280	$ 3,927,703	$ 4,813,288

Neither Maryland State law nor the City Charter mandates a limit on municipal debt. On May 10, 1999, the City Council established a policy to limit debt, exclusive of amounts being repaid by the Water and Sewer system, to 0.8 percent of assessed value of taxable property. At June 30, assessed value of such property totals $4.6 billion, the debt limit was $36.8 million and no actual outstanding debt subject to the limit.

The City's general obligation bond rating is Aa2 from Moody's Investor Service and AA+ from Standard and Poor's Corporation. Other obligations include accrued vacation leave. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

The City is located in the northern part of Prince George's County at the crossroads of highways 3/301 and 50. Although considered to be in the Washington, DC metropolitan area, the City's location also gives it easy access to Baltimore and Annapolis. The Baltimore/Washington area is considered to be one of the fastest growing regions in the nation and generally contributes to the City's stability.

The City's total assessed value continues to grow. The growth has been attributed primarily due to increasing assessments, additional commercial development and continued annexations of adjacent properties. The City issued 44 permits for new home construction during FY2007 as compared to 33 permits issued in FY2006. The majority of homes in the city are owner occupied single-family homes that the 2000 census placed in the price range of $150,000 to $199,000 with a median value of $158,100. As with other areas across the region, the sale price of homes in the city during FY2007 well exceeded the median values from the 2000 census.

The Maryland Department of Labor, Licensing and Regulation reported the unemployment rate in Prince George's County at 4.2 percent and the State at 4 percent on June 30, 2007. The 2000 Census showed the median income for the City of Bowie at $76,778. The income level exceeds the State of Maryland at $45,289 and the United States at $37,005. According to the Office of Federal Housing Enterprise Oversight, Maryland ranked twenty-first in the nation for home price appreciation during the last year.

The City prepares a financial forecast as a component in the process of developing the annual operating budget and the six-year capital improvements program. The assumptions in the forecast are reviewed with the City Council as background for decisions about revenue projections and estimated costs.

Real and personal property tax rates remain at $.352 and $.88 per $100 of assessed valuation, respectively, in the FY2008 adopted budget. General Fund revenues and transfers from other funds in FY2008 are budgeted to increase by 10.8 percent from the FY2007 budget year. General property taxes make up approximately 55.5 percent of General Fund budgeted revenues and transfers from other funds. General Fund expenditures and transfers to other funds are budgeted to increase by 7 percent from the FY2007 budget year.

State-administered income tax proceeds, the City's largest source of intergovernmental revenue increased by 4.3% in FY2007. State-administered Highway User Revenues, the City's second largest source of intergovernmental revenue, increased by 3% in FY2007.

As for the City's business-type activities, water and sewer rates increase to $5.50 in FY2008 as compared to $5.00 in FY2007.

Requests for Information

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Department, Attn: Finance Director, at 2614 Kenhill Drive, Bowie, Maryland 20715 or call (301) 809-3025.

"Growth, Unity, Progress"

BASIC FINANCIAL STATEMENTS

CITY OF BOWIE, MARYLAND
Statement of Net Assets
June 30, 2007

	Primary Government		
	Governmental activities	Business-type activities	Total
Assets:			
Cash, cash equivalents and investments	$ 35,423,900	$ 1,533,611	$ 36,957,511
Property taxes receivable, net	78,280	-	78,280
Other receivables, net	433,993	860,283	1,294,276
Due from other governments	3,912,735	259	3,912,994
Other assets	151,516	12,553	164,069
Capital assets:			
Land, historical treasures and construction in progress	15,980,763	1,552,557	17,533,320
Other capital assets, net of accumulated depreciation	47,057,293	14,027,375	61,084,668
Total assets	103,038,480	17,986,638	121,025,118
Liabilities:			
Accounts payable and accrued liabilities	1,301,635	160,528	1,462,163
Accrued interest payable	-	49,216	49,216
Deposits and customer advances	400,632	410,816	811,448
Due to other governments	566,091	60,356	626,447
Noncurrent liabilities:			
Due within one year:			
Long term debt payable	-	177,894	177,894
Compensated absences	629,876	116,805	746,681
Due in more than one year:			
Long term debt payable	-	2,760,740	2,760,740
Compensated absences	229,273	13,115	242,388
Total liabilities	3,127,507	3,749,470	6,876,977
Net Assets:			
Invested in capital assets, net of related debt	63,038,056	12,646,680	75,684,736
Unrestricted	36,872,917	1,590,488	38,463,405
Total net assets	$ 99,910,973	$14,237,168	$114,148,141

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE, MARYLAND
Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and in Net Assets: Primary Government: Business-type Activities
Primary Government:						
Governmental activities:						
General government	$ 6,075,685	$ 92,734	$ 25,000	$ -	$ (5,957,951)	$ -
Economic development	311,325	-	-	-	(311,325)	-
Public safety	2,208,335	172,407	173,862	-	(1,862,066)	-
Social services	1,581,332	3,818	203,733	-	(1,373,781)	-
Public works	10,819,541	431,692	146,236	247,108	(9,994,505)	-
Parks, culture and recreation	5,273,747	1,073,677	104,315	203,695	(3,892,060)	-
Interest	16,223	-	-	-	(16,223)	-
Total governmental activities	26,286,188	1,774,328	653,146	450,803	(23,407,911)	-
Business-type activities:						
Water and wastewater	4,474,971	4,086,247	-	-	-	(388,724)
Total primary government	$ 30,761,159	$ 5,860,575	$ 653,146	$ 450,803	(23,407,911)	(388,724)
General revenues:						
Taxes:						
Property taxes					17,394,203	-
Income taxes					6,022,381	-
Gas and motor vehicle taxes					3,109,348	
Unrestricted state shared revenues					19,008	-
Other taxes					955,894	-
Franchise fees					891,831	-
Grants not restricted to specific programs					30,107	
Unrestricted investment income					1,727,773	76,536
Miscellaneous					292,396	-
Special item - Gain on sale of land					2,777,846	-
Transfers					319,700	(319,700)
Total general revenues and transfers					33,540,487	(243,164)
Change in net assets					10,132,576	(631,888)
Net assets - beginning, as restated					89,778,397	14,869,056
Net assets - ending					$ 99,910,973	$ 14,237,168

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE, MARYLAND
Statement of Activities
For the Year Ended June 30, 2007

	d Changes
	ɛnt
	Total
$	(5,957,951)
	(311,325)
	(1,862,066)
	(1,373,781)
	(9,994,505)
	(3,892,060)
	(16,223)
	(23,407,911)
	(388,724)
	(23,796,635)
	17,394,203
	6,022,381
	3,109,348
	19,008
	955,894
	891,831
	30,107
	1,804,309
	292,396
	2,777,846
	-
	33,297,323
	9,500,688
	104,647,453
$	114,148,141

"Growth, Unity, Progress"

FUND FINANCIAL STATEMENTS

CITY OF BOWIE, MARYLAND
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	Equipment Acquisition and Replacement Fund	Capital Projects Fund	Total
Assets:				
Cash, cash equivalents and investments	$ 21,322,911	$ 3,679,578	$ 10,421,411	$ 35,423,900
Property taxes receivable, net	78,280	-	-	78,280
Other receivables	374,933	13,877	45,183	433,993
Due from other governments	3,912,735	-	-	3,912,735
Other assets	151,516	-	-	151,516
Total assets	$ 25,840,375	$ 3,693,455	$ 10,466,594	$ 40,000,424
Liabilities And Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	$ 826,472	$ 50,351	$ 424,812	$ 1,301,635
Deposits	182,733	-	217,899	400,632
Deferred revenue	2,224,999	-	-	2,224,999
Due to other governments	566,091	-	-	566,091
Total liabilities	3,800,295	50,351	642,711	4,493,357
Fund Balances:				
Reserved for:				
Encumbrances	303,334	49,104	3,464,349	3,816,787
Prepaid costs	151,516	-	-	151,516
Unreserved:				
Designated for subsequent year's expenditures	533,600	127,600	1,663,800	2,325,000
Designated - other	267,471	3,466,400	1,429,033	5,162,904
Undesignated	20,784,159	-	3,266,701	24,050,860
Total fund balances	22,040,080	3,643,104	9,823,883	35,507,067
Total liabilities and fund balances	$ 25,840,375	$ 3,693,455	$ 10,466,594	

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 in the funds	63,038,056
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	2,224,999
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(859,149)
Net assets of governmental activities	$ 99,910,973

CITY OF BOWIE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	General Fund	Equipment Acquisition and Replacement Fund	Capital Projects Fund	Total
Revenues:				
Taxes	$ 18,277,486	$ -	$ -	$ 18,277,486
Licenses and permits	538,432	-	-	538,432
Intergovernmental revenues	9,975,706	-	337,108	10,312,814
Fees and fines	1,842,534	-	-	1,842,534
Contributions	108,360	-	92,293	200,653
Interest income	1,153,226	164,731	482,322	1,800,279
Rental income	239,190	-	-	239,190
Other revenues	338,504	-	-	338,504
Total Revenues	32,473,438	164,731	911,723	33,549,892
Expenditures:				
Current:				
General government	5,232,559	-	-	5,232,559
Economic development	309,949	-	-	309,949
Public safety	2,177,231	-	-	2,177,231
Social services	1,546,205	-	-	1,546,205
Public works	10,660,363	-	-	10,660,363
Parks, culture and recreation	4,507,419	-	-	4,507,419
Other - unclassified	350,209	-	-	350,209
Debt service:				
Principal	790,000	-	-	790,000
Interest	39,813	-	-	39,813
Capital outlay	107,893	1,381,925	3,646,741	5,136,559
Total Expenditures	25,721,641	1,381,925	3,646,741	30,750,307
Excess (deficiency) of revenues over (under) expenditures	6,751,797	(1,217,194)	(2,735,018)	2,799,585
Other financing sources (uses):				
Sale of capital assets	-	6,761	-	6,761
Transfers in	319,700	1,749,183	2,760,200	4,829,083
Transfers out	(4,509,383)	-	-	(4,509,383)
Total other financing sources (uses)	(4,189,683)	1,755,944	2,760,200	326,461
Special Item				
Proceeds from land sale	-	-	3,040,000	3,040,000
Net change in fund balance	2,562,114	538,750	3,065,182	6,166,046
Fund balances - beginning	19,477,966	3,104,354	6,758,701	29,341,021
Fund balances - ending	$ 22,040,080	$ 3,643,104	$ 9,823,883	$ 35,507,067

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2007

Net change in fund balance - total governmental funds	**$**	**6,166,046**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($6,322,915) exceeded depreciation ($2,551,867) in the current year.		**3,771,048**
In the statement of activities, the gain ($2,736,579) on the disposition of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale ($3,046,761) increase financial resources. Thus, the change in net assets differs from the change in fund balances by costs of the capital assets sold less any accumulated depreciation.		**(310,182)**
Repayment of the principal of long-term debt is an expenditure in the governmental funds, however, the repayment reduces long-term liabilities in the statement of net assets.		**790,000**
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		**(228,674)**
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the governmental funds when it is due, thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is the result of accrued interest on the long-term debt.		**20,479**
In the statement of activities, compensated absences are measured by the amounts earned during the year. In governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, compensated absences earned exceeded amounts used.		**(76,141)**
Change in net assets of governmental activities	**$**	**10,132,576**

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE, MARYLAND
Statement of Net Assets
Proprietary Fund
June 30, 2007

	Enterprise Fund Water and Sewer Fund
Assets:	
Current assets:	
Cash, cash equivalents and investments	$ 1,533,611
Accounts receivable, net	247,400
Unbilled accounts receivable	612,883
Accrued interest receivable	6,443
Intergovernmental receivable	259
Prepaid expenses	728
Total current assets	2,401,324
Noncurrent assets:	
Capital assets:	
Land and construction in progress	1,552,557
Other capital assets, net of accumulated depreciation	14,027,375
Issuance costs	5,382
Total noncurrent assets	15,585,314
Total assets	17,986,638
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	160,528
Intergovernmental payable	60,356
Accrued interest payable	49,216
Escrow deposits	55,316
Customers advances for service	355,500
Long-term debt payable - current	177,894
Total current liabilities	858,810
Noncurrent liabilities:	
Long-term debt payable	2,760,740
Compensated absences	129,920
Total noncurrent liabilities	2,890,660
Total liabilities	3,749,470
Net Assets:	
Invested in capital assets, net of related debt	12,646,680
Unrestricted	1,590,488
Total net assets	$14,237,168

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE, MARYLAND
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2007

	Enterprise Fund Water and Sewer Fund
Operating revenues:	
Water sales and sewerage surcharge	$ 2,899,679
Minimum charges	855,674
Forfeited discounts and penalties	18,982
Processing fees	14,675
Other operating income	109,206
Total operating revenues	3,898,216
Operating expenses:	
Water supply	1,323,383
Sewage treatment	1,883,770
Administrative and general	249,923
Miscellaneous	87,430
Depreciation	797,759
Total operating expenses	4,342,265
Operating loss	(444,049)
Nonoperating revenues (expenses):	
Interest income	76,536
Rental income - tower leases	176,931
Intergovernmental	11,100
Loss on disposal of capital assets	(43,808)
Amortization of bond issuance costs	(780)
Interest expense and fiscal agent charges	(88,118)
Total nonoperating revenues (expenses)	131,861
Income before transfers	(312,188)
Transfers out	(319,700)
Change in net assets	(631,888)
Total net assets - beginning	14,869,056
Total net assets - ending	$14,237,168

The notes to the basic financial statements are an integral part of this statement.

CITY OF BOWIE, MARYLAND
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2007

	Enterprise Fund Water and Sewer Fund
Cash flows from operating activities:	
Receipts from customers	$ 3,759,512
Other operating revenues	296,384
Payments to suppliers	(1,427,178)
Payments to employees	(1,998,148)
Net cash provided by operating activities	630,570
Cash flows from noncapital financing activities:	
Transfer to other funds	(319,700)
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	5,202
Purchases and construction of capital assets	(291,390)
Principal paid on capital debt	(173,556)
Interest paid on capital debt	(90,287)
Net cash used by capital and related financing activities	(550,031)
Cash flows from investing activities:	
Interest income	78,557
Net decrease in cash and cash equivalents	(160,604)
Cash and cash equivalents - beginning	1,694,215
Cash and cash equivalents - ending	$ 1,533,611

(Continued)

CITY OF BOWIE, MARYLAND
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2007

Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	**$ (444,049)**
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Rental income - tower leases	**176,931**
Intergovernmental	**11,100**
Depreciation	**797,759**
Provision for uncollectible accounts	**1,383**
Change in assets and liabilities:	
(Increase) in accounts receivable	**(32,882)**
Decrease in intergovernmental receivable	**6**
(Increase) in prepaid expenses	**(579)**
Increase in compensated absences	**1,830**
Increase in intergovernmental payable	**60,153**
Increase in accrued liabilities	**6,354**
Increase in accounts payable	**51,422**
Increase in customer advances	**1,142**
Total adjustments	**1,074,619**
Net cash provided by operating activities	**$ 630,570**

The notes to the basic financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The City of Bowie, Maryland is a municipal corporation governed by an elected mayor and six-member council. The City was incorporated in 1916 and adopted its present Charter in 1963. The City operates under a Council-Manager form of government, and although not a full service City, provides the following services: public works, police, culture and recreation, community development, code enforcement, and planning and economic development. In addition, the City owns and operates a water and sewer system that services approximately forty percent of its residents. The Washington Suburban Sanitary Commission provides water and sewer services to residents outside the City's franchise area. Prince George's County provides a number of services to City residents that include: police and fire protection, public library and emergency health care. The Prince George's County Board of Education provides for elementary and secondary education within the City. The Maryland - National Capital Park and Planning Commission contributes additional parks and recreational services within the City.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) recognized in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The City implemented the general provisions of the Statement in the year ended June 30, 2003 and retroactively reported infrastructure (assets acquired prior to July 1, 2002) in the fiscal year ending June 30, 2007.

A. Reporting Entity

Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by Statement 39, management has determined that the financial statements should only include the various departments governed directly by the City Council.

B. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public works, parks and recreation, general

administrative services, public safety, economic development, and social services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public works, parks and recreation, general administrative services, etc.) that are otherwise being supported by general government revenues (general property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public works, parks and recreation, etc.) or a business-type activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (general property taxes, intergovernmental revenues, interest income, etc.).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are overhead charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the costs and revenues reported for the various functions concerned.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financing resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly

explains the adjustment necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The following is a brief description of the specific funds used by the City in FY2007.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed.

General Fund - The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those properly accounted for in another fund. The principal sources of revenues for this fund are property taxes, intergovernmental grants and state shared revenues.

Equipment Acquisition and Replacement Fund – The Equipment Acquisition and Replacement Fund receives amounts transferred from other funds, not only to acquire and replace equipment during the current year, but to accumulate amounts appropriated each year to replace equipment scheduled for replacement in future years. The Equipment Acquisition and Replacement Fund is considered a major fund for government-wide reporting purposes.

Capital Projects Fund – The Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities not being financed by proprietary funds. The Capital Projects Fund is considered a major fund for government-wide reporting purposes.

Proprietary Funds – Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net assets and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Enterprise Fund – The Enterprise Fund accounts for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered entirely or predominantly through user charges. The City's Enterprise Fund accounts for the operations of the City's water and sewer system.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the funds statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of the governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net assets and statements of activities, and proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the statement of net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The statements of net assets, statement of activities, and financial statements of the Proprietary Funds are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The fund financial statements of the General, Equipment Acquisition and Replacement, and Capital Projects Funds are maintained and reported on the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. The term "available" is limited to collection within sixty days of the fiscal year-end. Property taxes are the primary source of revenues susceptible to accrual. Other revenue of material amounts which are accrued include intergovernmental revenues, interest and rental income. Building permits, fees, fines and miscellaneous revenues are recorded when received, as they are generally not measurable until actually received. Any revenues received in advance are deferred. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures are recorded when the related fund liabilities are incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated for payments to be made early in the new fiscal year.

D. Assets, Liabilities and Net Assets or Equity

CASH, CASH EQUIVALENTS AND INVESTMENTS

Temporary idle cash within the various funds is combined to form a cash and investment pool. Investments and interest earnings are recorded in the individual funds. Funds available for short periods are transferred to an interest bearing bank account. Funds available for longer periods are invested in certificates of deposit or the Maryland Local Government Investment Pool. Investments are stated at fair value, in accordance with GASB Statement No. 31.

For purposes of statement presentation, all highly liquid investments with an original maturity of three months or less when acquired are considered to be cash equivalents.

TAXES RECEIVABLE

Taxes Receivable are comprised of the uncollected taxes for the past five years. The estimated amount uncollectible of $104,460 is equal to the total of the outstanding receivables of the four oldest years.

UNBILLED ACCOUNTS RECEIVABLE

The Water and Sewer Fund unbilled accounts receivable are for services rendered, but not billed for the billing period April 1, 2007, to June 30, 2007. Unbilled revenue for the fiscal year ended June 30, 2007, totals $612,883.

PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at fair market value at time of receipt. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	15-50
Improvements other than buildings	10-50
Machinery and equipment	5-25
Public domain infrastructure	7-100
Water distribution system	10-100
Sewage collection system	10-100

DEFERRED EXPENSE

Bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

DEFERRED 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 also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable
Due from other governments (General Fund)	$ 2,224,999

COMPENSATED ABSENCES

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation leave balances. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement), while the proprietary funds report the liability as it is incurred.

EQUITY CLASSIFICATIONS

Government-wide statements – Equity is classified as net assets and displayed in three components:

- **Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.**
- **Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At year-end, the City had no restricted net assets to report.**
- **Unrestricted net assets – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."**

Fund statements – Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Except for those required to comply with accounting standards, all reservations and designations of fund balance reflect City Council action in the context of adoption of the City's budget, as follows:

1. **Reservation of Fund Balance - The significant accounting policies of the City permit the reservation of fund balance that restricts amounts not available for appropriation. The City, at June 30, 2007, reserved the amount of $3,816,787 for encumbrances outstanding that will be liquidated in subsequent years. Prepaid costs of $151,516 in the General Fund have also been reserved at June 30, 2007.**

2. **Unreserved Fund Balance - Designated for Appropriations - The significant accounting policies of the City designates that unencumbered and unreserved amounts at year end in the amount of $2,325,000 are available to fund appropriations in the subsequent year.**

3. **Unreserved Fund Balance – Designated for Scholarships – The City accepts donations toward a City Scholarship Fund; earnings on the fund are used to provide scholarships to deserving City students. Unreserved fund balance in the General Fund in the amount of $86,015 has been designated to the Scholarship Fund.**

4. **Unreserved Fund Balance - Designated for Friends of Belair - The Friends of Belair Mansion is a subcommittee of the City Heritage Committee, which provides volunteer service in support of the Belair Mansion. The City has established a designation in the amount of $22,844 at year end, representing the balance of amounts which have been raised by this group and donated to the City for acquisition of historical furnishings.**

5. Unreserved Fund Balance – Designated for Special Taxing Districts - The City established special taxing districts for the purposes of transportation management and stormwater management in certain areas. Funds raised by special district taxes in the amounts of $158,612 and $1,429,033 are designated only for special taxing district purposes in the General Fund and Capital Projects Fund, respectively.

6. Unreserved Fund Balance - Designated for Equipment Replacement – At June 30, the City designated $3,466,400 for the replacement of equipment in the Equipment Acquisition and Replacement Fund.

E. Revenues, Expenditures and Expenses

PROPERTY TAX REVENUE RECOGNITION

Property tax revenue is recognized in the year in which taxes have been levied and become available to meet current expenditures. Recognized revenues are expected to be collected within the current period.

COMPENSATED ABSENCES

Employees are permitted to accumulate earned but unused vacation leave. All vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is adjusted to current salary cost at June 30, plus salary-related payments associated with the payment of compensated absences. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Annual leave payable at termination of employment is limited to 30 days.

As part of a flexible benefit plan, all employees receive six personal days each year. The personal days are not accrued and unused days are forfeited on December 31. The employees hired prior to July 1, 1988, who elected not to participate in the flexible benefit plan, accumulate sick leave at the rate of 1 1/4 days per month or 15 days a year. There is no restriction on the accumulation of sick leave. However, no payment is made for the accumulated amount upon separation and no accrued liability is recorded.

STATEMENT PRESENTATION

The Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds is prepared on a basis consistent with generally accepted accounting principles under which method encumbrances are considered a reservation of fund balance and charged to operations in the year liquidated. All intergovernmental revenues applicable to these encumbrances are recorded as unearned for the current period, and earned for the subsequent period in which the reservation of fund balance is liquidated.

2. Reconciliation of Government-wide and Fund Financial Statements

A. A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and the net assets for governmental activities as shown on the government-wide statement of net assets is presented on the face of the governmental funds balance sheet. The asset and liability elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting while the government-wide financial statements use the economic resources measurement focus and accrual basis of accounting.

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets	$ 85,830,263
Less: Accumulated depreciation	(22,792,207)
Total	$ 63,038,056
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Due from other governments	$ 2,224,999
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	859,149
Total	$ 859,149

3. Detailed Notes on All Funds

ASSETS, LIABILITIES AND FUND EQUITY

A. Cash, Cash Equivalents and Investments - The State of Maryland Code allows municipalities to invest surplus funds in financial institutions within the State of Maryland if the financial institution provides collateral with a market value that equals or exceeds the amount by which a deposit exceeds the deposit insurance. Collateral is limited to obligations of or guarantees by the United States government; State, County or Municipal Obligation; obligations of the Inter-American Development Bank; or obligations of the World Bank. Municipalities may also invest in federal obligations or repurchase agreements those obligations secure. The State of Maryland Code requires municipalities have an investment policy. By resolution passed by the City Council, an investment policy has been adopted. Management has decided to restrict investments to the use of an interest bearing cash account for readily available funds, and the Maryland Local Government Investment Pool or certificates of deposit on a pooled basis for cash amounts that are available for longer periods. Only financial institutions covered by the Federal Deposit Insurance Corporation (FDIC) are used.

Investments are stated at fair value, in accordance with GASB Statement No. 31. All accrued interest is recorded as a receivable for the period earned and reported separately on the balance sheet.

For purposes of this note disclosure, cash and cash equivalents are classified as either deposits or investments. Deposits include cash in checking accounts, savings accounts, certificates of deposit and undeposited cash. Investments consist of amounts invested in the Maryland Local Government Investment Pool.

Deposits - At fiscal year end, the carrying amount of the City's deposits was $1,299,732, and the bank balances were $2,110,155. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2007, the City's bank balances were not exposed to any custodial credit risk since all deposits were fully collateralized. Of the bank balances, $300,000 was covered by federal depository insurance, and $1,810,155 was covered by collateral pledged to the City and held in the City's name by the pledging bank's trust department. The City had undeposited cash in the amount of $5,185.

Investments - Statutes authorize the City to invest in obligations of the United States government, federal government agency obligations, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the Maryland Local Government Investment Pool (MLGIP), which invests in United States Treasuries.

The City's investments are pooled in the State created Maryland Local Government Investment Pool. These funds are

part of an external investment pool. The investments at June 30, 2007 are shown below:

	Carrying Amount	Fair Value
General Fund	$ 20,118,057	$ 20,118,057
Equipment Acquisition and Replacement Fund	3,679,578	3,679,578
Capital Projects Fund	10,421,411	10,421,411
Water and Sewer Fund	1,433,548	1,433,548
Total - MLGIP	$ 35,652,594	$ 35,652,594

There is no custodial credit risk for these investments as the amounts are fully collateralized. In addition, there is no interest rate risk as the interest rates are adjusted periodically. It should also be noted that the City does not have any foreign currency risk associated with any investments.

Article 95 §22G of the Annotated Code of Maryland established the Maryland Local Government Investment Pool. The Pool, under the administrative control of the State Treasurer, is operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, and is managed by PNC Institutional Investmens. The pool has an AAAm rating from Standard and Poor's Corporation and maintains a $1.00 per share value. An MLGIP Advisory Committee of current participants was formed to review, on a quarterly basis, the activities of the pool and to provide suggestions to enhance the pool. The fair value of the City's investment in the pool is equal to the fair value of its shares in the pool.

B. Property Taxes - Real and personal property taxes are levied at a rate consistent with State law requiring that the State Department of Assessments and Taxation's constant yield tax rate cannot be exceeded without notice to the public of such an intent, and then, only after public hearings are held. The City Council levies the rate, adopted in the appropriations ordinance, based on the assessed value of the property as determined by the State Department of Assessments and Taxation.

By action of the Maryland General Assembly, triennial assessment in the State became effective in fiscal years after 1980. This act provides that only 1/3 of all property be reassessed every year with all property being reassessed every three years. The assessment increase is phased in over the three-year period. Taxable assessment increases were limited to 5 percent this fiscal year.

Prior to FY2001, real property was assessed at 40 percent of estimated full value. Pursuant to a change in State law, which took effect on October 1, 2000, the assessed values for FY2001 and subsequent years reflect the conversion to full value assessments of real property.

Taxes are levied as of July 1, become a lien on that date, and are due and payable by October 1, except principal residences, which are due and payable in semiannual installments at July 1 and December 31. Semiannual

installments due on December 31 become delinquent January 1. Monthly interest at the rate of 2/3 of 1 percent and a penalty of 1 percent is added to all taxes unpaid. Sale of property for delinquent taxes or tax liens is conducted by the County during the month of May. Delinquent taxes at June 30, 2007 amounting to $104,460 are 0.6 percent of levy. The City's tax rates for fiscal year 2007 were $.352 per $100 of assessed valuation for real property and $.880 per $100 of assessed valuation for business personal property.

C. Due from/to Other Governments - The following represent amounts due as of June 30, 2007 from/to other governmental units to the City of Bowie:

1. General Fund - Due from Other Governments

State of Maryland -- Admissions and Amusement Tax	$ 149,679
State of Maryland -- Income Tax	2,731,083
State of Maryland -- Motor Vehicle and Highway User Revenues	686,272
State of Maryland -- Race Track Revenue	9,050
State of Maryland -- Traders and Peddlers License Fees	11,041
State of Maryland -- Financial Corporation Tax	808
Prince George's County -- Youth Program	56,683
Prince George's County -- Rebate Landfill Fees	36,559
Prince George's County -- Real Property Tax Receipts	1,674
Prince George's County -- Hotel/Motel Tax	146,109
Prince George's County -- Mentoring Program	5,177
Maryland National Capital Park and Planning Commission	78,600
Total	$ 3,912,735

2. General Fund - Due to Other Governments

State of Maryland -- Other	$ 14,641
Prince George's County -- Contract Police Services	345,382
Prince George's County -- Landfill Tipping Fees	205,943
Prince George's County -- Other	5
Other Local Government	120
Total	$ 566,091

D. Capital Assets

In conjunction with GASB 34, the City deferred recording infrastructure assets for governmental activities acquired prior to July 1, 2002 until the current fiscal year. The below beginning balances have been restated to reflect this action. The effect change was an increase in capital assets governmental activities of $21,573,367 and accumulated depreciation of $7,057,186. Capital asset activity for the year ended June 30, 2007 was as follows:

Governmental Activities Capital Assets:

Class	Restated Balance June 30, 2006	Additions	Deductions	Reclass	Transfers	Balance June 30, 2007
Capital assets, not being depreciated:						
Land	$ 13,410,226	$ -	$ (2,500)	$ -	$ -	$ 13,407,726
Construction in Progress	2,040,688	2,073,579	(3,500)	(1,725,560)	-	2,385,207
Historical Treasures	187,830	-	-	-	-	187,830
Total capital assets, not being depreciated	15,638,744	2,073,579	(6,000)	(1,725,560)	-	15,980,763
Capital assets, being depreciated:						
Building & improvements	24,874,533	439,607	(385,600)	875,832	-	25,804,372
Improvements other than buildings	9,052,911	239,699	-	13,967	-	9,306,577
Machinery & equipment	8,150,709	1,510,059	(584,537)	-	-	9,076,231
Infrastructure	22,766,588	2,059,971	-	835,761	-	25,662,320
Total capital assets, being depreciated	64,844,741	4,249,336	(970,137)	1,725,560	-	69,849,500
Less: accumulated depreciation for:						
Building & improvements	(7,070,760)	(424,352)	146,528	-	-	(7,348,584)
Improvements other than buildings	(2,714,453)	(370,766)	-	-	-	(3,085,219)
Machinery & equipment	(4,031,764)	(989,948)	519,427	-	-	(4,502,285)
Infrastructure	(7,089,318)	(766,801)		-	-	(7,856,119)
Total accumulated depreciation	(20,906,295)	(2,551,867)	665,955	-	-	(22,792,207)
Total capital assets, being depreciated, net	43,938,446	1,697,469	(304,182)	1,725,560		47,057,293
Governmental activities capital assets, net	$ 59,577,190	$ 3,771,048	$ (310,182)	$ -	$ -	$ 63,038,056

D. Capital Assets (continued)

Business-type Activities Capital Assets:

Class	Balance June 30, 2006	Additions	Deductions	Reclass	Transfers	Balance June 30, 2007
Capital assets, not being depreciated:						
Land	$ 1,489,192	$ -	$ -	$ -	$ -	$ 1,489,192
Construction in Progress	497,596	13,977	-	(448,208)	-	63,365
Total capital assets, not being depreciated	1,986,788	13,977	-	(448,208)	-	1,552,557
Capital assets, being depreciated:						
Building & improvements	9,199,405	80,130	-	448,208	-	9,727,743
Improvements other than buildings	5,927,995	15,086	-	-	-	5,943,081
Machinery & equipment	3,442,308	103,699	(94,029)	-	-	3,451,978
Infrastructure	8,809,049	77,524	-		-	8,886,573
Total capital assets, being depreciated	27,378,757	276,439	(94,029)	448,208	-	28,009,375
Less: accumulated depreciation for:						
Building & improvements	(4,861,663)	(243,296)	-	-	-	(5,104,959)
Improvements other than buildings	(1,764,242)	(177,310)	-	-	-	(1,941,552)
Machinery & equipment	(2,675,165)	(215,798)	45,019	-	-	(2,845,944)
Infrastructure	(3,928,190)	(161,355)	-	-	-	(4,089,545)
Total accumulated depreciation	(13,229,260)	(797,759)	45,019	-	-	(13,982,000)
Total capital assets, being depreciated, net	14,149,497	1,074,198	- (49,010)	448,208	-	14,027,375
Business-type activities capital assets, net	$ 16,136,285	$ 1,088,175	$ (49,010)	$ -	$ -	$ 15,579,932

Depreciation expense was charged to functions/programs of the City for the fiscal year ended June 30, 2007:

Governmental activities:	
General government	$ 468,428
Social services	29,899
Public works	1,303,998
Parks, culture & recreation	749,542
Total	$ 2,551,867
Business-type activities:	
Water	$ 406,857
Waste water	390,902
Total	$ 797,759

E. Construction and Other Significant Commitments - As of June 30, 2007, the City had outstanding construction commitments in excess of $100,000, as follows:

Project	Original Contract Amounts	Remaining Contract Amounts
Street Resurfacing	$ 1,977,400	76,780
Parks Maintenance Facility	4,229,458	2,574,225
Playhouse Renovation	233,000	233,000
Total	$ 6,439,858	$ 2,884,005

F. Pension Plans - The City provides coverage for all its employees under the Federal Social Security System. In addition, the City established a defined contribution employees savings plan in accordance with Section 401(k) of the Internal Revenue Code. The City has the authority to establish and amend the benefit provisions of the savings plan, including contribution requirements of the employees and employer. The trustee for the plan is the ICMA Retirement Corporation.

The defined contribution plan establishes individual accounts for each participant and specifies how the contributions to the participants' accounts are to be determined. In a defined contribution plan, the benefits a participant receives will depend on the amount contributed to the participant's account and the earnings from investment of these contributions.

All City employees, who work in a full-time status and have one year of service, may choose to participate. To receive a City matching contribution, a minimum employee contribution of 1% of gross pay, exclusive of overtime or bonuses, is required by the plan. The City matches employee contributions on a variable percentage scale, based upon years of service, to a maximum of 6%.

A participant is at all times vested in his own contributions to the plan, plus any interest earned on these contributions. A participant's vested percentage in the City's contribution amount is determined from the following table based on years of service:

Years of Service	Vested Percentage
Less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

An additional employer contribution of 4 % of gross pay, exclusive of overtime and bonuses, is made for all employees with one year of service, who complete 1,000 hours of service during the plan year and are employed on the last day of the plan year. No contributions are required by the employees to receive this 4 % annual contribution. At the time of making the contribution, the City may, at its discretion, designate that all or a portion of the contribution is fully vested when made. In the absence of such a designation, the vesting schedule for the 4 % contribution is as follows:

Years of Service	Vested Percentage
Less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

The plan allows withdrawals for death, disability, retirement and hardship. The plan also has a loan option to enable participants to borrow from their own contributions. Loans may not exceed the lesser of: (1) Fifty thousand dollars ($50,000) reduced by the excess of the highest outstanding loan balance during the one year period preceding the date of the loan over the outstanding balance of loans on the day the loan is made, or (2) the greater of $10,000 or 50 percent of the participant's vested interest in the plan. All loans must have a repayment schedule not to exceed five years. The plan year is from January 1 to December 31.

Employee contributions and the City's matching funds are transferred to the ICMA Retirement Corporation on a bi-weekly basis. The annual 4% City contribution was made in February following the plan year end. The March 2007 contribution was $375,189. The City's required and actual matching contributions for fiscal year 2007 amounted to $414,391. Employee contributions totaled $640,317 in fiscal year 2007.

The City also maintains a 401(a) Money Purchase Plan. The trustee for the plan is the ICMA Retirement Corporation. Participation is limited exclusively to the City Manager. Eligibility commences upon employment. Under the plan, the City contributes 10% of gross salary, exclusive of bonuses. Employer contributions are transferred to the ICMA Retirement Corporation on a bi-weekly basis. Contributions are 100% vested in the participant's account at all times. The City has the authority to establish and amend the benefit provisions of the money purchase plan, including contribution requirements of the employee and employer.

ICMA Retirement Corporation held no securities of the City on behalf of the pension plan during or at the close of the fiscal year.

G. Deferred Compensation Plan - The City offers substantially all its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

H. Compensated Absences – Compensated absences at June 30, 2007 totaled $859,149 for governmental activities and $129,920 for business-type activities, of which $629,876 and $116,805, respectively, were due within one year.

As part of the flexible benefit plan, all employees receive six non-accruable personal leave days each year instead of accruing sick leave. Current employees were offered the option of a buy back of accrued sick leave if they transfer to the personal leave benefit. Employees hired prior to July 1, 1988, and who elected to stay with the original sick leave option, accumulate sick leave at the rate of 1 1/4 days per month or 15 days a year. There is no restriction on the amount that may be accumulated. However, no payment is made for the accumulated amount upon separation and no accrued liability is recorded. The total dollar value of accumulated sick leave at June 30, 2007 was $350,750 computed at the rates of pay as of that date.

I. Postretirement Healthcare Benefits – The City offers postretirement healthcare, including prescription coverage, to employees who retire at or after age 55 and have 25 years of service, or have any other combination of age and years of service, which equal the number 80. The retiree pays 50 percent of the cost and the City pays 50 percent of the cost. The coverage is available until the retiree is eligible for Medicare. The employee's spouse is also eligible for this coverage. The City's contributions are funded on a pay-as-you-go basis. Two retirees received benefits during the year. The total cost of providing this benefit was $8,896 for the fiscal year ended June 30, 2007.

J. Long – Term Debt – The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds issued for governmental activities in previous years were redeemed in full during the current fiscal year.

The City has also obtained long-term financing with the State of Maryland for its business-type activities. The Water and Sewer enterprise fund entered into the State's revolving loan program in order to modernize the City's water and wastewater plants. The long–term loans are direct obligations and pledge the full faith and credit of the City. However, these revolving loans will be retired from revenues of the Water and Sewer enterprise fund.

State revolving loans outstanding as of June 30, 2007 are composed of the following issues:

Business-type Activities

1. State Revolving Loan-Water Quality - Amount drawn $2,241,000, matures in twenty level annual installments starting February 1, 2002; interest rate at 2.5% per annum payable on August 1 and February 1; total interest payable to maturity is $331,940. Administrative fees are 5.0% of total debt service, totaling $127,905 over the total loan period.	$1,680,612
2. State Revolving Loan-Drinking Water - Amount drawn $1,677,500; matures in twenty level annual installments starting February 1, 2002; interest rate at 2.5% per annum payable on August 1 and February 1; total interest payable to maturity is $248,474. Administrative fees are 5.0% of total debt service, totaling $96,784 over the total loan period.	1,258,022
Total State revolving loans	$2,938,634

Annual debt service requirements to maturity for State revolving loans are as follows:

Fiscal Year	Business-type Activities	
	Principal	Interest
2008	177,894	73,466
2009	182,342	69,019
2010	186,901	64,460
2011	191,573	59,788
2012	196,362	54,999
2013-2017	1,057,949	198,853
2018-2020	945,613	59,829
Total	$ 2,938,634	$ 580,414

Changes in long-term liabilities – Long-term liability activity for the year ended June 30, 2007, was as follows:

	June 30, 2006	Increases	Decreases	June 30, 2007	Due within one year
Governmental activities:					
General obligation bonds	$ 790,000	$ -	$ (790,000)	$ -	$ -
Compensated absences	783,008	706,017	(629,876)	859,149	629,876
Total Governmental activities	$ 1,573,008	$ 706,017	$ (1,419,876)	$ 859,149	$ 629,876
Business-type activities:					
Long-term financing with State of Maryland	$ 3,112,190	$ -	$ (173,556)	$ 2,938,634	$ 177,894
Compensated absences	128,090	118,635	(116,805)	129,920	116,805
Total Business-type activities	$ 3,240,280	$ 118,635	$ (290,361)	$ 3,068,554	$ 294,699

The liabilities for governmental activities are liquidated by the general fund, while liabilities for business-type activities are liquidated by the water and sewer fund.

K. Legal Debt Margin - Neither Maryland State law nor the City Charter mandates a limit on municipal debt. On May 10, 1999, the City Council established a policy to limit debt, exclusive of amounts being repaid by the Water and Sewer System, to 0.8 percent of assessed value of taxable property. At June 30, assessed value of such property totals $4,599,583,297, the debt limit was $36,796,666, and there was no outstanding debt subject to the limit.

L. Rental Income - The operation of the City's golf course has been contracted to outside operators. The term of the contract is thirty years, commencing October 1, 1981, and expiring September 30, 2011. The monthly rental fee is progressively increased from $1,000 to $6,000 by October 1, 2006. The rent changed from $4,000 to $5,000 effective October 1, 2001, and increased again to $6,000 on October 1, 2006.

4. Risk Management

On July 1, 1987, the City joined the Local Government Insurance Trust (LGIT) sponsored by the Maryland Municipal League (MML) and the Maryland Association of Counties. The Local Government Insurance Trust is a self-insurance pool offering General Liability, Excess Liability, Business Auto Liability, Police Legal Liability, and Public Official Liability.

LGIT is capitalized at an actuarially determined level to provide financial stability for its local government members and to reduce the possibility of assessments. The trust is owned by the participating cities and counties and managed by a Board of Trustees elected by the members. Annual premiums are assessed for the various policy coverages. During fiscal year 2007, the City paid premiums of $297,569 to the trust.

5. Interfund Transfers

Interfund transfers for the year ended June 30, 2007, consisted of the following:

Transfer to General Fund from Water and Sewer Fund	$ 319,700
Transfer to Equipment Acquisition and Replacement Fund from General Fund	1,749,183
Transfer to Capital Projects Fund from General Fund	2,760,200

Transfers are used to (1) move revenues from the fund that budget requires to collect them to the fund that budget requires to expend them, or (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

6. Summary Disclosure of Significant Contingencies and Commitments

A. The City is party to legal proceedings which normally occur in governmental operations. The legal proceedings are not, in the opinion of the City Attorney, likely to have a material, adverse impact on the financial position of the City as a whole.

B. The City receives financial assistance from the U.S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Some grants are subject to financial and compliance audits in accordance with grantor's requirements. Any

disallowances as a result of these audits become a liability of the City. As of June 30, 2007, the City estimates that no material liabilities will result from such audits.

7. New Governmental Accounting Standards Board (GASB) Standard

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the year ended June 30, 2007, that have effective dates that may impact future financial presentations.

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

- GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", will be implemented in phases using the same criteria applied in the implementation of the new governmental reporting model. As a result, this Statement will be effective for the City beginning with its year ending June 30, 2008. This statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.
- GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", will be implemented in phases using the same criteria applied in the implementation of the new governmental reporting model. As a result, this Statement will be effective for the City beginning with its year ending June 30, 2009. This Statement will require governments to recognize an expense under the accrual basis for annual required OPEB contributions, regardless of amounts paid. The cumulative difference between amounts expensed and paid will create a liability (asset) similar to net pension obligations.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOWIE
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
General Fund
For The Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 17,427,300	$ 17,427,300	$ 18,277,486	$ 850,186
Licenses and permits	317,400	317,400	538,432	221,032
Intergovernmental revenues	9,634,200	9,693,900	9,975,706	281,806
Fees and fines	1,531,400	1,531,400	1,842,534	311,134
Contributions	82,000	82,000	108,360	26,360
Interest income	715,000	715,000	1,153,226	438,226
Rental income	198,100	198,100	239,190	41,090
Other revenues	191,000	191,000	338,504	147,504
Total Revenues	30,096,400	30,156,100	32,473,438	2,317,338
Expenditures and encumbrances:				
General Government				
City Council	195,500	195,500	185,293	10,207
City Manager	838,800	840,800	865,401	(24,601)
Personnel	296,100	334,100	344,004	(9,904)
Elections	200	4,400	2,955	1,445
Legal Services	140,000	156,200	152,057	4,143
Public Information	710,100	694,100	558,600	135,500
City Clerk	122,600	123,400	119,381	4,019
Finance	659,700	658,700	581,933	76,767
Information Technology	1,141,100	1,163,100	1,055,148	107,952
Community Services	484,800	485,800	468,320	17,480
Public Buildings and Grounds	399,000	416,800	409,024	7,776
Planning	497,700	554,200	533,301	20,899
Total General Government	5,485,600	5,627,100	5,275,417	351,683
Economic Development	452,300	452,300	298,780	153,520
Public Safety				
Housing Inspection and Code Compliance	463,600	464,600	400,410	64,190
Public Safety	990,200	977,900	820,557	157,343
Police Department	1,298,100	1,167,000	807,583	359,417
Animal and Disease Control	203,100	204,100	171,798	32,302
Total Public Safety	2,955,000	2,813,600	2,200,348	613,252
Social Services				
Senior Citizen Services	856,300	856,700	798,226	58,474
Youth Services Bureau	737,400	737,600	753,108	(15,508)
Total Social Services	$ 1,593,700	$ 1,594,300	$ 1,551,334	$ 42,966

(Continued)

CITY OF BOWIE
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
General Fund
For The Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Works				
Administrative	$ 861,400	$ 861,400	$ 844,257	$ 17,143
Equipment Maintenance and Garage	788,200	788,200	736,286	51,914
Solid Waste	5,045,300	4,927,500	4,887,661	39,839
Street Maintenance	3,826,800	3,998,800	3,940,127	58,673
Stormwater Management	395,300	401,900	265,682	136,218
Total Public Works	10,917,000	10,977,800	10,674,013	303,787
Parks, Culture and Recreation				
Recreation	973,100	981,300	818,044	163,256
Parks and Grounds	1,910,600	1,932,600	1,936,535	(3,935)
Ice Arena	746,100	827,900	827,651	249
Historic Properties and Museums	553,800	567,800	528,627	39,173
Gymnasium	422,900	440,900	445,132	(4,232)
Total Parks, Culture and Recreation	4,606,500	4,750,500	4,555,989	194,511
Debt Service	289,800	832,800	829,813	2,987
Nondepartmental	504,800	409,000	350,209	58,791
Total expenditures and encumbrances	26,804,700	27,457,400	25,735,903	1,721,497
Excess of revenues over expenditures	3,291,700	2,698,700	6,737,535	4,038,835
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Transfers in	319,700	319,700	319,700	-
Transfers out	(3,903,900)	(4,615,100)	(4,509,383)	105,717
Total other financing sources (uses)	(3,584,200)	(4,295,400)	(4,189,683)	105,717
Net change in fund balance	(292,500)	(1,596,700)	2,547,852	4,144,552
Fund balance - beginning	19,477,966	19,477,966	19,477,966	-
Fund balance - ending	$ 19,185,466	$ 17,881,266	22,025,818	$ 4,144,552
Adjustments to reconcile to GAAP basis:				
Addition of encumbrances outstanding			303,334	
Less prior year encumbrances expended in current year			(289,072)	
Fund balance - June 30, 2007 (GAAP basis)			$ 22,040,080	

A. Budgetary information - The annual operating budgets are plans of current expenditures and the proposed means of financing them. The primary means by which most of the financing, acquisition, spending, and service delivery activities of the governmental unit are legally controlled, is through the annual operating budget. The City of Bowie prepares an annual operating budget for each fund. The budgets are prepared on a line item basis by function, activity and object. The City's fiscal year begins on July 1 and ends on June 30.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to April 15, a 6 year Capital Improvements Program is submitted by the City Manager to the City Council for adoption. Public hearings are held regarding the programs and adoption, via resolution, is made by the Council for those programs.

- By the fifteenth of April, the City Manager submits to the City Council a proposed operating budget. The operating budget includes proposed expenditures, including those expenditures for the Capital Improvements Program approved for the ensuing year, and the estimated revenues by which the expenditures are to be financed.

- Public hearings are conducted for taxpayers input regarding the proposed operating budget.

- A favorable vote by a majority of the elected members of the Council is necessary to adopt, as an ordinance, the operating budget at the activity level.

- Budgetary integration is used as a management control for all funds. Council approval is required, by ordinance, to increase the budgeted appropriations. Transfers of appropriations between activities require a council approved resolution. Two supplemental appropriation ordinances and one transfer resolution were required this year.

- Expenditures may not legally exceed budgeted appropriations at the activity level.

- All appropriations, not expended or lawfully encumbered, lapse at the end of the budget year, and are available to fund appropriations in the subsequent year.

- The making of contracts, or the spending of monies for capital improvements financed in whole or in part by bond proceeds, or the making of contracts for leases or services that extend beyond the budget year in which the contract is made, is expressly authorized.

B. An encumbrance system is used in the governmental fund type of accounts. This method is employed to reserve the applicable appropriations for those expenditure commitments resulting from approved contracts or purchase orders that have not been

performed or received by the end of the budget year. All encumbrances outstanding at year-end are recorded as a reservation of fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

C. For the year ended June 30, 2007, expenditures exceeded appropriations in the following activities (the legal level of budgetary control) of the general fund by the following amounts:

Activity	Amount
City Manager, General Government	$24,601
Personnel, General Government	9,904
Youth Services Bureau, Social Services	15,508
Parks and Grounds, Parks, Culture and Recreation	3,935
Gymnasium, Parks, Culture and Recreation	4,232
Total	$58,180

These over expenditures were funded by unexpended appropriations from the remaining activities within each respective area of the general fund.

D. The City's financial statements are prepared in accordance with all applicable legal requirements, which if inconsistent with generally accepted accounting principles are shown on separate schedules. There are no known violations of grant assurances or compliance procedures.

E. The City Code requires the adoption of an annual operating budget for each City fund including the proprietary funds.

F. The Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds is prepared on a basis consistent with generally accepted accounting principles under which method encumbrances are considered a reservation of fund balance and charged to operations in the year liquidated. All intergovernmental revenues applicable to these encumbrances are recorded as unearned for the current period, and earned for the subsequent period in which the reservation of fund balance is liquidated.

G. The Budgetary Comparison Schedule for the General Fund and the schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual – for the Equipment Acquisition and Replacement, and Capital Projects Fund were prepared on a basis consistent with the legally adopted budget. Under this method current year encumbrances outstanding are charged to budgetary appropriations and considered an expenditure of the current period.

CITY OF BOWIE, MARYLAND
Fund Descriptions

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

This fund accounts for all revenues and expenditures which are not accounted for in other funds. It is the largest and most important accounting activity. It receives a great variety of general revenues and finances a wide range of programs. Most of the City's operation is financed from this fund.

EQUIPMENT ACQUISITION AND REPLACEMENT FUND

This Fund was established by Ordinance Number 5-79 passed by the Council on June 4, 1979. It receives amounts transferred from other funds, not only to acquire and replace equipment during the current year, but to accumulate amounts appropriated each year to replace equipment scheduled for replacement in future years.

CAPITAL PROJECTS FUND

The fund was established to account for all resources used for the acquisition of capital facilities by the City except those financed by enterprise funds. Capital Projects are those capital outlays which involve the acquisition and/or construction of major, permanent facilities having a relatively long life.

PROPRIETARY FUNDS

WATER AND SEWER FUND

This fund is operated to account for the activities of the Water and Sewer System. It is classified as an enterprise fund rendering services on a user charge basis. The system should be a self-supporting entity and the accounting must make it possible to show whether it operated at a profit or loss.

CITY OF BOWIE
Schedule of Revenues, Expenditures and Encumbrances
and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Equipment Acquisition and Replacement Fund
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Interest income	$ 132,000	$ 132,000	$ 164,730	$ 32,730
Expenditures and encumbrances:				
General Government				
City Council	35,100	35,100	-	35,100
Information Technology	101,000	88,800	93,345	(4,545)
Public Information	15,300	15,300	13,283	2,017
Total General Government	151,400	139,200	106,628	32,572
Public Works				
Administration	13,000	13,000	13,081	(81)
Equipment Maintenance and Garage	60,000	60,000	59,140	860
Solid Waste	260,000	260,000	176,612	83,388
Street Maintenance	108,300	108,300	101,647	6,653
Stormwater Management	39,500	39,500	32,294	7,206
Total Public Works	480,800	480,800	382,774	98,026
Public Safety				
Police Department	480,000	620,600	627,564	(6,964)
Animal Control	33,500	33,500	33,344	156
Total Public Safety	513,500	654,100	660,908	(6,808)
Social Services				
Senior Citizens Center	64,000	71,200	71,136	64
Total Senior Citizens Center	64,000	71,200	71,136	64
Parks, Culture and Recreation				
Park Operations	9,600	9,600	9,554	46
Parks and Grounds	139,600	139,600	161,974	(22,374)
Ice Arena	5,400	5,400	5,400	-
Total Parks, Culture and Recreation	154,600	154,600	176,928	(22,328)
Total expenditures and encumbrances	1,364,300	1,499,900	1,398,374	101,526
Excess of revenues over expenditures	(1,232,300)	(1,367,900)	(1,233,644)	134,256
Other financing sources (uses):				
Sale of Capital Assets	30,000	30,000	6,761	(23,239)
Transfers in	1,719,300	1,854,900	1,749,183	(105,717)
Total other financing sources (uses)	1,749,300	1,884,900	1,755,944	(128,956)
Net change in fund balance	517,000	517,000	522,300	5,300
Fund balance - beginning	3,104,354	3,104,354	3,104,354	-
Fund balance - ending	$ 3,621,354	$ 3,621,354	3,626,654	$ 5,300
Adjustments to reconcile to GAAP basis:				
Addition of encumbrances outstanding			49,103	
Less prior year encumbrances expended in current year			(32,653)	
Fund balance - June 30, 2007 (GAAP basis)			$ 3,643,104	

CITY OF BOWIE
Schedule of Revenues, Expenditures and Encumbrances
and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual
Capital Projects Fund
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental revenues	$ 2,440,100	$ 3,370,200	$ 337,108	$ (3,033,092)
Contributions	-	-	92,293	92,293
Interest income	140,000	140,000	482,322	342,322
Sale of fixed assets	-	-	3,040,000	3,040,000
Total revenues	2,580,100	3,510,200	3,951,723	441,523
Expenditures and encumbrances:				
Capital outlay:				
Land Acquisition	2,523,500	2,523,500	3,400	2,520,100
Public Buildings	4,318,700	5,576,400	4,846,388	730,012
Infrastructure	463,700	756,700	464,154	292,546
Drainage Control	72,200	72,200	10,080	62,120
Recreation Areas Development	1,615,700	1,570,700	691,893	878,807
Total expenditures and encumbrances	8,993,800	10,499,500	6,015,915	4,483,585
Deficiency of revenues under expenditures	(6,413,700)	(6,989,300)	(2,064,192)	4,925,108
Other financing sources (uses):				
Transfers in	2,184,600	2,760,200	2,760,200	-
Net change in fund balance	(4,229,100)	(4,229,100)	696,008	4,925,108
Fund balance - beginning	6,758,701	6,758,701	6,758,701	-
Fund balance - ending	$ 2,529,601	$ 2,529,601	7,454,709	$ 4,925,108
Adjustments to reconcile to GAAP basis:				
Addition of encumbrances outstanding			3,044,200	
Less prior year encumbrances expended in current year			(675,026)	
Fund balance - June 30, 2007 (GAAP basis)			$ 9,823,883	

CITY OF BOWIE

Schedule of Revenues, Expenses and Other Financing Sources (Uses) - Budget (Non-GAAP Budgetary Basis) and Actual

Water and Sewer Fund

For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Water sales and sewerage surcharge	$ 3,100,300	$ 3,100,300	$ 2,899,679	$ (200,621)
Minimum charges	831,000	831,000	855,674	24,674
Forfeited discounts and penalties	18,500	18,500	18,982	482
Processing fees	17,000	17,000	14,675	(2,325)
Interest income	94,500	94,500	76,536	(17,964)
Rental income - tower leases	217,800	217,800	176,931	(40,869)
Intergovernmental	6,470,300	6,470,300	11,100	(6,459,200)
Contributions	-	-	70,417	70,417
Other income	26,700	26,700	38,789	12,089
Total revenues	10,776,100	10,776,100	4,162,783	(6,613,317)
Expenses:				
Water Supply	1,777,600	1,792,600	1,422,897	369,703
Sewage treatment	9,487,900	9,613,300	2,074,672	7,538,628
Administrative and general	343,800	345,400	249,923	95,477
Miscellaneous	233,000	91,000	87,430	3,570
Debt service	264,000	264,000	261,674	2,326
Total expenses	12,106,300	12,106,300	4,096,596	8,009,704
Excess (deficiency) of revenues over expenses	(1,330,200)	(1,330,200)	66,187	1,396,387
Other financing sources (uses):				
Sales of capital assets	5,000	5,000	5,202	202
Proceeds - State Loan	1,277,900	1,277,900	-	(1,277,900)
Transfers out	(319,700)	(319,700)	(319,700)	-
Total other financing sources (uses)	963,200	963,200	(314,498)	(1,277,698)
Net change in net assets	(367,000)	(367,000)	(248,311)	118,689
Net assets - beginning	14,869,056	14,869,056	14,869,056	-
Net assets - ending	$ 14,502,056	$ 14,502,056	14,620,745	$ 118,689
Adjustments to reconcile to GAAP basis:				
Addition of capital assets acquired in current year			290,416	
Addition of principal payments on debt			173,556	
Less depreciation expense			(797,759)	
Less loss on sale of capital assets			(49,010)	
Less amortization of bond issuance costs			(780)	
Net assets - June 30, 2007 (GAAP basis)			$ 14,237,168	

"Growth, Unity, Progress"

SECTION III - STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section says about the City's overall financial health:

FINANCIAL TRENDS – Information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY – Information to help the reader assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY – Information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – Indicators to help the reader understand how the environment within which the city's financial activities take place.

OPERATING INFORMATION – Service and infrastructure data to help the reader understand how the information in the City's Financial report relates to the services the City provides and the activities it performs.

Many of the tables cover more than two fiscal years and present data from outside accounting records. Therefore, the Statistical Section is unaudited.

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 34 in 2003; schedules presenting government-wide information include information beginning that year.

CITY OF BOWIE, MARYLAND
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	Restated 2006	2007
Governmental activities					
Invested in capital assets net of debt	$ 38,612,591	$ 40,496,810	$ 42,440,408	$ 58,787,190 [1]	$ 63,038,056
Restricted	-	-	-	-	-
Unrestricted	20,582,615	20,770,099	26,006,525	30,991,207	36,872,917
Total Governmental activities net assets	$ 59,195,206	$ 61,266,909	$ 68,446,933	$ 89,778,397	$ 99,910,973
Business type activities					
Invested in capital assets net of debt	$ 13,429,788	$ 13,106,228	$ 13,174,865	$ 13,030,257	$ 12,646,680
Restricted	-	-	-	-	-
Unrestricted	2,520,311	2,413,965	1,865,992	1,838,799	1,590,488
Total business type activities net assets	$ 15,950,099	$ 15,520,193	$ 15,040,857	$ 14,869,056	$ 14,237,168
Primary Government					
Invested in capital assets net of debt	$ 52,042,379	$ 53,603,038	$ 55,615,273	$ 71,817,447	$ 75,684,736
Restricted	-	-	-	-	-
Unrestricted	23,102,926	23,184,064	27,872,517	32,830,006	38,463,405
Total primary governmental net assets	$ 75,145,305	$ 76,787,102	$ 83,487,790	$ 104,647,453	$ 114,148,141

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

[1] In conjunction with GASB 34, the City deferred recording infrastructure assets acquired prior to July 1, 2002 until the current fiscal year.

CITY OF BOWIE
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses:					
Governmental activities:					
General government	$ 4,670,793	$ 4,994,301	$ 5,217,842	$ 5,662,395	$ 6,075,685
Economic development	349,273	343,077	340,841	323,902	311,325
Public safety	1,211,804	1,243,853	1,509,462	1,392,616	2,208,335
Social services	1,194,725	1,265,530	1,346,627	1,429,927	1,581,332
Public works	8,509,103	8,928,989	9,241,246	10,115,878	10,819,541
Parks, culture and recreation	3,552,626	5,401,085	4,378,977	4,879,148	5,273,747
Interest on longterm debt	109,125	86,923	63,881	45,192	16,223
Total government activities expenses	19,597,449	22,263,758	22,098,876	23,849,058	26,286,188
Business-type activities					
Water and wastewater	3,604,020	3,853,207	3,944,839	4,118,182	4,474,971
Total primary governmental expenses	$ 23,201,469	$ 26,116,965	$ 26,043,715	$ 27,967,240	$ 30,761,159
Program Revenues					
Governmental activities					
Charges for services:					
General government	$ 33,017	$ 56,392	$ 44,640	$ 48,343	$ 92,734
Economic development	-	-	-	-	-
Public safety	231,477	149,747	171,109	150,392	172,407
Social services	-	1,875	2,122	2,509	3,818
Public works	296,951	349,673	367,716	367,253	431,692
Park, culture and recreation	709,990	730,175	819,069	1,028,412	1,073,677
Operating grants and contributions	779,478	675,960	711,199	608,325	653,146
Capital grants and contributions	1,110,812	803,126	246,092	448,468	450,803
Total government activities program revenues	3,161,725	2,766,948	2,361,947	2,653,702	2,878,277
Business-type activities					
Charges for services					
Water and wastewater	3,676,508	3,592,311	3,644,954	4,171,785	4,086,247
Total primary governmental program revenues	$ 6,838,233	$ 6,359,259	$ 6,006,901	$ 6,825,487	$ 6,964,524

CITY OF BOWIE
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (expenses)\revenue					
Governmental activities	$ (16,435,724)	$ (19,496,810)	$ (19,736,929)	$ (21,195,356)	$ (23,407,911)
Business-type activities	72,488	(260,896)	(299,885)	53,603	(388,724)
Total primary government net expenses	(16,363,236)	(19,757,706)	(20,036,814)	(21,141,753)	(23,796,635)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	$ 10,858,963	$ 11,724,241	$ 13,411,672	$ 14,868,855	$ 17,394,203
Income taxes	5,243,686	5,344,257	5,821,688	6,280,436	6,022,381
State shared revenues	2,234,853	1,889,284	2,397,100	3,038,416	3,128,356
Other taxes	861,221	902,622	856,128	906,281	955,894
Franchise fees	615,199	644,409	764,202	914,942	891,831
Grants not restricted to specific programs	-	-	-	20,884	30,107
Unrestricted Investment earnings	302,502	217,838	483,686	1,071,910	1,727,773
Special Item - Proceed from land sale easement	421,500	-	-	-	2,777,846
Miscellaneous	110,670	655,062	778,632	597,915	292,396
Transfers	171,900	190,800	242,900	311,000	319,700
Total government activities	20,820,494	21,568,513	24,756,008	28,010,639	33,540,487
Business-type activities					
Unrestricted Investment earnings	26,618	21,790	47,672	83,846	76,536
Miscellaneous	-	-	15,777	1,750	-
Transfers	(171,900)	(190,800)	(242,900)	(311,000)	(319,700)
Total business-type activities	(145,282)	(169,010)	(179,451)	(225,404)	(243,164)
Total primary government	$ 20,675,212	$ 21,399,503	$ 24,576,557	$ 27,785,235	$ 33,297,323
Change in Net Assets					
Governmental activities	$ 4,384,770	$ 2,071,703	$ 5,019,079	$ 6,815,283	$ 10,132,576
Business-type activities	(72,794)	(429,906)	(479,336)	(171,801)	(631,888)
Total primary government	$ 4,311,976	$ 1,641,797	$ 4,539,743	$ 6,643,482	$ 9,500,688

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF BOWIE
Fund Balances of Governmental Funds
(modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General fund					
Reserved	$ 303,984	$ 764,536	$ 661,118	$ 771,781	$ 454,850
Unreserved	13,399,821	13,508,766	14,826,010	18,706,185	21,585,230
Total general fund	$ 13,703,805	$ 14,273,302	$ 15,487,128	$ 19,477,966	$ 22,040,080
All other governmental funds					
Reserved	$ 1,190,628	$ 966,196	$ 1,812,969	$ 1,199,413	$ 3,513,453
Unreserved reported in:					
Equipment Acquisition and Replacement fund	3,059,600	2,539,700	2,777,200	3,071,700	3,594,000
Capital Projects fund	3,033,643	3,287,821	4,500,887	5,591,942	6,359,534
Total all other governmental funds	$ 7,283,871	$ 6,793,717	$ 9,091,056	$ 9,863,055	$ 13,466,987

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF BOWIE, MARYLAND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES										
Taxes	$7,616,102	$8,555,616	$ 8,574,221	$ 9,299,309	$ 10,081,805	$ 11,674,465	$ 12,561,973	$ 14,193,004	$ 15,696,055	$ 18,277,486
License and permits	420,981	392,907	519,968	498,161	290,602	284,834	362,940	444,810	454,708	538,432
Intergovernmental revenues	5,757,029	6,071,036	6,835,578	8,111,370	8,644,584	9,055,150	8,570,333	9,064,497	9,869,900	10,312,814
Fees and fines	453,212	482,596	893,607	684,689	784,675	1,362,136	1,360,455	1,487,800	1,830,944	1,842,534
Contributions	110,919	(35,774)	85,842	134,328	122,182	313,679	142,294	115,670	83,576	200,653
Interest income	1,295,328	1,323,645	1,342,183	1,310,435	522,801	340,511	268,676	483,686	1,071,910	1,800,279
Rental income	300,337	205,140	188,780	176,668	174,342	174,447	174,980	170,761	186,426	239,190
Other revenues	588,836	146,742	453,524	153,516	124,490	183,597	196,170	265,780	666,288	338,504
TOTAL REVENUES	16,542,744	17,141,908	18,893,703	20,368,476	20,745,481	23,388,819	23,637,821	26,226,008	29,859,807	33,549,892
EXPENDITURES										
Current:										
General government	2,797,012	3,007,449	3,284,565	5,183,037	4,339,439	3,924,247	4,033,515	4,342,281	4,786,384	5,232,559
Economic development	52,701	109,895	124,886	99,213	189,125	345,280	338,616	339,812	324,692	309,949
Public safety	686,738	739,273	823,325	979,047	1,122,952	1,209,471	1,241,726	1,506,995	1,404,494	2,177,231
Social services	548,289	595,737	667,172	843,437	1,071,889	1,159,481	1,229,803	1,316,770	1,413,710	1,546,205
Public works	4,819,083	4,946,217	5,627,920	5,781,706	6,848,599	8,028,357	8,463,104	8,742,477	9,531,847	10,660,363
Parks, culture and recreation	1,107,589	1,199,624	1,405,954	1,506,870	2,189,764	2,894,423	4,719,275	3,635,131	4,057,655	4,507,419
Other - unclassified	1,713,388	1,751,541	1,843,669	1,851,360	359,161	329,151	446,631	341,867	329,795	350,209
Debt service										
Principal	1,271,054	1,325,060	1,380,060	1,431,060	408,050	414,050	406,050	417,050	235,000	790,000
Interest	397,995	335,576	271,816	203,439	131,192	109,482	98,203	75,711	51,865	39,813
Capital outlay	2,532,274	2,789,744	7,530,621	4,928,684	2,233,810	4,439,724	3,128,838	2,817,093	3,302,392	5,136,559
TOTAL EXPENDITURES	15,926,123	16,800,116	22,959,988	22,807,853	18,893,981	22,853,666	24,105,761	23,535,187	25,437,834	30,750,307
Excess (deficiency) of revenues over (under) expenditures	616,621	341,792	(4,066,285)	(2,439,377)	1,851,500	535,153	(467,940)	2,690,821	4,421,973	2,799,585
OTHER FINANCING SOURCES (USES)										
Sale of Capital assets	7,019	3,483	24,300	35,690	28,058	10,592	95,226	577,444	29,864	6,761
Proceeds from land sale	-	-	-	-	-	-	-	-	-	3,040,000
Transfers in	4,376,388	8,776,394	5,857,608	3,340,833	5,013,765	2,290,718	1,606,246	4,128,373	3,430,146	4,829,083
Transfers out	(4,186,988)	(8,856,594)	(5,797,208)	(3,174,528)	(4,882,065)	(2,118,818)	(1,415,446)	(3,885,473)	(3,119,146)	(4,509,383)
TOTAL OTHER FINANCING SOURCES (USES)	196,419	(76,717)	84,700	201,995	159,758	182,492	286,026	820,344	340,864	3,366,461
NET CHANGE IN FUND BALANCES	$ 813,040	$ 265,075	$(3,981,585)	$ (2,237,382)	$ 2,011,258	$ 717,645	$ (181,914)	$ 3,511,165	$ 4,762,837	$ 6,166,046
Debt service as a percentage of noncapital expenditures	12.46%	11.85%	10.71%	9.14%	3.24%	2.84%	2.40%	2.38%	1.30%	3.24%

CITY OF BOWIE, MARYLAND

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property [1]	Less: Tax-Exempt Property	Total Taxable Assessed Value	Real Property	Personal Property	Total Direct Tax Rate	Estimated Total Actual Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property								
1998	$ 954,766	$ 100,302	$ 67,998	$ 38,068	$ 1,084,998	$0.670	$0.670	$0.670	$ 2,564,653	42.31%
1999	985,474	102,136	80,974	45,814	1,122,770	0.670	0.670	0.670	2,664,624	42.14
2000	998,808	114,554	83,280	46,064	1,150,578	0.630	0.630	0.630	2,865,387	40.15
2001	1,043,039	113,348	105,446	49,027	1,212,806	0.630	0.630	0.285	2,924,109	41.48
2002	2,895,054	341,926	100,883	133,911	3,203,952	0.252	0.630	0.265	3,295,183	97.23
2003	3,131,830	394,856	109,575	131,461	3,504,800	0.292	0.730	0.306	3,613,602	96.99
2004	3,239,542	407,574	167,568	132,279	3,682,405	0.292	0.730	0.312	3,917,664	93.99
2005	3,381,285	425,407	153,531	138,067	3,822,156	0.322	0.805	0.341	4,139,433	92.34
2006	3,755,596	437,608	160,776	136,814	4,217,166	0.322	0.805	0.341	4,869,299	86.61
2007	4,104,632	468,438	164,145	137,632	4,599,583	0.352	0.880	0.371	5,520,354	83.32

Note: Real property is assessed on a triennial basis. Prior to FY2001, real property was assessed at 40% of estimated full value.

Fiscal years 2002 through 2006 have been restated to correct errors.

(1) Assessed value and estimated actual for Personal Property are equal.

CITY OF BOWIE, MARYLAND
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per $100 of assessed value)

Fiscal Year	Basic Rate	Overlapping Tax Rates					Total Tax Rate	Full Value Equivalent
		County	State	Park and Planning	WSSC	WSTC		
1998	$ 0.6700	$ 2.3010	$ 0.2100	$ 0.6100	$ 0.0154	$ 0.0650	$ 3.8714	$ 1.5486
1999	0.6700	2.3020	0.2100	0.6100	0.0149	0.0650	3.8719	1.5488
2000	0.6300	2.3150	0.2100	0.6100	0.0128	0.0650	3.8428	1.5371
2001	0.6300	2.3300	0.2100	0.6100	0.0106	0.0650	3.8556	1.5422
2002	0.2520	0.9380	0.0840	0.2440	0.0047	0.0260	1.5487	
2003	0.2920	0.9440	0.0840	0.2440	0.0038	0.0260	1.5938	
2004	0.2920	0.9450	0.1320	0.2790	0.0037	0.0260	1.6777	
2005	0.3220	0.9440	0.1320	0.2790	0.0033	0.0260	1.7063	
2006	0.3220	0.9440	0.1320	0.2790	0.0017	0.0260	1.7047	
2007	0.3520	0.9450	0.1120	0.2790	0.0014	0.0260	1.7154	

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City of Bowie.
Beginning in FY2002, real property was assessed at 100% of full value. In prior years real property was assessed at 40% of full value. The column titled "Full Value Equivalent" has been added to give comparability for prior years data.

CITY OF BOWIE, MARYLAND
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEAR ENDED JUNE 30, 2007 AND NINE YEARS AGO

Name	Type of Business	2007 Assessed Value	2007 Rank	2007 Percent of Total Assessed Value	1998 Assessed Value	1998 Rank	1998 Percent of Total Assessed Value
Bowie Mall Co/Bowie Town Ctr	Developer	$ 56,947,898	1	1.28 %	$ -		%
Archstone Communities	Apartment Rental	50,856,082	2	1.14			
Maryland Science and Technology	Commercial Leasing	46,212,394	3	1.04			
Bowie Town Ctr/Elder Oaks	Apartment Rental	34,514,266	4	0.77			
Freestate Mall	Shopping Center	25,958,298	5	0.58	6,318,500	6	0.57
Heather Ridge Apts	Apartment Rental	25,203,482	6	0.56	8,320,050	3	0.75
Lowe's Home Centers	Retail Store	19,395,012	7	0.43	11,932,020	1	1.08
Home Depot USA	Retail Store	18,714,932	8	0.42			
BJ's Wholesale Club Inc	Retail Store	18,195,032	9	0.41			
Sears Roebuck and Co.	Retail Store	16,094,212	10	0.36			
Verizon-Maryland/Bell Atlantic	Public Utility				7,701,150	4	0.70
Wal-Mart	Retail Store				8,599,450	2	0.77
Washington Gas	Public Utility				7,383,000	5	0.67
The Market Place	Shopping Center				6,102,080	7	0.55
BG&E	Public Utility				5,727,860	8	0.52
Collington Plaza	Retail Store				4,414,800	9	0.40
Hilltop Plaza	Shopping Center				4,319,810	10	0.39
	Total	$ 312,091,608		6.99 %	$ 70,818,720		6.40 %

CITY OF BOWIE, MARYLAND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amounts	Percent of Levy Collected		Amounts	Percent of Levy
1998	$ 7,445,424	$ 7,407,868	99.5 %	$ 16,353	$ 7,424,221	99.7 %
1999	8,250,818	8,081,471	97.9	18,096	8,099,567	98.2
2000	7,839,798	7,575,380	96.6	41,260	7,616,640	97.2
2001	8,464,043	8,409,781	99.4	368,223	8,778,004	103.7
2002	9,240,192	9,165,877	99.2	37,495	9,203,372	99.6
2003	10,858,962	10,721,204	98.7	43,958	10,765,162	99.1
2004	11,724,241	11,636,211	99.2	79,354	11,715,565	99.9
2005	13,411,671	13,370,358	99.7	59,236	13,429,594	100.1
2006	14,919,768	14,783,047	99.1	29,097	14,812,144	99.3
2007	17,466,709	17,388,429	99.6	26,428	17,414,857	99.7

CITY OF BOWIE, MARYLAND
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities	Business Type Activities				
Fiscal Year	General Obligation Bond	General Obligation Bond	State Loans	Total Primary Government	Percentage of Personal Taxable Income	Per Capita
1998	$ 6,596,380	$ 2,198,680	$ -	$ 8,795,060	1.2674%	$ 185.06
1999	5,271,320	1,548,740	-	6,820,060	0.9484%	142.86
2000	3,891,260	865,800	-	4,757,060	0.5629%	94.63
2001	2,460,200	147,850	1,928,304	4,536,354	0.5177%	87.84
2002	2,052,150	96,900	3,514,118	5,663,168	0.6262%	107.12
2003	1,848,100	96,900	3,607,869	5,552,869	0.6186%	102.95
2004	1,442,050	47,950	3,446,705	4,936,705	0.5065%	90.63
2005	1,025,000	-	3,281,512	4,306,512	0.4264%	78.89
2006	790,000	-	3,112,190	3,902,190	0.3753%	70.27
2007	-	-	2,938,634	2,938,634	-	52.83

Note: The personal taxable income figure for fiscal year 2007 was unavailable prior to publication.

CITY OF BOWIE, MARYLAND
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2007

Name Governmental Unit	Net Tax-supported Debt Outstanding	Percentage Applicable to This Governmental Unit	Share of Debt
DIRECT DEBT			
City of Bowie	$ -		$ -
OVERLAPPING DEBT[1]			
Prince George's County	759,188,646	8.00% [2]	60,735,092
Washington Suburban Sanitary Commission:			
Prince George's Storm Drainage[3]	2,055,000	4.00%	82,200
Maryland-National Capital Park and Planning Commission	106,590,000	8.00% [2]	8,527,200
Industrial Development Authority of Prince George's County			
lease revenue bonds	50,349,910	8.00% [2]	4,027,993
Total Overlapping Debt	918,183,556		73,372,484
Total Direct and Overlapping Debt	$ 918,183,556		$ 73,372,484

1. Overlapping Debt is not bonded debt of the City of Bowie on either a direct or contingent basis, but represents the share of debt of overlapping governmental units which the residents of the City of Bowie are obligated to pay through the direct tax levies of the respective governmental units.
2. Ratio of Assessed Value in the City of Bowie to the total Assessed Value in Prince George's County.
3. Approximation, since residents are not assessed for any new debt issued after June 30, 1978. The City is responsible for all storm drainage within the City after this date. Total WSSC outstanding debt of $409,545,621 is applicable to Prince George's County acting as co-guarantor with Montgomery County, Maryland. Approximately one-half of the City is subject to WSSC storm drain debt which was issued prior to June 30, 1978.

CITY OF BOWIE, MARYLAND
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	$4,599,583
Debit limit (.8% of assessed value)	36,797
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	$ 36,797

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	$165,997	$ 23,235	$ 23,922	$ 24,222	$ 25,632	$ 28,038	$ 29,459	$ 30,577	$ 33,737	$ 36,797
Total net debt applicable to limit	6,596	6,271	3,891	2,460	2,052	1,638	1,442	1,025	790	-
Legal Debt Margin	$159,401	$ 16,964	$ 20,031	$ 21,762	$ 23,580	$ 26,400	$ 28,017	$ 29,552	$ 32,947	$ 36,797
Total net debt applicable to the limit as a percentage of debt limit	3.97%	26.99%	16.27%	10.16%	8.01%	5.84%	4.89%	3.35%	2.34%	0.00%

CITY OF BOWIE, MARYLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Taxable Income[6]	Per Capita Income	Median Age	Educational Level	School Enrollment[1]	Unemployment Rate[7]
1998	47,523 [2]	$ 693,954,117	$ 21,144	33.0	14.6	8,347 [4]	4.8%
1999	47,738 [2]	719,080,749	21,567	33.0	14.6	8,444	3.8
2000	50,269 [3]	845,119,417	30,703 [3]	36.3 [3]	14.9 [4]	8,410	4.3
2001	51,643 [2, 4]	876,326,108	31,685 [4]	36.3 [4]	14.9 [4]	8,555	4.0
2002	52,865 [2, 4]	907,367,924	32,034	36.3	14.9	8,580	5.1
2003	53,933 [2, 4]	897,677,138	32,707	36.3	14.9	8,650	5.2
2004	54,469 [2,4]	974,666,884	33,786	36.3	14.9	8,698	4.8
2005	54,588 [2]	1,010,061,784	34,641	36.3	14.9	8,767	4.8
2006	55,529 [2]	1,039,684,679	36,066	36.3	14.9	8,760	4.8
2007	55,626 [2]	- [5]	37,035	36.3	14.9	8,522	4.2

1. Prince George's County Board of Education.
2. Estimate from City of Bowie Planning Department.
3. Bureau of the Census.
4. Restated to correct error in prior year totals.
5. 2007 Information not yet available.
6. State of Maryland provides Net Taxable Income data.
7. Maryland Department of Labor, Career and Workforce.

CITY OF BOWIE, MARYLAND
PRINCIPAL EMPLOYERS
FOR FISCAL YEAR 2007

Employer	Employees	Percentage of Total City Employment
Prince George's County Public Schools	1,000	6.77%
City of Bowie	319	2.16%
Giant Food	225	1.52%
Washington Savings Bank	163	1.10%
Larkin Chase Nursing (Harborside Healthcare)	156	1.06%
United States Post Office	150	1.01%
ITT	135	0.91%
Institute for Defense Analysis	112	0.76%
Safeway	110	0.74%
US Census Computer Facility	100	0.68%
Totals	2,470	16.71%

Source: City of Bowie Economic Development Office. Data for 1998 is unavailable. Percentages of total employment calculated from 2005 US Census Bureau ZIP Code Business Patterns Summary. There are 14,781 total employees for the zipcodes describing the City.

CITY OF BOWIE, MARYLAND
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-Time Equivalent Employees as of June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
FUNCTION										
GENERAL GOVERNMENT:										
City Manager	6.0	6.0	6.0	6.0	7.0	7.0	6.5	7.1	7.1	7.2
Personnel	2.3	2.5	2.8	2.8	2.8	2.8	2.8	2.8	3.3	3.5
Finance	4.3	4.3	5.3	6.0	6.0	6.0	6.8	6.8	6.8	8.4
Information Technology	3.0	3.0	5.0	5.5	6.5	6.9	6.9	8.4	10.0	12.4
Public Information	5.3	5.3	5.3	5.0	5.9	5.9	6.4	5.6	5.6	5.6
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Services	5.4	5.4	5.4	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Public Building and Grounds	12.2	12.9	14.9	17.0	17.6	7.0	5.5	4.5	4.5	4.5
Planning	7.7	7.7	7.7	7.7	6.7	6.7	5.7	6.0	6.0	6.0
Economic Development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.8	2.0	2.0
Total General Government	48.2	49.1	54.4	56.5	59.0	48.8	47.1	48.5	50.8	55.1
PUBLIC SAFETY:										
Housing Inspection and Code Compliance	6.4	6.4	6.4	6.4	6.4	6.4	6.9	7.4	7.4	7.4
Public Safety	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Department	-	-	-	-	-	-	-	-	0.1	10.2
Animal and Disease Control	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.2
Total Public Safety	8.4	9.4	9.4	10.4	10.4	10.4	10.9	11.4	11.5	21.8
SOCIAL SERVICES:										
Senior Citizen Services	6.6	6.5	9.7	10.2	11.6	11.6	12.0	12.1	13.2	13.8
Youth Services Bureau	7.9	7.9	8.5	8.5	9.0	9.0	9.1	9.1	9.2	9.2
Total Social Services	14.5	14.4	18.2	18.7	20.6	20.6	21.1	21.2	22.4	23.0
PUBLIC WORKS:										
Administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Equipment Maintenance and Garage	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Solid Waste	48.3	50.5	52.5	52.5	54.5	52.5	56.5	56.5	57.7	57.7
Street Maintenance	16.2	16.2	18.2	17.2	18.2	19.2	20.5	21.0	25.3	25.9
Stormwater Management	3.3	3.5	4.3	4.3	5.3	5.3	5.3	5.3	5.3	6.3
Total Public Works	78.8	81.2	86.0	85.0	89.0	88.0	93.3	93.8	100.3	101.9

CITY OF BOWIE, MARYLAND
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Full-Time Equivalent Employees as of June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
PARKS, CULTURE & RECREATION:										
Special Events and Parks Operations	2.6	2.6	2.6	2.6	2.6	13.2	14.6	14.6	14.6	14.9
Parks and Grounds	18.8	19.1	20.4	22.4	22.4	23.4	27.2	29.0	30.4	30.4
Ice Arena	10.8	10.8	9.7	9.1	9.1	9.1	9.1	9.1	9.6	9.6
Historic Properties and Museums	2.3	2.3	3.2	3.4	4.0	4.0	4.8	4.6	5.8	6.7
Gymnasium	-	-	-	2.5	5.0	5.1	5.1	5.1	5.3	5.5
Total Parks, Culture & Recreation	34.5	34.8	35.9	40.0	43.1	54.8	60.8	62.4	65.7	67.1
TOTAL GENERAL FUND	184.4	188.9	203.9	210.6	222.1	222.6	233.2	237.3	250.7	268.9
WATER AND SEWER FUND:										
Billing and Accounting	5.3	5.3	4.4	3.7	3.7	3.7	3.9	3.9	3.9	4.3
Water	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.2
Wastewater	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.2
Total Water and Sewer Fund	29.3	29.3	28.4	27.7	27.7	27.7	27.9	27.9	27.9	28.7
GRAND TOTAL - CITY OF BOWIE	213.7	218.2	232.3	238.3	249.8	250.3	261.1	265.2	278.6	297.6

CITY OF BOWIE, MARYLAND
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
FUNCTION										
GENERAL GOVERNMENT										
Public Building and Grounds:										
Square feet maintained per full-time equivalent	-	-	-	-	107,332	107,332	107,332	107,932	107,932	110,732
Planning and Economic Development:										
Subdivision Reviews - Total	16	2	2	4	6	10	13	6	8	4
Zoning Reviews - Total	8	17	3	8	7	6	2	1	9	6
Site Plans - Total	38	29	17	9	10	13	13	12	18	14
PUBLIC SAFETY:										
Housing Inspection and Code Compliance:										
Number of Code Compliance Warning Notices	3,677	4,768	4,976	4,900	4,509	4,708	4,835	4,653	3,214	7,580
Rental Inspections/reinspections performed	2,614	2,487	2,734	2,800	1,454	1,511	2,040	1,183	1,200	1,464
Number of Building Permits issued	725	691	747	700	836	482	526	559	532	602
Animal Control:										
Number of service reports taken	0	0	1,418	1,018	1,327	1,137	1,816	2,368	2,500	2,630
Number of running-at-large calls	0	0	526	406	392	300	554	476	550	456
Number of wildlife complaints	0	0	108	128	70	90	184	300	275	500
SOCIAL SERVICES:										
Senior Citizen Services:										
Number of bus passenger miles	51,700	46,588	51,939	55,052	61,000	58,871	58,963	59,600	60,000	61,200
Number of meals served and delivered	9,874	11,534	11,494	15,774	11,624	10,919	13,703	11,900	13,300	15,050
Average daily attendance (all times)	56	80	93	203	331	302	319	342	318	326
Youth Services Bureau:										
Number of adults & youths counseled	484	451	467	553	576	470	474	832	500	650
Number of alcohol/drug-free events for youth	14	12	12	12	12	13	18	15	15	12
PUBLIC WORKS:										
Solid Waste:										
Number of households served	16,980	17,485	17,763	19,049	19,200	19,500	20,184	20,250	20,514	20,554
Total number of tons collected	27,482	27,800	27,336	29,500	32,533	34,470	38,114	38,600	37,385	37,508
Number of tons recycled	6,883	7,000	6,759	7,000	7,969	7,864	9,242	9,500	8,985	9,280
Street Maintenance:										
Miles of street maintained by City	150	153	155	160	163	175	178	180	182	182
Miles of sidewalks maintained by City	65	68	68	82	85	100	116	122	123	125
Number of street lights maintained by City	3,966	4,047	4,332	4,400	4,500	4,600	4,752	4,910	5,182	5,200

CITY OF BOWIE, MARYLAND
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
PARKS, CULTURE & RECREATION:										
Special Events and Park Operations:										
Number of picnics-resident & non-resident	298	300	390	445	445	480	447 *	441	455	525
Bowie Playhouse days in use	197	200	195	217	200	200	178	139	150	185
Number of special events	0	0	0	0	8	9	9	10	10	12
Number of city concerts	0	0	0	0	15	15	14	27	28	29
Number of days boathouse open	0	0	103	94	94	64	68 *	70	70	49
Ice Arena:										
Length of skating season	0	0	10 mo.	9 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.	10 mo.
Total number of all admissions	0	0	19,000	17,583	18,000	17,500	17,200	16,500	18,000	17,625
Historic Properties and Museums:										
Visitors to all properties and museums	6,278	8,175	9,350	9,358	11,706	12,002	13,210	13,525	14,900	15,800
Volunteer hours at all properties and museums	2,917	2,050	3,400	2,040	1,833	1,787	1,720	1,665	1,710	1,400
Gymnasium:										
Hours Programmed	0	0	0	1,300	3,500	3,680	4,180	4,264	5,085	5,100
Court rental hours	0	0	0	0	0	0	0	6,349	6,530	7,380
Water and Sewer Fund:										
Billing and Accounting:										
Number of water/sewer customers-residential	7,677	7,660	7,682	7,655	7,690	7,684	7,660	7,690	7,690	7,700
Number of water/sewer customers-commercial	194	191	189	180	174	178	173	175	180	176
Water:										
Miles of pipeline	90	90	90	90	90	90	90	90	90	90
Number of fire hydrants	562	560	560	560	560	560	560	560	560	560
Million gallons treated/delivered	766	800	718	653	710	744	673	692	700	800
Wastewater:										
Million gallons of wastewater treated	772	718	691	689	667	732	758	684	660	744
Tons of sludge produced	4,420	4,444	4,229	4,740	3,718	3,402	3,616	3,406	2,678	3,008

[1]Meals delivered only

*Beginning in FY 04, these indicators are based on number of days reserved, whereas prior years these were based on number of permits issued. This is due to change over to new RecWare management software.

**Beginning in FY 04, these indicators are now based on the calendar year boathouse season.

CITY OF BOWIE, MARYLAND
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
FUNCTION										
PUBLIC WORKS:										
Street Maintenance										
Miles of Streets and Roads	163	161	163	164	163	175	178	180	180	182
Miles of Sidewalks	73	73	73	73	85	100	116	122	124	125
Miles of Alleys	2	2	2	2	2	2	2	2	2	2
Number of street lights	4,047	3,966	4,234	4,234	4,450	4,600	4,752	4,910	5,100	4,982
Number of Traffic Light Controlled Intersections	18	18	19	19	23	23	23	24	24	24
Solid Waste										
Number of Households Served	16,980	17,485	17,763	19,049	19,200	19,500	20,184	20,250	20,350	20,554
Stormwater Management										
Miles of Storm Sewers	396	396	396	396	396	396	396	396	396	396
Number or SWM ponds and basins maintained	29	30	37	40	49	51	57	60	60	67
PARKS, CULTURE & RECREATION:										
Parks and Open Space-Number of Acres	1,780	1,780	1,780	1,780	1,780	1,780	1,780	1,360	1,360	1,360
Number of Community Centers	3	3	3	3	3	3	3	3	3	3
Number of Ball Fields-City, Co. Bd of Ed MNCPPC[1]	72	72	72	72	72	75	75	78	78	78
Number of Ice Skating Rinks	1	1	1	1	1	1	1	1	1	1
Number of Theaters	1	1	1	1	1	1	1	2	2	2
Number of Skateboard Parks	1	1	1	1	1	1	0	0	1	1
Number of Museums	3	5	5	5	5	5	5	5	5	5
WATER & SEWER FUND:										
Miles of Sanitary Sewers	130	130	130	130	130	130	130	130	130	130
Number of Customers	7,851	7,871	7,858	7,864	7,853	7,862	7,833	7,865	7,879	7,876
Daily Average Water Consumption M.G.	3	3	3	3	2	2	2	2	2	2
Water Plant Capacity M.G.D.	5	5	5	5	5	5	5	5	5	5
Miles of Water Mains	95	95	95	95	95	90	90	90	90	90
Number of Fire Hydrants	562	562	562	562	562	560	560	560	560	560
Water Plant Storage Capacity M.G.	4	4	4	4	4	4	4	4	4	4

[1] Restated to correct errors in fiscal years 2005 and 2006.

"Growth, Unity, Progress"