



CITY OF COLLEGE PARK, MARYLAND



Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011

Cover Photo:

On December 6, 2011, the City of College Park dedicated this plaza at the intersection of Berwyn Road and the College Park Trolley Trail to Councilman John E. “Jack” Perry in recognition of his 26 years of service on the College Park City Council. Councilman Perry moved to the Berwyn neighborhood of College Park in 1969, and served on the City Council from 1979 to 1983 and from 1989 to 2011 for a total of 26 years – tied with Mayor Davis as the second longest-serving official in the City’s history.



CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2011

The Honorable Andrew M. Fellows, Mayor

City Council

Marcus D. Afzali
Mark Cook
Christine L. Nagle
Stephanie E. Stullich

Robert T. Catlin
Denise C. Mitchell
John E. Perry
Patrick L. Wojahn

Administration

Joseph L. Nagro, City Manager
Stephen Groh, CPA, Director of Finance
Leo L. Thomas, Jr., CPA, Deputy Director of Finance

**CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2011**

TABLE OF CONTENTS

Schedule Number	Starting Page
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2010	7
Organization Chart	8
List of Principal Officials	9
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	11
Management's Discussion and Analysis (MD&A)	13
<u>Basic Financial Statements</u>	
<u>Entity-wide Financial Statements</u>	
Statement of Net Assets	26
Statement of Activities	27
<u>Fund Financial Statements</u>	
Balance Sheet – Governmental Funds	29
Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Assets	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	31
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to Statement of Activities	32
Statement of Net Assets – Fiduciary Funds	33
Statement of Changes in Net Assets – Fiduciary Funds	34
Notes to Financial Statements	36
<u>Required Supplementary Information</u>	
Budgetary Comparison Statement – General Fund	53
<u>Supplementary Information</u>	
Combining Statement of Net Assets – Fiduciary Funds	57
Combining Statement of Changes in Net Assets – Fiduciary Funds	58

Schedule
Number

Starting
Page

Single Audit

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	60
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	62
Schedule of Expenditures of Federal Awards	64
Notes to Schedule of Expenditures of Federal Awards	65
Schedule of Findings and Recommendations	67

STATISTICAL SECTION (unaudited)

	Summary and Table of Contents	69
1	Net Assets – Last Eight Fiscal Years	70
2	Changes in Net Assets – Last Eight Fiscal Years	71
3	Fund Balances, Governmental Funds – Last Ten Fiscal Years	72
4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	73
5	Tax Revenue by Sources, Governmental Funds – Last Ten Fiscal Years	74
6	Assessed Value and Estimated Actual Value of Taxable Real Property – Last Ten Fiscal Years	75
7	Direct and Overlapping Real Property Tax Rates – Last Ten Fiscal Years	76
8	Principal Property Taxpayers – Current Fiscal Year and Nine Fiscal Years Ago	77
9	Property Tax Levies and Collections – Last Ten Fiscal Years	78
10	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	79
11	Direct and Overlapping Governmental Activities Debt	80
12	Legal Debt Margin Information – Last Ten Fiscal Years	81
13	Demographic and Economic Statistics – Last Ten Calendar Years	82
14	Principal Employers – Current Year and Nine Years Ago	83
15	Full-time Equivalent (FTE) City Government Employees by Function/Program – Last Ten Fiscal Years	84
16	Operating Indicators by Function/Program – Last Ten Fiscal Years	85
17	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	86

INTRODUCTORY SECTION



4500 KNOX ROAD
COLLEGE PARK, MD 20740-3390

City Manager and
OFFICE OF: Director of Finance

December 21, 2011

The Honorable Mayor and City Council
Citizens of the City of College Park
College Park, Maryland 20740

In compliance with §C12-1B of the Charter of the City of College Park, Maryland (the "City"), the **Comprehensive Annual Financial Report ("CAFR")** for the fiscal year ended June 30, 2011 is hereby respectfully submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Barbacane, Thornton & Company LLP, Certified Public Accountants, has issued an unqualified opinion that the City of College Park, Maryland's financial statements for the year ended June 30, 2011 are fairly presented in all material respects in conformity with generally accepted accounting principles. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The area that includes College Park was originally settled in 1745. Incorporated as a municipality under Maryland state law on June 7, 1945, the City of College Park is located within Prince George's County, Maryland, approximately 7 miles northeast of the District of Columbia. The City has a land area of approximately 5 square miles, expanded from its original 3.97 square miles by subsequent annexations. With a population of 30,413, based on the 2010 census, College Park remains one of the largest cities in Prince George's County, despite the growth of municipalities in outlying areas of the County.

College Park has operated under the council-manager form of government since 1960. The City Council is the legislative body of the City and is empowered by the City Charter to make all City policy. The Council is elected by district every 2 years on a non-partisan basis. The City is divided into 4 districts, with 2 Council members elected from each district, for a total of 8 Council

members. The Mayor is elected at large on the same election schedule as the City Council. The Mayor and Council together form a body of 9 elected officials.

The City Council appoints a City Manager to serve as the chief administrative officer of the City. The primary duties and responsibilities of the City Manager include preparing, submitting, and administering the operating and capital budgets, responding to citizen concerns, enforcing the City Charter and local laws, directing and supervising all departments, and advising the Council on operational matters.

College Park government consists of 5 operating departments and 4 administrative functions. The 5 departments are: Finance; Public Services; Planning, Economic and Community Development; Youth, Family and Senior Services; and Public Works. In addition, the offices of the City Manager, City Clerk, Human Resources, and City Attorney provide administrative support. Each operating department has a director who reports to the City Manager. Services provided by the City include street and sidewalk maintenance, snow removal, refuse collection, recycling, code enforcement, parking enforcement, animal control, youth and family services, seniors program, recreation, planning, and financial management.

Primary and secondary education is provided by the Prince George's County Public Schools. The City plays no part in financing or operating public schools, although funding for public education comprises a significant portion of the County property taxes paid by City residents. Other services, such as police, fire, emergency medical services, health services, and public assistance are also provided by Prince George's County and the State of Maryland. Water and sewer services are provided by the Washington Suburban Sanitary Commission ("WSSC"). Regional parks, recreation, and planning services are provided by the Maryland-National Capital Park and Planning Commission ("M-NCPPC"). Both WSSC and M-NCPPC are agencies established on a bi-county basis to serve the residents of Prince George's and Montgomery counties.

The City is required to adopt an operating budget by May 31 for the succeeding fiscal year starting July 1. The budget document, which serves as the foundation for the City's financial planning and control, is organized by fund, function, and department. Department heads may transfer resources within their department. Transfers between departments are initiated by the City Manager, with subsequent notification to Mayor & Council. Transfers between funds (i.e., General Fund to Capital Projects Fund) require Mayor & Council action in the form of a budget amendment ordinance.

The Mission and Vision of the City of College Park

Mission

The City of College Park encourages broad community involvement and collaboration, and is committed to enhancing the quality of life for everyone who lives, raises a family, visits, works and learns in the City; and operating a government that delivers excellent services, is open and responsive to the needs of the community, and balances the interests of all residents and visitors.

Vision

...for the City of College Park

The City of College Park will be a vibrant and prosperous residential, commercial and educational community with individuals working cooperatively. College Park will have safe and harmonious neighborhoods; a clean, attractive and healthy natural environment; efficient services; attractive pedestrian- and bicycle-friendly streetscapes; a thriving downtown; revitalized commercial districts including the Route 1 corridor and Hollywood Commercial District; and convenient transportation systems with enhanced public transit.

...for the City of College Park Government

The City of College Park will be recognized for solid collaborative working relationships with residents, students, the University of Maryland, Prince George's County and other nearby municipalities. Our cooperative relationships will help us realize our vision of prosperity and vitality for the City.

Furthermore, it is recognized among employees that every contact with the public represents an opportunity to demonstrate our commitment to this mission and vision for the future. This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011 demonstrates the financial commitment and accountability of the City of College Park to its mission and vision.

Economic Condition and Outlook

The City is located in the northern part of Prince George's County, northeast of the District of Columbia. Total assessments of real and personal property increased 19.31 percent from the prior year to \$2.64 billion as of July 1, 2010. Taxable assessed real (after application of homestead tax credit) and personal property values in the City increased 15.86 percent from the prior year to \$2.04 billion as of July 1, 2010, primarily attributable to completion of several new student housing projects. Exempt real property constitutes 37.42 percent of the total real property assessment as of July 1, 2010.

The City's major employer and property owner (albeit tax-exempt) is the University of Maryland College Park (the "University"), the flagship campus of the University System of Maryland. The campus spans 1,500 acres and includes over 350 buildings. The combination of approximately 37,641 students and 13,157 faculty and staff brings significant commerce to the business community of the City.

Long-term Financial Planning

Unrestricted, unassigned fund balance in the General Fund as of June 30, 2011 (\$5,649,562) represents 40.11% of the next fiscal year's adopted expenditure budget (\$14,084,806 for fiscal year 2012), which exceeds the Council's established goal of 25%. Elected officials and management staff are confident that the 25% goal will be met or exceeded in future years.

The City utilizes a combination of "pay-as-you-go" and debt financing for funding capital improvements. Current debt outstanding (\$8,924,735) consists of the last year of a 5-year capital lease for vehicles and equipment (\$324,735), 3 Community Legacy loans for capital projects (\$450,000), and the 20-year tax-exempt parking garage bond (\$8,150,000).

Major Initiatives During the Fiscal Year

- The City's 288-space 5-story public parking garage in downtown College Park opened in August 2009. The 5,800 square feet of ground floor retail space was leased to local institution Ledo Restaurant which opened for business in late summer 2010.
- The City continues to utilize off-duty Prince George's County police officers for contract policing. These officers are paid as City employees, and the City reimburses the County for police vehicle mileage. The contract officers supplement County police services provided to the City's residents and businesses. \$500,000 is budgeted annually for part-time contract police.
- The City continues the \$500,000 police services contract with Prince George's County, which began in FY2009, to provide 3 full-time County police officers on permanent assignment within the City. The \$500,000 police services contract is in addition to the \$500,000 budgeted for part-time contract police, and also supplements regular County police services.
- Additional multi-space pay stations were added in the parking garage and other previously metered parking lots. 13 pay stations are now in service.
- During FY2011, the City began a speed enforcement camera program with 5 cameras. An outside vendor processes tickets following review and certification of violations by the City's contract police officers. According to State enabling legislation, net revenue generated from this program must be used for public safety purposes, including pedestrian safety improvements.
- Two large residential projects were completed in late FY2011, primarily geared to student rentals.
- Several streetscape projects are in process, utilizing a combination of City capital project funding, Community Development Block Grant ("CDBG"), Community Legacy, and Maryland Heritage Area Authority ("MHAA") grants and loans to upgrade sidewalks, curb and gutter, streetlights and landscaping in commercial areas.
- The City participates in the entitlement process for M Square, the University's research and development park adjacent to the College Park Metro station.
- Most FY2011 elements in the recently adopted strategic action plan were implemented on schedule, with a few carrying over to FY2012.

For the Near Future

- Implement the FY2012 elements in the strategic action plan.
- For FY2012, the City increased the part-time contract police program from \$500,000 to \$650,000. This brings the total contract police cost to \$1,150,000.
- Negotiations with the University of Maryland and its East Campus development team will continue regarding the proposed East Campus development, a mix of residential, commercial and hotel uses across from the University's North Gate, following the University's selection of a new development team.
- Economic development continues along the U. S. Route 1 corridor.
- The fourth and final phase of the College Park Trolley Trail has been incorporated into the design of the Rhode Island Avenue Road Improvements capital project. Upon completion of this phase in late FY2012, the hiker/biker trail will connect the northern and southern boundaries of the City and integrate with trails on the University of Maryland campus.

- WMATA, the Metro operator, is pursuing development of a surface parking lot at the College Park Metro station as a mixed-use development, including office, residential and retail.

New Financial Policies

For fiscal year 2011, the City adopted a fund balance policy in compliance with Governmental Accounting Standards Board (“GASB”) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, substantially changing how fund balances are categorized and modifying how some of the governmental funds are presented and classified for financial statement reporting. The GASB Statement No. 54 changes are incorporated in this year’s CAFR.

Retirement and Benefits

The City maintains a single-employer defined contribution pension plan that covers all regular employees, established under section 401(a) of the Internal Revenue Code. For fiscal year 2011, employer contributions of 6.5% of covered wages were deposited quarterly with the plan’s trustee, ICMA Retirement Corporation.

In addition, the City has established a section 457 deferred compensation plan, administered by the ICMA Retirement Corporation, available to all regular employees. The City matches \$20 - 100 per pay period, on a sliding scale based on years of service and the amount of employee contributions to this tax-deferred plan.

Additional information on the City’s retirement and benefits can be found in Notes 8, 9, and 10 to the basic financial statements.

Cash Management

The City invests its idle cash in U. S. government agency obligations, FDIC-insured bank certificates of deposits and the State-sponsored Maryland Local Government Investment Pool (“MLGIP”). Maturities are matched to the City’s projected cash needs. The City’s policy is to reduce risk and maintain competitive yields on its investments. Investments in excess of Federal depository insurance are secured by U. S. government and agency-backed collateral held by the Federal Reserve Bank and titled in the City’s name. Since October 1995, the Maryland State Treasurer has required that all local governments in Maryland operate within the confines of a Council-adopted and State-approved investment policy. The City of College Park is in full compliance with this requirement. Additional information on the City’s cash management can be found in Note 2 to the basic financial statements.

Risk Management

The City’s risk management program is directed by the Local Government Insurance Trust (“LGIT”), a consortium of Maryland local governments. Since fiscal year 1989, LGIT has conducted periodic risk management surveys, in which participants must provide responses to any hazards identified in the report. Additionally, the City’s safety officer conducts periodic

inspections of City property and equipment. The safety officer also investigates accident and insurance claims filed against the City. Claims review, preparation, and submission is provided by the Finance Department; claims processing, investigation, and legal assistance is provided by LGIT. Additional information on the City's risk management can be found in Note 7 to the basic financial statements.

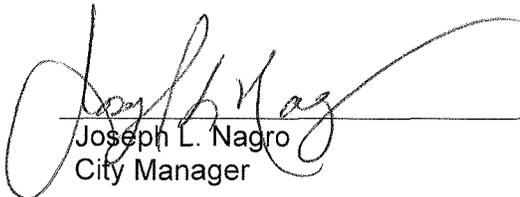
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Park for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This was the 32nd year that the City has achieved this prestigious award.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2011. In order to qualify for this award, a government unit must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications device. The award is valid for a period of one year only. The City of College Park has been the recipient of this award for annual budgets prepared since fiscal year 1989.

The preparation of this report would not have been possible without the efficient and dedicated service of the Finance Department staff. A special acknowledgement is given to Leo L. Thomas, Jr., Deputy Director of Finance, for his valuable assistance in the completion of this report. We express our appreciation to the Mayor & City Council, the City staff, and the Finance Department staff for their continuing cooperation in implementing the financial operations of the City.

Respectfully submitted,



Joseph L. Nagro
City Manager



Stephen Groh
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of College Park
Maryland

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

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



Linda C. Davidson

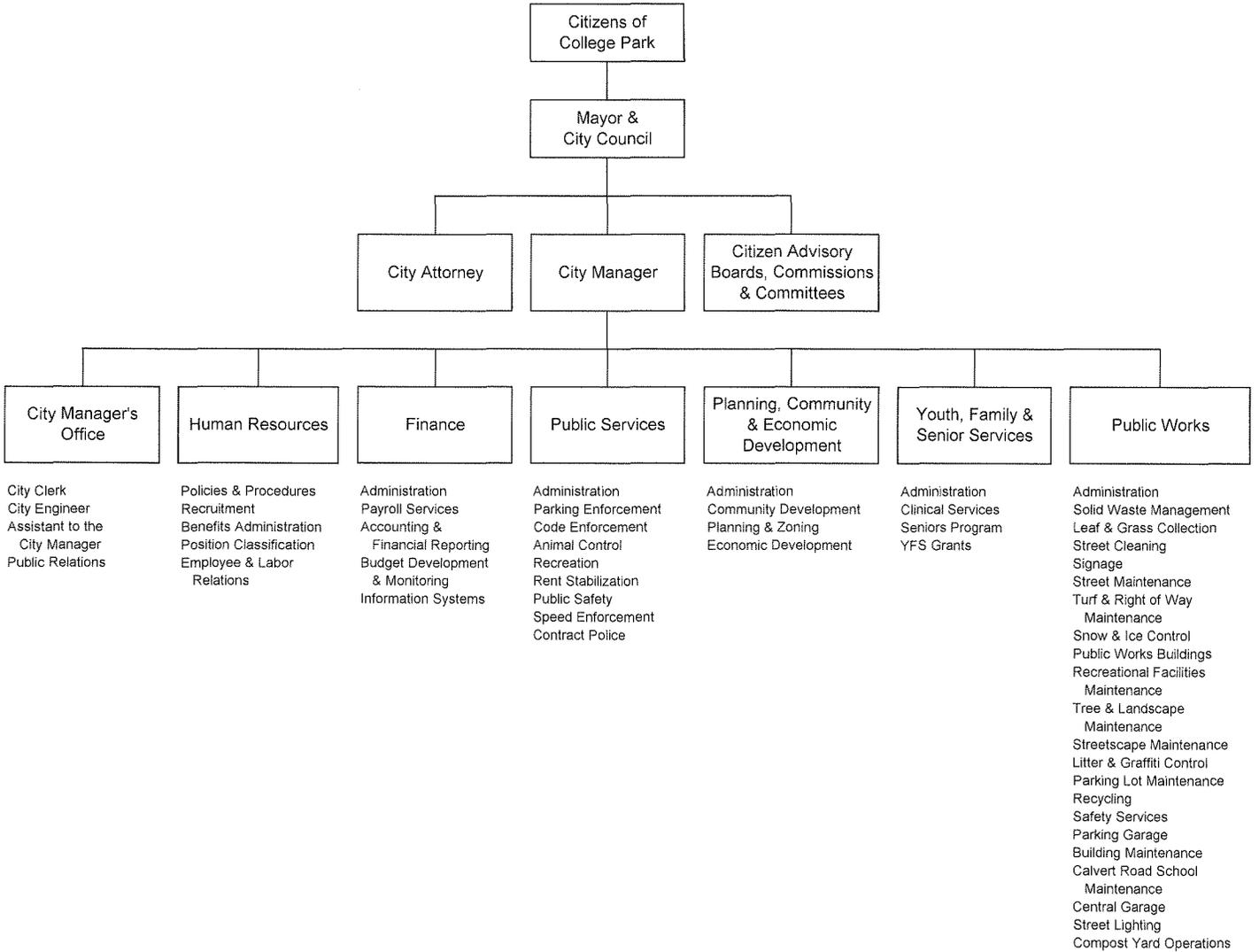
President

Jeffrey R. Emer

Executive Director

CITY OF COLLEGE PARK, MARYLAND

Organization Chart



CITY OF COLLEGE PARK, MARYLAND

List of Principal Officials as of June 30, 2011

<u>Title</u>	<u>Name</u>
Mayor	Andrew M. Fellows
City Council, District 1	Christine L. Nagle Patrick L. Wojahn
City Council, District 2	Robert T. Catlin John E. Perry
City Council, District 3	Mark Cook Stephanie E. Stulich
City Council, District 4	Marcus D. Afzali Denise C. Mitchell
City Manager	Joseph L. Nagro
City Clerk Assistant City Clerk	Janeen S. Miller, CMC Yvette T. Allen
City Attorney	Suellen M. Ferguson, Esquire Council Baradel Kosmerl & Nolan, P.A. Annapolis, Maryland
Independent Auditors	Barbacane, Thornton & Company LLP Wilmington, Delaware
<u>Department Directors and Deputy Directors</u>	
Finance	Stephen Groh, CPA, Director Leo L. Thomas, Jr., CPA, Deputy Director
Public Services	Robert W. Ryan, Director
Planning, Comm. & Econ. Development	Terry A. Schum, Director
Human Resources	Jill R. Clements, Director
Youth, Family and Senior Services	M. Margaret Higgins, Director
Public Works	Robert T. Stumpff, Director Brenda L. Alexander, Deputy Director

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**FINANCIAL
SECTION**

INDEPENDENT AUDITORS' REPORT

Barbacane, Thornton & Company LLP
200 Springer Building
3411 Silverstone Road
Wilmington, Delaware 19810

T 302.478.8940
F 302.468.4001
www.btcpa.com

December 21, 2011

The Mayor, City Council and Citizens of
the City of College Park, Maryland

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of College Park, Maryland (the "City"), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of College Park, Maryland'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, each major fund and the aggregate remaining fund information of the City of College Park, Maryland, as of June 30, 2011, and the changes in its financial position 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 21, 2011, on our consideration of the City of College Park, Maryland's internal control over financial reporting and on 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 and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 13 through 23 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which

BARBACANE
THORNTON
& COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

The Mayor, City Council and Citizens of
the City of College Park, Maryland

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 College Park, Maryland's basic financial statements. The combining fiduciary fund financial statements and the budgetary comparison schedule - General Fund on pages 53 through 58 are presented for purposes of additional analysis and are 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 introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
JUNE 30, 2011**

The Management's Discussion and Analysis ("MD&A") of the City of College Park's Comprehensive Annual Financial Report ("CAFR") presents a narrative overview and analysis, prepared by the City's senior management, of the financial activities for the fiscal year ended June 30, 2011. The information presented herein should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights for Fiscal Year 2011

The assets of the City exceeded its liabilities as of June 30, 2011 by \$19.1 million (net assets). Of this amount, \$7.2 million is unrestricted and may be used to meet the City's future obligations. All of the \$7.2 million unrestricted assets are related to governmental activities, which includes the General Fund. Total governmental funds' fund balance increased from negative \$0.7 million to \$9.6 million as permanent financing replaced bond anticipation notes for the public parking garage C.I.P. project during fiscal year 2011.

The unassigned fund balance for the General Fund as of June 30, 2011 represented 40.11 percent of budgeted General Fund expenditures for fiscal year 2012, compared to the Council adopted goal of 25 percent.

In comparison with the prior fiscal year, the City's total net assets, all of which are related to governmental activities, increased \$3.8 million from \$15.3 million to \$19.1 million.

During the current fiscal year, the City's long-term debt (excluding compensated absences) decreased by \$1,193,254.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of College Park's basic financial statements. The City of College Park's basic financial statements are comprised of three components: (1) entity-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 entity-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 entity-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.

CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011

Entity-wide financial statements. The entity-wide financial statements are designed to provide readers with a broad overview of the City of College Park'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, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the entity-wide financial statements distinguish functions of the City that are supported principally by taxes and intergovernmental revenue (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 College Park include general government; public services; planning and development; youth, family and senior services; public works; and debt service. No business-type activities exist for the current fiscal year.

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 could use 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. All 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 fiscal year-end that are available for spending. These funds are reported using the modified accrual accounting method, 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 the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in reconciliations following 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 entity-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 an enterprise fund (one type of proprietary fund). An enterprise fund is used to report the same functions presented as business-type activities in the entity-wide financial statements. Currently, the City does not use an enterprise fund for any portion of its operations.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**

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 entity-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. Budgetary comparison schedule have been provided for the General Fund.

Combining Financial Statements. The Pension Trust Fund is made up of two separate funds. Individual fund data for these funds is provided in the form of combining statements.

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

Entity-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 for the MD&A.

The following table presents a summary of the Statement of Net Assets for the City as of June 30, 2011 and 2010:

Net Assets

	Governmental Activities	
	2011	2010
Current and other assets	\$ 11,783,022	\$ 10,261,958
Capital assets, net of accumulated depreciation	18,667,944	17,624,921
Total Assets	30,450,966	27,886,879
Long-term liabilities outstanding	9,413,031	1,966,782
Other liabilities	1,913,436	10,647,893
Total Liabilities	11,326,467	12,614,675
Net assets:		
Invested in capital assets, net of related debt	11,940,581	8,358,942
Unrestricted	7,183,918	6,913,262
Total Net Assets	\$ 19,124,499	\$ 15,272,204

Note: The City had no business-type activities as of June 30, 2011 or 2010. As a result, the business-type activities and total columns have been omitted from the above table.

CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2011, the City's assets exceeded liabilities by \$19.1 million. By far the largest portion of the City's net assets (62.4 percent) reflects its investment in capital assets (e.g., land, buildings, site improvements, furniture and equipment, machinery, infrastructure), less any related debt used to acquire those assets that is still outstanding. Capital assets, which are used to provide services to residents, are not available for future spending. Although the investment in capital assets is 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.

The City has an investment in capital assets, net of related debt, of \$11.9 million as of June 30, 2011. This amount reflects the City's decision to forego the reporting of general infrastructure acquired prior to July 1, 2002 (as permitted by GASB 34). No long-term debt was incurred in the acquisition of general infrastructure acquired prior to July 1, 2002. The amount of unreported infrastructure is not currently determinable.

The following table summarizes the City's changes in net assets for the years ended June 30, 2011 and 2010:

Changes in Net Assets

	Governmental Activities	
	2011	2010
Revenue		
Program revenue:		
Charges for services	\$ 4,984,770	\$ 3,112,658
Operating grants and contributions	219,272	218,454
Capital grants and contributions	1,010,462	1,079,806
General revenue:		
Real property tax	6,136,538	6,215,866
Personal property tax	822,494	944,762
Income tax	1,377,541	1,332,576
Other taxes	1,070,931	1,168,385
Interest	41,762	36,962
Other general revenue	51,588	9,774
Total revenue	15,715,358	14,119,243
Expenses		
General government	2,003,378	2,245,040
Public services	3,226,584	3,142,234
Planning and development	516,628	1,066,930
Public works	4,871,522	4,981,158
Youth, family and senior services	1,037,007	1,036,108
Interest expense	207,944	99,684
Total expenses	11,863,063	12,571,154
Increase in net assets	3,852,295	1,548,089
Net assets, beginning of year	15,272,204	13,724,115
Net assets, end of year	\$ 19,124,499	\$ 15,272,204

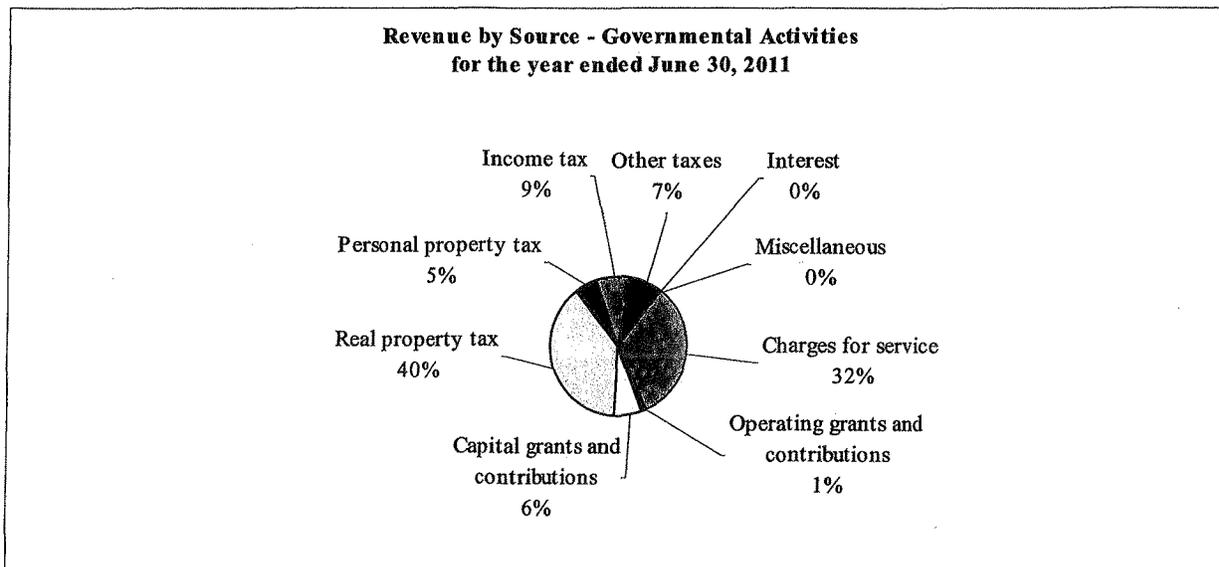
Note: The City had no business-type activities for the years ended June 30, 2011 or 2010. As a result, the business-type activities and total columns have been omitted from the above table.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**

The overall increase in the City's net assets amounted to \$3,852,295 during the fiscal year ended June 30, 2011, as explained in the governmental activities discussion that follows.

Governmental Activities

Governmental activities increased the City's net assets by \$3,852,295. Total revenue of \$15.7 million is comprised of program revenue totaling \$6.2 million, or 39.5 percent, and general revenue of \$9.5 million, or 60.5 percent. General revenue is the principal source of funding for the major activities of the City. Sources of revenue are comprised of the following items:

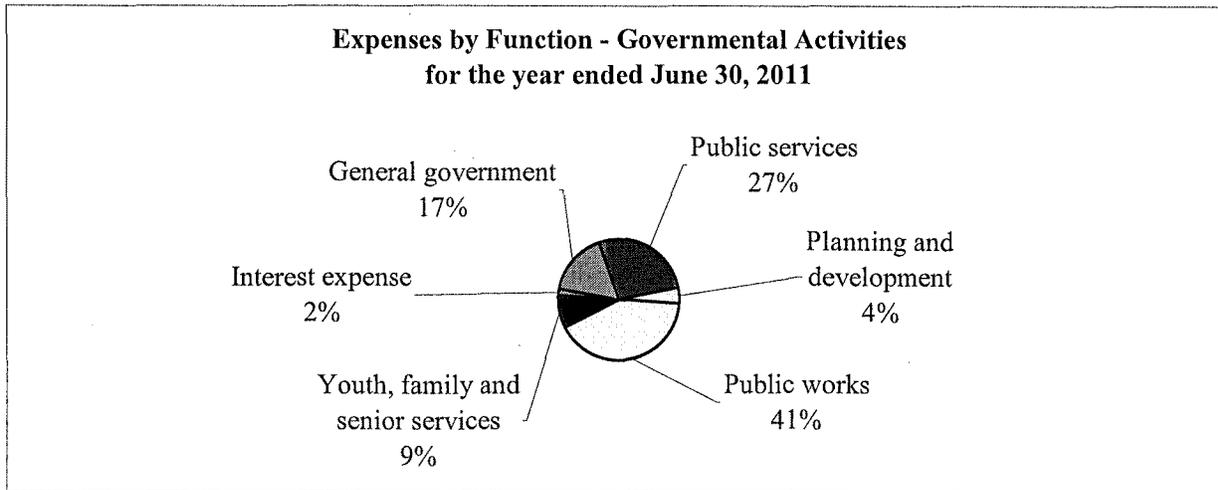


The key element of the increase in net assets is as follows:

- Speed enforcement camera revenue (new for fiscal year 2011) generated \$1,720,005.

A more detailed discussion of the City's revenue results for fiscal year 2011 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 fiscal year 2011 was \$11.9 million. As the chart on the following page indicates, Public Works constitutes the City's largest program, totaling \$5.0 million, or 41 percent. Public Services, the second largest program for the City, totaled \$3.2 million, or 27 percent, while General Government, the third largest program, totaled \$2.0 million, or 17 percent.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**



The following table presents the cost and program revenue of each of the City's 5 largest programs – public works; general government; public services; youth, family & senior services; and planning and development – 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 Revenue		Net Cost of Services	
	2011	2010	2011	2010	2011	2010
General government	\$ 2,003,378	\$ 2,245,040	\$ 545,579	\$ 508,989	\$ 1,457,799	\$ 1,736,051
Public services	3,226,584	3,142,234	4,580,674	2,753,047	(1,354,090)	389,187
Planning and development	516,628	1,066,930	364,575	590,809	152,053	476,121
Public works	4,871,522	4,981,158	582,719	435,069	4,288,803	4,546,089
Youth, family and senior services	1,037,007	1,036,108	140,957	123,004	896,050	913,104
Interest expense	207,944	99,684	-	-	207,944	99,684
Total	\$ 11,863,063	\$ 12,571,154	\$ 6,214,504	\$ 4,410,918	\$ 5,648,559	\$ 8,160,236

Business-type Activities

Not applicable for this fiscal year.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related 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 unassigned fund balance may serve as a useful measure of a government's net resources available for spending as of the end of the fiscal year. Types of major governmental funds reported by the City include the General Fund and Capital Projects Fund.

As of the end of fiscal year 2011, the City's governmental funds reported combined ending fund balances of \$9.6 million. Of the total ending fund balances, \$5.6 million constitutes the unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2011, unassigned fund balance of the General Fund was \$5.6 million, while the total fund balance totaled \$6.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 44.9 percent of the total current year General Fund expenditures and transfers out, while total fund balance represents 51.0 percent of the same amount.

The fund balance of the City's General Fund increased by \$1.8 million during the current fiscal year, representing the excess of revenue over expenditures and other financing uses. Key factors for fiscal year 2011 are as follows:

General Fund operating revenue increased by \$1,648,708 over fiscal year 2010, comprised of the following major component:

- Speed enforcement camera revenue of \$1,720,005, a new program for FY 2011.

General Fund expenditures and other financing uses increased by \$295,553 from fiscal year 2010, comprised of the following major components:

- Debt service increased by \$235,621, due primarily to debt service on the new parking garage bond.
- Interfund transfers increased by \$68,160 due to increased funding for planned street improvements.

The Capital Projects Fund is used to account for the overall financing and expenditure for uncompleted projects. Of the total ending fund balance of \$3,164,971, the entire amount represents authorized and funded projects that are not complete. Revenues increased by \$0.1 million as compared to the previous year while expenditures decreased by \$1.0 million.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**

Proprietary Funds

Not applicable for this fiscal year

General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains a transfer between activities.

Revenue and other financing sources amounted to \$14.4 million in fiscal year 2011, an increase of \$1,648,708, or 12.9 percent from fiscal year 2010.

For fiscal year 2011, the real property assessable tax base decreased 16.3 percent to \$2.11 billion and the real property tax rate remained at \$0.322 per \$100 of assessed value. The personal property assessable tax base decreased 1.1 percent to \$111.8 million, and the personal property tax rate remained at \$0.805 per \$100 of assessed value.

Expenditures and transfers amounted to \$12.6 million, an increase of \$295,553, or 2.4 percent from fiscal year 2010.

The transfer to the Capital Projects Fund increased by \$68,160 in fiscal year 2011, as described above.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental activities as of June 30, 2011 amounted to \$18,667,944 (net of accumulated depreciation). Capital assets include land, construction in progress, buildings and improvements, vehicles, machinery and equipment, office equipment, communication equipment, computers and software, and infrastructure.

Capital Assets, Net of Depreciation

	Governmental Activities	
	2011	2010
Land	\$ 3,821,680	\$ 3,821,680
Construction-in-progress	-	242,558
Buildings and improvements	11,001,110	10,435,638
Vehicles	671,810	908,487
Machinery and equipment	1,271,119	432,633
Office equipment	3,414	13,294
Communication equipment	154,205	117,677
Computers and software	29,352	61,541
Infrastructure	1,715,254	1,591,413
TOTAL	<u>\$ 18,667,944</u>	<u>\$ 17,624,921</u>

Note: The City had no business-type activities as of June 30, 2011 or 2010. As a result, the business-type activities and total columns have been omitted from the above table.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**

Significant additions to governmental activities capital assets included: purchases of machinery and equipment totaling \$1,081,349, building improvements of \$1,092,932, purchases of communication equipment totaling \$62,922, purchases of computers and software totaling \$13,694, and infrastructure improvements totaling \$276,588.

More detailed information about the City's capital assets is presented in Note 4 to the basic financial statements.

Debt Administration

As of the end of FY 2011, the City had \$9,413,031 in long-term debt outstanding, compared with \$10,597,016 in short and long-term debt as of the end of fiscal year 2010, a decrease of 11.2 percent. Bond anticipation notes for the public parking garage, classified as short-term debt, were replaced with long-term permanent financing in FY 2011. The various components of long-term debt are shown in the following table:

Outstanding Debt

	Governmental Activities	
	2011	2010
Bank of America - commercial loan	\$ -	\$ 192,010
SunTrust Bank - master lease	324,735	635,745
SunTrust Bank - parking garage bond	8,150,000	-
Bond anticipation notes - public parking garage	-	8,630,234
Community Legacy loans	450,000	660,000
Compensated absences	488,296	479,027
Total	<u>\$ 9,413,031</u>	<u>\$ 10,597,016</u>

Note: The City had no business-type activities as of June 30, 2011 or 2010. As a result, the business-type activities and total columns have been omitted from the above table.

Maryland state law does not mandate a limit on municipal debt. The City Charter limits the total outstanding general obligation debt of the City to five percent of the total real property taxable assessment. As of June 30, 2011, assessed valuation of such property totals \$2.11 billion, the City debt limit was \$105.6 million and the actual general obligation outstanding debt was \$8,600,000 (excluding capital leases), representing 8.15 percent of the debt limit.

The City does not regularly issue general obligation debt, although \$8.15 million in a tax-exempt parking garage bond was issued in FY 2011. No bond rating has been established for the City by the rating agencies. Other obligations include compensated absences (accrued annual leave). More detailed information about the City's long-term liabilities is presented in Note 5 to the basic financial statements.

CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011

Economic Factors and Next Year's Budget and Rates

The City is located in the northwestern portion of Prince George's County, primarily south of the intersection of Route 1 and the Capital Beltway (Interstate routes 95/495), approximately seven miles northeast of the District of Columbia boundary. Proximity to Washington, D.C. and federal government spending generally contributes to the City's stability, as does the inclusion of the College Park campus of University of Maryland within the City's corporate limits. Although the state-owned property comprising the University of Maryland's 1,500-acre campus is exempt from real property taxes, the City derives economic benefit from the University's payment of admissions and amusement ("A&A") tax on various University activities, the most notable being athletic events. Payment in lieu of taxes ("PILOT") is paid on 2 University-owned properties. In addition, University students, faculty and staff patronize local businesses, adding commercial vitality to the City.

The City's total assessed real property valuation continues to grow. The growth has been attributed primarily to increasing assessments. New construction is minimal. The majority of homes in the City are single-family homes that the 2005-2009 American Community Survey of the U.S. Census Bureau placed in the price range of \$300,000 to \$499,000 with a median value of \$354,900. Due to the City's location surrounding the University of Maryland campus, approximately 25 percent of the City's single-family homes are rental properties, targeting student rentals.

Maryland Department of Labor, Licensing and Regulation reported the unemployment rate in Prince George's County at 7.5 percent and the State at 7 percent as of June 30, 2011. The median household income for the City of College Park for the period 2005-2009 was \$66,900 according to the U.S. Census Bureau. The City's median income level exceeds the United States at \$50,046 but is less than the State of Maryland at \$68,854 and Prince George's County at \$82,847.

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

The adopted budget for fiscal year 2012 maintains the FY 2011 property tax rates of \$0.322 per \$100 of assessed valuation for real property and \$0.805 per \$100 of assessed valuation for personal property. In the FY 2012 adopted budget, General Fund operating revenue is budgeted at \$14,084,806, an increase of \$729,496, or 5.5 percent from the FY 2011 budgeted operating revenue. Property taxes constitute 54.3 percent of General Fund operating revenue. FY 2012 General Fund expenditures and transfers are budgeted at \$14,084,806, an increase of \$729,496, or 5.5 percent from the fiscal year 2011 adopted budget.

The State of Maryland's budget situation, which varies greatly from year to year, has limited impact on the City's budget. State highway user tax revenue has been reduced significantly in recent years. Income tax proceeds, the City's largest source of state shared revenue, represents a share of the County's "piggyback" income tax, and the allocation formula does not fluctuate. County shared revenue from Prince George's County does not fluctuate.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2011**

Requests for Information

The financial report is designed to provide our residents, customers and creditors with a general overview of the City's finances. If you have questions about this report or require any additional information, please contact the City's Director of Finance at 4500 Knox Road, College Park, Maryland 20740-3390 or call 240-487-3509.

BASIC FINANCIAL STATEMENTS

ENTITY-WIDE FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2011

ASSETS	
Cash and cash equivalents	\$ 1,669,722
Investments	7,655,202
Taxes receivable	89,821
Tickets receivable, net of allowance for doubtful accounts of \$724,620	439,782
Loan receivable	941,494
Due from state and local governments	559,782
Other receivables	195,362
Inventory	201,648
Prepaid expenses	30,209
Land	3,821,680
Buildings and improvements	15,320,800
Machinery and equipment	2,582,941
Vehicles	2,973,251
Office, computer and communication equipment	1,220,318
Infrastructure	2,429,484
Less: Accumulated depreciation	<u>(9,680,530)</u>
TOTAL ASSETS	<u>\$ 30,450,966</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 919,067
Accrued expenditures	795,981
Other liabilities	198,388
Long-term liabilities	
Portion due or payable within one year:	
Bonds payable	222,000
Capital lease	324,735
Compensated absences	30,623
Portion due or payable after one year:	
Bonds payable	7,928,000
Community legacy loans	450,000
Compensated absences	<u>457,673</u>
TOTAL LIABILITIES	<u>11,326,467</u>
NET ASSETS	
Invested in capital assets, net of related debt	11,940,581
Unrestricted	<u>7,183,918</u>
TOTAL NET ASSETS	<u>19,124,499</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 30,450,966</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

		Program Revenue			Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General government	\$ 2,003,378	\$ 336,500	\$ 15,717	\$ 193,362	\$ (1,457,799)
Public services	3,226,584	4,249,393	73,840	257,441	1,354,090
Planning and development	516,628	2,470	-	362,105	(152,053)
Public works	4,871,522	385,165	-	197,554	(4,288,803)
Youth, family and senior services	1,037,007	11,242	129,715	-	(896,050)
Interest expense	207,944	-	-	-	(207,944)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 11,863,063	\$ 4,984,770	\$ 219,272	\$ 1,010,462	(5,648,559)
GENERAL REVENUES					
					6,136,538
					822,494
					1,377,541
					1,070,931
					41,762
					51,588
					9,500,854
					3,852,295
					15,272,204
					\$ 19,124,499

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 206,798	\$ 1,462,924	\$ 1,669,722
Investments	7,370,754	284,448	7,655,202
Taxes receivable	89,821	-	89,821
Tickets receivable, net of allowance for doubtful accounts of \$724,620	439,782	-	439,782
Loan receivable	941,494	-	941,494
Due from state and local governments	338,050	221,732	559,782
Due from other fund	-	1,200,000	1,200,000
Other receivables	138,781	56,581	195,362
Inventory	201,648	-	201,648
Prepaid	30,209	-	30,209
TOTAL ASSETS	\$ 9,757,337	\$ 3,225,685	\$ 12,983,022
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	858,353	60,714	919,067
Accrued expenditures	795,981	-	795,981
Due to other fund	1,200,000	-	1,200,000
Other liabilities	229,011	-	229,011
Deferred revenue	253,363	-	253,363
TOTAL LIABILITIES	3,336,708	60,714	3,397,422
FUND BALANCE			
Nonspendable	231,857	-	231,857
Restricted	350,000	3,164,971	3,514,971
Committed	189,210	-	189,210
Unassigned	5,649,562	-	5,649,562
TOTAL FUND BALANCE	6,420,629	3,164,971	9,585,600
TOTAL LIABILITIES AND FUND BALANCE	\$ 9,757,337	\$ 3,225,685	\$ 12,983,022

The accompanying notes are an integral part of these financial statements.

CITY OF COLLEGE PARK, MARYLAND
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO STATEMENT OF NET ASSETS
JUNE 30, 2011

TOTAL GOVERNMENTAL FUND BALANCES \$ 9,585,600

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. These assets consist of:

Land	\$ 3,821,680	
Buildings and improvements	15,320,800	
Machinery and equipment	2,582,941	
Vehicles	2,973,251	
Office, computer and communication equipment	1,220,318	
Infrastructure	2,429,484	
Accumulated depreciation	<u>(9,680,530)</u>	18,667,944

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Loans payable	(8,150,000)	
Community legacy loans	(450,000)	
Capital lease	(324,735)	
Compensated absences	<u>(457,673)</u>	(9,382,408)

Certain revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the fund financial statements.

253,363

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 19,124,499

The accompanying notes are an integral part of these financial statements.

CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUE			
Taxes	\$ 9,371,082	\$ -	\$ 9,371,082
Licenses and permits	1,004,730	193,362	1,198,092
Intergovernmental	254,545	817,100	1,071,645
Charges for services	934,245	211,247	1,145,492
Fines and forfeitures	2,784,738	49,812	2,834,550
Interest	41,696	66	41,762
Miscellaneous	16,313	-	16,313
TOTAL REVENUE	<u>14,407,349</u>	<u>1,271,587</u>	<u>15,678,936</u>
EXPENDITURES			
Current:			
General government	2,227,508	80,507	2,308,015
Public services	3,137,945	33,651	3,171,596
Planning and development	516,648	107,559	624,207
Public works	4,374,679	20,284	4,394,963
Youth, family and senior services	981,828	-	981,828
Debt service	302,884	618,080	920,964
Capital outlays	-	1,184,807	1,184,807
TOTAL EXPENDITURES	<u>11,541,492</u>	<u>2,044,888</u>	<u>13,586,380</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,865,857</u>	<u>(773,301)</u>	<u>2,092,556</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	8,150,000	8,150,000
Transfers in (out)	<u>(1,046,335)</u>	<u>1,046,335</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,046,335)</u>	<u>9,196,335</u>	<u>8,150,000</u>
NET CHANGE IN FUND BALANCES	1,819,522	8,423,034	10,242,556
FUND BALANCES, BEGINNING OF YEAR	<u>4,601,107</u>	<u>(5,258,063)</u>	<u>(656,956)</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,420,629</u>	<u>\$ 3,164,971</u>	<u>\$ 9,585,600</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF COLLEGE PARK, MARYLAND
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 10,242,556
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$2,284,927) exceeded depreciation expense (\$1,183,950) in the period.	1,100,977
Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred revenues decreased by this amount this year.	36,422
Governmental funds report debt retirement as expenditures. However, these amounts reduce the liability in the statement of net assets. This is the amount of debt repayments made during the year.	713,020
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds while these amounts are reported as liabilities in the statement of net assets.	(8,150,000)
In the statement of activities, certain operating expenses--compensated absences (annual leave)--are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(32,726)
Some expenses required the use of prior financial resources and have been reported on the statement of net assets in prior years and, therefore, are reported as expenditures in the statement of activities only.	<u>(57,954)</u>
 CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	 <u><u>\$ 3,852,295</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 1,556
Investments:		
Mutual funds	3,781,254	-
Participant loans	260,526	-
Annuity contracts	782,081	-
Other receivables	<u>-</u>	<u>7,837</u>
TOTAL ASSETS	<u>\$ 4,823,861</u>	<u>\$ 9,393</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Due to other governments	\$ -	\$ 9,393
NET ASSETS		
Net assets held in trust for pension benefits	<u>4,823,861</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,823,861</u>	<u>\$ 9,393</u>

The accompanying notes are an integral part of these financial statements.

CITY OF COLLEGE PARK, MARYLAND
 STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Pension Trust Fund</u>
ADDITIONS	
Employer contributions	\$ 325,634
Investment income	<u>554,261</u>
TOTAL ADDITIONS	<u>879,895</u>
DEDUCTIONS	
Benefit payments	133,781
Administrative expenses	<u>10,634</u>
TOTAL DEDUCTIONS	<u>144,415</u>
CHANGE IN NET ASSETS	735,480
NET ASSETS, BEGINNING OF YEAR	<u>4,088,381</u>
NET ASSETS, END OF YEAR	<u><u>\$ 4,823,861</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of College Park, Maryland (the "City"), was incorporated as a municipality in 1945 and is governed by a mayor and eight council members who together constitute the Mayor and City Council. The City government provides most basic local governmental services except education and police protection, which are provided by Prince George's County, and water and wastewater treatment, which are provided by the Washington Suburban Sanitary Commission ("WSSC").

For financial reporting purposes, the financial statements include the various departments governed directly by the Mayor and City Council. The City's officials are responsible for appointing the members of the boards of various organizations, but the City's accountability for these organizations does not extend beyond making the appointments.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units. The following is a summary of the significant policies:

Component Units

In evaluating how to define the City of College Park, Maryland, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth under the Governmental Accounting Standards Board Statement No. 14 (GASB 14), "Defining the Government Reporting Entity as amended by GASB 39, Determining Whether Certain Organizations Are Component Units." GASB 14 established standards for determining which organizations are to be included in the financial reporting entity and how to report their financial information. Based upon the application of these criteria, there are no separate component units of the City.

Basis of Presentation

Entity-wide Financial Statements

The statement of net assets and statement of activities present financial information on all the nonfiduciary activities of the primary government. The effects of interfund activity have been removed from these statements. The statement of activities displays the extent to which direct expenses are offset by program revenue for each function. Direct expenses are those that can be attributed to a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported as general revenue.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are fiduciary fund financial statements. Revenues are recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Real estate and personal property taxes are recognized as revenue when received. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to vacation, sick leave, claims and judgments, are recorded only when payment is due.

Other local taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the City's governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities. Certain monies are restricted for urban renewal projects which meet the criteria established by the federally funded Community Development Block Grant program.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The City also reports the following fund types:

Pension Trust Fund - The Pension Trust Fund is used to account for pension assets held by the City in a trustee capacity.

Agency Fund - The Agency Fund accounts for the receipts and disbursements of monies held for other organizations. These activities exist at the explicit approval of, and are subject to revocation by, the Mayor and City Council. This accounting reflects the City-agency relationship with the specific activities. Accordingly, revenues and expenditures of this fund are not included in the revenues and expenditures of the City.

Budgets and Budgetary Data

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

- During the month of February, the City department heads are required to submit a preliminary operating budget to the Finance Director for the fiscal year commencing the following July 1.
- The budget, as submitted, is subject to detailed review by the Finance Director and the City Manager. The proposed budget is made available to the public before finalization. The budget is prepared on a basis which conforms to GAAP, except for the inclusion of an appropriation from fund balance, if necessary. See pages 53-55 for a reconciliation of the budget between non-GAAP and GAAP. Budgeted amounts may be amended during the fiscal year. All annual appropriations lapse at fiscal year end.
- The City Manager's requested budget is submitted to the City Council for approval by March 31. A public hearing concerning the budget is held by the City Council. Adjustments to the proposed budget may be made by the City Council prior to final approval. According to the Charter, the budget must be adopted by May 31.
- The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is the department level.
- The City Manager may initiate budget transfers within a department or among departments within a fund; transfers between departments within a fund require subsequent notification to the City Council. City Council approval is necessary for any other changes in the budget.
- Legally, the budget is required to present a complete financial plan for the City. Only the General Fund has a legally adopted annual budget. Budgetary control over the Capital Projects Fund is established by annual appropriations from the General Fund to specific fund equity accounts in the Capital Projects Fund.
- Expenditures may not exceed budgeted appropriations (which may include amounts appropriated from the fund balance) at the department level for the General Fund and at the fund level for the Capital Projects Fund.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The fiscal year 2011 adopted General Fund operating budget and revisions made to the original budget were as follows:

	<u>Original Budget</u>	<u>Revisions</u>	<u>Amended Budget</u>
General Fund Expenditures			
General government	\$ 2,390,703	\$ -	\$ 2,390,703
Public services/contract police	3,137,492	48,316	3,185,808
Planning and development	553,245	(25,000)	528,245
Public works	4,682,114	-	4,682,114
Youth, family and senior services	1,022,845	-	1,022,845
Contingency	10,000	-	10,000
Debt service	355,260	134,000	489,260
Interfund transfers	501,335	545,000	1,046,335
Total General Fund	<u>\$ 12,652,994</u>	<u>\$ 702,316</u>	<u>\$ 13,355,310</u>

Investments

Pension Trust Fund investments are stated at fair value. The investments in the local government investment pool are stated at fair value in accordance with GASB Statement No. 31. All accrued interest is recorded as a receivable for the period earned.

Inventory

Inventory is valued at cost and consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time the items are used. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Capital Assets

Capital assets consist of infrastructure, land, buildings, vehicles and equipment with an initial individual cost of more than \$2,000 and an estimated useful life of one year or more. Such assets are recorded at historical cost. Donated capital assets are recorded at an estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed, and costs of uncompleted projects are accumulated in construction-in-progress.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Land improvements, buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	15 years
Buildings and improvements	15 - 40 years
Equipment	5 - 15 years
Vehicles	7 years
Computers and software	3 years

Deferred Revenue

Deferred revenue consists of parking tickets and personal property taxes that have not been collected at fiscal year end and are not considered available to liquidate liabilities of the current period.

Compensated Absences

During the first three years, each eligible full-time employee shall earn 12 days (96 hours) annual leave. After three years through 14 years of service, all full-time employees earn 18 days (144 hours). With 15 or more years of service, employees earn 24 days (192 hours). Department heads and the City Clerk accrue annual leave at the rate of 24 days per year for their entire tenure.

Annual leave shall not accrue if a full-time employee has more than five days leave without pay ("LWOP") during a pay period or is absent on workers' compensation status. For part-time employees, no annual leave shall accrue if the employee uses more than half of his or her scheduled hours in a pay period as LWOP or is absent on workers' compensation status.

Employees may roll over a maximum of 280 hours of annual leave into the next calendar year. Excess annual leave over and above 280 hours on the last day of the first full pay period in January will be forfeited.

The entity-wide financial statements record an expense and liability when an employee earns a compensated absence. Governmental fund financial statements record a liability for compensated absences when paid or if they have matured.

Sick Leave

Sick leave is accumulated by employees based on time in service. Each regular full-time employee shall accrue sick leave at the rate of 1-1/4 days per full calendar month of service. This is the equivalent of 15 days per year, or 120 hours. Eligible part-time employees accrue leave proportional to a 40-hour week.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Sick leave shall not accrue if a full-time employee has more than five days as LWOP during a pay period or is absent on workers' compensation status. For part-time employees, no sick leave shall accrue if the employee uses more than half of his or her scheduled hours in a pay period as LWOP or is absent on workers' compensation status. There is no limit to the amount of sick leave that may be accrued. Employees are not paid for accumulated unused sick leave at the time of termination of employment with the City unless the employee retires.

Fund Balance

As of June 30, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent because they are in nonspendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

Restricted – amounts limited by external parties or legislation (e.g., grants or donations and constraints imposed through a debt covenant).

Committed – amounts limited by Board policy (e.g., future anticipated costs). These constraints can be removed or changed by equal levels of action. Action or constraint resources should occur prior to fiscal year end.

Assigned – amounts that are intended for a particular purpose such as future benefits funding or segregation of an amount intended to be used at some time in the future.

Unassigned – amounts available for consumption or not restricted in any manner.

As of June 30, 2011, fund balances are composed of the following (if applicable):

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory	\$ 201,648	\$ -	\$ 201,648
Prepaid expenses	30,209	-	30,209
Restricted	350,000	3,164,971	3,514,971
Committed	189,210	-	189,210
Unassigned	5,649,562	-	5,649,562
Total Fund Balances	<u>\$ 6,420,629</u>	<u>\$ 3,164,971</u>	<u>\$ 9,585,600</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

By statute, the City is authorized to invest in obligations of the U.S. government and agencies, mutual funds which invest in U.S. government securities, bank certificates of deposit or in repurchase agreements fully collateralized by U.S. government and agency securities, bankers' acceptances and the Maryland Local Government Investment Pool (the "Pool"). The Pool was established under Article 95, Section 220 of the Annotated Code of Maryland and is under the administrative control of the State Treasurer. PNC Institutional Investments is currently contracted to operate the Pool and may invest in any instrument permitted by Section 6-222 of the State Finance and Procurement Article. The City's fair value position in the Pool is the same as the value of the Pool shares. The City's investment in the Pool is available for use by all of the City's funds. The Pension Trust Funds invest in guaranteed annuity contracts and selected mutual funds as determined by the participants.

The City utilizes the pooled cash and investments concept for financial reporting purposes. The Pension Trust Funds maintain the pension trust investments which are excluded from the City's Pool. Each fund is apportioned with its respective share of pooled cash and investments as reflected in the balance sheet. There were no restricted investments as of June 30, 2011.

City's Cash and Investments

Custodial Credit Risk - In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City's investment policy requires at least 102 percent collateralization of deposits. The carrying amount of total deposits for the City was \$1,671,278 and the bank balance was \$1,796,126 as of June 30, 2011. All of the bank balance was covered by federal depository insurance.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INVESTMENTS (cont'd)

The City maintains investments with two brokerage firms and the Maryland Local Government Investment Pool. The accounts contain cash, money market funds, certificates of deposits and government securities. Balances are insured up to \$500,000 (with an FDIC limit for cash) by the Securities Investor Protection Corporation. Of the City's \$7,655,202 in investments, \$251,951 was insured, \$7,368,805 was covered by collateral held by the City's agent in the City's name and \$34,446 was exposed to custodial credit risk.

Investments - The City is authorized to invest in obligations of the U.S. government agencies, mutual funds which invest in U.S. government securities, bank certificates of deposit or in repurchase agreements fully collateralized by U.S. government agency securities, bankers' acceptances and the Maryland Local Government Investment Pool.

Interest Rate Risk - The City plans its investments to match cash flow requirements. The Maryland Local Government Investment Pool used by the City is operated in accordance with Rule 2a7 of the Investment Company Act of 1940. The City's investment in the Pool is not included in the computation of weighted average maturity.

Credit Risk - State law limits investments in bankers' acceptances and commercial paper to the highest letter and numerical rating by at least one nationally recognized statistical rating organization. The Maryland Local Government Investment Pool is rated AAA by Standard & Poor's.

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. The City currently has invested approximately 95 percent (\$7,269,234) in the state's local government investment pool. For more information, contact the City of College Park Finance Department, 4500 Knox Road, College Park, Maryland 20740.

Plan Cash and Investments

The City's Plan (the "Plan") allows employees to choose from investment options provided by ICMA Retirement Corporation ("ICMA-RC"). The Plan employs ICMA-RC as Trustee and Administrator of the assets.

Cash - As of June 30, 2011, the Plan had no cash with the Plan's Trustee.

Investments - The City does not have a formalized investment policy for the Plan.

Investments of the Plan as of June 30, 2011 were as follows:

<u>Investments</u>	
Mutual funds	\$ 2,308,964
Bond funds	189,217
Money market funds	1,283,073
Annuity contracts	<u>782,081</u>
Total	<u>\$ 4,563,335</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INVESTMENTS (cont'd)

Interest Rate Risk - The Plan invests only in mutual funds which are not subject to interest rate risk. The annuity contracts are variable based on a publicized index rate.

Credit Risk - The Plan invests only in mutual funds and annuity contracts which are not subject to credit risk.

Custodial Credit Risk - All investments of the funds are held by ICMA Retirement Corporation as Trustee in the Plan's name.

The following table summarizes the City's cash and investments and includes the City's Plan investments:

Governmental Funds	Credit Rating	Carrying Amount	Bank Balance
Cash:			
Insured		\$ 1,668,678	\$ 1,796,126
Petty cash		2,600	-
Total cash		<u>1,671,278</u>	<u>1,796,126</u>
Investments:			
Local government investment pool	AAA	7,269,234	7,269,234
Money market account	AAA	287,354	287,354
Bank certificate of deposit	A	98,614	98,614
Pension – mutual funds	N/A	3,781,254	3,781,254
Pension – annuity contracts	N/A	782,081	782,081
Total investments		<u>12,218,537</u>	<u>12,218,537</u>
TOTAL CASH AND INVESTMENTS		<u>\$ 13,889,815</u>	<u>\$ 14,014,663</u>

NOTE 3 PROPERTY TAXES

The City levies taxes on nonexempt real and business personal property located within its boundaries. Prince George's County bills and collects all real property taxes imposed by the City as part of a consolidated billing effort initiated several years ago. These taxes are remitted to the City on a monthly basis throughout the year in the amount of the prior month's collections. There is no administrative fee imposed by the County for this service. Personal property taxes are billed and collected directly by the City based on the assessments provided by the State Department of Assessments and Taxation.

As of June 30, 2011, property taxes receivable reflected both real and personal property taxes outstanding that are expected to be collected in time to finance the operations of the current period. The tax rate was \$0.322 for real property and \$0.805 for personal property per \$100 of assessed value for fiscal year 2011. Assessed values are established by the State Department of Assessments and Taxation ("SDAT"). Real and personal property are assessed at 100 percent of estimated value. The assessed value of taxable real and personal property as of July 1, 2010 was \$2,223,365,133.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 3 PROPERTY TAXES (cont'd)

The City's real property tax calendar is as follows:

Tax levy date	-	July 1
Payment due date, nonresidential	-	September 30
Delinquent date, nonresidential	-	October 1
First installment due date, residential	-	September 30
Second installment due date, residential	-	December 31
Delinquent date, residential	-	January 1
Lien date	-	July 1
Tax sale date	-	May 5

NOTE 4 CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated :				
Land	\$ 3,821,680	\$ -	\$ -	\$ 3,821,680
Construction-in-progress	242,558	-	242,558	-
Total capital assets, not being depreciated	<u>4,064,238</u>	<u>-</u>	<u>242,558</u>	<u>3,821,680</u>
Capital assets, being depreciated :				
Vehicles	3,022,066	-	48,815	2,973,251
Machinery and equipment	1,605,630	1,081,348	104,037	2,582,941
Office equipment	453,200	-	153,976	299,224
Buildings and improvements	14,237,555	1,092,932	9,687	15,320,800
Communication equipment	351,074	62,922	115,019	298,977
Computers and software	906,006	13,694	297,583	622,117
Infrastructure	2,152,896	276,588	-	2,429,484
Total capital assets, being depreciated	<u>22,728,427</u>	<u>2,527,484</u>	<u>729,117</u>	<u>24,526,794</u>
Total capital assets	<u>26,792,665</u>	<u>2,527,484</u>	<u>971,675</u>	<u>28,348,474</u>
Less accumulated depreciation:				
Vehicles	2,113,579	236,682	48,820	2,301,441
Machinery and equipment	1,172,997	226,939	88,114	1,311,822
Office equipment	439,906	2,542	146,638	295,810
Buildings and improvements	3,801,917	519,237	1,464	4,319,690
Communication equipment	233,397	18,907	107,532	144,772
Computers and software	844,465	26,895	278,595	592,765
Infrastructure	561,483	152,747	-	714,230
Total accumulated depreciation	<u>9,167,744</u>	<u>1,183,949</u>	<u>671,163</u>	<u>9,680,530</u>
Total capital assets being depreciated, net	<u>13,560,683</u>	<u>1,343,535</u>	<u>57,954</u>	<u>14,846,264</u>
Governmental Activities Capital Assets, Net	<u>\$17,624,921</u>	<u>\$ 1,343,535</u>	<u>\$ 300,512</u>	<u>\$18,667,944</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS (cont'd)

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

Governmental Activities:	
General government	\$ 542,809
Public services	121,839
Public works	464,122
Youth, family and senior services	<u>55,179</u>
Total depreciation expense - governmental activities	<u>\$ 1,183,949</u>

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligations include the long-term portion of compensated absences payable, a commercial loan from Bank of America, the SunTrust Bank capital lease for vehicles and equipment, and the SunTrust Bank parking garage bond. Short-term debt includes bond anticipation notes for the parking garage.

The Bank of America City Hall Development Refunding Note closed on August 9, 2000, providing a \$600,000 note with a term of 13 years and a fixed interest rate of 6.18 percent. The note is tax exempt and secured by the full faith and credit of the City. Monthly payments of \$5,605 include principal and interest. This loan was paid in full during fiscal year ended June 30, 2011.

On June 21, 2007, the City entered into a five-year capital master lease at an annual interest rate of 3.98 percent with SunTrust Bank for the purpose of acquiring vehicles and equipment. As of June 30, 2011, \$324,735 was owed. The final payment is due May 31, 2012. The City's capital lease represents an obligation incurred to finance the purchase of City vehicles and equipment over a period of five years. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments at the inception date. Through June 30, 2011, the City has acquired approximately \$1,215,766 of vehicles and equipment through this lease.

The following are the future minimum payments under the City's capital lease agreement, and represent the present value of the minimum lease payments as of June 30, 2011:

Year ending June 30,

2012	\$ 331,769
Less: interest	<u>7,034</u>
Principal	<u>\$ 324,735</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM OBLIGATIONS (cont'd)

During the year ended June 30, 2008, the City issued bond anticipation notes ("BANs") to fund the construction of a public parking garage. The BANs bear interest at varying rates of 68 percent of the three-month LIBOR index plus 0.16 percent to three-month LIBOR plus 0.23 percent as determined on February 1, May 1, August 1 and November 1 (rate range from 2.00 percent to 2.93 percent). The BANs do not require principal payments and are due on May 1, 2010. The due date of the BANs was subsequently extended to February 28, 2011. On February 25, 2011, the BANs were repaid in full from proceeds of the permanent financing.

On February 25, 2011, the City issued an \$8,150,000 SunTrust Bank parking garage bond, repaying the BANs in full. This 20-year tax-exempt bond, secured by the full faith and credit of the City, bears interest at a fixed rate of 3.68 percent. Installments are payable on a semi-annual basis and total approximately \$560,000 per year, including principal and interest. The final payment is due June 30, 2032.

During the years ended June 30, 2007 and 2008, the City entered into various Community Legacy loan agreements with the Department of Housing and Community Development which are payable at various times through December 2025. These loan agreements are at zero percent interest. As of June 30, 2011, the City owed \$450,000 in Community Legacy loans.

Following is a summary of changes in short-term and long-term debt for the year:

	Balance June 30, 2010	Additions	Retirements	Balance June 30, 2011	Due Within One Year
Tax exempt BAN	\$ 8,030,097	\$ -	\$ 8,030,097	\$ -	\$ -
Taxable BAN	600,137	-	600,137	-	-
Total Short-term Debt	<u>\$ 8,630,234</u>	<u>\$ -</u>	<u>\$ 8,630,234</u>	<u>\$ -</u>	<u>\$ -</u>
Compensated absences	\$ 479,027	\$ 443,732	\$ 434,463	\$ 488,296	\$ 30,623
Bank of America loan	192,010	-	192,010	-	-
SunTrust Bank master lease	635,745	-	311,010	324,735	324,735
Community Legacy loans	660,000	-	210,000	450,000	-
SunTrust parking garage bond	-	8,150,000	-	8,150,000	222,000
Total Long-term Debt	<u>\$ 1,966,782</u>	<u>\$ 8,593,732</u>	<u>\$ 1,147,483</u>	<u>\$ 9,413,031</u>	<u>\$ 577,358</u>

The annual debt service requirements for outstanding long-term debt as of June 30, 2011, including principal and interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 546,735	\$ 344,525	\$ 891,260
2013	273,000	286,727	559,727
2014	283,000	276,497	559,497
2015	294,000	265,880	559,880
2016	455,000	254,858	709,858
2017-2021	1,857,000	1,093,825	2,950,825
2022-2026	2,201,000	749,046	2,950,046
2027-2031	2,465,000	334,678	2,799,678
2032	550,000	10,120	560,120
	<u>\$ 8,924,735</u>	<u>\$ 3,616,156</u>	<u>\$ 12,540,891</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM OBLIGATIONS (cont'd)

In accordance with the City Charter, general obligation indebtedness is limited to five percent of the City's assessed real property value. As of June 30, 2011, this provision limits indebtedness to approximately \$96,978,195.

The General Fund has been used historically to liquidate the liability for compensated absences.

NOTE 6 INVENTORIES

The Public Works inventory, which is contained within the General Fund, consists of automotive and truck parts, tires, gasoline and diesel fuel, and a stockpile of road salt. The City takes a physical inventory at year end and values it at cost or estimated cost if the actual cost was not available. In conjunction with the recording of the Public Works inventory, the City adopted the consumption method (determined on the first-in, first-out method), wherein inventories are charged as expenditures when used. The effect of the first-in, first-out method is to flow costs through the statement of revenue and expenditures in the order in which they are purchased and assign a balance sheet valuation more nearly at current replacement value.

NOTE 7 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to workers; and natural disasters.

The City has an insurance agreement with the Local Government Insurance Trust ("LGIT"), a public entity risk pool. LGIT provides the City's property, general, automobile and public officials' legal liability insurance coverage.

LGIT is a total risk and cost-sharing pool for all participants. In the event that the Trust's General Fund falls into a deficit that cannot be satisfied by transfers from the Trust's capital and surplus accounts, the Trustees shall determine a method to fund the deficit. The trust agreement empowers the Trustees to assess an additional premium to each deficit-year participant. Debt issues also could be used to fund a deficit.

Premiums are charged to the appropriate municipality's General Fund, with no provision made for claim liability in addition to premiums, unless an assessment is made by the Trust. There were no assessments during the year ended June 30, 2011, and the amount of settlements has not exceeded coverage for each of the past three years.

Group health insurance is provided by a commercial insurance carrier. In addition, the City purchased liability insurance from a commercial insurance carrier for the College Park Metro Station Underpass Maintenance Agreement with CSX Transportation and the Washington Metropolitan Area Transit Authority ("WMATA"). The amount of settlements has not exceeded coverage for each of the past three years.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 8 POST-EMPLOYMENT BENEFITS

The City does not provide for the continuation of healthcare benefits beyond the last date of employment. However, retirees are offered the option of continuing the health and dental insurance in effect upon termination of employment at 100 percent of the cost of these benefits until eligible for Medicare coverage at age 65. Former employees may elect continued health and dental insurance under the provisions of COBRA.

NOTE 9 DEFERRED COMPENSATION PLAN

The City has a deferred compensation plan available to all City employees which is established in accordance with the Internal Revenue Code (the "Code") Section 457. A deferred compensation plan offers employees an opportunity to defer a portion of their wages, along with the related federal and state income tax, until future years. As an incentive to enroll in the deferred compensation plan, the City offers a minimum of \$20 per pay period match for those employees who contribute at least \$20 per pay period to the plan. The amount of the City match depends on the employee contribution amount and years of service. The deferred compensation plan is not available to employees until termination of employment, retirement, death or unforeseeable emergency. The Plan is administered by the ICMA Retirement Corporation. The City's only responsibility is to withhold the amounts from employees' payroll and forward those amounts and the City's match as contributions to the Plan Administrator.

The Plan Administrator has the responsibility for investing the deferred monies, maintaining detailed accounting records for both the individual employee and the City, and disbursing funds to plan participants. The Plan assets, including all income earned and rights purchased, are the exclusive property of the participants and are not assets of the City.

Total employer contributions to the deferred contribution plan for 2011 were \$337,688.

NOTE 10 EMPLOYEES' RETIREMENT SYSTEM

The City maintains a single-employer defined contribution pension plan which covers all regular employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City Council has the authority to establish and amend benefit and contributor provisions.

Employees enter the plan after completion of one year of service, are scheduled to work at least 17.5 hours per week and have reached their 18th birthday. The City currently contributes 6.5 percent of eligible employees' compensation quarterly for participants. Employees hired before September 1, 2001 are 100 percent vested upon participation in the plan; employees hired on or after September 1, 2001 will vest at 20 percent per year until fully vested after five years of participation. Voluntary contributions by employees are

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 10 EMPLOYEES' RETIREMENT SYSTEM (cont'd)

limited to 10 percent of after-tax compensation; rollovers from other plans, in which the employee was a vested participant, are permitted. Both employee contributions and amounts rolled into the plan are immediately 100 percent vested.

Plan assets are segregated between two separate Trustees; \$4,041,780 is in the custody of the ICMA Retirement Corporation as trustee for a 401(a) qualified plan in which participants self-direct their own retirement funds by choosing among various mutual funds. The balance of the plan, \$782,081, consists of fully paid group annuity contracts between those participants employed by the City prior to the start of the defined contribution pension plan and the Metropolitan Life Insurance Company ("MetLife") as trustee. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

The City's payroll in fiscal year 2011 was approximately \$6.0 million. Total employer contributions to the 401(a) plan for 2011 were \$325,634.

NOTE 11 CONTINGENCIES

The City is a defendant in various lawsuits. In the opinion of the City's management, such litigation will not have a material adverse effect on the financial position of the City.

The City receives grants from time to time. Expenditures from certain grants are subject to audit by the grantor, and the City is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the City's management, no material refunds will be required as a result of disallowed expenditures.

NOTE 12 COLLEGE PARK CITY - UNIVERSITY PARTNERSHIP

The College Park City-University Partnership (the "Partnership") was formally approved by the Mayor and City Council, and the University of Maryland in 1997. The Partnership is an integral part of the City's economic development strategy. The mission is to stimulate appropriate commercial, housing and mixed-use development and redevelopment in accordance with the City's Comprehensive Plan and the University's Facilities Master Plan. The City and the University have provided \$25,000 to \$50,000 per year for several years to give the Partnership the opportunity to establish a programmatic record and develop other financial support and sustainability. The City has no claim to any of the assets of the Partnership. An annual report for this entity may be obtained from the Partnership at 4500 Knox Road, College Park, Maryland 20740.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 13 CONCENTRATION OF RISK

The City derives most of its revenue, except grant programs, from the citizens of the City. The City is located in Prince George's County, Maryland.

NOTE 14 SUBSEQUENT EVENTS

The City has evaluated all subsequent events through December 21, 2011, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Property taxes				
Real estate taxes	\$ 5,970,340	\$ 5,970,340	\$ 6,100,116	\$ 129,776
Personal property taxes	900,750	900,750	822,494	(78,256)
Total Property Taxes	<u>6,871,090</u>	<u>6,871,090</u>	<u>6,922,610</u>	<u>51,520</u>
Income taxes	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,377,541</u>	<u>102,541</u>
Admission and amusement taxes	<u>670,000</u>	<u>670,000</u>	<u>570,539</u>	<u>(99,461)</u>
State shared taxes				
Highway user revenue	<u>63,329</u>	<u>63,329</u>	<u>58,693</u>	<u>(4,636)</u>
County shared taxes				
Hotel/motel tax	<u>450,000</u>	<u>450,000</u>	<u>441,699</u>	<u>(8,301)</u>
Licenses and permits	<u>919,440</u>	<u>919,440</u>	<u>1,004,730</u>	<u>85,290</u>
Intergovernmental grants				
Federal grants	60,000	60,000	54,531	(5,469)
State grants	171,750	171,750	155,297	(16,453)
County grants	<u>14,717</u>	<u>14,717</u>	<u>44,717</u>	<u>30,000</u>
Total Intergovernmental Grants	<u>246,467</u>	<u>246,467</u>	<u>254,545</u>	<u>8,078</u>
Charges for services	<u>907,915</u>	<u>907,915</u>	<u>934,245</u>	<u>26,330</u>
Fines and forfeitures	<u>955,900</u>	<u>1,815,320</u>	<u>2,784,738</u>	<u>969,418</u>
Investment revenue	<u>124,539</u>	<u>124,539</u>	<u>41,696</u>	<u>(82,843)</u>
Miscellaneous	<u>12,210</u>	<u>12,210</u>	<u>16,313</u>	<u>4,103</u>
TOTAL REVENUES	<u>12,495,890</u>	<u>13,355,310</u>	<u>14,407,349</u>	<u>1,052,039</u>

Continued on next page.

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Mayor and City Council				
Personnel	52,717	52,717	49,565	3,152
Operating	333,896	328,596	322,585	6,011
Total Mayor and City Council	<u>386,613</u>	<u>381,313</u>	<u>372,150</u>	<u>9,163</u>
City attorney	<u>185,000</u>	<u>190,300</u>	<u>190,187</u>	<u>113</u>
City Manager and Clerk				
Personnel	359,220	359,220	339,134	20,086
Operating	93,919	93,919	81,775	12,144
Total City Manager and Clerk	<u>453,139</u>	<u>453,139</u>	<u>420,909</u>	<u>32,230</u>
Boards, Committees and Other				
Personnel	308,127	308,127	307,969	158
Operating	164,537	164,537	132,062	32,475
Total Boards, Committees and Other	<u>472,664</u>	<u>472,664</u>	<u>440,031</u>	<u>32,633</u>
Finance				
Personnel	946,689	946,689	914,828	31,861
Operating	(64,332)	(64,332)	(145,602)	81,270
Capital outlays	10,930	10,930	35,005	(24,075)
Total Finance	<u>893,287</u>	<u>893,287</u>	<u>804,231</u>	<u>89,056</u>
TOTAL GENERAL GOVERNMENT	<u>2,390,703</u>	<u>2,390,703</u>	<u>2,227,508</u>	<u>163,195</u>
PUBLIC SERVICES				
Public services				
Personnel	1,537,420	1,585,736	1,542,744	42,992
Operating	568,330	568,330	640,864	(72,534)
Capital outlays	500	500	12,838	(12,338)
Total Public Services	<u>2,106,250</u>	<u>2,154,566</u>	<u>2,196,446</u>	<u>(41,880)</u>
Contract police				
Personnel	500,004	500,004	552,574	(52,570)
Operating	531,238	531,238	388,925	142,313
Capital outlays	-	-	-	-
Total Contract Police	<u>1,031,242</u>	<u>1,031,242</u>	<u>941,499</u>	<u>89,743</u>
TOTAL PUBLIC SERVICES	<u>3,137,492</u>	<u>3,185,808</u>	<u>3,137,945</u>	<u>47,863</u>

Continued on next page.

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
PLANNING AND DEVELOPMENT				
Personnel	450,068	450,068	444,533	5,535
Operating	103,177	78,177	72,115	6,062
TOTAL PLANNING AND DEVELOPMENT	<u>553,245</u>	<u>528,245</u>	<u>516,648</u>	<u>11,597</u>
PUBLIC WORKS				
Personnel	3,146,172	3,146,172	2,955,028	191,144
Operating	1,518,442	1,518,442	1,409,577	108,865
Capital outlays	17,500	17,500	10,074	7,426
TOTAL PUBLIC WORKS	<u>4,682,114</u>	<u>4,682,114</u>	<u>4,374,679</u>	<u>307,435</u>
YOUTH, FAMILY AND SENIOR SERVICES				
Personnel	762,432	762,432	696,195	66,237
Operating	260,413	260,413	269,563	(9,150)
Capital outlays	-	-	16,070	(16,070)
TOTAL YOUTH, FAMILY AND SENIOR SERVICES	<u>1,022,845</u>	<u>1,022,845</u>	<u>981,828</u>	<u>41,017</u>
Contingency	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Debt service	<u>355,260</u>	<u>489,260</u>	<u>302,884</u>	<u>186,376</u>
TOTAL EXPENDITURES	<u>12,151,659</u>	<u>12,308,975</u>	<u>11,541,492</u>	<u>767,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	344,231	1,046,335	2,865,857	1,819,522
OTHER FINANCING USES				
Transfers out	<u>(501,335)</u>	<u>(1,046,335)</u>	<u>(1,046,335)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(157,104)	-	1,819,522	1,819,522
FUND BALANCES, BEGINNING OF YEAR	<u>4,601,107</u>	<u>4,601,107</u>	<u>4,601,107</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,444,003</u>	<u>\$ 4,601,107</u>	<u>\$ 6,420,629</u>	<u>\$ 1,819,522</u>

SUPPLEMENTARY INFORMATION

CITY OF COLLEGE PARK, MARYLAND
 COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
 PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
 JUNE 30, 2011

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 3,781,254	\$ 3,781,254
Participant loans	-	260,526	260,526
Annuity contracts	<u>782,081</u>	<u>-</u>	<u>782,081</u>
 TOTAL ASSETS	 <u>\$ 782,081</u>	 <u>\$ 4,041,780</u>	 <u>\$ 4,823,861</u>
 NET ASSETS			
Held in trust:			
Pension benefits	<u>\$ 782,081</u>	<u>\$ 4,041,780</u>	<u>\$ 4,823,861</u>
 TOTAL NET ASSETS	 <u>\$ 782,081</u>	 <u>\$ 4,041,780</u>	 <u>\$ 4,823,861</u>

CITY OF COLLEGE PARK, MARYLAND
COMBINING STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	MetLife Annuity Contracts	ICMA-RC 401(a) Plan	Total
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Employer contributions	\$ -	\$ 325,634	\$ 325,634
Investment income	<u>47,936</u>	<u>506,325</u>	<u>554,261</u>
TOTAL ADDITIONS	<u>47,936</u>	<u>831,959</u>	<u>879,895</u>
DEDUCTIONS			
Benefit payments	39,221	94,560	133,781
Administrative expenses	<u>9,120</u>	<u>1,514</u>	<u>10,634</u>
TOTAL DEDUCTIONS	<u>48,341</u>	<u>96,074</u>	<u>144,415</u>
CHANGE IN NET ASSETS	(405)	735,885	735,480
NET ASSETS, BEGINNING OF YEAR	<u>782,486</u>	<u>3,305,895</u>	<u>4,088,381</u>
NET ASSETS, END OF YEAR	<u><u>\$ 782,081</u></u>	<u><u>\$ 4,041,780</u></u>	<u><u>\$ 4,823,861</u></u>

SINGLE AUDIT

REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Barbacane, Thornton & Company LLP
200 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810
T 302.478.8940
F 302.468.4001
www.btcpa.com

December 21, 2011

The Mayor, City Council and Citizens of
the City of College Park, Maryland

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of College Park, Maryland as of and for the year ended June 30, 2011, and have issued our report thereon dated December 21, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of College Park, Maryland's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of College Park, Maryland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which

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The Mayor, City Council and Citizens of
the City of College Park, Maryland

could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Mayor, members of Council and management of the City of College Park, Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

Barbacane, Thornton & Company LLP
200 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810
T 302.478.8940
F 302.468.4001
www.btcpa.com

December 21, 2011

The Mayor, City Council and Citizens of
the City of College Park, Maryland

Compliance

We have audited the compliance of the City of College Park, Maryland with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The City of College Park, Maryland's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and recommendations. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of College Park, Maryland's management. Our responsibility is to express an opinion on the City of College Park, Maryland's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of College Park, Maryland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of College Park, Maryland's compliance with those requirements.

In our opinion, the City of College Park, Maryland complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the City of College Park, Maryland, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we

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The Mayor, City Council and Citizens of
the City of College Park, Maryland

considered the City of College Park, Maryland's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of College Park, Maryland's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City of College Park, Maryland as of and for the year ended June 30, 2011, and have issued our report thereon dated December 21, 2011.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, members of Council and management of the City of College Park, Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Barbacane, Thornton & Company LLP

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**CITY OF COLLEGE PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	PASS-THRU GRANTOR'S NUMBER	GRANT PERIOD BEGINNING / ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (DEFERRED) REVENUE 07/01/2010	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (DEFERRED) REVENUE 06/30/2011
<u>U.S. Department of Energy</u>										
College Park Energy Efficiency Improvements	D	81.128	DE-EE002325	09/23/09-06/30/12	\$ 106,400	\$ -	\$ (106,400)	\$ 106,400	\$ 106,400	\$ -
<u>U.S. Department of Justice</u>										
Passed through Maryland Association of Youth Services Bureaus										
OJJDP Earmark Grant	I	16.540	2010-JL-FX-0573	11/15/10-12/31/11	66,500	13,636	-	19,257	19,257	5,621
Passed through Governor's Office of Crime Control and Prevention										
CCTV and LPR Project - LETR - (ARRA)	I	16.803	BJRA-2009-1076	04/01/10-09/30/10	500,000	257,441	-	257,441	257,441	-
TOTAL U.S. DEPARTMENT OF JUSTICE						271,077	-	276,698	276,698	5,621
<u>U.S. Department of Transportation</u>										
Passed through Maryland State Highway Administration										
Safe Routes to School	I	20.205	S10-025	01/01/10-12/31/11	125,400	91,154	-	91,154	91,154	-
<u>U.S. Dept of Housing and Urban Development</u>										
Passed through Prince George's County Dept of Housing and Community Development										
College Park Sidewalk/Street Lighting Project	I	14.218	CE117288	07/01/10-06/30/11	100,000	-	-	83,819	83,819	83,819
College Park Street and Safety Improvements	I	14.218	CE920468	07/01/08-06/30/11	100,000	36,361	-	36,361	36,361	-
Street and Sidewalk Improvements Project	I	14.218	CE010335	07/01/09-12/31/10	50,000	45,040	-	50,000	50,000	4,960
Downtown Streetscape Improvements	I	14.218	CE820332	07/01/07-06/30/10	106,818	7,798	-	7,798	7,798	-
Total CFDA # 14.218						89,199	-	177,978	177,978	88,779
Knox Road Street Improvements	I	14.253	CE010259	10/01/09-09/30/12	62,100	47,171	-	47,171	47,171	-
Total CDBG - Entitlement Grants Cluster						136,370	-	225,149	225,149	88,779
Total U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT						136,370	-	225,149	225,149	88,779
<u>U.S. Department of Homeland Security</u>										
Passed through Maryland Military Dept of Disaster Reimbursement										
Maryland Emergency Management Agency	I	97.036	DR-1910-PW-450	02/06/10-02/07/10	35,274	35,274	-	35,274	35,274	-
TOTAL EXPENDITURES OF FEDERAL AWARDS						\$ 533,875	\$ (106,400)	\$ 734,675	\$ 734,675	\$ 94,400

Source Codes

D - Direct Funding
I - Indirect Funding

CITY OF COLLEGE PARK, MARYLAND

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A SCOPE OF SCHEDULE

The Schedule of Expenditures of Federal Awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE B BASIS OF ACCOUNTING

The City uses the modified accrual method of recording transactions. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

CITY OF COLLEGE PARK, MARYLAND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued [*unqualified, qualified, adverse or disclaimer*]:

unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified not considered to be material weaknesses? Yes X None reported

Type of auditors' report issued on compliance for major programs [*unqualified, qualified, adverse or disclaimer*]:

unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

 Yes X No

Identification of major programs:

CFDA Number(s)
16.803
81.128
97.036

Name of Federal Program or Cluster
ARRA Justice Assistance Grant (JAG) Program
Energy Efficiency and Conservation Block Grant
Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee? Yes \$ 300,000 X No

CITY OF COLLEGE PARK, MARYLAND
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

STATISTICAL SECTION

[Unaudited]

CITY OF COLLEGE PARK, MARYLAND

Statistical Section (unaudited) Summary and Table of Contents

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

<u>Contents</u>	<u>Pages</u>
Financial Trends	70 - 73
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	74 - 78
These schedules contain information to help the reader assess the factors affecting the City's ability to generate real and personal property taxes.	
Debt Capacity	79 - 81
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	82 - 83
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other municipal governments.	
Operating Information	84 - 86
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2004; schedules presenting government-wide information include information beginning that year.

Net Assets
Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	\$ 5,488,795	\$ 5,922,590	\$ 5,476,015	\$ 7,079,176	\$ 6,599,470	\$ 5,918,001	\$ 8,358,942	\$ 11,940,581
Restricted	-	-	-	-	-	-	-	-
Unrestricted	3,169,157	3,308,568	5,315,609	4,916,128	6,198,134	7,806,114	6,913,262	7,183,918
Total net assets	<u>\$ 8,657,952</u>	<u>\$ 9,231,158</u>	<u>\$ 10,791,624</u>	<u>\$ 11,995,304</u>	<u>\$ 12,797,604</u>	<u>\$ 13,724,115</u>	<u>\$ 15,272,204</u>	<u>\$ 19,124,499</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004. The City had no business-type activities at June 30, 2004, 2005, 2006, 2007, 2008, 2009, 2010 or 2011. As a result, the business-type activities have been omitted from the table above.

CITY OF COLLEGE PARK, MARYLAND

Changes in Net Assets
Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities								
General government	\$ 2,145,257	\$ 2,036,424	\$ 2,113,952	\$ 2,920,581	\$ 2,233,743	\$ 2,565,637	\$ 2,245,040	\$ 2,003,378
Public services	1,578,506	1,925,033	2,111,367	2,319,421	2,597,769	2,859,890	3,142,234	3,226,584
Planning and development	418,511	483,749	804,404	593,788	714,063	1,172,672	1,066,930	516,628
Public works	4,094,271	4,209,360	4,658,920	4,394,967	4,927,966	4,811,054	4,981,158	4,871,522
Youth, family and senior services	707,260	813,706	780,515	817,705	898,330	958,841	1,036,108	1,037,007
Interest on long-term debt	30,644	41,640	34,502	38,286	99,263	164,034	99,684	207,944
Total governmental activities expenses	\$ 8,974,449	\$ 9,509,912	\$ 10,503,660	\$ 11,084,748	\$ 11,471,134	\$ 12,532,128	\$ 12,571,154	\$ 11,863,063
Program Revenues								
Governmental activities								
Charges for services:								
General government	\$ 226,665	\$ 375,461	\$ 270,697	\$ 274,961	\$ 269,825	\$ 298,322	\$ 313,794	\$ 336,500
Public services	2,311,673	2,001,708	2,142,617	1,989,532	2,248,815	2,224,251	2,417,587	4,249,393
Planning and development	2,350	5,870	2,380	3,900	1,700	2,250	1,855	2,470
Public works	288,019	308,458	338,289	334,488	367,558	363,421	366,254	385,165
Youth, family and senior services	13,167	15,187	16,750	20,328	15,891	12,689	13,168	11,242
Operating grants and contributions	158,097	152,415	183,707	185,234	188,589	195,626	218,454	219,272
Capital grants and contributions	20,395	178,245	619,147	1,033,670	360,446	599,567	1,079,806	1,010,462
Total governmental activities program revenues	\$ 3,020,366	\$ 3,037,344	\$ 3,573,587	\$ 3,842,113	\$ 3,452,824	\$ 3,696,126	\$ 4,410,918	\$ 6,214,504
Net (Expense) Revenue								
Governmental activities	\$ (5,954,083)	\$ (6,472,568)	\$ (6,930,073)	\$ (7,242,635)	\$ (8,018,310)	\$ (8,836,002)	\$ (8,160,236)	\$ (5,648,559)
General Revenues and Other Changes in Net Assets								
Governmental activities								
Taxes								
Real property taxes	\$ 2,466,987	\$ 2,844,645	\$ 3,363,585	\$ 3,730,318	\$ 4,280,054	\$ 5,311,375	\$ 6,215,866	\$ 6,136,538
Personal property taxes	878,814	1,102,555	1,013,109	1,082,492	1,004,104	1,075,361	944,762	822,494
Income taxes	1,139,898	1,214,258	1,197,276	1,270,633	1,294,274	1,274,165	1,332,576	1,377,541
Other taxes	1,359,116	1,562,582	1,933,513	2,007,969	1,933,094	1,856,522	1,168,385	1,070,931
Investment earnings	65,025	105,640	97,773	196,658	269,992	148,525	36,962	41,762
Miscellaneous	101,592	216,094	556,245	158,245	39,092	96,565	9,774	51,588
Total governmental activities	\$ 6,011,432	\$ 7,045,774	\$ 8,161,501	\$ 8,446,315	\$ 8,820,610	\$ 9,762,513	\$ 9,708,325	\$ 9,500,854
Change in Net Assets	\$ 57,349	\$ 573,206	\$ 1,231,428	\$ 1,203,680	\$ 802,300	\$ 926,511	\$ 1,548,089	\$ 3,852,295

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004. The City had no business-type activities at June 30, 2004, 2005, 2006, 2007, 2008 2009, 2010 or 2011. As a result, the business-type activities have been omitted from the table above.

**Fund Balances, Governmental Funds
Last Ten Fiscal Years**

Fund	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Reserved	\$ 123,946	\$ 183,935	\$ 302,419	\$ 275,401	\$ 301,428	\$ 292,992	\$ 271,191	\$ 260,611	\$ 245,030	\$ -
Unreserved	3,273,366	3,174,567	2,733,758	3,015,244	4,311,818	3,017,348	3,363,831	3,874,129	4,356,077	-
Nonspendable	-	-	-	-	-	-	-	-	-	231,857
Restricted	-	-	-	-	-	-	-	-	-	350,000
Committed	-	-	-	-	-	-	-	-	-	189,210
Unassigned	-	-	-	-	-	-	-	-	-	5,649,562
Total general fund	<u>\$ 3,397,312</u>	<u>\$ 3,358,502</u>	<u>\$ 3,036,177</u>	<u>\$ 3,290,645</u>	<u>\$ 4,613,246</u>	<u>\$ 3,310,340</u>	<u>\$ 3,635,022</u>	<u>\$ 4,134,740</u>	<u>\$ 4,601,107</u>	<u>\$ 6,420,629</u>
Capital projects fund										
Reserved	\$ 914,350	\$ 1,066,586	\$ 856,004	\$ 721,260	\$ 813,952	\$ 3,208,617	\$ 1,676,708	\$ (4,475,999)	\$ (5,258,063)	\$ -
Restricted	-	-	-	-	-	-	-	-	-	3,164,971
Total capital projects fund	<u>\$ 914,350</u>	<u>\$ 1,066,586</u>	<u>\$ 856,004</u>	<u>\$ 721,260</u>	<u>\$ 813,952</u>	<u>\$ 3,208,617</u>	<u>\$ 1,676,708</u>	<u>\$ (4,475,999)</u>	<u>\$ (5,258,063)</u>	<u>\$ 3,164,971</u>

Effective June 30, 2011 per GASB Statement No. 54, fund balances of the governmental funds are classified as follows: nonspendable, restricted, committed, assigned and unassigned. This new fund balance classification is shown for FY2011 above and will be used for future fiscal years as well.

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 5,885,301	\$ 5,948,001	\$ 5,844,815	\$ 6,724,040	\$ 7,507,483	\$ 8,091,411	\$ 8,511,526	\$ 9,517,423	\$ 9,562,752	\$ 9,371,082
Licenses, fees and permits	573,498	612,672	752,203	775,716	873,640	853,863	924,403	1,064,703	1,143,714	1,198,092
Fines and forfeitures	972,429	1,347,044	1,396,399	1,239,728	1,158,071	962,210	1,095,272	1,054,227	1,056,987	2,834,550
Charges for services	619,336	558,057	693,272	691,240	849,675	926,490	1,036,530	1,017,581	1,091,433	1,145,492
Intergovernmental	515,977	742,023	178,492	330,660	651,609	877,589	396,617	585,130	1,118,783	1,071,645
Investment earnings	173,584	154,488	65,025	105,640	97,773	196,658	269,993	148,525	36,962	41,762
Miscellaneous revenues	244,756	185,437	101,591	216,094	556,245	158,245	39,092	96,565	9,774	16,313
Total revenue	\$ 8,984,881	\$ 9,547,722	\$ 9,031,797	\$ 10,083,118	\$ 11,694,496	\$ 12,066,466	\$ 12,273,433	\$ 13,484,154	\$ 14,020,405	\$ 15,678,936
Expenditures										
General government	1,628,446	1,844,552	2,022,069	1,832,398	1,919,487	1,973,505	2,155,330	2,307,611	2,365,799	2,308,015
Public services	1,267,783	1,449,514	1,553,374	1,822,463	2,011,965	2,287,882	2,564,511	2,815,614	3,097,813	3,171,596
Planning and development	490,804	464,790	465,042	558,809	726,877	591,376	710,839	746,657	1,066,886	624,207
Public works	3,381,522	3,585,363	3,675,239	3,699,801	4,312,028	3,998,189	4,265,755	4,360,544	4,332,876	4,394,963
Youth, family and senior services	550,075	620,301	640,362	740,260	706,368	752,987	835,414	902,643	981,712	981,828
Capital outlay	1,246,295	1,118,478	951,752	1,074,748	480,083	3,147,279	2,692,349	7,539,631	2,038,284	1,184,807
Contingency	3,200	-	-	-	13,000	-	-	7,851	-	-
Debt service										
Interest	45,915	60,229	49,326	41,640	34,502	38,286	82,673	118,579	99,684	207,944
Principal	151,703	291,069	207,542	193,275	201,111	195,203	323,789	763,013	353,048	713,020
Total expenditures	\$ 8,765,743	\$ 9,434,296	\$ 9,564,706	\$ 9,963,394	\$ 10,405,421	\$ 12,984,707	\$ 13,630,660	\$ 19,562,143	\$ 14,336,102	\$ 13,586,380
Excess (deficiency) of revenues over (under) expenditures	\$ 219,138	\$ 113,426	\$ (532,909)	\$ 119,724	\$ 1,289,075	\$ (918,241)	\$ (1,357,227)	\$ (6,077,989)	\$ (315,697)	\$ 2,092,556
Other financing sources (uses)										
Sale of land	-	-	-	-	-	-	-	425,000	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	8,150,000
Proceeds from loans	769,500	-	-	-	-	2,010,000	150,000	-	-	-
Operating transfers in	489,839	490,771	976,841	785,578	780,300	2,821,048	992,552	1,255,335	978,175	1,046,335
Operating transfers out	(489,839)	(490,771)	(976,841)	(785,578)	(780,300)	(2,821,048)	(992,552)	(1,255,335)	(978,175)	(1,046,335)
Total other financing sources (uses)	\$ 769,500	\$ -	\$ -	\$ -	\$ -	\$ 2,010,000	\$ 150,000	\$ 425,000	\$ -	\$ 8,150,000
Net change in fund balances	\$ 988,638	\$ 113,426	\$ (532,909)	\$ 119,724	\$ 1,289,075	\$ 1,091,759	\$ (1,207,227)	\$ (5,652,989)	\$ (315,697)	\$ 10,242,556
Debt service as a percentage of non-capital expenditures (Note 1)	2.6%	4.2%	3.0%	2.6%	2.4%	2.4%	3.7%	7.3%	3.6%	7.4%

Note 1: Non-capital expenditures represent total expenditures above, less capital projects fund and capital outlay expenditures that resulted in capital assets.

**Tax Revenue by Sources, Governmental Funds
Last Ten Fiscal Years**
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property</u>	<u>Income</u>	<u>Admission & Amusement</u>	<u>State Shared - Highway User</u>	<u>County Shared - Hotel/Motel</u>	<u>Total</u>
2002	\$ 3,401,674	\$ 1,128,335	\$ 399,209	\$ 665,029	\$ 291,054	\$ 5,885,301
2003	3,485,238	1,056,841	483,890	592,363	329,669	5,948,001
2004	3,345,801	1,139,898	543,364	500,087	315,665	5,844,815
2005	3,947,200	1,214,258	491,118	611,618	459,846	6,724,040
2006	4,376,694	1,197,276	659,170	769,173	505,170	7,507,483
2007	4,812,810	1,270,633	707,816	808,134	492,018	8,091,411
2008	5,284,158	1,294,274	660,862	783,296	488,936	8,511,526
2009	6,386,736	1,274,166	689,308	718,819	448,394	9,517,423
2010	7,061,791	1,332,576	664,798	81,466	422,121	9,562,752
2011	6,922,610	1,377,541	570,539	58,693	441,699	9,371,082
Net Change:						
FY2002 to FY2011	203.5%	122.1%	142.9%	8.8%	151.8%	159.2%

**Assessed Value and Estimated Actual Value of Taxable Real Property
Last Ten Fiscal Years**
(in thousands of dollars)

Fiscal Year	Residential Property (net of Homestead Tax Credit)	Commercial Property	Total Taxable Assessed Value	Tax-Exempt Property	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002	\$ 671,150	\$ 225,474	\$ 896,624	\$ 534,550	\$ 0.240	\$ 896,624	100%
2003	687,574	227,693	915,267	557,915	0.250	915,267	100%
2004	757,430	244,721	1,002,151	953,224	0.268	1,002,151	100%
2005	797,870	277,928	1,075,798	1,026,226	0.268	1,075,798	100%
2006	859,987	394,343	1,254,330	1,075,484	0.285	1,254,330	100%
2007	1,025,315	396,264	1,421,579	1,255,509	0.299	1,421,579	100%
2008	1,155,118	482,758	1,637,876	1,381,546	0.299	1,637,876	100%
2009	1,283,327	640,643	1,923,970	1,508,767	0.322	1,923,970	100%
2010	1,158,145	649,774	1,807,919	1,514,365	0.322	1,807,919	100%
2011	1,245,930	701,159	1,947,088	1,532,517	0.322	1,947,088	100%

Source: State of Maryland Department of Assessments and Taxation (SDAT)

Note: Property in the State of Maryland is reassessed every 3 years. Tax rates are per \$100 of assessed value.

**Direct and Overlapping Real Property Tax Rates
Last Ten Fiscal Years**
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rate (Note 1)	Overlapping Rates						Total
		Maryland-Natl. Capital Park and Planning	Washington Suburban Transit Commission	County Storm Water Management	Prince George's County (full rate)	County Tax Differential	State of Maryland	
2003	\$ 0.250	\$ 0.244	\$ 0.026	\$ 0.054	\$ 0.962	\$ (0.018)	\$ 0.084	\$ 1.602
2004	0.268	0.279	0.026	0.054	0.960	(0.016)	0.132	1.703
2005	0.268	0.279	0.026	0.054	0.960	(0.018)	0.132	1.701
2006	0.285	0.279	0.026	0.054	0.960	(0.018)	0.132	1.718
2007	0.299	0.279	0.026	0.054	0.960	(0.017)	0.112	1.713
2008	0.299	0.279	0.026	0.054	0.960	(0.016)	0.112	1.714
2009	0.322	0.279	0.026	0.054	0.960	(0.015)	0.112	1.738
2010	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2011	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2012	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739

Sources: City of College Park Finance Department, State of Maryland Department of Assessments & Taxation (SDAT)

Note 1: The City Direct Rate has no components.

Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Ago
(in thousands of dollars)

Taxpayer	Fiscal Year 2011 Taxable Assessed Value				Fiscal Year 2002 Taxable Assessed Value			
	Real (RP)	Personal (PP)	Total	Percentage of Total City Taxable Assessed Value	Real (RP)	Personal (PP)	Total	Percentage of Total City Taxable Assessed Value
NSHE College Park, LLC	\$ 96,653	\$ -	\$ 96,653	5.03%	\$ -	\$ -	\$ -	-
University View Partners, LLC	87,153	971	88,124	4.59%	-	-	-	-
Mazza Grand Marc Apartments	61,000	-	61,000	3.18%	-	-	-	-
8500 Baltimore Avenue, LLC	60,000	-	60,000	3.13%	-	-	-	-
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	44,005	7,045	51,050	2.66%	-	-	-	-
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	49,992	73	50,065	2.61%	-	-	-	-
Richard S. Gatti, et al	32,502	-	32,502	1.69%	21,584	-	21,584	1.97%
Oprock College Park Fee LLC	26,743	747	27,490	1.43%	-	-	-	-
Riverdale FDA, LLC	24,377	-	24,377	1.27%	-	-	-	-
Knox Village Partners LLC/ Knox Box Realty LLC/Vievere III	22,415	-	22,415	1.17%	-	-	-	-
The Washington Post Company	-	-	-	-	21,758	67,081	88,839	8.10%
Litton Systems, Inc.	-	-	-	-	6,486	36,024	42,510	3.88%
Wynfield Park	-	-	-	-	24,645	-	24,645	2.25%
Potomac Electric Power Company	-	19,797	19,797	1.03%	-	20,151	20,151	1.84%
Berkley Associates, LP	-	-	-	-	8,992	-	8,992	0.82%
Hampton House Associates	-	-	-	-	8,629	-	8,629	0.79%
College Park Shopping Center, LP	-	-	-	-	8,049	-	8,049	0.73%
Verizon	-	-	-	-	-	7,208	7,208	0.66%
Home Depot U.S.A., Inc.	-	-	-	-	-	6,824	6,824	0.62%
Total	\$ 504,840	\$ 8,836	\$ 513,676	27.79%	\$ 100,143	\$ 137,288	\$ 237,431	21.66%

Sources: City of College Park Finance Department, State of Maryland Department of Assessments and Taxation (SDAT)

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Note 1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 3,351,898	\$ 3,356,898	100.15%	\$ 15,637	\$ 3,372,535	100.62%
2003	3,512,023	3,466,973	98.72%	30,763	3,497,736	99.59%
2004	3,451,959	3,294,950	95.45%	125,003	3,419,953	99.07%
2005	4,052,555	3,836,278	94.66%	76,184	3,912,462	96.54%
2006	4,486,482	4,338,829	96.71%	51,386	4,390,215	97.85%
2007	4,799,536	4,766,168	99.30%	30,990	4,797,158	99.95%
2008	5,178,280	5,161,333	99.67%	12,750	5,174,083	99.92%
2009	6,209,525	6,309,866	101.62%	35,663	6,345,529	102.19%
2010	7,057,349	6,956,844	98.58%	156,983	7,113,827	100.80%
2011	6,871,090	6,749,145	98.23%	-	6,749,145	98.23%

Note: The collection rate for real property taxes for a given year is generally higher than the collection rate for personal property taxes as Prince George's County, who collects the City's real property tax as part of their consolidated tax billing, includes the City tax along with the County tax in their annual tax sale. The State Department of Assessments & Taxation (SDAT) provides personal property tax assessments to the City for billing on a staggered schedule throughout the fiscal year. Billed personal property taxes unpaid at fiscal year-end are generally collected in the following fiscal year.

Note 1: The taxes levied include the SDAT-supplied initial real property assessment plus City-budgeted personal property tax assessment. Real property assessments change throughout the year as new improvement levies are added and assessment appeals are granted. Budgeted personal property assessments are based on prior fiscal year billings and known changes. As a result, current year collections may exceed the listed tax levy amounts.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Percentage of Personal Income (Note 3)	Per Capita (Note 3)
	City Hall Development Refunding Note	Capital Leases	Community Legacy Loans (Note 4)	Bond Anticipation Notes (Note 5)	Parking Garage Bond (Note 6)	Total		
2002	\$ 538,658	\$ 892,173	-	-	-	\$ 1,430,831	0.34%	\$ 57.11
2003	504,173	635,585	-	-	-	1,139,758	0.26%	45.32
2004	467,555	464,665	-	-	-	932,220	0.21%	36.93
2005	428,487	310,458	-	-	-	738,945	0.16%	29.43
2006	386,900	150,934	-	-	-	537,834	0.10%	19.57
2007	342,632	1,500,000	510,000	-	-	2,352,632	0.43%	85.83
2008	295,563	1,223,280	660,000	1,059,809	-	3,238,652	0.58%	121.72
2009	245,404	935,399	660,000	8,424,868	-	10,265,671	1.79%	381.27
2010	192,010	635,745	660,000	8,630,234	-	10,117,989	1.96%	370.81
2011	-	324,735	450,000	-	8,150,000	8,924,735	1.42%	293.45

79

- Notes:**
1. The City has no business-type activities. As a result, the business-type activities columns have been omitted from the table above.
 2. On August 9, 2000, the City refinanced the Maryland Economic Development Corporation (MEDCO) bond with the Bank of America City Hall Development Refunding Note.
 3. See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
 4. During the years ended June 30, 2007 and 2008, the City entered into various Community Legacy loan agreements, which are payable at various times through 2025.
 5. During the year ended June 30, 2008, the City issued bond anticipation notes (BANs) to fund the construction of a public parking garage.
 6. On February 25, 2011, the City issued an \$8,150,000 Suntrust Bank parking garage bond, repaying the BANs in full.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2011
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of College Park:			
Direct Debt	\$ 8,925	100.000%	\$ 8,925
Subtotal	<u>8,925</u>		<u>8,925</u>
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	714,420	2.538%	18,132
Maryland-National Capital Park and Planning Commission	<u>65,925</u>	2.538%	<u>1,673</u>
Subtotal	<u>780,345</u>		<u>19,805</u>
Total Direct and Overlapping Debt	<u>\$ 789,270</u>		<u>\$ 28,730</u>

Note 1:

Overlapping debt is not bonded debt of the City on either a direct or contingent basis but represents the share of debt of overlapping governmental units which the residents of the City are obligated to pay through the direct tax levies of the respective governmental units. Percentage applicable to the City for the overlapping debt is based on the total County real property assessment of \$71,233,599,565 and the City real property assessment of \$1,807,918,651 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2011.

**Legal Debt Margin Information
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	<u>\$ 2,111,563,891</u>
General obligation debt limit (5% of assessed value)	\$ 105,578,195
Debt applicable to limit	<u>8,600,000</u>
Legal debt margin - general obligation debt	<u>\$ 96,978,195</u>
Total debt limit (10% of assessed value)	\$ 211,156,389
Debt applicable to limit	<u>8,924,735</u>
Legal debt margin - total debt	<u>\$ 202,231,654</u>

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 89,662,435	\$ 91,526,707	\$ 102,543,534	\$ 115,905,392	\$ 116,354,568	\$ 138,374,209	\$ 163,787,619	\$ 208,966,513	\$ 252,362,416	\$ 211,156,389
Total net debt applicable to limit	<u>1,430,831</u>	<u>1,139,758</u>	<u>932,220</u>	<u>738,945</u>	<u>537,834</u>	<u>2,352,632</u>	<u>3,238,652</u>	<u>10,265,434</u>	<u>10,117,989</u>	<u>8,924,735</u>
Legal debt margin	<u>\$ 88,231,604</u>	<u>\$ 90,386,949</u>	<u>\$ 101,611,314</u>	<u>\$ 115,166,447</u>	<u>\$ 115,816,734</u>	<u>\$ 136,021,577</u>	<u>\$ 160,548,967</u>	<u>\$ 198,701,079</u>	<u>\$ 242,244,427</u>	<u>\$ 202,231,654</u>
Total net debt applicable to the limit as a percentage of debt limit	1.60%	1.25%	0.91%	0.64%	0.46%	1.70%	1.98%	4.91%	4.01%	4.23%

Note: Article C7-4 of the City Charter limits the total outstanding general obligation debt of the City to 5% of the real property taxable assessment, and total outstanding debt to 10% of the real property taxable assessment. Charter Resolution 03-CR-3, adopted November 25, 2003, reduced the limit on total outstanding general obligation debt from 10% of the real property taxable assessment to 5%. FY2004 was the first year to be impacted by this change.

**Demographic and Economic Statistics
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	25,052	\$ 415,499,685	\$ 16,585	4.0%
2002	25,148	433,776,685	17,249	5.1%
2003	25,246	447,633,473	17,731	5.2%
2004	25,112	462,601,612	18,422	4.8%
2005	27,486	526,218,415	19,145	4.8%
2006	27,410	549,492,699	20,047	4.1%
2007	26,607	558,693,786	20,998	3.9%
2008	26,925	575,064,150	21,358	4.5%
2009	27,286	516,169,262	18,917	6.9%
2010	30,413 ¹	628,667,123	20,671	7.1%

Sources: Calendar year 2010 data (Note 1) from U. S. Department of Commerce, Bureau of the Census. Except for year 2010, population figures were prepared by the Maryland Department of Planning, Planning Data Services. Except for year 2010, per capita income was estimated by the City's Finance Department based on Prince George's County's per capita personal income. Unemployment rates were provided by the Maryland Department of Labor, Career and Workforce Information.

**Principal Employers
Current Year and Nine Years Ago**

Employer	Fiscal Year 2011			Fiscal Year 2002 (see Note 1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland College Park	13,157	1	48.73%	8,586	1	54.78%
University of Maryland University College (UMUC)	3,390	2	12.56%			
National Archives and Records Administration II	1,053	3	3.90%			
U. S. Food and Drug Administration (FDA)	745	4	2.76%			
IKEA	292	5	1.08%			
American Center for Physics	246	6	0.91%			
Total	18,883		69.94%			

83

Source: City of College Park, Department of Planning

Note 1: Other than the University of Maryland College Park and total City employment, data is unavailable for 2002.

**Full-time Equivalent (FTE) City Government Employees by Function/Program
Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Function/Program</u>										
General government										
Administration	8.50	9.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00
Finance	10.00	11.00	11.00	11.50	11.80	11.80	11.80	11.80	11.80	11.30
Public services	19.8	20.30	20.30	21.65	23.83	28.02	28.52	28.47	28.50	27.00
Planning and development	5.00	5.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50
84 Youth, family and senior services	7.25	7.25	7.25	7.95	7.95	7.95	8.45	8.63	8.63	10.45
Public works	<u>49.58</u>	<u>49.58</u>	<u>49.00</u>	<u>49.00</u>	<u>50.00</u>	<u>49.75</u>	<u>49.75</u>	<u>49.75</u>	<u>50.00</u>	<u>50.00</u>
Total	<u>100.13</u>	<u>102.13</u>	<u>99.55</u>	<u>103.10</u>	<u>106.58</u>	<u>109.52</u>	<u>110.52</u>	<u>110.65</u>	<u>110.93</u>	<u>111.25</u>

Source: City of College Park adopted operating budgets, FY2002 - FY2011

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Parking enforcement										
Number of parking tickets issued	46,649	45,464	43,611	41,260	39,897	34,538	36,712	37,353	34,186	34,288
Recreation										
Attendance at sponsored recreational events (estimated)	25,000	30,000	30,000	40,000	40,000	30,000	35,000	25,000	25,000	27,600
Planning and development										
Variance applications processed	7	7	16	25	17	40	23	6	10	15
Clinical services										
Number of individuals who received clinical services	1,880	1,091	1,708	1,305	1,724	2,357	2,237	1,839	1,915	1,863
Seniors program										
Seniors trips provided	2,035	2,080	2,242	2,293	2,431	2,506	2,211	2,200	2,250	2,110
Seniors assisted with transportation	3,057	3,426	3,542	3,881	3,937	3,651	3,420	3,400	3,420	3,666
Refuse and recycling collection										
Cost per ton of solid waste	\$ 170.66	\$ 148.82	\$ 132.55	\$ 141.79	\$ 141.60	\$ 142.59	\$ 157.27	\$ 147.00	\$ 130.63	\$ 155.36
Recyclables collected (tons)	1,962	1,661	1,689	1,315	1,322	1,279	1,246	1,470	1,445	1,458
Cost per ton for recycling (paper, commingles, brush, white goods, scrap metal)	\$ 258.47*	\$ 216.22	\$ 240.06	\$ 207.76	\$ 205.61	\$ 237.58	\$ 255.44	\$ 359.00**	\$ 283.00	\$ 255.00
Compost yard operations								***		
Tons of solid waste diverted through composting	2,833	2,634	2,327	2,508	2,326	2,682	2,306	1,593	1,558	1,521
Dollars in tipping fees saved	\$ 70,825	\$ 52,680	\$ 58,175	\$ 62,700	\$ 58,157	\$ 67,047	\$ 57,650	\$ 39,825	\$ 38,951	\$ 36,678
Cubic yards of brush recycled	3,200	3,000	3,000	2,100	2,063	1,834	1,570	1,959	3,775	3,692
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 39,227	\$ 30,773	\$ 39,204	\$ 50,233	\$ 48,775	\$ 50,301	\$ 69,230	\$ 67,094	\$ 71,002	\$ 66,668
Other public works										
Street cleaning sweeps in high impact areas	145	145	148	119	125	190	189	224	203	202

Sources: City of College Park departments

Notes:

* - significant increase due to tornado brush cleanup

** - significant increase reflects the purchase of 4,500 single stream recycling carts

*** - the calculation method for the volume of yard waste collected changed in FY2009

n/a - operational indicator not reported for fiscal year

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

		Fiscal Year									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Function/Program</u>											
Refuse and recycling collection											
	Collection trucks	8	8	8	8	8	8	11	8	8	8
Other public works											
	Streets (miles)	52	52	52	52	52	52	52	52	52	52
	Sidewalks (miles)	21	21	21	21	21	21	21	21	21	21
98	Public services										
	Blue light emergency phones	-	-	-	4	4	8	8	8	8	12
	Parking pay stations	-	-	-	-	-	-	-	-	4	13
Recreation											
	Baseball/softball fields	4	4	4	4	4	4	4	4	4	4
	Tot lots	8	8	8	8	8	8	8	8	8	8
Seniors program											
	Seniors minibuses available	2	2	2	2	2	2	2	3	3	3

Sources: City of College Park departments