



CITY OF COLLEGE PARK, MARYLAND



Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012

Cover Photo:

National Oceanic and Atmospheric Administration (NOAA)

NOAA's Center for Weather and Climate Prediction opened in August 2012 with over 800 employees in the University of Maryland Research Park, M Square. The center provides expert weather, water and climate forecasts and diagnostics as well as cutting-edge integrated earth systems research. A new partnership exists with the University of Maryland whereby students work on projects alongside NOAA researchers and NOAA scientists serve as adjunct professors in the University's science department.

The NOAA building is a 268,762 square foot, \$76.5 million world-class facility designed by the architectural firm HOK. It includes a 464-seat auditorium, green roof, 4-story rainwater waterfall and sunshades. It will be certified silver or gold under the USGBC LEED rating system.

Photo courtesy of University of Maryland



CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2012

The Honorable Andrew M. Fellows, Mayor

City Council

Marcus D. Afzali
Robert W. Day
Fazlul Kabir
Stephanie E. Stulich

Robert T. Catlin
Monroe S. Dennis
Denise C. Mitchell
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, 2012**

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INTRODUCTORY SECTION



4500 KNOX ROAD
COLLEGE PARK, MD 20740-3390

City Manager and
OFFICE OF: Director of Finance

December 13, 2012

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, 2012 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, 2012 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 bi-county quasi-governmental organizations established by the state legislature 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, 2012 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 decreased 14.40 percent from the prior year to \$2.27 billion as of July 1, 2011. Taxable assessed real (after application of homestead tax credit) and personal property values in the City increased 00.01 percent from the prior year to \$2.05 billion as of July 1, 2011, attributable to flat multi-year assessments. Exempt real property constitutes 40.38 percent of the total real property assessment as of July 1, 2011.

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, 2012 (\$5,944,767) represents 40.34% of the next fiscal year's adopted expenditure budget (\$14,737,484 for fiscal year 2013), 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 (\$8,375,000) consists of 3 Community Legacy loans for capital projects (\$450,000), and a 20-year tax-exempt parking garage bond (\$7,925,000).

Major Initiatives During the Fiscal Year

- 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. \$650,000 is budgeted annually for part-time contract police.
- The City continues the \$400,000 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 \$400,000 police services contract is in addition to the \$650,000 budgeted for part-time contract police, and also supplements regular County police services.
- Thirteen multi-space pay stations are in service in the City's parking garage and other previously metered parking lots.
- 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.
- 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 FY2012 elements in the adopted strategic action plan were implemented on schedule, with a few carrying over to FY2013.

For the Near Future

- Implement the FY2013 elements in the strategic action plan.
- For FY2013, the City increased the part-time contract police program from \$650,000 to \$750,000. This brings the total contract police budget to \$1,150,000.
- University of Maryland continues to relocate existing uses from its 38-acre East Campus site to prepare for redevelopment of a mixed-use town center.
- Interest in redevelopment continues along the U.S. Route 1 corridor.
- The fourth and fifth phases of the College Park Trolley Trail are scheduled for construction within the next year. Upon completion of these phases in late FY2013, 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 a joint development agreement with the private sector at the College Park Metro station for hotel and residential uses.
- Implementation of the City/University's first bike-sharing project is underway with a planned 8 docking stations on- and off-campus.
- New economic development incentives include the recently approved revitalization tax credit and tenant improvement grants funded through the State Community Legacy program.

New Financial Policies

No new financial policies were enacted during fiscal year 2012.

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 2012, 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.

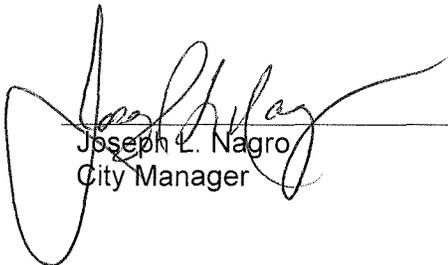
Awards and Acknowledgements

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, 2011. 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 33rd 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 2012. 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, 2011

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



Linda C. Sandson

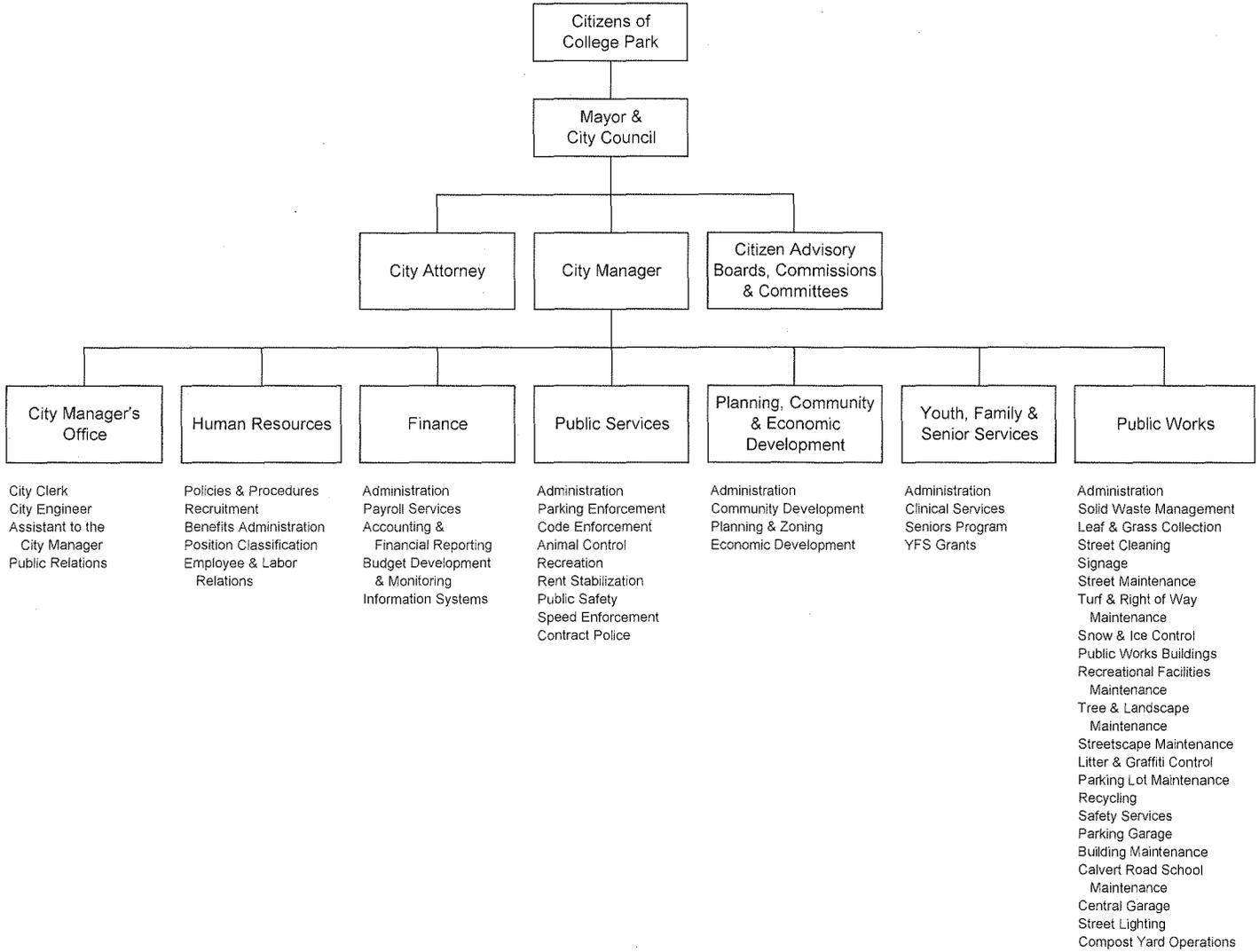
President

Jeffrey R. Emer

Executive Director

CITY OF COLLEGE PARK, MARYLAND

Organization Chart



CITY OF COLLEGE PARK, MARYLAND

List of Principal Officials as of June 30, 2012

<u>Title</u>	<u>Name</u>
Mayor	Andrew M. Fellows
City Council, District 1	Fazlul Kabir Patrick L. Wojahn
City Council, District 2	Robert T. Catlin Monroe S. Dennis
City Council, District 3	Robert W. Day Stephanie E. Stullich
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 Silverside Road
Wilmington, Delaware 19810

December 13, 2012

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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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of 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, 2012, 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 13, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 13 through 23 and 52 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government

**BARBACANE
THORNTON
& COMPANY**
CERTIFIED PUBLIC ACCOUNTANTS

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

Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of College Park, Maryland's basic financial statements. The introductory section, combining fiduciary fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining fiduciary fund financial statements are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
JUNE 30, 2012**

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, 2012. The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights for Fiscal Year 2012

The assets of the City exceeded its liabilities as of June 30, 2012 by \$20.5 million (net assets). Of this amount, \$7.8 million is unrestricted and may be used to meet the City's future obligations. All of the \$7.8 million unrestricted assets are related to governmental activities, which includes the General Fund. Total governmental funds' fund balance increased from \$9.6 million as of June 30, 2011 to \$10.8 million as of June 30, 2012.

The unassigned fund balance for the General Fund as of June 30, 2012 represented 43.3 percent of budgeted General Fund expenditures for fiscal year 2013, 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 \$1.4 million, from \$19.1 million to \$20.5 million.

During the current fiscal year, the City's long-term debt (excluding compensated absences) decreased by \$549,735.

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) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

- The first two statements are 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, 2012

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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps 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, 2012**

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 schedules 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." The 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, 2012 and 2011:

	Net Assets	
	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 12,762,950	\$ 11,783,022
Capital assets, net of accumulated depreciation	18,258,957	18,667,944
Total assets	<u>31,021,907</u>	<u>30,450,966</u>
Long-term liabilities outstanding	8,915,399	9,413,031
Other liabilities	1,627,372	1,913,436
Total liabilities	<u>10,542,771</u>	<u>11,326,467</u>
Net assets:		
Invested in capital assets, net of related debt	14,574,013	11,940,581
Unrestricted	5,905,123	7,183,918
Total net assets	<u>\$ 20,479,136</u>	<u>\$ 19,124,499</u>

Note: The City had no business-type activities as of June 30, 2012 or 2011. 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, 2012

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2012, the City's assets exceeded liabilities by \$20.5 million. By far the largest portion of the City's net assets (71.2 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 \$14.6 million as of June 30, 2012. 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, 2012 and 2011:

Changes in Net Assets

	Governmental Activities	
	2012	2011
Revenue		
Program revenue:		
Charges for services	\$ 4,432,845	\$ 4,984,770
Operating grants and contributions	255,940	219,272
Capital grants and contributions	297,661	1,010,462
General revenue:		
Real property tax	6,591,639	6,136,538
Personal property tax	875,845	822,494
Income tax	1,494,195	1,377,541
Other taxes	1,231,253	1,070,931
Interest	43,105	41,762
Other general revenue	125,696	51,588
Total Revenue	15,348,179	15,715,358
Expenses		
General government	3,105,937	2,003,378
Public services	3,585,745	3,226,584
Planning and development	661,474	516,628
Public works	5,235,887	4,871,522
Youth, family and senior services	1,102,149	1,037,007
Interest expense	302,350	207,944
Total Expenses	13,993,542	11,863,063
Increase in Net Assets	1,354,637	3,852,295
Net Assets - Beginning	19,124,499	15,272,204
Net Assets - Ending	\$ 20,479,136	\$ 19,124,499

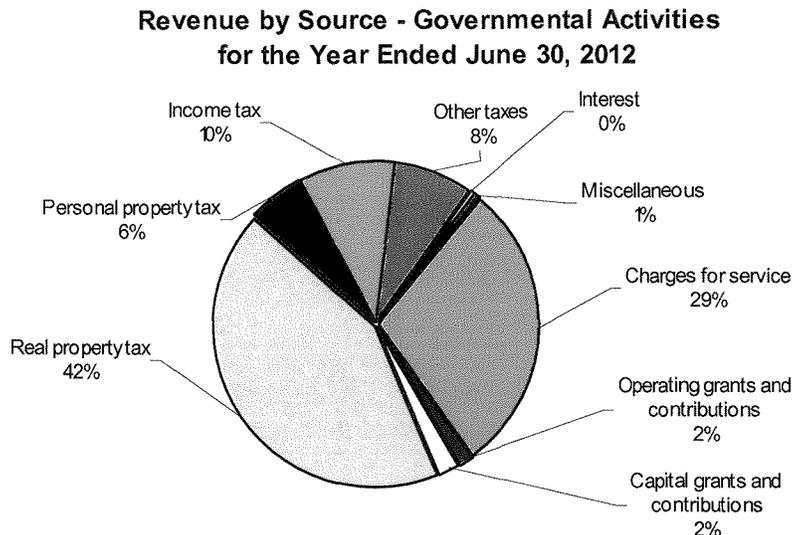
**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2012**

Note: The City had no business-type activities for the years ended June 30, 2012 or 2011. As a result, the business-type activities and total columns have been omitted from the table on page 6.

The overall increase in the City's net assets amounted to \$1,354,637 during the fiscal year ended June 30, 2012 and is explained in the governmental activities discussion that follows.

Governmental Activities

Governmental activities increased the City's net assets by \$1,354,637. Total revenue of \$15.3 million is comprised of program revenue totaling \$5.0 million, or 32.5 percent, and general revenue of \$10.4 million, or 67.5 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:



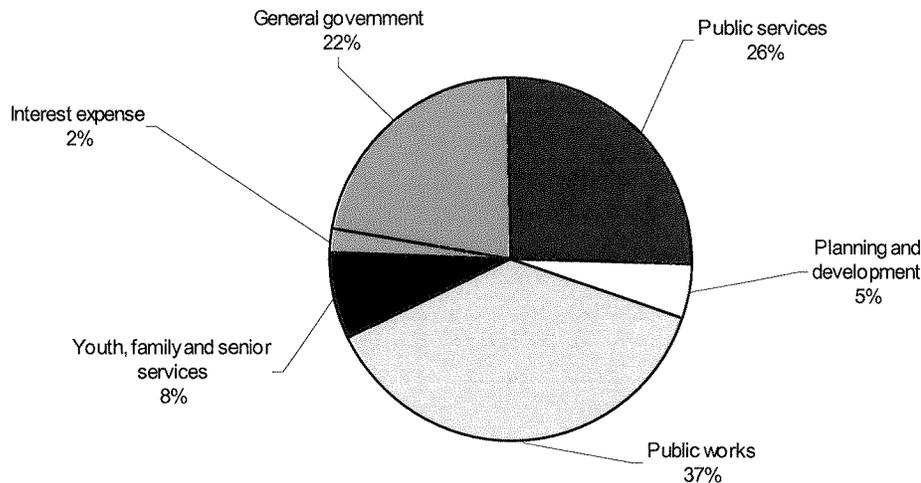
Key elements of the increase in net assets are as follows:

- Real property tax increased by \$463,876 due to new assessments for student housing projects.
- Personal property tax increased by \$53,351.
- Income tax increased by \$116,654.
- Other taxes increased by \$160,322.

A more detailed discussion of the City's revenue results for fiscal year 2012, 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 2012 was \$14.0 million. As the chart on the following page indicates, Public Works constitutes the City's largest program, totaling \$5.2 million, or 37.4 percent. Public Services, the second largest program for the City, totaled \$3.6 million, or 25.6 percent, while General Government, the third largest program, totaled \$3.1 million, or 22.2 percent.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2012**

**Expenses by Function - Governmental Activities
for the Year Ended June 30, 2012**



The following table presents the cost and program revenue of each of the City's five 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	
	2012	2011	2012	2011	2012	2011
General government	\$ 3,105,937	\$ 2,003,378	\$ 487,519	\$ 545,579	\$ (2,618,418)	\$ (1,457,799)
Public services	3,585,745	3,226,584	3,778,247	4,580,674	192,502	1,354,090
Planning and development	661,474	516,628	125,695	364,575	(535,779)	(152,053)
Public works	5,235,887	4,871,522	424,282	582,719	(4,811,605)	(4,288,803)
Youth, family and senior services	1,102,149	1,037,007	170,703	140,957	(931,446)	(896,050)
Interest expense	302,350	207,944	-	-	(302,350)	(207,944)
Total	\$ 13,993,542	\$ 11,863,063	\$ 4,986,446	\$ 6,214,504	\$ (9,007,096)	\$ (5,648,559)

Business-type Activities

Not applicable for this fiscal year.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2012**

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 2012, the City's governmental funds reported combined ending fund balances of \$10.8 million. Of the total ending fund balances, \$5.9 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 2012, unassigned fund balance of the General Fund was \$5.9 million, while the total fund balance was \$6.6 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 40.7 percent of the total current year General Fund expenditures and transfers out, while total fund balance represents 45.1 percent of the same amount.

The fund balance of the City's General Fund increased by \$157,946 during the current fiscal year, representing the excess of revenue over expenditures and other financing uses. Key factors for fiscal year 2012 are as follows:

General Fund operating revenue increased by \$345,975 over fiscal year 2011, comprised of the following major component:

- Real property tax increased by \$463,876 due to new assessments for student housing projects.

General Fund expenditures and other financing uses increased by \$2,007,551 from fiscal year 2011, comprised of the following major components:

- Debt service increased by \$217,542, due primarily to debt service on the new parking garage bond.
- Interfund transfers increased by \$1,333,614, as fiscal year 2012 included a budget transfer to provide funding for a Public Works modular building replacement and additional City Hall renovation funding.

The Capital Projects Fund is used to account for the overall financing and expenditure for uncompleted projects. Of the total ending fund balance of \$4,240,056, the entire amount represents authorized and funded projects that are not complete. Revenues decreased by \$704,378 as compared to the previous year while expenditures decreased by \$172,815. The revenue decrease resulted from fiscal year 2011 being the end of two Federal grant-funded projects. The expenditure decrease resulted from debt service on the parking garage bond being moved to the General Fund for fiscal year 2012 following closeout of the parking garage project in fiscal year 2011.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2012**

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 \$15 million in fiscal year 2012, an increase of \$562,861, or 3.9 percent, from fiscal year 2011.

For fiscal year 2012, the real property assessable tax base increased 12.3 percent to \$2.16 billion and the real property tax rate remained at \$0.322 per \$100 of assessed value. The personal property assessable tax base decreased 5.5 percent to \$105.6 million and the personal property tax rate remained at \$0.805 per \$100 of assessed value.

Expenditures and transfers amounted to \$14.8 million, an increase of \$2.2 million, or 17.5 percent, from fiscal year 2011.

The transfer to the Capital Projects Fund increased by \$1,333,614 in fiscal year 2012, as described above.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental activities as of June 30, 2012 amounted to \$18,258,957 (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	
	2012	2011
Land	\$ 3,821,680	\$ 3,821,680
Construction-in-progress	206,969	-
Buildings and improvements	10,524,620	11,001,110
Vehicles	484,220	671,810
Machinery and equipment	1,042,929	1,271,119
Office equipment	1,705	3,414
Communication equipment	177,320	154,205
Computers and software	92,623	29,352
Infrastructure	1,906,891	1,715,254
Total	\$ 18,258,957	\$ 18,667,944

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2012**

Note: The City had no business-type activities as of June 30, 2012 or 2011. As a result, the business-type activities and total columns have been omitted from the table on the previous page.

Significant additions to governmental activities capital assets included: construction-in-progress totaling \$206,969 and infrastructure improvements totaling \$365,796.

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 fiscal year 2012, the City had \$8,375,000 in long-term debt outstanding, compared with \$8,924,735 as of the end of fiscal year 2011, a decrease of 6.2 percent. The various components of long-term debt are shown in the following table:

	Governmental Activities	
	2012	2011
SunTrust Bank - master lease	\$ -	\$ 324,735
SunTrust Bank - parking garage bond	7,925,000	8,150,000
Community Legacy loans	450,000	450,000
	\$ 8,375,000	\$ 8,924,735

Note: The City had no business-type activities as of June 30, 2012 or 2011. 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, 2012, assessed valuation of such property totals \$2.16 billion, the City debt limit was \$108.0 million, and the actual general obligation outstanding debt was \$8,375,000, representing 7.8 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 fiscal year 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, 2012**

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 the 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, most notable being athletic events. Payment in lieu of taxes ("PILOT") is paid on two University-owned properties. In addition, University students, faculty and staff patronize local businesses, adding commercial vitality to the City.

The City's total real property assessment for fiscal year 2012 increased 2.3 percent over the prior year, primarily as a result of new student housing projects being completed. Assessments on commercial properties increased 7.9 percent while assessments on residential properties decreased 0.2 percent. New construction is minimal. The majority of homes in the City are single-family homes that the 2006-2010 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 \$329,400. 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 6.8 percent and the State at 6.9 percent as of June 30, 2012. The median household income for the City of College Park for the period 2006-2010 was \$62,366 according to the U.S. Census Bureau. The City's median income level exceeds the United States at \$50,054 but is less than the State of Maryland at \$70,647 and Prince George's County at \$71,260.

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 2013 maintains the fiscal year 2012 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 fiscal year 2013 adopted budget, General Fund operating revenue is budgeted at \$14,339,323, an increase of \$660,613, or 4.8 percent from the fiscal year 2012 budgeted operating revenue. Property taxes constitute 52.2 percent of General Fund operating revenue. Fiscal year 2013 General Fund expenditures and transfers are budgeted at \$14,737,484, a decrease of \$767,322 or 4.9 percent from the fiscal year 2012 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, represent 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, 2012**

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, 2012

ASSETS	
Cash and cash equivalents	\$ 3,064,071
Investments	7,375,864
Taxes receivable	211,729
Tickets receivable, net of allowance for doubtful accounts of \$683,523	336,046
Loan receivable	914,297
Due from state and local governments	438,077
Other receivables	218,280
Inventory	179,312
Prepaid expenses	25,274
Land	3,821,680
Buildings and improvements	15,342,524
Machinery and equipment	2,586,690
Vehicles	2,876,105
Office, computer and communication equipment	1,234,234
Infrastructure	2,795,280
Construction-in-progress	206,969
Less: Accumulated depreciation	<u>(10,604,525)</u>
TOTAL ASSETS	<u>\$ 31,021,907</u>
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Accounts payable	\$ 770,069
Accrued expenditures	692,718
Other liabilities	164,585
Long-term liabilities	
Portion due or payable within one year:	
Bonds payable	273,000
Compensated absences	35,938
Portion due or payable after one year:	
Bonds payable	7,652,000
Community legacy loans	450,000
Compensated absences	<u>504,461</u>
TOTAL LIABILITIES	<u>10,542,771</u>
NET ASSETS:	
Invested in capital assets, net of related debt	14,574,013
Unrestricted	<u>5,905,123</u>
TOTAL NET ASSETS	<u>20,479,136</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,021,907</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, 2012**

		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	\$ 3,105,937	\$ 298,536	\$ 15,717	\$ 173,266	\$ (2,618,418)
Public services	3,585,745	3,704,407	73,840	-	192,502
Planning and development	661,474	1,300	-	124,395	(535,779)
Public works	5,235,887	415,599	8,683	-	(4,811,605)
Youth, family and senior services	1,102,149	13,003	157,700	-	(931,446)
Interest expense	302,350	-	-	-	(302,350)
TOTAL GOVERNMENTAL ACTIVITIES	\$13,993,542	\$ 4,432,845	\$ 255,940	\$ 297,661	(9,007,096)
		GENERAL REVENUES			
					6,591,639
					875,845
					1,494,195
					1,231,253
					43,105
					125,696
		TOTAL GENERAL REVENUES			10,361,733
		CHANGE IN NET ASSETS			1,354,637
		NET ASSETS, BEGINNING OF YEAR			19,124,499
		NET ASSETS, END OF YEAR			\$ 20,479,136

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, 2012

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 715,726	\$ 2,348,345	\$ 3,064,071
Investments	7,375,864	-	7,375,864
Taxes receivable	211,729	-	211,729
Tickets receivable, net of allowance for doubtful accounts of \$683,523	336,046	-	336,046
Loan receivable	914,297	-	914,297
Due from state and local governments	397,613	40,464	438,077
Due from other fund	-	2,000,000	2,000,000
Other receivables	168,771	49,509	218,280
Inventory	179,312	-	179,312
Prepaid	25,274	-	25,274
TOTAL ASSETS	\$ 10,324,632	\$ 4,438,318	\$ 14,762,950
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 571,807	\$ 198,262	\$ 770,069
Accrued expenditures	692,718	-	692,718
Due to other fund	2,000,000	-	2,000,000
Other liabilities	200,523	-	200,523
Deferred revenue	281,009	-	281,009
TOTAL LIABILITIES	3,746,057	198,262	3,944,319
FUND BALANCE:			
Nonspendable	204,586	-	204,586
Restricted	283,011	4,240,056	4,523,067
Committed	146,211	-	146,211
Unassigned	5,944,767	-	5,944,767
TOTAL FUND BALANCE	6,578,575	4,240,056	10,818,631
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,324,632	\$ 4,438,318	\$ 14,762,950

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, 2012

TOTAL GOVERNMENTAL FUND BALANCES \$ 10,818,631

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	15,342,524	
Machinery and equipment	2,586,690	
Vehicles	2,876,105	
Office, computer and communication equipment	1,234,234	
Infrastructure	2,795,280	
Construction-in-progress	206,969	
Accumulated depreciation	<u>(10,604,525)</u>	18,258,957

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

Bonds payable	(7,925,000)	
Community legacy loans	(450,000)	
Compensated absences	<u>(504,461)</u>	(8,879,461)

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.

281,009

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 20,479,136

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, 2012

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUE			
Taxes	\$ 10,165,285	\$ -	\$ 10,165,285
Licenses and permits	1,133,900	173,265	1,307,165
Intergovernmental	255,941	93,395	349,336
Charges for services	984,664	227,454	1,212,118
Fines and forfeitures	2,044,766	42,065	2,086,831
Interest	43,075	30	43,105
Miscellaneous	125,693	31,000	156,693
TOTAL REVENUE	<u>14,753,324</u>	<u>567,209</u>	<u>15,320,533</u>
EXPENDITURES			
Current:			
General government	2,335,099	221,846	2,556,945
Public services	3,389,586	42,814	3,432,400
Planning and development	583,652	79,881	663,533
Public works	4,352,121	2,931	4,355,052
Youth, family and senior services	1,034,545	-	1,034,545
Debt service	520,426	331,659	852,085
Capital outlays	-	1,192,942	1,192,942
TOTAL EXPENDITURES	<u>12,215,429</u>	<u>1,872,073</u>	<u>14,087,502</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,537,895</u>	<u>(1,304,864)</u>	<u>1,233,031</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>(2,379,949)</u>	<u>2,379,949</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,379,949)</u>	<u>2,379,949</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	157,946	1,075,085	1,233,031
FUND BALANCES, BEGINNING OF YEAR	<u>6,420,629</u>	<u>3,164,971</u>	<u>9,585,600</u>
FUND BALANCES, END OF YEAR	<u>\$ 6,578,575</u>	<u>\$ 4,240,056</u>	<u>\$ 10,818,631</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, 2012**

NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,233,031
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$1,193,339) exceeded capital outlays (\$784,352) in the period.</p>	(408,987)
<p>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.</p>	27,646
<p>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.</p>	549,735
<p>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).</p>	<u>(46,788)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,354,637</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, 2012

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 12,104
Investments:		
Mutual funds	4,003,097	-
Annuity contracts	780,611	-
Participant loans	254,464	-
Other receivables	<u>-</u>	<u>80</u>
TOTAL ASSETS	<u><u>\$ 5,038,172</u></u>	<u><u>\$ 12,184</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Due to other governments	\$ -	\$ 12,184
NET ASSETS:		
Net assets held in trust for pension benefits	<u>5,038,172</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,038,172</u></u>	<u><u>\$ 12,184</u></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, 2012**

	<u>Pension Trust Fund</u>
ADDITIONS	
Employer contributions	\$ 328,608
Investment income	<u>58,563</u>
TOTAL ADDITIONS	<u>387,171</u>
DEDUCTIONS	
Benefit payments	160,749
Administrative expenses	<u>12,111</u>
TOTAL DEDUCTIONS	<u>172,860</u>
CHANGE IN NET ASSETS	214,311
NET ASSETS, BEGINNING OF YEAR	<u>4,823,861</u>
NET ASSETS, END OF YEAR	<u><u>\$ 5,038,172</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:

Fiduciary Fund – Fiduciary funds account for the assets held by the City as a trustee or agent for individuals, private organizations and/or government units and are, therefore, not available to support the City's activities. The City accounts for these assets in a private-purpose trust and agency fund. The private-purpose trust fund accounts for the pension assets held by the City in a trustee capacity. 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. The measurement focus and basis of accounting for the private purpose trust is the same as for proprietary funds, while the agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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. 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.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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

- 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.

The fiscal year 2012 adopted General Fund operating budget and revisions made to the original budget were as follows:

	Original Budget	Revisions	Amended Budget
General Fund Expenditures			
General government	\$ 2,507,876	\$ 4,000	\$ 2,511,876
Public services/contract police	3,537,431	-	3,537,431
Planning and development	597,215	(4,000)	593,215
Public works	4,756,352	-	4,756,352
Youth, family and senior services	982,369	-	982,369
Contingency	10,000	-	10,000
Debt service	516,728	-	516,728
Interfund transfers	<u>1,176,835</u>	<u>1,420,000</u>	<u>2,596,835</u>
Total General Fund	<u>\$ 14,084,806</u>	<u>\$ 1,420,000</u>	<u>\$ 15,504,806</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)

Buildings and improvements, infrastructure and site improvements, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure and site improvements	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, 2012, 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 Council policy (e.g., future anticipated costs). These amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

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. This intent can be expressed by the City Council or through City Council delegating this responsibility to the City Manager through the budgetary process.

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

As of June 30, 2012, 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	\$ 179,312	\$ -	\$ 179,312
Prepaid expenses	25,274	-	25,274
Restricted:			
Public safety	283,011	-	283,011
Capital projects	-	4,240,056	4,240,056
Committed:			
Operating needs	146,211	-	146,211
Unassigned	<u>5,944,767</u>	<u>-</u>	<u>5,944,767</u>
Total Fund Balances	<u>\$ 6,578,575</u>	<u>\$ 4,240,056</u>	<u>\$ 10,818,631</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 City Council 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 ("MLGIP"). MLGIP 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 MLGIP 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 MLGIP is the same as the value of MLGIP shares. The City's investment in MLGIP 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 pooled cash and investments. 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, 2012.

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 \$3,076,175 and the bank balance was \$2,997,504 as of June 30, 2012. 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 deposit 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 \$7,375,864 in investments, \$98,506 was insured, \$7,277,358 was covered by collateral held by the City's agent in the City's name.

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 98.7 percent (\$7,277,358) 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") and Metropolitan Life ("MetLife"). The City as Trustee employs ICMA-RC and MetLife as Third Party Administrators of the assets.

Cash - As of June 30, 2012, the Plan had no cash with the Plan's Third Party Administrators.

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

Investments of the Plan as of June 30, 2012 were as follows:

<u>Investments</u>	
Mutual funds	\$ 2,399,385
Bond funds	230,885
Money market funds	1,372,827
Annuity contracts	<u>780,611</u>
Total	<u>\$ 4,783,708</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 Plan are held by ICMA Retirement Corporation and Metropolitan Life as Third Party Administrators 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		\$ 3,073,575	\$ 2,997,504
Petty cash		2,600	-
Total cash		3,076,175	2,997,504
Investments:			
Local government investment pool	AAA	7,277,358	7,276,512
Bank certificate of deposit	A	98,506	98,154
Pension - mutual funds	N/A	4,003,097	4,003,097
Pension - annuity contracts	N/A	780,611	780,611
Total investments		12,519,572	12,218,537
TOTAL CASH AND INVESTMENTS		\$ 15,235,747	\$ 14,014,663

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, 2012, 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 2012. 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, 2011 was \$2,265,533,818.

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 of the next year

NOTE 4 CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated :				
Land	\$ 3,821,680	\$ -	\$ -	\$ 3,821,680
Construction-in-progress	-	206,969	-	206,969
Total capital assets, not being depreciated	<u>3,821,680</u>	<u>206,969</u>	<u>-</u>	<u>4,028,649</u>
Capital assets, being depreciated :				
Vehicles	2,973,251	-	97,146	2,876,105
Machinery and equipment	2,582,941	48,860	45,111	2,586,690
Office equipment	299,224	-	-	299,224
Buildings and improvements	15,320,800	21,724	-	15,342,524
Communication equipment	298,977	48,600	-	347,577
Computers and software	622,117	92,403	127,087	587,433
Infrastructure	2,429,484	365,796	-	2,795,280
Total capital assets, being depreciated	<u>24,526,794</u>	<u>577,383</u>	<u>269,344</u>	<u>24,834,833</u>
Total capital assets	<u>28,348,474</u>	<u>784,352</u>	<u>269,344</u>	<u>28,863,482</u>
Less accumulated depreciation:				
Vehicles	2,301,441	187,590	97,146	2,391,885
Machinery and equipment	1,311,822	277,050	45,111	1,543,761
Office equipment	295,810	1,709	-	297,519
Buildings and improvements	4,319,690	498,214	-	4,817,904
Communication equipment	144,772	25,485	-	170,257
Computers and software	592,765	29,132	127,087	494,810
Infrastructure	714,230	174,159	-	888,389
Total accumulated depreciation	<u>9,680,530</u>	<u>1,193,339</u>	<u>269,344</u>	<u>10,604,525</u>
Total capital assets being depreciated, net	<u>14,846,264</u>	<u>(615,956)</u>	<u>-</u>	<u>14,230,308</u>
Governmental Activities Capital Assets, Net	<u>\$18,667,944</u>	<u>\$ (408,987)</u>	<u>\$ -</u>	<u>\$18,258,957</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	\$ 531,289
Public services	146,982
Public works	454,991
Youth, family and senior services	<u>60,077</u>

Total depreciation expense - governmental activities \$ 1,193,339

NOTE 5 LONG-TERM OBLIGATIONS

Long-term obligations include the long-term portion of compensated absences payable, the SunTrust Bank capital lease for vehicles and equipment, and the SunTrust Bank parking garage bond.

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. 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, 2012, the City has acquired \$1,215,766 of vehicles and equipment through this lease. This final payment on the capital lease obligation was made during the fiscal year ended June 30, 2012.

On February 25, 2011, the City issued an \$8,150,000 SunTrust Bank parking garage bond, repaying in full the bond anticipation notes issued in fiscal year 2008. 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, 2012, the City owed \$450,000 in Community Legacy loans.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM OBLIGATIONS (cont'd)

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

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
Compensated absences	\$ 488,296	\$ 473,483	\$ 421,380	\$ 540,399	\$ 35,938
SunTrust Bank master lease	324,735	-	324,735	-	-
Community Legacy loans	450,000	-	-	450,000	-
SunTrust parking garage bond	8,150,000	-	225,000	7,925,000	273,000
Total Long-term Debt	<u>\$ 9,413,031</u>	<u>\$ 473,483</u>	<u>\$ 971,115</u>	<u>\$ 8,915,399</u>	<u>\$ 308,938</u>

The annual debt service requirements for outstanding long-term debt as of June 30, 2012, including principal and interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	317,000	243,414	560,414
2018-2022	1,919,000	1,029,848	2,948,848
2023-2027	2,277,000	672,152	2,949,152
2028-2032	2,557,000	242,254	2,799,254
	<u>\$ 8,375,000</u>	<u>\$ 3,271,630</u>	<u>\$ 11,646,630</u>

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, 2012, this provision limits indebtedness to approximately \$107,997,188.

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 is 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.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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, 2012, 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.

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. Benefits under the deferred compensation plan are not available to

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 9 DEFERRED COMPENSATION PLAN (cont'd)

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 2012 were \$358,096.

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 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 third-party administrators; \$4,257,561 is in the custody of the ICMA Retirement Corporation as third-party administrator for the 401(a) qualified plan in which participants self-direct their own retirement funds by choosing among various mutual funds. The balance of the Plan, \$780,611, 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 third party administrator. 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 2012 was approximately \$6.2 million. Total employer contributions to the 401(a) plan for 2012 were \$328,608.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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.

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 COMMITMENTS

As of June 30, 2012, the City was committed to capital projects for the City Hall Renovations. Anticipated construction commitments are as follows:

<u>Project</u>	<u>Project Amount</u>	<u>June 30, 2012</u>	<u>Commitments</u>
City Hall Renovations	<u>\$ 437,685</u>	<u>\$ 186,634</u>	<u>\$ 251,051</u>

In addition, the City has incurred other soft costs associated with the renovation project in the amount of \$20,335.

NOTE 15 SUBSEQUENT EVENTS

The City has evaluated all subsequent events through December 13, 2012, 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, 2012**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Property taxes				
Real estate taxes	\$ 6,582,369	\$ 6,582,369	\$ 6,563,992	\$ (18,377)
Personal property taxes	851,000	851,000	875,845	24,845
Total Property Taxes	<u>7,433,369</u>	<u>7,433,369</u>	<u>7,439,837</u>	<u>6,468</u>
Income taxes	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,494,195</u>	<u>219,195</u>
Admission and amusement taxes	<u>600,000</u>	<u>600,000</u>	<u>617,331</u>	<u>17,331</u>
State shared taxes				
Highway user revenue	<u>174,588</u>	<u>174,588</u>	<u>167,363</u>	<u>(7,225)</u>
County shared taxes				
Hotel/motel tax	<u>430,000</u>	<u>430,000</u>	<u>446,559</u>	<u>16,559</u>
Licenses and permits	<u>949,050</u>	<u>949,050</u>	<u>1,133,900</u>	<u>184,850</u>
Intergovernmental grants				
Federal grants	-	-	55,927	55,927
State grants	155,297	155,297	155,297	-
County grants	<u>14,717</u>	<u>14,717</u>	<u>44,717</u>	<u>30,000</u>
Total Intergovernmental Grants	<u>170,014</u>	<u>170,014</u>	<u>255,941</u>	<u>85,927</u>
Charges for services	<u>919,915</u>	<u>919,915</u>	<u>984,664</u>	<u>64,749</u>
Fines and forfeitures	<u>1,489,000</u>	<u>1,489,000</u>	<u>2,044,766</u>	<u>555,766</u>
Investment revenue	<u>77,064</u>	<u>77,064</u>	<u>43,075</u>	<u>(33,989)</u>
Miscellaneous	<u>160,710</u>	<u>160,710</u>	<u>125,693</u>	<u>(35,017)</u>
TOTAL REVENUES	<u>13,678,710</u>	<u>13,678,710</u>	<u>14,753,324</u>	<u>1,074,614</u>

Continued on next page.

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Mayor and City Council				
Personnel	52,728	52,728	53,229	(501)
Operating	422,036	426,036	383,519	42,517
Total Mayor and City Council	<u>474,764</u>	<u>478,764</u>	<u>436,748</u>	<u>42,016</u>
City attorney	<u>175,000</u>	<u>175,000</u>	<u>156,777</u>	<u>18,223</u>
City Manager and Clerk				
Personnel	354,618	354,618	359,155	(4,537)
Operating	102,991	102,991	90,012	12,979
Total City Manager and Clerk	<u>457,609</u>	<u>457,609</u>	<u>449,167</u>	<u>8,442</u>
Boards, Committees and Other				
Personnel	318,770	318,770	328,901	(10,131)
Operating	222,732	222,732	189,940	32,792
Total Boards, Committees and Other	<u>541,502</u>	<u>541,502</u>	<u>518,841</u>	<u>22,661</u>
Finance				
Personnel	930,619	930,619	920,657	9,962
Operating	(122,688)	(122,688)	(187,016)	64,328
Capital outlays	51,070	51,070	39,925	11,145
Total Finance	<u>859,001</u>	<u>859,001</u>	<u>773,566</u>	<u>85,435</u>
TOTAL GENERAL GOVERNMENT	<u>2,507,876</u>	<u>2,511,876</u>	<u>2,335,099</u>	<u>176,777</u>
PUBLIC SERVICES				
Public services				
Personnel	1,743,919	1,743,919	1,621,810	122,109
Operating	709,167	709,167	737,785	(28,618)
Capital outlays	500	500	500	-
Total Public Services	<u>2,453,586</u>	<u>2,453,586</u>	<u>2,360,095</u>	<u>93,491</u>
Contract police				
Personnel	651,107	651,107	601,013	50,094
Operating	432,738	432,738	428,478	4,260
Total Contract Police	<u>1,083,845</u>	<u>1,083,845</u>	<u>1,029,491</u>	<u>54,354</u>
TOTAL PUBLIC SERVICES	<u>3,537,431</u>	<u>3,537,431</u>	<u>3,389,586</u>	<u>147,845</u>

Continued on next page.

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
PLANNING AND DEVELOPMENT				
Personnel	468,011	468,011	467,384	627
Operating	129,204	125,204	116,268	8,936
TOTAL PLANNING AND DEVELOPMENT	<u>597,215</u>	<u>593,215</u>	<u>583,652</u>	<u>9,563</u>
PUBLIC WORKS				
Personnel	3,253,761	3,253,761	2,938,720	315,041
Operating	1,486,091	1,486,091	1,364,977	121,114
Capital outlays	16,500	16,500	48,424	(31,924)
TOTAL PUBLIC WORKS	<u>4,756,352</u>	<u>4,756,352</u>	<u>4,352,121</u>	<u>404,231</u>
YOUTH, FAMILY AND SENIOR SERVICES				
Personnel	719,249	719,249	696,884	22,365
Operating	263,120	263,120	336,357	(73,237)
Capital outlays	-	-	1,304	(1,304)
TOTAL YOUTH, FAMILY AND SENIOR SERVICES	<u>982,369</u>	<u>982,369</u>	<u>1,034,545</u>	<u>(52,176)</u>
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Debt service	<u>516,728</u>	<u>516,728</u>	<u>520,426</u>	<u>(3,698)</u>
TOTAL EXPENDITURES	<u>12,907,971</u>	<u>12,907,971</u>	<u>12,215,429</u>	<u>692,542</u>
EXCESS OF REVENUES OVER EXPENDITURES	770,739	770,739	2,537,895	1,767,156
OTHER FINANCING USES				
Transfers in	216,886	216,886	216,886	-
Transfers out	<u>(1,176,835)</u>	<u>(2,596,835)</u>	<u>(2,596,835)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(189,210)	(1,609,210)	157,946	1,767,156
FUND BALANCES, BEGINNING OF YEAR	<u>6,420,629</u>	<u>6,420,629</u>	<u>6,420,629</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$6,231,419</u></u>	<u><u>\$4,811,419</u></u>	<u><u>\$6,578,575</u></u>	<u><u>\$ 1,767,156</u></u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY INFORMATION

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. 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.

SUPPLEMENTARY INFORMATION

**CITY OF COLLEGE PARK, MARYLAND
 COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
 PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
 JUNE 30, 2012**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 4,003,097	\$ 4,003,097
Annuity contracts	780,611	-	780,611
Participant loans	<u>-</u>	<u>254,464</u>	<u>254,464</u>
TOTAL ASSETS	<u>\$ 780,611</u>	<u>\$ 4,257,561</u>	<u>\$ 5,038,172</u>
NET ASSETS			
Held in trust:			
Pension benefits	<u>\$ 780,611</u>	<u>\$ 4,257,561</u>	<u>\$ 5,038,172</u>
TOTAL NET ASSETS	<u>\$ 780,611</u>	<u>\$ 4,257,561</u>	<u>\$ 5,038,172</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, 2012**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ -	\$ 328,608	\$ 328,608
Investment income	<u>45,242</u>	<u>13,321</u>	<u>58,563</u>
TOTAL ADDITIONS	<u>45,242</u>	<u>341,929</u>	<u>387,171</u>
DEDUCTIONS			
Benefit payments	37,860	122,889	160,749
Administrative expenses	<u>8,852</u>	<u>3,259</u>	<u>12,111</u>
TOTAL DEDUCTIONS	<u>46,712</u>	<u>126,148</u>	<u>172,860</u>
CHANGE IN NET ASSETS	(1,470)	215,781	214,311
NET ASSETS, BEGINNING OF YEAR	<u>782,081</u>	<u>4,041,780</u>	<u>4,823,861</u>
NET ASSETS, END OF YEAR	<u>\$ 780,611</u>	<u>\$ 4,257,561</u>	<u>\$ 5,038,172</u>

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*

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

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December 13, 2012

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, 2012, and have issued our report thereon dated December 13, 2012. 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

Management of the City of College Park, Maryland is responsible for establishing and maintaining effective 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of College Park, Maryland's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City College Park, Maryland'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.

BARBACANE
THORNTON
& COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

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 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, management of the City of College Park, Maryland, and federal awarding agencies and pass-through entities; 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

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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.

Contents	Pages
Financial Trends	64 - 67
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	68 - 72
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	73 - 75
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	76 - 77
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	78 - 80
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 Nine Fiscal Years
 (accrual basis of accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 14,574,013
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	5,905,123
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>	<u>\$ 20,479,136</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, 2011 or 2012. As a result, the business-type activities have been omitted from the table above.

CITY OF COLLEGE PARK, MARYLAND

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

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 3,105,937
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	3,585,745
Planning and development	418,511	483,749	804,404	593,788	714,063	1,172,672	1,066,930	516,628	661,474
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	5,235,887
Youth, family and senior services	707,260	813,706	780,515	817,705	898,330	958,841	1,036,108	1,037,007	1,102,149
Interest on long-term debt	30,644	41,640	34,502	38,286	99,263	164,034	99,684	207,944	302,350
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	\$ 13,993,542
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	\$ 298,536
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	3,704,407
Planning and development	2,350	5,870	2,380	3,900	1,700	2,250	1,855	2,470	1,300
Public works	288,019	308,458	338,289	334,488	367,558	363,421	366,254	385,165	415,599
Youth, family and senior services	13,167	15,187	16,750	20,328	15,891	12,689	13,168	11,242	13,003
Operating grants and contributions	158,097	152,415	183,707	185,234	188,589	195,626	218,454	219,272	255,940
Capital grants and contributions	20,395	178,245	619,147	1,033,670	360,446	599,567	1,079,806	1,010,462	297,661
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	\$ 4,986,446
Net (Expense) Revenue	\$ (5,954,083)	\$ (6,472,568)	\$ (6,930,073)	\$ (7,242,635)	\$ (8,018,310)	\$ (8,836,002)	\$ (8,160,236)	\$ (5,648,559)	\$ (9,007,096)
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	\$ 6,591,639
Personal property taxes	878,814	1,102,555	1,013,109	1,082,492	1,004,104	1,075,361	944,762	822,494	875,845
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	1,494,195
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	1,231,253
Investment earnings	65,025	105,640	97,773	196,658	269,992	148,525	36,962	41,762	43,105
Miscellaneous	101,592	216,094	556,245	158,245	39,092	96,565	9,774	51,588	125,696
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	\$ 10,361,733
Change in Net Assets	\$ 57,349	\$ 573,206	\$ 1,231,428	\$ 1,203,680	\$ 802,300	\$ 926,511	\$ 1,548,089	\$ 3,852,295	\$ 1,354,637

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, 2011 or 2012. As a result, the business-type activities have been omitted from the table above.

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

Fund	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Reserved	\$ 183,935	\$ 302,419	\$ 275,401	\$ 301,428	\$ 292,992	\$ 271,191	\$ 260,611	\$ 245,030	\$ -	\$ -
Unreserved	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	204,586
Restricted	-	-	-	-	-	-	-	-	350,000	283,011
Committed	-	-	-	-	-	-	-	-	189,210	146,211
Unassigned	-	-	-	-	-	-	-	-	5,649,562	5,944,767
Total general fund	\$ 3,358,502	\$ 3,036,177	\$ 3,290,645	\$ 4,613,246	\$ 3,310,340	\$ 3,635,022	\$ 4,134,740	\$ 4,601,107	\$ 6,420,629	\$ 6,578,575
Capital projects fund										
Reserved	\$ 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	4,240,056
Total capital projects fund	\$ 1,066,586	\$ 856,004	\$ 721,260	\$ 813,952	\$ 3,208,617	\$ 1,676,708	\$ (4,475,999)	\$ (5,258,063)	\$ 3,164,971	\$ 4,240,056

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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 and FY2012 above, and will be used for future fiscal years as well.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 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	\$ 10,165,285
Licenses, fees and permits	612,672	752,203	775,716	873,640	853,863	924,403	1,064,703	1,143,714	1,198,092	1,307,165
Fines and forfeitures	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	2,086,831
Charges for services	558,057	693,272	691,240	849,675	926,490	1,036,530	1,017,581	1,091,433	1,145,492	1,212,118
Intergovernmental	742,023	178,492	330,660	651,609	877,589	396,617	585,130	1,118,783	1,071,645	349,336
Investment earnings	154,488	65,025	105,640	97,773	196,658	269,993	148,525	36,962	41,762	43,105
Miscellaneous revenues	185,437	101,591	216,094	556,245	158,245	39,092	96,565	9,774	16,313	156,693
Total revenue	\$ 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	\$ 15,320,533
Expenditures										
General government	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	2,556,945
Public services	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	3,432,400
Planning and development	464,790	465,042	558,809	726,877	591,376	710,839	746,657	1,066,886	624,207	663,533
Public works	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	4,355,052
Youth, family and senior services	620,301	640,362	740,260	706,368	752,987	835,414	902,643	981,712	981,828	1,034,545
Capital outlay	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	1,192,942
Contingency	-	-	-	13,000	-	-	7,851	-	-	-
Debt service										
Interest	60,229	49,326	41,640	34,502	38,286	82,673	118,579	99,684	207,944	302,350
Principal	291,069	207,542	193,275	201,111	195,203	323,789	763,013	353,048	713,020	549,735
Total expenditures	\$ 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	\$ 14,087,502
Excess (deficiency) of revenues over (under) expenditures	\$ 113,426	\$ (532,909)	\$ 119,724	\$ 1,289,075	\$ (918,241)	\$ (1,357,227)	\$ (6,077,989)	\$ (315,697)	\$ 2,092,556	\$ 1,233,031
Other financing sources (uses)										
Sale of land	-	-	-	-	-	-	425,000	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	8,150,000	-
Proceeds from loans	-	-	-	-	2,010,000	150,000	-	-	-	-
Operating transfers in	490,771	976,841	785,578	780,300	2,821,048	992,552	1,255,335	978,175	1,046,335	2,379,949
Operating transfers out	(490,771)	(976,841)	(785,578)	(780,300)	(2,821,048)	(992,552)	(1,255,335)	(978,175)	(1,046,335)	(2,379,949)
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ 2,010,000	\$ 150,000	\$ 425,000	\$ -	\$ 8,150,000	\$ -
Net change in fund balances	\$ 113,426	\$ (532,909)	\$ 119,724	\$ 1,289,075	\$ 1,091,759	\$ (1,207,227)	\$ (5,652,989)	\$ (315,697)	\$ 10,242,556	\$ 1,233,031
Debt service as a percentage of non-capital expenditures (Note 1)	4.2%	3.0%	2.6%	2.4%	2.4%	3.7%	7.3%	3.9%	8.1%	5.7%

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)

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<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>
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
2012	7,439,837	1,494,195	617,331	167,363	446,559	10,165,285
Net Change:						
FY2003 to FY2012	213.5%	141.4%	127.6%	28.3%	135.5%	170.9%

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
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%
2012	1,260,161	808,625	2,068,786	1,528,585	0.322	2,068,786	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	
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
2013	0.322	0.279	0.026	0.054	0.960	(0.020)	0.112	1.733

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 2012 Taxable Assessed Value				Fiscal Year 2003 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	\$ 91,777	\$ -	\$ 91,777	4.47%	\$ -	\$ -	\$ -	-
University View Partners, LLC	87,841	926	88,767	4.32%	-	-	-	-
8300 Baltimore Avenue, LLC	62,876	-	62,876	3.06%	-	-	-	-
Mazza Grand Marc Apartments	57,776	-	57,776	2.81%	-	-	-	-
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	43,915	7,288	51,203	2.49%	-	-	-	-
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	45,678	128	45,806	2.23%	-	-	-	-
Richard S. Gatti, et al	27,893	-	27,893	1.36%	21,584	-	21,584	1.97%
Riverdale FDA, LLC	25,388	-	25,388	1.24%	-	-	-	-
Knox Village Partners LLC/ Knox Box Realty LLC/Vievere III	23,371	-	23,371	1.14%	-	-	-	-
Potomac Electric Power Company	-	21,831	21,831	1.06%	-	20,260	20,260	1.85%
The Washington Post Company	-	-	-	-	21,614	60,317	81,931	7.47%
Litton Systems, Inc.	-	-	-	-	6,486	40,328	46,814	4.27%
Wynfield Park	-	-	-	-	24,645	-	24,645	2.25%
Berkley Associates, LP	-	-	-	-	8,992	-	8,992	0.82%
Hampton House Associates	-	-	-	-	8,629	-	8,629	0.79%
CPHH LLC (RP)/ Imported Cars of Maryland (PP)	-	-	-	-	1,400	6,949	8,349	0.76%
College Park Shopping Center, LP	-	-	-	-	8,049	-	8,049	0.73%
Verizon	-	-	-	-	-	7,378	7,378	0.62%
Total	\$ 466,515	\$ 30,173	\$ 496,688	24.20%	\$ 101,399	\$ 135,232	\$ 236,631	21.53%

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 2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	159,416	7,116,260	100.83%
2011	6,871,090	6,749,145	98.23%	32,884	6,782,029	98.70%
2012	7,433,369	7,404,520	99.61%	-	7,404,520	99.61%

Note 1: 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 2: The amounts listed as 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 2)	Per Capita (Note 2)
	City Hall Development Refunding Note	Capital Leases	Community Legacy Loans (Note 3)	Bond Anticipation Notes (Note 4)	Parking Garage Bond (Note 5)	Total		
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
2012	-	-	450,000	-	7,925,000	8,375,000	1.30%	271.13

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- 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. See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
 3. 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.
 4. During the year ended June 30, 2008, the City issued bond anticipation notes (BANs) to fund the construction of a public parking garage.
 5. 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, 2012
(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	\$ 8,375	100.000%	\$ 8,375
Subtotal	<u>8,375</u>		<u>8,375</u>
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	714,695	2.740%	19,579
Maryland-National Capital Park and Planning Commission	<u>56,363</u>	2.740%	<u>1,544</u>
Subtotal	<u>771,058</u>		<u>21,123</u>
Total Direct and Overlapping Debt	<u>\$ 779,433</u>		<u>\$ 29,498</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 \$71,074,121,012 and the City real property assessment of \$1,947,088,341 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2012.

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	<u>\$ 2,159,943,756</u>
General obligation debt limit (5% of assessed value)	\$ 107,997,188
Debt applicable to limit	<u>8,375,000</u>
Legal debt margin - general obligation debt	<u>\$ 99,622,188</u>
Total debt limit (10% of assessed value)	\$ 215,994,376
Debt applicable to limit	<u>8,375,000</u>
Legal debt margin - total debt	<u>\$ 207,619,376</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 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	\$ 215,994,376
Total net debt applicable to limit	<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>	<u>8,375,000</u>
Legal debt margin	<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>	<u>\$ 207,619,376</u>
Total net debt applicable to the limit as a percentage of debt limit	1.25%	0.91%	0.64%	0.46%	1.70%	1.98%	4.91%	4.01%	4.23%	3.88%

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>
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%
2011	30,587	638,586,516	20,878	7.2%

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 Fiscal Year and Nine Fiscal Years Ago**

Employer	Fiscal Year 2012			Fiscal Year 2003 (see Note 1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland College Park	13,451	1	49.45%	8,659	1	52.48%
University of Maryland University College (UMUC)	3,390	2	12.46%			
National Archives and Records Administration II	945	3	3.47%			
National Oceanic and Atmospheric Administration	825	4	3.03%			
U.S. Food and Drug Administration (FDA)	745	5	2.74%			
American Center for Physics	325	6	1.19%			
IKEA	292	7	1.07%			
Total	19,973		73.43%			

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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 2003.

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Administration	9.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	11.00	11.00	11.50	11.80	11.80	11.80	11.80	11.80	11.30	10.80
Public services	20.30	20.30	21.65	23.83	28.02	28.52	28.47	28.50	27.00	29.89
Planning and development	5.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.30
Youth, family and senior services	7.25	7.25	7.95	7.95	7.95	8.45	8.63	8.63	10.45	9.41
Public works	49.58	49.00	49.00	50.00	49.75	49.75	49.75	50.00	50.00	50.15
Total	<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>	<u>112.55</u>

Source: City of College Park adopted operating budgets, FY2003 - FY2012

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Parking enforcement										
Number of parking tickets issued	45,464	43,611	41,260	39,897	34,538	36,712	37,353	34,186	34,288	28,315
Recreation										
Attendance at sponsored recreational events (estimated)	30,000	30,000	40,000	40,000	30,000	35,000	25,000	25,000	27,600	30,000
Planning and development										
Variance applications processed	7	16	25	17	40	23	6	10	15	14
Clinical services										
Number of individuals who received clinical services	1,091	1,708	1,305	1,724	2,357	2,237	1,839	1,915	1,863	1,968
Seniors program										
Seniors trips provided	2,080	2,242	2,293	2,431	2,506	2,211	2,200	2,250	2,110	2,276
Seniors assisted with transportation	3,426	3,542	3,881	3,937	3,651	3,420	3,400	3,420	3,666	3,585
Refuse and recycling collection										
Cost per ton of solid waste	\$ 148.82	\$ 132.55	\$ 141.79	\$ 141.60	\$ 142.59	\$ 157.27	\$ 147.00	\$ 130.63	\$ 155.36	\$ 135.53
Recyclables collected (tons)	1,661	1,689	1,315	1,322	1,279	1,246	1,470	1,445	1,458	1,725
Cost per ton for recycling (paper, commingles, brush, white goods, scrap metal)	\$ 216.22	\$ 240.06	\$ 207.76	\$ 205.61	\$ 237.58	\$ 255.44	\$ 359.00**	\$ 283.00	\$ 255.00	\$ 201.00
Compost yard operations										
Tons of solid waste diverted through composting	2,634	2,327	2,508	2,326	2,682	2,306	1,593	1,558	1,521	1,736
Dollars in tipping fees saved	\$ 52,680	\$ 58,175	\$ 62,700	\$ 58,157	\$ 67,047	\$ 57,650	\$ 39,825	\$ 38,951	\$ 38,678	\$ 43,411
Cubic yards of brush recycled	3,000	3,000	2,100	2,063	1,834	1,570	1,959	3,775	3,692	1,267
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 30,773	\$ 39,204	\$ 50,233	\$ 48,775	\$ 50,301	\$ 69,230	\$ 67,094	\$ 71,002	\$ 66,668	\$ 75,191
Other public works										
Street cleaning sweeps in high impact areas	145	148	119	125	190	189	224	203	202	219

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									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Function/Program</u>											
Refuse and recycling collection											
	Collection trucks	8	8	8	8	8	11	8	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
08	Public services										
	Blue light emergency phones	-	-	4	4	8	8	8	8	12	12
	Parking pay stations	-	-	-	-	-	-	-	4	13	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	3	3	3	3

Sources: City of College Park departments

