



# CITY OF COLLEGE PARK, MARYLAND



## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019



# **CITY OF COLLEGE PARK, MARYLAND**

## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2019**

Issued by:  
Department of Finance

Gary Fields, CPA, Director

Leo L. Thomas, Jr. CPA, Assistant Director

**CITY OF COLLEGE PARK, MARYLAND**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**

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**INTRODUCTORY  
SECTION**



# CITY OF COLLEGE PARK

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City Manager and  
Director of Finance

November 19, 2019

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, 2019 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.

Lindsey + Associates, Certified Public Accountants, has issued an unmodified opinion that the City of College Park, Maryland’s financial statements for the year ended June 30, 2019 are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States of America. The report of the independent public accountants 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 32,275, based on the U.S. Census Bureau 2016 estimate, 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/functions: General Government and Administration; Public Services; Planning, Community and Economic Development; Youth, Family and Senior

Services; and Public Works. In addition to the Finance Department, the General Government and Administration function includes the offices of the City Manager, City Clerk, Human Resources, City Attorney and Communications. Each department has a director who reports to the City Manager. While most department names are self-explanatory as to services provided, for clarification, services provided by the Public Services department includes code enforcement, parking enforcement, animal control and contract police patrol. Services provided by the Public Works department includes street, sidewalk and parking lot maintenance, solid waste management, buildings and grounds maintenance, engineering, and fleet services.

Primary and secondary education is provided by Prince George's County Public Schools. Although the City property tax is not directed towards operating public schools, funding for public education comprises a significant portion of the County property taxes paid by City residents. The County and State also provide other services, such as police, fire, emergency medical services, health services, and public assistance. 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 Vision and Mission of the City of College Park***

#### **City Vision**

The City of College Park is a vibrant and prosperous top 20 college town, which has established collaborative relationships with the residents, the University, businesses, non-profit sector, and other governments that benefit the entire community. The City is known for distinctive and connected neighborhoods, thriving commercial districts, cultural amenities, attractive green space and streetscapes, convenient transportation systems serving all users, and a strong sense of community pride.

#### **City Goals**

Goals are the long-term overarching areas in the City or "things that must go well" for the City to achieve its vision. The 2020 Strategic Plan goals are:

##### **Goal 1: One College Park**

The City of College Park and its residents, the University of Maryland (UMD) and its students, faculty and staff, and all stakeholders are connected to the community and work together for the best interest of College Park.

##### **Goal 2: Environmental Sustainability**

The City is a leader in the protection and restoration of natural resources and the implementation of energy efficiency and renewable programs, technologies and plans.

##### **Goal 3: High Quality Development and Reinvestment**

The City works with partners to facilitate investment along Baltimore Avenue, in the College Park metro station area, Berwyn Commercial District, and the Hollywood Commercial District to expand commercial development and housing options and increase the tax base to finance improvements in services and infrastructure.

**Goal 4: Quality Infrastructure**

The City's infrastructure, including roads, sidewalks, paths, technology, utilities, parks, playgrounds, City Hall, and other City facilities are constructed and maintained at a high-quality standard and meet the needs of residents, employees and visitors.

**Goal 5: Effective Leadership**

The City models excellent leadership and teamwork among Council, staff and community partners to achieve the City's vision and goals.

**Goal 6: Excellent Services**

College Park has high quality, consistent and cost-effective services in every department that contribute to a desirable, welcoming and safe City.

**City Mission**

The City of College Park provides open and effective governance and excellent services that enhance the quality of life in our community.

**City Values****Open and Effective Government**

The City conducts its business in a lawful, open and democratic manner. The City values communication and public discussion on issues affecting the City.

**High-Performing, Dedicated and Valued Employees**

City staff provides the highest level of service possible. They act with honesty and integrity and are empowered to solve problems. The City values and rewards excellent performance.

**Sustainability and Long-Term Planning**

The City is committed to a sustainable built environment and active stewardship of our natural resources. The City's long-term planning contributes to the well-being and prosperity of our community.

**Fiscal Responsibility**

The City maintains appropriate financial reserves, provides accurate financial information for decision-making and spends revenue as effectively as possible.

**Collaboration**

The City values teamwork across departments and between Council and staff. The City will strive to have productive and collaborative relations with the University, the County, the State and neighboring jurisdictions in order to improve the City and the region.

**Economic Condition and Outlook**

The City is located in the northern part of Prince George's County, northeast of the District of Columbia. Total real property net assessable tax base for FY 2019 increased 1.6% from the prior year to \$2.61 billion as of July 1, 2018. The City's major employer and property owner is the University of Maryland (the "University"), the flagship campus of the University System of Maryland. The campus spans 1,500 acres and includes over 350 buildings. Although tax exempt, the City derives substantial economic benefit from the University as the combination of over 37,000 students and 10,000 faculty and staff brings significant commerce to the business community of the City as well as purchasing and renting residential property.

### **Long-term Financial Planning**

Unrestricted, unassigned fund balance in the General Fund as of June 30, 2019 - \$6.8 million - represents 40.9% of its fiscal year's expenditures (\$16.6 million). The unassigned fund balance exceeds the Council's established goal of 25%. Elected officials and management staff are confident and committed that the 25% goal will be met or exceeded in future years.

The City typically utilizes a combination of "pay-as-you-go" and debt financing for funding capital improvements. As of June 30, 2019, debt outstanding of \$7.08 million consists of two Community Legacy loans for capital projects (\$300,000), a 20-year tax-exempt parking garage bond (\$5,960,000) and a master lease for vehicles and heavy machinery (\$823,814).

In FY 2020 (September 2019) the City issued \$16.37 million of Public Improvement, General Obligation Bonds for the purposes for financing a new City Hall and renovations to the City's primary recreational park facility, Duvall Field.

### **Relevant Financial Policies**

Over the years, the City has adopted many fiscal and debt policies which have assisted in maintaining the City's strong financial position. No new financial policies were enacted during fiscal year 2019. As mentioned, the City has a fund balance retention goal to maintain the General Fund's fund balance at a minimum level of 25% of the ensuing year's expenditures.

The City strives to maintain a high reliance on pay-as-you-go financing for its equipment acquisition and capital improvements in order to minimize debt levels. Whenever possible, the City will first attempt to fund capital projects with general revenues before considering issuing debt. The City does not use long-term borrowing to finance current operations or normal maintenance expenses. Other fiscal and debt policies are described in the City's budget.

### **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.

In addition to that contract for part-time police services, the City also budgeted \$280,000 for police services contract with Prince George's County, to provide 2 full-time County police officers on permanent assignment within the City. A total of \$1.266 million was budgeted in fiscal year 2019 for contractual police personnel.

- Since fiscal year 2011, the City has utilized a speed enforcement camera program at approximately 5 locations in the City. An outside vendor processes the speeding tickets following review and certification of violations by the City's contract police officers. By law, net revenue generated from this program must be used for public safety purposes, including pedestrian safety improvements. FY 2019 revenue from the speed enforcement camera program totaled \$2.15 million and related 3<sup>rd</sup> party processing costs were \$1.14 million, providing net revenue of \$1.01 million.
- The City continued the implementation of, integrated software for customer relations management, work-order management and land management applications.

- Significant planning for the new City Hall was in full gear, including preparing for a bond sale to fund the projects planned for October 2019. Since it will be built on the site of the existing City Hall, demolition of that building is required. Temporary office/operating space was obtained, with a move planned for October 2019.
- Ongoing streetscape projects are in process, utilizing a combination of capital project funding, Community Development Block Grant, Community Legacy, and Maryland Heritage Area Authority grants and loans to upgrade sidewalks, curb and gutter, streetlights and landscaping in commercial areas.

### **For the Near Future**

- As mentioned, a new City Hall will be built. The facility is being built in partnership with the University of Maryland to provide for City Hall on the first two floors and UMD offices on the top two floors. City staff will be moving into temporary office space in October 2019 and expected to be there until the new building is completed.

The new City Hall will help continue the redevelopment of College Park's Route 1 Corridor. Total project cost for the City's portion of the facility is estimated at \$18.5 million, of which \$12.5 million is expected to be funded through the bond issue. Construction is expected to begin in 2020 and will take approximately 2.5 years to complete

- While a significant amount of funds have been accumulated and set aside for the new City Hall, and other capital projects, the City planned for a bond issue to cover the City Hall project and Duvall Field renovations. It was determined that \$12.5 million and \$5 million was needed for each project, respectively. A joint bond was sold and with a favorable market creating a premium for the sale, only \$16.37 million of bonds were required to provide the necessary funding. The sale took place October 3, 2019 with closing on October 17, 2019.
- Significant ongoing and new commercial redevelopment continues along the U.S. Route 1 corridor and adjacent areas.
- WMATA, the Metro-rail operator, has begun construction on the purple line. The Purple Line is a 16.2-mile transit line currently under construction that will extend from New Carrollton in Prince George's County to Bethesda in Montgomery County. College Park is a major activity center along this corridor and will have five of the twenty-one planned stations. In addition to providing improved connectivity and faster, more direct east-west transit service among the communities along the corridor, the Purple Line is expected to spur even more new development activity. A Purple Line Transit Oriented Development Market Study by M-NCPPC recognized this opportunity and made the following recommendations for the College Park station areas:
  - Up to 735,000 square feet of new commercial office development in the M Square Research Park (now known as the University of Maryland Discovery District) by 2025
  - Potential for new retail to meet the daytime population demand
  - Up to 2,670 new residential apartment units by 2025
  - A new hotel within a walkable, mixed-use environment
  - New trails, public open spaces and greenways

### Awards

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, 2018. This was the 39<sup>th</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Additionally, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for FY 2019. 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.

### Acknowledgements

The completion of the audit and preparation of this report could not have been completed without the dedicated services of the Finance Department staff - Leo Thomas, Tracey Clayton, Margaret Crissinger and Kim Hall. We would like to express our sincere appreciation to them.

In closing, we thank the Mayor and City Council for their leadership and support in planning and implementing the financial operations of the City.

Respectfully submitted,



\_\_\_\_\_  
Scott Somers, City Manager



\_\_\_\_\_  
Gary Fields, Finance Director



Government Finance Officers Association

**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

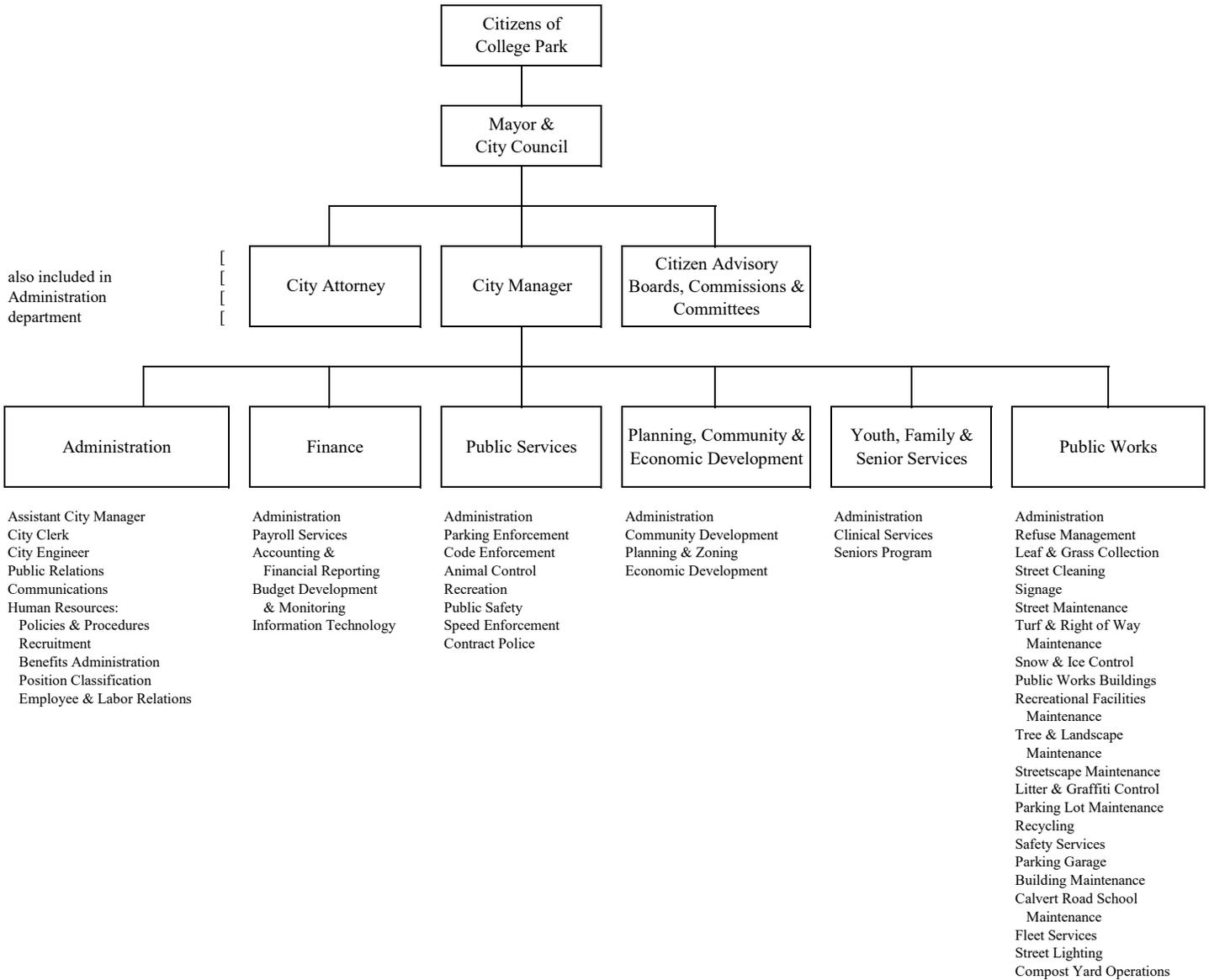
**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# CITY OF COLLEGE PARK, MARYLAND

## Organization Chart



# CITY OF COLLEGE PARK, MARYLAND

## List of Principal Officials

June 30, 2019

<u><i>Title</i></u>	<u><i>Name</i></u>
<u>Mayor &amp; City Council</u>	
Mayor	Patrick L. Wojahn
City Council, District 1	Fazlul Kabir Kate Kennedy
City Council, District 2	P. J. Brennan Monroe S. Dennis
City Council, District 3	Robert W. Day, Sr. John Rigg
City Council, District 4	Dustyn Burkart Kujawa Denise Mitchell
<u>Staff</u>	
City Manager	Scott Somers
Assistant City Manager	Bill Gardiner
City Clerk	Janeen S. Miller
Finance Director	Gary Fields, CPA
Deputy Finance Director	Leo L. Thomas, Jr., CPA
Human Resources Director	Jill R. Clements
Public Services Director	Robert W. Ryan
Planning, Community & Econ. Develop. Director	Terry A. Schum
Public Works Director	Robert Marsili
Youth, Family and Senior Services Director	Kiaisha Barber

**FINANCIAL  
SECTION**

## **Independent Auditor's Report**

Honorable Mayor and members of the City Council  
City of College Park, Maryland

### **Report on the Financial Statements**

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of contributions and investment returns, other post-employment benefits plan-schedule of funding progress, other post-employment benefits plan-schedule of employer contributions, and the schedule of revenues and expenditures – budget and actual (budgetary Basis) – general funds - unaudited comparison information on pages 4 through 16 and 47 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of College Park, Maryland's financial statements. The accompanying introductory section, combining and individual fund statements and statistical section are presented for purpose of additional analysis and are not required part of the basic financial statements.

The accompanying combining and individual fund statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical tables 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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of College Park, Maryland's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Kindley & Associates, LLC".

November 19, 2019

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

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, 2019 (“FY 2019”). The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

**Financial Highlights for FY 2019**

The total assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of June 30, 2019 by \$33.5 million (net position). Of this amount, \$3.78 million is unrestricted and may be used to meet the City’s future obligations. All of the unrestricted net position is related to governmental activities.

In comparison with the prior fiscal year, the City’s total net position, all of which are related to governmental activities, increased \$1.95 million from \$31.6 million in FY 2018 to \$33.55 million for FY 2019, as noted above.

During FY 2019, the City’s long-term debt (excluding net pension liability and compensated absences) decreased by \$793,000 as a result of paying down the principal of the SunTrust Master Lease and Parking Garage bonds.

Total governmental funds’ fund balance increased from \$20.8 million as of June 30, 2018 to \$21.9 million as of June 30, 2019. The unassigned fund balance for the General Fund increased from \$5.44 million, as of June 30, 2018 to \$6.8 million, as of June 30, 2019, representing 40.9% of total General Fund expenditures for FY 2019, well above the City Council adopted retention goal of 25%.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This 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**  
**JUNE 30, 2019**

**Entity-wide financial statements.** The entity-wide financial statements are designed to provide readers with a broad overview of the City'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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 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 Position and the Statement of Activities) and governmental funds is described in reconciliations following the fund financial statements.

**CITY OF COLLEGE PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019**

**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.

**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.

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

**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 condensed summary of the Statement of Net Position for the City as of June 30, 2018 and 2019:

	<b>Net Position</b>	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Current and other assets	\$24,601,862	\$23,716,735
Capital assets, net of accumulated depreciation	22,746,801	22,804,631
Total assets	<u>47,348,663</u>	<u>46,521,366</u>
Deferred outflows related to pensions	<u>635,745</u>	<u>937,236</u>
Other liabilities	3,332,366	3,541,655
Long-term liabilities outstanding	9,794,067	10,489,737
Total liabilities	<u>13,126,433</u>	<u>14,031,392</u>
Deferred inflows related to pensions	<u>1,306,615</u>	<u>1,829,010</u>
Net position:		
Net investment in capital assets	15,662,987	14,927,974
Restricted for – Capital projects	14,104,593	14,496,434
Unrestricted	<u>3,783,780</u>	<u>2,173,792</u>
Total net position	<u>\$33,551,360</u>	<u>\$31,598,200</u>

Note: The City had no business-type activities as of June 30, 2018 or 2019. As a result, the business-type activities and total columns have been omitted from the above table.

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. As of June 30, 2019, the City’s assets exceeded liabilities by \$33.55 million. The largest portion of the City’s net position (46.7%) 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.

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

The investment in capital assets, net of related debt, is \$15.66 million as of June 30, 2019. 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 position for FY 2019 and FY 2018:

	Governmental Activities	
	2019	2018
<b>Revenue</b>		
Program revenues:		
Charges for services	\$5,524,463	\$ 6,275,508
Operating grants and contributions	425,292	326,094
Capital grants and contributions	990,535	666,493
General revenues:		
Property taxes	9,952,737	9,422,482
Income tax	2,151,038	2,016,013
Other taxes	2,549,910	2,309,904
Interest	246,630	193,557
Other general revenue	254,898	83,746
Total revenue	22,095,503	21,293,797
<b>Expenses</b>		
General government and Administration	5,949,444	3,959,010
Public services	5,035,382	4,575,464
Planning and development	1,071,944	983,882
Public works	6,583,593	6,085,211
Youth, family and senior services	1,281,119	1,117,276
Interest expense	220,861	205,839
Total expenses	20,142,343	16,926,682
Increase in net position	1,953,160	4,367,115
Net position – beginning	31,598,200	27,231,085
Net position – ending	\$33,551,360	\$31,598,200

Note: The City had no business-type activities for FY 2018 or FY 2019. 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  
JUNE 30, 2019**

Key components of the increase in net position for FY 2019 are as follows:

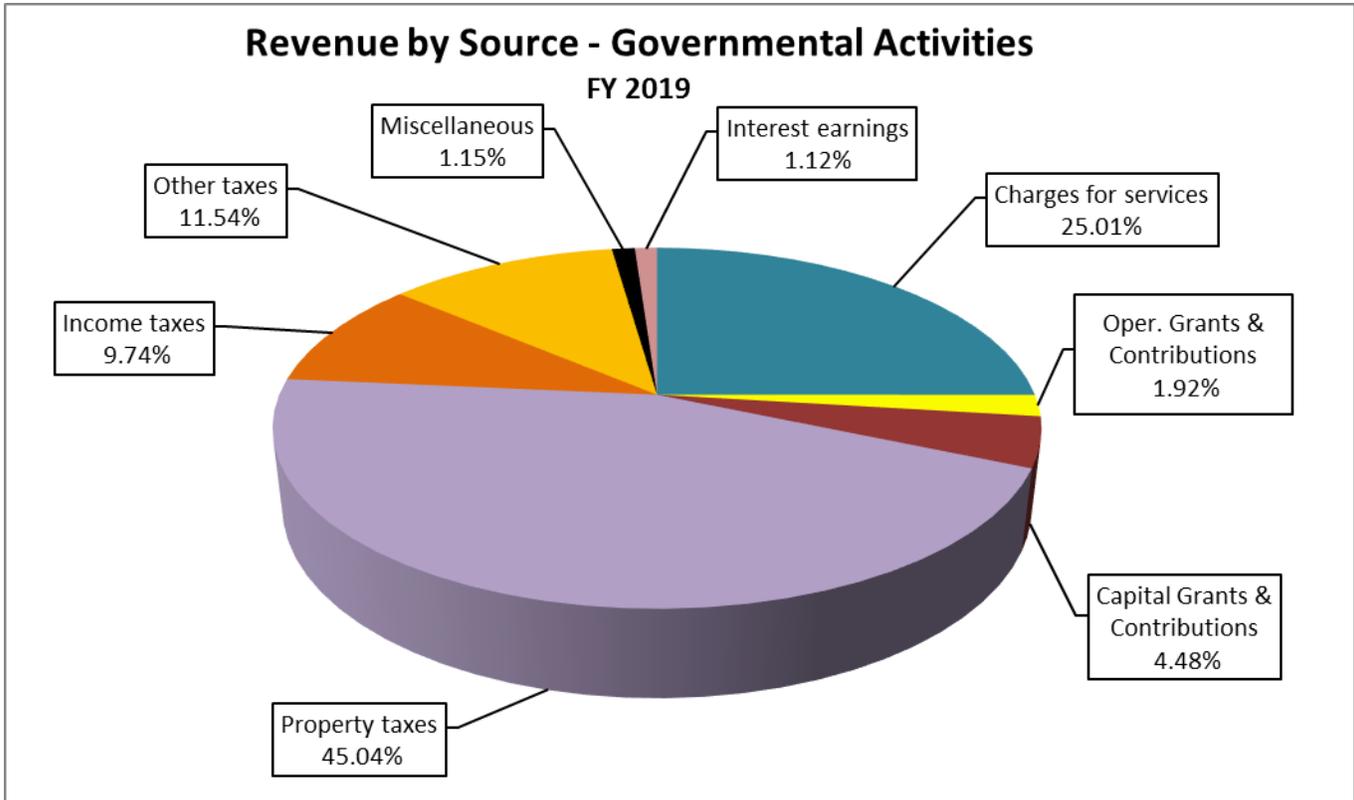
- The net of Cash and Investments increased by \$308,000
- Due from state and local governments increased by \$480,000.
- Current liabilities decreased by \$209,000
- Non-current liabilities decreased \$696,000 (primarily the net result of debt payments reducing principal by \$793,000 and an increase in the net pension liability of \$134,000)
- Deferred inflows related to pensions decreased by \$522,000

The overall increase in the City’s net position amounted to \$1,953,160 for FY 2019.

**Governmental Activities**

For FY 2019, revenue from governmental activities totaled \$22.1 million. It is comprised of program revenue of \$6.94 million (31.4% of total revenue) and general revenue of \$15.16 million, (68.6% of total revenue). General revenue, specifically property tax, income and other taxes and other miscellaneous revenue, is the principal source of funding for the governmental activities of the City.

The combination of these revenue sources resulted in an \$802,000 increase in total revenue for FY 2019 over FY 2018. A breakdown of the revenue by source is provided in the following graph:



**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

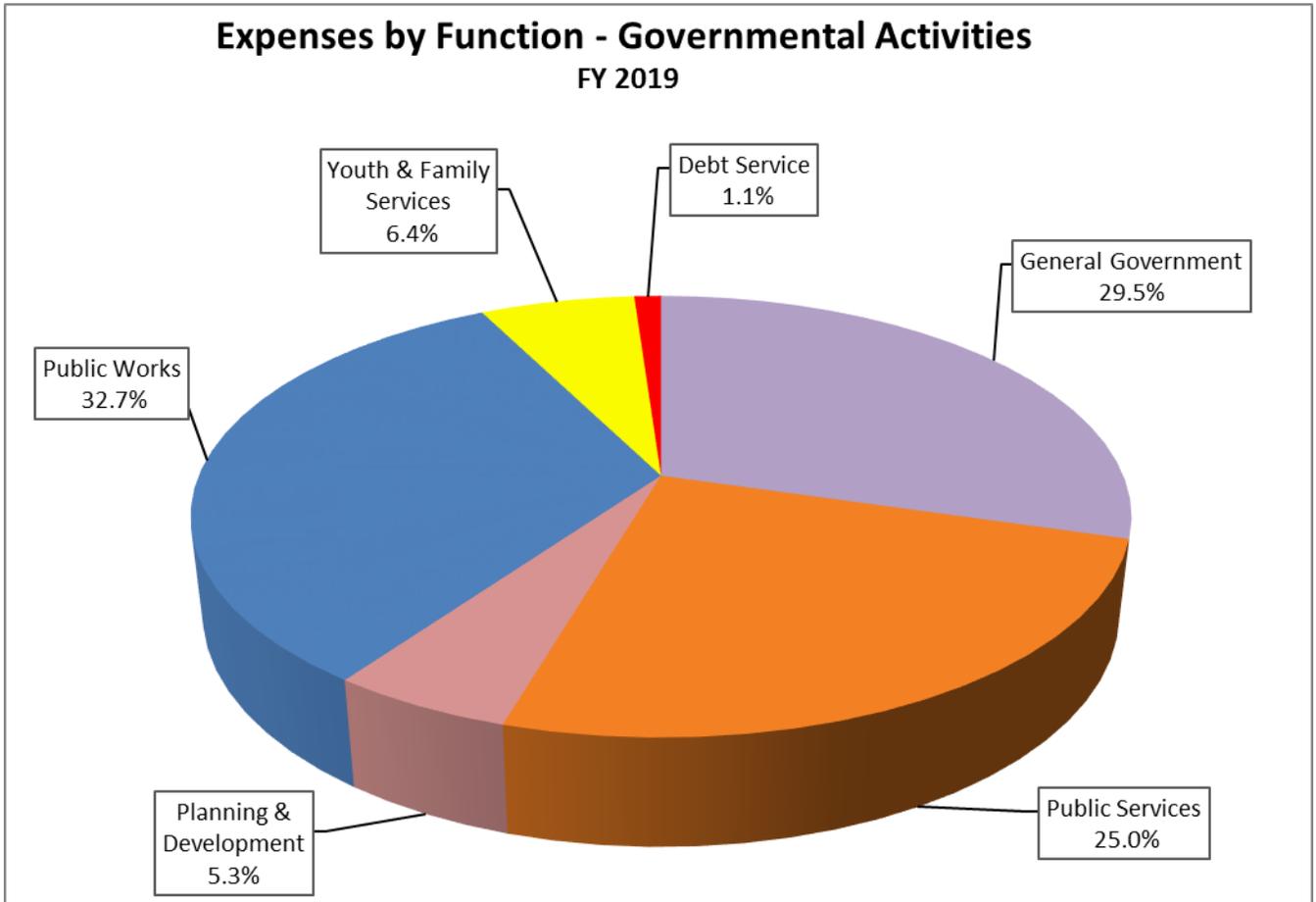
For FY 2019, expenses for governmental activities totaled \$20.14 million.

These expenses represent the costs of the core services provided by the City:

- General Government and Administration – Mayor and City Council; City Manager and City Clerk; Finance; Legal Services; Human Resources; Information Tech.; and Boards & Other Committees.
- Public Services – Contract Police; Speed Enforcement; Parking Enforcement; Code Enforcement; Animal Control; and other public safety related services.
- Planning and Zoning; Community and Economic Development.
- Public Works – Solid waste management; Streets and parking lots maintenance; Buildings and Grounds; Engineering; and Fleet services.
- Youth, and Family and Senior Services.

In comparison to FY 2018, FY 2019 total expenses increased by \$3.2 million, a 19% increase. That increase was primarily due to increases in General Government and Administration (\$1.9 million); Public Services (\$550,000); and Public Works (\$498,000); and Youth, Family and Senior Services (\$169,000).

The following graph shows the percentage of each function in relation to total expenses:

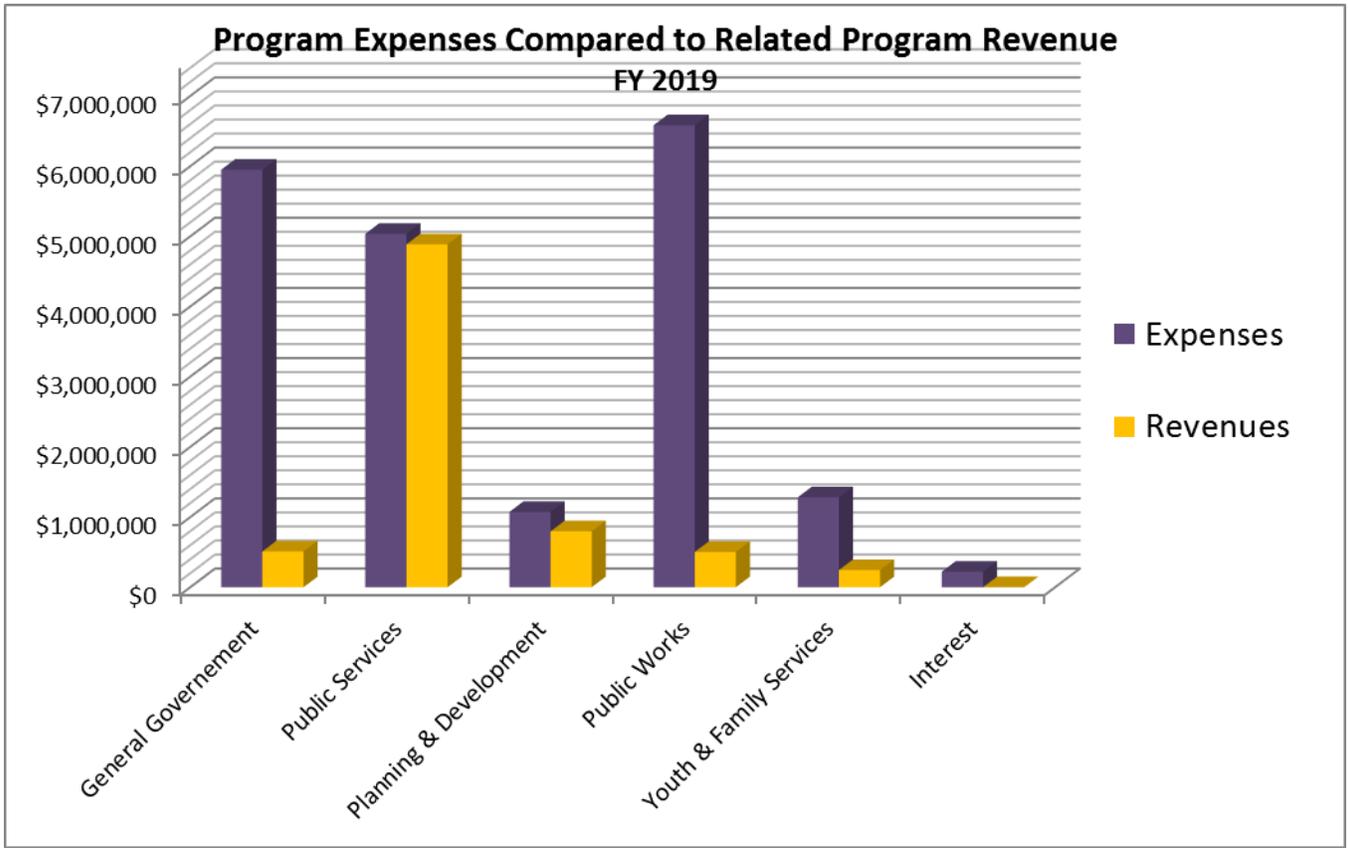


**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

The following table presents the cost and program revenue of each of the City’s five largest programs – general government and administration; public services; planning and development; youth, family and senior services; and public works – as well as each program’s net cost (total cost less fees generated by the activities and program-specific grants and contributions). A graphic display of the same information follows the table.

**Net Cost of City’s Governmental Activities**

	Expenses		Program Revenues		Net Cost of Services	
	2019	2018	2019	2018	2019	2018
General government	\$ 5,949,444	\$ 3,959,010	\$ 510,212	\$ 484,079	\$ (5,439,232)	\$ (3,474,931)
Public services	5,035,382	4,575,464	4,885,465	5,575,732	(149,917)	1,000,268
Planning and development	1,071,944	983,882	797,366	684,538	(274,578)	(299,344)
Public works	6,583,593	6,085,211	502,721	401,041	(6,080,872)	(5,684,170)
Youth, family and senior services	1,281,119	1,117,276	244,526	122,705	(1,036,593)	(994,571)
Interest expense	220,861	205,839	-	-	(220,861)	(205,839)
<b>Total</b>	<b>\$ 20,142,343</b>	<b>\$ 16,926,682</b>	<b>\$ 6,940,290</b>	<b>\$ 7,268,095</b>	<b>\$ (13,202,053)</b>	<b>\$ (9,658,587)</b>



**Business-type Activities**

Not applicable for this fiscal year.

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

**Financial Analysis of the City's Funds**

**Governmental funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is valuable in assessing the City's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government's net resources available for spending 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 FY 2019, the City's governmental funds reported combined ending fund balances of \$21.9 million. Of the total ending fund balances, \$6.8 million constitutes the unassigned fund balance, which is available for spending at the City's discretion.

General Fund:

The General Fund is the primary operating fund of the City. As of the end of FY 2019, unassigned fund balance of the General Fund was \$6.8 million, while the total fund balance was \$7.8 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 40.9% of total FY 2019 General Fund expenditures, while total fund balance represents 46.9% of the same amount.

The fund balance of the General Fund increased \$1.46 million during FY 2019, representing the excess of revenue over expenditures and other financing sources/uses. Key factors of this excess are as follows:

FY 2019 General Fund revenue increased by \$311,000 over FY 2018, comprised primarily of:

- Increases in Property Taxes of \$514,000; Hotel/Motel Tax of \$262,000; State income tax of \$94,000 and Licenses and Permits of \$108,000; and Intergovernmental Grants of \$99,000.
- Decreases in revenue from the Speed Enforcement Camera program of \$704,000; and Admissions and Amusement Tax of \$66,000.

FY 2019 General Fund expenditures increased by \$478,000 from FY 2018 as a result of the following major components:

- General Government increased by 5.4% or \$219,000, from a wide range of cost increases.
- Public Services expenditures increased by \$317,000 (7.1%) attributable to increased personnel costs.
- Expenditures for Public Works increased \$261,000 (5.0%), almost entirely due to increases in personnel costs.
- Youth and Family Services expenditures were up \$160,000 (15%), again due to increases in personnel costs.

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

- Expenditures for debt service decreased \$559,000 as a result of moving debt service to the Debt Service Fund and using surplus fund balance in that fund to provide for the required debt service payments.

Other financing sources/uses decreased by \$5.57 million in FY 2019, primarily due to a one-time, planned transfer in FY 2018 of \$4.9 million excess fund balance to the Capital Projects Fund.

Capital Projects Fund:

The Capital Projects Fund is used to account for the overall financing and expenditure for capital projects. Of the total ending fund balance of \$14.1 million, the entire amount represents authorized and funded (or partially funded) projects that have not been started or are not completed.

FY 2019 revenues increased by \$331,000 compared to the previous year while expenditures increased by \$262,000. The revenue increase resulted primarily from the net of a decrease in Intergovernmental revenue of \$301,000 and increase in Miscellaneous revenue of \$655,000. The increase in expenditures was related to project expenditures and debt service.

As noted above, for the General Fund, the Capital Projects Fund other financing sources/uses decreased by \$4.9 million in FY2019 as a result of the one-time transfer of excess unassigned fund balance from the General Fund that occurred in FY2018.

**Proprietary funds**

Not applicable for this fiscal year.

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

**General Fund Budgetary Highlights**

The General Fund final budget for FY 2019 was the same as the original adopted budget.

For FY 2019, the real property net assessable tax base increased 1.6% to \$2.61 billion. The City's real property tax rate remained unchanged at \$0.335 per \$100 of assessed value.

The personal property assessable tax base decreased 4.3% to \$131.26 million and the personal property tax rate remained at \$0.838 per \$100 of assessed value.

Actual revenues and transfers in for FY 2019 totaled \$20.79 million, which was \$165,000 more than budgeted. This was primarily due to Property taxes (\$492,000), Hotel/motel taxes (\$324,000), Income taxes (\$101,000) and Licenses and Permits (\$174,000) exceeding budgeted amounts, netted with budget shortfalls for Admissions and Amusement taxes (\$182,000) and Fines and Forfeitures (\$751,000).

Actual expenditures and transfers out for FY 2019 totaled \$19.33 million; \$1.29 million less than budgeted. This is primarily due to all functions spending less than budgeted amounts, especially Public Works, spending \$586,000 less than its budget; and the Contingency budget of \$100,000 not used.

**Capital Assets and Debt Administration**

**Capital Assets**

The City's capital assets for its governmental activities as of June 30, 2019 amounted to \$22.75 million (net of accumulated depreciation). Capital assets include land, construction-in-progress, buildings and improvements, vehicles, machinery and equipment, office equipment, communication equipment, computer hardware and software, and infrastructure.

**Capital Assets, Net of Depreciation**

	Governmental Activities	
	2019	2018
Land	\$ 5,678,204	\$ 5,419,972
Construction-in-progress	941,570	529,346
Buildings and improvements	10,535,305	11,194,091
Vehicles	1,267,348	1,186,013
Machinery and equipment	1,020,659	886,720
Office equipment	9,717	2,051
Communication equipment	21,018	32,618
Computer hardware and software	85,982	43,996
Infrastructure	3,186,999	3,509,824
Total	\$ 22,746,801	\$ 22,804,631

Note: The City had no business-type activities as of June 30, 2019 or 2018. 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  
JUNE 30, 2019**

Significant additions to governmental activities capital assets included: land - \$258,232; construction-in-progress - \$412,224; machinery and equipment - \$498,550; and vehicles - \$342,554.

Detailed information about the capital assets is presented in Note 4 to the basic financial statements.

**Debt Administration**

As of the end of FY 2019, the City had \$7.08 million in long-term debt outstanding (excluding net pension liability and compensated absences), compared with \$7.88 million at the end of FY 2018, a 10.1% decrease as a result of required debt service payments. The various components of long-term debt are shown in the following table:

<b>Outstanding Debt</b>		
	<u>2019</u>	<u>2018</u>
STI Institutional & Government, Inc. – Parking Garage Bond – 2015	\$5,960,000	\$6,353,000
Sun Trust Master Lease – 2016	823,814	1,223,657
Community Legacy Loans	<u>300,000</u>	<u>300,000</u>
Total	<u>\$7,083,814</u>	<u>\$7,876,657</u>

Note: The City had no business-type activities as of June 30, 2018 or 2019. 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 5% of the total real property taxable assessment. As of June 30, 2019, assessed valuation of such property totaled \$2.87 billion, making the City debt limit \$143 million.

Other obligations include compensated absences (accrued annual leave) and net pension liability. More detailed information about the City’s long-term obligations is presented in Note 5 to the basic financial statements.

**Economic Factors and Next Year’s Budget and Rates**

The City is located in the northwestern portion of Prince George’s County, primarily south of the intersection of Route 1 and the Capital Beltway (Interstate routes 95/495), approximately seven miles northeast of the District of Columbia boundary. Proximity to Washington, D.C. and federal government spending generally contributes to the City’s stability, as does the inclusion of the College Park campus of University of Maryland within the City’s corporate limits.

Although the state-owned property comprising the University of Maryland’s 1,500-acre campus is exempt from real property taxes, the City derives economic benefit from the University’s payment of admissions and amusement (“A&A”) tax on various University activities, most notable being college athletic events. Payment in lieu of taxes (“PILOT”) is paid on two University-owned properties. In addition, University students, faculty and staff

**CITY OF COLLEGE PARK, MARYLAND  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

own or rent residences and/or patronize local businesses, adding economic benefit and vitality to the City.

The State of Maryland’s budget situation, which varies greatly from year to year, has limited impact on the City’s budget. State highway user tax revenue has been reduced significantly in recent years. Income tax proceeds, the City’s largest source of state-shared revenue, represents a share of the County’s “piggyback” income tax, and the allocation formula does not fluctuate. Admission and amusement tax can fluctuate significantly from year-to-year (FY2019 decreased \$65,600 or 9.6%) primarily as a result of fluctuations in attendance at University of Maryland athletic events. County-shared revenue from Prince George’s County, consisting of hotel/motel tax, has been on the rise over the last few years with the opening of a number of new hotels. FY 2019 saw a 22.1% increase of \$261,000 to \$1,443,921. For comparison, FY 2015 hotel/motel tax was \$530,000.

The City’s total real property net assessed value for FY 2019 increased 1.6% from the prior year. The majority of homes in the City (as reported by NeighborhoodScout.com) placed in the price range of \$366,000 to \$487,000 with a median value of \$394,259 (for owner-occupied housing units). The survey also shows that 69.5% of the City’s single-family homes are rental properties, primarily due to the City’s location surrounding the University of Maryland campus.

Real Estate assessed values for FY 2020 increased by 9.6% (from \$2.62 billion to \$2.87 billion) primarily from new commercial development. The City’s adopted budget for FY 2020 reduced the real estate property tax rate from \$0.335 to \$0.325 per \$100 of assessed valuation. This marked the first property tax rate decrease since 2000. The personal property tax rate remained unchanged at \$0.838 per \$100 of assessed valuation. For FY 2020, General Fund revenues are budgeted at \$20,888,435, an increase of \$265,000 or 1.3% over the FY 2019 budget revenues. Real and Personal Property taxes account for 47.9% of General Fund revenues. FY 2020 General Fund expenditures, transfers and contingency equal the budgeted revenue so the increase over FY 2019 is the same as the revenue increase noted.

The Maryland Department of Labor, Licensing and Regulation (“DLLR”) reported the unemployment rate in College Park at 6.3% (up from the prior year’s 5.7%), as compared to Prince George’s County at 4.1%, and the State of Maryland at 3.9% for June 2019. According to the U.S. Census Bureau the median household income for the City was \$64,107, almost unchanged from the prior year. That exceeds the same measure for the United States of \$61,937 but is less than the State of Maryland and Prince George’s County, \$83,242 and \$84,094, respectively.

**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 8400 Baltimore Ave., Suite 375, College Park, Maryland 20740-3390 or call 240-487-3509.

# **BASIC FINANCIAL STATEMENTS**

**CITY OF COLLEGE PARK, MARYLAND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Governmental Activities	Total
<b>ASSETS</b>		
Current Assets		
Equity in pooled cash and cash equivalents	\$ 8,414,685	\$ 8,414,685
Restricted cash	13,190,135	13,190,135
Taxes receivable, net of allowances	140,061	140,061
Tickets receivable, net	320,134	320,134
Loan receivable	632,284	632,284
Due from state and local governments	1,198,451	1,198,451
Other receivables	323,829	323,829
Inventory	231,990	231,990
Prepays	150,293	150,293
Total Current Assets	24,601,862	24,601,862
Noncurrent Assets		
Net capital assets	22,746,801	22,746,801
Total Noncurrent Assets	22,746,801	22,746,801
<b>TOTAL ASSETS</b>	47,348,663	47,348,663
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	635,745	635,745
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 47,984,408	\$ 47,984,408
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$ 1,283,679	\$ 1,283,679
Accrued expenses	581,665	581,665
Other liabilities	540,257	540,257
Due to State (see Note 13)	40,657	40,657
Current portion of long-term debt	886,108	886,108
Total Current Liabilities	3,332,366	3,332,366
Noncurrent Liabilities		
Due in more than one year	9,794,067	9,794,067
Total Noncurrent Liabilities	9,794,067	9,794,067
<b>TOTAL LIABILITIES</b>	13,126,433	13,126,433
<b>DEFERRED INFLOWS OF RESOURCES</b>	1,306,615	1,306,615
<b>NET POSITION</b>		
Net investment in capital assets	15,662,987	15,662,987
Restricted for capital projects	14,104,593	14,104,593
Unrestricted	3,783,780	3,783,780
<b>TOTAL NET POSITION</b>	33,551,360	33,551,360
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	\$ 47,984,408	\$ 47,984,408

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

**CITY OF COLLEGE PARK, MARYLAND  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
General government	\$ 5,949,444	\$ 220,861	\$ 470,094	\$ 17,099	\$ 23,019	\$ (5,660,093)	\$ (5,660,093)
Public services	5,035,382	-	4,635,327	250,138	-	(149,917)	(149,917)
Planning and development	1,071,944	-	2,450	-	794,916	(274,578)	(274,578)
Public works	6,583,593	-	403,121	-	99,600	(6,080,872)	(6,080,872)
Youth, family, and senior services	1,281,119	-	13,471	158,055	73,000	(1,036,593)	(1,036,593)
Interest	220,861	(220,861)	-	-	-	-	-
Total Governmental Activities	<u>20,142,343</u>	<u>-</u>	<u>5,524,463</u>	<u>425,292</u>	<u>990,535</u>	<u>(13,202,053)</u>	<u>(13,202,053)</u>
Total Primary Government	<u>\$ 20,142,343</u>	<u>\$ -</u>	<u>\$ 5,524,463</u>	<u>\$ 425,292</u>	<u>\$ 990,535</u>	<u>\$ (13,202,053)</u>	<u>\$ (13,202,053)</u>
<b>General revenues:</b>							
<b>Taxes</b>							
Property taxes						9,952,737	9,952,737
<b>Shared revenue</b>							
Income taxes						2,151,038	2,151,038
Admissions and amusement taxes						617,488	617,488
Highway user taxes						488,501	488,501
County shared taxes (Hotel/motel)						1,443,921	1,443,921
Interest and investment earnings						246,630	246,630
Miscellaneous						254,898	254,898
Total General Revenues						<u>15,155,213</u>	<u>15,155,213</u>
Change in Net Position						1,953,160	1,953,160
Net Position, beginning of year						<u>31,598,200</u>	<u>31,598,200</u>
Net Position, end of year						<u>\$ 33,551,360</u>	<u>\$ 33,551,360</u>

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

## **Fund Financial Statements**

**CITY OF COLLEGE PARK, MARYLAND  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019**

**RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2019**

	General Fund	Capital Projects Fund	Total Governmental Funds	
<b>ASSETS</b>				
Equity in pooled cash and cash equivalents	\$ (112,159)	\$ 8,526,844	\$ 8,414,685	<i>Total Governmental Fund Balances</i> <span style="float: right;">\$ 21,911,287</span>
Investments	11,154,700	2,035,435	13,190,135	
Taxes receivable	140,061	-	140,061	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. <span style="float: right;">22,746,801</span>
Tickets receivable, net of allowance	320,134	-	320,134	
Loan receivable	632,284	-	632,284	
Due from state and local governments	1,198,451	-	1,198,451	
Due from other funds	-	4,000,000	4,000,000	Long-term liabilities, including bonds payable, OPEB and compensated absences are not due and payable in the current period and therefore are not reported in the funds. <span style="float: right;">(10,720,832)</span>
Other receivables	257,305	66,524	323,829	
Inventory	231,990	-	231,990	
Prepays	150,293	-	150,293	
<b>TOTAL ASSETS</b>	<b>13,973,059</b>	<b>14,628,803</b>	<b>28,601,862</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	-	-	-	
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 13,973,059</b>	<b>\$ 14,628,803</b>	<b>\$ 28,601,862</b>	
<b>LIABILITIES</b>				
Accounts payable	\$ 759,469	\$ 524,210	\$ 1,283,679	Receivables pertaining to revenue that is not available in accordance with modified accrual accounting are reported as deferred inflows of resources in the funds. <span style="float: right;">284,974</span>
Accrued expenditures	581,665	-	581,665	
Due to other funds	4,000,000	-	4,000,000	<i>Net Position of Governmental Activities</i> <span style="float: right;">\$ 33,551,360</span>
Other liabilities	540,257	-	540,257	
<b>TOTAL LIABILITIES</b>	<b>5,881,391</b>	<b>524,210</b>	<b>6,405,601</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	140,060	-	140,060	
Unavailable revenue - parking tickets	144,914	-	144,914	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>284,974</b>	<b>-</b>	<b>284,974</b>	
<b>FUND BALANCES</b>				
Nonspendable	1,000,729	-	1,000,729	
Restricted	-	14,104,593	14,104,593	
Unassigned	6,805,965	-	6,805,965	
<b>TOTAL FUND BALANCES</b>	<b>7,806,694</b>	<b>14,104,593</b>	<b>21,911,287</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,973,059</b>	<b>\$ 14,628,803</b>	<b>\$ 28,601,862</b>	

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

**CITY OF COLLEGE PARK, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 14,625,268	\$ -	\$ 14,625,268
Licenses and permits	1,337,202	173,800	1,511,002
Intergovernmental	425,292	365,535	790,827
Charges for services	977,201	178,394	1,155,595
Fines and forfeitures	2,829,086	34,230	2,863,316
Investment revenue	223,073	23,557	246,630
Miscellaneous	121,161	758,737	879,898
<b>Total Revenues</b>	<u>20,538,283</u>	<u>1,534,253</u>	<u>22,072,536</u>
<b>EXPENDITURES</b>			
Current Operations			
General government	4,300,545	544,687	4,845,232
Public services	4,768,201	133,208	4,901,409
Planning and development	788,652	125,843	914,495
Public works	5,497,554	120,795	5,618,349
Youth, family and senior services	1,221,941	-	1,221,941
Capital outlay	60,894	2,430,638	2,491,532
Debt service:			
Principal	-	792,843	792,843
Interest	-	220,861	220,861
Other	-	-	-
<b>Total Expenditures</b>	<u>16,637,787</u>	<u>4,368,875</u>	<u>21,006,662</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>3,900,496</u>	<u>(2,834,622)</u>	<u>1,065,874</u>
<b>Other financing sources (uses)</b>			
Transfers in	250,000	2,692,781	2,942,781
Transfers out	(2,692,781)	(250,000)	(2,942,781)
<b>Total other financing sources (uses)</b>	<u>(2,442,781)</u>	<u>2,442,781</u>	<u>-</u>
<b>Net change in fund balance</b>	1,457,715	(391,841)	1,065,874
<b>Fund balance, beginning of year</b>	<u>6,348,979</u>	<u>14,496,434</u>	<u>20,845,413</u>
<b>Fund balance, end of year</b>	<u>\$ 7,806,694</u>	<u>\$ 14,104,593</u>	<u>\$ 21,911,287</u>

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ 1,065,874
Pension expense pertaining to the net pension liability is not reported in the funds.	87,252
Repayment of debt principal is reported in governmental funds; however, in the statement of activities, it is recorded as a reduction in long-term debt. This is the amount of principal debt repayment.	792,843
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$1,757,776) exceeded capital outlays (\$1,699,946) in the current period.	(57,830)
Difference in accounting for compensated absences between modified accrual and accrual accounting.	42,054
Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance current expenditures. Accrual-basis recognition is not limited by availability. This is the difference in revenue recorded under modified accrual and accrual basis per the Statement of Activities.	22,967
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 1,953,160</u>

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

**CITY OF COLLEGE PARK, MARYLAND  
STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND  
JUNE 30, 2019**

**ASSETS**

Investments:

Mutual funds	\$	6,164,405
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Annuity contracts		692,993
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Participant loans		217,779
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<b>TOTAL ASSETS</b>		7,075,177
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**DEFERRED OUTFLOWS OF RESOURCES**

-	
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**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

\$ 7,075,177	
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**LIABILITIES**

Accounts payable	\$	-
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Total liabilities		-
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**DEFERRED INFLOWS OF RESOURCES**

-	
---	--

**NET POSITION**

Held in trust for pension benefits		7,075,177
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**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

\$ 7,075,177	
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The accompanying notes to these financial statements are an integral part of these statements.

**CITY OF COLLEGE PARK, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**ADDITIONS**

Contributions		
Employer contributions	\$ 54,112	
Total contributions	54,112	
Investment Income		
Interest income	-	
Dividends	-	
Net increase in fair value of investments	330,740	
Net investment income (loss)	330,740	
Total additions	384,852	

**DEDUCTIONS**

Benefit payments	375,065	
Administrative expenses	11,335	
	386,400	
<b>Change in net position</b>	<b>(1,548)</b>	
<b>Net position held in trust for pension benefits, beginning of year</b>	<b>7,076,725</b>	
<b>Net position held in trust for pension benefits, end of year</b>	<b>\$ 7,075,177</b>	

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

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial 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 as applicable to government 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 whether to include a potential component unit in the reporting entity was made by applying the criteria set by the Governmental Accounting Standards Board. Component units are legally separate organizations for which the elected officials of the City are financially accountable and a financial benefit or burden relationship exists. In addition, component units can be other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading. Based upon the application of criteria set by the Governmental Accounting Standards Board, there are no separate component units of the City.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Basis of Accounting**

**Government-Wide Financial Statements**

The statement of net position and the statement of activities present information on all the non-fiduciary 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.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-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 government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are fiduciary fund financial statements. Revenue is recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Real 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 sixty days after the end of the current fiscal period. Expenditures are generally 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.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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.

Fiduciary Fund – The Pension Trust Fund is used to account for pension assets held by the City or its agent in a trustee capacity.

**Budgets and Budgetary Data**

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

1. 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 in the following July 1.
2. 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 accounting principles generally accepted in the United States of America except for the inclusion of an appropriation from fund balance, if necessary. See page 46 for a reconciliation of the budget between non-GAAP and GAAP. Budgeted amounts may be amended during the fiscal year. All annual appropriations lapse at fiscal year-end.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

3. 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.
4. The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is the department level.
5. 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 change in budget.
6. There were no budget amendments for FY2019. The General Fund final budget for FY 2019 was the same as the original adopted budget.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

7. 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.
8. 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.

**Investments**

Pension Trust Fund investments are stated at fair value. The U.S. government and agency obligations and investments in the local government investment pool are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. All accrued interest is recorded as a receivable for the period earned.

**Inventory**

Inventory is valued at cost on the consumption method (first-in, first-out method). Inventory consists of expendable supplies held for consumption. The cost is recorded as expenditures 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.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Capital Assets**

Capital assets consist of infrastructure, land, buildings, and equipment with an initial individual cost of more than \$2,000 and an estimated useful life in excess of three to five years. Such assets are recorded at historical cost. Donated capital assets are recorded at an estimated fair value at the date of donation, except for donated capital assets received in service concession arrangement which are recorded at acquisition value.

Major outlays for capital assets and improvements are capitalized as projects are constructed, and costs of uncompleted projects are accumulated in construction-in-progress, which is carried at the lower of cost or market.

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

Infrastructure	15 years
Land improvements	15 years
Buildings and improvements	15 – 40 years
Equipment	5 – 15 years
Vehicles	7 years
Computer hardware and software	3 years

**Unavailable Revenue**

Unavailable 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.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Compensated Absences**

During the first three years, each eligible full time employee shall earn 12 days (96 hours) annual leave. After three years through fourteen years of service, all full time employees earn 18 days (144 hours). With 15 or more years of service, they shall earn 24 days (192 hours). Department heads and the City Clerk shall 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 5 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 rollover a maximum of 320 hours of annual leave into the next calendar year. Excess leave over and above 320 hours at any time during the year will be forfeited.

The government-wide financial statements record an expense and liability when employees earn compensated absence. Governmental fund financial statements record a liability for compensated absences when paid or expected to be paid within 60 days of year end.

**Sick Leave**

Each regular full time employee shall accrue sick leave at the rate of one and one quarter (1-1/4) days per full calendar month of service. This is the equivalent of fifteen (15) days per year or 120 hours. Eligible part time employees accrue leave proportional to a 40-hour week.

Sick leave shall not accrue if full time employee has more than five (5) days leave without pay (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 shall not be paid for accumulated unused sick leave at the time of termination of employment with the City unless the employee retires.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Fund Balance**

As of June 30, 2019, fund balances for 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 City Council policy. These amounts cannot be used for any other purpose unless City Council removes the specified use by taking the same type of action (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.

It is the policy of the City to maintain a minimum general fund unassigned fund balance to be used for unanticipated emergencies of approximately 25 percent of all general operating expenditures in the following fiscal year measured on a GAAP basis. In the event the unassigned fund balance drops below this minimum level, the City shall plan to adjust budgeted resources in the subsequent fiscal years to restore the balance.

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, than 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 to GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**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 (Pool). The Pool was established under Article 95, Section 220 of the Annotated Code of Maryland and is under the administrative control of the State Treasurer. PNC Institutional Investments is currently contracted to operate the Pool and may invest in any instrument permitted by Section 6-222 of the State Finance and Procurement Article. The City's fair value position in the Pool is the same as the value of the Pool shares. The City's investment in the Pool is available for use by all of the City's funds. The Pension Trust Funds invest in guaranteed annuity contracts and selected mutual funds as determined by the participants.

The City utilizes the pooled cash and investments concept for financial reporting purposes. The Pension Trust Funds maintain the pension trust investments which are excluded from the City's pool. Each fund is apportioned with its respective share of pooled cash and investments as reflected in the balance sheet. There were no restricted investments as of June, 30, 2019.

**Custodial Credit Risk** – Deposits: 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% collateralization of deposits. The carrying amount of total deposits, for the City was, \$8,414,685, and the bank balance was \$8,429,572 as of June 30, 2019. The bank balance was covered by Federal depository insurance or by collateral held by the depository's agent in the City's name.

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. Investment balances are covered by insurance on balances up to \$250,000 (with an FDIC limit for cash) or 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 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.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS – continued**

**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 and 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 17% (\$1,864,370) in the state’s local government investment pool. For more information, contact, the City of College Park Finance Department, 8400 Baltimore Avenue, Suite 375, College Park, MD 20740.

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2019:

- Bank certificates of deposits of approximately \$4.75 million are valued using quoted market prices (Level 1 inputs).
- U.S. Governmental Bonds of \$4.6 million are valued using quoted market prices (Level 1 inputs).
- Local government investment trust of approximately \$1.8 million which is measured at net asset value. These investments have no unfunded commitments and have no significant restrictions on redemption timing or notice period.
- Money market fund approximately \$2.0 million are valued using quoted market prices (Level 1 inputs).

**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 Plan employs ICMA-RC and MetLife as third party administrators of the assets.

**Cash:** As of June 30, 2019, the Plan had no cash with the Plan’s trustee.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 – CASH AND INVESTMENTS – continued**

**Investments:** The City has employed ICMA-RC and MetLife to invest the assets of the Plan. The City does not have a formalized investment policy for the Plan.

The City has the following recurring fair value measurements for the Plan as of June 30, 2019:

- Equity mutual funds of approximately \$4.2 million are valued using quoted market prices (Level 1 inputs).
- Stable value funds of approximately \$1.4 million which is measured at net asset value. These investments have no unfunded commitments and have no significant restrictions on redemption timing or notice period.
- Bond mutual funds of approximately \$0.3 million are valued using quoted market prices (Level 1 inputs).
- Annuities of approximately \$0.7 million are valued using a matrix based pricing model (level 2 inputs).

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

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

**Custodial Credit Risk:** All investments of the funds are held by ICMA-RC and MetLife as third party administrators in the Plan's name.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3 – PROPERTY TAXES**

The City levies taxes on non-exempt real and business personal property located within its boundaries. Prince George’s County bills and collects all real estate 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, 2019, 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 \$0.335 for real property and \$0.838 for personal property per \$100 of assessed value for fiscal year 2019. Asset values are established by the State Department of Assessments and Taxation (SDAT). Real and personal property are assessed at 100% of estimated value. The assessed value of taxable real and personal property as of July 1, 2018 (for FY2019) at full value was approximately \$2,885,496,587.

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

- Tax levy date - July 1
- Payment due date, non-residential - September 30; Delinquent date - October 1
- First installment due date, residential property - September 30
- Second installment due date, residential property – December 31; Delinquent date – January 1
- Lien date – July 1
- Tax sale date – May 5 of the next year

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	\$ 5,419,972	\$ 258,232	\$ -	\$ 5,678,204
Construction in progress	529,346	412,224	-	941,570
Subtotal	<u>5,949,318</u>	<u>670,456</u>	<u>-</u>	<u>6,619,774</u>
Depreciable capital assets:				
Vehicles	3,663,026	342,554	27,730	3,977,850
Machinery and equipment	4,209,117	498,550	102,867	4,604,800
Office equipment	304,554	9,256	-	313,810
Buildings and improvements	18,917,438	7,320	-	18,924,758
Communication equipment	392,746	-	-	392,746
Computer hardware and software	817,327	99,526	23,996	892,857
Infrastructure	6,055,878	72,284	-	6,128,162
Subtotal	<u>34,360,086</u>	<u>1,029,490</u>	<u>154,593</u>	<u>35,234,983</u>
Total capital assets	<u>40,309,404</u>	<u>1,699,946</u>	<u>154,593</u>	<u>41,854,757</u>
Accumulated depreciation:				
Vehicles	2,477,013	261,219	27,730	2,710,502
Machinery and equipment	3,322,397	364,611	102,867	3,584,141
Office equipment	302,503	1,590	-	304,093
Buildings and improvements	7,723,347	666,107	-	8,389,454
Communication equipment	360,128	11,600	-	371,728
Computer hardware and software	773,331	57,540	23,996	806,875
Infrastructure	2,546,054	395,109	-	2,941,163
Subtotal, accumulated depreciation	<u>17,504,773</u>	<u>1,757,776</u>	<u>154,593</u>	<u>19,107,956</u>
Net capital assets	<u>\$ 22,804,631</u>	<u>\$ (57,830)</u>	<u>\$ -</u>	<u>\$ 22,746,801</u>

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

General government	\$ 441,932
Public safety	133,973
Planning and development	157,449
Public works	965,244
Youth and family services	59,178
	<u>\$ 1,757,776</u>

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 – LONG-TERM OBLIGATIONS**

Long-term obligations include the long-term portion of compensated absences payable, community legacy loans, and the STI Institutional & Government, Inc. Tax Exempt parking garage bond. On June 16, 2015, the City refunded the SunTrust Bank Tax Exempt Parking Garage Bond of 2011 (SunTrust Bond) at \$7,075,000 and issued the STI Institutional & Government, Inc. Tax Exempt Parking Garage Bond of 2015 (STI Bond) in the principal amount of \$7,075,000. The STI Bond matures on October 15, 2031, the same maturity date as the SunTrust Bond. Both bonds are secured by the full faith and credit of the City. Installments on the STI Bond are payable on a semi-annual basis and total approximately \$560,000 per year, including principal and interest; however, the interest savings are primarily applied through debt service reductions in fiscal years 2016 and 2017. The final payment is due October 15, 2031.

During the year ended June 30, 2016, the City entered into a \$2,000,000 master lease to purchase vehicles and other equipment. This is a five year lease agreement and bears interest at 1.98%. Installments are payable monthly in the amount of \$35,038, including principal and interest. The final payment is due June 28, 2021.

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. These loan agreements are at 0% interest. As of June 30, 2019, the City owed \$300,000 in Community Legacy loans.

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

	Beginning Balance	Additions	Retirements	Ending Balance	Amount due in one year
Suntrust Master Lease	\$ 1,223,657	\$ -	\$ (399,843)	\$ 823,814	\$ 407,833
Parking Garage Bond	6,353,000	-	(393,000)	5,960,000	403,000
Community Legacy loans	300,000	-	-	300,000	-
Net Pension liability	2,860,947	133,652	-	2,994,599	-
Compensated absences	643,816	-	(42,054)	601,762	75,275
Total	<u>\$ 11,381,420</u>	<u>\$ 133,652</u>	<u>\$ (834,897)</u>	<u>\$ 10,680,175</u>	<u>\$ 886,108</u>

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 5 – LONG-TERM OBLIGATIONS – continued**

The annual debt service requirements for outstanding long-term debt as of June 30, 2019, including principal and interest are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 403,000	\$ 156,055	\$ 559,055
2021	565,000	144,971	709,971
2022	425,000	133,589	558,589
2023	438,000	121,896	559,896
2024	449,000	109,877	558,877
2025-2029	2,588,000	357,286	2,945,286
2030-2032	1,392,000	50,921	1,442,921
Total	<u>\$ 6,260,000</u>	<u>\$ 1,074,595</u>	<u>\$ 7,334,595</u>

The annual debt service requirements for the outstanding lease as of June 30, 2019, including principal and interest, are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>
2020	\$ 420,456
2021	420,456
Total	<u>840,912</u>
Less amounts representing interest:	<u>17,098</u>
Principal due:	<u>\$ 823,814</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, 2019, this provision limits indebtedness to \$143,450,960. The general fund has been historically used to liquidate the liability for compensated absences.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6 – INVENTORIES**

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

**NOTE 7 – RISK MANAGEMENT**

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

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

LGIT is a total risk and cost sharing pool for all participants. In the event that the Trust's General Fund falls into 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 could also 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, 2019, and the amount of settlements has not exceeded coverage for each of the past three years.

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

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 – 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 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's match depends on the employee contribution amount and their years of service. The deferred compensation plan is not available to employees until termination of employment, retirement, death or unforeseeable emergency. The plan is administered by the IMCA 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 compensation plan for 2019 were \$486,421.

**NOTE 9 – EMPLOYEES' RETIREMENT PLAN**

Plan Description

The city maintains a single employer defined contribution pension plan which covered all regular employees, but now covers all employees who did not elect or are not eligible to join the Reformed Contributory Pension Benefit Plan (RCPBP). In a defined contribution plan, the benefits depend solely on amounts contributed to the plan plus investment earnings. The City Council has the authority to establish and amend benefits 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 eighteenth birthday. The City currently contributes 6.5% of eligible employees' compensation quarterly for participants. Employees hired before September 1, 2001 are 100% vested upon participation in the plan; employees hired after September 1, 2001 will vest at 20% per year until fully vested after 5 years of participation. Voluntary contributions by employees, limited to 10% of after-tax compensation, and 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% vested.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – EMPLOYEES’ RETIREMENT PLAN – continued**

Plan assets are segregated between two separate trustees. \$6,382,184 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, \$692,993 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 as third party administrator.

The City’s payroll in fiscal year 2019 was approximately \$8.3 million. Total contributions to the 401(a) plan for 2019, 2018 and 2017, were approximately \$54,000, \$55,000, and \$53,000, respectively.

General Information About the Pension Plan

The majority of employees of the City are provided with pensions through the Employees Retirement System of the State of Maryland (ERS) – a cost sharing multiple employer defined benefit pension plan administered by the Maryland State Retirement and Pension System (the System). The State Personnel and Pension Article of the Annotated Code of Maryland (the Article), grants authority to establish and amend benefit terms of ERS to the System’s Board of Trustees. The System issued a publicly available financial report that can be obtained at [www.sra.state.md.us/Agency/Downloads/CAFR/](http://www.sra.state.md.us/Agency/Downloads/CAFR/).

At the time of entry, the City purchased 60% prior service credit for credible and eligibility service for those employees eligible and electing to join the pension plan. All eligible employees hired on or after July 1, 2014 were required to join the pension plan.

**Benefits Provided:** A member of the RCPBP is generally eligible for full retirement benefits if the member is at least 65 and has accrued 10 years of eligibility service, or if the member’s combined age and eligibility service equals at least 90 years. The annual retirement allowance equals 1.50% of the member’s average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

**Early Service Retirement:** A member of RCPBP may retire with reduced benefits at age 60 with 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until retiree attains age 65. The maximum reduction for early service is 30%.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – EMPLOYEES’ RETIREMENT PLAN – continued**

***Disability and Death Benefits:*** The RCPBP provides benefits for two types of disability retirement: ordinary and accidental. To be eligible for ordinary disability, the employee must have 5 years of eligibility service prior to being permanently disabled. For ordinary disability, the benefit is the same as normal service retirement benefit using credible service projected at age 65. Accidental disability covers permanent and total disability caused by an accident in the performance of the employee’s duties. For accidental disability, the benefit is 2/3 of average final compensation plus accumulated employee contributions paid as an annuity. This benefit can be paid at day one of employment. Death benefits are equal to a member’s annual salary as of the date of death plus all member contributions and interest.

***Contributions:*** The article sets contribution requirements of the active employees and the participating governmental units may be amended by the System Board. Employees are required to contribute 7% of their annual base pay, not including overtime or incentive pay. The City’s contractually required contribution rate for the year ended June 30, 2019 was 5.5% of covered payroll, totaling approximately \$353,052, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2019, the City reported a liability of approximately \$2,994,599 for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the ERS net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of the measurement date of June 30 2018, the City’s proportion for ERS was 0.0143 percent, which was substantially the same from its proportion measured as of June 30, 2017.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – EMPLOYEES’ RETIREMENT PLAN – continued**

For the year ended June 30, 2019, the City recognized pension expense for ERS of approximately \$72 thousand. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after the measurement date	\$ 353,022	\$ -
Changes of assumptions	123,071	-
Net difference between actual and expected experience	-	201,140
Net difference between projected and actual investment earnings	159,652	-
Change in proportionate share	-	1,105,475
	<u>\$ 635,745</u>	<u>\$ 1,306,615</u>

As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to ERS and related amortization from the following sources:

Year End June 30,	Net Difference in Investment Earnings	Changes in Assumptions	Actual and Expected Experience	Change in proportionate share	Net
2020	\$ 155,669	\$ 59,657	\$ 70,219	\$ 416,767	\$ (271,660)
2021	42,805	52,807	67,416	416,767	(388,571)
2022	(32,815)	6,972	47,696	350,593	(424,132)
2023	(6,037)	3,635	15,809	(78,652)	60,441
2024	-	-	-	-	-
	<u>\$ 159,622</u>	<u>\$ 123,071</u>	<u>\$ 201,140</u>	<u>\$ 1,105,475</u>	<u>\$ (1,023,922)</u>

\$353,052 reported as deferred outflows of resources related to ERS resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the ERS net pension liability in the year ended June 30, 2020.

*Information included in the MSRPS financial statements*

Actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate and pension plan fiduciary net position are available at [www.sra.state.md.us/Agency/Downloads/CAFR/](http://www.sra.state.md.us/Agency/Downloads/CAFR/).

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 – EMPLOYEES’ RETIREMENT PLAN – continued**

*Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate*

The City’s proportionate share of the ERS net pension liability calculated using the discount rate of 7.45% is \$2,994,599. Additionally, the City’s proportionate share of the ERS net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (6.45%) is \$4,313,250 or 1-percentage-point higher (8.45%) is \$1,900,213.

**NOTE 10 – 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 11 – 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 \$205,000 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 8400 Baltimore Avenue, Suite 375 College Park, Maryland 20740.

**NOTE 12 – CONCENTRATION OF RISK**

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

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 13 – COMPTROLLER OF THE TREASURY OF MARYLAND V. WYNNE**

In 2015, in *Comptroller of the Treasury of Maryland v. Wynne*, the Supreme Court invalidated a portion of Maryland’s personal income tax scheme after determining that it inherently burdened the earnings of individuals who resided in one state but earned income in another.

In response, Maryland has enacted corrective legislation allowing a credit for Maryland residents against personal income tax for income taxed by other states. The Court had ruled that the failure of Maryland law to allow such a credit rendered Maryland’s personal income tax scheme unconstitutional.

As of June 2019, the Comptroller’s Office states that the fiscal impact of the ruling on the City will be approximately \$40,657 of refunds for prior years’ taxes, and a minimal estimated reduction each year going forward.

The estimated amount of refunds to be paid has been recorded as a contingency loss on the Statement of Activities, and as a noncurrent liability on the Statement of Net Position, as the City will not be required to start reimbursing the State until the fourth quarter of fiscal year 2021, and will be repaid over a period of five years as a reduction in income tax distribution.

**NOTE 14 – COMMITMENTS**

As of June 30, 2019, the City was committed to capital projects for the New City Hall Project for a total of \$2,398,435 with \$941,570 spent through June 30, 2019 and with a remaining commitment of \$1,456,865.

**CITY OF COLLEGE PARK, MARYLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 15 - DIFFERENCES BETWEEN GAAP AND BUDGET BASIS**

The financial statements and notes conform to GAAP. The budget is prepared on a basis not consistent with GAAP. The budget deviates from GAAP because it includes a transfer to reserves as a budgeted expenditure. The reconciliation between the non-GAAP budget and GAAP follows:

Budgeted excess of revenue over (under) expenditures - Non-GAAP basis	\$	-
Add: Prior years' surplus - expenditures		10,290,386
Less: Prior years' surplus -revenues		<u>(2,692,781)</u>
Budgeted excess of revenue over (under) expenditures - GAAP basis	\$	<u>7,597,605</u>

**NOTE 16 – FUND BALANCE REPORTING**

Fund balances for the City’s governmental funds consisted of the following as of June 30, 2019:

**Non-Spendable Fund Balance**

The non-spendable fund balance in the general fund in the amount of \$1,000,729 is made up of inventory, prepaid expenses, and receivables that are not in spendable form.

**Restricted Fund Balance**

The restricted fund balance in the capital projects fund is comprised of \$14,104,593 for capital expenditures.

**Unassigned Fund Balance**

The unassigned fund balance in the general fund is \$6,805,965.

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued the following statements:

Statement No. 84, *Fiduciary Activities*, issued January 2018, effective for financial statements for fiscal years beginning after December 15, 2018.

Statement No. 87, *Leases*, issued June 2018, effective for financial statements for fiscal years beginning after December 15, 2019.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018, effective for reporting periods beginning after December 15, 2019.

The City will implement these statements as necessary as of their effective dates. The City is still in the process of determining the effect of implementing these GASB statements.

**NOTE 18 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 19, 2019, the date that the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements. However, management determined that the following event warrant disclosure in the notes to the financial statements.

On October 17, 2019 the City issued \$16.37 million Public Improvements Bonds of 2019 (the “Bonds”). The proceeds of the Bonds will be used to finance the costs of two projects – a new City Hall building and renovations to Duvall Field, the City’s primary public park. The Bonds were sold at a premium with the \$16.37 million par amount providing total proceeds of \$17.5 million. The bonds mature on October 1, 2049, with annual debt service of approximately \$901,000 for the first 20 years and \$600,000 for the final 10 years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF COLLEGE PARK, MARYLAND

Required Supplementary Information for Pension  
For the Year Ended June 30, 2019

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the ERS net pension liability (asset)	0.0143%	0.0124%	0.013%	0.024%
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,994,599</u>	<u>\$ 2,860,947</u>	<u>\$ 3,049,355</u>	<u>\$ 5,125,562</u>
Total	<u><u>\$ 2,994,599</u></u>	<u><u>\$ 2,860,947</u></u>	<u><u>\$ 3,049,355</u></u>	<u><u>\$ 5,125,562</u></u>
City's covered payroll	\$ 6,007,221	\$ 5,773,401	\$ 5,593,879	\$ 5,138,767
City's proportionate share of the NPL (asset) as a percentage of its covered payroll	49.85%	49.55%	54.51%	99.74%
Plan fiduciary net position as a percentage of the total pension liability	71.18%	69.38%	65.79%	68.78%

These schedules are presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2015 is not available.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (ERS)	\$ 353,052	\$ 307,003	\$ 298,195	\$ 288,589
Contributions in relation to the contractually required contribution	<u>353,052</u>	<u>307,003</u>	<u>298,195</u>	<u>288,589</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
City's covered payroll	\$ 6,744,190	\$ 5,773,401	\$ 5,593,879	\$ 5,138,767
Contributions as a percentage of covered payroll	5.23%	5.32%	5.33%	5.62%

**CITY OF COLLEGE PARK, MARYLAND**  
**SCHEDULE OF REVENUES AND TRANSFERS-IN**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
Property taxes				
Real property taxes	\$ 8,329,117	\$ 8,329,117	\$ 8,794,160	\$ 465,043
Personal property taxes	1,103,300	1,103,300	1,130,160	26,860
Total Property taxes	<u>9,432,417</u>	<u>9,432,417</u>	<u>9,924,320</u>	<u>491,903</u>
Income taxes	<u>2,050,000</u>	<u>2,050,000</u>	<u>2,151,038</u>	<u>101,038</u>
Admissions and amusement taxes	<u>800,000</u>	<u>800,000</u>	<u>617,488</u>	<u>(182,512)</u>
State shared taxes				
Highway user revenue	<u>484,672</u>	<u>484,672</u>	<u>488,501</u>	<u>3,829</u>
County shared taxes				
Hotel/motel tax	<u>1,120,000</u>	<u>1,120,000</u>	<u>1,443,921</u>	<u>323,921</u>
Licenses and permits	<u>1,163,200</u>	<u>1,163,200</u>	<u>1,337,202</u>	<u>174,002</u>
Intergovernmental				
State grants	321,574	321,574	327,193	5,619
County grants	<u>42,717</u>	<u>42,717</u>	<u>98,099</u>	<u>55,382</u>
Total intergovernmental grants	<u>364,291</u>	<u>364,291</u>	<u>425,292</u>	<u>61,001</u>
Charges for services	<u>1,062,098</u>	<u>1,062,098</u>	<u>977,201</u>	<u>(84,897)</u>
Fines and forfeitures	<u>3,580,200</u>	<u>3,580,200</u>	<u>2,829,086</u>	<u>(751,114)</u>
Investment revenue	<u>192,000</u>	<u>192,000</u>	<u>223,073</u>	<u>31,073</u>
Miscellaneous	<u>124,335</u>	<u>124,335</u>	<u>121,161</u>	<u>(3,174)</u>
Transfers-in	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
<b>TOTAL REVENUES AND TRANSFERS-IN</b>	<u><u>\$ 20,623,213</u></u>	<u><u>\$ 20,623,213</u></u>	<u><u>\$ 20,788,283</u></u>	<u><u>\$ 165,070</u></u>

**CITY OF COLLEGE PARK, MARYLAND**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS OUT**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
Mayor and City Council				
Personnel	\$ 80,773	\$ 80,773	\$ 76,275	\$ 4,498
Operating	613,897	613,897	579,363	34,534
Total Mayor and City Council	<u>694,670</u>	<u>694,670</u>	<u>655,638</u>	<u>39,032</u>
City attorney	<u>216,000</u>	<u>216,000</u>	<u>182,152</u>	<u>33,848</u>
City Manager and Clerk				
Personnel	\$ 749,348	\$ 749,348	\$ 796,637	\$ (47,289)
Operating	64,950	64,950	45,297	19,653
Total City Manager and Clerk	<u>814,298</u>	<u>814,298</u>	<u>841,934</u>	<u>(27,636)</u>
Human Resources, Communications and Other				
Personnel	\$ 506,001	\$ 506,001	\$ 495,211	\$ 10,790
Operating	236,999	236,999	144,125	92,874
Total Human Resources, Communications and Other	<u>743,000</u>	<u>743,000</u>	<u>639,336</u>	<u>103,664</u>
Finance and Information Tech.				
Personnel	\$ 1,350,634	\$ 1,350,634	\$ 1,208,330	\$ 142,304
Operating	668,206	668,206	773,155	(104,949)
Capital outlays	13,670	13,670	12,020	1,650
Total Finance and Information Tech.	<u>2,032,510</u>	<u>2,032,510</u>	<u>1,993,505</u>	<u>39,005</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>4,500,478</u>	<u>4,500,478</u>	<u>4,312,565</u>	<u>187,913</u>
<b>PUBLIC SERVICES</b>				
Parking, Code, Speed Enforcement and Animal Control				
Personnel	\$ 2,029,174	\$ 2,029,174	\$ 1,944,930	\$ 84,244
Operating	1,649,226	1,649,226	1,594,507	54,719
Capital outlays	9,450	9,450	-	9,450
Total Parking, Code, Speed Enforcement and Animal Control	<u>3,687,850</u>	<u>3,687,850</u>	<u>3,539,437</u>	<u>148,413</u>
Contract Police				
Personnel	\$ 930,488	\$ 930,488	\$ 866,087	\$ 64,401
Operating	335,226	335,226	362,677	(27,451)
Capital outlays	-	-	-	-
Total Contract Police	<u>1,265,714</u>	<u>1,265,714</u>	<u>1,228,764</u>	<u>36,950</u>
<b>TOTAL PUBLIC SERVICES</b>	<u>4,953,564</u>	<u>4,953,564</u>	<u>4,768,201</u>	<u>185,363</u>

**CITY OF COLLEGE PARK, MARYLAND**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS OUT**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable/ (Unfavorable)
<b>PLANNING AND DEVELOPMENT</b>				
Personnel	\$ 617,698	\$ 617,698	\$ 582,599	\$ 35,099
Operating	370,642	370,642	206,053	164,589
<b>TOTAL PLANNING AND DEVELOPMENT</b>	<u>988,340</u>	<u>988,340</u>	<u>788,652</u>	<u>199,688</u>
<b>PUBLIC WORKS</b>				
Personnel	\$ 4,105,126	\$ 4,105,126	\$ 3,863,630	\$ 241,496
Operating	1,956,760	1,956,760	1,633,924	322,836
Capital outlays	39,820	39,820	18,124	21,696
<b>TOTAL PUBLIC WORKS</b>	<u>6,101,706</u>	<u>6,101,706</u>	<u>5,515,678</u>	<u>586,028</u>
<b>YOUTH, FAMILY AND SENIOR SERVICES</b>				
Personnel	\$ 1,068,889	\$ 1,068,889	\$ 1,046,333	\$ 22,556
Operating	216,855	216,855	175,608	41,247
Capital outlays	600	600	30,750	(30,150)
<b>TOTAL YOUTH, FAMILY AND SENIOR SERVICES</b>	<u>1,286,344</u>	<u>1,286,344</u>	<u>1,252,691</u>	<u>33,653</u>
Contingency	<u>100,000</u>	<u>100,000</u>	-	<u>100,000</u>
Debt service	<u>-</u>	<u>-</u>	-	-
Transfers out	<u>2,692,781</u>	<u>2,692,781</u>	<u>2,692,781</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND TRANSFERS OUT</b>	<u>\$ 20,623,213</u>	<u>\$ 20,623,213</u>	<u>\$ 19,330,568</u>	<u>\$ 1,292,645</u>

**CITY OF COLLEGE PARK, MARYLAND**  
**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION – GENERAL FUND**  
**JUNE 30, 2019**

**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.
- 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 accounting principles generally accepted in the United States of America (GAAP) except for the inclusion of an appropriation from fund balance, if necessary.
- 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 the final approval. According to the City 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 fund balance) at the department level for the General Fund and the fund level for the Capital Projects Fund.

## **Combining Financial Statements**

**CITY OF COLLEGE PARK, MARYLAND**  
**COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**PENSION TRUST FUND**  
**JUNE 30, 2019**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
<b>ASSETS</b>			
Investments:			
Mutual funds	\$ -	\$ 6,164,405	\$ 6,164,405
Annuity contracts	692,993	-	692,993
Participant loans	-	217,779	217,779
Total assets	<u>692,993</u>	<u>6,382,184</u>	<u>7,075,177</u>
 <b>NET POSITION</b>			
Held in trust for pension benefits	<u>\$ 692,993</u>	<u>\$ 6,382,184</u>	<u>\$ 7,075,177</u>

**CITY OF COLLEGE PARK, MARYLAND  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PENSION TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2019**

	MetLife Annuity Contracts	ICMA-RC 401(a) Plan	Total
<b>ADDITIONS</b>			
Contributions:			
Employer contributions	\$ -	\$ 54,112	\$ 54,112
Investment gain:			
Net increase in the fair market value of investments	21,463	309,276	330,739
Total additions	21,463	363,388	384,851
<b>DEDUCTIONS</b>			
Benefit payments	45,183	329,882	375,065
Administrative expenses	8,049	3,285	11,334
Total deductions	53,232	333,167	386,399
<b>CHANGE IN NET POSITION</b>	(31,769)	30,221	(1,548)
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS:</b>			
<b>BEGINNING OF YEAR</b>	724,762	6,351,963	7,076,725
<b>END OF YEAR</b>	\$ 692,993	\$ 6,382,184	\$ 7,075,177

# 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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	55-58
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b>	59-63
<p>These schedules contain information to help the reader assess the factors affecting the City's ability to generate real and personal property taxes.</p>	
<b>Debt Capacity</b>	64-66
<p>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.</p>	
<b>Demographic and Economic Information</b>	67-68
<p>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.</p>	
<b>Operating Information</b>	69-71
<p>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.</p>	

**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 Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,358,942	\$ 11,940,581	\$ 14,574,013	\$ 11,017,511	\$ 10,611,393	\$ 10,839,655	\$ 9,980,967	\$ 12,651,553	\$ 14,927,974	\$ 15,662,987
Restricted	-	3,164,971	4,240,056	5,868,664	6,357,611	7,807,735	9,713,924	9,391,523	14,496,434	14,104,593
Unrestricted	6,913,262	4,018,947	1,665,067	4,820,667	5,951,602	1,492,422	3,668,223	5,188,009	2,173,792	3,783,780
Total net position	\$ 15,272,204	\$ 19,124,499	\$ 20,479,136	\$ 21,706,842	\$ 22,920,606	\$ 20,139,812	\$ 23,363,114	\$ 27,231,085	\$ 31,598,200	\$ 33,551,360

**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, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 or 2019. As a result, the business-type activities have been omitted from the table above.

**Changes in Net Position  
Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
General government	\$ 2,245,040	\$ 2,003,378	\$ 3,105,937	\$ 3,166,420	\$ 3,956,170	\$ 6,056,224	\$ 4,459,204	\$ 3,898,662	\$ 3,959,010	\$ 5,949,444
Public services	3,142,234	3,226,584	3,585,745	3,613,860	3,768,797	3,935,120	4,187,019	4,326,128	4,575,464	5,035,382
Planning and development	1,066,930	516,628	661,474	684,719	778,802	841,693	1,017,152	1,030,821	983,882	1,071,944
Public works	4,981,158	4,871,522	5,235,887	4,784,120	5,034,643	5,266,323	5,295,644	5,926,864	6,085,211	6,583,593
Youth, family and senior services	1,036,108	1,037,007	1,102,149	1,069,156	1,106,976	1,065,844	1,121,141	1,213,492	1,117,276	1,281,119
Interest on long-term debt	99,684	207,944	302,350	284,441	274,218	260,746	191,812	221,227	205,839	220,861
<b>Total governmental activities expenses</b>	<b>\$ 12,571,154</b>	<b>\$ 11,863,063</b>	<b>\$ 13,993,542</b>	<b>\$ 13,602,716</b>	<b>\$ 14,919,606</b>	<b>\$ 17,425,950</b>	<b>\$ 16,271,972</b>	<b>\$ 16,617,194</b>	<b>\$ 16,926,682</b>	<b>\$ 20,142,343</b>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 313,794	\$ 336,500	\$ 298,536	\$ 324,648	\$ 512,636	\$ 517,975	\$ 511,728	\$ 525,150	\$ 466,918	\$ 470,094
Public services	2,417,587	4,249,393	3,704,407	3,472,437	3,607,690	4,745,152	4,847,307	4,224,619	5,376,079	4,635,327
Planning and development	1,855	2,470	1,300	8,455	5,960	4,900	1,350	22,349	17,045	2,450
Public works	366,254	385,165	415,599	403,176	422,150	401,310	395,844	363,776	401,041	403,121
Youth, family and senior services	13,168	11,242	13,003	15,430	12,332	12,064	8,615	13,711	14,425	13,471
Operating grants and contributions	218,454	219,272	255,940	205,283	234,656	256,736	415,013	283,901	326,094	425,292
Capital grants and contributions	1,079,806	1,010,462	297,661	341,241	521,247	1,357,190	933,877	1,149,776	666,493	990,535
<b>Total governmental activities program revenues</b>	<b>\$ 4,410,918</b>	<b>\$ 6,214,504</b>	<b>\$ 4,986,446</b>	<b>\$ 4,770,670</b>	<b>\$ 5,316,671</b>	<b>\$ 7,295,327</b>	<b>\$ 7,113,734</b>	<b>\$ 6,583,282</b>	<b>\$ 7,268,095</b>	<b>\$ 6,940,290</b>
<b>Net (Expense) Revenue</b>	<b>\$ (8,160,236)</b>	<b>\$ (5,648,559)</b>	<b>\$ (9,007,096)</b>	<b>\$ (8,832,046)</b>	<b>\$ (9,602,935)</b>	<b>\$ (10,130,623)</b>	<b>\$ (9,158,238)</b>	<b>\$ (10,033,912)</b>	<b>\$ (9,658,587)</b>	<b>\$ (13,202,053)</b>
Governmental activities										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Real property taxes	\$ 6,215,866	\$ 6,136,538	\$ 6,591,639	\$ 6,601,516	\$ 6,524,930	\$ 6,694,297	\$ 7,023,128	\$ 8,166,585	\$ 8,456,274	\$ 8,822,577
Personal property taxes	944,762	822,494	875,845	887,691	887,440	978,181	1,073,813	1,038,633	966,208	1,130,160
Income taxes	1,332,576	1,377,541	1,494,195	1,582,308	1,617,918	1,636,074	1,798,243	2,271,510	2,016,013	2,151,038
Other taxes	1,168,385	1,070,931	1,231,253	1,076,344	1,480,346	1,564,204	2,178,643	2,279,741	2,309,904	2,549,910
Investment earnings	36,962	41,762	43,105	(11,862)	198,972	156,313	108,524	49,522	193,557	246,630
Miscellaneous	9,774	51,588	125,696	23,755	107,093	165,577	199,189	95,892	83,746	254,898
<b>Total governmental activities</b>	<b>\$ 9,708,325</b>	<b>\$ 9,500,854</b>	<b>\$ 10,361,733</b>	<b>\$ 10,059,752</b>	<b>\$ 10,816,699</b>	<b>\$ 11,194,646</b>	<b>\$ 12,381,540</b>	<b>\$ 13,901,883</b>	<b>\$ 14,025,702</b>	<b>\$ 15,155,213</b>
<b>Change in Net Position</b>	<b>\$ 1,548,089</b>	<b>\$ 3,852,295</b>	<b>\$ 1,354,637</b>	<b>\$ 1,227,706</b>	<b>\$ 1,213,764</b>	<b>\$ 1,064,023</b>	<b>\$ 3,223,302</b>	<b>\$ 3,867,971</b>	<b>\$ 4,367,115</b>	<b>\$ 1,953,160</b>

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, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 or 2019. 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General fund</b>										
Reserved	\$ 245,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,356,077	-	-	-	-	-	-	-	-	-
Nonspendable	-	1,173,351	1,118,883	1,145,407	1,041,975	1,018,200	980,804	938,432	912,755	1,000,729
Restricted	-	350,000	283,011	-	-	-	-	-	-	-
Committed	-	189,210	146,211	35,005	73,002	-	-	-	-	-
Unassigned	-	4,708,068	5,030,470	4,325,009	5,566,179	4,794,692	7,761,513	9,351,954	5,436,224	6,805,965
<b>Total general fund</b>	<b>\$ 4,601,107</b>	<b>\$ 6,420,629</b>	<b>\$ 6,578,575</b>	<b>\$ 5,505,421</b>	<b>\$ 6,681,156</b>	<b>\$ 5,812,892</b>	<b>\$ 8,742,317</b>	<b>\$ 10,290,386</b>	<b>\$ 6,348,979</b>	<b>\$ 7,806,694</b>
<b>Capital projects fund</b>										
Reserved	\$ (5,258,063)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	3,164,971	4,240,056	5,868,664	6,357,611	7,807,735	9,713,924	9,391,523	14,496,434	14,104,593
<b>Total capital projects fund</b>	<b>\$ (5,258,063)</b>	<b>\$ 3,164,971</b>	<b>\$ 4,240,056</b>	<b>\$ 5,868,664</b>	<b>\$ 6,357,611</b>	<b>\$ 7,807,735</b>	<b>\$ 9,713,924</b>	<b>\$ 9,391,523</b>	<b>\$ 14,496,434</b>	<b>\$ 14,104,593</b>

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, FY2012, FY2013, FY2014, FY2015, FY2016, FY2017, 2018 and FY2019 above, and will be used for future fiscal years as well.

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 9,562,752	\$ 9,371,082	\$ 10,165,285	\$ 10,130,800	\$ 10,533,884	\$ 10,842,892	\$ 12,134,273	\$ 13,746,191	\$ 13,777,107	\$ 14,625,268
Licenses, fees and permits	1,143,714	1,198,092	1,307,165	1,246,205	1,351,500	1,427,198	1,455,563	1,368,858	1,389,939	1,511,002
Fines and forfeitures	1,056,987	2,834,550	2,086,831	2,012,007	2,044,334	3,052,763	3,042,114	2,560,091	992,587	2,863,316
Charges for services	1,091,433	1,145,492	1,212,118	1,157,159	1,164,934	1,936,444	1,384,667	1,335,656	1,307,651	1,155,595
Intergovernmental	1,118,783	1,071,645	349,336	355,300	755,903	878,925	1,231,390	1,318,677	3,575,124	790,827
Investment earnings	36,962	41,762	43,105	(111,862)	198,972	156,313	199,189	49,522	200,835	246,630
Miscellaneous revenues	9,774	16,313	156,693	23,753	107,093	151,443	108,524	95,892	187,248	879,898
<b>Total revenue</b>	<b>\$ 14,020,405</b>	<b>\$ 15,678,936</b>	<b>\$ 15,320,533</b>	<b>\$ 14,813,362</b>	<b>\$ 16,156,620</b>	<b>\$ 18,445,978</b>	<b>\$ 19,555,720</b>	<b>\$ 20,474,887</b>	<b>\$ 21,430,491</b>	<b>\$ 22,072,536</b>
<b>Expenditures</b>										
General government	2,365,799	2,308,015	2,556,945	2,666,278	2,590,217	5,782,910	2,993,648	3,104,642	4,224,236	4,845,232
Public services	3,097,813	3,171,596	3,432,400	3,813,309	3,810,147	3,758,183	4,044,860	4,188,945	4,450,696	4,901,409
Planning and development	1,066,886	624,207	663,533	694,919	778,802	841,691	947,095	862,473	793,237	914,495
Public works	4,332,876	4,394,963	4,355,052	4,337,522	4,760,720	4,691,039	4,781,900	5,303,412	5,258,840	5,618,349
Youth, family and senior services	981,712	981,828	1,034,545	1,024,998	1,064,727	1,027,995	1,082,280	1,172,847	1,061,834	1,221,941
Capital outlay	2,038,284	1,184,807	1,192,942	1,163,441	930,107	1,171,474	2,528,454	3,670,991	3,498,294	2,491,532
Contingency	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	36,080	57	350	-	-
Other	99,684	207,944	302,350	284,441	274,218	260,746	191,812	221,227	205,839	220,861
Interest	353,048	713,020	549,735	273,000	283,000	294,000	150,000	724,332	774,011	792,843
Principal										
<b>Total expenditures</b>	<b>\$ 14,336,102</b>	<b>\$ 13,586,380</b>	<b>\$ 14,087,502</b>	<b>\$ 14,257,908</b>	<b>\$ 14,491,938</b>	<b>\$ 17,864,118</b>	<b>\$ 16,720,106</b>	<b>\$ 19,249,219</b>	<b>\$ 20,266,987</b>	<b>\$ 21,006,662</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (315,697)</b>	<b>\$ 2,092,556</b>	<b>\$ 1,233,031</b>	<b>\$ 555,454</b>	<b>\$ 1,664,682</b>	<b>\$ 581,860</b>	<b>\$ 2,835,614</b>	<b>\$ 1,225,668</b>	<b>\$ 1,163,504</b>	<b>\$ 1,065,874</b>
<b>Other financing sources (uses)</b>										
Sale of land	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	8,150,000	-	-	-	-	-	-	-	-
Proceeds from loans	-	-	-	-	-	-	2,000,000	-	-	-
Operating transfers in	978,175	1,046,335	2,379,949	3,079,850	922,000	1,081,225	1,658,500	2,435,440	8,008,495	2,692,781
Operating transfers out	(978,175)	(1,046,335)	(2,379,949)	(3,079,850)	(922,000)	(1,081,225)	(1,658,500)	(2,435,440)	(8,008,495)	(2,692,781)
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ 8,150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net change in fund balances</b>	<b>\$ (315,697)</b>	<b>\$ 10,242,556</b>	<b>\$ 1,233,031</b>	<b>\$ 555,454</b>	<b>\$ 1,664,682</b>	<b>\$ 581,860</b>	<b>\$ 4,835,614</b>	<b>\$ 1,225,668</b>	<b>\$ 1,163,504</b>	<b>\$ 1,065,874</b>
<b>Debt service as a percentage of non-capital expenditures (Note 1)</b>	<b>3.9%</b>	<b>8.1%</b>	<b>5.7%</b>	<b>4.4%</b>	<b>4.0%</b>	<b>3.3%</b>	<b>2.4%</b>	<b>6.0%</b>	<b>5.8%</b>	<b>5.3%</b>

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

**CITY OF COLLEGE PARK, MARYLAND**

Schedule 5

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

Fiscal Year	Property	Income	Admission & Amusement	State Shared - Highway User	County Shared - Hotel/Motel	Total
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
2013	7,472,148	1,582,308	510,606	105,579	460,159	10,130,800
2014	7,435,620	1,617,918	665,076	345,278	469,993	10,533,885
2015	7,642,614	1,636,074	673,023	361,857	529,324	10,842,892
2016	8,157,387	1,798,243	720,193	453,581	1,004,869	12,134,273
2017	9,194,940	2,271,510	793,210	425,086	1,061,445	13,746,191
2018	9,410,533	2,056,670	683,090	444,166	1,182,648	13,777,107
2019	9,924,320	2,151,038	617,488	488,501	1,443,921	14,625,268
<b>Net Change:</b>						
FY2010 to FY2019	140.5%	161.4%	92.9%	599.6%	342.1%	152.9%

**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
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%
2013	1,165,674	793,568	1,959,242	1,245,220	0.322	1,959,242	100%
2014	1,222,308	799,259	2,021,567	1,249,234	0.335	2,021,567	100%
2015	1,216,738	865,024	2,081,762	1,253,088	0.335	2,081,762	100%
2016	1,627,130	677,232	2,304,362	1,257,299	0.335	2,304,362	100%
2017	1,873,013	723,933	2,596,946	1,274,613	0.335	2,596,946	100%
2018	1,878,709	738,229	2,616,938	1,282,735	0.335	2,616,938	100%
2019	1,861,359	705,844	2,567,203	1,275,937	0.335	2,567,203	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		
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	
2014	0.335	0.279	0.026	0.054	0.960	(0.025)	0.112	1.741	
2015	0.335	0.279	0.026	0.054	0.960	(0.030)	0.112	1.736	
2016	0.335	0.294	0.026	0.054	1.000	(0.030)	0.112	1.791	
2017	0.335	0.294	0.026	0.054	1.000	(0.031)	0.112	1.790	
2018	0.335	0.294	0.026	0.054	1.000	(0.032)	0.112	1.789	
2019	0.335	0.294	0.026	0.054	1.000	(0.035)	0.112	1.786	
2020	0.325	0.294	0.026	0.054	1.000	(0.034)	0.112	1.777	

**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 2019 Taxable Assessed Value				Fiscal Year 2010 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
UMCPF Property III, LLC (The Hotel)	\$ 176,857	\$ 1,938	\$ 178,795	6.51%	-	-	-	-
University View Partners, LLC	158,699	2,590	161,289	5.87%	\$ 86,465	\$ 1,162	\$ 87,627	4.30%
Gateway Terry LLC (Terrapin Row)	148,378	4,680	153,058	5.57%	-	-	-	-
SH Landmark CP Venture, LLC	129,500	890	130,390	4.75%	-	-	-	-
Student Housing College Park LLLP (The Varsity)	105,400	765	106,165	3.86%	-	-	-	-
NSHE College Park, LLC (Camden)	80,000	-	80,000	2.91%	93,048	-	93,048	4.57%
UDR Domain College Park LLC	60,370	-	60,370	2.20%	-	-	-	-
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	51,970	8,257	60,227	2.19%	41,529	8,028	49,557	2.43%
Mazza Grand Marc Apartments	50,940	698.00	51,638	1.88%	-	-	-	-
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	49,253	184	49,437	1.80%	44,428	76	44,504	2.18%
The Washington Post Company	-	-	-	-	23,444	23,155	46,599	2.29%
Richard S. Gatti, et al (Marketplace)	40,461	-	40,461	1.47%	30,896	-	30,896	1.52%
Riverdale FDA, LLC	-	-	-	-	23,366	-	23,366	1.15%
Knox Village Partners LLC/Knox Box Realty LLC/Viewere III	-	-	-	-	21,434	-	21,434	1.05%
Optrock College Park Fee LLC	-	-	-	-	20,095	-	20,095	0.99%
Potomac Electric Power Company	-	33,474	33,474	1.22%	-	17,795	17,795	0.87%
<b>Total</b>	<b>\$ 1,051,828</b>	<b>\$ 53,476</b>	<b>\$ 1,105,304</b>	<b>40.22%</b>	<b>\$ 384,705</b>	<b>\$ 50,216</b>	<b>\$ 434,921</b>	<b>21.35%</b>

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

CITY OF COLLEGE PARK, MARYLAND

Schedule 9

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
2010	\$ 7,157,349	\$ 6,956,844	97.20%	\$ 159,416	\$ 7,116,260	99.43%
2011	6,871,090	6,749,145	98.23%	114,690	6,863,835	99.89%
2012	7,533,369	7,381,497	97.98%	150,728	7,532,225	99.98%
2013	7,489,649	7,291,536	97.35%	196,901	7,488,437	99.98%
2014	7,416,516	7,241,009	97.63%	175,092	7,416,101	99.99%
2015	7,462,185	7,422,878	99.47%	38,794	7,461,672	99.99%
2016	7,781,376	7,736,742	99.43%	16,523	7,753,265	99.64%
2017	9,231,222	9,183,767	99.49%	16,251	9,200,018	99.66%
2018	9,737,861	9,386,453	96.39%	9,260	9,395,713	96.49%
2019	9,932,417	9,911,913	99.79%	-	9,911,913	99.79%

**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 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.

**CITY OF COLLEGE PARK, MARYLAND**

Schedule 10

**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 (Note 7)	Community Legacy Loans (Note 3)	Bond Anticipation Notes (Note 4)	Parking Garage Bond (Notes 5 & 6)	Total			
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	1.31%	273.81	
2013	-	-	450,000	-	7,652,000	8,102,000	1.42%	259.61	
2014	-	-	450,000	-	7,369,000	7,819,000	1.41%	250.02	
2015	-	-	450,000	-	7,075,000	7,525,000	1.30%	233.29	
2016	-	2,000,000	300,000	-	7,075,000	9,375,000	1.63%	290.24	
2017	-	1,615,668	300,000	-	6,735,000	8,650,668	1.48%	268.03	
2018	-	1,223,657	300,000	-	6,353,000	7,876,657	1.11%	243.84	
2019	-	823,814	300,000	-	5,960,000	7,083,814	0.98%	220.02	

**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.
6. On June 16, 2015, the City refunded the SunTrust Bank Tax-Exempt Parking Garage Bond of 2011 at \$7,075,000 and issued the STI Institutional & Government, Inc. Tax-Exempt Parking Garage Bond of 2015 in the principal sum of \$7,075,000.
7. During the year ended June 30, 2016, the City entered into a \$2,000,000 master lease agreement with SunTrust to purchase vehicles and other equipment.

**Direct and Overlapping Governmental Activities Debt**

As of June 30, 2019

(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Applicable Percentage	Estimated Share of Direct and Overlapping Debt
City of College Park:			
Direct Debt	\$ 7,084	100.000%	\$ 7,084
Subtotal	7,084		7,084
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	2,487,716	3.089%	76,835
Maryland-National Capital Park and Planning Commission	111,030	3.089%	3,429
Subtotal	2,598,746		80,264
Total Direct and Overlapping Debt	\$ 2,605,830		\$ 87,348

**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 \$84,720,396,700 and the City real property assessment of \$2,616,651,443 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2019.

Legal Debt Margin Information  
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	\$ 2,754,231,671
General obligation debt limit (5% of assessed value) Debt applicable to limit	\$ 137,711,584 6,260,000
Legal debt margin - general obligation debt	\$ 131,451,584
Total debt limit (10% of assessed value) Debt applicable to limit	\$ 275,423,167 7,083,814
Legal debt margin - total debt	\$ 268,339,353

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 252,362,416	\$ 211,156,389	\$ 215,994,376	\$ 225,689,532	\$ 203,673,330	\$ 205,085,037	\$ 210,498,518	\$ 235,226,822	\$ 267,661,103	\$ 275,423,167
Total net debt applicable to limit	10,117,989	8,924,735	8,375,000	8,102,000	7,819,000	7,525,000	9,375,000	8,650,668	7,876,657	7,083,814
Legal debt margin	\$ 242,244,427	\$ 202,231,654	\$ 207,619,376	\$ 217,587,532	\$ 195,854,330	\$ 197,560,037	\$ 201,123,518	\$ 226,576,154	\$ 259,784,446	\$ 268,339,353

Total net debt applicable to the limit as a percentage of debt limit	4.01%	4.23%	3.88%	3.59%	3.84%	3.67%	4.45%	3.68%	2.94%	2.57%
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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**

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	27,286	\$ 516,169,262	\$ 18,917	6.8%
2010	30,413	628,667,123	20,671	8.0%
2011	30,587	638,586,516	20,878	7.4%
2012	31,208	569,358,752	18,244	7.4%
2013	31,274	556,458,282	17,793	8.0%
2014	32,256	577,866,240	17,915	7.3%
2015	32,301	575,248,509	17,809	6.5%
2016	32,275	582,821,950	18,058	5.5%
2017	32,303	709,729,213	21,971	5.5%
2018	32,196	724,603,176	22,506	5.0%

**Sources:** Calendar years 2010, 2013, 2014, 2015, 2016, 2017, and 2018 data from U. S. Dept of Commerce Bureau of the Census. Years 2009, 2011, and 2012 population figures were prepared by the Maryland Dept of Planning, Planning Data Services. Years 2009, and 2011 per capita income were estimated by the City's Finance Department based on Prince George's County's per capita personal capita income. Year 2012 per capita income was provided by BiggestUSCities.com. Unemployment rates were provided by the Maryland Department of Labor, Career and Workforce Information.

**CITY OF COLLEGE PARK, MARYLAND**

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

Employer	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland, College Park	14,408	1	43.66%	13,081	1	48.63%
University of Maryland Global College (UMGC)	7,000	2	21.21%	2,790	2	10.36%
U.S. Food and Drug Administration (FDA)	921	3	2.79%	775	4	2.88%
National Oceanic and Atmospheric Administration	842	4	2.55%	-	-	-
National Archives and Records Administration II	765	5	2.32%	900	3	3.34%
IKEA	461	6	1.40%	300	5	1.11%
The Hotel	210	7	0.64%	-	-	-
College Park Hyundai	173	8	0.52%	-	-	-
Home Depot	168	9	0.51%	-	-	-
American Center for Physics	153	10	0.46%	200	6	0.74%
<b>Total</b>	<b>25,101</b>		<b>76.06%</b>	<b>18,046</b>		<b>67.06%</b>

**Source:** City of College Park, Department of Planning

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Administration	7.00	7.00	7.00	7.00	7.75	7.00	7.00	8.00	9.00	9.00
Finance and information tech	11.80	11.30	10.80	10.80	10.70	10.70	10.70	11.00	11.00	12.00
Public services	28.50	27.00	29.89	30.74	31.34	30.84	32.30	34.91	34.84	34.18
Planning and development	5.00	5.50	5.30	5.20	5.20	5.20	5.20	5.20	5.20	5.80
Youth, family and senior services	8.63	10.45	9.41	9.71	9.71	10.09	10.43	11.38	11.79	12.42
Public works	50.00	50.00	50.15	50.15	50.35	50.35	50.35	49.00	53.00	53.00
<b>Total</b>	<b>110.93</b>	<b>111.25</b>	<b>112.55</b>	<b>113.60</b>	<b>115.05</b>	<b>114.18</b>	<b>115.98</b>	<b>119.49</b>	<b>124.83</b>	<b>126.40</b>

**Source:** City of College Park adopted operating budgets, fiscal years 2010 - 2019

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Parking enforcement</b>										
Number of parking tickets issued	34,186	34,288	28,315	34,027	37,705	36,731	33,582	32,236	28,785	23,358
<b>Recreation</b>										
Attendance at sponsored recreational events (estimated)	25,000	27,600	30,000	31,430	31,430	29,000	29,000	30,000	30,000	30,000
<b>Planning and development</b>										
Variance applications processed	10	15	14	6	15	10	10	15	19	13
<b>Clinical services</b>										
Number of individuals who received clinical services	1,915	1,863	1,968	1,909	1,690	1,204	1,366	1,391	n/a	n/a
Youth and their families served in clinical interventions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	158	156
<b>Seniors program</b>										
Seniors trips provided	2,250	2,110	2,278	2,210	2,205	2,192	2,272	2,481	2,397	2,001
Seniors assisted with transportation	3,420	3,666	3,585	3,515	3,507	3,486	3,581	3,490	3,707	3,622
<b>Refuse and recycling collection</b>										
Tons of refuse collected and disposed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4,967	4,843
Cost per ton of solid waste	\$ 130.63	\$ 155.36	\$ 135.53	\$ 139.89	\$ 147.80	\$ 151.02	\$ 171.00	\$ 185.00	n/a	n/a
Recyclables collected (tons)	1,445	1,458	1,725	1,467	1,453	1,450	1,403	1,252	1,228	1,276
Cost per ton for recycling (paper, commingles, white goods, scrap metal)	\$ 283.00	\$ 255.00	\$ 201.00	\$ 249.00	\$ 263.00	\$ 277.00	\$ 435.00	\$ 600.00	n/a	n/a
<b>Compost yard operations</b>										
Tons of solid waste diverted through composting	1,558	1,521	1,736	1,976	2,872	2,748	2,667	2,057	2,244	2,302
Dollars in tipping fees saved	\$ 38,951	\$ 38,678	\$ 43,411	\$ 49,412	\$ 71,799	\$ 68,704	\$ 66,675	\$ 51,425	n/a	n/a
Cubic yards of brush recycled	3,775	3,692	1,267	1,895	3,056	3,564	3,515	2,970	2,280	2,386
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 71,002	\$ 66,668	\$ 75,191	\$ 63,802	\$ 75,111	\$ 83,317	\$ 71,427	\$ 69,164	n/a	n/a
<b>Other public works</b>										
Street cleaning sweeps in high impact areas	203	202	219	211	193	201	195	200	200	205

Sources: City of College Park departments

Notes:

\* - due to increase in County tipping fee from \$3.00/ton to over \$25.00/ton.  
n/a - operational indicator not reported for fiscal year

**CITY OF COLLEGE PARK, MARYLAND**

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Refuse and recycling collection										
Collection trucks	8	8	8	8	8	8	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
Public services										
Blue light emergency phones	8	12	12	12	12	12	12	12	12	12
Parking pay stations	4	13	13	13	13	13	18	18	18	18
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	3	3	3	3	3	3	3	3	3	3

**Sources:** City of College Park departments

# Compliance Section

**INDEPENDENT AUDITOR’S 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***

The Honorable Members of the City Council  
City of College Park, Maryland

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of College Park, Maryland, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of College Park, Maryland’s basic financial statements, and have issued our report thereon dated November 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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’s internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the City’s internal control.

*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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

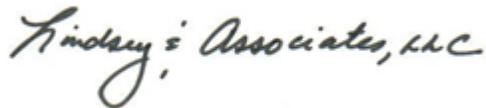
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

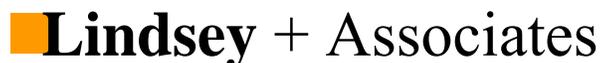
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lindsay Associates, LLC".

November 19, 2019



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November 19, 2019

To the Mayor, City Council and City Manager  
City of College Park, Maryland

We audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of College Park, Maryland (the "City") for the year ended June 30, 2019, and have issued our report thereon dated November 19, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U. S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated April 12, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts and grants, 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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019 except as may be explained in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in performing the audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No material misstatements were detected.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representation from management that is included in the management representation letter dated November 19, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationships and our responses were not a condition to our retention.

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

Very truly yours,

*Hindley & Associates, LLC*