



CITY OF COLLEGE PARK, MARYLAND



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017



CITY OF COLLEGE PARK, MARYLAND

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017

Issued and Prepared by:
Department of Finance

Gary Fields, Director

Leo L. Thomas, Jr. CPA, Deputy Director

CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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**INTRODUCTORY
SECTION**



4500 Knox Road
College Park, MD 20740

City Manager and
Director of Finance

November 30, 2017

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, 2017 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.

SB & Company, LLC, Certified Public Accountants, has issued an unmodified opinion that the City of College Park, Maryland’s financial statements for the year ended June 30, 2017 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 City in Public Services includes code enforcement, parking enforcement, animal control and contract police patrol. Services provided by Public Works 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 taxable assessments of real property increased 11.75% from the prior year to \$2.35 billion as of July 1, 2016.

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, 2017 - \$9.35 million - represents 47.2% of the next fiscal year's adopted expenditure budget (\$19.8 million for fiscal year 2018), which 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 utilizes a combination of "pay-as-you-go" and debt financing for funding capital improvements. Current debt outstanding of \$8,650,668 consists of two Community Legacy loans for capital projects (\$300,000), a 20-year tax-exempt parking garage bond (\$6,735,000) and a master lease for vehicles and heavy machinery (\$1,615,668).

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 2017. 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 \$267,000 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 \$1.28 million was budgeted in fiscal year 2017 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 2017 revenue from speed enforcement cameras, net of the 3rd party processing costs, was \$1.66 million.
- 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.
- A new modular operations facility was completed at the City's Public Works complex in the spring of 2017.
- A Public Safety study was undertaken to determine the need and feasibility of a full-time City police department. It is expected to be completed in the first half of FY 2018.

For the Near Future

- Continuing interest in redevelopment continues along the U.S. Route 1 corridor and adjacent areas.
- WMATA, the Metro-rail operator, is pursuing a joint development agreement with the private sector at the College Park Metro station for hotel and residential uses.
- Ongoing planning for a new City Hall, in collaboration with the University of Maryland and the University of Maryland College Park Foundation, Inc.
- New economic development incentives include the revitalization tax credit and tenant improvement grants funded through the state Community Legacy program.
- The City is considering and reviewing new, integrated software for customer relations management (CRM), work-order management (WOM), land management and financial applications.

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, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. This was the 38th year that the City has achieved this prestigious award.

In addition, the City received the GFOA’s Distinguished Budget Presentation Award for its annual budget for FY 2017. 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

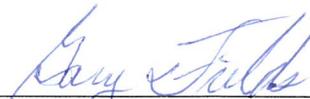
Our sincere appreciation is extended to the staff of the Finance Department, in preparing for the audit and the successful completion of this CAFR. The expertise and dedicated service from Leo Thomas, Tracey Clayton, Margaret Crissinger and Kim Hall, helps us maintain the integrity of the financial records for the City. A special acknowledgement to Leo for his invaluable assistance in the completion of this report.

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
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of College Park
Maryland**

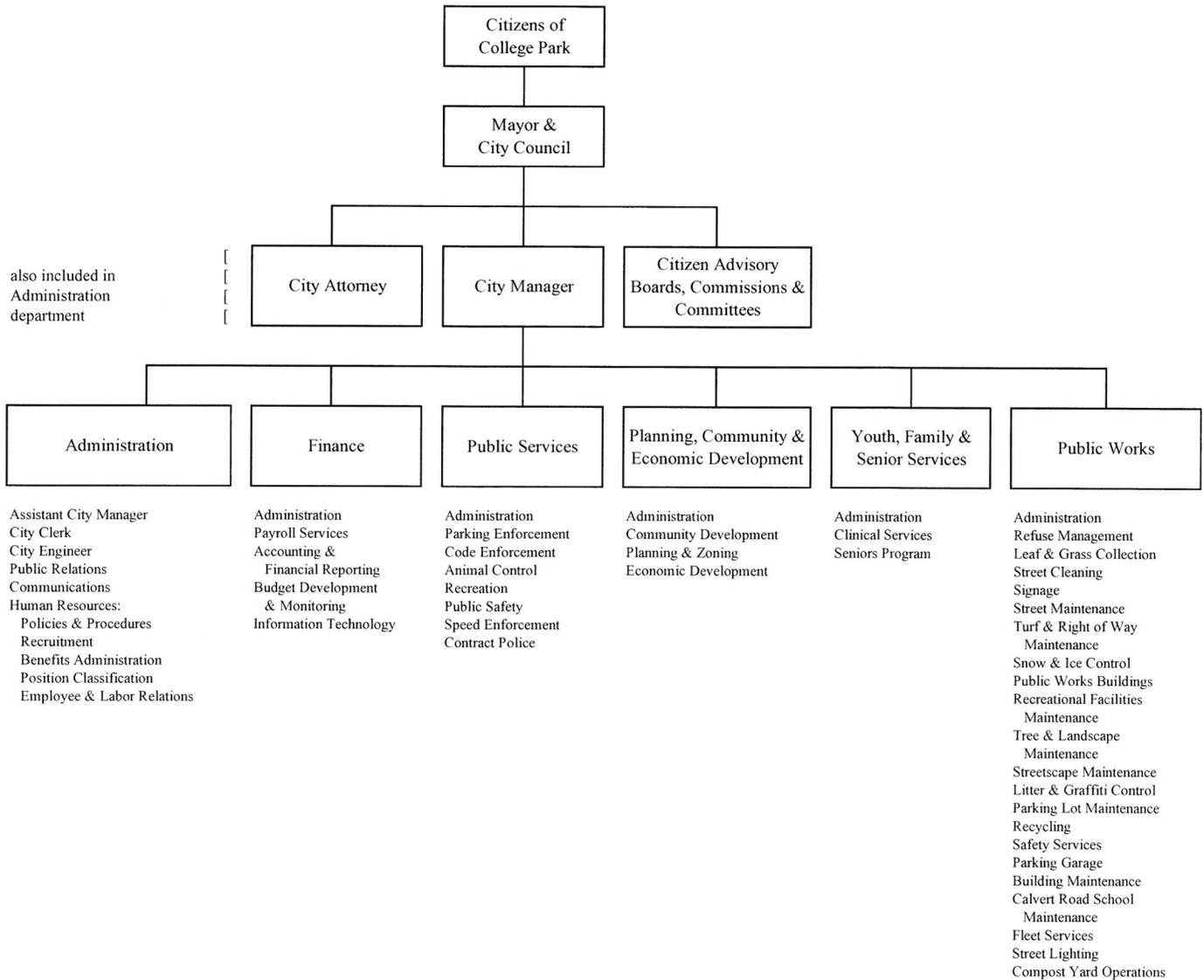
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CITY OF COLLEGE PARK, MARYLAND

Organization Chart



CITY OF COLLEGE PARK, MARYLAND

List of Principal Officials

<u>Title</u>		<u>Name</u>
	<u>Mayor & City Council</u>	
Mayor		Patrick L. Wojahn
City Council, District 1		Fazlul Kabir Christine Nagle
City Council, District 2		P. J. Brennan Monroe S. Dennis
City Council, District 3		Robert W. Day, Sr. Stephanie E. Stulich
City Council, District 4		Mary C. Cook Dustyn Burkart Kujawa
	<u>Staff</u>	
City Manager		Scott Somers
Assistant City Manager		Bill Gardiner
City Clerk		Janeen S. Miller
Finance Director		Gary Fields
Deputy Finance Director		Leo L. Thomas, Jr., CPA
Public Services Director		Robert W. Ryan
Planning, Community & Economic Development Director		Terry A. Schum
Human Resources Director		Jill R. Clements
Youth, Family and Senior Services Director		Peggy Higgins
Public Works Director		Robert T. Stumpff

FINANCIAL
SECTION



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Mayor, City Council, and Citizens of
The 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, 2017, 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

The City's 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 of America. 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 opinion.



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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, 2017, and the respective changes in financial position for the year then ended in accordance 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, required supplementary information for pension, and the budgetary comparison schedules as listed in the table of contents 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's basic financial statements. The accompanying introductory section, combining and individual fund statements and statistical section are presented for purposes of additional analysis and are not a 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 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.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the City'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's internal control over financial reporting and compliance.

Hunt Valley, Maryland
November 30, 2017

S B & Company, LLC

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2017 ("FY 2017"). The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights for FY 2017

The assets of the City exceeded its liabilities as of June 30, 2017 by \$27.23 million (net position). Of this amount, \$5.19 million is unrestricted and may be used to meet the City's future obligations. All of the \$5.19 million 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 \$3.87 million from \$23.36 million in FY 2016 to \$27.23 million for FY 2017, as noted above.

During FY 2017, the City's long-term debt (excluding net pension liability and compensated absences) decreased by approximately \$724,000, as a result of regularly scheduled principal payments of the Suntrust Master Lease and Parking Garage bonds.

Total governmental funds' fund balance increased from \$18.46 million as of June 30, 2016 to \$19.68 million as of June 30, 2017. The unassigned fund balance for the General Fund, \$9.35 million, as of June 30, 2017 represented 62.9% of total General Fund expenditures for FY 2017, well above the Council adopted 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, 2017

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.

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.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2017

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 for the General Fund and required supplementary information for pension have been provided.

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

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

Financial Analysis of the City as a Whole

Entity-wide Financial Analysis

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

The following table presents a condensed summary of the Statement of Net Position for the City as of June 30, 2017 and 2016:

	Net Position	
	2017	2016
Assets		
Current and other assets	\$ 22,742,154	\$ 21,038,686
Capital assets, net	21,002,221	19,055,967
Total assets	43,744,375	40,094,653
Deferred outflows, related to pensions	955,125	1,039,571
Liabilities		
Other liabilities	2,738,768	2,253,137
Long-term liabilities	12,315,925	15,088,013
Total liabilities	15,054,693	17,341,150
Deferred inflows, related to pensions	2,413,987	429,960
Net Position		
Net investment in capital assets	12,651,553	9,980,967
Restricted for capital projects	9,391,523	9,713,924
Unrestricted	5,187,744	3,668,223
Total net position	\$ 27,230,820	\$ 23,363,114

Note: The City had no business-type activities as of June 30, 2017 or 2016. 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, 2017**

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. As of June 30, 2017, the City’s assets exceeded liabilities by \$27.23 million. The largest portion of the City’s net position (46.5%) reflects its investment in capital assets (e.g., land, buildings, site improvements, furniture and equipment, machinery, infrastructure); less any related debt used to acquire those assets that is still outstanding. Capital assets, which are used to provide services to residents, are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The investment in capital assets, net of related debt, is \$12.65 million as of June 30, 2017.

The following table summarizes the City’s changes in net position for FY 2017 and FY 2016:

Changes in Net Position

	Governmental Activities	
	2017	2016
Revenues		
Program revenues:		
Charges for services	\$ 5,149,605	\$ 5,764,844
Operating grants and contributions	283,901	415,013
Capital grants and contributions	1,149,776	933,877
General revenues:		
Property taxes	9,205,218	8,096,941
Income taxes	2,271,510	1,798,243
Other taxes	2,279,741	2,178,643
Investment earnings	49,522	199,189
Miscellaneous	95,892	108,524
Total revenues	<u>20,485,165</u>	<u>19,495,274</u>
Expenses		
General government and administration	3,900,316	4,459,204
Public services	4,324,474	4,187,019
Planning and development	1,030,821	1,017,152
Public works	5,926,864	5,295,644
Youth, family and senior services	1,213,492	1,121,141
Interest expense	221,227	191,812
Total expenses	<u>16,617,194</u>	<u>16,271,972</u>
Increase in net position	3,867,971	3,223,302
Net position, beginning of year	<u>23,363,114</u>	<u>20,139,812</u>
Net position, end of year	<u>\$ 27,231,085</u>	<u>\$ 23,363,114</u>

Note: The City had no business-type activities for FY 2017 or FY 2016. 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, 2017

Key components of the increase in net position for FY 2017 are as follows:

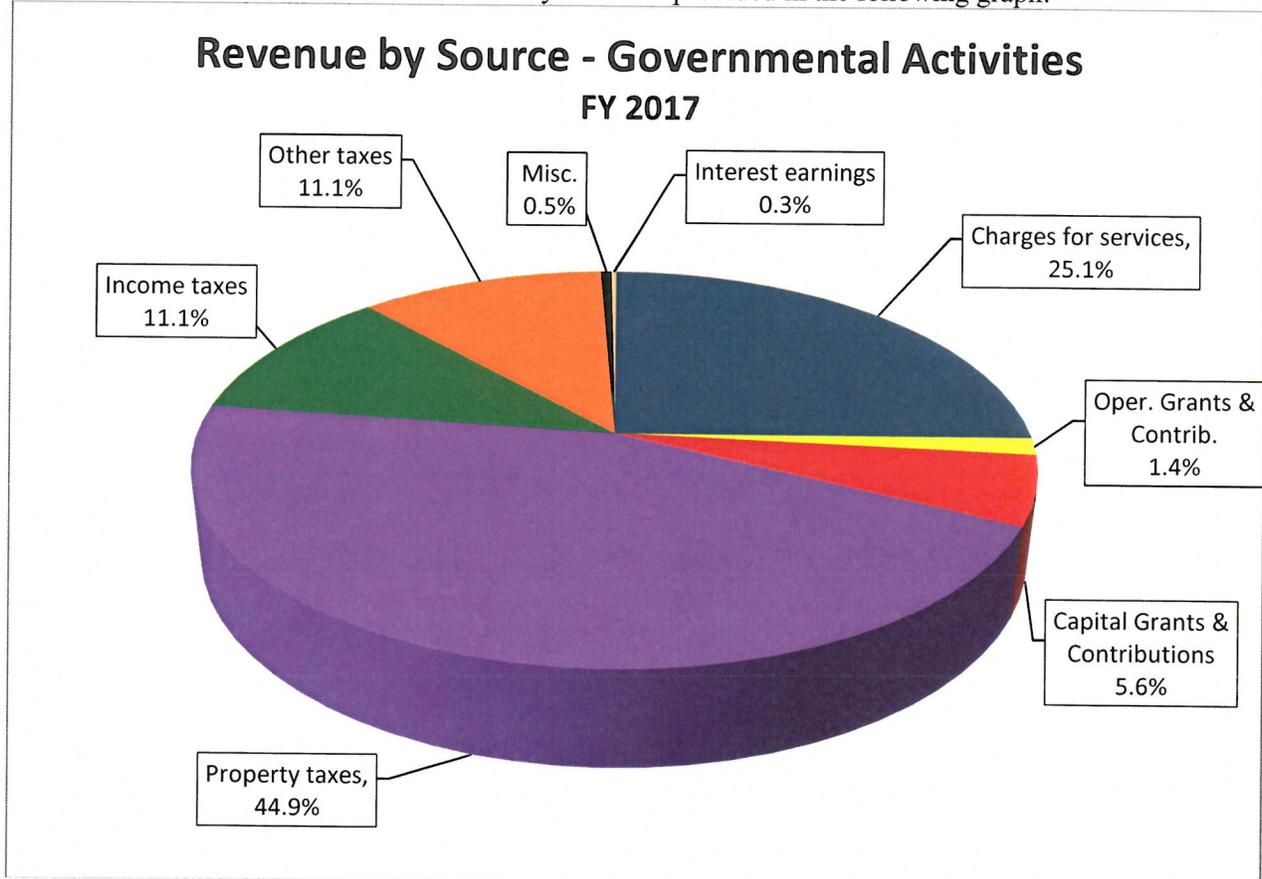
- The net of Cash and Investments increased by \$2.1 million
- Due from State and local governments decreased by \$515,000
- Capital assets, net of depreciation, increased by \$1.95 million
- Other receivables increased by \$218,000
- Current liabilities increased \$485,000
- Non-current liabilities decreased \$2.77 million (primarily due to debt payments reducing principal by \$724,000 and decrease in the net pension liability of \$2.1 million)
- Deferred inflows related to pensions increased by \$2 million

The overall increase in the City's net position amounted to \$3,867,971 for FY 2017.

Governmental Activities

For FY 2017, revenue from governmental activities totaled \$20.5 million. It is comprised of program revenue of \$6.6 million (32.2% of total revenue) and general revenue of \$13.9 million, (67.8% 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 a \$1 million increase in total revenue for FY 2017 over FY 2016. A breakdown of the revenue by source is provided in the following graph:



CITY OF COLLEGE PARK, MARYLAND

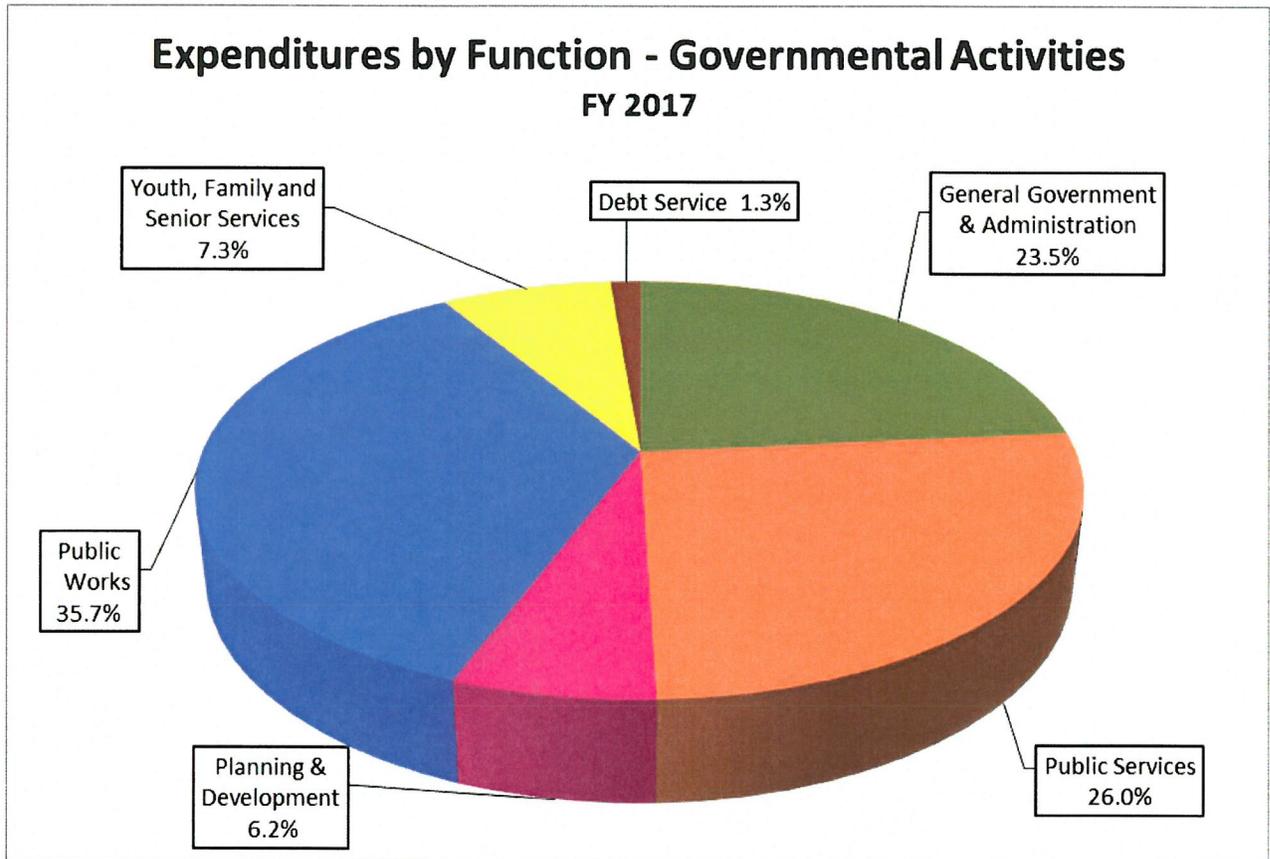
Management's Discussion and Analysis June 30, 2017

For FY 2016, expenses for governmental activities totaled \$16.3 million.
For FY 2017, expenses for governmental activities totaled \$16.6 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; and Boards & Other Committees.
- Public Services – Contract Police and Speed Enforcement; Parking and Code Enforcement; and other public safety related services.
- Planning and Development
- Public Works – Street Maintenance; Garbage Collection, Recycling and Compost; Buildings & Grounds; Engineering; Parking Garage; and Street Lighting.
- Youth and Family and Senior Services.
- Debt service payments.

In comparison to FY 2016, FY 2017 total expenses increased by \$345,000, a 2.1% increase. That increase was primarily due to increases in Public Services (\$139,000); Youth, Family and Senior Services (\$92,000); and Public Works (\$631,000); offset by a decrease in General Government and Administration expenses (\$561,000).

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



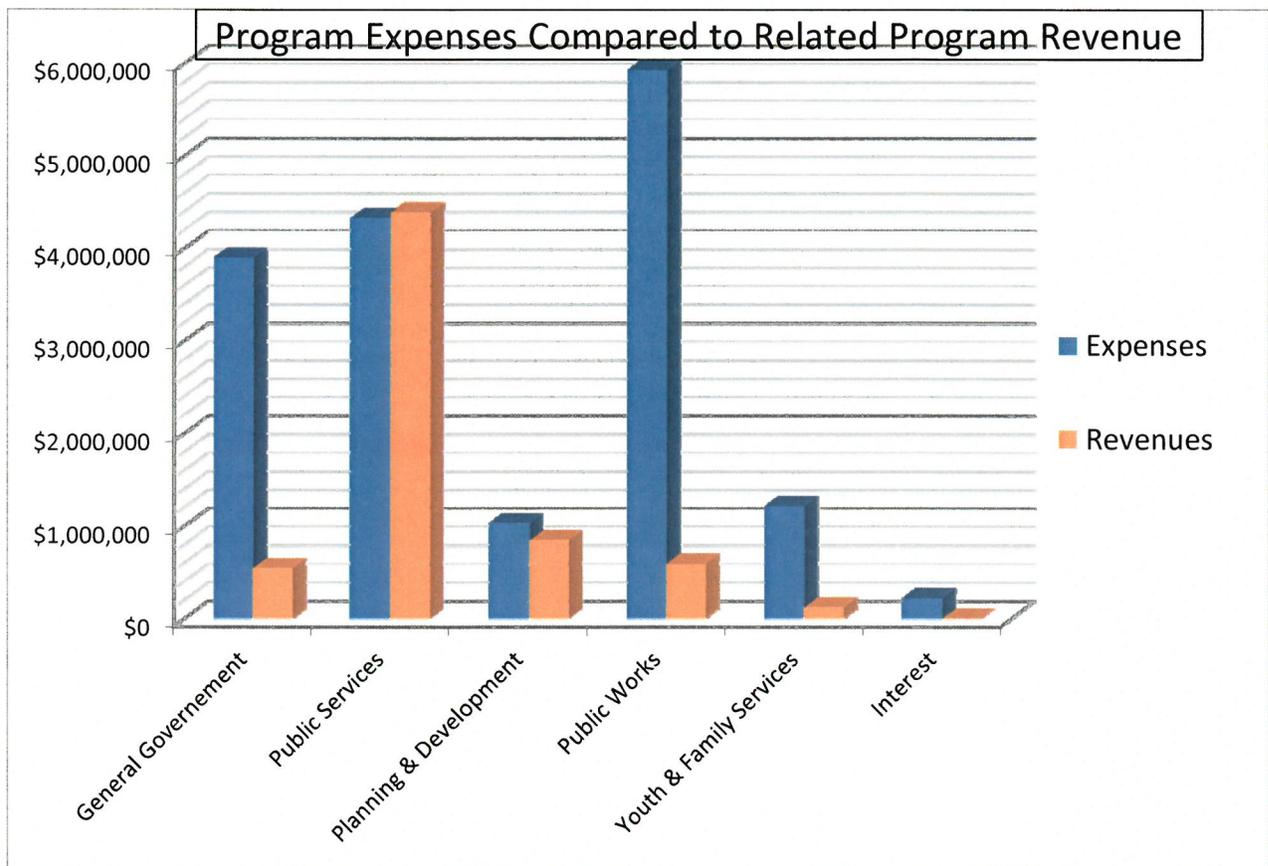
CITY OF COLLEGE PARK, MARYLAND

**Management’s Discussion and Analysis
June 30, 2017**

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 Revenue		Net Cost of Services	
	2017	2016	2017	2016	2017	2016
General government	\$ 3,900,316	\$ 4,459,204	\$ 540,867	\$ 527,445	\$ (3,359,449)	\$ (3,931,759)
Public services	4,324,474	4,187,019	4,386,748	5,039,341	62,274	852,322
Planning and development	1,030,821	1,017,152	945,125	811,539	(85,696)	(205,613)
Public works	5,926,864	5,295,644	590,776	621,239	(5,336,088)	(4,674,405)
Youth, family and senior services	1,213,492	1,121,141	119,766	114,170	(1,093,726)	(1,006,971)
Interest expense	221,227	191,812	-	-	(221,227)	(191,812)
Total	\$ 16,617,194	\$ 16,271,972	\$ 6,583,282	\$ 7,113,734	\$ (10,033,912)	\$ (9,158,238)



Business-type Activities

Not applicable for this fiscal year.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2017

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 2017, the City's governmental funds reported combined ending fund balances of \$19.68 million. Of the total ending fund balances, \$9.35 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 2017, unassigned fund balance of the General Fund was \$9.35 million, while the total fund balance was \$10.29 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 62.9% of total FY 2017 General Fund expenditures and transfers out, while total fund balance represents 69.2% of the same amount.

The fund balance of the General Fund increased \$1,548,069 during FY 2017, representing the excess of revenues over expenditures and other financing sources/uses. Key factors for the increase are as follows:

FY 2017 General Fund revenue increased by \$693,000 over FY 2016 comprised of the following major components:

- Tax revenue increased \$1.6 million in FY 2017, primarily as a result of additional real property tax of \$1.07 million; and State Income Tax of \$473,000.
- Decreased revenues were seen in Fines and forfeitures (\$480,000); Licenses and Permits (\$103,000); Federal and State Grants (\$127,000); and investment income (\$154,000).

FY 2017 General Fund expenditures and other financing uses increased by \$2,075,000 from FY 2016 comprised of the following major components:

- Public Works expenditures increased by \$511,000
- Debt service increased \$334,000 as a result of principal payments coming due that were not incurred in FY 2016 as a result of refinancing that year.
- Interfund transfers increased by \$777,000 from FY 2016 due to increased funding for capital and infrastructure improvements.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2017

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 \$9,391,523, the entire amount represents authorized and funded projects that have not been started or are not completed. FY 2017 revenues increased by \$226,000 compared to the previous year while expenditures increased by \$1,231,000. The revenue increase resulted primarily from additional intergovernmental revenue related to grants received for capital projects while the expenditure increase resulted from an increase in capital outlay.

In FY 2016 the City entered into a 5-year, \$2 million master lease for the purpose of financing various vehicles and equipment needs.

Proprietary funds

Not applicable for this fiscal year

General Fund Budgetary Highlights

The General Fund final budget for FY 2017 was \$149,856 more than the original adopted budget as a result of a budget amendment to provide for unanticipated costs.

For FY 2017, the real property assessable tax base increased 11.75% to \$2.35 billion. The City's real property tax rate remained unchanged at \$0.335 per \$100 of assessed value.

The personal property assessable tax base increased 30% to \$113.37 million and the personal property tax rate remained at \$0.838 per \$100 of assessed value.

Actual revenues for FY 2017 totaled \$18.85 million, which was \$1.18 million more than budgeted. This excess was primarily due to \$498,000 in real estate property taxes and \$611,000 of State income tax exceeding budgeted amounts.

Actual expenditures and transfers out were \$729,000 more than budget for FY 2017, as a result of a number of relatively small variances in a number of departments.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental activities as of June 30, 2017 amounted to \$21,002,221 (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.

CITY OF COLLEGE PARK, MARYLAND

**Management's Discussion and Analysis
June 30, 2017**

Capital Assets, Net of Depreciation

	Governmental Activities	
	2017	2016
Land	\$ 3,821,680	\$ 3,821,680
Construction in progress	1,701,903	896,863
Buildings and improvements	10,209,727	9,723,332
Vehicles	866,964	911,851
Machinery and equipment	940,217	1,040,049
Office equipment	3,050	734
Communication equipment	37,187	68,093
Computers and software	97,641	155,766
Infrastructure	3,323,852	2,437,599
Total	\$ 21,002,221	\$ 19,055,967

Note: The City had no business-type activities as of June 30, 2017 or 2016. As a result, the business-type activities and total columns have been omitted from the above table.

Significant additions to governmental activities capital assets included: buildings and improvements - \$1,012,622; infrastructure - \$1,219,567; and construction in progress - \$805,040.

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

Debt Administration

As of the end of FY 2017, the City had \$8,650,668 in long-term debt outstanding (excluding net pension liability and compensated absences), compared with \$9,375,000 at the end of FY 2016, a decrease of 7.7%, as a result of required debt service payments. The various components of long-term debt are shown in the following table:

Outstanding Debt

	Governmental Activities	
	2017	2016
STI Institutional & Government, Inc. - parking garage bond of 2015	\$ 6,735,000	\$ 7,075,000
Suntrust Master Lease	1,615,668	2,000,000
Community legacy loans	300,000	300,000
Total	\$ 8,650,668	\$ 9,375,000

Note: The City had no business-type activities as of June 30, 2017 or 2016. 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, 2017, assessed valuation of such property totaled \$2.35 billion, making the City debt limit \$117.5 million.

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

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2017

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 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, represent 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 (increase of \$73,000 or 10% in FY 2017), primarily as a result of the success of the University of Maryland athletic programs. 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 several new hotels. FY 2017 saw a 6% increase, but since FY 2015 the hotel/motel tax has gone from \$530,000 to over \$1,000,000.

The City's total real property assessment for FY 2017 increased 11.75% from the prior year. The majority of homes in the City are single-family homes that the latest American Community Survey of the U.S. Census Bureau placed in the price range of \$200,000 to \$500,000 with a median value of \$262,000 (for owner-occupied housing units). That survey also shows that approximately 54% 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 2018 increased by 5.3%. The City's adopted budget for FY 2018 retains the FY 2017 property tax rates of \$0.335 per \$100 of assessed valuation for real property and \$0.838 per \$100 of assessed valuation for personal property. For FY 2018, General Fund revenues are budgeted at \$19,809,691, an increase of \$1,780,356 or 9.9 % over the FY 2017 budget revenues. Real and Personal Property taxes provide almost one-half (49.2%) of General Fund revenues. FY 2018 General Fund expenditures equal the budgeted revenue so the increase over FY 2017 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 5.7% (down from the prior year's 6.7%), as compared to Prince George's County at 4.3%, and the State of Maryland at 4.2% for June 2017. According to the U.S. Census Bureau the median household income for the City was \$57,824, a 2% increase over the prior year. That exceeds the same measure for the United States of \$55,755 but is less than the State of Maryland and Prince George's County, \$75,847 and \$76,741, respectively.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2017

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

**Statement of Net Position – Government Activities
As of June 30, 2017**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,453,069
Investments	12,789,333
Taxes receivable	101,566
Tickets receivable, net of allowance for doubtful accounts of \$727,476	296,462
Loan receivable	767,133
Due from state and local governments	703,508
Other receivables	445,946
Inventory	129,373
Prepaid	55,764
Capital assets, not being depreciated	5,523,583
Capital assets, being depreciated, net	<u>15,478,638</u>
 Total assets	 <u>43,744,375</u>
 Deferred outflows related to pensions	 <u>955,125</u>
LIABILITIES	
Accounts payable	1,599,095
Accrued expenditures	605,057
Other liabilities	534,351
Non-current liabilities:	
Due within one year	838,673
Due in more than one year	11,477,252
Total liabilities	<u>15,054,428</u>
 Deferred inflows related to pensions	 <u>2,413,987</u>
NET POSITION	
Net investment in capital assets	12,651,553
Restricted for capital projects	9,391,523
Unrestricted	<u>5,188,009</u>
 TOTAL NET POSITION	 <u><u>\$ 27,231,085</u></u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

**Balance Sheet – Governmental Funds
As of June 30, 2017**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,482,383	\$ 3,970,686	\$ 7,453,069
Investments	10,784,732	2,004,601	12,789,333
Taxes receivable	101,566	-	101,566
Tickets receivable, net of allowance for doubtful accounts of \$727,476	296,462	-	296,462
Loan receivable	767,133	-	767,133
Due from state and local governments	703,508	-	703,508
Due from other fund	-	4,000,000	4,000,000
Other receivables	164,362	281,584	445,946
Inventory	129,373	-	129,373
Prepaid	55,764	-	55,764
TOTAL ASSETS	<u>\$ 16,485,283</u>	<u>\$ 10,256,871</u>	<u>\$ 26,742,154</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 734,012	\$ 865,348	\$ 1,599,360
Accrued expenditures	677,398	-	677,398
Due to other funds	4,000,000	-	4,000,000
Other liabilities	534,351	-	534,351
Total liabilities	<u>5,945,761</u>	<u>865,348</u>	<u>6,811,109</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	101,566	-	101,566
Unavailable revenue - parking tickets	147,570	-	147,570
Total deferred inflows of resources	<u>249,136</u>	<u>-</u>	<u>249,136</u>
FUND BALANCES			
Nonspendable	938,432	-	938,432
Restricted- capital projects	-	9,391,523	9,391,523
Unassigned	9,351,954	-	9,351,954
Total fund balances	<u>10,290,386</u>	<u>9,391,523</u>	<u>19,681,909</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 16,485,283</u>	<u>\$ 10,256,871</u>	<u>\$ 26,742,154</u>

The accompanying notes are an integral part of this financial statement.

CITY OF COLLEGE PARK, MARYLAND

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
As of June 30, 2017**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (page 22)	\$ 19,681,909
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Certain receivables are offset by unavailable revenue in the governmental funds since they are not available to pay for current period expenditures. This is the amount of revenue related to these receivables.	249,136
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of these assets is \$37,665,950 and the accumulated depreciation is \$16,663,729.	21,002,221
Deferred outflows and inflows related to pensions	(1,458,597)
Noncurrent liabilities are not reported as liabilities in the governmental funds.	<u>(12,243,584)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (page 17)	<u><u>\$ 27,231,085</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF COLLEGE PARK, MARYLAND

**Statement of Revenue, Expenditures and Changes
In Fund Balance – Governmental Funds
For the Year Ended June 30, 2017**

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 13,746,191	\$ -	\$ 13,746,191
Licenses and permits	1,163,724	205,134	1,368,858
Intergovernmental	283,901	1,034,776	1,318,677
Charges for services	1,006,186	329,470	1,335,656
Fines and forfeitures	2,513,161	46,930	2,560,091
Investment revenue	44,922	4,600	49,522
Miscellaneous	92,420	3,472	95,892
Total revenues	<u>18,850,505</u>	<u>1,624,382</u>	<u>20,474,887</u>
EXPENDITURES			
General government	3,071,224	35,072	3,106,296
Public services	4,125,491	61,800	4,187,291
Planning and development	689,152	173,321	862,473
Public works	5,282,829	20,583	5,303,412
Youth, family and senior services	1,172,847	-	1,172,847
Capital outlay	-	3,670,991	3,670,991
Debt service:			
Principal	340,000	384,332	724,332
Interest	185,103	36,124	221,227
Other	350	-	350
Total expenditures	<u>14,866,996</u>	<u>4,382,223</u>	<u>19,249,219</u>
Excess of revenues over expenditures	3,983,509	(2,757,841)	1,225,668
OTHER FINANCING SOURCES			
Transfers in	-	2,435,440	2,435,440
Transfers out	<u>(2,435,440)</u>	<u>-</u>	<u>(2,435,440)</u>
Total other financing sources	<u>(2,435,440)</u>	<u>2,435,440</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,548,069	(322,401)	1,225,668
FUND BALANCES, BEGINNING OF YEAR	<u>8,742,317</u>	<u>9,713,924</u>	<u>18,456,241</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,290,386</u>	<u>\$ 9,391,523</u>	<u>\$ 19,681,909</u>

The accompanying notes are an integral part of this financial statement.

CITY OF COLLEGE PARK, MARYLAND

**Reconciliation of Net Changes in Fund Balance with Change in Net Position
For the Year Ended June 30, 2017**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND (page 24)	\$ 1,225,668
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which net capital outlay of \$3,410,004 exceeded depreciation expense of \$1,463,750 in the period.	1,946,254
In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year).	(28,451)
In the Statement of Activities, revenues are recognized when they are earned and received. In the governmental funds, revenues are recognized as income if they are available to satisfy current obligations. This is the amount of the decrease in unavailable revenue in the governmental funds which is recognized as revenue in the Statement of Activities.	10,278
In the Statement of Activities, pension expense is related to the change in the net pension liability, whereas in the governmental funds, pension expense is directly related to contributions. This is the amount of difference between pension expense and contributions	(10,110)
Long-term debt repayments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of long-term debt repayments for 2017.	<u>724,332</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 18)	<u><u>\$ 3,867,971</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF COLLEGE PARK, MARYLAND

**Statement of Net Position – Fiduciary Fund
As of June 30, 2017**

	Pension Trust Fund
ASSETS	
Investments:	
Mutual funds	\$ 5,861,112
Annuity contracts	745,172
Participant loans	200,501
Total assets	<u>6,806,785</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 6,806,785</u>

The accompanying notes are an integral part of this financial statement.

CITY OF COLLEGE PARK, MARYLAND

**Statement of Changes in Net Position - Fiduciary Fund
For the Year Ended June 30, 2017**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer contributions	\$ 52,984
Investment gain:	
Net increase in the fair value of investments	<u>598,828</u>
Total additions	<u>651,812</u>
DEDUCTIONS	
Benefit payments	157,869
Administrative expenses	<u>12,277</u>
Total deductions	<u>170,146</u>
CHANGE IN NET POSITION	481,666
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
BEGINNING OF YEAR	<u>6,325,119</u>
END OF YEAR	<u><u>\$ 6,806,785</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Component Units

In evaluating how to define the City of College Park, Maryland, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth under the Governmental Accounting Standards Board Statement Number 14 (GASB 14), *Defining the Government Reporting Entity* as amended by GASB 39, *Determining Whether Certain Organizations Are Component Units* and GASB61, *The Financial Reporting Entity, Omnibus – an Amendment of GASB Statements No. 14 and No. 34*. GASB 14 established standards for determining which organizations to be included in the financial reporting entity and how to report their financial information. Based upon the application of these criteria, there are no separate component units of the City.

Basis of Presentation – Government-Wide and Fund Financial Statements

The statement of net position and statement of activities present financial 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 include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported as general revenue.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 financial statements are reported 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.

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

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.
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 changes in the budget.
6. The fiscal year 2017 adopted General Fund operating budget and revisions made to the original budget were as follows:

	<u>Original Budget</u>	<u>Revisions</u>	<u>Amended Budget</u>
General fund expenditures			
General government	\$ 3,263,414	\$ 15,000	\$ 3,278,414
Public services/contract police	4,295,936	-	4,295,936
Planning and development	695,738	100,000	795,738
Public works	5,480,749	34,856	5,515,605
Youth, family & senior services	1,172,995	-	1,172,995
Contingency	10,000	-	10,000
Debt service	525,207	-	525,207
Interfund transfers	2,435,440	-	2,435,440
	<hr/>	<hr/>	<hr/>
Total General Fund	\$ 17,879,479	\$ 149,856	\$ 18,029,335
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

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.

Implementation of New Accounting Principles

The City adopted the provisions of the GASB issued GASB Statement No. 77, *Tax Abatement Disclosures*, GASB No. 78, *Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB, 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, and GASB No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, these statements did not have a material effect on the financial statements.

GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; GASB No. 81, *Irrevocable Split-Interest Agreements*; GASB No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73*; GASB No. 85, *Omnibus 2017*; and GASB No. 86, *Certain Debt Extinguishment Issues* effective for the year ending June 30, 2018; GASB No. 83, *Certain Asset Retirement Obligations* effective for the year ending June 30, 2019; GASB No. 84, *Fiduciary Activities* effective for the year ending June 30, 2020, and GASB No. 87, *Leases* effective for the year ending June 30, 2021. The City has not completed the process of evaluating the impact that will result from adopting these GASB statements, but does not expect these GASB statements would have a material effect on the financial statements. The City will be adopting these GASB statements, as applicable, by their effective date.

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. 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 the Financial Statements
June 30, 2017**

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.

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

The 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 a 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.

Fund Balance

As of June 30, 2017, fund balances of the governmental funds are classified as follows:

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

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

Committed – amounts limited by City Council policy. These amounts cannot be used for any other purpose unless the 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Use of Estimates in the Preparation of Financial Statements

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

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, 2017.

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 \$7,453,069, and the bank balance was \$7,676,535 as of June 30, 2017. 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 \$500,000 (with an FDIC limit for cash) or by collateral held by the City's agent in the City's name.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

2. CASH AND INVESTMENTS (continued)

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.

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

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. The City currently has invested approximately 24.14% (\$1,798,902) in the state's local government investment pool. For more information, contact the City of College Park Finance Department, 4500 Knox Road, College Park, Maryland 20740.

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, 2017:

- Bank certificates of deposits of approximately \$4.5 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, 2017, the Plan had no cash with the Plan's trustee.

Investments: The City has employed ICMA-RC and MetLife to invest the assets of the Plan.

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2017**

2. CASH AND INVESTMENTS (continued)

Plan Cash and Investments (continued)

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, 2017:

- 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.

	<u>Credit Rating</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash			
Insured and collateralized		\$ 7,450,269	\$ 7,676,535
Petty cash		2,800	-
Total cash		<u>7,453,069</u>	<u>7,676,535</u>
Investments			
Local government investment pool	AAA	1,798,902	1,798,902
Bank certificates of deposit	A	4,461,000	4,460,214
U.S. government securities	N/A	4,524,830	4,466,349
Money market fund	N/A	2,004,601	2,003,601
Pension- mutual funds	N/A	4,469,238	4,469,238
Pension - stable value funds	N/A	1,391,874	1,391,874
Pension - annuity contracts	N/A	745,172	745,172
Total investments		<u>19,395,617</u>	<u>19,335,350</u>
TOTAL CASH AND INVESTMENTS		<u><u>\$ 26,848,686</u></u>	<u><u>\$ 27,011,885</u></u>

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

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, 2017, 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 2017. Assessed 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, 2016 at full value was approximately \$2,465,633,374.

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 the Financial Statements
June 30, 2017

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions and Transfers	Disposals and Transfers	Ending Balance June 30, 2017
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 3,821,680	\$ -	\$ -	\$ 3,821,680
Construction in progress	896,863	805,040	-	1,701,903
Total capital assets, not being depreciated	<u>4,718,543</u>	<u>805,040</u>	<u>-</u>	<u>5,523,583</u>
Capital assets, being depreciated				
Vehicles	3,820,227	118,596	(29,452)	3,909,371
Machinery and equipment	3,696,712	239,187	(4,803)	3,931,096
Office equipment	301,227	3,327	-	304,554
Buildings and improvements	16,372,803	1,012,622	(85,707)	17,299,718
Communication equipment	383,650	-	-	383,650
Computer hardware and software	805,662	11,665	-	817,327
Infrastructure	4,277,084	1,219,567	-	5,496,651
Total capital assets, being depreciated	<u>29,657,365</u>	<u>2,604,964</u>	<u>(119,962)</u>	<u>32,142,367</u>
Total capital assets	<u>34,375,908</u>	<u>3,410,004</u>	<u>(119,962)</u>	<u>37,665,950</u>
Less accumulated depreciation				
Vehicles	2,908,376	163,483	(29,452)	3,042,407
Machinery and equipment	2,656,663	339,019	(4,803)	2,990,879
Office equipment	300,493	1,011	-	301,504
Buildings and improvements	6,649,471	526,227	(85,707)	7,089,991
Communication equipment	315,557	30,906	-	346,463
Computer hardware and software	649,896	69,790	-	719,686
Infrastructure	1,839,485	333,314	-	2,172,799
Total accumulated depreciation	<u>15,319,941</u>	<u>1,463,750</u>	<u>(119,962)</u>	<u>16,663,729</u>
Net capital assets being depreciated	<u>14,337,424</u>	<u>1,141,214</u>	<u>-</u>	<u>15,478,638</u>
Governmental activities capital assets, net	<u>\$ 19,055,967</u>	<u>\$ 1,946,254</u>	<u>\$ -</u>	<u>\$ 21,002,221</u>

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

General government	\$ 492,465
Public services	138,840
Planning & development	168,348
Public works	623,452
Youth, family and senior services	40,645
Total depreciation expense – governmental activities	<u>\$ 1,463,750</u>

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

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 5 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, 2017, the City owed \$300,000 in Community Legacy loans.

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

	Balance July 1, 2016	Additions	Deductions	Ending Balance June 30, 2017	Due Within One Year
Governmental activities					
Suntrust Master Lease	\$ 2,000,000	\$ -	\$ 384,332	\$ 1,615,668	\$ 384,332
STI Institutional & Government Inc. Parking Garage Bond of 2015	7,075,000	-	340,000	6,735,000	382,000
Community legacy loans	300,000	-	-	300,000	-
Net pension liability	5,125,562	-	2,076,207	3,049,355	-
Compensated absences	587,451	485,776	457,325	615,902	72,341
Total governmental activity liabilities	<u>\$ 15,088,013</u>	<u>\$ 485,776</u>	<u>\$ 3,257,864</u>	<u>\$ 12,315,925</u>	<u>\$ 838,673</u>

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2017**

5. LONG – TERM OBLIGATIONS (continued)

The annual debt service requirements for outstanding long-term debt as of June 30, 2017, including principal and interest, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 382,000	\$ 177,342	\$ 559,342
2019	393,000	166,841	559,841
2020	403,000	156,055	559,055
2021	565,000	144,971	709,971
2022	425,000	133,589	558,589
2023-2027	2,461,000	485,945	2,946,945
2028-2032	2,406,000	154,037	2,560,037
Total	<u>\$ 7,035,000</u>	<u>\$ 1,418,780</u>	<u>\$ 8,453,780</u>

The annual debt service requirements for the outstanding lease as of June 30, 2017, including principal and interest, are as follows:

<u>Fiscal Year</u>	<u>Payments</u>
2018	\$ 420,456
2019	420,456
2020	420,456
2021	420,456
Total	<u>1,681,824</u>
Less amounts representing interest	<u>66,156</u>
Principal Due	<u>\$ 1,615,668</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, 2017, this provision limits indebtedness to \$117,613,411. The general fund has been historically used to liquidate the liability for compensated absences.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

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.

7. RISK MANAGEMENT

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

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

LGIT is a total risk and cost sharing pool for all participants. In the event that the Trust's General Fund falls into a deficit that cannot be satisfied by transfers from the Trust's capital and surplus accounts, the Trustees shall determine a method to fund the deficit. The Trust agreement empowers the Trustees to assess an additional premium to each deficit-year participant. Debt issues 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, 2017, 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 the Financial Statements June 30, 2017

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 match depends on the employee contribution amount and their years of service. The deferred compensation is not available to employees until termination of employment, retirement, death or unforeseeable emergency. The plan is administered by the ICMA Retirement Corporation. The City's only responsibility is to withhold the amounts from employees' payroll and forward those amounts and the City's match as contributions to the plan administrator.

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

Total employer contributions to the deferred contribution plan for 2017 were \$406,754.

9. EMPLOYEES' RETIREMENT SYSTEM

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 RCPBP. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City Council has the authority to establish and amend benefit and contributor provisions.

Employees enter the plan after completion of one year of service, are scheduled to work at least 17.5 hours per week, and have reached their 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 on or 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.

Plan assets are segregated between two separate trustees. \$6,061,613 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, \$745,172, 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2017

9. EMPLOYEES' RETIREMENT SYSTEM (continued)

Plan Description (continued)

The City's payroll in fiscal year 2017 was approximately \$7.6 million. Total contributions to the 401(a) plan for 2017, 2016, and 2015, were approximately \$53,000, \$53,000, and \$144,000, 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 the benefit terms of ERS to the System's Board of Trustees. The System issues a publicly available financial report that can be obtained at www.sra.state.md.us/Agency/Downloads/CAFR/.

At the time of entry, the City purchased 60% prior service credit for creditable 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 age 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 the retiree attains age 65. The maximum reduction for early service retirement is 30%.

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 creditable service projected to 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2017

9. EMPLOYEES' RETIREMENT SYSTEM (continued)

General Information about the Pension Plan (continued)

Contributions. The article sets contribution requirements of the active employees and the participating governmental units and 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, 2017 was 5% of covered payroll, totaling approximately \$298,000, 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, 2017, the City reported a liability of approximately \$3.05 million for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2016, 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 June 30, 2017, the City's proportion for ERS was 0.013 percent, which was substantially the same from its proportion measured as of June 30, 2017.

For the year ended June 30, 2017, the City recognized pension expense for ERS of approximately \$350 thousand. As of June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions after the measurement date	\$ 298,195	\$ -
Changes of assumptions	232,524	-
Net difference between actual and expected experience	-	116,824
Net difference between projected and actual investment earnings	424,406	-
Change in proportionate share	-	2,297,163
	<hr/>	<hr/>
Total	<u>\$ 955,125</u>	<u>\$ 2,413,987</u>

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2017**

9. EMPLOYEES' RETIREMENT SYSTEM (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

As of June 30, 2017, 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,	Deferred Outflows		Deferred Inflows		Net
	Net Difference in Investment Earnings	Change in Assumptions	Actual and Expected Experience	Change in proportionate share	
2018	\$ 80,152	\$ 67,002	\$ 28,430	\$ 472,667	\$ (353,943)
2019	80,152	67,002	28,430	472,667	(353,943)
2020	188,483	52,685	28,430	472,667	(259,929)
2021	75,619	45,835	25,627	472,667	(376,840)
2022	-	-	5,907	406,495	(412,402)
Total	\$ 424,406	\$ 232,524	\$ 116,824	\$ 2,297,163	\$ (1,757,057)

\$298,195 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, 2018.

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/.

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 7.55 percent is \$3,049,355. 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 (6.55 percent) is \$4,188,554 or 1-percentage-point higher (8.55 percent) is \$2,101,371.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2017

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.

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 \$175,000 per year for several years to give the Partnership the opportunity to establish a programmatic record and develop other financial support and sustainability. The City has no claim to any of the assets of the Partnership. An annual report for this entity may be obtained from the Partnership at 4500 Knox Road, College Park, Maryland 20740.

12. CONCENTRATION OF RISK

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

13. COMMITMENTS

As of June 30, 2017, the City was committed to capital projects for City Hall renovations for a total of \$458,685 with \$431,080 spent through June 30, 2017 and with a remaining commitment of \$27,605. As of June 30, 2017, the City was committed to capital projects for Duvall Field Site Renovation for a total of \$1,105,000 with \$1,053,971 spent through June 30, 2017 and with a remaining commitment of \$51,029. As of June 30, 2017, the city was committed to capital projects for Duvall Field Building for a total of \$229,465, with \$216,852 spend through June 30, 2017 and with a remaining commitment of \$12,613.

**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***



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

**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***

City of College Park, Maryland

We have audited, 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, 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) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2017.

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. Accordingly, we do not express an opinion on 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 entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland
November 30, 2017

A handwritten signature in cursive script that reads "SB & Company, LLC".

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLLEGE PARK, MARYLAND

Required Supplementary Information for Pension For the Year Ended June 30, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the ERS net pension liability (asset)	0.013%	0.024%	0.022%
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,049,355</u>	<u>\$ 5,125,562</u>	<u>\$ 3,958,861</u>
Total	<u>\$ 3,049,355</u>	<u>\$ 5,125,562</u>	<u>\$ 3,958,861</u>
City's covered-employee payroll	\$ 5,773,401	\$ 5,593,879	\$ 5,138,767
City's proportionate share of the net pension liability (asset) as a percentage of its	52.82%	91.63%	77.04%
Plan fiduciary net position as a percentage of the total pension liability	65.79%	68.78%	71.87%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (ERS)	\$ 298,195	\$ 288,589	\$ 519,846
Contributions in relation to the contractually required contribution	<u>(298,195)</u>	<u>(288,589)</u>	<u>(519,846)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 5,773,401	\$ 5,593,879	\$ 5,138,767
Contributions as a percentage of covered-employee payroll	5.16%	5.16%	10.12%

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

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes				
Real property taxes	\$ 7,658,722	\$ 7,658,722	8,156,307	\$ 497,585
Personal property taxes	952,500	952,500	1,038,633	86,133
Total Property taxes	<u>8,611,222</u>	<u>8,611,222</u>	<u>9,194,940</u>	<u>583,718</u>
Income taxes	<u>1,660,000</u>	<u>1,660,000</u>	<u>2,271,510</u>	<u>611,510</u>
Admission and amusement taxes	<u>680,000</u>	<u>680,000</u>	<u>793,210</u>	<u>113,210</u>
State shared taxes				
Highway user revenue	<u>447,781</u>	<u>447,781</u>	<u>425,086</u>	<u>(22,695)</u>
County shared taxes				
Hotel/motel tax	<u>650,000</u>	<u>650,000</u>	<u>1,061,445</u>	<u>411,445</u>
Licenses and permits	<u>1,265,653</u>	<u>1,265,653</u>	<u>1,163,724</u>	<u>(101,929)</u>
Intergovernmental grants				
Federal grants	40,000	40,000	-	(40,000)
State grants	257,055	257,055	239,184	(17,871)
County grants	44,717	44,717	44,717	-
Total intergovernmental grants	<u>341,772</u>	<u>341,772</u>	<u>283,901</u>	<u>(57,871)</u>
Charges for services	<u>1,006,574</u>	<u>1,006,574</u>	<u>1,006,186</u>	<u>(388)</u>
Fines and forfeitures	<u>2,770,400</u>	<u>2,770,400</u>	<u>2,513,161</u>	<u>(257,239)</u>
Investment revenue	<u>132,520</u>	<u>132,520</u>	<u>44,922</u>	<u>(87,598)</u>
Miscellaneous	<u>101,870</u>	<u>101,870</u>	<u>92,420</u>	<u>(9,450)</u>
TOTAL REVENUES	<u>\$ 17,667,792</u>	<u>\$ 17,667,792</u>	<u>\$ 18,850,505</u>	<u>\$ 1,182,713</u>

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor and City Council				
Personnel	\$ 81,018	\$ 81,018	\$ 78,389	\$ 2,629
Operating	677,696	682,696	623,342	59,354
Total Mayor and City Council	<u>758,714</u>	<u>763,714</u>	<u>701,731</u>	<u>61,983</u>
City attorney	<u>176,000</u>	<u>176,000</u>	<u>217,911</u>	<u>(41,911)</u>
City Manager and Clerk				
Personnel	457,685	457,685	427,593	30,092
Operating	133,055	133,055	120,216	12,839
Capital outlays	-	-	-	-
Total City Manager and Clerk	<u>590,740</u>	<u>590,740</u>	<u>547,809</u>	<u>42,931</u>
Boards, Committees and Other				
Personnel	469,651	469,651	453,912	15,739
Operating	236,081	246,081	166,930	79,151
Capital outlays	-	-	699	(699)
Total Boards, Committees and Other	<u>705,732</u>	<u>715,732</u>	<u>621,541</u>	<u>94,191</u>
Finance				
Personnel	1,146,298	1,146,298	1,117,034	29,264
Operating	(202,213)	(202,213)	(163,470)	(38,743)
Capital outlays	88,143	88,143	28,668	59,475
Total Finance	<u>1,032,228</u>	<u>1,032,228</u>	<u>982,232</u>	<u>49,996</u>
TOTAL GENERAL GOVERNMENT	<u>3,263,414</u>	<u>3,278,414</u>	<u>3,071,224</u>	<u>207,190</u>
PUBLIC SERVICES				
Public Services				
Personnel	1,973,966	1,973,966	1,923,390	50,576
Operating	1,033,829	1,033,829	1,001,788	32,041
Capital outlays	57,250	57,250	39,002	18,248
Total Public Services	<u>3,065,045</u>	<u>3,065,045</u>	<u>2,964,180</u>	<u>100,865</u>
Contract Police				
Personnel	925,076	925,076	849,681	75,395
Operating	301,815	301,815	310,150	(8,335)
Capital Outlay	4,000	4,000	1,480	2,520
Total Contract Police	<u>1,230,891</u>	<u>1,230,891</u>	<u>1,161,311</u>	<u>69,580</u>
TOTAL PUBLIC SERVICES	<u>\$ 4,295,936</u>	<u>\$ 4,295,936</u>	<u>\$ 4,125,491</u>	<u>\$ 170,445</u>

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
PLANNING AND DEVELOPMENT				
Personnel	\$ 530,899	\$ 530,899	\$ 507,914	\$ 22,985
Operating	164,839	264,839	181,238	83,601
TOTAL PLANNING AND DEVELOPMENT	<u>695,738</u>	<u>795,738</u>	<u>689,152</u>	<u>106,586</u>
PUBLIC WORKS				
Personnel	3,755,868	3,755,868	3,661,357	94,511
Operating	1,576,081	1,576,351	1,426,685	149,666
Capital outlays	148,800	183,386	194,787	(11,401)
TOTAL PUBLIC WORKS	<u>5,480,749</u>	<u>5,515,605</u>	<u>5,282,829</u>	<u>232,776</u>
YOUTH, FAMILY AND SENIOR SERVICES				
Personnel	852,492	852,492	850,219	2,273
Operating	320,503	320,503	321,685	(1,182)
Capital outlays	-	-	943	(943)
TOTAL YOUTH, FAMILY AND SENIOR SERVICES	<u>1,172,995</u>	<u>1,172,995</u>	<u>1,172,847</u>	<u>148</u>
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Debt service	<u>525,207</u>	<u>525,207</u>	<u>525,453</u>	<u>(246)</u>
TOTAL EXPENDITURES	<u>15,444,039</u>	<u>15,593,895</u>	<u>14,866,996</u>	<u>726,899</u>
EXCESS OF REVENUE OVER EXPENDITURES	2,223,753	2,073,897	3,983,509	1,909,612
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	(2,435,440)	(2,435,440)	(2,435,440)	-
NET CHANGE IN FUND BALANCES	<u>(211,687)</u>	<u>(361,543)</u>	<u>1,548,069</u>	<u>1,909,612</u>
FUND BALANCE:				
BEGINNING OF YEAR	6,359,362	4,559,362	8,742,317	
END OF YEAR	<u>\$ 6,147,675</u>	<u>\$ 4,197,819</u>	<u>\$ 10,290,386</u>	

CITY OF COLLEGE PARK, MARYLAND

Notes to the Required Supplemental Information – General Fund For the Year Ended June 30, 2017

Budgetary Information

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

- During the month of February, the City department heads are required to submit a preliminary operating budget to the Finance Director for the fiscal year commencing the following July 1.
- The budget, as submitted, is subject to detailed review by the Finance Director and the City Manager. The proposed budget is made available to the public before finalization. The budget is prepared on a basis which conforms to 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 the fund balance) at the department level for the General Fund and of the fund level for the Capital Projects Fund.

COMBINING FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

**Combining Statement of Net Position – Fiduciary Funds
As of June 30, 2017**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 5,861,112	\$ 5,861,112
Annuity contracts	745,172	-	745,172
Participant loans	-	200,501	200,501
Total assets	<u>745,172</u>	<u>6,061,613</u>	<u>6,806,785</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 745,172</u>	<u>\$ 6,061,613</u>	<u>\$ 6,806,785</u>

CITY OF COLLEGE PARK, MARYLAND

**Combining Statement of Changes in Net Position
Last Ten Fiscal Years
(account basis of accounting)**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer contributions	\$ -	\$ 52,984	\$ 52,984
Investment gain:			
Net increase in the fair value of investments	25,872	572,956	598,828
Total additions	<u>25,872</u>	<u>625,940</u>	<u>651,812</u>
DEDUCTIONS			
Benefit payments	36,008	121,861	157,869
Administrative expenses	8,447	3,830	12,277
Total deductions	<u>44,455</u>	<u>125,691</u>	<u>170,146</u>
CHANGE IN NET POSITION	(18,583)	500,249	481,666
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:			
BEGINNING OF YEAR	<u>763,755</u>	<u>5,561,364</u>	<u>6,325,119</u>
END OF YEAR	<u>\$ 745,172</u>	<u>\$ 6,061,613</u>	<u>\$ 6,806,785</u>

STATISTICAL SECTION

[Unaudited]

CITY OF COLLEGE PARK, MARYLAND

Statistical Section (Unaudited) Summary and Table of Contents

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

Contents	Pages
Financial Trends	58 - 61
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	62 - 66
These schedules contain information to help the reader assess the factors affecting the City's ability to generate real and personal property taxes.	
Debt Capacity	67 - 69
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	70 - 71
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other municipal governments.	
Operating Information	72 - 74
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

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

CITY OF COLLEGE PARK, MARYLAND

Schedule 1

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,599,470	\$ 5,918,001	\$ 8,358,942	\$ 11,940,581	\$ 14,574,013	\$ 11,017,511	\$ 10,611,393	\$ 10,839,655	\$ 9,980,967	\$ 12,651,553
Restricted				3,164,971	4,240,056	5,868,664	6,357,611	7,807,735	9,713,924	9,391,523
Unrestricted	6,198,134	7,806,114	6,913,262	4,018,947	1,665,067	4,820,667	5,951,602	1,492,422	3,668,223	5,188,009
Total net position	\$ 12,797,604	\$ 13,724,115	\$ 15,272,204	\$ 19,124,499	\$ 20,479,136	\$ 21,706,842	\$ 22,920,606	\$ 20,139,812	\$ 23,363,114	\$ 27,231,085

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, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 or 2017. 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
General government	\$ 2,233,743	\$ 2,565,637	\$ 2,245,040	\$ 2,003,378	\$ 3,105,937	\$ 3,166,420	\$ 3,956,170	\$ 6,056,224	\$ 4,459,204	\$ 3,900,316
Public services	2,597,769	2,859,890	3,142,234	3,226,584	3,585,745	3,613,860	3,768,797	3,935,120	4,187,019	4,324,474
Planning and development	714,063	1,172,672	1,066,930	516,628	661,474	684,719	778,802	841,693	1,017,152	1,030,821
Public works	4,927,966	4,811,054	4,981,158	4,871,522	5,235,887	4,784,120	5,034,643	5,266,323	5,295,644	5,926,864
Youth, family and senior services	898,330	958,841	1,036,108	1,037,007	1,102,149	1,069,156	1,106,976	1,065,844	1,121,141	1,213,492
Interest on long-term debt	99,263	164,034	99,684	207,944	302,350	284,441	274,218	260,746	191,812	221,227
Total governmental activities expenses	\$ 11,471,134	\$ 12,532,128	\$ 12,571,154	\$ 11,863,063	\$ 13,993,542	\$ 13,602,716	\$ 14,919,606	\$ 17,423,950	\$ 16,271,972	\$ 16,617,194
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 269,825	\$ 298,322	\$ 313,794	\$ 336,500	\$ 298,536	\$ 324,648	\$ 512,636	\$ 517,975	\$ 511,728	\$ 525,150
Public services	2,248,815	2,224,251	2,417,587	4,249,393	3,704,407	3,472,437	3,607,690	4,745,152	4,847,307	4,224,619
Planning and development	1,700	2,250	1,855	2,470	1,300	8,455	5,960	4,900	1,350	22,349
Public works	367,558	363,421	366,254	385,165	415,599	403,176	422,150	401,310	395,844	363,776
Youth, family and senior services	15,891	12,689	13,168	11,242	13,003	15,430	12,332	12,064	8,615	13,711
Operating grants and contributions	188,589	195,626	218,454	219,272	255,940	234,656	234,656	256,736	415,013	283,901
Capital grants and contributions	360,446	599,567	1,079,806	1,010,462	297,661	341,241	521,247	1,357,190	933,877	1,149,776
Total governmental activities program revenues	\$ 3,452,824	\$ 3,696,126	\$ 4,410,918	\$ 6,214,504	\$ 4,986,446	\$ 4,770,670	\$ 5,316,671	\$ 7,295,327	\$ 7,113,734	\$ 6,583,282
Net (Expense) Revenue										
Governmental activities	\$ (8,018,310)	\$ (8,836,002)	\$ (8,160,236)	\$ (5,648,559)	\$ (9,007,096)	\$ (8,832,046)	\$ (9,602,935)	\$ (10,130,623)	\$ (9,158,238)	\$ (10,033,912)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Real property taxes	\$ 4,280,054	\$ 5,311,375	\$ 6,215,866	\$ 6,136,538	\$ 6,591,639	\$ 6,601,516	\$ 6,524,930	\$ 6,694,297	\$ 7,023,128	\$ 8,166,585
Personal property taxes	1,004,104	1,075,361	944,762	822,494	875,845	887,691	887,440	978,181	1,073,813	1,038,633
Income taxes	1,294,274	1,274,165	1,332,576	1,377,541	1,494,195	1,582,308	1,617,918	1,636,074	1,798,243	2,271,510
Other taxes	1,933,094	1,856,522	1,168,385	1,070,931	1,231,253	1,076,344	1,480,346	1,564,204	2,178,643	2,279,741
Investment earnings	269,992	148,525	36,962	41,762	43,105	(111,862)	198,972	156,313	108,524	49,522
Miscellaneous	39,092	96,565	9,774	51,588	125,696	23,755	107,093	165,577	199,189	95,892
Total governmental activities	\$ 8,820,610	\$ 9,762,513	\$ 9,708,325	\$ 9,500,854	\$ 10,361,733	\$ 10,059,752	\$ 10,816,699	\$ 11,194,646	\$ 12,381,540	\$ 13,901,883
Change in Net Position	\$ 802,300	\$ 926,511	\$ 1,548,089	\$ 3,852,295	\$ 1,354,637	\$ 1,227,706	\$ 1,213,764	\$ 1,064,023	\$ 3,223,302	\$ 3,867,971

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, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 or 2017. As a result, the business-type activities have been omitted from the table above.

CITY OF COLLEGE PARK, MARYLAND

Schedule 3

Fund Balances, Governmental Funds
Last Ten Fiscal Years

Fund	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 271,191	\$ 260,611	\$ 245,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,363,831	3,874,129	4,356,077	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,173,351	1,118,883	1,145,407	1,041,975	1,018,200	980,804	938,432
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
Total general fund	\$ 3,635,022	\$ 4,134,740	\$ 4,601,107	\$ 6,420,629	\$ 6,578,575	\$ 5,505,421	\$ 6,681,156	\$ 5,812,892	\$ 8,742,317	\$ 10,290,386
Capital projects fund										
Reserved	\$ 1,676,708	\$ (4,475,999)	\$ (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
Total capital projects fund	\$ 1,676,708	\$ (4,475,999)	\$ (5,258,063)	\$ 3,164,971	\$ 4,240,056	\$ 5,868,664	\$ 6,357,611	\$ 7,807,735	\$ 9,713,924	\$ 9,391,523

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 and FY2017 above, and will be used for future fiscal years as well.

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 8,511,526	\$ 9,517,423	\$ 9,562,752	\$ 9,371,082	\$ 10,165,285	\$ 10,130,800	\$ 10,533,884	\$ 10,842,892	\$ 12,134,273	\$ 13,746,191
Licenses, fees and permits	924,403	1,064,703	1,143,714	1,198,092	1,307,165	1,246,205	1,351,500	1,427,198	1,455,563	1,368,858
Fines and forfeitures	1,054,272	1,054,227	1,056,987	2,834,550	2,086,831	2,012,007	2,044,334	3,052,763	3,042,114	2,560,091
Charges for services	1,036,530	1,017,581	1,091,433	1,145,492	1,212,118	1,157,159	1,164,934	1,936,444	1,384,667	1,335,656
Intergovernmental	396,617	585,130	1,118,783	1,071,645	349,336	355,300	755,903	878,925	1,231,390	1,318,677
Investment earnings	269,993	148,525	36,962	41,762	43,105	(111,862)	198,972	156,313	199,189	49,522
Miscellaneous revenues	39,092	96,565	9,774	16,313	156,693	23,753	107,093	151,443	108,524	95,892
Total revenue	\$ 12,273,433	\$ 13,484,154	\$ 14,020,405	\$ 15,678,936	\$ 15,320,533	\$ 14,813,362	\$ 16,156,620	\$ 18,445,978	\$ 19,555,720	\$ 20,474,887
Expenditures										
General government	2,155,330	2,307,611	2,365,799	2,308,015	2,556,945	2,666,278	2,590,217	5,782,910	2,993,648	3,106,296
Public services	2,564,511	2,815,614	3,097,813	3,171,596	3,432,400	3,813,309	3,810,147	3,758,183	4,044,860	4,187,291
Planning and development	710,839	746,657	1,066,886	624,207	663,533	694,919	778,802	841,691	947,095	862,473
Public works	4,265,755	4,360,544	4,332,876	4,394,963	4,355,052	4,337,522	4,760,720	4,691,039	4,781,900	5,303,412
Youth, family and senior services	835,414	902,643	981,712	981,828	1,034,545	1,024,998	1,064,727	1,027,995	1,082,280	1,172,847
Capital outlay	2,692,349	7,539,631	2,038,284	1,184,807	1,192,942	1,163,441	930,107	1,171,474	2,528,454	3,670,991
Contingency	-	7,851	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Other	82,673	118,579	99,684	207,944	302,350	284,441	274,218	260,746	191,812	221,227
Interest	323,789	763,013	353,048	713,020	549,735	273,000	283,000	294,000	150,000	724,332
Principal										
Total expenditures	\$ 13,630,660	\$ 19,562,143	\$ 14,336,102	\$ 13,586,380	\$ 14,087,502	\$ 14,257,908	\$ 14,491,938	\$ 17,864,118	\$ 16,720,106	\$ 19,249,219
Excess (deficiency) of revenues over (under) expenditures	\$ (1,357,227)	\$ (6,077,989)	\$ (315,697)	\$ 2,092,556	\$ 1,233,031	\$ 555,454	\$ 1,664,682	\$ 581,860	\$ 2,835,614	\$ 1,225,668
Other financing sources (uses)										
Sale of land	-	425,000	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	8,150,000	-	-	-	-	-	-
Proceeds from loans	150,000	-	-	-	-	-	-	-	2,000,000	-
Operating transfers in	992,552	1,255,335	978,175	1,046,335	2,379,949	3,079,850	922,000	1,081,225	1,658,500	2,435,440
Operating transfers out	(992,552)	(1,255,335)	(978,175)	(1,046,335)	(2,379,949)	(3,079,850)	(922,000)	(1,081,225)	(1,658,500)	(2,435,440)
Total other financing sources (uses)	\$ 150,000	\$ 425,000	\$ -	\$ 8,150,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -
Net change in fund balances	\$ (1,207,227)	\$ (5,652,989)	\$ (315,697)	\$ 10,242,556	\$ 1,233,031	\$ 555,454	\$ 1,664,682	\$ 581,860	\$ 4,835,614	\$ 1,225,668
Debt service as a percentage of non-capital expenditures (Note 1)	3.7%	7.3%	3.9%	8.1%	5.7%	4.4%	4.0%	3.3%	2.4%	6.0%

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)

<u>Fiscal Year</u>	<u>Property</u>	<u>Income</u>	<u>Admission & Amusement</u>	<u>State Shared - Highway User</u>	<u>County Shared - Hotel/Motel</u>	<u>Total</u>
2008	\$ 5,284,158	\$ 1,294,274	\$ 660,862	\$ 783,296	\$ 488,936	\$ 8,511,526
2009	6,386,736	1,274,166	689,308	718,819	448,394	9,517,423
2010	7,061,791	1,332,576	664,798	81,466	422,121	9,562,752
2011	6,922,610	1,377,541	570,539	58,693	441,699	9,371,082
2012	7,439,837	1,494,195	617,331	167,363	446,559	10,165,285
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
Net Change:						
FY2008 to FY2017	174.0%	175.5%	120.0%	54.3%	217.1%	161.5%

**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
2008	\$ 1,155,118	\$ 482,758	\$ 1,637,876	\$ 1,381,546	0.299	\$ 1,637,876	100%	
2009	1,283,327	640,643	1,923,970	1,508,767	0.322	1,923,970	100%	
2010	1,158,145	649,774	1,807,919	1,514,365	0.322	1,807,919	100%	
2011	1,245,930	701,159	1,947,088	1,532,517	0.322	1,947,088	100%	
2012	1,260,161	808,625	2,068,786	1,528,585	0.322	2,068,786	100%	
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%	

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.

CITY OF COLLEGE PARK, MARYLAND

Schedule 7

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		
2009	0.322	0.279	0.026	0.054	0.960	(0.015)	0.112	1.738	
2010	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739	
2011	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739	
2012	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739	
2013	0.322	0.279	0.026	0.054	0.960	(0.020)	0.112	1.733	
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	

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

Note 1: The City Direct Rate has no components.

CITY OF COLLEGE PARK, MARYLAND

Schedule 8

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

Taxpayer	Fiscal Year 2017 Taxable Assessed Value			Fiscal Year 2008 Taxable Assessed Value			Percentage of Total City Taxable Assessed Value
	Real (RP)	Personal (PP)	Total	Real (RP)	Personal (PP)	Total	
Terrapin Row Property Owner LLC	\$ 150,884	\$ 97	\$ 150,981	-	-	-	6.24%
SH Landmark CP Venture, LLC	104,369	1,653.00	106,022	-	-	-	4.39%
University View Partners, LLC	101,851	602	102,453	\$ 69,104	\$ 1,169	\$ 70,273	4.24%
Student Housing College Park LLLP (The Varsity)	100,175	736	100,911	-	-	-	4.17%
NSHE College Park, LLC (Camden)	88,600	-	88,600	-	-	-	3.66%
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	49,621	9,523	59,144	36,578	4,581	41,159	2.45%
UDR Domain College Park LLC	58,207	-	58,207	-	-	-	2.41%
8300 Baltimore Avenue, LLC	52,815	383	53,198	-	-	-	2.20%
Mazza Grand Marc Apartments	50,940	-	50,940	-	-	-	2.11%
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	48,000	111	48,111	33,300	94	33,394	1.99%
Richard S. Gatti, et al (Marketplace)	36,205	-	36,205	33,066	-	33,066	1.50%
Potomac Electric Power Company	-	29,741	29,741	-	19,894	19,894	1.23%
College Park Shopping Center, LP	24,598	-	24,598	14,712	-	14,712	1.02%
Riverdale FDA, LLC	22,500	-	22,500	17,343	-	17,343	0.93%
CPHH LLC (RP) / Imported Cars of Maryland (PP)	5,659	7,544	13,203	3,928	13,091	17,019	0.55%
The Washington Post Company	-	-	-	26,903	24,068	50,971	-
Precision Products Group, Inc.	-	-	-	4,479	5,097	9,576	-
Total	\$ 437,145	\$ 47,302	\$ 484,447	\$ 239,413	\$ 67,994	\$ 307,407	20.04%

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
2008	\$ 5,178,280	\$ 5,161,333	99.67%	\$ 12,750	\$ 5,174,083	99.92%
2009	6,359,525	6,309,866	99.22%	35,663	6,345,529	99.78%
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%	36,794	7,459,672	99.97%
2016	7,781,376	7,736,742	99.43%	9,838	7,746,580	99.55%
2017	9,231,222	9,183,767	99.49%	-	9,183,767	99.49%

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 billings, 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.

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			
2008	\$ 295,563	\$ 1,223,280	\$ 660,000	\$ 1,059,809	-	\$ 3,238,652	0.58%	\$ 121.72	
2009	245,404	935,399	660,000	8,424,868	-	10,265,671	1.79%	381.27	
2010	192,010	635,745	660,000	8,630,234	-	10,117,989	1.96%	370.81	
2011	-	324,735	450,000	-	8,150,000	8,924,735	1.42%	293.45	
2012	-	-	450,000	-	7,925,000	8,375,000	1.31%	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	

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.

CITY OF COLLEGE PARK, MARYLAND

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of June 30, 2017

(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of College Park:			
Direct Debt	\$ 8,651	100.000%	\$ 8,651
Subtotal	<u>8,651</u>		<u>8,651</u>
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	1,408,092	3.065%	43,155
Maryland-National Capital Park and Planning Commission	<u>61,061</u>	3.065%	<u>1,871</u>
Subtotal	<u>1,469,153</u>		<u>45,027</u>
Total Direct and Overlapping Debt	<u>\$ 1,477,804</u>		<u>\$ 53,678</u>

Note 1:

Overlapping debt is not bonded debt of the City on either a direct or contingent basis but represents the share of debt of overlapping governmental units which the residents of the City are obligated to pay through the direct tax levies of the respective governmental units. Percentage applicable to the City for the overlapping debt is based on the total County real property assessment of \$75,187,506,800 and the City real property assessment of \$2,304,361,595 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2017.

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	26,607	\$ 558,693,786	\$ 20,998	3.9%
2008	26,925	575,064,150	21,358	4.5%
2009	27,286	516,169,262	18,917	6.8%
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	7.3%
2014	32,256	577,866,240	17,915	7.4%
2015	32,301	575,248,509	17,809	6.6%
2016	32,275	582,821,950	18,058	5.4%

Sources: Calendar years 2010, 2013, 2014, 2015 and 2016 data from U. S. Department of Commerce, Bureau of Economic Analysis. Calendar years 2007, 2008, 2009, 2011, 2012, 2013, 2014, 2015 and 2016 data from U. S. Department of Commerce, Bureau of Economic Analysis. Calendar years 2010, 2013, 2014, 2015 and 2016 population figures were prepared by the Maryland Department of Planning, Planning Data Services. Except for years 2010, 2012, 2013, 2014, 2015 and 2016 per capita income was estimated by the City's Finance Department based on Prince George's County's per capita personal income. Calendar 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 2017			Fiscal Year 2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland, College Park	17,072	1	51.99%	13,069	1	51.25%
University of Maryland University College (UMUC)	2,000	2	6.09%	2,644	2	10.37%
National Archives and Records Administration II	1,700	3	5.18%	900	3	3.53%
National Oceanic and Atmospheric Administration	817	4	2.49%	-	-	-
U.S. Food and Drug Administration (FDA)	800	5	2.44%	750	4	3.00%
IKEA	450	6	1.37%	300	5	1.18%
Home Depot	177	7	0.54%	-	-	-
College Park Hyundai	162	8	0.49%	-	-	-
The Hotel	150	9	0.46%	-	-	-
American Center for Physics	125	10	0.38%	230	6	0.90%
The Washington Post	-	-	-	220	7	0.86%
Total	23,453		71.42%	18,113		71.09%

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Administration	7.00	7.00	7.00	7.00	7.00	7.00	7.75	7.00	7.00	8.00
Finance	11.80	11.80	11.80	11.30	10.80	10.80	10.70	10.70	10.70	10.70
Public services	28.52	28.47	28.50	27.00	29.89	30.74	31.34	30.84	32.30	32.30
Planning and development	5.00	5.00	5.00	5.50	5.30	5.20	5.20	5.20	5.20	5.20
Youth, family and senior services	8.45	8.63	8.63	10.45	9.41	9.71	9.71	10.09	10.43	11.13
Public works	49.75	49.75	50.00	50.00	50.15	50.15	50.35	50.35	50.35	48.35
Total	<u>110.52</u>	<u>110.65</u>	<u>110.93</u>	<u>111.25</u>	<u>112.55</u>	<u>113.60</u>	<u>115.05</u>	<u>114.18</u>	<u>115.98</u>	<u>115.68</u>

Source: City of College Park adopted operating budgets, fiscal years 2008 - 2017

CITY OF COLLEGE PARK, MARYLAND

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Parking enforcement										
Number of parking tickets issued	36,712	37,353	34,186	34,288	28,315	34,027	37,705	36,731	33,582	32,236
Recreation										
Attendance at sponsored recreational events (estimated)	35,000	25,000	25,000	27,600	30,000	31,430	31,430	29,000	29,000	30,000
Planning and development										
Variance applications processed	23	6	10	15	14	6	15	10	10	15
Clinical services										
Number of individuals who received clinical services	2,237	1,839	1,915	1,863	1,968	1,909	1,690	1,204	1,366	1,391
Seniors program										
Seniors trips provided	2,211	2,200	2,250	2,110	2,278	2,210	2,205	2,192	2,272	2,481
Seniors assisted with transportation	3,420	3,400	3,420	3,666	3,585	3,515	3,507	3,486	3,581	3,490
Refuse and recycling collection										
Cost per ton of solid waste	\$ 157.27	\$ 147.00	\$ 130.63	\$ 155.36	\$ 135.53	\$ 139.89	\$ 147.80	\$ 151.02	\$ 171.00	\$ 185.00
Recyclables collected (tons)	1,246	1,470	1,445	1,458	1,725	1,467	1,453	1,450	1,403	1,261
Cost per ton for recycling (paper, commingles, white goods, scrap metal)	\$ 255.44	\$ 359.00*	\$ 283.00	\$ 255.00	\$ 201.00	\$ 249.00	\$ 263.00	\$ 277.00	\$ 435.00	\$ 600.00
Compost yard operations		**							***	
Tons of solid waste diverted through composting	2,306	1,593	1,558	1,521	1,736	1,976	2,872	2,748	2,667	2,057
Dollars in tipping fees saved	\$ 57,650	\$ 39,825	\$ 38,951	\$ 38,678	\$ 43,411	\$ 49,412	\$ 71,799	\$ 68,704	\$ 66,675	\$ 51,425
Cubic yards of brush recycled	1,570	1,959	3,775	3,692	1,267	1,895	3,056	3,564	3,515	2,970
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 69,230	\$ 67,094	\$ 71,002	\$ 66,668	\$ 75,191	\$ 63,802	\$ 75,111	\$ 83,317	\$ 71,427	\$ 69,164
Other public works										
Street cleaning sweeps in high impact areas	189	224	203	202	219	211	193	201	195	200

Sources: City of College Park departments

Notes:

- *- significant increase reflects the purchase of 4,500 single stream recycling carts
- ** - the calculation method for the volume of yard waste collected changed in FY2009
- *** - 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

Schedule 17

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Refuse and recycling collection										
Collection trucks	11	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	8	8	12	12	12	12	12	12	12
Parking pay stations	-	-	4	13	13	13	13	13	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	2	3	3	3	3	3	3	3	3	3

Sources: City of College Park departments

