



CITY OF COLLEGE PARK, MARYLAND



Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015

Cover Photo:

Landmark College Park, 4500 College Avenue

Landmark College Park opened its doors to 829 students in late summer 2015 along with the region's first Target Express on the ground floor. This mixed-use project represents the first significant redevelopment in Downtown College Park and was accompanied by streetscape enhancements funded through a federal Economic Development Initiatives ("EDI") grant. Improvements include new trash and recycling receptacles, tables, benches, bike racks, landscaping and sidewalk repairs.



CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2015

The Honorable Andrew M. Fellows, Mayor

City Council

P. J. Brennan
Monroe S. Dennis
Fazlul Kabir
Stephanie E. Stullich

Robert W. Day
Alan Y. Hew
Denise C. Mitchell
Patrick L. Wojahn

Administration

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

CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2015

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INTRODUCTORY SECTION



4500 KNOX ROAD
COLLEGE PARK, MD 20740-3390

City Manager and
OFFICE OF: Director of Finance

November 20, 2015

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, 2015 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, 2015 are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States of America. The report of 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 32,256, based on the U.S. Census Bureau 2014 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 and 4 administrative functions. The 5 departments are: Finance; Public Services; Planning, Community and Economic Development; Youth, Family and Senior Services; and Public Works. In addition, the offices of the City Manager, City Clerk, Human Resources, and City Attorney provide administrative support. Each operating department has a director who reports to the City Manager. Services provided by the City include street and sidewalk maintenance, snow removal, refuse collection, recycling, code enforcement, parking enforcement, animal control, youth and family services, seniors program, recreation, planning, and financial management.

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

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

The 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 provide 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 0.69 percent from the prior year to \$2.05 billion as of July 1, 2014. Taxable assessed real property values after application of homestead tax credit increased 3.18 percent to \$2.02 billion as of July 1, 2014. Exempt real property constitutes 37.3 percent of the total real property assessment as of July 1, 2014. Assessments of personal property remain flat at approximately \$87.1 million.

The City's major employer and property owner (albeit tax-exempt) 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. The combination of approximately 37,641 students and 13,157 faculty and staff brings significant commerce to the business community of the City.

Long-term Financial Planning

Unrestricted, unassigned fund balance in the General Fund as of June 30, 2015 (\$4,794,692) represents 29.4% of the next fiscal year's adopted expenditure budget (\$16,317,988 for fiscal year 2016), which exceeds the Council's established goal of 25%. Elected officials and management staff are confident that the 25% goal will be met or exceeded in future years.

The City utilizes a combination of "pay-as-you-go" and debt financing for funding capital improvements. Current debt outstanding (\$7,525,000) consists of 3 Community Legacy loans for capital projects (\$450,000), and a 20-year tax-exempt parking garage bond (\$7,075,000).

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 2015. The City has a fund balance retention goal to maintain the General Fund's fund balance at a level of at least 25 percent 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. \$750,000 was budgeted in fiscal year 2015 for part-time contract police.
- The City continues the \$400,000 police services contract with Prince George's County, which began in fiscal year 2009, to provide 3 full-time County police officers on permanent assignment within the City. The \$400,000 police services contract is in addition to the \$750,000 budgeted for part-time contract police, and also supplements regular County police services.
- Eleven multi-space pay stations are in service in the City's parking garage and other previously metered parking lots.
- Since fiscal year 2011, the City has utilized a speed enforcement camera program at approximately 5 locations. An outside vendor processes tickets following review and certification of violations by the City's contract police officers. According to State enabling legislation, net revenue generated from this program must be used for public safety purposes, including pedestrian safety improvements.
- Several streetscape projects are in process, utilizing a combination of City capital project funding, Community Development Block Grant ("CDBG"), Community Legacy, and Maryland Heritage Area Authority ("MHAA") grants and loans to upgrade sidewalks, curb and gutter, streetlights and landscaping in commercial areas.
- The City participates in the entitlement process for M Square, the University's research and development park adjacent to the College Park Metro station.
- Most fiscal year 2015 elements in the adopted strategic action plan were implemented on schedule, with a few carrying over to fiscal year 2016.

For the Near Future

- Complete construction of a new modular operations building at the City's Public Works facility. A design/build contract was awarded in fall 2015.
- Interest in redevelopment continues along the U.S. Route 1 corridor and adjacent areas.
- WMATA, the Metro operator, is pursuing a joint development agreement with the private sector at the College Park Metro station for hotel and residential uses.
- Launch a jointly-operated City/University bikeshare program to serve on- and off-campus locations.
- The City has approved a new five-year strategic plan for fiscal years 2016-2020.
- Begin planning for a new City Hall at the Knox Road location, 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.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Park for its comprehensive annual financial report for the fiscal year ended June 30, 2014. 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 36th year that the City has achieved this prestigious award.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2015. In order to qualify for this award, a government unit must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications device. The award is valid for a period of one year only. The City of College Park has been the recipient of this award for annual budgets prepared since fiscal year 1989.

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

Respectfully submitted,



Scott Somers
City Manager



Stephen Groh
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of College Park
Maryland**

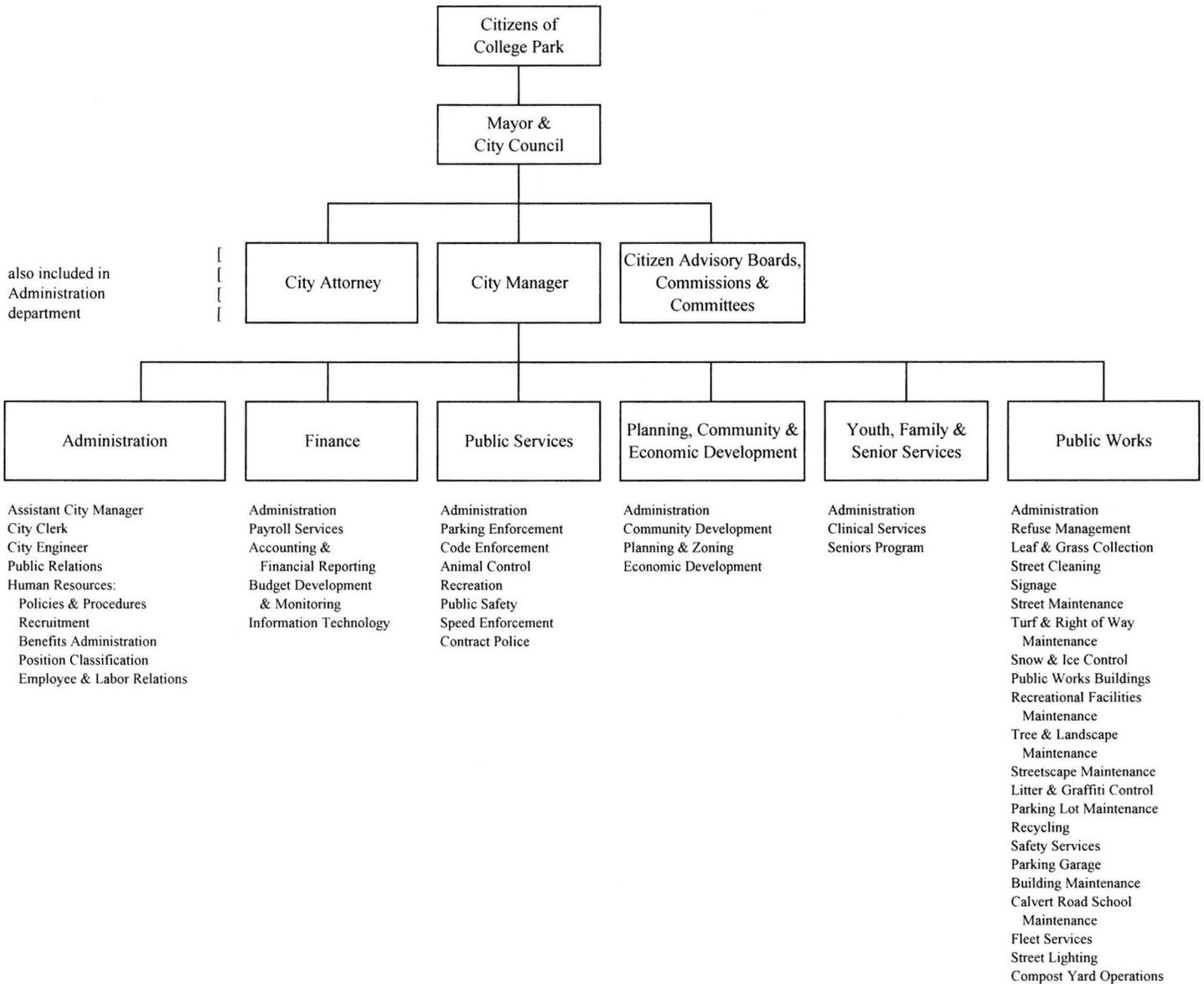
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF COLLEGE PARK, MARYLAND

Organization Chart



CITY OF COLLEGE PARK, MARYLAND

List of Principal Officials as of June 30, 2015

<u>Title</u>	<u>Name</u>
Mayor	Andrew M. Fellows
City Council, District 1	Fazlul Kabir Patrick L. Wojahn
City Council, District 2	P. J. Brennan Monroe S. Dennis
City Council, District 3	Robert W. Day Stephanie E. Stulich
City Council, District 4	Alan Y. Hew Denise C. Mitchell
City Manager	Joseph L. Nagro
City Clerk Assistant City Clerk	Janeen S. Miller, CMC Yvette T. Allen, CMC
City Attorney	Suellen M. Ferguson, Esquire Council Baradel Kosmerl & Nolan, P.A. Annapolis, Maryland
Independent Public Accountants	SB & Company, LLC Hunt Valley, Maryland
<u>Department Directors and Deputy Directors</u>	
Finance	Stephen Groh, CPA, Director Leo L. Thomas, Jr., CPA, Deputy Director
Public Services	Robert W. Ryan, Director
Planning, Comm. & Econ. Development	Terry A. Schum, Director
Human Resources	Jill R. Clements, Director
Youth, Family and Senior Services	M. Margaret Higgins, Director
Public Works	Robert T. Stumpff, Director Brenda L. Alexander, Deputy Director

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FINANCIAL SECTION



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, 2015, 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.



SB & COMPANY, LLC
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Opinions

In our opinion, based on our audit, 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, 2015, 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 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.

Supplementary and 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 relate 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.

Hunt Valley, Maryland
November 20, 2015

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, 2015. The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights for Fiscal Year 2015

The assets of the City exceeded its liabilities as of June 30, 2015 by \$20.1 million (net position). Of this amount, \$1.5 million is unrestricted and may be used to meet the City's future obligations. All of the \$1.5 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, decreased \$2.8 million from \$22.9 million to \$20.1 million.

During the current fiscal year, the City's long-term debt (excluding net pension liability and compensated absences) decreased by \$294,000. The City refinanced its 2011 parking garage bond bearing an interest rate of 3.68% with new debt carrying an interest rate of 2.71%. This initiative decreased the City's debt service over the life of the new bond by approximately \$677,376.

In the current year, the unrestricted net position decreased by \$3.8 million due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pension* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* in recording the beginning net pension liability and the beginning deferred outflow of resources, contribution subsequent to the measurement date, for all of the defined benefit pension plans.

Total governmental funds' fund balance increased from \$13.0 million as of June 30, 2014 to \$13.6 million as of June 30, 2015. The unreserved fund balance for the General Fund as of June 30, 2015, consisting of committed and unassigned fund balances, represented 29.3 percent of total General Fund expenditures for fiscal year 2015, compared to the Council adopted goal of 25 percent.

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.

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.

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

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

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

Financial Analysis of the City as a Whole

Entity-wide Financial Analysis

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

The following table presents a summary of the Statement of Net Position for the City as of June 30, 2015 and 2014:

Net Position

	Governmental Activities	
	2015	2014
Current and other assets	\$ 16,221,332	\$ 14,807,269
Capital assets, net of accumulated depreciation	17,914,655	17,980,393
Total assets	<u>34,135,987</u>	<u>32,787,662</u>
Deferred outflows related to pensions	<u>577,114</u>	<u>-</u>
Other liabilities	2,048,495	1,463,795
Long-term liabilities outstanding	<u>12,091,467</u>	<u>8,403,261</u>
Total liabilities	<u>14,139,962</u>	<u>9,867,056</u>
Deferred inflows related to pensions	<u>433,327</u>	<u>-</u>
Net position:		
Invested in capital assets, net of related debt	10,839,655	10,611,393
Restricted	7,807,735	6,357,611
Unrestricted	1,492,422	5,951,602
Total net position	<u>\$ 20,139,812</u>	<u>\$ 22,920,606</u>

Note: The City had no business-type activities as of June 30, 2015 or 2014. As a result, the business-type activities and total columns have been omitted from the above table.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2015, the City's assets exceeded liabilities by \$20.1 million. By far the largest portion of the City's net position (53.8 percent) reflects its investment in capital assets (e.g., land, buildings, site improvements, furniture and equipment, machinery, infrastructure); less any related debt used to acquire those assets that is still outstanding. Capital assets, which are used to provide services to residents, are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has an investment in capital assets, net of related debt, of \$10.8 million as of June 30, 2015. This amount reflects the City's decision to forego the reporting of general infrastructure acquired prior to July 1, 2002 (as permitted by GASB 34). No long-term debt was incurred in the acquisition of general infrastructure acquired prior to July 1, 2002. The amount of unreported infrastructure is not currently determinable.

The following table summarizes the City's changes in net position for the years ended June 30, 2015 and 2014:

Changes in Net Position

	Governmental Activities	
	2015	2014
Revenue		
Program revenues:		
Charges for services	\$ 5,681,401	\$ 4,560,768
Operating grants and contributions	256,736	234,656
Capital grants and contributions	1,357,190	521,247
General revenues:		
Property taxes	7,672,478	7,412,370
Income tax	1,636,074	1,617,918
Other taxes	1,564,204	1,480,346
Interest	156,313	198,972
Other general revenue	165,577	107,093
Total revenue	<u>18,489,973</u>	<u>16,133,370</u>
Expenses		
General government	6,056,224	3,956,170
Public services	3,935,120	3,768,797
Planning and development	841,693	778,802
Public works	5,266,323	5,034,643
Youth, family and senior services	1,065,844	1,106,976
Interest expense	260,746	274,218
Total expenses	<u>17,425,950</u>	<u>14,919,606</u>
Increase in net position	1,064,023	1,213,764
Net position – beginning	-	21,706,842
Net position – beginning, as restated	19,075,789	-
Net position – ending	<u>\$ 20,139,812</u>	<u>\$ 22,920,606</u>

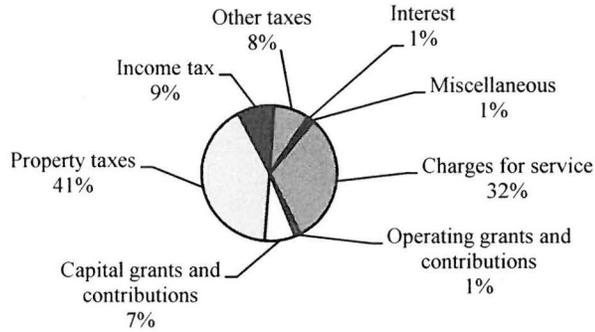
Note: The City had no business-type activities for the years ended June 30, 2015 or 2014. As a result, the business-type activities and total columns have been omitted from the above table.

The overall increase in the City's net position amounted to \$1,064,023 during the fiscal year ended June 30, 2015, as explained in the governmental activities discussion that follows.

Governmental Activities

Governmental activities increased the City's net position by \$1,064,023, after restatement of beginning balance by negative \$3.8 million, due to the implementation of GASB Statement No. 68 in recording the beginning net pension liability and the beginning deferred outflow of resources, contribution subsequent to the measurement date for all of the defined benefit pension plans. Total revenue of \$18.5 million is comprised of program revenue totaling \$7.3 million, or 39.4 percent, and general revenue of \$11.2 million, or 60.6 percent. General revenue is the principal source of funding for the major activities of the City. Sources of revenue are comprised of the following items:

**Revenue by Source - Governmental Activities
for the year ended June 30, 2015**

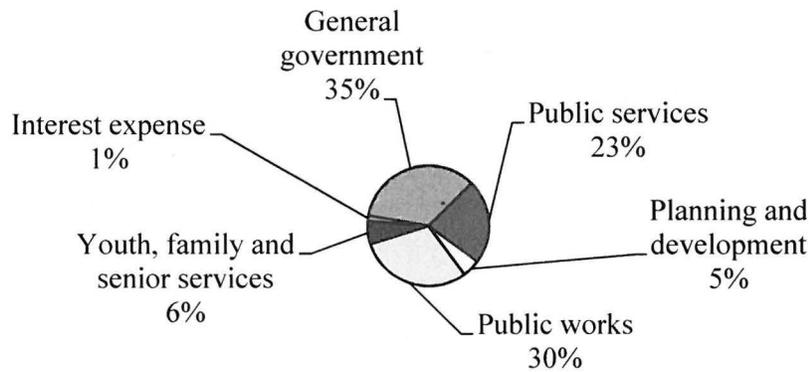


Key elements of the increase in net position are as follows:

- The net of cash and investments increased by \$1,200,983.
- Capital assets, net of depreciation, increased by \$228,262.

A more detailed discussion of the City's revenue results for fiscal year 2015 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A. The cost of all governmental activities for fiscal year 2015 was \$17.4 million. As the chart on the following page indicates, General Government constitutes the City's largest program, totaling \$6.1 million, or 34.5 percent. Public Works, the second largest program for the City, totaled \$5.3 million, or 30.5 percent, while Public Services, the third largest program, totaled \$3.9 million, or 22.4 percent.

**Expenses by Function - Governmental Activities
for the year ended June 30, 2015**



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

Net Cost of City’s Governmental Activities

	Expenses		Program Revenues		Net Cost of Services	
	2015	2014	2015	2014	2015	2014
General						
government	\$ 6,056,224	\$ 3,956,170	\$ 533,692	\$ 528,353	\$ (5,522,532)	\$ (3,427,817)
Public services	3,935,120	3,768,797	5,052,728	3,720,574	1,117,608	(48,223)
Planning and development	841,693	778,802	1,010,527	5,960	168,834	(772,842)
Public works	5,266,323	5,034,643	580,261	422,150	(4,686,062)	(4,612,493)
Youth, family and senior services	1,065,844	1,106,976	118,119	118,387	(947,725)	(988,589)
Interest expense	260,746	274,218	-	-	(260,746)	(274,218)
Total	<u>\$ 17,425,950</u>	<u>\$ 14,919,606</u>	<u>\$ 7,295,327</u>	<u>\$ 4,795,424</u>	<u>\$ (10,130,623)</u>	<u>\$ (10,124,182)</u>

Business-type Activities

Not applicable for this fiscal year.

Financial Analysis of the City’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is valuable in assessing the City’s financing requirements. In particular, the unreserved fund balance may serve as a useful measure of a government’s net resources available for spending as of the end of the fiscal year. Types of major governmental funds reported by the City include the General Fund and Capital Projects Fund.

As of the end of fiscal year 2015, the City’s governmental funds reported combined ending fund balances of \$13.6 million. Of the total ending fund balances, \$4.8 million constitutes the unassigned fund balance, which is available for spending at the City’s discretion.

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2015, unassigned fund balance of the General Fund was \$4.8 million, while the total fund balance totaled \$5.8 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27.5 percent of the total current year General Fund expenditures and transfers out, while total fund balance represents 33.3 percent of the same amount.

The fund balance of the City’s General Fund decreased by \$868,264 during the current fiscal year, representing the excess of expenditures and other financing uses over revenues. Key factors for the decrease are as follows:

General Fund operating revenue increased by \$1,392,601 from fiscal year 2014, comprised of the following major components:

- Tax revenue increased \$309,008 in fiscal year 2015, comprised primarily of additional property tax of \$206,994 and additional hotel/motel tax of \$59,331.
- Licenses and permits revenue increased by \$72,019, resulting from timing of occupancy permit collections.
- Fines and forfeitures increased by \$1,009,009, primarily due to increased collection of speed enforcement camera citations.

General Fund expenditures and other financing uses increased by \$3,436,600 from fiscal year 2014, comprised of the following major components:

- General government increased by \$3,187,147, comprised primarily of the \$2,631,128 payment to the Maryland State Retirement Agency (“MSRA”) for purchase of 60% prior service credit, effective upon the City’s entry into the Reformed Contributory Pension Benefit Plan (“RCPBP”) on July 1, 2014.
- Interfund transfers increased by \$159,225 from fiscal year 2014 due to increased funding for infrastructure improvements.

The Capital Projects Fund is used to account for the overall financing and expenditure for uncompleted projects. Of the total ending fund balance of \$7,807,735, the entire amount represents authorized and funded projects that are not complete. Revenues increased by \$896,757 compared to the previous year while expenditures increased by \$94,805. The revenue increase resulted from additional charges for services while the expenditure increase resulted from an increase in infrastructure improvements.

Proprietary funds

Not applicable for this fiscal year

General Fund Budgetary Highlights

The City’s final budget for fiscal year 2015 is the same as the original adopted budget except for an additional interfund transfer of \$300,000 to the Capital Projects Fund.

Revenue and other financing sources amounted to \$16.6 million in fiscal year 2015, an increase of \$1,392,601 or 9.2 percent from fiscal year 2014.

For fiscal year 2015, the real property assessable tax base increased 0.5 percent to \$2.05 billion and the real property tax rate remained at \$0.335 per \$100 of assessed value. The personal property assessable tax base remained the same at \$87.06 million and the personal property tax rate remained at \$0.838 per \$100 of assessed value.

Expenditures and transfers amounted to \$17.4 million in fiscal year 2015, an increase of \$3,436,600 or 24.5 percent from fiscal year 2014.

The transfer to the Capital Projects Fund increased by \$159,225 to \$1,081,225 in fiscal year 2015.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental activities as of June 30, 2015 amounted to \$17,914,655 (net of accumulated depreciation). Capital assets include land, construction-in-progress, buildings and improvements, vehicles, machinery and equipment, office equipment, communication equipment, computer hardware and software, and infrastructure.

Capital Assets, Net of Depreciation

	Governmental Activities	
	2015	2014
Land	\$ 3,821,680	\$ 3,821,680
Construction-in-progress	423,961	551,779
Buildings and improvements	9,823,060	10,221,780
Vehicles	411,898	560,016
Machinery and equipment	650,727	548,162
Office equipment	1,135	1,667
Communication equipment	91,975	127,420
Computer hardware and software	62,614	78,682
Infrastructure	2,627,605	2,069,207
Total	\$ 17,914,655	\$ 17,980,393

Note: The City had no business-type activities as of June 30, 2015 or 2014. 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: vehicles and heavy equipment totaling \$65,776, machinery and equipment totaling \$393,309 and infrastructure improvements totaling \$810,541.

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

Debt Administration

As of the end of fiscal year 2015, the City had \$7,525,000 in long-term debt outstanding (excluding net pension liability and compensated absences), compared with \$7,819,000 as of the end of fiscal year 2014, a decrease of 3.8 percent. The various components of long-term debt are shown in the following table:

Outstanding Debt

	Governmental Activities	
	2015	2014
SunTrust Bank – parking garage bond of 2011	\$ -	\$ 7,369,000
STI Institutional & Government, Inc. – parking garage bond of 2015	7,075,000	-
Community legacy loans	450,000	450,000
Total	\$ 7,525,000	\$ 7,819,000

Note: The City had no business-type activities as of June 30, 2015 or 2014. As a result, the business-type activities and total columns have been omitted from the above table.

Maryland state law does not mandate a limit on municipal debt. The City Charter limits the total outstanding general obligation debt of the City to five percent of the total real property taxable assessment. As of June 30, 2015, assessed valuation of such property totaled \$2.05 billion, the City debt limit was \$102.5 million, and the actual general obligation outstanding debt was \$7,525,000, representing 7.3 percent of the debt limit.

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

Economic Factors and Next Year's Budget and Rates

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

The City's total real property assessment for fiscal year 2015 increased 0.7 percent from the prior year. Assessments on commercial properties increased 0.7 percent while assessments on residential properties increased 0.7 percent. New construction in fiscal year 2015 was minimal. The majority of homes in the City are single-family homes that the 2010-2013 American Community Survey of the U.S. Census Bureau placed in the price range of \$200,000 to \$450,000 with a median value of \$273,100. Due to the City's location surrounding the University of Maryland campus, approximately 25 percent of the City's single-family homes are rental properties, targeting student rentals.

Maryland Department of Labor, Licensing and Regulation ("DLLR") reported the unemployment rate in College Park at 8.8 percent, Prince George's County at 5.6 percent and the State of Maryland at 5.2 percent on June 30, 2015. The median household income for the City of College Park for the period 2009-2013 was \$56,957 according to the U.S. Census Bureau. The City's median income level exceeds the United States at \$53,046 but is less than the State of Maryland at \$73,538 and Prince George's County at \$73,623.

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

The adopted budget for fiscal year 2016 retains the fiscal year 2015 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. In the fiscal year 2016 adopted budget, General Fund operating revenues are budgeted at \$16,060,596, an

increase of \$1,353,509 or 9.2 percent over the fiscal year 2015 budgeted operating revenues. Property taxes constitute 48.5 percent of General Fund operating revenues. Fiscal year 2015 General Fund expenditures and transfers are budgeted at \$16,317,988, an increase of \$923,084 or 6.0 percent over the fiscal year 2015 budgeted expenditures.

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 fluctuates significantly from year-to-year, 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, does not generally fluctuate.

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, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 5,761,018
Investments	8,163,846
Taxes receivable	77,329
Tickets receivable, net of allowance for doubtful accounts of \$718,925	449,906
Loan receivable	842,212
Due from state and local governments	580,749
Other receivables	156,449
Inventory	119,445
Prepaid	70,378
Capital assets, not being depreciated	4,245,641
Capital assets, being depreciated, net	<u>13,669,014</u>
 Total assets	 <u>34,135,987</u>
 Deferred outflows related to pensions	 <u>577,114</u>
LIABILITIES	
Accounts payable	1,382,736
Accrued expenditures	460,723
Other liabilities	205,036
Non-current liabilities:	
Due within one year	308,370
Due in more than one year	11,783,097
Total liabilities	<u>14,139,962</u>
 Deferred inflows related to pensions	 <u>433,327</u>
NET POSITION	
Invested in capital assets, net of related debt	10,839,655
Restricted - capital projects	7,807,735
Unrestricted	<u>1,492,422</u>
TOTAL NET POSITION	<u><u>\$ 20,139,812</u></u>

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

CITY OF COLLEGE PARK, MARYLAND

**Statement of Activities
For the Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
PRIMARY GOVERNMENT					
Governmental activities:					
General government	\$ 6,056,224	\$ 517,975	\$ 15,717	\$ -	(5,522,532)
Public services	3,935,120	4,745,152	132,610	174,966	1,117,608
Planning and development	841,693	4,900	2,354	1,003,273	168,834
Public works	5,266,323	401,310	-	178,951	(4,686,062)
Youth, family and senior services	1,065,844	12,064	106,055	-	(947,725)
Interest on long-term debt	260,746	-	-	-	(260,746)
Total governmental activities	<u>\$ 17,425,950</u>	<u>\$ 5,681,401</u>	<u>\$ 256,736</u>	<u>\$ 1,357,190</u>	<u>(10,130,623)</u>
GENERAL REVENUES					
Taxes:					
Property taxes, levied for general purposes					7,672,478
Income taxes					1,636,074
Other taxes					1,564,204
Miscellaneous					165,577
Unrestricted investment earnings					156,313
Total general revenues					<u>11,194,646</u>
CHANGE IN NET POSITION					1,064,023
NET POSITION, BEGINNING OF YEAR, as restated					<u>19,075,789</u>
NET POSITION, END OF YEAR					<u>\$ 20,139,812</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, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,055,504	\$ 3,705,514	\$ 5,761,018
Investments	8,163,846	-	8,163,846
Taxes receivable	77,329	-	77,329
Tickets receivable, net of allowance for doubtful accounts of \$718,925	449,906	-	449,906
Loan receivable	842,212	-	842,212
Due from state and local governments	455,783	124,966	580,749
Due from other fund	-	4,000,000	4,000,000
Other receivables	107,123	49,326	156,449
Inventory	119,445	-	119,445
Prepaid	70,378	-	70,378
TOTAL ASSETS	<u>\$ 12,341,526</u>	<u>\$ 7,879,806</u>	<u>\$ 20,221,332</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,310,665	\$ 72,071	\$ 1,382,736
Accrued expenses	713,629	-	713,629
Due to other funds	4,000,000	-	4,000,000
Other liabilities	205,036	-	205,036
Total liabilities	<u>6,229,330</u>	<u>72,071</u>	<u>6,301,401</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	77,330	-	77,330
Unavailable revenue - parking tickets	221,974	-	221,974
Total deferred inflows of resources	<u>299,304</u>	<u>-</u>	<u>299,304</u>
FUND BALANCES			
Nonspendable	1,032,035	-	1,032,035
Restricted	-	7,807,735	7,807,735
Unassigned	4,780,857	-	4,780,857
Total fund balances	<u>5,812,892</u>	<u>7,807,735</u>	<u>13,620,627</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,341,526</u>	<u>\$ 7,879,806</u>	<u>\$ 20,221,332</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, 2015**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (page 26)	\$ 13,620,627
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.	299,304
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 \$31,998,065 and the accumulated depreciation is \$14,083,410.	17,914,655
Deferred outflows and inflows related to pensions	143,787
Noncurrent liabilities are not reported as liabilities in the governmental funds.	<u>(11,838,561)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (page 24)	<u><u>\$ 20,139,812</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, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ 10,842,892	\$ -	\$ 10,842,892
Licenses and permits	1,232,599	194,599	1,427,198
Intergovernmental	256,736	622,189	878,925
Charges for services	988,596	947,848	1,936,444
Fines and forfeitures	3,001,290	51,473	3,052,763
Investment revenue	156,313	-	156,313
Miscellaneous	102,220	49,223	151,443
	<u>16,580,646</u>	<u>1,865,332</u>	<u>18,445,978</u>
Total revenues			
EXPENDITURES			
General government	5,745,445	37,464	5,782,909
Public services	3,708,982	49,202	3,758,184
Planning and development	613,974	227,717	841,691
Public works	4,680,463	10,576	4,691,039
Youth, family and senior services	1,027,995	-	1,027,995
Capital outlay	-	1,171,474	1,171,474
Debt service:			
Principal	294,000	-	294,000
Interest	260,746	-	260,746
Other	36,080	-	36,080
	<u>16,367,685</u>	<u>1,496,433</u>	<u>17,864,118</u>
Total expenditures			
Excess of revenues over expenditures	212,961	368,899	581,860
OTHER FINANCING SOURCES			
Transfers in	-	1,081,225	1,081,225
Transfers out	(1,081,225)	-	(1,081,225)
Total other financing sources	<u>(1,081,225)</u>	<u>1,081,225</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(868,264)	1,450,124	581,860
FUND BALANCES, BEGINNING OF YEAR	<u>6,681,156</u>	<u>6,357,611</u>	<u>13,038,767</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,812,892</u>	<u>\$ 7,807,735</u>	<u>\$ 13,620,627</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, 2015**

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND (page 28)	\$ 581,860
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 \$1,221,691 was exceeded by depreciation expense of \$1,287,429 in the period.	(65,738)
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).	194,294
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.	29,864
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	29,743
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 2015.	<u>294,000</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 25)	<u><u>\$ 1,064,023</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, 2015**

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ -
Investments:	
Mutual funds	5,490,236
Annuity contracts	769,610
Participant loans	247,312
Total assets	<u>6,507,158</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 6,507,158</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, 2015**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer contributions	\$ 143,722
Investment gain:	
Net increase in the fair value of investments	<u>171,814</u>
 Total additions	 <u>315,536</u>
 DEDUCTIONS	
Benefit payments	114,641
Administrative expenses	<u>12,545</u>
 Total deductions	 <u>127,186</u>
 CHANGE IN NET POSITION	 188,350
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
 BEGINNING OF YEAR	 <u>6,318,808</u>
 END OF YEAR	 <u><u>\$ 6,507,158</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

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*. 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, 2015

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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 53 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. 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.
7. Expenditures may not exceed budgeted appropriations (which may include amounts appropriated from the fund balance) at the department level for the General Fund and at the fund level for the Capital Projects Fund.

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fiscal year 2015 adopted General Fund operating budget and revisions made to the original budget were as follows:

	Original Budget	Revisions	Amended Budget
General fund expenditures			
General government	\$ 3,160,265	\$ -	\$ 3,160,265
Public services/contract police	3,725,973	-	3,725,973
Planning and development	638,146	-	638,146
Public works	5,096,819	-	5,096,819
Youth, family & senior services	1,124,202	-	1,124,202
Contingency	10,000	-	10,000
Debt service	558,274	-	558,274
Interfund transfers	781,225	300,000	1,081,225
Total General Fund	\$ 15,094,904	\$ 300,000	\$ 15,394,904

Implementation of New Accounting Principles

The City adopted the provisions of the Governmental Accounting Standards Board (GASB) Statements No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Adoption of these standards resulted in an adjustment to decrease beginning net position of approximately \$3.8 million to record the beginning net pension liability and related contributions recorded after the measurement date.

As of the year ended June 30, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to certain Provisions of GASB Statements 67 and 68*; Statement No. 74, *Financial Reporting for Postretirement Benefit Plans Other Than Pension Plans*; Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. These statements may have a material effect on the City’s financial statements once implemented. The City will be analyzing the effects of these pronouncements and plans to adopt them as applicable by their respective effective dates.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 in accordance with GASB Statement No. 31. All accrued interest is recorded as a receivable for the period earned.

Inventory

Inventory is valued at cost 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.

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.

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

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

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

Unavailable Revenue

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

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Annual leave is accumulated by employees based on time in service. 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. Eligible part-time employees accrue annual leave proportional to a 40-hour week.

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.

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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance

As of June 30, 2015, 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. The General fund is the only governmental fund that shows a positive unassigned balance.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

2. CASH AND INVESTMENTS

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

The City utilizes the pooled cash and investments concept for financial reporting purposes. The Pension Trust Funds maintain the pension trust investments which are excluded from the City's 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, 2015.

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 \$5,761,018 and the bank balance was \$5,866,649 as of June 30, 2015. 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 a brokerage firm 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.

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

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

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2015**

2. CASH AND INVESTMENTS (continued)

Credit Risk - State law limits investments in bankers' acceptances and commercial paper to the highest letter and numerical rating by at least one nationally recognized statistical rating organization. The Maryland Local Government Investment Pool is rated AAA by Standard & 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 22% (\$1,784,923) in the state's local government investment pool. For more information, contact the City of College Park Finance Department, 4500 Knox Road, College Park, Maryland 20740.

Plan Cash and Investments

The City's plan (the Plan) allows employees to choose from investment options provided by ICMA Retirement Corporation (ICMA-RC) and Metropolitan Life (MetLife). The Plan employs ICMA-RC and MetLife as third party administrators of the assets.

Cash: As of June 30, 2015, 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. The City does not have a formalized investment policy for the Plan.

Investments of the Plan as of June 30, 2015:

<u>Investments</u>	
Equity mutual funds	\$ 3,685,280
Bond mutual funds	269,642
Money market funds	1,535,314
Annuity contracts	<u>769,610</u>
Total	<u>\$ 6,259,846</u>

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

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

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

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2015**

2. CASH AND INVESTMENTS (continued)

	<u>Credit Rating</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash			
Insured and collateralized		\$ 5,761,018	\$ 5,866,649
Petty cash		2,600	-
Total cash		<u>5,763,618</u>	<u>5,866,649</u>
Investments			
Local government investment pool	AAA	1,784,923	1,784,923
Bank certificates of deposit	A	5,701,000	5,701,000
U.S. government securities	N/A	700,000	700,000
Pension - mutual funds	N/A	3,954,922	3,954,922
Pension - money market funds	N/A	1,535,314	1,535,314
Pension - annuity contracts	N/A	769,610	769,610
Total investments		<u>14,445,769</u>	<u>14,445,769</u>
TOTAL CASH AND INVESTMENTS		<u><u>\$ 20,209,387</u></u>	<u><u>\$ 20,312,418</u></u>

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, 2015, 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 2015. 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, 2014 at full value was approximately \$2,137,909,195.

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, 2015**

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Additions and Transfers	Disposals and Transfers	Ending Balance June 30, 2015
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 3,821,680	\$ -	\$ -	\$ 3,821,680
Construction in progress	551,779	21,237	149,055	423,961
Total capital assets, not being depreciated	<u>4,373,459</u>	<u>21,237</u>	<u>149,055</u>	<u>4,245,641</u>
Capital assets, being depreciated				
Vehicles	3,328,732	55,716	183,530	3,200,918
Machinery and equipment	2,645,936	403,369	-	3,049,305
Office equipment	301,227	-	-	301,227
Buildings and improvements	15,912,906	53,381	-	15,966,287
Communication equipment	371,249	-	-	371,249
Computer hardware and software	651,694	26,502	2,188	676,008
Infrastructure	3,376,889	810,541	-	4,187,430
Total capital assets, being depreciated	<u>26,588,633</u>	<u>1,349,509</u>	<u>185,718</u>	<u>27,752,424</u>
Total capital assets	<u>30,962,092</u>	<u>1,370,746</u>	<u>334,773</u>	<u>31,998,065</u>
Less accumulated depreciation				
Vehicles	2,768,716	203,834	183,530	2,789,020
Machinery and equipment	2,097,774	300,804	-	2,398,578
Office equipment	299,560	532	-	300,092
Buildings and improvements	5,691,126	452,101	-	6,143,227
Communication equipment	243,829	35,445	-	279,274
Computer hardware and software	573,012	42,570	2,188	613,394
Infrastructure	1,307,682	252,143	-	1,559,825
Total accumulated depreciation	<u>12,981,699</u>	<u>1,287,429</u>	<u>185,718</u>	<u>14,083,410</u>
Net capital assets being depreciated	<u>13,606,934</u>	<u>62,080</u>	<u>-</u>	<u>13,669,014</u>
Governmental activities capital assets, net	<u>\$ 17,980,393</u>	<u>\$ 83,317</u>	<u>\$ 149,055</u>	<u>\$ 17,914,655</u>

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

General government	\$ 497,354
Public services	176,937
Public works	575,289
Youth, family and senior services	37,849
Total depreciation expense – governmental activities	<u>\$ 1,287,429</u>

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2015**

5. LONG – TERM OBLIGATIONS

Long-term obligations include the long-term portion of compensated absences payable, community legacy loans, and the parking garage tax exempt bonds. 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 and 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 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, 2015, the City owed \$450,000 in Community Legacy loans.

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

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Repayments</u>	<u>Ending Balance June 30, 2015</u>	<u>Due Within One Year</u>
Governmental activities					
SunTrust parking garage bond	\$ 7,369,000	\$ -	\$ 7,369,000	\$ -	\$ -
STI Institutional & Government Inc. parking garage bond of 2015	-	7,075,000	-	7,075,000	-
Community legacy loans	450,000	-	-	450,000	150,000
Net pension liability	4,364,663	-	405,802	3,958,861	-
Compensated absences	584,261	82,072	58,727	607,606	-
Total governmental activity liabilities	<u>\$ 12,767,924</u>	<u>\$ 7,157,072</u>	<u>\$ 7,833,529</u>	<u>\$ 12,091,467</u>	<u>\$ 150,000</u>

The annual debt service requirements for outstanding long-term debt as of June 30, 2015, including principal and interest, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 150,000	\$ 159,244	\$ 309,244
2017	340,000	187,126	527,126
2018	382,000	177,342	559,342
2019	393,000	166,841	559,841
2020	403,000	156,055	559,055
2021-2025	2,339,000	607,866	2,946,866
2026-2030	2,655,000	290,310	2,945,310
2031-2032	863,000	20,366	883,366
Total	<u>\$ 7,525,000</u>	<u>\$ 1,765,150</u>	<u>\$ 9,290,150</u>

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

5. LONG – TERM OBLIGATIONS (continued)

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, 2015, this provision limits indebtedness to \$102,542,519. The general fund has been historically used to liquidate the liability for compensated absences.

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, 2015, 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, 2015

8. POST EMPLOYMENT BENEFITS

The City does not provide for the continuation of healthcare benefits beyond the last date of employment. As a result, no separate audited GAAP-basis postemployment benefit plan report exists. Retirees are offered the option of continuing the health and dental insurance that they had upon termination of employment at 100% of the cost of these benefits. Former employees may elect continued health and dental insurance under the provisions of COBRA.

9. DEFERRED COMPENSATION PLAN

The City has a deferred compensation plan available to all City employees which is established in accordance with the Internal Revenue Code 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 2015 were \$503,000.

10. EMPLOYEES' RETIREMENT SYSTEM

Defined Benefit Pension Plan

On July 1, 2004, the City joined the Reformed Contributory Pension Benefit Plan (RCPBP), 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 the RCPBP to the System's Board of Trustees. The System issues a publicly available financial report available 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 RCPBP. All eligible employees hired on or after July 1, 2014 were required to join the RCPBP.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

10. EMPLOYEES' RETIREMENT SYSTEM (continued)

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.

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, 2015 was 6.2% of covered payroll, totaling approximately \$324,000, 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, 2015, the City reported a liability of approximately \$3.96 million for its proportionate share of the RCPBP net pension liability. The net pension liability was measured as of June 30, 2014, 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 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, 2015, the City's proportion for RCPBP was 0.052 percent, which was substantially the same from its proportion measured as of June 30, 2014.

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2015**

10. EMPLOYEES' RETIREMENT SYSTEM (continued)

For the year ended June 30, 2015, the City recognized pension expense for RCPBP of approximately \$0.48 million. As of June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to RCPBP from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions after the measurement date	\$ 519,846	\$ -
Changes of assumptions	57,268	-
Net difference between projected and actual investment earning	<u>-</u>	<u>433,323</u>
Total	<u>\$ 577,114</u>	<u>\$ 433,323</u>

\$519,846 reported as deferred outflows of resources related to RCPBP resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to RCPBP will be recognized in pension expense as follows: Changes in assumptions: Fiscal years 2016-2019, \$14,317 per year; Difference between projected and actual earnings on pension plan investments: Fiscal years 2016-2019, \$108,331 per year.

Information included in the System 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 RCPBP net pension liability calculated using the discount rate of 7.65 percent is \$3,958,861. Additionally, the City's proportionate share of the net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) is \$5,703,286 or 1-percentage-point higher (8.65 percent) is \$2,495,222.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

10. EMPLOYEES' RETIREMENT SYSTEM (continued)

Defined Contribution Pension Plan

The City maintains a single-employer defined contribution pension plan which previously 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. \$5,737,548 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, \$769,610, 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.

For those employees who joined the RCPBP, City contributions have ceased for the 401(a) plan.

The City's payroll in fiscal year 2015 was approximately \$6.9 million. Total contributions to the 401(a) plan for 2015, 2014, and 2013 were approximately \$144,000, \$358,000, and \$351,000, respectively.

11. CHANGE IN ACCOUNTING PRINCIPLE

Net position of governmental activities has been restated by negative \$3.8 million, due to the implementation of GASB Statement No. 68 in recording the beginning net pension liability and the beginning deferred outflow of resources, contribution subsequent to the measurement date for all of the defined benefit pension plans.

12. 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2015

13. 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 \$125,000 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.

14. 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.

15. COMMITMENTS

As of June 30, 2015, the City was committed to capital projects for City Hall renovations for a total of \$458,685 with \$423,961 spent through June 30, 2015 and with a remaining commitment of \$34,724.

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
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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 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, 2015, 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 20, 2015.

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 20, 2015

SB & Company, LLC

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLLEGE PARK, MARYLAND

**Required Supplementary Information for Pension
For the Year Ended June 30, 2015**

	<u>2015</u>
City's proportion of the RCPBP net pension liability (asset)	0.022%
City's proportionate share of the RCPBP net pension liability (asset)	<u>\$ 3,958,861</u>
Total	<u><u>\$ 3,958,861</u></u>
City's covered-employee payroll	\$ 5,138,767
City's proportionate share of the net pension liability (asset) as a percentage of its covered-	77.04%
Plan fiduciary net position as a percentage of the total pension liability	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>2015</u>
Contractually required contribution (RCPBP)	\$ 519,846
Contributions in relation to the contractually required contribution	<u>(519,846)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
City's covered-employee payroll	\$ 5,138,767
Contributions as a percentage of covered-employee payroll	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, 2015**

	<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	\$ 6,661,185	\$ 6,661,185	\$ 6,664,433	\$ 3,248
Personal property taxes	801,000	801,000	978,181	177,181
Total property taxes	<u>7,462,185</u>	<u>7,462,185</u>	<u>7,642,614</u>	<u>180,429</u>
Income taxes	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,636,074</u>	<u>86,074</u>
Admission and amusement taxes	<u>650,000</u>	<u>650,000</u>	<u>673,023</u>	<u>23,023</u>
State shared taxes				
Highway user revenue	<u>113,583</u>	<u>113,583</u>	<u>361,857</u>	<u>248,274</u>
County shared taxes				
Hotel/motel tax	<u>450,000</u>	<u>450,000</u>	<u>529,324</u>	<u>79,324</u>
Licenses and permits	<u>1,167,934</u>	<u>1,167,934</u>	<u>1,232,599</u>	<u>64,665</u>
Intergovernmental grants				
Federal grants	-	-	-	-
State grants	193,605	193,605	212,019	18,414
County grants	44,717	44,717	44,717	-
Total intergovernmental grants	<u>238,322</u>	<u>238,322</u>	<u>256,736</u>	<u>18,414</u>
Charges for services	<u>957,324</u>	<u>957,324</u>	<u>988,596</u>	<u>31,272</u>
Fines and forfeitures	<u>1,921,900</u>	<u>1,921,900</u>	<u>3,001,290</u>	<u>1,079,390</u>
Investment revenue	<u>94,459</u>	<u>94,459</u>	<u>156,313</u>	<u>61,854</u>
Miscellaneous	<u>101,380</u>	<u>101,380</u>	<u>102,220</u>	<u>840</u>
TOTAL REVENUES	<u>14,707,087</u>	<u>14,707,087</u>	<u>16,580,646</u>	<u>1,873,559</u>

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2015**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor and City Council				
Personnel	77,067	77,067	77,044	23
Operating	630,855	630,855	655,233	(24,378)
Total Mayor and City Council	<u>707,922</u>	<u>707,922</u>	<u>732,277</u>	<u>(24,355)</u>
City attorney	<u>160,000</u>	<u>160,000</u>	<u>130,787</u>	<u>29,213</u>
City Manager and Clerk				
Personnel	437,782	437,782	652,611	(214,829)
Operating	107,417	107,417	91,959	15,458
Capital outlays	-	-	-	-
Total City Manager and Clerk	<u>545,199</u>	<u>545,199</u>	<u>744,570</u>	<u>(199,371)</u>
Boards, Committees and Other				
Personnel	356,127	356,127	351,574	4,553
Operating	193,779	193,779	152,329	41,450
Capital outlays	-	-	-	-
Total Boards, Committees and Other	<u>549,906</u>	<u>549,906</u>	<u>503,903</u>	<u>46,003</u>
Finance				
Personnel	1,296,615	1,296,615	1,428,795	(132,180)
Operating	(112,787)	(112,787)	2,188,491	(2,301,278)
Capital outlays	13,410	13,410	16,622	(3,212)
Total Finance	<u>1,197,238</u>	<u>1,197,238</u>	<u>3,633,908</u>	<u>(2,436,670)</u>
TOTAL GENERAL GOVERNMENT	<u>3,160,265</u>	<u>3,160,265</u>	<u>5,745,445</u>	<u>(2,585,180)</u>
PUBLIC SERVICES				
Public Services				
Personnel	1,782,968	1,782,968	1,907,099	(124,131)
Operating	721,369	721,369	753,471	(32,102)
Capital outlays	25,900	25,900	26,565	(665)
Total Public Services	<u>2,530,237</u>	<u>2,530,237</u>	<u>2,687,135</u>	<u>(156,898)</u>
Contract Police				
Personnel	752,978	752,978	674,826	78,152
Operating	442,758	442,758	347,021	95,737
Total Contract Police	<u>1,195,736</u>	<u>1,195,736</u>	<u>1,021,847</u>	<u>173,889</u>
TOTAL PUBLIC SERVICES	<u>3,725,973</u>	<u>3,725,973</u>	<u>3,708,982</u>	<u>16,991</u>

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
PLANNING AND DEVELOPMENT				
Personnel	497,178	497,178	494,678	2,500
Operating	140,968	140,968	119,296	21,672
TOTAL PLANNING AND DEVELOPMENT	<u>638,146</u>	<u>638,146</u>	<u>613,974</u>	<u>24,172</u>
PUBLIC WORKS				
Personnel	3,575,579	3,575,579	3,345,461	230,118
Operating	1,497,115	1,497,115	1,330,042	167,073
Capital outlays	24,125	24,125	4,960	19,165
TOTAL PUBLIC WORKS	<u>5,096,819</u>	<u>5,096,819</u>	<u>4,680,463</u>	<u>416,356</u>
YOUTH, FAMILY AND SENIOR SERVICES				
Personnel	810,307	810,307	703,962	106,345
Operating	310,595	310,595	314,021	(3,426)
Capital outlays	3,300	3,300	10,012	(6,712)
TOTAL YOUTH, FAMILY AND SENIOR SERVICES	<u>1,124,202</u>	<u>1,124,202</u>	<u>1,027,995</u>	<u>96,207</u>
Contingency	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Debt service	<u>558,274</u>	<u>558,274</u>	<u>590,826</u>	<u>(32,552)</u>
TOTAL EXPENDITURES	<u>14,313,679</u>	<u>14,313,679</u>	<u>16,367,685</u>	<u>(2,054,006)</u>
EXCESS OF REVENUE OVER EXPENDITURES	393,408	393,408	212,961	(180,447)
OTHER FINANCING USES				
Transfers in	314,815	314,815	-	(314,815)
Transfers out	<u>(781,225)</u>	<u>(1,081,225)</u>	<u>(1,081,225)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(73,002)</u>	<u>(373,002)</u>	<u>(868,264)</u>	<u>(495,262)</u>
FUND BALANCE:				
BEGINNING OF YEAR	6,432,364	4,932,364	6,681,156	
END OF YEAR	<u>\$ 6,359,362</u>	<u>\$ 4,559,362</u>	<u>\$ 5,812,892</u>	

CITY OF COLLEGE PARK, MARYLAND

Budgetary Comparison Schedule – General Fund For the Year Ended June 30, 2015

Notes to the Required Supplemental Information

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, 2015**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 5,490,236	\$ 5,490,236
Annuity contracts	769,610	-	769,610
Participant loans		247,312	247,312
Total assets	<u>769,610</u>	<u>5,737,548</u>	<u>6,507,158</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 769,610</u>	<u>\$ 5,737,548</u>	<u>\$ 6,507,158</u>

CITY OF COLLEGE PARK, MARYLAND

**Combining Statement of Changes in Net Position – Fiduciary Funds
For the Year Ended June 30, 2015**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer contributions	\$ -	\$ 143,722	\$ 143,722
Investment gain:			
Net increase in the fair value of investments	35,197	136,617	171,814
Total additions	<u>35,197</u>	<u>280,339</u>	<u>315,536</u>
DEDUCTIONS			
Benefit payments	33,576	81,065	114,641
Administrative expenses	<u>8,626</u>	<u>3,919</u>	<u>12,545</u>
Total deductions	<u>42,202</u>	<u>84,984</u>	<u>127,186</u>
CHANGE IN NET POSITION	(7,005)	195,355	188,350
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:			
BEGINNING OF YEAR	<u>776,615</u>	<u>5,542,193</u>	<u>6,318,808</u>
END OF YEAR	<u>\$ 769,610</u>	<u>\$ 5,737,548</u>	<u>\$ 6,507,158</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	60 - 63
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	64 - 68
<p>These schedules contain information to help the reader assess the factors affecting the City's ability to generate real and personal property taxes.</p>	
Debt Capacity	69 - 71
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	72 - 73
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other municipal governments.</p>	
Operating Information	74 - 76
<p>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p>	

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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 5,476,015	\$ 7,079,176	\$ 6,599,470	\$ 5,918,001	\$ 8,358,942	\$ 11,940,581	\$ 14,574,013	\$ 11,017,511	\$ 10,611,393	\$ 10,839,655
Restricted	-	-	-	-	-	3,164,971	4,240,056	5,868,664	6,357,611	7,807,735
Unrestricted	5,315,609	4,916,128	6,198,134	7,806,114	6,913,262	4,018,947	1,665,067	4,820,667	5,951,602	1,492,422
Total net position	\$ 10,791,624	\$ 11,995,304	\$ 12,797,604	\$ 13,724,115	\$ 15,272,204	\$ 19,124,499	\$ 20,479,136	\$ 21,706,842	\$ 22,920,606	\$ 20,139,812

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, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 or 2015. 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
General government	\$ 2,113,952	\$ 2,920,581	\$ 2,233,743	\$ 2,565,637	\$ 2,245,040	\$ 2,003,378	\$ 3,105,937	\$ 3,166,420	\$ 3,956,170	\$ 6,056,224
Public services	2,111,367	2,319,421	2,597,769	2,859,890	3,142,234	3,226,584	3,585,745	3,613,860	3,768,797	3,935,120
Planning and development	804,404	593,788	714,063	1,172,672	1,066,930	516,628	661,474	684,719	778,802	841,693
Public works	4,658,920	4,394,967	4,927,966	4,811,054	4,981,158	4,871,522	5,235,887	4,784,120	5,034,643	5,266,323
Youth, family and senior services	780,515	817,705	898,330	958,841	1,036,108	1,037,007	1,102,149	1,069,156	1,106,976	1,065,844
Interest on long-term debt	34,502	38,286	99,263	164,034	99,684	207,944	302,350	284,441	274,218	260,746
Total governmental activities expenses	\$ 10,503,660	\$ 11,084,748	\$ 11,471,134	\$ 12,532,128	\$ 12,571,154	\$ 11,863,063	\$ 13,993,542	\$ 13,602,716	\$ 14,919,606	\$ 17,425,950
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 270,697	\$ 274,961	\$ 269,825	\$ 298,322	\$ 313,794	\$ 336,500	\$ 298,536	\$ 324,648	\$ 512,636	\$ 517,975
Public services	2,142,617	1,989,532	2,248,815	2,224,251	2,417,587	4,249,393	3,704,407	3,472,437	3,607,690	4,745,152
Planning and development	2,380	3,900	1,700	2,250	1,855	2,470	1,300	8,455	5,960	4,900
Public works	338,289	334,488	367,558	363,421	366,254	385,165	415,599	403,176	422,150	401,310
Youth, family and senior services	16,750	20,328	15,891	12,689	13,168	11,242	13,003	15,430	12,332	12,064
Operating grants and contributions	183,707	185,234	188,589	195,626	218,454	219,272	255,940	205,283	234,656	256,736
Capital grants and contributions	619,147	1,033,670	360,446	599,567	1,079,806	1,010,462	297,661	341,241	521,247	1,357,190
Total governmental activities program revenues	\$ 3,573,587	\$ 3,842,113	\$ 3,452,824	\$ 3,696,126	\$ 4,410,918	\$ 6,214,504	\$ 4,986,446	\$ 4,770,670	\$ 5,316,671	\$ 7,295,327
Net (Expense) Revenue										
Governmental activities	\$ (6,930,073)	\$ (7,242,635)	\$ (8,018,310)	\$ (8,836,002)	\$ (8,160,236)	\$ (5,648,559)	\$ (9,007,096)	\$ (8,832,046)	\$ (9,602,935)	\$ (10,130,623)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Real property taxes	\$ 3,363,585	\$ 3,730,318	\$ 4,280,054	\$ 5,311,375	\$ 6,215,866	\$ 6,136,538	\$ 6,591,639	\$ 6,601,516	\$ 6,524,930	\$ 6,694,297
Personal property taxes	1,013,109	1,082,492	1,004,104	1,075,361	944,762	822,494	875,845	887,691	887,440	978,181
Income taxes	1,197,276	1,270,633	1,294,274	1,274,165	1,332,576	1,377,541	1,494,195	1,582,308	1,617,918	1,636,074
Other taxes	1,933,513	2,007,969	1,933,094	1,856,522	1,168,385	1,070,931	1,231,253	1,076,344	1,480,346	1,564,204
Investment earnings	97,773	196,658	269,992	148,525	36,962	41,762	43,105	(111,862)	198,972	156,313
Miscellaneous	556,245	158,245	39,092	96,565	9,774	51,588	125,696	23,755	107,093	165,577
Total governmental activities	\$ 8,161,501	\$ 8,446,315	\$ 8,820,610	\$ 9,762,513	\$ 9,708,325	\$ 9,500,854	\$ 10,361,733	\$ 10,059,752	\$ 10,816,699	\$ 11,194,646
Change in Net Position	\$ 1,231,428	\$ 1,203,680	\$ 802,300	\$ 926,511	\$ 1,548,089	\$ 3,852,295	\$ 1,354,637	\$ 1,227,706	\$ 1,213,764	\$ 1,064,023

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, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014 or 2015. As a result, the business-type activities have been omitted from the table above.

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

Fund	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 301,428	\$ 292,992	\$ 271,191	\$ 260,611	\$ 245,030	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,311,818	3,017,348	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
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
Total general fund	<u>\$ 4,613,246</u>	<u>\$ 3,310,340</u>	<u>\$ 3,635,022</u>	<u>\$ 4,134,740</u>	<u>\$ 4,601,107</u>	<u>\$ 6,420,629</u>	<u>\$ 6,578,575</u>	<u>\$ 5,505,421</u>	<u>\$ 6,681,156</u>	<u>\$ 5,812,892</u>
Capital projects fund										
Reserved	\$ 813,952	\$ 3,208,617	\$ 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
Total capital projects fund	<u>\$ 813,952</u>	<u>\$ 3,208,617</u>	<u>\$ 1,676,708</u>	<u>\$ (4,475,999)</u>	<u>\$ (5,258,063)</u>	<u>\$ 3,164,971</u>	<u>\$ 4,240,056</u>	<u>\$ 5,868,664</u>	<u>\$ 6,357,611</u>	<u>\$ 7,807,735</u>

Effective June 30, 2011 per GASB Statement No. 54, fund balances of the governmental funds are classified as follows: nonspendable, restricted, committed, assigned and unassigned. This new fund balance classification is shown for FY2011, FY2012, FY2013, FY2014 and FY2015 above, and will be used for future fiscal years as well.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 7,507,483	\$ 8,091,411	\$ 8,511,526	\$ 9,517,423	\$ 9,562,752	\$ 9,371,082	\$ 10,165,285	\$ 10,130,800	\$ 10,533,884	\$ 10,842,892
Licenses, fees and permits	873,640	853,863	924,403	1,064,703	1,143,714	1,198,092	1,307,165	1,246,205	1,351,500	1,427,198
Fines and forfeitures	1,158,071	962,210	1,095,272	1,054,227	1,056,987	2,834,550	2,086,831	2,012,007	2,044,334	3,052,763
Charges for services	849,675	926,490	1,036,530	1,017,581	1,091,433	1,145,492	1,212,118	1,157,159	1,164,934	1,936,444
Intergovernmental	651,609	877,589	396,617	585,130	1,118,783	1,071,645	349,336	355,300	755,903	878,925
Investment earnings	97,773	196,658	269,993	148,525	36,962	41,762	43,105	(111,862)	198,972	156,313
Miscellaneous revenues	556,245	158,245	39,092	96,565	9,774	16,313	156,693	23,753	107,093	151,443
Total revenue	\$ 11,694,496	\$ 12,066,466	\$ 12,273,433	\$ 13,484,154	\$ 14,020,405	\$ 15,678,936	\$ 15,320,533	\$ 14,813,362	\$ 16,156,620	\$ 18,445,978
Expenditures										
General government	1,919,487	1,973,505	2,155,330	2,307,611	2,365,799	2,308,015	2,556,945	2,666,278	2,590,217	5,782,910
Public services	2,011,965	2,287,882	2,564,511	2,815,614	3,097,813	3,171,596	3,432,400	3,813,309	3,810,147	3,758,183
Planning and development	726,877	591,376	710,839	746,657	1,066,886	624,207	663,533	694,919	778,802	841,691
Public works	4,312,028	3,998,189	4,265,755	4,360,544	4,332,876	4,394,963	4,355,052	4,337,522	4,760,720	4,691,039
Youth, family and senior services	706,368	752,987	835,414	902,643	981,712	981,828	1,034,545	1,024,998	1,064,727	1,027,995
Capital outlay	480,083	3,147,279	2,692,349	7,539,631	2,038,284	1,184,807	1,192,942	1,163,441	930,107	1,171,474
Contingency	13,000	-	-	7,851	-	-	-	-	-	-
Debt service										
Other	-	-	-	-	-	-	-	-	-	36,080
Interest	34,502	38,286	82,673	118,579	99,684	207,944	302,350	284,441	274,218	260,746
Principal	201,111	195,203	323,789	763,013	353,048	713,020	549,735	273,000	283,000	294,000
Total expenditures	\$ 10,405,421	\$ 12,984,707	\$ 13,630,660	\$ 19,562,143	\$ 14,336,102	\$ 13,586,380	\$ 14,087,502	\$ 14,257,908	\$ 14,491,938	\$ 17,864,118
Excess (deficiency) of revenues over (under) expenditures	\$ 1,289,075	\$ (918,241)	\$ (1,357,227)	\$ (6,077,989)	\$ (315,697)	\$ 2,092,556	\$ 1,233,031	\$ 555,454	\$ 1,664,682	\$ 581,860
Other financing sources (uses)										
Sale of land	-	-	-	425,000	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	8,150,000	-	-	-	-
Proceeds from loans	-	2,010,000	150,000	-	-	-	-	-	-	-
Operating transfers in	780,300	2,821,048	992,552	1,255,335	978,175	1,046,335	2,379,949	3,079,850	922,000	1,081,225
Operating transfers out	(780,300)	(2,821,048)	(992,552)	(1,255,335)	(978,175)	(1,046,335)	(2,379,949)	(3,079,850)	(922,000)	(1,081,225)
Total other financing sources (uses)	\$ -	\$ 2,010,000	\$ 150,000	\$ 425,000	\$ -	\$ 8,150,000	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ 1,289,075	\$ 1,091,759	\$ (1,207,227)	\$ (5,652,989)	\$ (315,697)	\$ 10,242,556	\$ 1,233,031	\$ 555,454	\$ 1,664,682	\$ 581,860
Debt service as a percentage of non-capital expenditures (Note 1)	2.4%	2.4%	3.7%	7.3%	3.9%	8.1%	5.7%	4.4%	4.0%	3.3%

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

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Income</u>	<u>Admission & Amusement</u>	<u>State Shared - Highway User</u>	<u>County Shared - Hotel/Motel</u>	<u>Total</u>
2006	\$ 4,376,694	\$ 1,197,276	\$ 659,170	\$ 769,173	\$ 505,170	\$ 7,507,483
2007	4,812,810	1,270,633	707,816	808,134	492,018	8,091,411
2008	5,284,158	1,294,274	660,862	783,296	488,936	8,511,526
2009	6,386,736	1,274,166	689,308	718,819	448,394	9,517,423
2010	7,061,791	1,332,576	664,798	81,466	422,121	9,562,752
2011	6,922,610	1,377,541	570,539	58,693	441,699	9,371,082
2012	7,439,837	1,494,195	617,331	167,363	446,559	10,165,285
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
Net Change:						
FY2006 to FY2015	174.6%	136.6%	102.1%	47.0%	104.8%	144.4%

**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
2006	859,987	394,343	1,254,330	1,075,484	0.285	1,254,330	100%
2007	1,025,315	396,264	1,421,579	1,255,509	0.299	1,421,579	100%
2008	1,155,118	482,758	1,637,876	1,381,546	0.299	1,637,876	100%
2009	1,283,327	640,643	1,923,970	1,508,767	0.322	1,923,970	100%
2010	1,158,145	649,774	1,807,919	1,514,365	0.322	1,807,919	100%
2011	1,245,930	701,159	1,947,088	1,532,517	0.322	1,947,088	100%
2012	1,260,161	808,625	2,068,786	1,528,585	0.322	2,068,786	100%
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%

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

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

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

Fiscal Year	City Direct Rate (Note 1)	Overlapping Rates						Total
		Maryland-Natl. Capital Park and Planning	Washington Suburban Transit Commission	County Storm Water Management	Prince George's County (full rate)	County Tax Differential	State of Maryland	
2007	0.299	0.279	0.026	0.054	0.960	(0.017)	0.112	1.713
2008	0.299	0.279	0.026	0.054	0.960	(0.016)	0.112	1.714
2009	0.322	0.279	0.026	0.054	0.960	(0.015)	0.112	1.738
2010	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2011	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2012	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2013	0.322	0.279	0.026	0.054	0.960	(0.020)	0.112	1.733
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

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

Note 1: The City Direct Rate has no components.

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

Taxpayer	Fiscal Year 2015 Taxable Assessed Value				Fiscal Year 2006 Taxable Assessed Value			
	Real (RP)	Personal (PP)	Total	Percentage of Total City Taxable Assessed Value	Real (RP)	Personal (PP)	Total	Percentage of Total City Taxable Assessed Value
Student Housing College Park LLLP (The Varsity)	\$ 97,562	\$ 806	\$ 98,368	4.67%	\$ -	\$ -	\$ -	-
University View Partners, LLC	96,453	580	97,033	4.60%	55,788	-	55,788	4.59%
NSHE College Park, LLC (Camden)	90,668	-	90,668	4.30%	-	-	-	-
UDR Domain College Park LLC	81,985	-	81,985	3.89%	-	-	-	-
Mazza Grand Marc Apartments	56,200	-	56,200	2.67%	-	-	-	-
8300 Baltimore Avenue, LLC	53,840	228	54,068	2.56%	-	-	-	-
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	44,021	7,489	51,510	2.44%	33,331	7,624	40,955	3.37%
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	46,451	123	46,574	2.21%	28,881	-	28,881	2.38%
Richard S. Gatti, et al (Marketplace)	30,664	-	30,664	1.45%	31,964	-	31,964	2.63%
Riverdale FDA, LLC	27,780	-	27,780	1.32%	13,812	-	13,812	1.14%
The Washington Post Company	-	-	-	-	23,746	33,368	57,114	4.70%
Potomac Electric Power Company	-	-	-	-	-	17,815	17,815	1.47%
CPHH LLC (RP) / Imported Cars of Maryland (PP)	-	-	-	-	3,033	9,008	12,041	0.99%
College Park Shopping Center, LP	-	-	-	-	10,841	-	10,841	0.89%
New Spellman House Assoc., LLC	-	-	-	-	9,417	299	9,716	0.80%
Total	\$ 431,609	\$ 7,840	\$ 439,449	20.84%	\$ 210,813	\$ 68,114	\$ 278,927	22.96%

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Note 2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	4,486,482	4,338,829	96.71%	51,386	4,390,215	97.85%
2007	4,799,536	4,766,168	99.30%	30,990	4,797,158	99.95%
2008	5,178,280	5,161,333	99.67%	12,750	5,174,083	99.92%
2009	6,359,525	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%	97,179	6,846,324	99.64%
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%	195,288	7,486,824	99.96%
2014	7,416,516	7,241,009	97.63%	163,029	7,404,038	99.83%
2015	7,462,185	7,422,878	99.47%	-	7,422,878	99.47%

Note 1: The collection rate for real property taxes for a given year is generally higher than the collection rate for personal property taxes as Prince George's County, who collects the City's real property tax as part of their consolidated tax billing, includes the City tax along with the County tax in their annual tax sale. The State Department of Assessments & Taxation (SDAT) provides personal property tax assessments to the City for billing on a staggered schedule throughout the fiscal year. Billed personal property taxes unpaid at fiscal year-end are generally collected in the following fiscal year.

Note 2: The amounts listed as taxes levied include the SDAT-supplied real property assessment plus City-budgeted personal property tax assessment. Real property assessments change throughout the year as new improvement levies are added and assessment appeals are granted. Budgeted personal property assessments are based on prior fiscal year billings and known changes.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities						Percentage of Personal Income (Note 2)	Per Capita (Note 2)
	City Hall Development Refunding Note	Capital Leases	Community Legacy Loans (Note 3)	Bond Anticipation Notes (Note 4)	Parking Garage Bond (Notes 5 & 6)	Total		
2006	\$ 386,900.00	\$ 150,934.00	\$ -	\$ -	\$ -	\$ 537,834.00	0.10%	\$ 19.57
2007	342,632	1,500,000	510,000	-	-	2,352,632	0.43%	85.83
2008	295,563	1,223,280	660,000	1,059,809	-	3,238,652	0.58%	121.72
2009	245,404	935,399	660,000	8,424,868	-	10,265,671	1.79%	381.27
2010	192,010	635,745	660,000	8,630,234	-	10,117,989	1.96%	370.81
2011	-	324,735	450,000	-	8,150,000	8,924,735	1.42%	293.45
2012	-	-	450,000	-	7,925,000	8,375,000	1.31%	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

- 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.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2015
(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	\$ 7,525	100.000%	\$ 7,525
Subtotal	<u>7,525</u>		<u>7,525</u>
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	1,506,558	2.847%	42,894
Maryland-National Capital Park and Planning Commission	<u>57,536</u>	2.847%	<u>1,638</u>
Subtotal	<u>1,564,094</u>		<u>44,532</u>
Total Direct and Overlapping Debt	<u>\$ 1,571,619</u>		<u>\$ 52,057</u>

Note 1:

Overlapping debt is not bonded debt of the City on either a direct or contingent basis but represents the share of debt of overlapping governmental units which the residents of the City are obligated to pay through the direct tax levies of the respective governmental units. Percentage applicable to the City for the overlapping debt is based on the total County real property assessment of \$71,003,583,705 and the City real property assessment of \$2,021,567,171 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2015.

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	<u>\$ 2,050,850,372</u>
General obligation debt limit (5% of assessed value)	\$ 102,542,519
Debt applicable to limit	<u>7,525,000</u>
Legal debt margin - general obligation debt	<u>\$ 95,017,519</u>
Total debt limit (10% of assessed value)	\$ 205,085,037
Debt applicable to limit	<u>7,525,000</u>
Legal debt margin - total debt	<u>\$ 197,560,037</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 116,354,568	\$ 138,374,209	\$ 163,787,619	\$ 208,966,513	\$ 252,362,416	\$ 211,156,389	\$ 215,994,376	\$ 225,689,532	\$ 203,673,330	\$ 205,085,037
Total net debt applicable to limit	<u>537,834</u>	<u>2,352,632</u>	<u>3,238,652</u>	<u>10,265,434</u>	<u>10,117,989</u>	<u>8,924,735</u>	<u>8,375,000</u>	<u>8,102,000</u>	<u>7,819,000</u>	<u>7,525,000</u>
Legal debt margin	<u>\$ 115,816,734</u>	<u>\$ 136,021,577</u>	<u>\$ 160,548,967</u>	<u>\$ 198,701,079</u>	<u>\$ 242,244,427</u>	<u>\$ 202,231,654</u>	<u>\$ 207,619,376</u>	<u>\$ 217,587,532</u>	<u>\$ 195,854,330</u>	<u>\$ 197,560,037</u>
Total net debt applicable to the limit as a percentage of debt limit	0.46%	1.70%	1.98%	4.91%	4.01%	4.23%	3.88%	3.59%	3.84%	3.67%

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

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2005	27,486	\$ 526,218,415	\$ 19,145	4.8%
2006	27,410	549,492,699	20,047	4.1%
2007	26,607	558,693,786	20,998	3.9%
2008	26,925	575,064,150	21,358	4.5%
2009	27,286	516,169,262	18,917	6.8%
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%

Sources: Calendar years 2010, 2013 and 2014 data from U. S. Department of Commerce, Bureau of the Census. Except for years 2010, 2013 and 2014, population figures were prepared by the Maryland Department of Planning, Planning Data Services. Except for years 2010, 2012, 2013, and 2014 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.

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

Employer	Fiscal Year 2015			Fiscal Year 2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland, College Park	15,720	1	54.21%	12,500	1	50.00%
University of Maryland University College (UMUC)	2,000	2	6.90%	750	3	3.00%
National Oceanic and Atmospheric Administration	825	3	2.84%	-	-	-
U.S. Food and Drug Administration (FDA)	800	4	2.76%	750	4	3.00%
National Archives and Records Administration II	689	5	2.38%	1,300	2	5.20%
American Center for Physics	500	6	1.72%	230	6	0.92%
IKEA	450	7	1.55%	300	5	1.20%
The Washington Post	-	-	-	220	7	0.88%
Total	20,984		72.36%	16,050		64.20%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Administration	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.75	7.00
Finance	11.80	11.80	11.80	11.80	11.80	11.30	10.80	10.80	10.70	10.70
Public services	23.83	28.02	28.52	28.47	28.50	27.00	29.89	30.74	31.34	30.84
Planning and development	5.00	5.00	5.00	5.00	5.00	5.50	5.30	5.20	5.20	5.20
Youth, family and senior services	7.95	7.95	8.45	8.63	8.63	10.45	9.41	9.71	9.71	10.09
Public works	50.00	49.75	49.75	49.75	50.00	50.00	50.15	50.15	50.35	50.35
Total	106.58	109.52	110.52	110.65	110.93	111.25	112.55	113.60	115.05	114.18

Source: City of College Park adopted operating budgets, fiscal years 2006 - 2015

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parking enforcement										
Number of parking tickets issued	39,897	34,538	36,712	37,353	34,186	34,288	28,315	34,025	37,704	36,728
Recreation										
Attendance at sponsored recreational events (estimated)	40,000	30,000	35,000	25,000	25,000	27,600	30,000	31,430	31,430	29,000
Planning and development										
Variance applications processed	17	40	23	6	10	15	14	6	15	10
Clinical services										
Number of individuals who received clinical services	1,724	2,357	2,237	1,839	1,915	1,863	1,968	1,909	1,690	1,204
Seniors program										
Seniors trips provided	2,431	2,506	2,211	2,200	2,250	2,110	2,278	2,210	2,205	2,192
Seniors assisted with transportation	3,937	3,651	3,420	3,400	3,420	3,666	3,585	3,515	3,507	3,486
Refuse and recycling collection										
Cost per ton of solid waste	\$ 141.60	\$ 142.59	\$ 157.27	\$ 147.00	\$ 130.63	\$ 155.36	\$ 135.53	\$ 139.89	\$ 147.80	\$ 151.02
Recyclables collected (tons)	1,322	1,279	1,246	1,470	1,445	1,458	1,725	1,467	1,453	1,450
Cost per ton for recycling (paper, commingles, brush, white goods, scrap metal)	\$ 205.61	\$ 237.58	\$ 255.44	\$ 359.00**	\$ 283.00	\$ 255.00	\$ 201.00	\$ 249.00	\$ 263.00	\$ 277.00
Compost yard operations										
Tons of solid waste diverted through composting	2,326	2,682	2,306	1,593	1,558	1,521	1,736	1,976	2,872	2,748
Dollars in tipping fees saved	\$ 58,157	\$ 67,047	\$ 57,650	\$ 39,825	\$ 38,951	\$ 38,678	\$ 43,411	\$ 49,412	\$ 71,799	\$ 68,704
Cubic yards of brush recycled	2,063	1,834	1,570	1,959	3,775	3,692	1,267	1,895	3,056	3,564
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 48,775	\$ 50,301	\$ 69,230	\$ 67,094	\$ 71,002	\$ 66,668	\$ 75,191	\$ 63,802	\$ 75,111	\$ 80,057
Other public works										
Street cleaning sweeps in high impact areas	125	190	189	224	203	202	219	211	158	155

Sources: City of College Park departments

Notes:

* - significant increase due to tornado brush cleanup

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

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

n/a - operational indicator not reported for fiscal year

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Function/Program</u>										
Refuse and recycling collection										
Collection trucks	8	8	11	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
76 Public services										
Blue light emergency phones	4	8	8	8	8	12	12	12	12	12
Parking pay stations	-	-	-	-	4	13	13	13	13	13
Recreation										
Baseball/softball fields	4	4	4	4	4	4	4	4	4	4
Tot lots	8	8	8	8	8	8	8	8	8	8
Seniors program										
Seniors minibuses available	2	2	2	3	3	3	3	3	3	3

Sources: City of College Park departments

