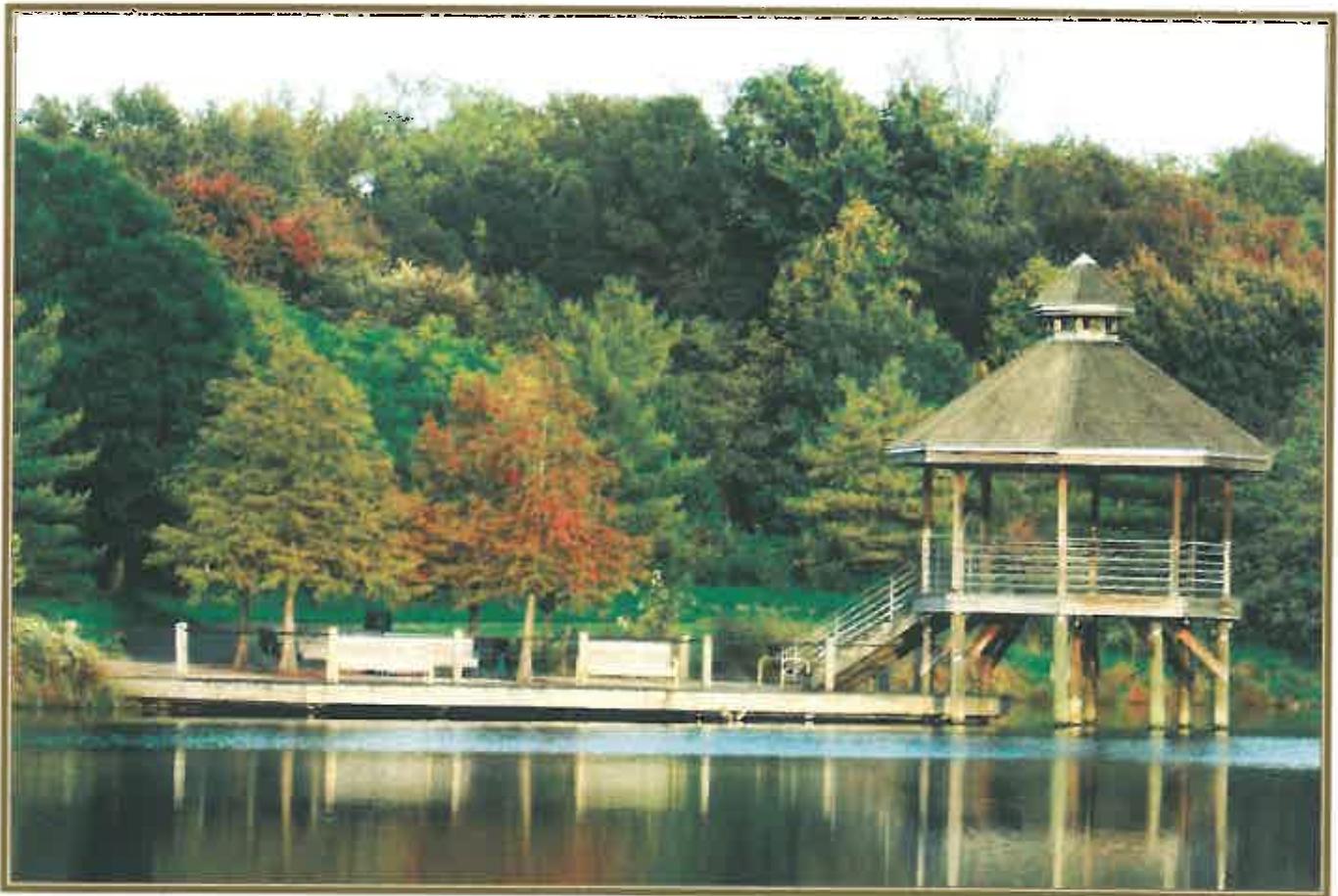




CITY OF COLLEGE PARK, MARYLAND



Lake Artemesia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016



CITY OF COLLEGE PARK, MARYLAND

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016

Issued and Prepared by:
Department of Finance

Gary Fields, Director

Leo L. Thomas, Jr. CPA, Deputy Director



CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION



4500 KNOX ROAD
COLLEGE PARK, MD 20740-3390

City Manager and
OFFICE OF: Director of Finance

November 30, 2016

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, 2016 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, 2016 are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States of America. The report of the independent public accountants is located at the front of the financial section of this report.

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

Profile of the Government

The area that includes College Park was originally settled in 1745. Incorporated as a municipality under Maryland state law on June 7, 1945, the City of College Park is located within Prince George’s County, Maryland, approximately 7 miles northeast of the District of Columbia. The City has a land area of approximately 5 square miles, expanded from its original 3.97 square miles by subsequent annexations. With a population of 32,301, based on the U.S. Census Bureau 2015 estimate, College Park remains one of the largest cities in Prince George’s 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 provides the highest level of service possible. They act with honesty and integrity and are empowered to solve problems. The City values and rewards excellent performance.

Sustainability and Long-Term Planning

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

Fiscal Responsibility

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

Collaboration

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

Economic Condition and Outlook

The City is located in the northern part of Prince George's County, northeast of the District of Columbia. Total taxable assessments of real property increased 2.64% from the prior year to \$2.105 billion as of July 1, 2015. Taxable assessed real property values after application of homestead tax credit increased 2.98% to \$2.082 billion as of July 1, 2015. Assessments of personal property increased 6.25% to \$101.4 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 over 37,000 students and 10,000 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, 2016 - \$7.76 million - represents 43.4% of the next fiscal year's adopted expenditure budget (\$17.9 million for fiscal year 2017), 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 of \$9,375,000 consists of two Community Legacy loans for capital projects (\$300,000), a 20-year tax-exempt parking garage bond (\$7,075,000) and a master lease for vehicles and heavy machinery (\$2,000,000).

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 2016. As mentioned, the City has a fund balance retention goal to maintain the General Fund's fund balance at a minimum level of 25% of the ensuing year's expenditures. The City strives to maintain a high reliance on pay-as-you-go financing for its equipment acquisition and capital improvements in order to minimize debt levels. Whenever possible, the City will first attempt to fund capital projects with general revenues before considering issuing debt. The City does not use long-term borrowing to finance current operations or normal maintenance expenses. Other fiscal and debt policies are described in the City's budget.

Major Initiatives During the Fiscal Year

- The City continues to utilize off-duty Prince George's County police officers for contract policing. These officers are paid as City employees, and the City reimburses the County for police vehicle mileage. The contract officers supplement County police services provided to the City's residents and businesses. \$890,000 was budgeted in fiscal year 2016 for part-time contract police.
- In addition to that contract for part-time police services, the City also budgeted \$267,000 for police services contract with Prince George's County, to provide 2 full-time County police officers on permanent assignment within the City.

- Eighteen multi-space pay stations installed and in service around the Terrapin Row development.
- 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. By law, net revenue generated from this program must be used for public safety purposes, including pedestrian safety improvements. FY 2016 revenue from speed enforcement cameras, net of the 3rd party processing costs, was \$2.02 million.
- Ongoing streetscape projects are in process, utilizing a combination of capital project funding, Community Development Block Grant, Community Legacy, and Maryland Heritage Area Authority grants and loans to upgrade sidewalks, curb and gutter, streetlights and landscaping in commercial areas.
- Launch a jointly-operated City/University bikeshare program to serve on- and off-campus locations.
- The City completed a new five-year strategic plan for fiscal years 2016-2020.

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.
- Continuing interest in redevelopment continues along the U.S. Route 1 corridor and adjacent areas.
- WMATA, the Metro-rail operator, is pursuing a joint development agreement with the private sector at the College Park Metro station for hotel and residential uses.
- Ongoing planning for a new City Hall, in collaboration with the University of Maryland and the University of Maryland College Park Foundation, Inc.
- New economic development incentives include the revitalization tax credit and tenant improvement grants funded through the state Community Legacy program.
- A Public Safety study to identify if and where improvements to public safety are needed.

Awards

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Park for its comprehensive annual financial report for the fiscal year ended June 30, 2015. 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 37th 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 2016. In order to qualify for this award, a government unit must publish a budget

document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications device. The award is valid for a period of one year only. The City of College Park has been the recipient of this award for annual budgets prepared since fiscal year 1989.

Acknowledgements

To every member of the Finance Department, we would like to extend our sincerest appreciation in preparing for the audit and this report. Further, their expertise and dedicated service provided on a daily basis helps us maintain the integrity of the financial records for the City. Special thanks to the Deputy Finance Director, Leo Thomas, for his invaluable assistance in the completion of this CAFR, including detailed review and edit of the final draft.

Finally, we would like to express our appreciation to the Mayor and City Council for their leadership and support in planning and conducting the operations of the City.

Respectfully submitted,



Scott Somers
City Manager



Gary Fields
Director of Finance



Government Finance Officers Association

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

Presented to

**City of College Park
Maryland**

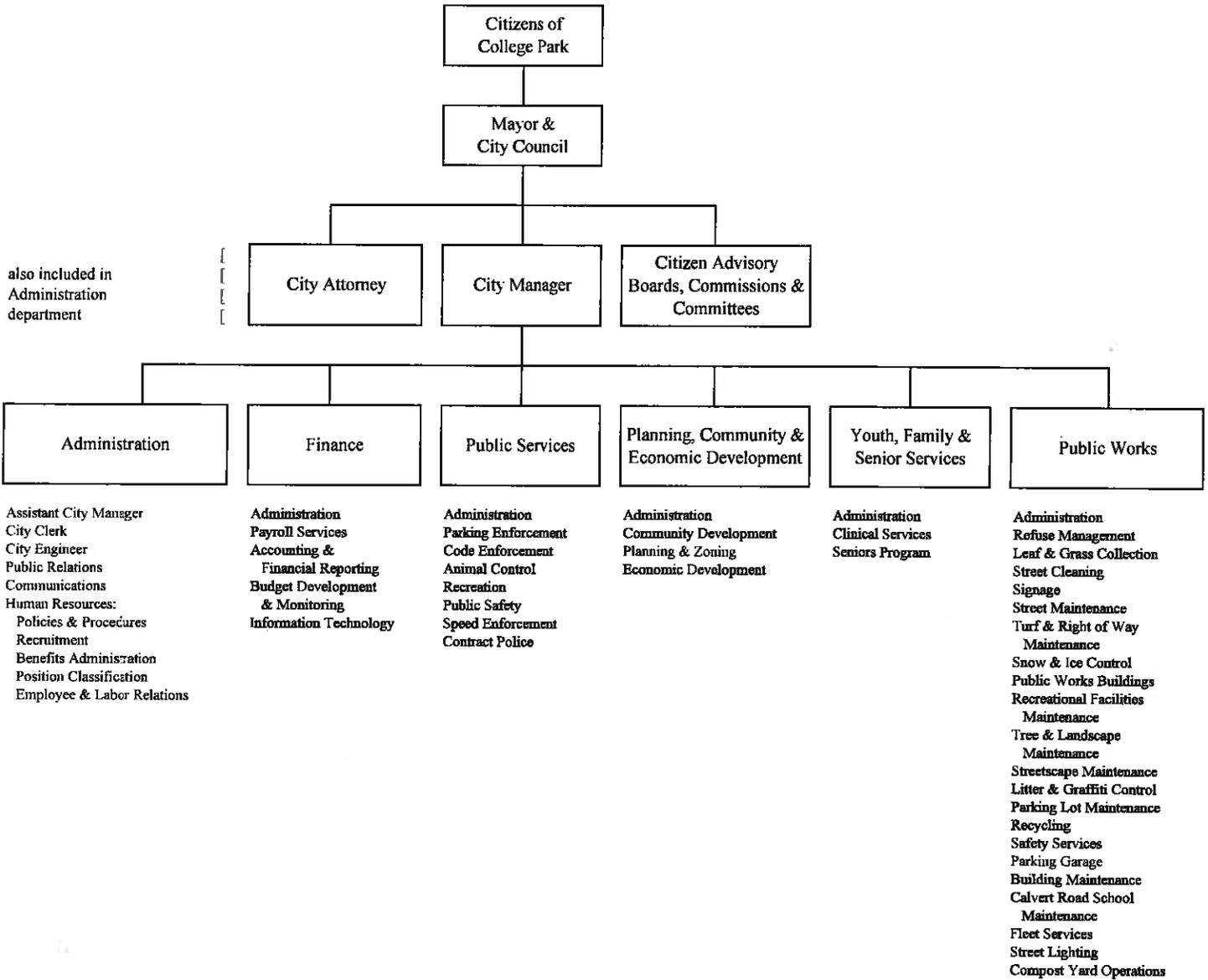
**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

June 30, 2015

Executive Director/CEO

CITY OF COLLEGE PARK, MARYLAND

Organization Chart



CITY OF COLLEGE PARK, MARYLAND

List of Principal Officials

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



**FINANCIAL
SECTION**



S B & C O M P A N Y, L L C
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, 2016, 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.

Opinions

In our opinion, based on our audit and the reports of the other auditors, 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, 2016, 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.



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, of the City of College Park, Maryland, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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, schedule of proportionate share of net pension liability, schedule of contributions, 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 30, 2016

SB & Company, LLC

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

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, 2016 ("FY 2016"). The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights for FY 2016

The assets of the City exceeded its liabilities as of June 30, 2016 by \$23.36 million (net position). Of this amount, \$3.67 million is unrestricted and may be used to meet the City's future obligations. All of the \$3.67 million unrestricted net position is related to governmental activities.

In comparison with the prior fiscal year, the City's total net position, all of which are related to governmental activities, increased \$3.22 million from \$20.14 million in FY 2015 to \$23.36 million for FY 2016.

During FY 2016, the City's long-term debt (excluding net pension liability and compensated absences) increased by \$1,850,000, as a result of a new \$2 million master lease for the purchase of various vehicles and paying down the principal of the Community Legacy Loans by \$150,000.

Total governmental funds' fund balance increased from \$13.62 million as of June 30, 2015 to \$18.46 million as of June 30, 2016. The unreserved fund balance for the General Fund as of June 30, 2016, consisting of committed and unassigned fund balances, represented 57.2% of total General Fund expenditures for FY 2016, compared to the Council adopted goal of 25%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

- The first two statements are entity-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the entity-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

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.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the entity-wide financial statements distinguish functions of the City that are supported principally by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public services; planning and development; youth, family and senior services; public works; and debt service. No business-type activities exist for the current fiscal year.

Fund financial statements. Traditional readers of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's most significant funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental (and could use proprietary) fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

Governmental funds. All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations following the fund financial statements.

Proprietary funds. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like entity-wide financial statements, provide both long-term and short-term financial information. The fund financial statements provide more detail and additional information, such as cash flows, for an enterprise fund (one type of proprietary fund). An enterprise fund is used to report the same functions presented as business-type activities in the entity-wide financial statements. Currently, the City does not use an enterprise fund for any portion of its operations.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the entity-wide and fund financial statements.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

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 condensed summary of the Statement of Net Position for the City as of June 30, 2016 and 2015:

	Net Position	
	Governmental Activities	
	2016	2015
Current and other assets	\$ 21,038,686	\$ 16,221,332
Capital assets, net of accumulated depreciation	19,055,967	17,914,655
Total assets	40,094,653	34,135,987
Deferred outflows related to pensions	1,039,571	577,114
Other liabilities	2,253,137	2,048,495
Long-term liabilities outstanding	15,088,013	12,091,467
Total liabilities	17,341,150	14,139,962
Deferred inflows related to pensions	429,960	433,327
Net position:		
Invested in capital assets, net of related debt	9,980,967	10,839,655
Restricted	9,713,924	7,807,735
Unrestricted	3,668,223	1,492,422
Total net position	\$ 23,363,114	\$ 20,139,812

Note: The City had no business-type activities as of June 30, 2016 or 2015. As a result, the business-type activities and total columns have been omitted from the above table.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2016, the City's assets exceeded liabilities by \$23.36 million. The largest portion of the City's net position (42.7%) reflects its investment in capital assets (e.g., land, buildings, site improvements, furniture and equipment, machinery, infrastructure); less any related debt used to acquire those assets that is still outstanding. Capital assets, which are used to provide services to residents, are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has an investment in capital assets, net of related debt, of \$9.8 million as of June 30, 2016. This amount reflects the City's decision to forego the reporting of general infrastructure acquired prior to July 1, 2002 (as permitted by GASB 34). No long-term debt was incurred in the acquisition of general infrastructure acquired prior to July 1, 2002. The amount of unreported infrastructure is not currently determinable.

The following table summarizes the City's changes in net position for FY 2016 and FY 2015:

	Governmental Activities	
	2016	2015
Revenue		
Program revenues:		
Charges for services	\$ 5,764,844	\$ 5,681,401
Operating grants and contributions	415,013	256,736
Capital grants and contributions	933,877	1,357,190
General revenues:		
Property taxes	8,096,941	7,672,478
Income tax	1,798,243	1,636,074
Other taxes	2,178,643	1,564,204
Interest	199,189	156,313
Other general revenue	108,524	165,577
Total revenue	<u>19,495,274</u>	<u>18,489,973</u>
Expenses		
General government	4,459,204	6,056,224
Public services	4,187,019	3,935,120
Planning and development	1,017,152	841,693
Public works	5,295,644	5,266,323
Youth, family and senior services	1,121,141	1,065,844
Interest expense	191,812	260,746
Total expenses	<u>16,271,972</u>	<u>17,425,950</u>
Increase in net position	3,223,302	1,064,023
Net position – beginning	20,139,812	-
Net position – beginning, as restated	-	19,075,789
Net position – ending	<u>\$ 23,363,114</u>	<u>\$ 20,139,812</u>

Note: The City had no business-type activities for FY 2016 or FY 2015. As a result, the business-type activities and total columns have been omitted from the above table.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

Key components of the increase in net position for FY 2016 are as follows:

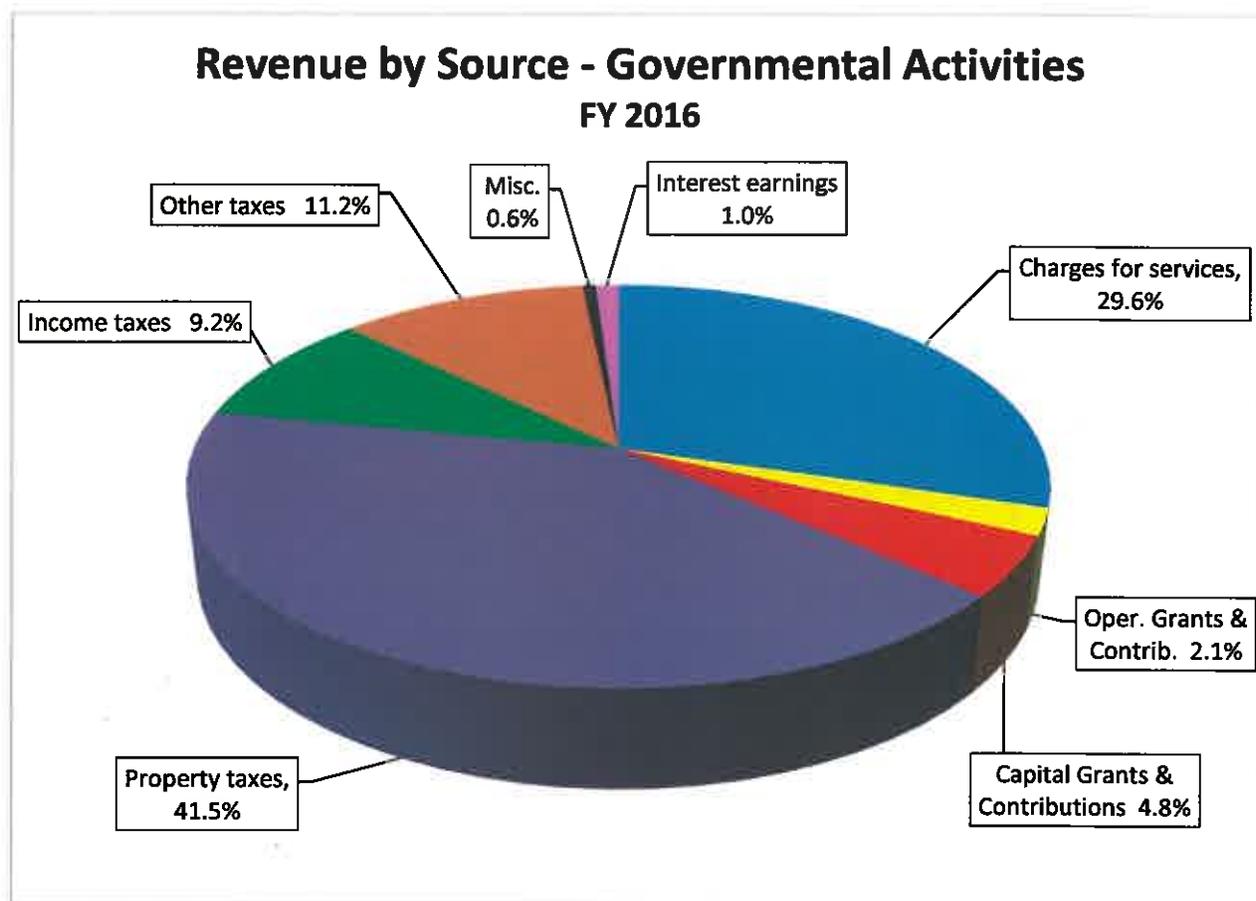
- The net of Cash and Investments increased by \$4.2 million
- Due from State and local governments increased by \$637,000
- Capital assets, net of depreciation, increased by \$1.1 million
- Non-current liabilities increased \$3.0 million (primarily due to the new capital lease of \$2.0 million and increase in the net pension liability of \$1.2 million)

The overall increase in the City's net position amounted to \$3,223,302 for FY 2016.

Governmental Activities

For FY 2016, revenue from governmental activities totaled \$19.5 million. It is comprised of program revenue of \$7.1 million (36.5% of total revenue) and general revenue of \$12.4 million, (63.5% of total revenue). General revenue, specifically property tax, income and other taxes and other miscellaneous revenue, is the principal source of funding for the governmental activities of the City.

The combination of these revenue sources resulted in a \$1 million increase in total revenue for FY 2016 over FY 2015. A breakdown of the revenue by source is provided in the following graph:



CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

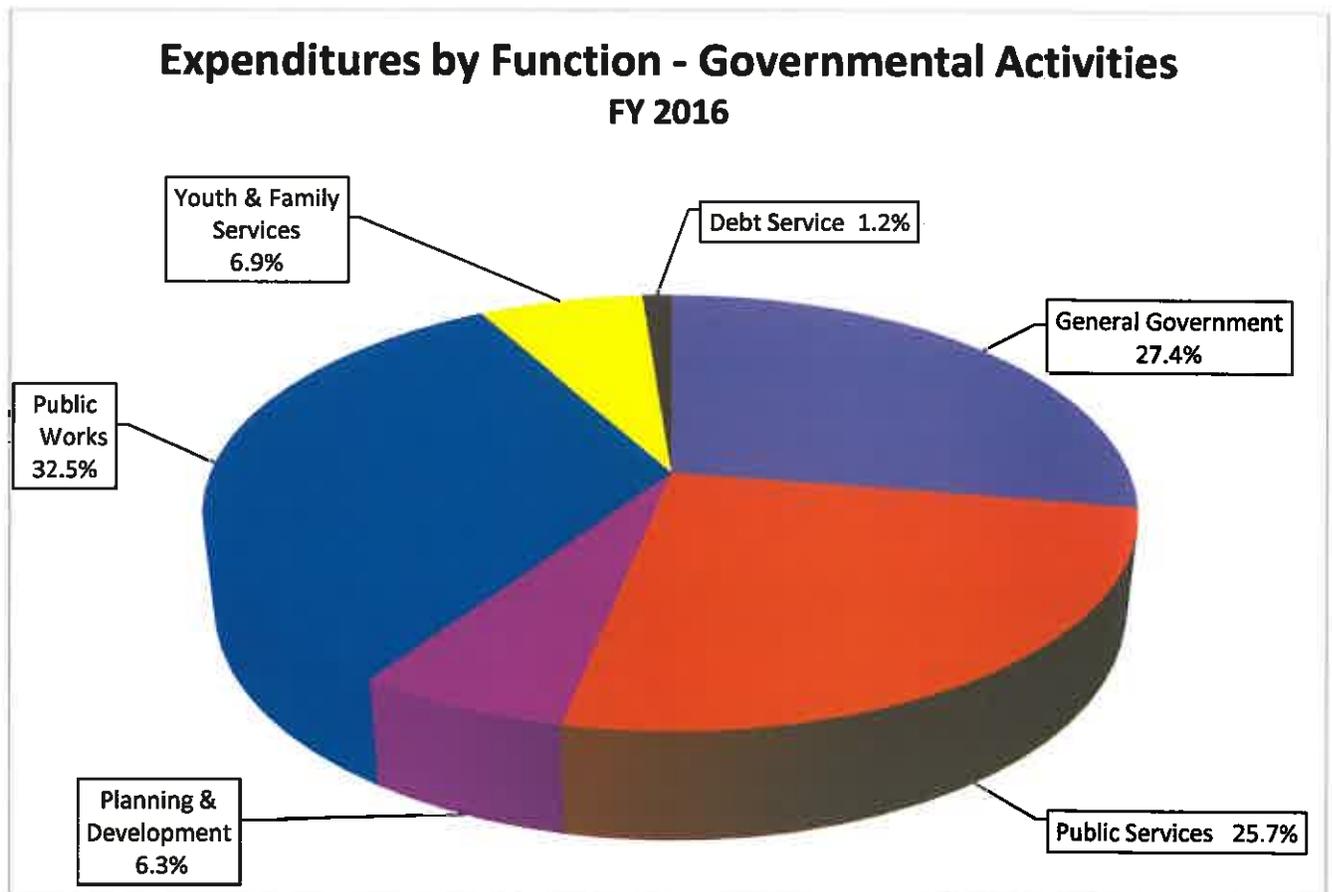
For FY 2016, expenses for governmental activities totaled \$16.3 million.

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

- General Government – Mayor & City Council; City Manager and City Clerk; Finance; Legal Services; and Boards & Other Committees.
- Public Services – Contract Police and Speed Enforcement; Parking and Code Enforcement; and other public safety related services.
- Planning and Development
- Public Works – Street Maintenance; Garbage Collection, Recycling and Compost; Buildings & Grounds; Engineering; Parking Garage; and Street Lighting.
- Youth and Family Services.
- Debt service payments.

In comparison to FY 2015, FY 2016 total expenses decreased by \$1.15 million. That decrease was primarily due to FY 2015 expenses including a one-time payment of \$2.6 million expense related to the purchase of prior credit from the Maryland State Retirement Agency upon entry into the Reformed Contributory Pension Benefit Plan. That expense is included in the General Government category in FY 2015. Other FY 2016 expenses for governmental activities resulted in a net increase of \$1.1 million.

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



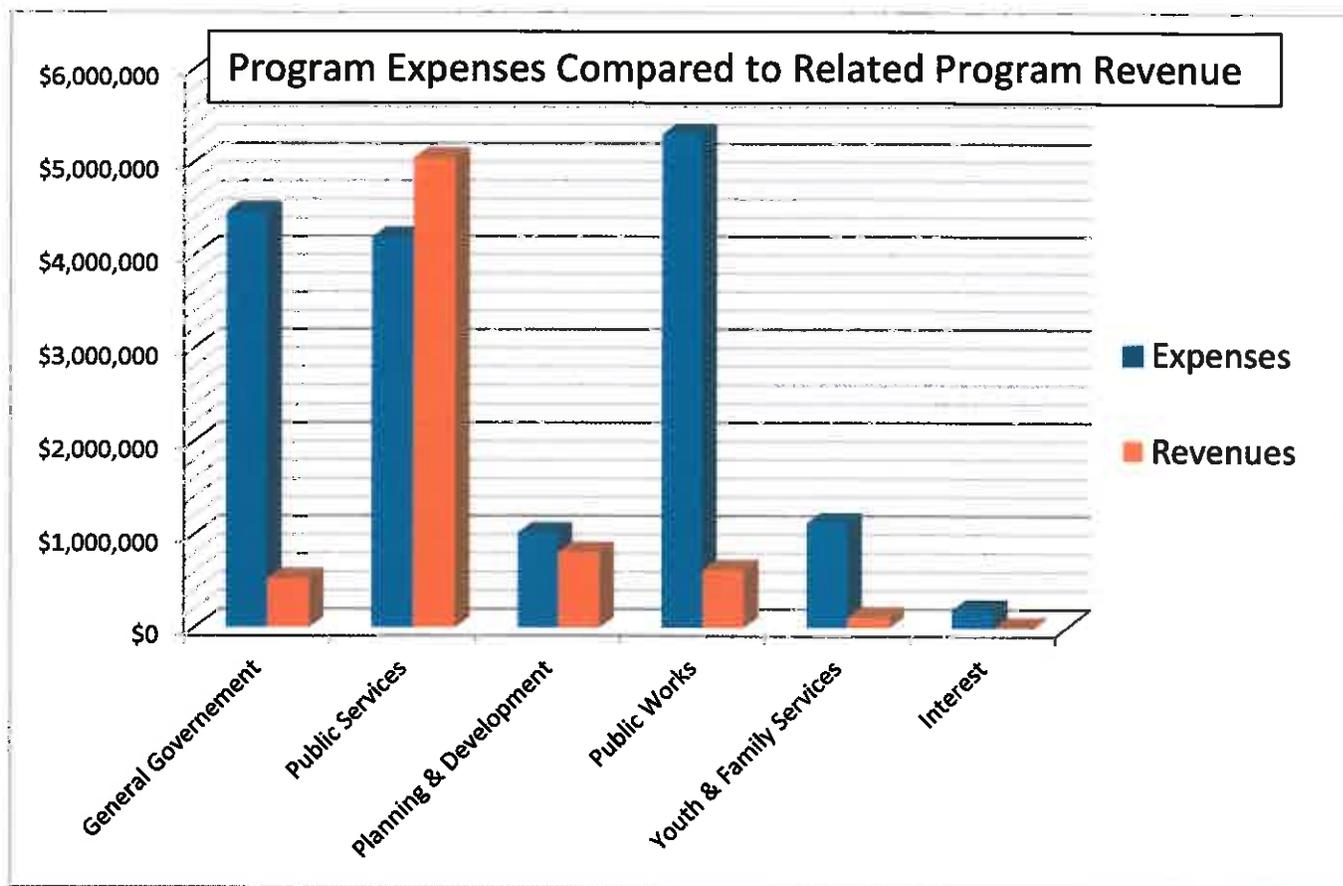
CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

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). A graphic display of the same information follows the table.

Net Cost of City's Governmental Activities

	Expenses		Program Revenues		Net Cost of Services	
	2016	2015	2016	2015	2016	2015
General government	\$ 4,459,204	\$ 6,056,224	\$ 527,445	\$ 533,692	\$ (3,931,759)	\$ (5,522,532)
Public services	4,187,019	3,935,120	5,039,341	5,052,728	852,322	1,117,608
Planning and development	1,017,152	841,693	811,539	1,010,527	(205,613)	168,834
Public works	5,295,644	5,266,323	621,239	580,261	(4,674,405)	(4,686,062)
Youth, family and senior services	1,121,141	1,065,844	114,170	118,119	(1,006,971)	(947,725)
Interest expense	191,812	260,746	-	-	(191,812)	(260,746)
Total	\$ 16,271,972	\$ 17,425,950	\$ 7,113,734	\$ 7,295,327	\$ (9,158,238)	\$ (10,130,623)



Business-type Activities

Not applicable for this fiscal year.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

Financial Analysis of the City's Funds

Governmental funds

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

As of the end of FY 2016, the City's governmental funds reported combined ending fund balances of \$18.46 million. Of the total ending fund balances, \$7.76 million constitutes the unassigned fund balance, which is available for spending at the City's discretion.

General Fund:

The General Fund is the primary operating fund of the City. As of the end of FY 2016, unassigned fund balance of the General Fund was \$7.76 million, while the total fund balance was \$8.74 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 51.0% of total FY 2016 General Fund expenditures and transfers out, while total fund balance represents 57.3% of the same amount.

The fund balance of the General Fund increased \$2,929,425 during FY 2016, representing the excess of revenues over expenditures and other financing uses. Key factors for the increase are as follows:

FY 2016 General Fund revenue increased by \$1,576,000 over FY 2015 comprised of the following major components:

- Tax revenue increased \$1,291,000 in FY 2016, primarily as a result of additional property tax of \$515,000, additional hotel/motel tax of \$476,000; and State Income Tax of \$162,000.
- Federal and State Grant revenue increased by \$158,000, as a result of a \$57,000 snow reimbursement from FEMA, a \$54,000 increase in State aid for police protection and \$45,000 for a new Parks and Playgrounds grant.

FY 2016 General Fund expenditures and other financing uses decreased by \$2,221,382 from FY 2015 comprised of the following major components:

- FY 2015 General government expenditures included an additional one-time payment of \$2,600,000 to the Maryland State Retirement Agency for purchase of 60% prior service credit, effective upon the City's entry into the Reformed Contributory Pension Benefit Plan on July 1, 2015.
- Public Services expenditures increased by \$283,000 primarily as a result of a \$102,000 increase in salaries and benefits for part-time contractual police officers and \$98,000 for purchase and installation of parking pay stations.
- Debt service decreased \$400,000 as a result of the refinancing of the Parking Garage Bond
- Interfund transfers increased by \$577,000 from FY 2015 due to increased funding for infrastructure improvements.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

Capital Projects Fund:

The Capital Projects Fund is used to account for the overall financing and expenditure for capital projects. Of the total ending fund balance of \$9,713,924, the entire amount represents authorized and funded projects that have not been started or are not completed. FY 2016 revenues decreased by \$467,000 compared to the previous year while expenditures increased by \$1,655,000. The revenue decrease resulted primarily from a reduction in charges for services while the expenditure increase resulted from an increase in infrastructure improvements.

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

Proprietary funds

Not applicable for this fiscal year

General Fund Budgetary Highlights

Although certain transfers were made within the General Fund, the final budget for FY 2016 was the same as the original adopted budget.

For FY 2016, the real property assessable tax base increased 2.64% to \$2.1 billion. The real property tax rate remained unchanged 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.

Actual revenues and other financing sources for FY 2016 totaled \$18.16 million, an increase of \$1.58 million or 9.5% over FY 2015.

Actual expenditures and transfers out were \$15.23 million in FY 2016, a decrease of \$2.22 million or 12.8% from FY 2015.

The transfer to the Capital Projects Fund increased by \$577,000 to \$1,658,500 in FY 2016.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental activities as of June 30, 2016 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.

CITY OF COLLEGE PARK, MARYLAND

**Management's Discussion and Analysis
June 30, 2016**

Capital Assets, Net of Depreciation

	Governmental Activities	
	2016	2015
Land	\$ 3,821,680	\$ 3,821,680
Construction-in-progress	896,863	423,961
Buildings and improvements	9,723,332	9,823,060
Vehicles	911,851	411,898
Machinery and equipment	1,040,049	650,727
Office equipment	734	1,135
Communication equipment	68,093	91,975
Computer hardware and software	155,766	62,614
Infrastructure	2,437,599	2,627,605
Total	<u>\$ 19,055,967</u>	<u>\$ 17,914,655</u>

Note: The City had no business-type activities as of June 30, 2016 or 2015. 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 - \$619,309; machinery and equipment - \$647,407; buildings and improvements - \$406,516; and construction in progress - \$472,902.

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

Debt Administration

As of the end of FY 2016, the City had \$9,375,000 in long-term debt outstanding (excluding net pension liability and compensated absences), compared with \$7,525,000 at the end of FY 2015, an increase of 24.6%, primarily due to the new \$2.0 million master lease. The various components of long-term debt are shown in the following table:

	<u>2016</u>	<u>2015</u>
STI Institutional & Government, Inc – Parking Garage Bond – 2015	\$ 7,075,000	\$ 7,075,000
Sun Trust Master Lease – 2016	2,000,000	-
Community Legacy Loans	<u>300,000</u>	<u>450,000</u>
Total	<u>\$ 9,375,000</u>	<u>\$ 7,525,000</u>

Note: The City had no business-type activities as of June 30, 2016 or 2015. As a result, the business-type activities and total columns have been omitted from the above table.

Maryland state law does not mandate a limit on municipal debt. The City Charter limits the total outstanding general obligation debt of the City to 5% of the total real property taxable assessment. As of June 30, 2016, assessed valuation of such property totaled \$2.1 billion, making the City debt limit was \$105.2 million. The actual general obligation debt was \$9,375,000, or 9% of the debt limit.

The City does not regularly issue general obligation debt, although \$8.15 million in a tax-exempt parking garage bond was issued in FY 2011. No bond rating has been established for the City by the rating agencies. Other obligations include compensated absences (accrued annual leave) and net pension

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

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 State of Maryland's budget situation, which varies greatly from year to year, has limited impact on the City's budget. State highway user tax revenue has been reduced significantly in recent years. Income tax proceeds, the City's largest source of state-shared revenue, represent a share of the County's "piggyback" income tax, and the allocation formula does not fluctuate. Admission and amusement tax can fluctuate significantly from year-to-year (increase of \$47,000 or 7% in FY 2016), 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, traditionally does not fluctuate but in FY 2016 the City began collecting tax from the Marriott Hotel which accounted for most of a 90% increase from \$530,000 to \$1,000,000.

The City's total real property assessment for FY 2016 increased 2.64% from the prior year. Assessments on commercial properties increased 8.23% while assessments on residential properties decreased 0.93%. New construction in FY 2016 was minimal. The majority of homes in the City are single-family homes that the 2011-2014 American Community Survey of the U.S. Census Bureau placed in the price range of \$200,000 to \$500,000 with a median value of \$256,100 (for owner-occupied housing units). That same survey for 2015, 1-year information, shows the median value at \$301,200. Due to the City's location surrounding the University of Maryland campus approximately 25% of the City's single-family homes are rental properties.

Real Estate assessed values for FY 2017 increased by 11.75%. The adopted budget for FY 2017 retains the FY 2016 property tax rates of \$0.335 per \$100 of assessed valuation for real property and \$0.838 per \$100 of assessed valuation for personal property. For FY 2017, General Fund revenues are budgeted at \$17,879,479, an increase of \$1,561,491 or 9.6% over the FY 2016 budgeted revenues. Real and Personal Property taxes provide 48.2% of General Fund revenues. FY 2017 General Fund expenditures equal the budgeted revenue so the increase over FY 2016 is the same.

The Maryland Department of Labor, Licensing and Regulation ("DLLR") reported the unemployment rate in College Park at 6.7%, as compared to Prince George's County at 4.6%, and the State of Maryland at 4.3% for June 2016. The median household income for the City of College Park for 2014 was \$56,736 according to the U.S. Census Bureau. That exceeds the same measure for the United States of \$53,482 but is less than the State of Maryland and Prince George's County, \$74,149 and \$73,856, respectively.

CITY OF COLLEGE PARK, MARYLAND

Management's Discussion and Analysis June 30, 2016

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, 2016**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,828,733
Investments	13,299,801
Taxes receivable	63,596
Tickets receivable, net of allowance for doubtful accounts of \$718,925	403,939
Loan receivable	805,422
Due from state and local governments	1,218,383
Other receivables	228,120
Inventory	128,936
Prepaid	61,756
Capital assets, not being depreciated	4,718,543
Capital assets, being depreciated, net	<u>14,337,424</u>
Total assets	<u>40,094,653</u>
Deferred outflows related to pensions	<u>1,039,571</u>
LIABILITIES	
Accounts payable	1,234,830
Accrued expenditures	586,081
Other liabilities	432,226
Non-current liabilities:	
Due within one year	814,782
Due in more than one year	<u>14,273,231</u>
Total liabilities	<u>17,341,150</u>
Deferred inflows related to pensions	<u>429,960</u>
NET POSITION	
Invested in capital assets, net of related debt	9,980,967
Restricted	9,713,924
Unrestricted	<u>3,668,223</u>
TOTAL NET POSITION	<u><u>\$ 23,363,114</u></u>

CITY OF COLLEGE PARK, MARYLAND

**Statement of Activities
For the Year Ended June 30, 2016**

<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	\$ 4,459,204	\$ 511,728	\$ 15,717	\$ -	(3,931,759)
Public services	4,187,019	4,847,307	192,034	-	852,322
Planning and development	1,017,152	1,350	-	810,189	(205,613)
Public works	5,295,644	395,844	101,707	123,688	(4,674,405)
Youth, family and senior services	1,121,141	8,615	105,555	-	(1,006,971)
Interest on long-term debt	191,812	-	-	-	(191,812)
Total governmental activities	<u>\$ 16,271,972</u>	<u>\$ 5,764,844</u>	<u>\$ 415,013</u>	<u>\$ 933,877</u>	<u>(9,158,238)</u>
GENERAL REVENUES					
Taxes:					
Property taxes, levied for general purposes					8,096,941
Income taxes					1,798,243
Other taxes					2,178,643
Miscellaneous					108,524
Unrestricted investment earnings					199,189
Total general revenues					<u>12,381,540</u>
CHANGE IN NET POSITION					
					3,223,302
NET POSITION, BEGINNING OF YEAR					
					<u>20,139,812</u>
NET POSITION, END OF YEAR					
					<u>\$ 23,363,114</u>



FUND FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

**Balance Sheet – Governmental Funds
As of June 30, 2016**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,029,055	\$ 3,799,678	\$ 4,828,733
Investments	11,299,801	2,000,000	13,299,801
Taxes receivable	63,596	-	63,596
Tickets receivable, net of allowance for doubtful accounts of \$765,006	403,939	-	403,939
Loan receivable	805,422	-	805,422
Due from state and local governments	926,739	291,644	1,218,383
Due from other fund	-	4,000,000	4,000,000
Other receivables	147,792	80,328	228,120
Inventory	128,936	-	128,936
Prepaid	61,756	-	61,756
TOTAL ASSETS	<u>\$ 14,867,036</u>	<u>\$ 10,171,650</u>	<u>\$ 25,038,686</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 777,104	\$ 457,726	\$ 1,234,830
Accrued expenditures	676,531	-	676,531
Due to other funds	4,000,000	-	4,000,000
Other liabilities	432,226	-	432,226
Total liabilities	<u>5,885,861</u>	<u>457,726</u>	<u>6,343,587</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	63,597	-	63,597
Unavailable revenue - parking tickets	175,261	-	175,261
Total deferred inflows of resources	<u>238,858</u>	<u>-</u>	<u>238,858</u>
FUND BALANCES			
Nonspendable	980,804	-	980,804
Restricted- capital projects	-	9,713,924	9,713,924
Unassigned	7,761,513	-	7,761,513
Total fund balances	<u>8,742,317</u>	<u>9,713,924</u>	<u>18,456,241</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 14,867,036</u>	<u>\$ 10,171,650</u>	<u>\$ 25,038,686</u>

CITY OF COLLEGE PARK, MARYLAND

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
As of June 30, 2016**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (page 22)	\$ 18,456,241
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.	238,858
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.	19,055,967
Deferred outflows and inflows related to pensions	609,611
Noncurrent liabilities are not reported as liabilities in the governmental funds.	<u>(14,997,563)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES (page 20)	<u>\$ 23,363,114</u>

CITY OF COLLEGE PARK, MARYLAND

**Statement of Revenue, Expenditures and Changes
In Fund Balance – Governmental Funds
For the Year Ended June 30, 2016**

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES			
Taxes	\$ 12,134,273	\$ -	\$ 12,134,273
Licenses and permits	1,266,808	188,755	1,455,563
Intergovernmental	415,013	816,377	1,231,390
Charges for services	1,045,495	339,172	1,384,667
Fines and forfeitures	2,992,651	49,463	3,042,114
Investment revenue	199,189	-	199,189
Miscellaneous	103,524	5,000	108,524
Total revenues	<u>18,156,953</u>	<u>1,398,767</u>	<u>19,555,720</u>
EXPENDITURES			
General government	2,938,628	55,020	2,993,648
Public services	3,992,360	52,500	4,044,860
Planning and development	592,068	355,027	947,095
Public works	4,771,823	10,077	4,781,900
Youth, family and senior services	1,082,280	-	1,082,280
Capital outlay	-	2,528,454	2,528,454
Debt service:			
Principal	-	150,000	150,000
Interest	191,812	-	191,812
Other	57	-	57
Total expenditures	<u>13,569,028</u>	<u>3,151,078</u>	<u>16,720,106</u>
Excess of revenues over expenditures	4,587,925	(1,752,311)	2,835,614
OTHER FINANCING SOURCES			
Proceeds from financing	-	2,000,000	2,000,000
Transfers in	-	1,658,500	1,658,500
Transfers out	(1,658,500)	-	(1,658,500)
Total other financing sources	<u>(1,658,500)</u>	<u>3,658,500</u>	<u>2,000,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	2,929,425	1,906,189	4,835,614
FUND BALANCES, BEGINNING OF YEAR	<u>5,812,892</u>	<u>7,807,735</u>	<u>13,620,627</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,742,317</u>	<u>\$ 9,713,924</u>	<u>\$ 18,456,241</u>

CITY OF COLLEGE PARK, MARYLAND

Reconciliation of Net Changes in Fund Balance with Change in Net Position For the Year Ended June 30, 2016

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUND (page 24)	\$ 4,835,614
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 \$2,377,843 exceeded depreciation expense of \$1,236,531 in the period.	1,141,312
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).	(142,301)
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.	(60,446)
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	(700,877)
Long term debt issuances are an other financing source in the governmental funds, but the drawn down funds increases long-term liabilities in the Statement of Net Position. This is the amount of new long debt for 2016.	(2,000,000)
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>150,000</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (page 21)	<u>\$ 3,223,302</u>

CITY OF COLLEGE PARK, MARYLAND

**Statement of Net Position- Fiduciary Fund
As of June 30, 2016**

	Pension Trust Fund
ASSETS	
Cash and cash equivalents	\$ -
Investments:	
Mutual funds	5,278,350
Annuity contracts	763,755
Participant loans	283,014
Total assets	<u>6,325,119</u>
 NET POSITION	
Held in trust for pension benefits	<u>\$ 6,325,119</u>

CITY OF COLLEGE PARK, MARYLAND

**Statement of Changes in Net Position- Fiduciary Fund
For the Year Ended June 30, 2016**

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer contributions	\$ 52,579
Investment gain:	
Net decrease in the fair value of investments	(183)
	<hr/>
Total additions	52,396
	<hr/>
DEDUCTIONS	
Benefit payments	222,400
Administrative expenses	12,035
	<hr/>
Total deductions	234,435
	<hr/>
CHANGE IN NET POSITION	(182,039)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:	
BEGINNING OF YEAR	6,507,158
	<hr/>
END OF YEAR	\$ 6,325,119
	<hr/> <hr/>

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



CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

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, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental Funds

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

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

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

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

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Data

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

1. During the month of February, the City department heads are required to submit a preliminary operating budget to the Finance Director for the fiscal year commencing the following July 1.
2. The budget, as submitted, is subject to detailed review by the Finance Director and the City Manager. The proposed budget is made available to the public before finalization. The budget is prepared on a basis which conforms to accounting principles generally accepted in the United States of America except for the inclusion of an appropriation from fund balance, if necessary. See page 46 for a reconciliation of the budget between non-GAAP and GAAP. Budgeted amounts may be amended during the fiscal year. All annual appropriations lapse at fiscal year-end.
3. The City Manager's requested budget is submitted to the City Council for approval by March 31. A public hearing concerning the budget is held by the City Council. Adjustments to the proposed budget may be made by the City Council prior to final approval. According to the Charter, the budget must be adopted by May 31.
4. The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is the department level.
5. The City Manager may initiate budget transfers within a department or among departments within a fund; transfers between departments within a fund require subsequent notification to the City Council. City Council approval is necessary for any other changes in the budget.
6. The fiscal year 2016 adopted General Fund operating budget and revisions made to the original budget were as follows:

	<u>Original Budget</u>	<u>Revisions</u>	<u>Amended Budget</u>
General fund expenditures			
General government	\$ 3,305,207	\$ (202,232)	\$ 3,102,975
Public services/contract police	4,019,776	-	4,019,776
Planning and development	664,463	-	664,463
Public works	5,215,750	(25,768)	5,189,982
Youth, family & senior services	1,114,881	-	1,114,881
Contingency	10,000	-	10,000
Debt service	557,411	-	557,411
Interfund transfers	1,430,500	228,000	1,658,500
	<u>1,430,500</u>	<u>228,000</u>	<u>1,658,500</u>
Total General Fund	<u>\$ 16,317,988</u>	<u>\$ -</u>	<u>\$ 16,317,988</u>

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Legally, the budget is required to present a complete financial plan for the City. Only the General Fund has a legally adopted annual budget. Budgetary control over the Capital Projects Fund is established by annual appropriations from the General Fund to specific fund equity accounts in the Capital Projects Fund.
8. Expenditures may not exceed budgeted appropriations (which may include amounts appropriated from the fund balance) at the department level for the General Fund and at the fund level for the Capital Projects Fund.

Implementation of New Accounting Principles

The City adopted the provisions of the GASB issued 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*. Other than changes to disclosures within the financial statements, these statements did not have a material effect on the financial statements.

As of the year ended June 30, 2016, GASB issued 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.

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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

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

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

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

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

Unavailable Revenue

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

Compensated Absences of Employment

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

Annual leave shall not accrue if a full time employee has more than 5 days leave without pay (LWOP) during a pay period or is absent on workers' compensation status. For part-time employees, no annual leave shall accrue if the employee uses more than half of his or her scheduled hours in a pay period as LWOP or is absent on workers' compensation status. Employees may rollover a maximum of 280 hours of annual leave into the next calendar year. Excess annual leave over and above 280 hours on the last day of the first full pay period in January will be forfeited.

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

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Sick Leave

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

Sick leave shall not accrue if a full time employee has more than five (5) days leave without pay (LWOP) during a pay period or is absent on workers compensation status. For part-time employees, no sick leave shall accrue if the employee uses more than half of his or her scheduled hours in a pay period as LWOP or is absent on workers' compensation status. There is no limit to the amount of sick leave that may be accrued. Employees shall not be paid for accumulated unused sick leave at the time of termination of employment with the City unless the employee retires.

Fund Balance

As of June 30, 2016, fund balances of the governmental funds are classified as follows:

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

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

Committed – amounts limited by City Council policy. These amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned – amounts that are intended for a particular purpose such as future benefits funding or segregation of an amount intended to be used at some time in the future. This intent can be expressed by the City Council or through City Council delegating this responsibility to the City Manager through the budgetary process.

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

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

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Use of Estimates in the Preparation of Financial Statements

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

2. CASH AND INVESTMENTS

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

The City utilizes the pooled cash and investments concept for financial reporting purposes. The Pension Trust Funds maintain the pension trust investments which are excluded from the City's pool. Each fund is apportioned with its respective share of pooled cash and investments as reflected in the balance sheet. There were no restricted investments as of June 30, 2016.

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 \$4,828,733 and the bank balance was \$5,250,462 as of June 30, 2016. The bank balance was covered by Federal depository insurance or by collateral held by the depository's agent in the City's name.

The City maintains investments with two brokerage firms and the Maryland Local Government Investment Pool. The accounts contain cash, money market funds, certificates of deposit and government securities. Investment balances are covered by insurance on balances up to \$500,000 (with an FDIC limit for cash) or by collateral held by the City's agent in the City's name.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2016

2. CASH AND INVESTMENTS (continued)

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

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

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

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. The City currently has invested approximately 15.88% (\$1,788,823) in the state's local government investment pool. For more information, contact the City of College Park Finance Department, 4500 Knox Road, College Park, Maryland 20740.

Fair Value Measurements

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

The City has the following recurring fair value measurements as of June 30, 2016:

- Bank certificates of deposits of approximately \$6.4 million are valued using quoted market prices (Level 1 inputs)
- U.S. Governmental Bonds of \$3.0 million are valued using quoted market prices (Level 1 inputs).
- Local government investment trust of approximately \$1.8 million which is measured at net asset value. These investments have no unfunded commitments and have no significant restrictions on redemption timing or notice period.

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, 2016, the Plan had no cash with the Plan's trustee.

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

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2016

2. CASH AND INVESTMENTS (continued)

Plan Cash and Investments (continued)

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

The City has the following recurring fair value measurements for the Plan as of June 30, 2016:

- Equity mutual funds of approximately \$3.4 million are valued using quoted market prices (Level 1 inputs)
- Stable value funds of approximately \$1.6 million which is measured at net asset value. These investments have no unfunded commitments and have no significant restrictions on redemption timing or notice period.
- Bond mutual funds of approximately \$0.3 million are valued using quoted market prices (Level 1 inputs)
- Annuities of approximately \$0.8 million are valued using a matrix based pricing model (Level 2 inputs)

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

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

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

	<u>Credit Rating</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash			
Insured and collateralized		\$ 4,828,733	\$ 5,250,462
Petty cash		2,600	-
Total cash		<u>4,831,333</u>	<u>5,250,462</u>
Investments			
Local government investment pool	AAA	1,788,823	1,784,923
Bank certificates of deposit	A	6,443,000	5,701,000
U.S. government securities	N/A	3,030,685	700,000
Pension- mutual funds	N/A	3,698,526	3,954,922
Pension - stable value funds	N/A	1,579,824	1,535,314
Pension - annuity contracts	N/A	763,755	769,610
Total investments		<u>17,304,613</u>	<u>14,445,769</u>
TOTAL CASH AND INVESTMENTS		<u><u>\$ 22,135,946</u></u>	<u><u>\$ 19,696,231</u></u>

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

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, 2016, 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 2016. 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, 2015 at full value was approximately \$2,192,044,001.

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, 2016**

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Additions and Transfers	Disposals and Transfers	Ending Balance June 30, 2016
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 3,821,680	\$ -	\$ -	\$ 3,821,680
Construction in progress	423,961	472,902	-	896,863
Total capital assets, not being depreciated	<u>4,245,641</u>	<u>472,902</u>	<u>-</u>	<u>4,718,543</u>
Capital assets, being depreciated				
Vehicles	3,200,918	619,309	-	3,820,227
Machinery and equipment	3,049,305	647,407	-	3,696,712
Office equipment	301,227	-	-	301,227
Buildings and improvements	15,966,287	406,516	-	16,372,803
Communication equipment	371,249	12,401	-	383,650
Computer hardware and software	676,008	129,654	-	805,662
Infrastructure	4,187,430	89,654	-	4,277,084
Total capital assets, being depreciated	<u>27,752,424</u>	<u>1,904,941</u>	<u>-</u>	<u>29,657,365</u>
Total capital assets	<u>31,998,065</u>	<u>2,377,843</u>	<u>-</u>	<u>34,375,908</u>
Less accumulated depreciation				
Vehicles	2,789,020	119,356	-	2,908,376
Machinery and equipment	2,398,578	258,085	-	2,656,663
Office equipment	300,092	401	-	300,493
Buildings and improvements	6,143,227	506,244	-	6,649,471
Communication equipment	279,274	36,283	-	315,557
Computer hardware and software	613,394	36,502	-	649,896
Infrastructure	1,559,825	279,660	-	1,839,485
Total accumulated depreciation	<u>14,083,410</u>	<u>1,236,531</u>	<u>-</u>	<u>15,319,941</u>
Net capital assets being depreciated	<u>13,669,014</u>	<u>668,410</u>	<u>-</u>	<u>14,337,424</u>
Governmental activities capital assets, net	<u>\$ 17,914,655</u>	<u>\$ 1,141,312</u>	<u>\$ -</u>	<u>\$ 19,055,967</u>

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

General government	\$ 471,710
Public services	142,159
Planning & development	70,057
Public works	513,744
Youth, family and senior services	38,861
Total depreciation expense – governmental activities	<u>\$ 1,236,531</u>

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2016**

5. LONG – TERM OBLIGATIONS

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

During the year ended June 30, 2016, the City entered into a \$2,000,000 master lease to purchase vehicles and other equipment. This is a 5 year lease agreement and bears interest at 1.98%. Installments are payable monthly in the amount of \$35,038, including principal and interest. The final payment is due June 28, 2021.

During the years ended June 30, 2007 and 2008, the City entered into various Community Legacy loan agreements which are payable at various times through 2025. These loan agreements are at 0% interest. As of June 30, 2016, the City owed \$300,000 in Community Legacy loans.

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

	Balance July 1, 2015	Additions	Repayments	Ending Balance June 30, 2016	Due Within One Year
Governmental activities					
Suntrust Master Lease	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ 384,332
STI Institutional & Government Inc. Parking Garage Bond of 2015	7,075,000	-	-	7,075,000	340,000
Community legacy loans	450,000	-	150,000	300,000	-
Net pension liability	3,958,861	1,166,701	-	5,125,562	-
Compensated absences	607,606	104,032	124,187	587,451	90,450
Total governmental activity liabilities	<u>\$ 12,091,467</u>	<u>\$ 3,270,733</u>	<u>\$ 274,187</u>	<u>\$ 15,088,013</u>	<u>\$ 814,782</u>

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2016**

5. LONG – TERM OBLIGATIONS (continued)

The annual debt service requirements for outstanding long-term debt as of June 30, 2016, including principal and interest, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	565,000	144,971	709,971
2022-2026	2,399,000	547,732	2,946,732
2027-2031	2,573,000	221,503	2,794,503
2032	320,000	4,336	324,336
Total	<u>\$ 7,375,000</u>	<u>\$ 1,605,906</u>	<u>\$ 8,980,906</u>

The annual debt service requirements for the outstanding lease as of June 30, 2016, including principal and interest, are as follows:

<u>Fiscal Year</u>	<u>Payments</u>
2017	\$ 420,456
2018	420,456
2019	420,456
2020	420,456
2021	420,456
Total	<u>2,102,280</u>
Less amounts representing interest	<u>102,280</u>
Principal Due	<u>\$ 2,000,000</u>

In accordance with the City Charter, general obligation indebtedness is limited to five percent of the City's assessed real property value. As of June 30, 2016, this provision limits indebtedness to \$105,249,259. The general fund has been historically used to liquidate the liability for compensated absences.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2016

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, 2016, 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.

8. POST EMPLOYMENT BENEFITS

The City does not provide for the continuation of healthcare benefits beyond the last date of employment. 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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2016

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 2016 were \$472,884.

10. EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The City maintains a single-employer defined contribution pension plan which covered all regular employees, but now covers all employees who did not elect or are not eligible to join the RCPBP. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City Council has the authority to establish and amend benefit and contributor provisions.

Employees enter the plan after completion of one year of service, are scheduled to work at least 17.5 hours per week, and have reached their eighteenth birthday. The City currently contributes 6.5% of eligible employees' compensation quarterly for participants. Employees hired before September 1, 2001 are 100% vested upon participation in the plan; employees hired on or after September 1, 2001 will vest at 20% per year until fully vested after 5 years of participation. Voluntary contributions by employees, limited to 10% of after-tax compensation, and rollovers from other plans in which the employee was a vested participant, are permitted. Both employee contributions and amounts rolled into the plan are immediately 100% vested.

Plan assets are segregated between two separate trustees. \$5,561,364 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, \$763,755, consists of fully paid group annuity contracts between those participants employed by the City prior to the start of the defined contribution pension plan, and the Metropolitan Life Insurance Company as third party administrator.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

10. EMPLOYEES' RETIREMENT SYSTEM (continued)

Plan Description (continued)

The City's payroll in fiscal year 2016 was approximately \$7.2 million. Total contributions to the 401(a) plan for 2016, 2015, and 2014 were approximately \$53,000, \$144,000, and \$358,000, respectively.

General Information about the Pension Plan

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

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

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

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

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

CITY OF COLLEGE PARK, MARYLAND

**Notes to the Financial Statements
June 30, 2016**

10. EMPLOYEES' RETIREMENT SYSTEM (continued)

General Information about the Pension Plan (continued)

Contributions. The article sets contribution requirements of the active employees and the participating governmental units and may be amended by the System Board. Employees are required to contribute 7% of their annual base pay, not including overtime or incentive pay. The City's contractually required contribution rate for the year ended June 30, 2016 was 5% of covered payroll, totaling approximately \$266,000, 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, 2016, the City reported a liability of approximately \$5.13 million for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the ERS net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2016, the City's proportion for ERS was 0.025 percent, which was substantially the same from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the City recognized pension expense for ERS of approximately \$0.50 million. As of June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to ERS and related amortization from the following sources:

Year End June 30,	2015 Balance Amortization			2014 Balance Amortization	
	Deferred Outflows		Deferred Inflows	Deferred Outflow	Deferred Inflow
	Investment Earnings	Change in Assumptions	Actual and Expected Experience	Change in Assumptions	Net Difference in Investment Earnings
2017	\$ 112,864	\$ 52,685	\$ 21,554	\$ 14,317	\$ 108,331
2018	112,864	52,685	21,554	14,317	108,331
2019	112,864	52,685	21,554	14,317	108,331
2020	112,864	52,685	21,554	-	-
2021	-	45,835	18,751	-	-
Total	\$ 451,456	\$ 256,575	\$ 104,967	\$ 42,951	\$ 324,993

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements

June 30, 2016

10. EMPLOYEES' RETIREMENT SYSTEM (continued)

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

\$288,589 reported as deferred outflows of resources related to ERS resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the ERS net pension liability in the year ended June 30, 2017.

Information included in the MSRPS financial statements

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The City's proportionate share of the ERS net pension liability calculated using the discount rate of 7.55 percent is \$5,125,562. Additionally, the City's proportionate share of the ERS net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) is \$7,244,193 or 1-percentage-point higher (8.55 percent) is \$3,368,791.

11. CONTINGENCIES

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

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

12. COLLEGE PARK CITY - UNIVERSITY PARTNERSHIP

The College Park City-University Partnership (the Partnership) was formally approved by the Mayor and City Council, and the University of Maryland in 1997. The Partnership is an integral part of the City's economic development strategy. The mission is to stimulate appropriate commercial, housing, and mixed-use development and redevelopment in accordance with the City's Comprehensive Plan and the University's Facilities Master Plan. The City and the University have provided \$25,000 to \$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.

CITY OF COLLEGE PARK, MARYLAND

Notes to the Financial Statements June 30, 2016

13. CONCENTRATION OF RISK

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

14. COMMITMENTS

As of June 30, 2016, the City was committed to capital projects for City Hall renovations for a total of \$458,685 with \$428,473 spent through June 30, 2016 and with a remaining commitment of \$30,212.



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



SBC & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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

City of College Park, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of College Park, Maryland (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2016.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Hunt Valley, Maryland
November 30, 2016



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLLEGE PARK, MARYLAND

**Required Supplementary Information for Pension
For the Year Ended June 30, 2016**

	<u>2016</u>	<u>2015</u>
City's proportion of the ERS net pension liability (asset)	0.024%	0.022%
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 5,125,562</u>	<u>\$ 3,958,861</u>
Total	<u>\$ 5,125,562</u>	<u>\$ 3,958,861</u>
City's covered-employee payroll	\$ 5,593,879	\$ 5,138,767
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee	100.00%	77.04%
Plan fiduciary net position as a percentage of the total pension liability	68.78%	71.87%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2016 is not available.

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2016 is not available.

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2016**

	<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	\$ 6,929,876	\$ 6,929,876	7,083,574	\$ 153,698
Personal property taxes	851,500	851,500	1,073,813	222,313
Total Property taxes	<u>7,781,376</u>	<u>7,781,376</u>	<u>8,157,387</u>	<u>376,011</u>
Income taxes	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,798,243</u>	<u>198,243</u>
Admission and amusement taxes	<u>650,000</u>	<u>650,000</u>	<u>720,193</u>	<u>70,193</u>
State shared taxes				
Highway user revenue	<u>419,266</u>	<u>419,266</u>	<u>453,581</u>	<u>34,315</u>
County shared taxes				
Hotel/motel tax	<u>450,000</u>	<u>450,000</u>	<u>1,004,869</u>	<u>554,869</u>
Licenses and permits	<u>1,193,935</u>	<u>1,193,935</u>	<u>1,266,808</u>	<u>72,873</u>
Intergovernmental grants				
Federal grants	-	-	56,725	56,725
State grants	217,055	217,055	309,070	92,015
County grants	44,717	44,717	49,217	4,500
Total intergovernmental grants	<u>261,772</u>	<u>261,772</u>	<u>415,012</u>	<u>153,240</u>
Charges for services	<u>999,078</u>	<u>999,078</u>	<u>1,045,495</u>	<u>46,417</u>
Fines and forfeitures	<u>2,510,600</u>	<u>2,510,600</u>	<u>2,992,650</u>	<u>482,050</u>
Investment revenue	<u>93,019</u>	<u>93,019</u>	<u>199,189</u>	<u>106,170</u>
Miscellaneous	<u>101,550</u>	<u>101,550</u>	<u>103,524</u>	<u>1,974</u>
TOTAL REVENUES	<u>16,060,596</u>	<u>16,060,596</u>	<u>18,156,951</u>	<u>2,096,355</u>

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Mayor and City Council				
Personnel	82,085	82,085	76,216	5,869
Operating	649,104	649,104	605,931	43,173
Total Mayor and City Council	<u>731,189</u>	<u>731,189</u>	<u>682,147</u>	<u>49,042</u>
City attorney	<u>161,500</u>	<u>161,500</u>	<u>192,431</u>	<u>(30,931)</u>
City Manager and Clerk				
Personnel	427,690	427,690	447,892	(20,202)
Operating	114,593	114,593	100,579	14,014
Capital outlays	-	-	-	-
Total City Manager and Clerk	<u>542,283</u>	<u>542,283</u>	<u>548,471</u>	<u>(6,188)</u>
Boards, Committees and Other				
Personnel	356,127	391,377	386,143	5,234
Operating	272,830	285,348	200,927	84,421
Capital outlays	-	-	-	-
Total Boards, Committees and Other	<u>628,957</u>	<u>676,725</u>	<u>587,070</u>	<u>89,655</u>
Finance				
Personnel	1,352,779	1,102,779	1,079,531	23,248
Operating	(125,171)	(125,171)	(169,032)	43,861
Capital outlays	13,670	13,670	18,014	(4,344)
Total Finance	<u>1,241,278</u>	<u>991,278</u>	<u>928,513</u>	<u>62,765</u>
TOTAL GENERAL GOVERNMENT	<u>3,305,207</u>	<u>3,102,975</u>	<u>2,938,632</u>	<u>164,343</u>
PUBLIC SERVICES				
Public Services				
Personnel	1,884,504	1,884,504	1,846,076	38,428
Operating	890,984	890,984	943,201	(52,217)
Capital outlays	26,450	126,450	123,178	3,272
Total Public Services	<u>2,801,938</u>	<u>2,901,938</u>	<u>2,912,455</u>	<u>(10,517)</u>
Contract Police				
Personnel	918,544	818,544	790,964	27,580
Operating	299,294	299,294	288,937	10,357
Total Contract Police	<u>1,217,838</u>	<u>1,117,838</u>	<u>1,079,901</u>	<u>37,937</u>
TOTAL PUBLIC SERVICES	<u>4,019,776</u>	<u>4,019,776</u>	<u>3,992,356</u>	<u>27,420</u>

CITY OF COLLEGE PARK, MARYLAND

**Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
PLANNING AND DEVELOPMENT				
Personnel	513,024	513,024	459,889	53,135
Operating	151,439	151,439	132,179	19,260
TOTAL PLANNING AND DEVELOPMENT	<u>664,463</u>	<u>664,463</u>	<u>592,068</u>	<u>72,395</u>
PUBLIC WORKS				
Personnel	3,654,945	3,629,177	3,424,946	204,231
Operating	1,497,705	1,497,705	1,271,649	226,056
Capital outlays	63,100	63,100	75,227	(12,127)
TOTAL PUBLIC WORKS	<u>5,215,750</u>	<u>5,189,982</u>	<u>4,771,822</u>	<u>418,160</u>
YOUTH, FAMILY AND SENIOR SERVICES				
Personnel	791,924	791,924	730,032	61,892
Operating	322,957	322,957	351,305	(28,348)
Capital outlays	-	-	943	(943)
TOTAL YOUTH, FAMILY AND SENIOR SERVICES	<u>1,114,881</u>	<u>1,114,881</u>	<u>1,082,280</u>	<u>32,601</u>
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Debt service	<u>557,411</u>	<u>557,411</u>	<u>191,870</u>	<u>365,541</u>
TOTAL EXPENDITURES	<u>14,887,488</u>	<u>14,659,488</u>	<u>13,569,028</u>	<u>1,090,460</u>
EXCESS OF REVENUE OVER EXPENDITURES	1,173,108	1,401,108	4,587,923	3,186,815
OTHER FINANCING USES				
Transfers in	257,392	257,392	-	(257,392)
Transfers out	(1,430,500)	(1,658,500)	(1,658,500)	-
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>2,929,423</u>	<u>2,929,423</u>
FUND BALANCE:				
BEGINNING OF YEAR	6,359,362	4,559,362	5,812,892	
END OF YEAR	<u>\$ 6,359,362</u>	<u>\$ 4,559,362</u>	<u>\$ 8,742,315</u>	

CITY OF COLLEGE PARK, MARYLAND

Notes to the Required Supplemental Information – General Fund For the Year Ended June 30, 2016

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, 2016**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 5,278,350	\$ 5,278,350
Annuity contracts	763,755	-	763,755
Participant loans		283,014	283,014
Total assets	<u>763,755</u>	<u>5,561,364</u>	<u>6,325,119</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 763,755</u>	<u>\$ 5,561,364</u>	<u>\$ 6,325,119</u>

CITY OF COLLEGE PARK, MARYLAND

**Combining Statement of Changes in Net Position – Fiduciary Funds
For the Year Ended June 30, 2016**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Employer contributions	\$ -	\$ 52,579	\$ 52,579
Investment gain:			
Net increase (decrease) in the fair value of investments	<u>36,684</u>	<u>(36,867)</u>	<u>(183)</u>
Total additions	<u>36,684</u>	<u>15,712</u>	<u>52,396</u>
DEDUCTIONS			
Benefit payments	34,003	188,397	222,400
Administrative expenses	<u>8,536</u>	<u>3,499</u>	<u>12,035</u>
Total deductions	<u>42,539</u>	<u>191,896</u>	<u>234,435</u>
CHANGE IN NET POSITION	(5,855)	(176,184)	(182,039)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS:			
BEGINNING OF YEAR	<u>769,610</u>	<u>5,737,548</u>	<u>6,507,158</u>
END OF YEAR	<u>\$ 763,755</u>	<u>\$ 5,561,364</u>	<u>\$ 6,325,119</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	52 - 55
<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	56 - 60
<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	61 - 63
<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	64 - 65
<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	66 - 68
<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.

CITY OF COLLEGE PARK, MARYLAND

Schedule 1

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 9,980,967
Restricted					3,164,971	4,240,056	5,868,664	6,357,611	7,807,735	9,713,924
Unrestricted	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	3,668,223
Total net position	\$ 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	\$ 23,363,114

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, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 or 2016. 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
General government	\$ 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	\$ 4,459,204
Public services	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	4,187,019
Planning and development	593,788	714,063	1,172,672	1,066,930	516,628	661,474	684,719	778,802	841,693	1,017,152
Public works	4,394,967	4,927,966	4,811,054	4,981,158	4,871,322	5,235,887	4,784,120	5,034,643	5,266,323	5,295,644
Youth, family and senior services	817,705	898,330	958,841	1,036,108	1,037,007	1,102,149	1,069,156	1,106,976	1,065,844	1,121,141
Interest on long-term debt	38,286	99,263	164,034	99,684	207,944	302,350	284,441	274,218	260,746	191,812
Total governmental activities expenses	\$ 11,084,748	\$ 11,471,134	\$ 12,932,128	\$ 12,571,154	\$ 11,863,063	\$ 13,993,542	\$ 13,602,716	\$ 14,919,606	\$ 17,425,950	\$ 16,271,972
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 274,961	\$ 269,825	\$ 298,322	\$ 313,794	\$ 336,500	\$ 298,536	\$ 324,648	\$ 512,636	\$ 517,975	\$ 511,728
Public services	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	4,847,307
Planning and development	3,900	1,700	2,250	1,855	2,470	1,300	8,455	5,960	4,900	1,350
Public works	334,488	367,558	363,421	366,254	385,165	415,599	403,176	422,150	401,310	395,844
Youth, family and senior services	20,328	15,891	12,689	13,168	11,242	13,003	15,430	12,332	12,064	8,615
Operating grants and contributions	185,234	188,589	195,626	218,454	219,272	255,940	205,283	234,656	256,736	415,013
Capital grants and contributions	1,033,670	360,446	599,567	1,079,806	1,010,462	297,661	341,241	521,247	1,357,190	933,877
Total governmental activities program revenues	\$ 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	\$ 7,113,734
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (9,158,238)
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Real property taxes	\$ 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	\$ 7,023,128
Personal property taxes	1,082,492	1,004,104	1,073,361	944,762	822,494	875,845	887,691	887,440	978,181	1,073,813
Income taxes	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	1,798,243
Other taxes	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	2,178,643
Investment earnings	196,658	269,992	148,525	36,962	41,762	43,105	(111,862)	198,972	156,313	108,524
Miscellaneous	158,245	39,092	96,565	9,774	51,588	125,696	23,755	107,093	165,577	199,189
Total governmental activities	\$ 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	\$ 12,381,540
Change in Net Position										
Governmental activities	\$ 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	\$ 3,223,302

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, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 or 2016. 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 292,992	\$ 271,191	\$ 260,611	\$ 245,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,017,348	3,363,831	3,874,129	4,356,077	-	-	-	-	-	-
Nonspendable										
Restricted	-	-	-	-	1,173,351	1,118,883	1,145,407	1,041,975	1,018,200	980,804
Committed	-	-	-	-	350,000	283,011	-	-	-	-
Unassigned	-	-	-	-	189,210	146,211	35,005	73,002	-	-
	-	-	-	-	4,708,068	5,030,470	4,325,009	5,566,179	4,794,692	7,761,513
Total general fund	\$ 3,310,340	\$ 3,635,022	\$ 4,134,740	\$ 4,601,107	\$ 6,420,629	\$ 6,578,575	\$ 5,505,421	\$ 6,681,156	\$ 5,812,892	\$ 8,742,317
Capital projects fund										
Reserved	\$ 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	9,713,924
Total capital projects fund	\$ 3,208,617	\$ 1,676,708	\$ (4,475,999)	\$ (5,258,063)	\$ 3,164,971	\$ 4,240,056	\$ 5,868,664	\$ 6,357,611	\$ 7,807,735	\$ 9,713,924

Effective June 30, 2011 per GASB Statement No. 54, fund balances of the governmental funds are classified as follows: nonspendable, restricted, committed, assigned and unassigned. This new fund balance classification is shown for FY2011, FY2012, FY2013, FY2014, FY2015 and FY2016 above, and will be used for future fiscal years as well.

CITY OF COLLEGE PARK, MARYLAND

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 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	\$ 12,134,273
Licenses, fees and permits	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	1,455,563
Fines and forfeitures	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	3,042,114
Charges for services	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	1,384,667
Intergovernmental	877,589	396,617	585,130	1,118,783	1,071,645	349,336	355,300	755,903	878,925	1,231,390
Investment earnings	196,658	269,993	148,525	36,962	41,762	43,105	(111,862)	198,972	156,313	199,189
Miscellaneous revenues	158,245	39,092	96,565	9,774	16,313	156,693	23,753	107,093	151,443	108,524
Total revenue	\$ 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	\$ 19,555,720
Expenditures										
General government	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	2,993,648
Public services	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	4,044,860
Planning and development	591,376	710,839	746,657	1,066,886	624,207	663,533	694,919	778,802	841,691	947,095
Public works	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	4,781,900
Youth, family and senior services	752,987	835,414	902,643	981,712	981,828	1,034,545	1,024,998	1,064,727	1,027,995	1,082,280
Capital outlay	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	2,528,454
Contingency	-	-	7,851	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Other	38,286	82,673	118,579	99,684	207,944	302,350	284,441	274,218	260,746	191,812
Interest	195,203	323,789	763,013	353,048	713,020	549,735	273,000	283,000	294,000	150,000
Principal	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 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	\$ 16,720,106
Excess (deficiency) of revenues over (under) expenditures	\$ (918,241)	\$ (1,357,227)	\$ (6,077,989)	\$ (315,697)	\$ 2,092,556	\$ 1,233,031	\$ 555,454	\$ 1,664,682	\$ 581,860	\$ 2,835,614
Other financing sources (uses)	-	-	425,000	-	8,150,000	-	-	-	-	-
Sale of land	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Proceeds from loans	2,010,000	150,000	-	-	-	-	-	-	-	2,000,000
Operating transfers in	2,821,048	992,552	1,255,335	978,175	1,046,335	2,379,949	3,079,850	922,000	1,081,225	1,658,500
Operating transfers out	(2,821,048)	(992,552)	(1,255,335)	(978,175)	(1,046,335)	(2,379,949)	(3,079,850)	(922,000)	(1,081,225)	(1,658,500)
Total other financing sources (uses)	\$ 2,010,000	\$ 150,000	\$ 425,000	\$ -	\$ 8,150,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Net change in fund balances	\$ 1,091,759	\$ (1,207,227)	\$ (5,652,989)	\$ (315,697)	\$ 10,242,556	\$ 1,233,031	\$ 555,454	\$ 1,664,682	\$ 581,860	\$ 4,835,614
Debt service as a percentage of non-capital expenditures (Note 1)	2.4%	3.7%	7.3%	3.9%	8.1%	5.7%	4.4%	4.0%	3.3%	2.4%

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

CITY OF COLLEGE PARK, MARYLAND

Schedule 5

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

<u>Fiscal Year</u>	<u>Property</u>	<u>Income</u>	<u>Admission & Amusement</u>	<u>State Shared - Highway User</u>	<u>County Shared - Hotel/Motel</u>	<u>Total</u>
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
2016	8,157,387	1,798,243	720,193	453,581	1,004,869	12,134,273
Net Change:						
FY2007 to FY2016	169.5%	141.5%	101.7%	56.1%	204.2%	150.0%

CITY OF COLLEGE PARK, MARYLAND

Schedule 6

**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
	Residential Property (net of Homestead Tax Credit)	Commercial Property	Commercial Property						
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%		
2016	1,627,130	677,232	2,304,362	1,257,299	0.335	2,304,362	100%		

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

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

CITY OF COLLEGE PARK, MARYLAND

Schedule 7

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

Fiscal Year	City Direct Rate (Note 1)	Overlapping Rates					Total	
		Maryland-Natl. Capital Park and Planning	Washington Suburban Transit Commission	County Storm Water Management	Prince George's County (full rate)	County Tax Differential		State of Maryland
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
2017	0.335	0.294	0.026	0.054	1.000	(0.031)	0.112	1.790

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

Note 1: The City Direct Rate has no components.

CITY OF COLLEGE PARK, MARYLAND

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

Taxpayer	Fiscal Year 2016 Taxable Assessed Value			Fiscal Year 2007 Taxable Assessed Value			Percentage of Total City Taxable Assessed Value
	Real (RP)	Personal (PP)	Total	Real (RP)	Personal (PP)	Total	
University View Partners, LLC	100,416	565	100,981	60,424	-	60,424	4.66%
Student Housing College Park LLLP (The Varsity)	\$ 97,562	\$ 628	\$ 98,190	\$ -	\$ -	\$ -	4.53%
NSHE College Park, LLC (Camden)	88,600	-	88,600	-	-	-	4.09%
Campus Investors 4500 College Ave LLC	87,553	-	87,553	-	-	-	4.04%
Mazza Grand Marc Apartments	57,800	-	57,800	-	-	-	2.67%
UDR Domain College Park LLC	57,125	-	57,125	-	-	-	2.63%
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	44,124	8,975	53,099	34,954	6,319	41,273	2.45%
8300 Baltimore Avenue, LLC	52,000	222	52,222	-	-	-	2.41%
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	47,226	115	47,341	31,090	-	31,090	2.18%
Terrapin Row Property Owner LLC	42,358	-	42,358	-	-	-	1.95%
Richard S. Gatti, et al (Marketplace)	33,434	-	33,434	32,515	-	32,515	1.54%
Riverdale FDA, LLC	26,397	-	26,397	14,332	-	14,332	1.22%
The Washington Post Company	-	-	-	24,139	27,791	51,930	-
Potomac Electric Power Company	-	30,678	30,678	-	18,364	18,364	1.41%
College Park Shopping Center, LP	-	-	-	11,768	-	11,768	-
CPHH LLC (RP) / Imported Cars of Maryland (PP)	-	-	-	3,068	7,705	10,773	-
Precision Products Group, Inc.	-	-	-	3,999	5,677	9,676	-
Total	\$ 536,617	\$ 39,990	\$ 576,607	\$ 216,289	\$ 65,856	\$ 282,145	26.59%
							4.33%

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

CITY OF COLLEGE PARK, MARYLAND

Schedule 9

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Note 2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	114,690	6,863,835	99.89%
2012	7,533,369	7,381,497	97.98%	150,728	7,532,225	99.98%
2013	7,489,649	7,291,536	97.35%	196,901	7,488,437	99.98%
2014	7,416,516	7,241,009	97.63%	174,552	7,415,561	99.99%
2015	7,462,185	7,422,878	99.47%	35,999	7,458,877	99.96%
2016	7,781,376	7,736,742	99.43%	-	7,736,742	99.43%

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 (Note 7)	Community Legacy Loans (Note 3)	Bond Anticipation Notes (Note 4)	Parking Garage Bond (Notes 5 & 6)	Total			
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	
2016	-	2,000,000	300,000	-	7,075,000	9,375,000	1.63%	290.24	

Notes:

1. The City has no business-type activities. As a result, the business-type activities columns have been omitted from the table above.
2. See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
3. During the years ended June 30, 2007 and 2008, the City entered into various Community Legacy loan agreements, which are payable at various times through 2025.
4. During the year ended June 30, 2008, the City issued bond anticipation notes (BANs) to fund the construction of a public parking garage.
5. On February 25, 2011, the City issued an \$8,150,000 SunTrust Bank parking garage bond, repaying the BANs in full.
6. On June 16, 2015, the City refunded the SunTrust Bank Tax-Exempt Parking Garage Bond of 2011 at \$7,075,000 and issued the STI Institutional & Government, Inc. Tax-Exempt Parking Garage Bond of 2015 in the principal sum of \$7,075,000.
7. During the year ended June 30, 2016, the City entered into a \$2,000,000 master lease agreement with Sun Trust to purchase vehicles and other equipment.

CITY OF COLLEGE PARK, MARYLAND

Schedule 11

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2016
(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	\$ 9,375	100.000%	\$ 9,375
Subtotal	<u>9,375</u>		<u>9,375</u>
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	1,517,576	2.854%	43,314
Maryland-National Capital Park and Planning Commission	<u>69,083</u>	2.854%	<u>1,972</u>
Subtotal	<u>1,586,659</u>		<u>45,286</u>
Total Direct and Overlapping Debt	<u>\$ 1,596,034</u>		<u>\$ 54,661</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 \$72,938,139,400 and the City real property assessment of \$2,081,761,516 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2016.

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 2,104,985,178
General obligation debt limit (5% of assessed value)	\$ 105,249,259
Debt applicable to limit	7,375,000
Legal debt margin - general obligation debt	\$ 97,874,259
Total debt limit (10% of assessed value)	\$ 210,498,518
Debt applicable to limit	9,375,000
Legal debt margin - total debt	\$ 201,123,518

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 210,498,518
Total net debt applicable to limit	2,352,632	3,238,652	10,265,434	10,117,989	8,924,735	8,375,000	8,102,000	7,819,000	7,525,000	9,375,000
Legal debt margin	\$ 136,021,577	\$ 160,548,967	\$ 198,701,079	\$ 242,244,427	\$ 202,231,654	\$ 207,619,376	\$ 217,587,532	\$ 195,854,330	\$ 197,560,037	\$ 201,123,518
Total net debt applicable to the limit as a percentage of debt limit	1.70%	1.98%	4.91%	4.01%	4.23%	3.88%	3.59%	3.84%	3.67%	4.45%

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. 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.

CITY OF COLLEGE PARK, MARYLAND

Schedule 13

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2015	32,301	575,248,509	17,809	6.6%

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

CITY OF COLLEGE PARK, MARYLAND

Principal Employers

Current Fiscal Year and Nine Fiscal Years Ago

Employer	Fiscal Year 2016			Fiscal Year 2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland, College Park	17,323	1	52.75%	12,500	1	50.00%
University of Maryland University College (UMUC)	2,000	2	6.09%	750	3	3.00%
National Archives and Records Administration II	1,700	3	5.18%	1,300	2	5.20%
National Oceanic and Atmospheric Administration	825	4	2.51%	-	-	-
U.S. Food and Drug Administration (FDA)	800	5	2.44%	750	4	3.00%
American Center for Physics	500	6	1.52%	230	6	0.92%
IKEA	450	7	1.37%	300	5	1.20%
The Washington Post	-	-	-	220	7	0.88%
Total	23,598		71.86%	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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Administration	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.75	7.00	7.00
Finance	11.80	11.80	11.80	11.80	11.30	10.80	10.80	10.70	10.70	10.70
Public services	28.02	28.52	28.47	28.50	27.00	29.89	30.74	31.34	30.84	32.30
Planning and development	5.00	5.00	5.00	5.00	5.50	5.30	5.20	5.20	5.20	5.20
Youth, family and senior services	7.95	8.45	8.63	8.63	10.45	9.41	9.71	9.71	10.09	10.43
Public works	49.75	49.75	49.75	50.00	50.00	50.15	50.15	50.35	50.35	50.35
Total	109.52	110.52	110.65	110.93	111.25	112.55	113.60	115.05	114.18	115.98

Source: City of College Park adopted operating budgets, fiscal years 2007 - 2016

CITY OF COLLEGE PARK, MARYLAND

Schedule 16

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Parking enforcement										
Number of parking tickets issued	34,538	36,712	37,353	34,186	34,288	28,315	34,027	37,705	36,731	33,582
Recreation										
Attendance at sponsored recreational events (estimated)	30,000	35,000	25,000	25,000	27,600	30,000	31,430	31,430	29,000	29,000
Planning and development										
Variance applications processed	40	23	6	10	15	14	6	15	10	10
Clinical services										
Number of individuals who received clinical services	2,357	2,237	1,839	1,915	1,863	1,968	1,909	1,690	1,204	1,366
Seniors program										
Seniors trips provided	2,506	2,211	2,200	2,250	2,110	2,278	2,210	2,205	2,192	2,272
Seniors assisted with transportation	3,651	3,420	3,400	3,420	3,666	3,585	3,515	3,507	3,486	3,581
Refuse and recycling collection										
Cost per ton of solid waste	\$ 142.59	\$ 157.27	\$ 147.00	\$ 130.63	\$ 155.36	\$ 135.53	\$ 139.89	\$ 147.80	\$ 151.02	\$ 171.00
Recyclables collected (tons)	1,279	1,246	1,470	1,445	1,458	1,725	1,467	1,453	1,450	1,403
Cost per ton for recycling (paper, commingles, brush, white goods, scrap metal)	\$ 237.58	\$ 255.44	\$ 359.00**	\$ 283.00	\$ 255.00	\$ 201.00	\$ 249.00	\$ 263.00	\$ 277.00	\$ 435.00
Compost yard operations										
Tons of solid waste diverted through composting	2,682	2,306	1,593	1,558	1,521	1,736	1,976	2,872	2,748	2,667
Dollars in tipping fees saved	\$ 67,047	\$ 57,650	\$ 39,825	\$ 38,951	\$ 38,678	\$ 43,411	\$ 49,412	\$ 71,799	\$ 68,704	\$ 66,675
Cubic yards of brush recycled	1,834	1,570	1,959	3,775	3,692	1,267	1,895	3,056	3,564	3,515
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 50,301	\$ 69,230	\$ 67,094	\$ 71,002	\$ 66,668	\$ 75,191	\$ 63,802	\$ 75,111	\$ 83,317	\$ 71,427
Other public works										
Street cleaning sweeps in high impact areas	190	189	224	203	202	219	211	193	201	195

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

CITY OF COLLEGE PARK, MARYLAND

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Refuse and recycling collection										
Collection trucks	8	11	8	8	8	8	8	8	8	8
Other public works										
Streets (miles)	52	52	52	52	52	52	52	52	52	52
Sidewalks (miles)	21	21	21	21	21	21	21	21	21	21
Public services										
Blue light emergency phones	8	8	8	8	12	12	12	12	12	12
Parking pay stations	-	-	-	4	13	13	13	13	13	18
Recreation										
Baseball/softball fields	4	4	4	4	4	4	4	4	4	4
Tot lots	8	8	8	8	8	8	8	8	8	8
Seniors program										
Seniors minibuses available	2	2	3	3	3	3	3	3	3	3

Sources: City of College Park departments

