

City of College Park, Maryland

Comprehensive Annual Financial Report

for the fiscal year ended June 30, 2013

City of College Park, Maryland

Select Language ▼

Search here



A Smart Place to Live



Online Payments



Job Opportunities



Council Meetings



Report A Problem



Contact Us

- HOME
- PEOPLE WE SERVE
- GOVERNMENT
- PROGRAMS AND INITIATIVES
- ABOUT US
- I WANT TO...



- ADMINISTRATION
- BIDS & RFP'S
- BOARDS AND COMMISSIONS
- CITY CODE / CABLE ORDINANCE
- DOCUMENT CENTER
- ENGINEERING DIVISION
- FINANCE**
- HUMAN RESOURCES
- MAYOR & COUNCIL
- ELECTIONS & VOTING

- BUDGET
- CAFR**



Latest NEWS



Free Breakfast With Santa



City Election Final Results



Leaf Collection Update

Welcome To COLLEGE PARK

Situated just minutes from the nation's capital, the City of College Park is home to the University of Maryland and a wide variety of shops, restaurants, attractions and recreational opportunities. The City is comprised of over 30,000 residents that reside in diverse settings from quaint neighborhoods to luxury student housing complexes. With abundant transit options, beautiful parks and historic homes, College Park is certainly "A Smart Place to Live".

December 2013

Su Mo Tu We Th Fr Sa

1 2 3 4 5 6 7

8 9 10 11 12 13 14

15 16 17 18 19 20 21

22 23 24 25 26 27 28

29 30 31

[View Entire Month](#)

Mayor & Council Regular Meeting & Inauguration Reception

December 10, 2013 07:30 PM

Mayor & Council Regular Meeting and Inauguration/Followed by a Reception

District 1 Coffee Club Meeting

December 11, 2013 09:00 AM

District 1 Coffee Club Meeting

Tree & Landscape Board

December 11, 2013 07:00 PM

TLB meeting

[ALL EVENTS >>](#)

MARYLAND

Cover Photo:

New Website, Logo and Tagline

The City has completely redesigned its website to improve appearance, navigation, functionality and add ADA compliance. A new dynamic calendar feature allows users to customize their viewing preferences along with the ability to register for event notifications. Content has been reorganized, based on input from a Council-appointed focus group, to organize content for “People We Serve”.

At the same time, the City engaged a marketing firm to create a comprehensive marketing plan, including a “trptych” logo and tagline “A Smart Place to Live”. The tagline establishes the connection to the University of Maryland with its varied educational and cultural opportunities. The logo and tagline are being used in advertising, print materials and are shown at the top of our home page in place of the City seal.



CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2013

The Honorable Andrew M. Fellows, Mayor

City Council

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

Robert T. Catlin
Monroe S. Dennis
Denise C. Mitchell
Patrick L. Wojahn

Administration

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

**CITY OF COLLEGE PARK, MARYLAND
Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2013**

TABLE OF CONTENTS

Schedule Number		Starting Page
	<u>INTRODUCTORY SECTION</u>	
	Letter of Transmittal	1
	Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2012	6
	Organization Chart	7
	List of Principal Officials	8
	 <u>FINANCIAL SECTION</u>	
	Independent Auditors' Report	9
	Management's Discussion and Analysis (MD&A)	11
	 <u>Basic Financial Statements</u> <u>Entity-wide Financial Statements</u>	
	Statement of Net Position	21
	Statement of Activities	22
	 <u>Fund Financial Statements</u>	
	Balance Sheet – Governmental Funds	23
	Reconciliation of Balance Sheet – Governmental Funds to Statement of Net Position	24
	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	25
	Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to Statement of Activities	26
	Statement of Net Position – Fiduciary Funds	27
	Statement of Changes in Net Position – Fiduciary Funds	28
	Notes to Financial Statements	29
	 <u>Required Supplementary Information</u>	
	Budgetary Comparison Schedule – General Fund	45
	Notes to Required Supplementary Information	48
	 <u>Supplementary Information</u>	
	Combining Statement of Net Position – Fiduciary Funds	49

<u>Schedule Number</u>		<u>Starting Page</u>
	Combining Statement of Changes in Net Position – Fiduciary Funds	50
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51
	 <u>STATISTICAL SECTION (unaudited)</u>	
	Summary and Table of Contents	53
1	Net Position – Last Ten Fiscal Years	54
2	Changes in Net Position – Last Ten Fiscal Years	55
3	Fund Balances, Governmental Funds – Last Ten Fiscal Years	56
4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	57
5	Tax Revenue by Sources, Governmental Funds – Last Ten Fiscal Years	58
6	Assessed Value and Estimated Actual Value of Taxable Real Property – Last Ten Fiscal Years	59
7	Direct and Overlapping Real Property Tax Rates – Last Ten Fiscal Years	60
8	Principal Property Taxpayers – Current Fiscal Year and Nine Fiscal Years Ago	61
9	Property Tax Levies and Collections – Last Ten Fiscal Years	62
10	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	63
11	Direct and Overlapping Governmental Activities Debt	64
12	Legal Debt Margin Information – Last Ten Fiscal Years	65
13	Demographic and Economic Statistics – Last Ten Calendar Years	66
14	Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	67
15	Full-time Equivalent (FTE) City Government Employees by Function/ Program – Last Ten Fiscal Years	68
16	Operating Indicators by Function/Program – Last Ten Fiscal Years	69
17	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	70

INTRODUCTORY SECTION



4500 KNOX ROAD
COLLEGE PARK, MD 20740-3390

City Manager and
OFFICE OF: Director of Finance

December 2, 2013

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, 2013 is hereby respectfully submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Barbacane, Thornton & Company LLP, Certified Public Accountants, has issued an unqualified opinion that the City of College Park, Maryland's financial statements for the year ended June 30, 2013 are fairly presented in all material respects in conformity with generally accepted accounting principles. The independent auditors' report is located at the front of the financial section of this report.

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

Profile of the Government

The area that includes College Park was originally settled in 1745. Incorporated as a municipality under Maryland state law on June 7, 1945, the City of College Park is located within Prince George's County, Maryland, approximately 7 miles northeast of the District of Columbia. The City has a land area of approximately 5 square miles, expanded from its original 3.97 square miles by subsequent annexations. With a population of 30,413, based on the 2010 census, College Park remains one of the largest cities in Prince George's County, despite the growth of municipalities in outlying areas of the County.

College Park has operated under the council-manager form of government since 1960. The City Council is the legislative body of the City and is empowered by the City Charter to make all City policy. The Council is elected by district every 2 years on a non-partisan basis. The City is divided into 4 districts, with 2 Council members elected from each district, for a total of 8 Council

eight 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 nine 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 five operating departments and four administrative functions. The five 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 Mission and Vision of the City of College Park

Mission

The City of College Park encourages broad community involvement and collaboration, and is committed to enhancing the quality of life for everyone who lives, raises a family, visits, works and learns in the City; and operating a government that delivers excellent services, is open and responsive to the needs of the community, and balances the interests of all residents and visitors.

Vision

...for the City of College Park

The City of College Park will be a vibrant and prosperous residential, commercial and educational community with individuals working cooperatively. College Park will have safe and harmonious neighborhoods; a clean, attractive and healthy natural environment; efficient services; attractive pedestrian- and bicycle-friendly streetscapes; a thriving downtown; revitalized commercial districts including the Route 1 corridor and Hollywood Commercial District; and convenient transportation systems with enhanced public transit.

...for the City of College Park Government

The City of College Park will be recognized for solid collaborative working relationships with residents, students, the University of Maryland, Prince George's County and other nearby municipalities. Our cooperative relationships will help us realize our vision of prosperity and vitality for the City.

Furthermore, it is recognized among employees that every contact with the public represents an opportunity to demonstrate our commitment to this mission and vision for the future. This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013 demonstrates the financial commitment and accountability of the City of College Park to its mission and vision.

Economic Condition and Outlook

The City is located in the northern part of Prince George's County, northeast of the District of Columbia. Total assessments of real and personal property increased 3.66 percent from the prior year to \$2.36 billion as of July 1, 2012. Taxable assessed real (after application of homestead tax credit) and personal property values in the City increased 5.45 percent from the prior year to \$2.17 billion as of July 1, 2012 although multi-year assessments are flat. Exempt real property constitutes 40.38 percent of the total real property assessment as of July 1, 2012.

The City's major employer and property owner (albeit tax-exempt) is the University of Maryland (the "University"), the flagship campus of the University System of Maryland. The campus spans 1,500 acres and includes over 350 buildings. The combination of approximately 37,641 students and 13,157 faculty and staff brings significant commerce to the business community of the City.

Long-term Financial Planning

Unassigned fund balance in the General Fund as of June 30, 2013 (\$4,325,009) represents 29.57 percent of the next fiscal year's adopted expenditure budget (\$14,625,708 for fiscal year 2014), which exceeds the Council's established goal of 25 percent. Elected officials and management staff are confident that the 25 percent goal will be met or exceeded in future years.

The City utilizes a combination of "pay-as-you-go" and debt financing for funding capital improvements. Current debt outstanding (\$8,102,000) consists of three Community Legacy loans for capital projects (\$450,000), and a 20-year tax-exempt parking garage bond (\$7,652,000).

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 2013. The City has a policy to maintain the General Fund's fund balance at a level of at least 25 percent of expenditures. The City strives to maintain a high reliance on pay-as-you-go financing for its equipment acquisition and capital improvements in order to minimize debt levels. Whenever possible, the City will first attempt to fund capital projects with general revenues before considering issuing debt. The City does not use long-term borrowing to finance current operations or normal maintenance expenses. Other fiscal and debt policies are described in the City's budget.

Major Initiatives During the Fiscal Year

- The City continues to utilize off-duty Prince George's County police officers for contract policing. These officers are paid as City employees, and the City reimburses the County for police vehicle mileage. The contract officers supplement County police services provided to the City's residents and businesses. In fiscal year 2013, \$750,000 was budgeted for part-time contract police.
- The City continues the \$400,000 police services contract with Prince George's County, which began in fiscal year 2009, to provide three full-time County police officers on permanent assignment within the City. The \$400,000 police services contract is in addition to the \$750,000 budgeted for part-time contract police, and also supplements regular County police services.
- Eleven multi-space pay stations are in service in the City's parking garage and other previously metered parking lots.
- During fiscal year 2011, the City began a speed enforcement camera program with five cameras. An outside vendor processes tickets following review and certification of violations by the City's contract police officers. According to State enabling legislation, net revenue generated from this program must be used for public safety purposes, including pedestrian safety improvements.
- Several streetscape projects are in process, utilizing a combination of City capital project funding, Community Development Block Grant ("CDBG"), Community Legacy, and Maryland Heritage Area Authority ("MHAA") grants and loans to upgrade sidewalks, curb and gutter, streetlights and landscaping in commercial areas.
- The fourth phase of the College Park Trolley Trail was completed during the fiscal year, utilizing Transportation Enhancement Program ("TEP") federal grant funding and City contribution.
- The City participates in the entitlement process for M Square, the University's research and development park adjacent to the College Park Metro station.
- Most fiscal year 2013 elements in the adopted strategic action plan were implemented on schedule, with a few carrying over to fiscal year 2014.

For the Near Future

- Implement the fiscal year 2014 elements in the strategic action plan.
- Interest in redevelopment continues along the U.S. Route 1 corridor and adjacent areas.

- The fifth and final phase of the College Park Trolley Trail is scheduled for completion in fall 2013. Upon completion of this phase, the hiker/biker trail will connect the northern and southern boundaries of the City and integrate with trails on the University of Maryland campus.
- WMATA, the Metro operator, is pursuing a joint development agreement with the private sector at the College Park Metro station for hotel and residential uses.
- Implementation of the City/University's first bike-sharing project is underway with a planned eight docking stations on- and off-campus.
- New economic development incentives include the recently approved revitalization tax credit and tenant improvement grants funded through the State Community Legacy program.

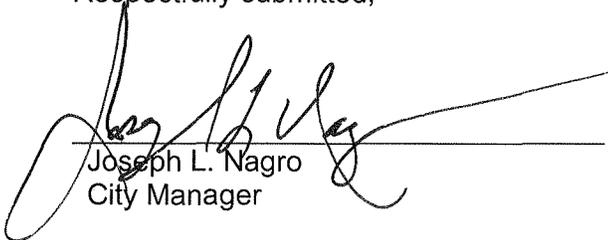
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of College Park for its comprehensive annual financial report for the fiscal year ended June 30, 2012. 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 34th 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 2013. In order to qualify for this award, a government unit must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications device. The award is valid for a period of one year only. The City of College Park has been the recipient of this award for annual budgets prepared since fiscal year 1989.

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

Respectfully submitted,



Joseph L. Nagro
City Manager



Stephen Groh
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of College Park
Maryland**

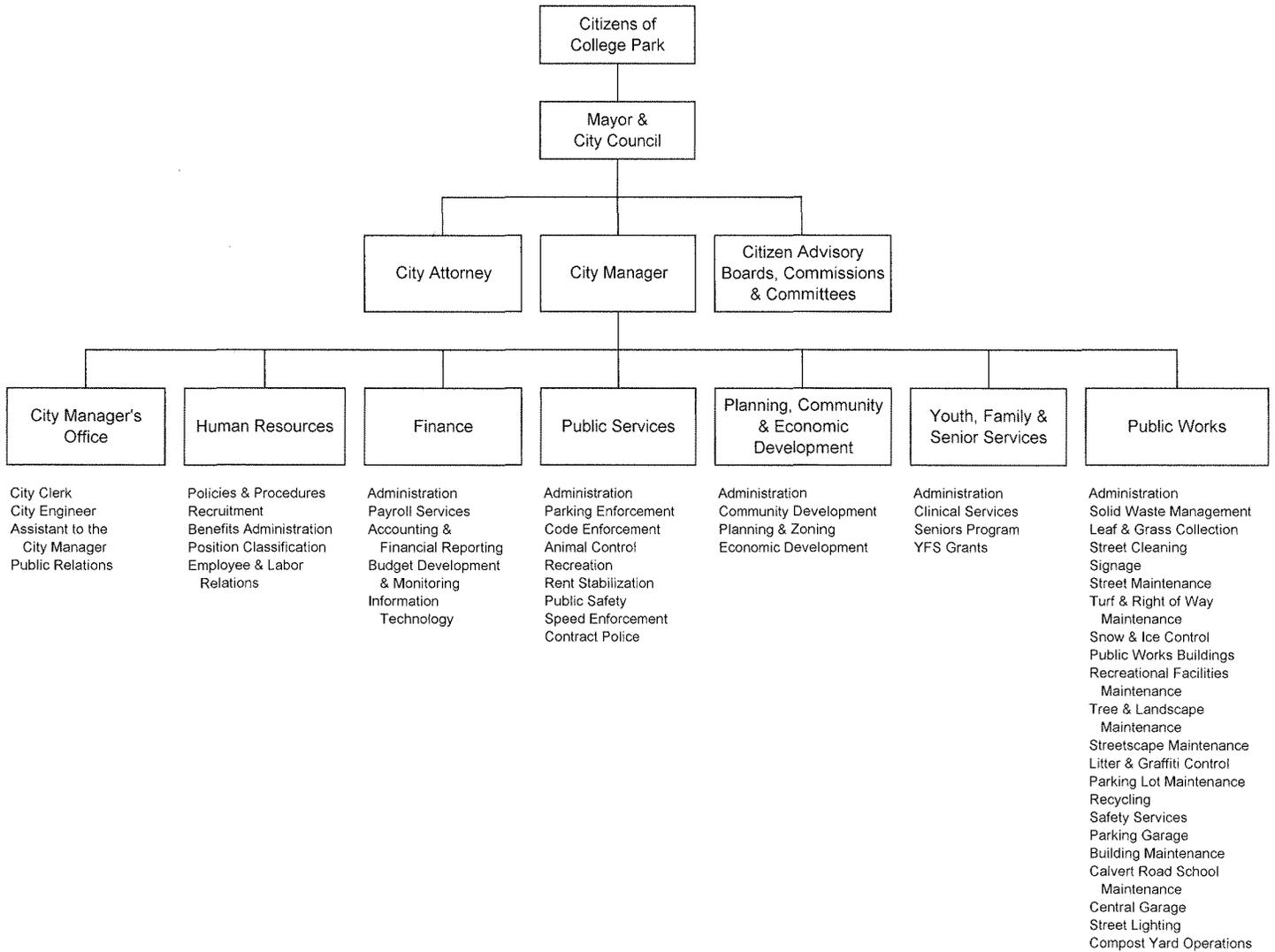
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF COLLEGE PARK, MARYLAND

Organization Chart



CITY OF COLLEGE PARK, MARYLAND

List of Principal Officials as of June 30, 2013

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Barbacane, Thornton & Company LLP
200 Springer Building
3411 Silverside Road
Wilmington, Delaware 19810

T 302.478.8940
F 302.468.4001
www.btcpa.com

December 2, 2013

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 (the "City"), College Park, Maryland as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**BARBACANE
THORNTON
& COMPANY**
CERTIFIED PUBLIC ACCOUNTANTS

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of College Park, College Park, Maryland, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

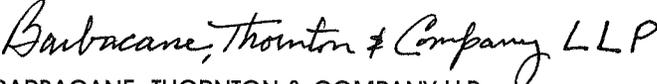
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 20 and budgetary comparison schedule – general fund on pages 45 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


BARBACANE, THORNTON & COMPANY LLP

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
JUNE 30, 2013**

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, 2013. The information presented here should be considered in conjunction with additional information provided in the letter of transmittal.

Financial Highlights for Fiscal Year 2013

The assets of the City exceeded its liabilities as of June 30, 2013 by \$21.7 million (net position). Of this amount, \$10.7 million is unrestricted and may be used to meet the City's future obligations. All of the \$10.7 million unrestricted assets are related to governmental activities, which includes the General Fund. Total governmental funds' fund balance increased from \$10.8 million as of June 30, 2012 to \$11.4 million as of June 30, 2013.

The unassigned fund balance for the General Fund as of June 30, 2013, consisting of committed, nonspendable and unassigned fund balances, represented 37.6 percent of total General Fund expenditures for fiscal year 2014, compared to the Council adopted goal of 25 percent.

In comparison with the prior fiscal year, the City's total net position, all of which are related to governmental activities, increased \$1.2 million from \$20.5 million to \$21.7 million.

During the current fiscal year, the City's long-term debt (excluding compensated absences) decreased by \$273,000.

Overview of the Financial Statements

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

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

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

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

Entity-wide financial statements. The entity-wide financial statements are designed to provide readers with a broad overview of the City of College Park's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting.

CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013

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 of College Park include general government; public services; planning and development; youth, family and senior services; public works; and debt service. No business-type activities exist for the current fiscal year.

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

Governmental funds. All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net 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 - UNAUDITED (CONT'D)
JUNE 30, 2013**

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

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

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

Financial Analysis of the City as a Whole

Entity-wide Financial Analysis

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

The following table presents a summary of the Statement of Net Position for the City as of June 30, 2013 and 2012:

	Governmental Activities	
	2013	2012
Current and other assets	\$ 13,623,236	\$ 12,762,950
Capital assets, net of accumulated depreciation	18,669,511	18,258,957
Total Assets	32,292,747	31,021,907
Long-term liabilities outstanding	8,664,710	8,915,399
Other liabilities	1,921,195	1,627,372
Total Liabilities	10,585,905	10,542,771
Net position:		
Net investment in capital assets	11,017,511	12,682,302
Unrestricted	10,689,331	7,796,834
Total Net Position	\$ 21,706,842	\$ 20,479,136

Note: The City had no business-type activities as of June 30, 2013 or 2012. As a result, the business-type activities and total columns have been omitted from the above table.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2013, the City's assets exceeded liabilities by \$21.7 million. By far the largest portion of the City's net position (58.9 percent) reflects its investment in capital assets (e.g., land,

CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013

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 net investment in capital assets of \$11.0 million as of June 30, 2013. This amount reflects the City's decision to forego the reporting of general infrastructure acquired prior to July 1, 2002 (as permitted by GASB 34). No long-term debt was incurred in the acquisition of general infrastructure acquired prior to July 1, 2002. The amount of unreported infrastructure is not currently determinable.

The following table summarizes the City's changes in net position for the years ended June 30, 2013 and 2012:

Changes in Net Position

	Governmental Activities	
	2013	2012
Revenue		
Program revenue:		
Charges for services	\$ 4,224,146	\$ 4,432,845
Operating grants and contributions	205,283	255,940
Capital grants and contributions	341,241	297,661
General revenue:		
Real property tax	6,601,516	6,591,639
Personal property tax	887,691	875,845
Income tax	1,582,308	1,494,195
Other taxes	1,076,344	1,231,253
Interest	(111,862)	43,105
Other general revenue	23,755	125,696
Total Revenue	14,830,422	15,348,179
Expenses		
General government	3,166,420	3,105,937
Public services	3,613,860	3,585,745
Planning and development	684,719	661,474
Public works	4,784,120	5,235,887
Youth, family and senior services	1,069,156	1,102,149
Interest expense	284,441	302,350
Total Expenses	13,602,716	13,993,542
Increase in Net Position	1,227,706	1,354,637
Net Position - Beginning	20,479,136	19,124,499
Net Position - Ending	\$ 21,706,842	\$ 20,479,136

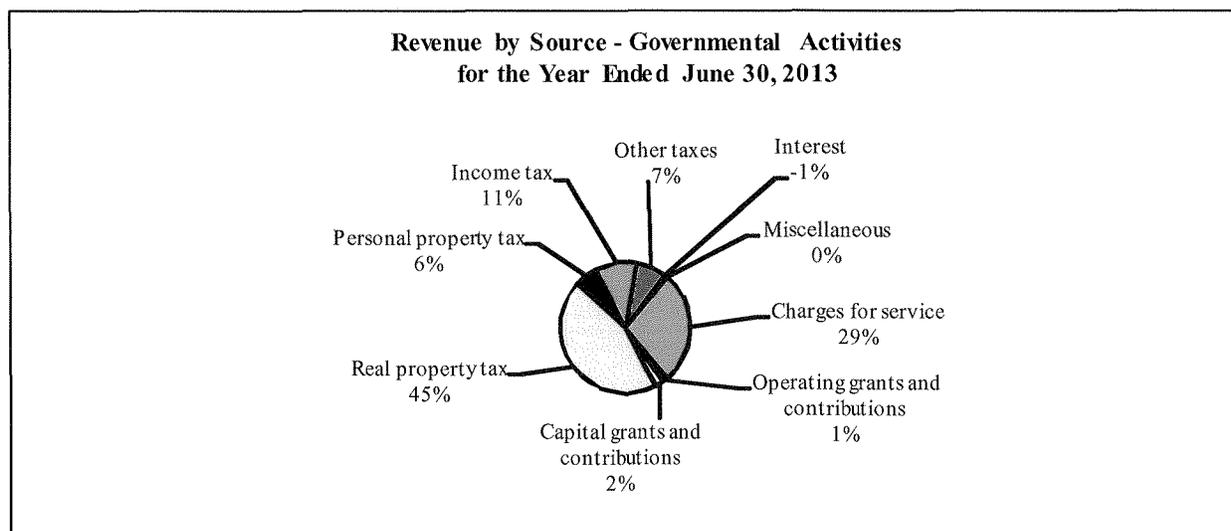
Note: The City had no business-type activities for the years ended June 30, 2013 or 2012. As a result, the business-type activities and total columns have been omitted from the above table.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013**

The overall increase in the City's net position amounted to \$1,227,706 during the fiscal year ended June 30, 2013, as explained in the governmental activities discussion that follows.

Governmental Activities

Governmental activities increased the City's net position by \$1,227,706. Total revenue of \$14.8 million is comprised of program revenue totaling \$4.8 million, or 32.2 percent, and general revenue of \$10.0 million, or 67.8 percent. General revenue is the principal source of funding for the major activities of the City. Sources of revenue are comprised of the following items:

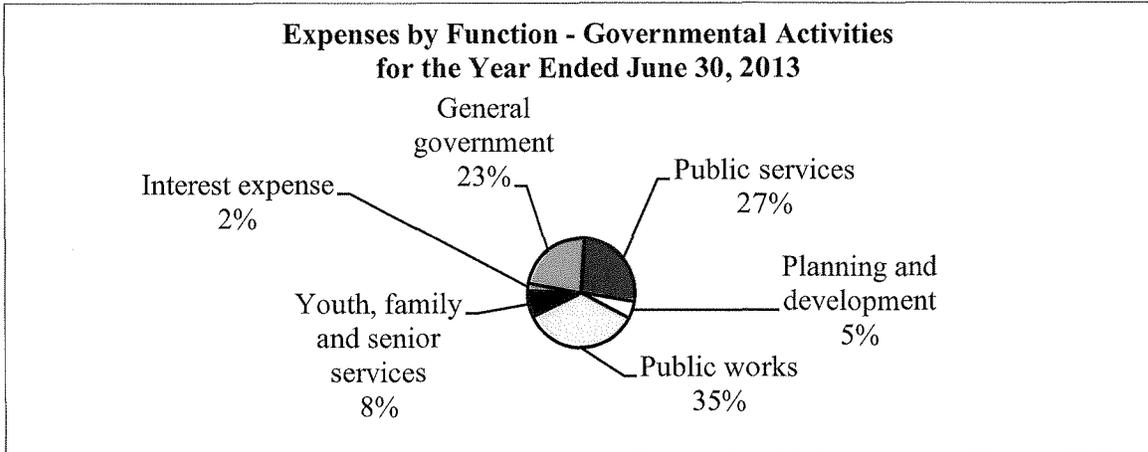


Key elements of the increase in net position are as follows:

- The net of cash and investments increased by \$780,331.
- Capital assets, net of depreciation, increased by \$410,554.

A more detailed discussion of the City's revenue results for fiscal year 2013 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A. The cost of all governmental activities for fiscal year 2013 was \$13.6 million. As the chart on the following page indicates, Public Works constitutes the City's largest program, totaling \$4.8 million, or 35 percent. Public Services, the second largest program for the City, totaled \$3.6 million, or 27 percent, while General Government, the third largest program, totaled \$3.2 million, or 23 percent.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013**



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

Net Cost of City's Governmental Activities

	Expenses		Program Revenue		Net Cost of Services	
	2013	2012	2013	2012	2013	2012
General government	\$ 3,166,420	\$ 3,105,937	\$ 531,589	\$ 487,519	\$(2,634,831)	\$(2,618,418)
Public services	3,613,860	3,585,745	3,546,277	3,778,247	(67,583)	192,502
Planning and development	684,719	661,474	158,472	125,695	(526,247)	(535,779)
Public works	4,784,120	5,235,887	412,347	424,282	(4,371,773)	(4,811,605)
Youth, family and senior services	1,069,156	1,102,149	121,985	170,703	(947,171)	(931,446)
Interest expense	284,441	302,350	-	-	(284,441)	(302,350)
Total	\$13,602,716	\$13,993,542	\$ 4,770,670	\$4,986,446	\$(8,832,046)	\$(9,007,096)

Business-type Activities

Not applicable for this fiscal year.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013**

Financial Analysis of the City's Funds

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

Governmental funds

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

As of the end of fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$11.4 million. Of the total ending fund balances, \$4.3 million constitutes the unassigned fund balance, which is available for spending at the City's discretion.

The General Fund is the primary operating fund of the City. As of the end of fiscal year 2013, unassigned fund balance of the General Fund was \$4.3 million, while the total fund balance totaled \$5.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27.8 percent of the total current year General Fund expenditures and transfers out, while total fund balance represents 35.4 percent of the same amount.

The fund balance of the City's General Fund decreased by \$1,073,154 during the current fiscal year, representing the excess of expenditures and other financing uses over revenues. Key factors for the decrease are as follows:

General Fund operating revenue decreased by \$517,757 from fiscal year 2012, comprised of the following major components:

- Licenses and permits revenue decreased by \$78,918, resulting from timing of occupancy permit collections.
- Fines and forfeitures revenue decreased by \$81,502, resulting from declines in parking and speed enforcement camera tickets.
- Most major revenue categories were lower than their fiscal year 2012 level.

General Fund expenditures and other financing uses increased by \$943,815 from fiscal year 2012, comprised of the following major components:

- Public services expenditures increased by \$372,438, completing several significant public safety projects previously designated in restricted fund balance.
- Interfund transfers increased by \$447,951 as fiscal year 2013 included a budget transfer to provide additional City Hall renovation funding.

The Capital Projects Fund is used to account for the overall financing and expenditure for uncompleted projects. Of the total ending fund balance of \$5,868,664, the entire amount represents authorized and funded projects that are not complete. Revenues increased by \$32,065 compared to the previous year while expenditures decreased by \$325,457. The expenditure decrease resulted from the five-year master lease for vehicle and equipment purchases being paid off in fiscal year 2012; therefore, no debt service was required in fiscal year 2013.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013**

Proprietary funds

Not applicable for this fiscal year.

General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains a budget amendment funding City Hall renovations in the C.I.P. and a transfer between activities.

Revenue and other financing sources amounted to \$14.5 million in fiscal year 2013, a decrease of \$504,172 or 3.4 percent from fiscal year 2012.

For fiscal year 2013, the real property assessable tax base increased 4.5 percent to \$2.26 billion and the real property tax rate remained at \$0.322 per \$100 of assessed value. The personal property assessable tax base decreased 5.9 percent to \$99.38 million and the personal property tax rate remained at \$0.805 per \$100 of assessed value.

Expenditures and transfers amounted to \$15.5 million in fiscal year 2013, an increase of \$943,815 or 6.5 percent from fiscal year 2012.

The transfer to the Capital Projects Fund increased by \$447,951 in fiscal year 2013, primarily to add additional funding for the proposed City Hall renovations.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental activities as of June 30, 2013 amounted to \$18,669,511 (net of accumulated depreciation). Capital assets include land, construction-in-progress, buildings and improvements, vehicles, machinery and equipment, office equipment, communication equipment, computers and software, and infrastructure.

Capital Assets, Net of Depreciation

	2013	2012
Land	\$ 3,821,680	\$ 3,821,680
Construction-in-progress	395,445	206,969
Buildings and improvements	10,656,508	10,524,620
Vehicles	566,842	484,220
Machinery and equipment	782,470	1,042,929
Office equipment	2,854	1,705
Communication equipment	152,420	177,320
Computers and software	55,488	92,622
Infrastructure	2,235,804	1,906,892
Total	\$ 18,669,511	\$ 18,258,957

Note: The City had no business-type activities as of June 30, 2013 or 2012. As a result, the business-type activities and total columns have been omitted from the above table.

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013**

Significant additions to governmental activities capital assets included: construction-in-progress totaling \$188,476, building improvements totaling \$555,658 and infrastructure improvements totaling \$523,998.

More detailed information about the City's capital assets is presented in Note 5 to the basic financial statements.

Debt Administration

As of the end of fiscal year 2013, the City had \$8,102,000 in long-term debt outstanding, compared with \$8,375,000 as of the end of fiscal year 2012, a decrease of 3.3 percent. The various components of long-term debt are shown in the following table.

Outstanding Debt

	Governmental Activities	
	2013	2012
SunTrust Bank - parking garage bond	\$ 7,652,000	\$ 7,925,000
Community Legacy loans	450,000	450,000
Total	<u>\$ 8,102,000</u>	<u>\$ 8,375,000</u>

Note: The City had no business-type activities as of June 30, 2013 or 2012. As a result, the business-type activities and total columns have been omitted from the above table.

Maryland state law does not mandate a limit on municipal debt. The City Charter limits the total outstanding general obligation debt of the City to five percent of the total real property taxable assessment. As of June 30, 2013, assessed valuation of such property totals \$2.26 billion, the City debt limit was \$112.8 million, and the actual general obligation outstanding debt was \$8,102,000, representing 7.2 percent of the debt limit.

The City does not regularly issue general obligation debt, although \$8.15 million in a tax-exempt parking garage bond was issued in fiscal year 2011. No bond rating has been established for the City by the rating agencies. Other obligations include compensated absences (accrued annual leave). More detailed information about the City's long-term liabilities is presented in Note 6 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

**CITY OF COLLEGE PARK, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)
JUNE 30, 2013**

comprising the University of Maryland's 1,500-acre campus is exempt from real property taxes, the City derives economic benefit from the University's payment of admissions and amusement ("A&A") tax on various University activities, most notable being athletic events. Payment in lieu of taxes ("PILOT") is paid on two University-owned properties. In addition, University students, faculty and staff patronize local businesses, adding commercial vitality to the City.

The City's total real property assessment for fiscal year 2013 increased 4.5 percent over the prior year, primarily as a result of new student housing projects being completed. Assessments on commercial properties increased 15.3 percent while assessments on residential properties decreased 0.7 percent. New construction is minimal. The majority of homes in the City are single-family homes that the 2010-2012 American Community Survey of the U.S. Census Bureau placed in the price range of \$175,000 to \$340,000 with a median value of \$253,100. Due to the City's location surrounding the University of Maryland campus, approximately 25 percent of the City's single-family homes are rental properties, targeting student rentals.

Maryland Department of Labor, Licensing and Regulation ("DLLR") reported the unemployment rate in College Park at 10.0 percent, Prince George's County at 7.7 percent and the State at 7.5 percent on June 30, 2013. The median household income for the City of College Park for the period 2007-2011 was \$63,724 according to the U.S. Census Bureau. The City's median income level exceeds the United States at \$52,762 but is less than the State of Maryland at \$72,419 and Prince George's County at \$73,447.

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

The adopted budget for fiscal year 2014 increases the property tax rates 4.0 percent from \$0.322 to \$0.335 per \$100 of assessed valuation for real property and from \$0.805 to \$0.838 per \$100 of assessed valuation for personal property. In the fiscal year 2014 adopted budget, General Fund operating revenue is budgeted at \$14,361,797, an increase of \$22,474 or 0.2 percent from the fiscal year 2013 budgeted operating revenue. Property taxes constitute 51.6 percent of General Fund operating revenue. Fiscal year 2014 General Fund expenditures and transfers are budgeted at \$14,625,708, a decrease of \$111,776 or 0.8 percent from the fiscal year 2013 adopted budget.

The State of Maryland's budget situation, which varies greatly from year to year, has limited impact on the City's budget. State highway user tax revenue has been reduced significantly in recent years. Income tax proceeds, the City's largest source of state-shared revenue, represents a share of the County's "piggyback" income tax, and the allocation formula does not fluctuate. County-shared revenue from Prince George's County does not fluctuate.

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
JUNE 30, 2013

ASSETS	
Cash and cash equivalents	\$ 2,283,071
Investments	8,937,195
Taxes receivable	237,845
Tickets receivable, net of allowance for doubtful accounts of \$695,516	380,174
Loan receivable	908,749
Due from state and local governments	406,551
Other receivables	232,993
Inventory	195,676
Prepaid expenses	40,982
Land	3,821,680
Buildings and improvements	15,898,182
Machinery and equipment	2,603,920
Vehicles	3,128,193
Office, computer and communication equipment	1,249,137
Infrastructure	3,319,278
Construction-in-progress	395,445
Less: Accumulated depreciation	<u>(11,746,324)</u>
TOTAL ASSETS	<u><u>\$ 32,292,747</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES:	
Accounts payable	\$ 1,111,025
Accrued expenditures	600,110
Other liabilities	210,060
Long-term liabilities	
Portion due or payable within one year:	
Bonds payable	283,000
Compensated absences	29,887
Portion due or payable after one year:	
Bonds payable	7,369,000
Community legacy loans	450,000
Compensated absences	<u>532,823</u>
TOTAL LIABILITIES	<u><u>10,585,905</u></u>
NET POSITION:	
Net investment in capital assets	11,017,511
Unrestricted	<u>10,689,331</u>
TOTAL NET POSITION	<u><u>21,706,842</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 32,292,747</u></u>

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

**CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

		Program Revenue			Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General government	\$ 3,166,420	\$ 324,648	\$ 15,717	\$ 191,224	\$ (2,634,831)
Public services	3,613,860	3,472,437	73,840	-	(67,583)
Planning and development	684,719	8,455	-	150,017	(526,247)
Public works	4,784,120	403,176	9,171	-	(4,371,773)
Youth, family and senior services	1,069,156	15,430	106,555	-	(947,171)
Interest expense	284,441	-	-	-	(284,441)
	\$ 13,602,716	\$ 4,224,146	\$ 205,283	\$ 341,241	(8,832,046)

22

GENERAL REVENUES	
Real property tax	6,601,516
Personal property tax	887,691
Income tax	1,582,308
Other taxes	1,076,344
Interest and investment earnings	(111,862)
Miscellaneous	23,755
TOTAL GENERAL REVENUES	10,059,752
CHANGE IN NET POSITION	1,227,706
NET POSITION, BEGINNING OF YEAR	20,479,136
NET POSITION, END OF YEAR	\$ 21,706,842

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

FUND FINANCIAL STATEMENTS

**CITY OF COLLEGE PARK, MARYLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 504,714	\$ 1,778,357	\$ 2,283,071
Investments	8,937,195	-	8,937,195
Taxes receivable	237,845	-	237,845
Tickets receivable, net of allowance for doubtful accounts of \$695,516	380,174	-	380,174
Loan receivable	908,749	-	908,749
Due from state and local governments	406,551	-	406,551
Due from other fund	-	4,500,000	4,500,000
Other receivables	185,141	47,852	232,993
Inventory	195,676	-	195,676
Prepaid	40,982	-	40,982
TOTAL ASSETS	<u>\$ 11,797,027</u>	<u>\$ 6,326,209</u>	<u>\$ 18,123,236</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 653,480	\$ 457,545	\$ 1,111,025
Accrued expenditures	600,110	-	600,110
Due to other fund	4,500,000	-	4,500,000
Other liabilities	239,947	-	239,947
TOTAL LIABILITIES	<u>5,993,537</u>	<u>457,545</u>	<u>6,451,082</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	116,443	-	116,443
Unavailable revenue - parking tickets	181,626	-	181,626
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>298,069</u>	<u>-</u>	<u>298,069</u>
FUND BALANCES:			
Nonspendable	1,145,407	-	1,145,407
Restricted	-	5,868,664	5,868,664
Committed	35,005	-	35,005
Unassigned	4,325,009	-	4,325,009
TOTAL FUND BALANCES	<u>5,505,421</u>	<u>5,868,664</u>	<u>11,374,085</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,797,027</u>	<u>\$ 6,326,209</u>	<u>\$ 18,123,236</u>

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

**CITY OF COLLEGE PARK, MARYLAND
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
JUNE 30, 2013**

TOTAL GOVERNMENTAL FUND BALANCES \$ 11,374,085

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 3,821,680	
Buildings and improvements	15,898,182	
Machinery and equipment	2,603,920	
Vehicles	3,128,193	
Office, computer and communication equipment	1,249,137	
Infrastructure	3,319,278	
Construction-in-progress	395,445	
Accumulated depreciation	<u>(11,746,324)</u>	18,669,511

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

Bonds payable	(7,652,000)	
Community legacy loans	(450,000)	
Compensated absences	<u>(532,823)</u>	(8,634,823)

Certain revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the governmental funds.

298,069

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 21,706,842

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

CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUE			
Taxes	\$ 10,130,800	\$ -	\$ 10,130,800
Licenses and permits	1,054,982	191,223	1,246,205
Intergovernmental	205,283	150,017	355,300
Charges for services	947,868	209,291	1,157,159
Fines and forfeitures	1,963,264	48,743	2,012,007
Investment revenue	(111,862)	-	(111,862)
Miscellaneous	23,753	-	23,753
TOTAL REVENUE	<u>14,214,088</u>	<u>599,274</u>	<u>14,813,362</u>
EXPENDITURES			
Current:			
General government	2,451,423	214,855	2,666,278
Public services	3,762,024	51,285	3,813,309
Planning and development	596,427	98,492	694,919
Public works	4,318,979	18,543	4,337,522
Youth, family and senior services	1,024,998	-	1,024,998
Debt service	557,441	-	557,441
Capital outlays	-	1,163,441	1,163,441
TOTAL EXPENDITURES	<u>12,711,292</u>	<u>1,546,616</u>	<u>14,257,908</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,502,796</u>	<u>(947,342)</u>	<u>555,454</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	251,950	2,827,900	3,079,850
Transfers out	<u>(2,827,900)</u>	<u>(251,950)</u>	<u>(3,079,850)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,575,950)</u>	<u>2,575,950</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,073,154)	1,628,608	555,454
FUND BALANCES, BEGINNING OF YEAR	<u>6,578,575</u>	<u>4,240,056</u>	<u>10,818,631</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,505,421</u>	<u>\$ 5,868,664</u>	<u>\$ 11,374,085</u>

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

**CITY OF COLLEGE PARK, MARYLAND
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 555,454

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 capital outlays (\$1,562,416) exceeded depreciation expense (\$1,151,862) in the period. 410,554

Because some revenues will not be collected for several months after the City's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Unavailable revenues decreased by this amount this year. 17,060

Governmental funds report debt retirement as expenditures. However, these amounts reduce the liability in the statement of net position. This is the amount of debt repayments made during the year. 273,000

In the statement of activities, certain operating expenses—compensated absences (annual leave)—are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). (28,362)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,227,706

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

**CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2013**

	Pension Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 10,995
Investments:		
Mutual funds	4,477,439	-
Annuity contracts	776,512	-
Participant loans	274,975	-
Other receivables	-	23,408
TOTAL ASSETS	\$ 5,528,926	\$ 34,403
LIABILITIES AND NET POSITION		
LIABILITIES:		
Due to other governments	\$ -	\$ 34,403
NET POSITION:		
Net position held in trust for pension benefits	5,528,926	-
TOTAL LIABILITIES AND NET POSITION	\$ 5,528,926	\$ 34,403

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

**CITY OF COLLEGE PARK, MARYLAND
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Pension Trust Fund</u>
ADDITIONS	
Employer contributions	\$ 350,562
Investment income	<u>459,168</u>
TOTAL ADDITIONS	<u>809,730</u>
DEDUCTIONS	
Benefit payments	306,414
Administrative expenses	<u>12,562</u>
TOTAL DEDUCTIONS	<u>318,976</u>
CHANGE IN NET POSITION	490,754
NET POSITION, BEGINNING OF YEAR	<u>5,038,172</u>
NET POSITION, END OF YEAR	<u><u>\$ 5,528,926</u></u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

Component Units

In evaluating how to define the City of College Park, Maryland, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth under the Governmental Accounting Standards Board Statement No. 14 ("GASB 14"), "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus." GASB Statement No. 14 established standards for determining which organizations are to be included in the financial reporting entity and how to report their financial information. Based upon the application of these criteria, there are no separate component units of the City.

Basis of Presentation

Entity-wide Financial Statements

The statement of net position and statement of activities present financial information on all the nonfiduciary activities of the primary government. The effects of interfund activity have been removed from these statements. The statement of activities displays the extent to which direct expenses are offset by program revenue for each function. Direct expenses are those that can be attributed to a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported as general revenue.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to vacation, sick leave, claims and judgments, are recorded only when payment is due.

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

Governmental Funds

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

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

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

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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

The City also reports the following fund types:

Fiduciary Fund – Fiduciary funds account for the assets held by the City as a trustee or agent for individuals, private organizations and/or government units and are, therefore, not available to support the City's activities. The City accounts for these assets in a private-purpose trust and agency fund. The private-purpose trust fund accounts for the pension assets held by the City in a trustee capacity. The agency fund accounts for the receipts and disbursements of monies held for other organizations. These activities exist at the explicit approval of, and are subject to revocation by, the Mayor and City Council. This accounting reflects the City-agency relationship with the specific activities. The measurement focus and basis of accounting for the private purpose trust is the same as for proprietary funds, while the agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

The following activities are accounted for in the agency fund:

- The Guilford Run Fund is used to account for the amounts collected for Guilford Run.
- The Veterans Memorial Fund is used to account for the amounts collected for the veterans' memorial.
- The College Park Housing Authority Fund is used to account for the payroll clearing transactions of the College Park Housing Authority.
- The City-University Partnership Fund is used to account for the payroll clearing transactions of the College Park City-University Partnership.

Budgets and Budgetary Data

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

- During the month of February, the City department heads are required to submit a preliminary operating budget to the Finance Director for the fiscal year commencing the following July 1.
- The budget, as submitted, is subject to detailed review by the Finance Director and the City Manager. The proposed budget is made available to the public before finalization. The budget is prepared on a basis which conforms to GAAP. Budgeted amounts may be amended during the fiscal year. All annual appropriations lapse at fiscal year end.
- The City Manager's requested budget is submitted to the City Council for approval by March 31. A public hearing concerning the budget is held by the City Council. Adjustments to the proposed budget may be made by the City Council prior to final approval. According to the Charter, the budget must be adopted by May 31.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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

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

The fiscal year 2013 adopted General Fund operating budget and revisions made to the original budget were as follows:

	Original Budget	Revisions	Amended Budget
General Fund Expenditures			
General government	\$ 2,681,445	\$ -	\$ 2,681,445
Public services/contract police	3,671,236	-	3,671,236
Planning and development	626,965	(20,000)	606,965
Public works	4,832,256	-	4,832,256
Youth, family and senior services	1,050,129	-	1,050,129
Contingency	10,000	-	10,000
Debt service	557,553	-	557,553
Interfund transfers	1,307,900	1,520,000	2,827,900
Total General Fund	\$ 14,737,484	\$ 1,500,000	\$ 16,237,484

Investments

Pension Trust Fund investments are stated at fair value. The investments in the local government investment pool are stated at fair value in accordance with GASB Statement No. 31. All accrued interest is recorded as a receivable for the period earned.

Inventory

Inventory is valued at cost and consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time the items are used. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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

Capital Assets

Capital assets consist of infrastructure, land, buildings, vehicles and equipment with an initial individual cost of more than \$2,000 and an estimated useful life of one year or more. Such assets are recorded at historical cost. Donated capital assets are recorded at an estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed, and costs of uncompleted projects are accumulated in construction-in-progress.

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

Infrastructure and site improvements	15 years
Buildings and improvements	15 - 40 years
Equipment	5 - 15 years
Vehicles	7 years
Computers and software	3 years

Unavailable Revenue

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

Compensated Absences

During the first three years, each eligible full-time employee shall earn 12 days (96 hours) annual leave. After three years through 14 years of service, all full-time employees earn 18 days (144 hours). With 15 or more years of service, employees earn 24 days (192 hours). Department heads and the City Clerk accrue annual leave at the rate of 24 days per year for their entire tenure.

Annual leave shall not accrue if a full-time employee has more than five days leave without pay ("LWOP") during a pay period or is absent on workers' compensation status. For part-time employees, no annual leave shall accrue if the employee uses more than half of his or her scheduled hours in a pay period as LWOP or is absent on workers' compensation status.

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

The entity-wide financial statements record an expense and liability when an employee earns a compensated absence. Governmental fund financial statements record a liability for compensated absences when paid or if they have matured.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

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

Sick Leave

Sick leave is accumulated by employees based on time in service. Each regular full-time employee shall accrue sick leave at the rate of 1¼ days per full calendar month of service. This is the equivalent of 15 days per year, or 120 hours. Eligible part-time employees accrue leave proportional to a 40-hour week.

Sick leave shall not accrue if a full-time employee has more than five days as LWOP during a pay period or is absent on workers' compensation status. For part-time employees, no sick leave shall accrue if the employee uses more than half of his or her scheduled hours in a pay period as LWOP or is absent on workers' compensation status. There is no limit to the amount of sick leave that may be accrued. Employees are not paid for accumulated unused sick leave at the time of termination of employment with the City unless the employee retires.

Fund Balance

As of June 30, 2013, fund balances of the governmental funds are classified as follows:

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

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

Committed – amounts limited by Council policy (e.g., future anticipated costs). These amounts cannot be used for any other purpose unless the City Council removes the specified use by taking the same type of action (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 generally accepted accounting principles ("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 FINANCIAL STATEMENTS

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

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

Use of Estimates in the Preparation of Financial Statements

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

Implementation of New Accounting Pronouncements

During the current year, the City implemented GASB Statement No. 61, "The Financial Reporting Entity: Omnibus." This new guidance affects the treatment of component units within the financial statements. The implementation of this new Statement did not have an effect on the City's current year financial statements.

The City has implemented the provisions of GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," which revises the hierarchy of applying accounting standards to certain defined transactions, and the provisions of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position." The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. Neither of these Statements had a significant impact on the changes in net position for the City for the year ended June 30, 2013.

Effective July 1, 2012, the City elected to early implement the provisions of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities." The objective of this statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The City's governmental fund and entity-wide statement of net position have been revised to reflect the new terminology.

NOTE 2 CASH AND INVESTMENTS

By statute, the City is authorized to invest in obligations of the U.S. government and agencies, mutual funds which invest in U.S. government securities, bank certificates of deposit or in repurchase agreements fully collateralized by U.S. government and agency securities, bankers' acceptances and the Maryland Local Government Investment Pool ("MLGIP").

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INVESTMENTS (cont'd)

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

The City utilizes the pooled cash and investments concept for financial reporting purposes. The Pension Trust Funds maintain the pension trust investments which are excluded from the City's pooled cash and investments. Each fund is apportioned with its respective share of pooled cash and investments as reflected in the balance sheet. There were no restricted investments as of June 30, 2013.

City's Cash and Investments

Custodial Credit Risk - In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City's investment policy requires at least 102 percent collateralization of deposits. The carrying amount of total deposits for the City was \$2,294,066 and the bank balance was \$2,448,265 as of June 30, 2013. Of the bank balance, \$304,875 was covered by federal depository insurance and \$2,143,390 was covered 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. Balances are insured up to \$500,000 (with an FDIC limit for cash) by the Securities Investor Protection Corporation. Of the City's \$8,937,195 in investments, \$7,154,340 was insured and \$1,782,855 was covered by collateral held by the City's agent in the City's name.

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

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

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

Concentration of Credit Risk - The City places no limit on the amount the City may invest in any one issuer. The City currently has invested 19.9 percent (\$1,782,855) 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.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INVESTMENTS (cont'd)

Plan Cash and Investments

The City's Plan (the "Plan") allows employees to choose from investment options provided by ICMA Retirement Corporation ("ICMA-RC") and Metropolitan Life ("MetLife"). The City as Trustee employs ICMA-RC and MetLife as Third Party Administrators of the assets.

Cash - As of June 30, 2013, the Plan had no cash with the Plan's Third Party Administrators.

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

Investments of the Plan as of June 30, 2013 were as follows:

Investments

Equity mutual funds	\$ 2,854,278
Bond mutual funds	267,616
Money market funds	1,355,545
Annuity contracts	<u>776,512</u>
Total	<u>\$ 5,253,951</u>

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

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

Custodial Credit Risk - All investments of the Plan are held by ICMA Retirement Corporation and Metropolitan Life as Third Party Administrators in the Plan's name.

The following table summarizes the City's cash and investments and includes the City's Plan investments:

Governmental Funds	Credit Rating	Carrying Amount	Bank Balance
Cash:			
Insured and collateralized		\$ 2,291,466	\$ 2,448,265
Petty cash		2,600	-
Total cash		<u>2,294,066</u>	<u>2,448,265</u>
Investments:			
Local government investment pool	AAA	1,782,855	1,782,855
Bank certificates of deposit	A	7,129,204	7,129,204
U.S. government securities	N/A	25,136	25,136
Pension - mutual funds	N/A	3,121,894	3,121,894
Pension - money market funds	N/A	1,355,545	1,355,545
Pension - annuity contracts	N/A	776,512	776,512
Total investments		<u>14,191,146</u>	<u>14,191,146</u>
TOTAL CASH AND INVESTMENTS		<u>\$ 16,485,212</u>	<u>\$ 16,639,411</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH AND INVESTMENTS (cont'd)

The City's investment policy does not place a limit on the amount that might be invested in one issuer. More than five percent of the City's investments are in the Maryland Local Government Investment Pool ("MLGIP"), VT PLUS Fund and MetLife annuity contract. These investments are 12.5 percent, 9.5 percent and 5.5 percent, respectively, of the City's total investments.

NOTE 3 PROPERTY TAXES

The City levies taxes on nonexempt real and business personal property located within its boundaries. Prince George's County bills and collects all real property taxes imposed by the City as part of a consolidated billing effort initiated several years ago. These taxes are remitted to the City on a monthly basis throughout the year in the amount of the prior month's collections. There is no administrative fee imposed by the County for this service. Personal property taxes are billed and collected directly by the City based on the assessments provided by the State Department of Assessments and Taxation.

As of June 30, 2013, property taxes receivable reflected both real and personal property taxes outstanding that are expected to be collected in time to finance the operations of the current period. The tax rate was \$0.322 for real property and \$0.805 for personal property per \$100 of assessed value for fiscal year 2013. Assessed values are established by the State Department of Assessments and Taxation ("SDAT"). Real and personal property are assessed at 100 percent of estimated value. The assessed value of taxable real and personal property as of July 1, 2012 was \$2,356,274,204.

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

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

NOTE 4 INVENTORIES

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

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated :				
Land	\$ 3,821,680	\$ -	\$ -	\$ 3,821,680
Construction-in-progress	206,969	188,476	-	395,445
Total Capital Assets, Not Being Depreciated	<u>4,028,649</u>	<u>188,476</u>	<u>-</u>	<u>4,217,125</u>
Capital assets, being depreciated :				
Vehicles	2,876,105	262,151	10,063	3,128,193
Machinery and equipment	2,586,690	17,230	-	2,603,920
Office equipment	299,224	2,003	-	301,227
Buildings and improvements	15,342,524	555,658	-	15,898,182
Communication equipment	347,577	10,550	-	358,127
Computers and software	587,433	2,350	-	589,783
Infrastructure	2,795,280	523,998	-	3,319,278
Total Capital Assets, Being Depreciated	<u>24,834,833</u>	<u>1,373,940</u>	<u>10,063</u>	<u>26,198,710</u>
Total Capital Assets	28,863,482	1,562,416	10,063	30,415,835
Less accumulated depreciation:				
Vehicles	2,391,885	179,529	10,063	2,561,351
Machinery and equipment	1,543,761	277,689	-	1,821,450
Office equipment	297,519	854	-	298,373
Buildings and improvements	4,817,904	423,770	-	5,241,674
Communication equipment	170,257	35,450	-	205,707
Computers and software	494,810	39,485	-	534,295
Infrastructure	888,389	195,085	-	1,083,474
Total Accumulated Depreciation	<u>10,604,525</u>	<u>1,151,862</u>	<u>10,063</u>	<u>11,746,324</u>
Total Capital Assets Being Depreciated, Net	<u>14,230,308</u>	<u>410,554</u>	<u>-</u>	<u>14,452,386</u>
Governmental Activities Capital Assets, Net	<u>\$18,258,957</u>	<u>\$ (410,554)</u>	<u>\$ -</u>	<u>\$18,669,511</u>

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

Governmental Activities:	
General government	\$ 488,717
Public services	146,223
Public works	474,673
Youth, family and senior services	42,249
Total Depreciation Expense - Governmental Activities	<u>\$ 1,151,862</u>

NOTE 6 LONG-TERM OBLIGATIONS

Long-term obligations include the long-term portion of compensated absences payable and the SunTrust Bank parking garage bond.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 6 LONG-TERM OBLIGATIONS (cont'd)

On February 25, 2011, the City issued an \$8,150,000 SunTrust Bank parking garage bond, repaying in full the bond anticipation notes issued in fiscal year 2008. This 20-year tax-exempt bond, secured by the full faith and credit of the City, bears interest at a fixed rate of 3.68 percent. Installments are payable on a semi-annual basis and total approximately \$560,000 per year, including principal and interest. The final payment is due June 30, 2032.

During the years ended June 30, 2007 and 2008, the City entered into various Community Legacy loan agreements with the Department of Housing and Community Development which are payable at various times through December 2025. These loan agreements are at zero percent interest. As of June 30, 2013, the City owed \$450,000 in Community Legacy loans.

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

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013	Due Within One Year
Compensated absences	\$ 540,399	\$ 467,768	\$ 445,457	\$ 562,710	\$ 29,887
Community Legacy loans	450,000	-	-	450,000	-
SunTrust parking garage bond	7,925,000	-	273,000	7,652,000	283,000
Total Long-term Debt	<u>\$ 8,915,399</u>	<u>\$ 467,768</u>	<u>\$ 718,457</u>	<u>\$ 8,664,710</u>	<u>\$ 312,887</u>

The annual debt service requirements for outstanding long-term debt as of June 30, 2013, including principal and interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 283,000	\$ 276,497	\$ 559,497
2015	294,000	265,880	559,880
2016	455,000	254,858	709,858
2017	317,000	243,414	560,414
2018	328,000	231,546	559,546
2019-2023	1,986,000	963,480	2,949,480
2024-2028	2,356,000	592,368	2,948,368
2029-2032	2,083,000	156,860	2,239,860
	<u>\$ 8,102,000</u>	<u>\$ 2,984,903</u>	<u>\$ 11,086,903</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, 2013, this provision limits indebtedness to \$112,844,766.

The General Fund has been used historically to liquidate the liability for compensated absences.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 7 INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable From:</u>	<u>Amount</u>	<u>Payable To:</u>	<u>Amount</u>
General Fund	<u>\$ 4,500,000</u>	Capital Projects Fund	<u>\$ 4,500,000</u>

Interfund balances between funds represent temporary loans and planned transfers between the funds for which cash was not moved prior to year end.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Amount</u>	<u>Transfer In:</u>	<u>Amount</u>
General Fund	\$ 2,827,900	Capital Projects Fund	\$ 2,827,900
Capital Projects Fund	<u>251,950</u>	General Fund	<u>251,950</u>
Totals	<u>\$ 3,079,850</u>	Totals	<u>\$ 3,079,850</u>

Transfers were made to acquire capital assets and to reimburse the general fund for costs.

NOTE 8 FUND BALANCE

As of June 30, 2013, fund balances are composed of the following (if applicable):

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventory	\$ 195,676	\$ -	\$ 195,676
Prepaid expenditures	40,982	-	40,982
Long-term loan receivable	908,749		908,749
Restricted:			
Capital projects	-	5,868,664	5,868,664
Committed:			
Operating needs	35,005	-	35,005
Unassigned	<u>4,325,009</u>	<u>-</u>	<u>4,325,009</u>
Total Fund Balances	<u>\$ 5,505,421</u>	<u>\$ 5,868,664</u>	<u>\$ 11,374,085</u>

NOTE 9 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.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 9 RISK MANAGEMENT (cont'd)

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

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

Premiums are charged to the appropriate municipality's General Fund, with no provision made for claim liability in addition to premiums, unless an assessment is made by the Trust. There were no assessments during the year ended June 30, 2013, and the amount of settlements has not exceeded coverage for each of the past three years.

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

NOTE 10 POST-EMPLOYMENT BENEFITS

The City does not provide for the continuation of healthcare benefits beyond the last date of employment. However, retirees are offered the option of continuing the health and dental insurance in effect upon termination of employment at 100 percent of the cost of these benefits until eligible for Medicare coverage at age 65. Former employees may elect continued health and dental insurance under the provisions of COBRA.

NOTE 11 DEFERRED COMPENSATION PLAN

The City has a deferred compensation plan available to all City employees which is established in accordance with the Internal Revenue Code (the "Code") Section 457. A deferred compensation plan offers employees an opportunity to defer a portion of their wages, along with the related federal and state income tax, until future years. As an incentive to enroll in the deferred compensation plan, the City offers a minimum of \$20 per pay period match for those employees who contribute at least \$20 per pay period to the plan. The amount of the City match depends on the employee contribution amount and years of service. Benefits under the deferred compensation plan are not available to 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.

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 11 DEFERRED COMPENSATION PLAN (cont'd)

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 2013 were \$413,046.

NOTE 12 EMPLOYEES' RETIREMENT SYSTEM

The City maintains a single-employer defined contribution pension plan which covers all regular employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City Council has the authority to establish and amend benefit and contributor provisions.

Employees enter the plan after completion of one year of service, are scheduled to work at least 17.5 hours per week and have reached their 18th birthday. The City currently contributes 6.5 percent of eligible employees' compensation quarterly for participants. Employees hired before September 1, 2001 are 100 percent vested upon participation in the plan; employees hired on or after September 1, 2001 will vest at 20 percent per year until fully vested after five years of participation. Voluntary contributions by employees are limited to 10 percent of after-tax compensation; rollovers from other plans, in which the employee was a vested participant, are permitted. Both employee contributions and amounts rolled into the plan are immediately 100 percent vested.

Plan assets are segregated between two separate third-party administrators; \$4,752,414 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, \$776,512, consists of fully paid group annuity contracts between those participants employed by the City prior to the start of the defined contribution pension plan and the Metropolitan Life Insurance Company ("MetLife") as third party administrator. The Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

The City's payroll in fiscal year 2013 was approximately \$6.5 million. Total employer contributions to the 401(a) plan for 2013, 2012 and 2011 were \$350,562, \$328,608 and \$325,634, respectively.

NOTE 13 CONTINGENCIES

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

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

CITY OF COLLEGE PARK, MARYLAND

NOTES TO FINANCIAL STATEMENTS

NOTE 14 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 \$100,000 per year for several years to give the Partnership the opportunity to establish a programmatic record and develop other financial support and sustainability. The City has no claim to any of the assets of the Partnership. An annual report for this entity may be obtained from the Partnership at 4500 Knox Road, College Park, Maryland 20740.

NOTE 15 CONCENTRATION OF RISK

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

NOTE 16 COMMITMENTS

As of June 30, 2013, the City was committed to capital projects for the City Hall Renovations. Anticipated construction commitments are as follows:

<u>Project</u>	<u>Project Amount</u>	<u>Completed through June 30, 2013</u>	<u>Commitments</u>
City Hall Renovations	<u>\$ 437,685</u>	<u>\$ 373,343</u>	<u>\$ 64,342</u>

In addition, the City has incurred other costs associated with the renovation project in the amount of \$22,102.

NOTE 17 SUBSEQUENT EVENTS

On October 22, 2013, the City amended the adopted resolution 13-R-13 to authorize the City to join the State Retirement and Pension System of Maryland as of July 1, 2014. Subject to a favorable vote of 60 percent of the eligible employees, the City will purchase 60 percent of past creditable and eligibility service for prior service with the City. The final actuarial valuation is expected to be completed in October 2014.

The City has evaluated all subsequent events through December 2, 2013, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Property taxes				
Real estate taxes	\$ 6,688,649	\$ 6,688,649	\$ 6,584,457	\$ (104,192)
Personal property taxes	801,000	801,000	887,691	86,691
Total Property Taxes	<u>7,489,649</u>	<u>7,489,649</u>	<u>7,472,148</u>	<u>(17,501)</u>
Income taxes	<u>1,370,000</u>	<u>1,370,000</u>	<u>1,582,308</u>	<u>212,308</u>
Admission and amusement taxes	<u>560,000</u>	<u>560,000</u>	<u>510,606</u>	<u>(49,394)</u>
State shared taxes				
Highway user revenue	<u>110,052</u>	<u>110,052</u>	<u>105,579</u>	<u>(4,473)</u>
County shared taxes				
Hotel/motel tax	<u>430,000</u>	<u>430,000</u>	<u>460,159</u>	<u>30,159</u>
Licenses and permits	<u>949,550</u>	<u>949,550</u>	<u>1,054,982</u>	<u>105,432</u>
Intergovernmental grants				
Federal grants	-	-	9,171	9,171
State grants	155,297	155,297	150,895	(4,402)
County grants	14,717	14,717	45,217	30,500
Total Intergovernmental Grants	<u>170,014</u>	<u>170,014</u>	<u>205,283</u>	<u>35,269</u>
Charges for services	<u>919,575</u>	<u>919,575</u>	<u>947,868</u>	<u>28,293</u>
Fines and forfeitures	<u>2,120,800</u>	<u>2,120,800</u>	<u>1,963,264</u>	<u>(157,536)</u>
Investment revenue	<u>60,730</u>	<u>60,730</u>	<u>(111,862)</u>	<u>(172,592)</u>
Miscellaneous	<u>158,953</u>	<u>158,953</u>	<u>23,753</u>	<u>(135,200)</u>
TOTAL REVENUES	<u>14,339,323</u>	<u>14,339,323</u>	<u>14,214,088</u>	<u>(125,235)</u>

Continued on next page.

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
GENERAL GOVERNMENT				
Mayor and City Council				
Personnel	52,725	52,725	52,719	6
Operating	578,446	578,446	521,426	57,020
Total Mayor and City Council	<u>631,171</u>	<u>631,171</u>	<u>574,145</u>	<u>57,026</u>
City attorney	<u>185,000</u>	<u>185,000</u>	<u>143,144</u>	<u>41,856</u>
City Manager and Clerk				
Personnel	367,294	367,294	371,444	(4,150)
Operating	109,115	109,115	89,518	19,597
Total City Manager and Clerk	<u>476,409</u>	<u>476,409</u>	<u>460,962</u>	<u>15,447</u>
Boards, Committees and Other				
Personnel	330,177	330,177	320,794	9,383
Operating	196,891	196,891	160,119	36,772
Capital outlays	5,000	5,000	1,705	3,295
Total Boards, Committees and Other	<u>532,068</u>	<u>532,068</u>	<u>482,618</u>	<u>49,450</u>
Finance				
Personnel	973,568	973,568	960,816	12,752
Operating	(127,581)	(127,581)	(184,507)	56,926
Capital outlays	10,810	10,810	14,245	(3,435)
Total Finance	<u>856,797</u>	<u>856,797</u>	<u>790,554</u>	<u>66,243</u>
TOTAL GENERAL GOVERNMENT	<u>2,681,445</u>	<u>2,681,445</u>	<u>2,451,423</u>	<u>230,022</u>
PUBLIC SERVICES				
Public services				
Personnel	1,763,566	1,763,566	1,607,607	155,959
Operating	721,309	721,309	688,140	33,169
Capital outlays	500	500	351,395	(350,895)
Total Public Services	<u>2,485,375</u>	<u>2,485,375</u>	<u>2,647,142</u>	<u>(161,767)</u>
Contract police				
Personnel	752,123	752,123	700,116	52,007
Operating	433,738	433,738	414,766	18,972
Total Contract Police	<u>1,185,861</u>	<u>1,185,861</u>	<u>1,114,882</u>	<u>70,979</u>
TOTAL PUBLIC SERVICES	<u>3,671,236</u>	<u>3,671,236</u>	<u>3,762,024</u>	<u>(90,788)</u>

Continued on next page.

**CITY OF COLLEGE PARK, MARYLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
PLANNING AND DEVELOPMENT				
Personnel	498,056	498,056	484,685	13,371
Operating	128,909	108,909	111,742	(2,833)
TOTAL PLANNING AND DEVELOPMENT	<u>626,965</u>	<u>606,965</u>	<u>596,427</u>	<u>10,538</u>
PUBLIC WORKS				
Personnel	3,302,773	3,302,773	3,034,917	267,856
Operating	1,512,983	1,512,983	1,275,084	237,899
Capital outlays	16,500	16,500	8,978	7,522
TOTAL PUBLIC WORKS	<u>4,832,256</u>	<u>4,832,256</u>	<u>4,318,979</u>	<u>513,277</u>
YOUTH, FAMILY AND SENIOR SERVICES				
Personnel	748,805	748,805	730,584	18,221
Operating	301,324	301,324	288,608	12,716
Capital outlays	-	-	5,806	(5,806)
TOTAL YOUTH, FAMILY AND SENIOR SERVICES	<u>1,050,129</u>	<u>1,050,129</u>	<u>1,024,998</u>	<u>25,131</u>
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Debt service	<u>557,553</u>	<u>557,553</u>	<u>557,441</u>	<u>112</u>
TOTAL EXPENDITURES	<u>13,429,584</u>	<u>13,409,584</u>	<u>12,711,292</u>	<u>698,292</u>
EXCESS OF REVENUES OVER EXPENDITURES	909,739	929,739	1,502,796	573,057
OTHER FINANCING USES				
Transfers in	251,950	251,950	251,950	-
Transfers out	<u>(1,307,900)</u>	<u>(2,827,900)</u>	<u>(2,827,900)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(146,211)	(1,646,211)	(1,073,154)	573,057
FUND BALANCE:				
BEGINNING OF YEAR	<u>6,578,575</u>	<u>6,578,575</u>	<u>6,578,575</u>	<u>-</u>
END OF YEAR	<u>\$ 6,432,364</u>	<u>\$ 4,932,364</u>	<u>\$ 5,505,421</u>	<u>\$ 573,057</u>

CITY OF COLLEGE PARK, MARYLAND

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY INFORMATION

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

- During the month of February, the City department heads are required to submit a preliminary operating budget to the Finance Director for the fiscal year commencing the following July 1.
- The budget, as submitted, is subject to detailed review by the Finance Director and the City Manager. The proposed budget is made available to the public before finalization. The budget is prepared on a basis which conforms to GAAP. Budgeted amounts may be amended during the fiscal year. All annual appropriations lapse at fiscal year end.
- The City Manager's requested budget is submitted to the City Council for approval by March 31. A public hearing concerning the budget is held by the City Council. Adjustments to the proposed budget may be made by the City Council prior to final approval. According to the Charter, the budget must be adopted by May 31.
- The appropriated budget is prepared by fund, function and department. The legal level of budgetary control is the department level.
- The City Manager may initiate budget transfers within a department or among departments within a fund; transfers between departments within a fund require subsequent notification to the City Council. City Council approval is necessary for any other changes in the budget.
- Legally, the budget is required to present a complete financial plan for the City. Only the General Fund has a legally adopted annual budget. Budgetary control over the Capital Projects Fund is established by annual appropriations from the General Fund to specific fund equity accounts in the Capital Projects Fund.

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

SUPPLEMENTARY INFORMATION

**CITY OF COLLEGE PARK, MARYLAND
 COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS
 PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
 JUNE 30, 2013**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ASSETS			
Investments:			
Mutual funds	\$ -	\$ 4,477,439	\$ 4,477,439
Annuity contracts	776,512	-	776,512
Participant loans	<u>-</u>	<u>274,975</u>	<u>274,975</u>
TOTAL ASSETS	<u><u>\$ 776,512</u></u>	<u><u>\$ 4,752,414</u></u>	<u><u>\$ 5,528,926</u></u>
NET POSITION			
Held in trust:			
Pension benefits	<u>\$ 776,512</u>	<u>\$ 4,752,414</u>	<u>\$ 5,528,926</u>
TOTAL NET POSITION	<u><u>\$ 776,512</u></u>	<u><u>\$ 4,752,414</u></u>	<u><u>\$ 5,528,926</u></u>

**CITY OF COLLEGE PARK, MARYLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
 PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013**

	<u>MetLife Annuity Contracts</u>	<u>ICMA-RC 401(a) Plan</u>	<u>Total</u>
ADDITIONS			
Employer contributions	\$ -	\$ 350,562	\$ 350,562
Investment income	<u>40,770</u>	<u>418,398</u>	<u>459,168</u>
TOTAL ADDITIONS	<u>40,770</u>	<u>768,960</u>	<u>809,730</u>
DEDUCTIONS			
Benefit payments	36,098	270,316	306,414
Administrative expenses	<u>8,771</u>	<u>3,791</u>	<u>12,562</u>
TOTAL DEDUCTIONS	<u>44,869</u>	<u>274,107</u>	<u>318,976</u>
CHANGE IN NET POSITION	(4,099)	494,853	490,754
NET POSITION, BEGINNING OF YEAR	<u>780,611</u>	<u>4,257,561</u>	<u>5,038,172</u>
NET POSITION, END OF YEAR	<u>\$ 776,512</u>	<u>\$ 4,752,414</u>	<u>\$ 5,528,926</u>

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

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

December 2, 2013

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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, College Park, Maryland as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of College Park (the "City"), and have issued our report thereon dated December 2, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of College Park, Maryland'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 of College Park, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of College Park, Maryland's internal control.

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

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

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

Compliance and Other Matters

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

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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

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	54 - 57
<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	58 - 62
<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	63 - 65
<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	66 - 67
<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	68 - 70
<p>These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.</p>	

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 5,488,795	\$ 5,922,590	\$ 5,476,015	\$ 7,079,176	\$ 6,599,470	\$ 5,918,001	\$ 8,358,942	\$ 11,940,581	\$ 14,574,013	\$ 11,017,511
Unrestricted	3,169,157	3,308,568	5,315,609	4,916,128	6,198,134	7,806,114	6,913,262	7,183,918	5,905,123	10,689,331
Total net position	\$ 8,657,952	\$ 9,231,158	\$ 10,791,624	\$ 11,995,304	\$ 12,797,604	\$ 13,724,115	\$ 15,272,204	\$ 19,124,499	\$ 20,479,136	\$ 21,706,842

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004. The City had no business-type activities at June 30, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 or 2013. As a result, the business-type activities have been omitted from the table above.

CITY OF COLLEGE PARK, MARYLAND

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
General government	\$ 2,145,257	\$ 2,036,424	\$ 2,113,952	\$ 2,920,581	\$ 2,233,743	\$ 2,565,637	\$ 2,245,040	\$ 2,003,378	\$ 3,105,937	\$ 3,166,420
Public services	1,578,506	1,925,033	2,111,367	2,319,421	2,597,769	2,859,890	3,142,234	3,226,584	3,585,745	3,613,860
Planning and development	418,511	483,749	804,404	593,788	714,063	1,172,672	1,066,930	516,628	661,474	684,719
Public works	4,094,271	4,209,360	4,658,920	4,394,967	4,927,966	4,811,054	4,981,158	4,871,522	5,235,887	4,784,120
Youth, family and senior services	707,260	813,706	780,515	817,705	898,330	958,841	1,036,108	1,037,007	1,102,149	1,069,156
Interest on long-term debt	30,644	41,640	34,502	38,286	99,263	164,034	99,684	207,944	302,350	284,441
Total governmental activities expenses	8,974,449	9,509,912	10,503,660	11,084,748	11,471,134	12,532,128	12,571,154	11,863,063	13,993,542	13,602,716
Program Revenues										
Governmental activities										
Charges for services:										
General government	226,665	375,461	270,697	274,961	269,825	298,322	313,794	336,500	298,536	324,648
Public services	2,311,673	2,001,708	2,142,617	1,989,532	2,248,815	2,224,251	2,417,587	4,249,393	3,704,407	3,472,437
Planning and development	2,350	5,870	2,380	3,900	1,700	2,250	1,855	2,470	1,300	8,455
Public works	288,019	308,458	338,289	334,488	367,558	363,421	366,254	385,165	415,599	403,176
Youth, family and senior services	13,167	15,187	16,750	20,328	15,891	12,689	13,168	11,242	13,003	15,430
Operating grants and contributions	158,097	152,415	183,707	185,234	188,589	195,626	218,454	219,272	255,940	205,283
Capital grants and contributions	20,395	178,245	619,147	1,033,670	360,446	599,567	1,079,806	1,010,462	297,661	341,241
Total governmental activities program revenues	3,020,366	3,037,344	3,573,587	3,842,113	3,452,824	3,696,126	4,410,918	6,214,504	4,986,446	4,770,670
Net (Expense) Revenue										
Governmental activities	(5,954,083)	(6,472,568)	(6,930,073)	(7,242,635)	(8,018,310)	(8,836,002)	(8,160,236)	(5,648,559)	(9,007,096)	(8,832,046)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Real property taxes	2,466,987	2,844,645	3,363,585	3,730,318	4,280,054	5,311,375	6,215,866	6,136,538	6,591,639	6,601,516
Personal property taxes	878,814	1,102,555	1,013,109	1,082,492	1,004,104	1,075,361	944,762	822,494	875,845	887,691
Income taxes	1,139,898	1,214,258	1,197,276	1,270,633	1,294,274	1,274,165	1,332,576	1,377,541	1,494,195	1,582,308
Other taxes	1,359,116	1,562,582	1,933,513	2,007,969	1,933,094	1,856,522	1,168,385	1,070,931	1,231,253	1,076,344
Investment earnings	65,025	105,640	97,773	196,658	269,992	148,525	36,962	41,762	43,105	(111,862)
Miscellaneous	101,592	216,094	556,245	158,245	39,092	96,565	9,774	51,588	125,696	23,755
Total governmental activities	6,011,432	7,045,774	8,161,501	8,446,315	8,820,610	9,762,513	9,708,325	9,500,854	10,361,733	10,059,752
Change in Net Position	\$ 57,349	\$ 573,206	\$ 1,231,428	\$ 1,203,680	\$ 802,300	\$ 926,511	\$ 1,548,089	\$ 3,852,295	\$ 1,354,637	\$ 1,227,706

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004. The City had no business-type activities at June 30, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 or 2013. 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	\$ 302,419	\$ 275,401	\$ 301,428	\$ 292,992	\$ 271,191	\$ 260,611	\$ 245,030	\$ -	\$ -	\$ -
Unreserved	2,733,758	3,015,244	4,311,818	3,017,348	3,363,831	3,874,129	4,356,077	-	-	-
Nonspendable	-	-	-	-	-	-	-	1,173,351	1,118,883	1,145,407
Restricted	-	-	-	-	-	-	-	350,000	283,011	-
Committed	-	-	-	-	-	-	-	189,210	146,211	35,005
Unassigned	-	-	-	-	-	-	-	4,708,068	5,030,470	4,325,009
Total general fund	\$ 3,036,177	\$ 3,290,645	\$ 4,613,246	\$ 3,310,340	\$ 3,635,022	\$ 4,134,740	\$ 4,601,107	\$ 6,420,629	\$ 6,578,575	\$ 5,505,421
Capital projects fund										
Reserved	\$ 856,004	\$ 721,260	\$ 813,952	\$ 3,208,617	\$ 1,676,708	\$ (4,475,999)	\$ (5,258,063)	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	3,164,971	4,240,056	5,868,664
Total capital projects fund	\$ 856,004	\$ 721,260	\$ 813,952	\$ 3,208,617	\$ 1,676,708	\$ (4,475,999)	\$ (5,258,063)	\$ 3,164,971	\$ 4,240,056	\$ 5,868,664

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 and FY2013 above, and will be used for future fiscal years as well.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 5,844,815	\$ 6,724,040	\$ 7,507,483	\$ 8,091,411	\$ 8,511,526	\$ 9,517,423	\$ 9,562,752	\$ 9,371,082	\$ 10,165,285	\$ 10,130,800
Licenses, fees and permits	752,203	775,716	873,640	853,863	924,403	1,064,703	1,143,714	1,198,092	1,307,165	1,246,205
Fines and forfeitures	1,396,399	1,239,728	1,158,071	962,210	1,095,272	1,054,227	1,056,987	2,834,550	2,086,831	2,012,007
Charges for services	693,272	691,240	849,675	926,490	1,036,530	1,017,581	1,091,433	1,145,492	1,212,118	1,157,159
Intergovernmental	178,492	330,660	651,609	877,589	396,617	585,130	1,118,783	1,071,645	349,336	355,300
Investment earnings	65,025	105,640	97,773	196,658	269,993	148,525	36,962	41,762	43,105	(111,862)
Miscellaneous revenues	101,591	216,094	556,245	158,245	39,092	96,565	9,774	16,313	156,693	23,753
Total revenue	\$ 9,031,797	\$ 10,083,118	\$ 11,694,496	\$ 12,066,466	\$ 12,273,433	\$ 13,484,154	\$ 14,020,405	\$ 15,678,936	\$ 15,320,533	\$ 14,813,362
Expenditures										
General government	2,022,069	1,832,398	1,919,487	1,973,505	2,155,330	2,307,611	2,365,799	2,308,015	2,556,945	2,666,278
Public services	1,553,374	1,822,463	2,011,965	2,287,882	2,564,511	2,815,614	3,097,813	3,171,596	3,432,400	3,813,309
Planning and development	465,042	558,809	726,877	591,376	710,839	746,657	1,066,886	624,207	663,533	694,919
Public works	3,675,239	3,699,801	4,312,028	3,998,189	4,265,755	4,360,544	4,332,876	4,394,963	4,355,052	4,337,522
Youth, family and senior services	640,362	740,260	706,368	752,987	835,414	902,643	981,712	981,828	1,034,545	1,024,998
Capital outlay	951,752	1,074,748	480,083	3,147,279	2,692,349	7,539,631	2,038,284	1,184,807	1,192,942	1,163,441
Contingency	-	-	13,000	-	-	7,851	-	-	-	-
Debt service										
Interest	49,326	41,640	34,502	38,286	82,673	118,579	99,684	207,944	302,350	284,441
Principal	207,542	193,275	201,111	195,203	323,789	763,013	353,048	713,020	549,735	273,000
Total expenditures	\$ 9,564,706	\$ 9,963,394	\$ 10,405,421	\$ 12,984,707	\$ 13,630,660	\$ 19,562,143	\$ 14,336,102	\$ 13,586,380	\$ 14,087,502	\$ 14,257,908
Excess (deficiency) of revenues over (under) expenditures	\$ (532,909)	\$ 119,724	\$ 1,289,075	\$ (918,241)	\$ (1,357,227)	\$ (6,077,989)	\$ (315,697)	\$ 2,092,556	\$ 1,233,031	\$ 555,454
Other financing sources (uses)										
Sale of land	-	-	-	-	-	425,000	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	8,150,000	-	-
Proceeds from loans	-	-	-	2,010,000	150,000	-	-	-	-	-
Operating transfers in	976,841	785,578	780,300	2,821,048	992,552	1,255,335	978,175	1,046,335	2,379,949	3,079,850
Operating transfers out	(976,841)	(785,578)	(780,300)	(2,821,048)	(992,552)	(1,255,335)	(978,175)	(1,046,335)	(2,379,949)	(3,079,850)
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ 2,010,000	\$ 150,000	\$ 425,000	\$ -	\$ 8,150,000	\$ -	\$ -
Net change in fund balances	\$ (532,909)	\$ 119,724	\$ 1,289,075	\$ 1,091,759	\$ (1,207,227)	\$ (5,652,989)	\$ (315,697)	\$ 10,242,556	\$ 1,233,031	\$ 555,454
Debt service as a percentage of non-capital expenditures (Note 1)	3.0%	2.6%	2.4%	2.4%	3.7%	7.3%	3.9%	8.1%	5.7%	4.4%

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

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

58

<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>
2004	\$ 3,345,801	\$ 1,139,898	543,364	\$ 500,087	\$ 315,665	\$ 5,844,815
2005	3,947,200	1,214,258	491,118	611,618	459,846	6,724,040
2006	4,376,694	1,197,276	659,170	769,173	505,170	7,507,483
2007	4,812,810	1,270,633	707,816	808,134	492,018	8,091,411
2008	5,284,158	1,294,274	660,862	783,296	488,936	8,511,526
2009	6,386,736	1,274,166	689,308	718,819	448,394	9,517,423
2010	7,061,791	1,332,576	664,798	81,466	422,121	9,562,752
2011	6,922,610	1,377,541	570,539	58,693	441,699	9,371,082
2012	7,439,837	1,494,195	617,331	167,363	446,559	10,165,285
2013	7,472,148	1,582,308	510,606	105,579	460,159	10,130,800
Net Change:						
FY2004 to FY2013	223.3%	138.8%	94.0%	21.1%	145.8%	173.3%

**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
2004	\$ 757,430	\$ 244,721	\$ 1,002,151	\$ 953,224	\$ 0.268	\$ 1,002,151	100%
2005	797,870	277,928	1,075,798	1,026,226	0.268	1,075,798	100%
2006	859,987	394,343	1,254,330	1,075,484	0.285	1,254,330	100%
2007	1,025,315	396,264	1,421,579	1,255,509	0.299	1,421,579	100%
2008	1,155,118	482,758	1,637,876	1,381,546	0.299	1,637,876	100%
2009	1,283,327	640,643	1,923,970	1,508,767	0.322	1,923,970	100%
2010	1,158,145	649,774	1,807,919	1,514,365	0.322	1,807,919	100%
2011	1,245,930	701,159	1,947,088	1,532,517	0.322	1,947,088	100%
2012	1,260,161	808,625	2,068,786	1,528,585	0.322	2,068,786	100%
2013	1,165,674	793,568	1,959,242	1,245,220	0.322	1,959,242	100%

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

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

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

Fiscal Year	City Direct Rate (Note 1)	Overlapping Rates					State of Maryland	Total
		Maryland-Natl. Capital Park and Planning	Washington Suburban Transit Commission	County Storm Water Management	Prince George's County (full rate)	County Tax Differential		
2005	\$ 0.268	\$ 0.279	\$ 0.026	\$ 0.054	\$ 0.960	\$ (0.018)	\$ 0.132	\$ 1.701
2006	0.285	0.279	0.026	0.054	0.960	(0.018)	0.132	1.718
2007	0.299	0.279	0.026	0.054	0.960	(0.017)	0.112	1.713
2008	0.299	0.279	0.026	0.054	0.960	(0.016)	0.112	1.714
2009	0.322	0.279	0.026	0.054	0.960	(0.015)	0.112	1.738
2010	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2011	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2012	0.322	0.279	0.026	0.054	0.960	(0.014)	0.112	1.739
2013	0.322	0.279	0.026	0.054	0.960	(0.020)	0.112	1.733
2014	0.335	0.279	0.026	0.054	0.960	(0.025)	0.112	1.741

09

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

Note 1: The City Direct Rate has no components.

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

Taxpayer	Fiscal Year 2013 Taxable Assessed Value				Fiscal Year 2004 Taxable Assessed Value			
	Real (RP)	Personal (PP)	Total	Percentage of Total City Taxable Assessed Value	Real (RP)	Personal (PP)	Total	Percentage of Total City Taxable Assessed Value
Student Housing College Park LLLP (The Varsity)	\$ 97,562	\$ 1,057	\$ 98,619	4.55%	\$ -	\$ -	\$ -	-
NSHE College Park, LLC	93,037	-	93,037	4.29%	-	-	-	-
University View Partners, LLC	88,529	712	89,241	4.12%	-	-	-	-
8300 Baltimore Avenue, LLC	59,000	-	59,000	2.72%	-	-	-	-
Mazza Grand Marc Apartments	53,000	-	53,000	2.44%	-	-	-	-
IKEA Property, Inc. (RP) / IKEA Maryland, LLC (PP)	43,919	7,146	51,065	2.36%	-	-	-	-
Jefferson at College Park, LP (RP) / Wynfield Park Apartments, LP (PP)	45,678	142	45,820	2.11%	25,658	-	25,658	2.40%
Starview Plaza (The Enclave)	38,942	-	38,942	1.80%	-	-	-	-
Richard S. Gatti, et al	27,893	-	27,893	1.29%	26,498	-	26,498	2.48%
Riverdale FDA, LLC	26,399	-	26,399	1.22%	-	-	-	-
The Washington Post Company	-	-	-	-	22,671	52,343	75,014	7.01%
Potomac Electric Power Company	-	-	-	-	-	19,042	19,042	1.78%
CPHH LLC (RP) / Imported Cars of Maryland (PP)	-	-	-	-	2,689	6,856	9,545	0.89%
Berkley Associates, LP	-	-	-	-	8,733	-	8,733	0.82%
New Spellman House Assoc., LLC	-	-	-	-	8,342	-	8,342	0.78%
College Park Shopping Center, LP	-	-	-	-	8,073	-	8,073	0.75%
Verizon - Maryland	-	-	-	-	-	6,687	6,687	0.63%
Precision Products Group, Inc.	-	-	-	-	3,915	2,485	6,400	0.60%
Total	\$ 476,397	\$ 8,000	\$ 484,397	22.34%	\$ 106,579	\$ 87,413	\$ 193,992	18.14%

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Note 2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 3,451,959	\$ 3,294,950	95.45%	\$ 125,003	\$ 3,419,953	99.07%
2005	4,052,555	3,836,278	94.66%	76,184	3,912,462	96.54%
2006	4,486,482	4,338,829	96.71%	51,386	4,390,215	97.85%
2007	4,799,536	4,766,168	99.30%	30,990	4,797,158	99.95%
2008	5,178,280	5,161,333	99.67%	12,750	5,174,083	99.92%
2009	6,209,525	6,309,866	101.62%	35,663	6,345,529	102.19%
2010	7,057,349	6,956,844	98.58%	159,416	7,116,260	100.83%
2011	6,871,090	6,749,145	98.23%	48,208	6,797,353	98.93%
2012	7,433,369	7,404,520	99.61%	130,790	7,535,310	101.37%
2013	7,489,649	7,326,124	97.82%	-	7,326,124	97.82%

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

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

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

Fiscal Year	Governmental Activities						Percentage of Personal Income (Note 2)	Per Capita (Note 2)
	City Hall Development Refunding Note	Capital Leases	Community Legacy Loans (Note 3)	Bond Anticipation Notes (Note 4)	Parking Garage Bond (Note 5)	Total		
2004	\$ 467,555	\$ 464,665	\$ -	\$ -	\$ -	\$ 932,220	0.21%	\$ 36.93
2005	428,487	310,458	-	-	-	738,945	0.16%	29.43
2006	386,900	150,934	-	-	-	537,834	0.10%	19.57
2007	342,632	1,500,000	510,000	-	-	2,352,632	0.43%	85.83
2008	295,563	1,223,280	660,000	1,059,809	-	3,238,652	0.58%	121.72
2009	245,404	935,399	660,000	8,424,868	-	10,265,671	1.79%	381.27
2010	192,010	635,745	660,000	8,630,234	-	10,117,989	1.96%	370.81
2011	-	324,735	450,000	-	8,150,000	8,924,735	1.42%	293.45
2012	-	-	450,000	-	7,925,000	8,375,000	1.31%	273.81
2013	-	-	450,000	-	7,652,000	8,102,000	1.42%	259.61

63

- Notes:**
1. The City has no business-type activities. As a result, the business-type activities columns have been omitted from the table above.
 2. See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
 3. During the years ended June 30, 2007 and 2008, the City entered into various Community Legacy loan agreements, which are payable at various times through 2025.
 4. During the year ended June 30, 2008, the City issued bond anticipation notes (BANs) to fund the construction of a public parking garage.
 5. On February 25, 2011, the City issued an \$8,150,000 SunTrust Bank parking garage bond, repaying the BANs in full.

Direct and Overlapping Governmental Activities Debt
As of June 30, 2013
(dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of College Park:			
Direct Debt	\$ 8,102	100.000%	\$ 8,102
Subtotal	<u>8,102</u>		<u>8,102</u>
Overlapping Debt (Note 1):			
Prince George's County:			
Direct Debt	956,231	3.022%	28,896
Maryland-National Capital Park and Planning Commission	<u>47,503</u>	3.022%	<u>1,435</u>
Subtotal	<u>1,003,734</u>		<u>30,331</u>
Total Direct and Overlapping Debt	<u>\$ 1,011,836</u>		<u>\$ 38,433</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 \$68,461,543,294 and the City real property assessment of \$2,068,786,227 (net of homestead tax credit). The City does not have any self-supporting debt at June 30, 2013.

Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	<u>\$ 2,256,895,322</u>
General obligation debt limit (5% of assessed value)	\$ 112,844,766
Debt applicable to limit	<u>8,102,000</u>
Legal debt margin - general obligation debt	<u>\$ 104,742,766</u>
Total debt limit (10% of assessed value)	\$ 225,689,532
Debt applicable to limit	<u>8,102,000</u>
Legal debt margin - total debt	<u>\$ 217,587,532</u>

65

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 102,543,534	\$ 115,905,392	\$ 116,354,568	\$ 138,374,209	\$ 163,787,619	\$ 208,966,513	\$ 252,362,416	\$ 211,156,389	\$ 215,994,376	\$ 225,689,532
Total net debt applicable to limit	<u>932,220</u>	<u>738,945</u>	<u>537,834</u>	<u>2,352,632</u>	<u>3,238,652</u>	<u>10,265,434</u>	<u>10,117,989</u>	<u>8,924,735</u>	<u>8,375,000</u>	<u>8,102,000</u>
Legal debt margin	<u>\$ 101,611,314</u>	<u>\$ 115,166,447</u>	<u>\$ 115,816,734</u>	<u>\$ 136,021,577</u>	<u>\$ 160,548,967</u>	<u>\$ 198,701,079</u>	<u>\$ 242,244,427</u>	<u>\$ 202,231,654</u>	<u>\$ 207,619,376</u>	<u>\$ 217,587,532</u>
Total net debt applicable to the limit as a percentage of debt limit	0.91%	0.64%	0.46%	1.70%	1.98%	4.91%	4.01%	4.23%	3.88%	3.59%

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

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	25,246	\$ 447,633,473	\$ 17,731	5.2%
2004	25,112	462,601,612	18,422	4.8%
2005	27,486	526,218,415	19,145	4.8%
2006	27,410	549,492,699	20,047	4.1%
2007	26,607	558,693,786	20,998	3.9%
2008	26,925	575,064,150	21,358	4.5%
2009	27,286	516,169,262	18,917	6.9%
2010	30,413 ¹	628,667,123	20,671	7.1%
2011	30,587	638,586,516	20,878	7.2%
2012	31,208	569,358,752	18,244	7.3%

Sources: Calendar year 2010 data (Note 1) from U. S. Department of Commerce, Bureau of the Census. Except for year 2010, population figures were prepared by the Maryland Department of Planning, Planning Data Services. Except for year 2010 and 2012, per capita income was estimated by the City's Finance Department based on Prince George's County's per capita personal income. Calendar year 2012 per capita income was provided by BiggestUSCities.com. Unemployment rates were provided by the Maryland Department of Labor, Career and Workforce Information.

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

Employer	Fiscal Year 2013			Fiscal Year 2004 (see Note 1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Maryland	13,451	1	49.54%	8,336	1	50.52%
University of Maryland University College (UMUC)	3,390	2	12.46%			
National Archives and Records Administration II	945	3	3.47%			
National Oceanic and Atmospheric Administration	825	4	3.03%			
U.S. Food and Drug Administration (FDA)	745	5	2.74%			
American Center for Physics	325	6	1.19%			
IKEA	292	7	1.07%			
Total	19,973		73.52%			

67

Source: City of College Park, Department of Planning

Note 1: Other than the University of Maryland and total City employment, data is unavailable for 2004.

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

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Administration	8.00	8.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	11.00	11.50	11.80	11.80	11.80	11.80	11.80	11.30	10.80	10.80
Public services	20.30	21.65	23.83	28.02	28.52	28.47	28.50	27.00	29.89	30.74
Planning and development	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.30	5.20
∞ Youth, family and senior services	7.25	7.95	7.95	7.95	8.45	8.63	8.63	10.45	9.41	9.71
Public works	49.00	49.00	50.00	49.75	49.75	49.75	50.00	50.00	50.15	50.15
Total	<u>99.55</u>	<u>103.10</u>	<u>106.58</u>	<u>109.52</u>	<u>110.52</u>	<u>110.65</u>	<u>110.93</u>	<u>111.25</u>	<u>112.55</u>	<u>113.60</u>

Source: City of College Park adopted operating budgets, FY2004 - FY2013

Operating Indicators by Function/Program
Last Ten Fiscal Years

69

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Parking enforcement										
Number of parking tickets issued	43,611	41,260	39,897	34,538	36,712	37,353	34,186	34,288	28,315	34,025
Recreation										
Attendance at sponsored recreational events (estimated)	30,000	40,000	40,000	30,000	35,000	25,000	25,000	27,600	30,000	31,430
Planning and development										
Variance applications processed	16	25	17	40	23	6	10	15	14	6
Clinical services										
Number of individuals who received clinical services	1,708	1,305	1,724	2,357	2,237	1,839	1,915	1,863	1,968	1,909
Seniors program										
Seniors trips provided	2,242	2,293	2,431	2,506	2,211	2,200	2,250	2,110	2,278	2,210
Seniors assisted with transportation	3,542	3,881	3,937	3,651	3,420	3,400	3,420	3,666	3,585	3,515
Refuse and recycling collection										
Cost per ton of solid waste	\$ 132.55	\$ 141.79	\$ 141.60	\$ 142.59	\$ 157.27	\$ 147.00	\$ 130.63	\$ 155.36	\$ 135.53	\$ 139.89
Recyclables collected (tons)	1,689	1,315	1,322	1,279	1,246	1,470	1,445	1,458	1,725	1,467
Cost per ton for recycling (paper, commingles, brush, white goods, scrap metal)	\$ 240.06	\$ 207.76	\$ 205.61	\$ 237.58	\$ 255.44	\$ 359.00**	\$ 283.00	\$ 255.00	\$ 201.00	\$ 249.00
Compost yard operations										
Tons of solid waste diverted through composting	2,327	2,508	2,326	2,682	2,306	1,593	1,558	1,521	1,736	1,976
Dollars in tipping fees saved	\$ 58,175	\$ 62,700	\$ 58,157	\$ 67,047	\$ 57,650	\$ 39,825	\$ 38,951	\$ 38,678	\$ 43,411	\$ 49,412
Cubic yards of brush recycled	3,000	2,100	2,063	1,834	1,570	1,959	3,775	3,692	1,267	1,895
Dollar value of compost-related revenues (compost sales, tipping fees collected and delivery charges)	\$ 39,204	\$ 50,233	\$ 48,775	\$ 50,301	\$ 69,230	\$ 67,094	\$ 71,002	\$ 66,668	\$ 75,191	\$ 63,802
Other public works										
Street cleaning sweeps in high impact areas	148	119	125	190	189	224	203	202	219	211

Sources: City of College Park departments

Notes:

* - significant increase due to tornado brush cleanup

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

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

n/a - operational indicator not reported for fiscal year

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Function/Program</u>										
Refuse and recycling collection										
Collection trucks	8	8	8	8	11	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	-	4	4	8	8	8	8	12	12	12
Parking pay stations	-	-	-	-	-	-	4	13	13	13
Recreation										
Baseball/softball fields	4	4	4	4	4	4	4	4	4	4
Tot lots	8	8	8	8	8	8	8	8	8	8
Seniors program										
Seniors minibuses available	2	2	2	2	2	3	3	3	3	3

Sources: City of College Park departments

