

# *City of Takoma Park Maryland*



*Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2015*

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# *City of Takoma Park Maryland*



## *Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2015*

*Prepared by: City of Takoma Park, Maryland*

*Suzanne R. Ludlow  
City Manager*

*Yovonda D. Brooks, CPA  
Director of Finance*

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# CITY OF TAKOMA PARK, MARYLAND

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## **INTRODUCTORY SECTION**

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# The City of Takoma Park

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## **Suzanne R. Ludlow, City Manager**

November 24, 2015

Honorable Members of the City Council  
and Citizens of the City of Takoma Park, Maryland:

The City's Charter, Section 821, requires that the financial books and accounts of the City be audited annually in accordance with applicable State laws and the requirements of the City Council. The City Council has elected to have its financial statements prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a certified public accountant. We hereby issue the comprehensive annual financial report (CAFR) for the year ended June 30, 2015.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. 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 has been 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. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the City; and, that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been provided.

CohnReznick LLP, a firm of licensed certified public accountants, has audited the City of Takoma Park, Maryland's financial statements. The independent auditor's report is included with the City's financial statements in the Financial Section of this report. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and, for the basic financial statements of the City, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. On the basis of this examination, the independent auditors have issued an unmodified opinion that the presentation of the basic financial statements conforms to accounting principles generally accepted in the United States of America. In conducting the audit, the auditors performed tests of the accounting records and such other procedures as were considered necessary in the circumstances to provide a reasonable basis for the opinion on the financial statements.

The auditors also assessed the accounting principles used and the significant estimates made by management, as well as evaluated the overall financial statement presentation. Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report.

## **PROFILE OF THE GOVERNMENT**

The City of Takoma Park is approximately 2.4 square miles in size and is located in Montgomery County, Maryland on the border of Washington, D.C. The City was incorporated in 1890 and currently has a population of 16,715 (U. S. Census 2010).

The City of Takoma Park operates under a Council/Manager form of government. Policy-making and legislative authority are vested in a governing body consisting of seven members (Mayor and six Council members). The City Council is elected on a non-partisan basis. All seven members serve two-year terms. Six Councilmembers are elected by wards. The Mayor is elected at large. The City Council's responsibilities include setting City policy, passing ordinances and resolutions, adopting the City's annual budget, appointing members to committees, and hiring both the City Manager and the City Attorney.

The City Manager is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and appointing the heads of various departments.

The City provides a range of municipal services including, but not limited to, police protection, solid waste and recycling collection, storm drainage maintenance, street and park maintenance, snow removal, housing and property inspections, and recreation.

## **ECONOMIC CONDITION AND OUTLOOK**

The City is a residential community located in the southern part of Montgomery County in the inner suburbs of the Washington, D.C. metropolitan area. City residents benefit from the excellent Montgomery County public school system. The Takoma Park-Silver Spring campus of Montgomery College and the four-year Washington Adventist University are located in Takoma Park. The City has a large historic district, two major commercial districts, many parks, and attractive, walkable neighborhoods. The City is located along the Red Line of the region's Metrorail system and is well served by bus systems and bicycle trails. Offices, attractions, and entertainment are close by in adjacent Washington, D.C. and Silver Spring, Maryland.

According to the 2010 Census, the City had a total of 7,162 housing units. Of these, 3,444 were owner-occupied housing units. Forty-seven percent (47%) of Takoma Park's households live in multi-family residential structures.

Because of its location and attractive environment, Takoma Park is a highly desirable place to live. Its economic health rests heavily on the value of its residential property.

Total assessed real and personal property value for Takoma Park was estimated at \$1.97 billion during fiscal year 2015. Housing values have risen sharply since 2000, when the median value of an owner occupied home was \$189,200, according to the 2000 Census. The American Community Survey (ACS) of 2009-2013 reflected a median owner-occupied housing unit value of \$432,400. Rapid growth in property values in Takoma Park ended during the recession five to seven years ago. Since that time, property values have begun to rise again at a slow to moderate pace. According to a *Washington Post* analysis, the median home price in Takoma Park was \$520,000 in 2014.

Real property in the State of Maryland is reassessed on a triennial basis. The 2013 reassessment showed a decline in the City's assessable real property base (net) of 3.6 percent from Fiscal Year 2013. This affects the City through Fiscal Year 2016 and affected choices in service delivery over that time.

The Census Bureau reported that the population of the Washington D.C. region grew by 86,518, or 1.5 percent between July 2012 and July 2013, to a total of more than 5.9 million persons. The Bureau of Labor Statistics reported the unemployment rate in the region in September 2015 at 4.3%, a decrease of 0.7% from the previous year. Montgomery County, Maryland reported a projected unemployment rate of 4.0% for fiscal year 2015.

While the Washington, D.C. area fared better than other parts of the United States during the Recession, it has been impacted by Congressional-mandated Sequestration that resulted in cuts in Federal funding and contracting. During the Recession, the City of Takoma Park experienced a decline in certain revenue sources, including investment income, State Police Protection Aid, and State Highway User Revenues. The economic outlook for the State of Maryland began improving during Fiscal Year 2013 and subsequent years. The General Assembly voted to increase funding for municipalities in Fiscal Year 2014 and 2015. Efforts are continuing to make these revenue sources less variable in the future.

The City is working with other municipalities in Montgomery County to ensure that intergovernmental revenue from the County will be more substantial and predictable in coming years. These efforts will be continuing but success is not certain.

The Maryland General Assembly passed legislation in 2013 strengthening the State's Transportation Trust Fund. This legislation ensures long-term funding of transportation infrastructure across the State, including the construction and operation of the Purple Line light rail transit system. Newly-elected Governor Hogan has reaffirmed the State's commitment to the Purple Line. Construction is scheduled to begin in 2016 and be completed in 2021. The light rail line will run along the northern border of Takoma Park between Bethesda in Montgomery County and New Carrollton in Prince George's County, connecting with several Metrorail lines and other bus and rail transportation systems. The Takoma-Langley Crossroads Station, at the intersection of University Boulevard and New Hampshire Avenue in the City's largest commercial district, will be a major stop on the Purple Line.

Recognizing that the Purple Line and the development it will spur are important to the long-term economic health of the Takoma Park community, City officials worked with

planners in Montgomery County and Prince George's County to ensure that master plans and appropriate zoning are in place to encourage and tailor redevelopment of neighborhoods and commercial areas near the transit line.

Significant streetscape improvements and commercial district support activities continue to take place in the Old Takoma, Takoma-Langley Crossroads and Long Branch commercial areas. The Old Takoma business area has a Maryland Main Street designation. The Takoma-Langley Crossroads area and the Long Branch business district are part of a Maryland Enterprise Zone that was established in 2005 and reauthorized in 2013, providing tax incentives to new and expanding businesses. Both the Old Takoma and the Takoma-Langley Crossroads business districts have active programming efforts underway to market their commercial areas to the surrounding region.

To strengthen the long-term economic health of the Takoma Junction commercial area in the Old Takoma business district, the City is pursuing commercial development on the site of a City-owned parking lot. In 2015, the City selected Neighborhood Development Corporation of Washington, D.C. as the developer, under a ground-lease arrangement.

## **LONG-TERM FINANCIAL PLANNING**

The City of Takoma Park is committed to responsible long-term financial planning. Elements with long-range impacts include maintenance of infrastructure and retirement plan costs.

In accordance with the City Charter, certain monies are set aside for the scheduled replacement of vehicles and equipment. These funds are accounted for in the Equipment Replacement Reserve. Substantial funds have been allocated to the Equipment Replacement Reserve over the last decade. This funding effort should be continued going forward to ensure that the City has sufficient funds on hand to maintain its vehicle fleet and other equipment in good working order. A newer fund, the Facility Maintenance Reserve, was established to have funds available for large facility maintenance expenses over time. A plan will be developed to identify the level of reserves appropriate for this fund.

The City of Takoma Park Police Employees' Retirement Plan, established in 2001, covers sworn police officers who are employed on a regular full-time basis. Plan provisions include retirement, disability, and death benefits to plan members and their beneficiaries. In Fiscal Year 2009, the City modified the existing Plan in an attempt to address the initial rate of disability. The City contribution rate has been relatively stable since enactment of the change. The plan does not include retiree health benefits, which has kept costs reasonable.

Both the City of Takoma Park Police Employees' Retirement Plan and the Maryland State Retirement and Pension System, which covers the City's non-sworn staff, have been impacted by the volatility of the stock market in recent years.

## **RELEVANT FINANCIAL POLICIES**

As noted earlier in this transmittal message, the downturn in the economy several years ago affected the City in a number of ways. The Federal Reserve's interest rate cuts significantly reduced the City's investment revenues. The financial difficulties of the State of Maryland and Montgomery County resulted in reductions of funds traditionally provided to municipalities. In Fiscal Year 2014, improving economic conditions allowed the State to increase Police Protection Aid on an ongoing basis and to increase Highway User Revenue on a temporary basis.

The City will maintain adequate unreserved fund balance in its General Fund in order to address revenue fluctuations and to avoid any disruption in services caused by a future decline in significant revenue sources and rising costs. Additionally, the City's use of unrestricted future fund balances and one-time revenue sources will be limited to specific non-recurring projects.

## **MAJOR INITIATIVES**

City activities in Fiscal Year 2015 were largely focused on three major policy areas:

- Environmental and Economic Sustainability
- Livable Community
- Engaged, Responsive, and Service-Oriented Government

Major accomplishments related to these priorities during Fiscal Year 2015 included the following:

- Chose Neighborhood Development Corporation to commercially develop the City-owned parking lot in the Takoma Junction area.
- Began a remarkable community-wide effort to reduce energy usage and, as a result of these efforts, was named one of 50 Semi-Finalists in the Georgetown University Energy Prize – the only jurisdiction attaining this standing in Maryland. Energy-saving efforts are being undertaken by home-owners, multifamily building owners and residents, businesses, institutions and our municipal government. This energy-saving initiative, along with a popular food composting program, and other sustainability efforts are components of our sustainability action plan.
- Continued to develop detailed engineering plans for the Flower Avenue Green Street Project which includes street, pedestrian safety, stormwater and sanitary sewer improvements and involves significant coordination with adjacent residential and commercial property owners.
- Built on the prior year's Library Visioning process by replacing the Takoma Park Library's Integrated Library (software) System and preparing concept drawings for a proposed renovation and expansion.
- Continued expansion of popular arts, humanities and recreational programming, as well as programs to help seniors age in place.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Takoma Park for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this annual report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department, including our recently retired Finance Director, Yovonda Brooks. We wish to express our appreciation to everyone who assisted and contributed to its preparation. We are grateful to the City's independent auditor, CohnReznick LLP, for the professional assistance provided during the course of the audit. We are also grateful to Lindsey & Associates LLC for providing professional assistance during the preparation of the City's annual report. Finally, we would like to thank the members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and professional manner.

Respectfully submitted,



Suzanne R. Ludlow  
City Manager



Kara D. Onorato  
Director of Finance



Government Finance Officers Association

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

Presented to

**City of Takoma Park  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

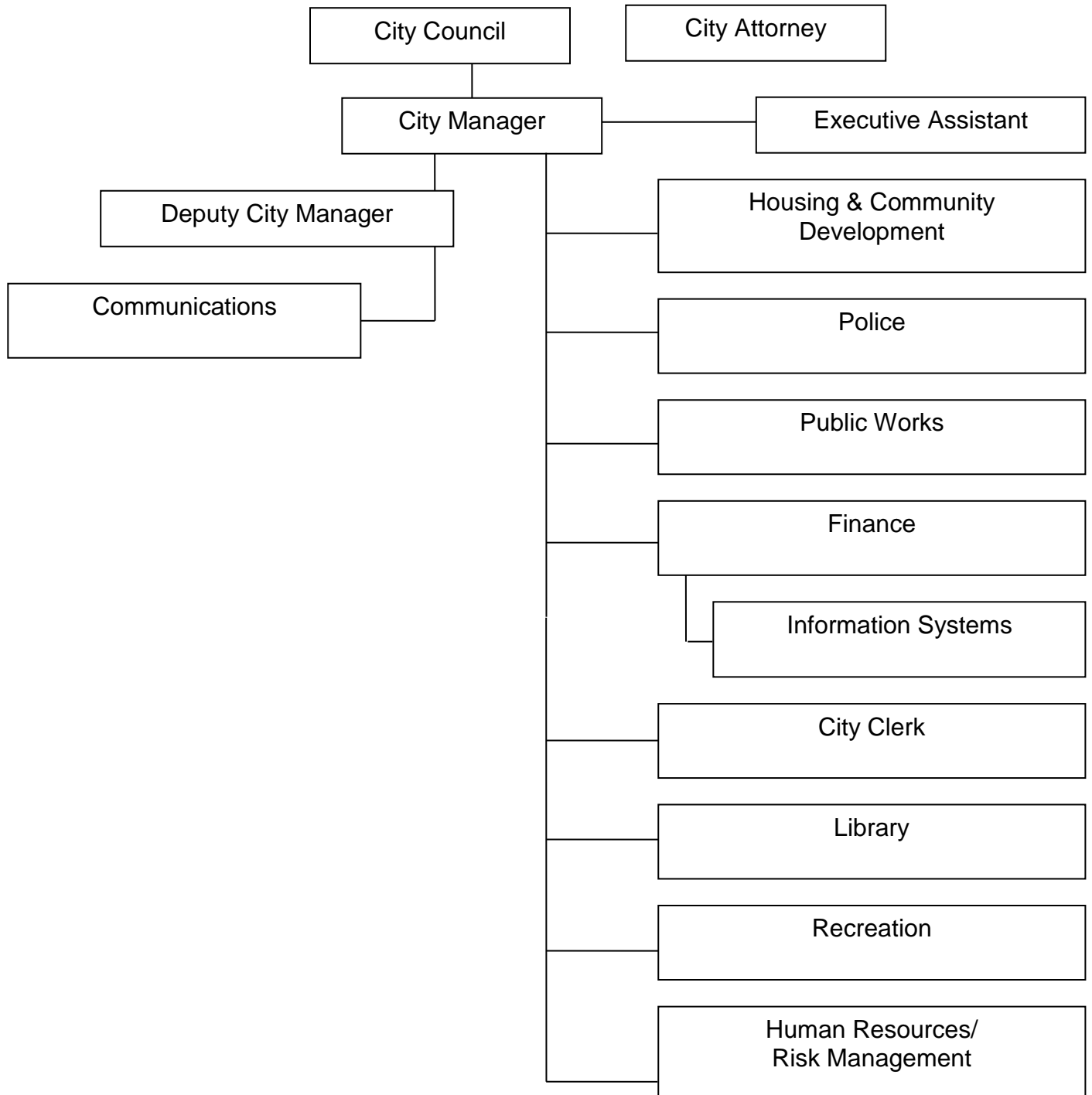
**June 30, 2014**

Executive Director/CEO

# Organizational Chart

## The City of Takoma Park, Maryland

### Residents of Takoma Park





**CITY OF TAKOMA PARK, MARYLAND  
LIST OF ELECTED AND APPOINTED OFFICIALS  
Year Ended June 30, 2015**

**MAYOR**

BRUCE R. WILLIAMS

**CITY COUNCIL**

SETH GRIMES  
TIM MALE  
KATE STEWART

TERRY J. SEAMENS  
JARRETT K. SMITH  
FREDERICK L. SCHULTZ

**CITY MANAGER**

SUZANNE R. LUDLOW

**DEPUTY CITY MANAGER**

VACANT

**DIRECTOR OF FINANCE**

YOVONDA D. BROOKS, CPA

**INDEPENDENT AUDITORS**

CohnReznick LLP

*Prepared by the Finance Department*

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## **FINANCIAL SECTION**

## Independent Auditor's Report

To the City Council  
City of Takoma Park, Maryland

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparison for the General, Speed Camera, and Special Revenue Funds of the City of Takoma Park, Maryland, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Takoma Park, Maryland, as of June 30, 2015, and the respective changes in financial position and the budgetary comparison for the General, Speed Camera and Special Revenue Funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Change in Accounting Principle*

As discussed in Note 18 to the basic financial statements, the City changed its method of accounting for employee pension plans in the year ended June 30, 2015, as required by the provisions of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Governmental Accounting Standards Board Statement No. 71, Pension Transition Contribution Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-29 and the schedules of changes in the City's net pension liability and related ratios, the City's proportionate share of the net pension liability and pension plan contributions on pages 80-83 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 Takoma Park, Maryland's basic financial statements. The introductory section, budgetary schedules, combining nonmajor fund, combining fiduciary fund financial statements and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules, combining nonmajor fund and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules, combining nonmajor fund and 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.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2015, on our consideration of the City of Takoma Park, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Takoma Park, Maryland's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Baltimore, Maryland  
November 30, 2015

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

As management of the City of Takoma Park, we offer this narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to view the City's financial performance as a whole; readers should also review the transmittal letter, the notes to the basic financial statements, and the financial statements to enhance their understanding of the City's financial position.

**FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$27,512,750 (net position). This represents an increase of \$2,031,466 from the prior year. The primary items contributing to the variance were increases in the following areas: cable operations in the amount of \$350,000, state aid and County rebates for the City's Police Department in the amount of \$127,037, and income taxes in the amount of \$126,000.
- As of June 30, 2015, the City of Takoma Park's governmental funds reported combined ending fund balances of \$15,028,696, an increase of \$312,406 or two percent, from the prior year. The ending fund balances of \$15,028,696 include \$4,336,807 that is available for spending at the City's discretion (unassigned fund balance). The increase in the combined ending governmental fund balances was due primarily to increases in unexpended speed camera fines.
- At the end of fiscal year 2015, the unassigned fund balance for the General Fund was \$4,336,807 or 19 percent of total General Fund expenditures.
- The City of Takoma Park's long-term debt decreased by \$198,907 during the fiscal year. The decrease was due to the principal payments on existing debt totaling \$273,000. This decrease was offset by the \$74,093 increase in compensated absences.
- The City implemented GASB 68 and GASB 71 which require recognition of the City's participatory share of pension liability in the Maryland State Retirement and Pension System plan and the pension liability in the City's Police Employee's Retirement plan. This standard required a restatement of beginning Net Position, as outlined in Note 18, and recording deferred inflows and outflows of resources, as outlined in Note 12.

**OVERVIEW OF FINANCIAL STATEMENTS**

GASB Statement 34 requires the utilization of dual focus financial reporting. Information is presented on a government-wide basis and on a fund basis.

This discussion and analysis is intended to serve as an introduction to the City of Takoma Park's basic financial statements that were prepared using these reporting requirements. The City of Takoma Park's basic financial statements consist 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.

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

**Government-Wide Financial Statements.** The government-wide financial statements, which include the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the City of Takoma Park's finances. All City operations are categorized as and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, recreation, community development, and government administration. The City currently does not have any business-type activities.

The government-wide financial statements can be found on pages 32 and 33 of this report.

**Statement of Net Position.** The Statement of Net Position presents information on all of the City of Takoma Park's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The residual amount is reported as net position. Net position is separated into those amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Takoma Park is improving or deteriorating. To assess the City's overall health, additional non-financial factors, such as changes in the City's property tax base and the condition of its facilities, must be taken into account.

**Statement of Activities.** The Statement of Activities presents information on how the government's net position changed during the fiscal year. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Transactions related to nonexchange transactions are reported as soon as there is an enforceable legal claim to the resources. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation).

**Fund Financial Statements.** The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Takoma Park, like other local governments, uses fund accounting to ensure and to demonstrate compliance with finance-related legal requirements. All of the funds of the City of Takoma Park can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.



**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate the comparison between governmental funds and governmental activities.

The City of Takoma Park maintains six individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Speed Camera Fund, and the Special Revenue Fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds (Stormwater Management Fund, Community Center Fund and Rehabilitation Loans and Grants Fund) is provided in the form of combined statements elsewhere in this report.

The City of Takoma Park adopts an annual appropriated budget for its three major funds - General Fund, Speed Camera Fund and Special Revenue Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

The basic governmental fund financial statements can be found on pages 34 - 40 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Takoma Park's own programs. Fiduciary funds are accounted for using the economic resources measurement and accrual basis of accounting.

The basic fiduciary fund financial statements can be found on pages 41 and 42 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to fully understand of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 -77 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to the City of Takoma Park's net pension liability. Other supplementary information includes budgetary comparison schedules related to the General Fund and the non-major governmental funds and any combining statements related to non-major governmental funds and fiduciary funds. Supplemental information can be found on pages 84 - 92 of this report.

**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**THE CITY AS A WHOLE**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City of Takoma Park's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$27,512,750 as of June 30, 2015. By far the largest portion of the City of Takoma Park's net position reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment, less any related debt used to acquire those assets that is still outstanding). This investment was \$27,635,709 or 100 percent of the City's net position as of June 30, 2015. Due to the nature of these assets, they are not available for future spending.

The unrestricted portion of the net position was a deficit of \$8,702,786. This category represents the amounts that the City may use to meet the City's ongoing obligations to its residents and creditors. The deficit unrestricted net position resulted from the reporting of the net pension liability of \$13,981,566 related to the City's two pension plans. Previously the liabilities were disclosed in the footnotes to the financial statements and were not reported as liabilities within the financial statements.

The remaining balance of net position (\$8,579,827 or 32 percent) reflects the City's restricted net position, primarily comprised of monies related to the Safe Speed Program, franchise cable equipment grants, and equipment and facility replacement reserves, that can only be used for specifically designated purposes.

During fiscal year 2015, the City of Takoma Park's net position increased by \$2,031,466. The \$14,799,050 decrease in net position of the City from fiscal year 2014, as restated, is primarily attributable to the recognition of the City's net pension liability, in accordance with GASB Statement number 68.

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

The following table reflects the City's net position as of June 30, 2015 compared to June 30, 2014.

**Governmental Activities**

**Statement of Net Position**

	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
Current and other assets	18,456,915	17,872,138
Capital assets	29,979,209	28,793,111
Total assets	48,436,124	46,665,249
Deferred outflows of resources	945,908	-
<b>Liabilities</b>		
Current and other liabilities	2,955,934	2,837,937
Long-term liabilities	17,329,637	18,346,028
Total liabilities	20,285,571	21,183,965
Deferred inflows of resources	1,572,665	-
<b>Net Position</b>		
Net investment in capital assets	27,635,709	26,176,611
Restricted	8,579,827	7,985,381
Unrestricted	(8,702,786)	(8,680,708)
<b>Total net position</b>	27,512,750	25,481,284

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

**Governmental Activities**

Governmental activities increased the City of Takoma Park's net position by \$2,031,466 during fiscal year 2015, thereby accounting for the total growth in the net position. The key elements of this increase are shown below. Information for the prior fiscal year is provided for comparative purposes.

Governmental Activities	2015	2014
<b>Change in Net Position</b>		
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 3,788,673	\$ 3,651,104
Operating grants and contributions	5,510,341	5,386,820
Capital grants and contributions	1,215,053	1,019,166
General revenues:		
Property taxes	11,564,561	11,514,020
Intergovernmental	4,140,563	3,561,666
Miscellaneous	167,602	67,568
Unrestricted investment earnings	30,901	27,012
Total revenues	26,417,694	25,227,356
<b>Expenses</b>		
General Government	5,029,595	4,280,357
Public Safety	8,116,371	8,245,260
Public Works	5,943,464	5,532,265
Housing and Community Development	1,879,728	1,767,181
Recreation and Culture	3,316,168	3,088,130
Interest on long-term debt	100,902	123,274
Total expenses	24,386,228	23,036,467
<b>Change in net position</b>	2,031,466	2,190,889
<b>Net position, beginning of years-as previously reported</b>	-	38,089,445
<b>Adjustment to restate net position</b>	-	(14,799,050)
<b>Net position, beginning of year as restated</b>	25,481,284	23,290,395
<b>Net position, end of year</b>	\$ 27,512,750	\$ 25,481,284

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

Overall revenues increased \$1,190,338 from fiscal year 2014 to fiscal year 2015. Charges for services increased \$137,569. This variance is due to the \$44,980 increase in speed camera fine revenues. Other fines and forfeitures also increased \$96,727.

Operating grants and contributions increased \$123,521, due to the \$13,353 increase in State aid and County rebates to fund police related services. Capital grants and contributions increased \$195,887 due to the \$126,480 increase in revenues from State Highway Administration for the Flower Avenue Green Street Project and the \$67,760 increase in cable franchise revenues that is restricted for equipment support.

Property taxes increased \$50,541 due to the increase in the taxable assessment values.

Intergovernmental revenues increased \$578,897 from fiscal year 2014. This variance is primarily due to the \$126,116 increases in tax revenues from income taxes. In addition, revenues from the State Highway Administration for the Flower Avenue Green Street Project increased \$126,481 during fiscal year 2015.

Miscellaneous revenues increased \$100,034 from fiscal year 2014. The variance is due to the increase in donations (\$69,000), Tree Fund revenues (\$10,000) and insurance proceeds (\$13,600). During fiscal year 2015, the City received \$64,000 in donations from City residents to assist the City with acquisition of an undeveloped parcel of land. The City also received a \$5,000 donation from Montgomery County for its share of the construction costs for an athletic shed in a City park. The insurance proceeds resulted from the destruction of a police vehicle that was involved in a traffic accident. The balance of increase pertains to the registration fees collected for the TKPK 5K Race (\$6,800) and the increase in ticket late fees (\$3,000).

Expenses increased by \$1,349,761 from fiscal year 2014 to fiscal year 2015. General Government expenses are \$749,238 more than fiscal year 2014. Workers' compensation premiums, unemployment taxes and other insurance costs are accounted for in General Government. The variance in General Government expenses was primarily due to the \$895,500 increase in cable equipment expenses. The City was requested by Montgomery County to return \$769,000 of its fiscal year 2015 capital cable revenue to the County in exchange for \$349,000 that could be used for general operating cable revenues. The balance of the increase in General Government expenses was due to the use of cable equipment funds for the high definition upgrade of the auditorium control room.

Public Safety expenses are \$128,889 less than fiscal year 2014. The variance is primarily due to the decrease in police equipment expense, such as radios and computers that have unit prices under the \$5,000 equipment capitalization threshold.

Public Works expenses increased \$411,199 primarily due to the increase of \$152,932 in WSSC street repair expenditure. In addition, the personnel and fringe benefit expenses increased as a result of a new Sustainability Manager and Garden Maintenance Technician that were hired at the end of the fiscal year.

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

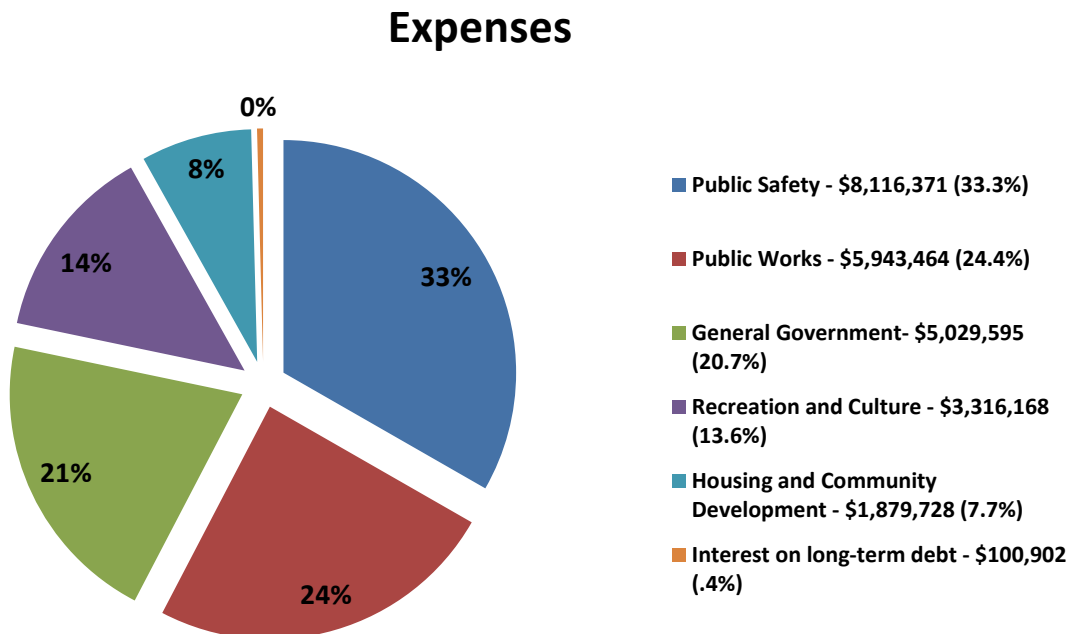
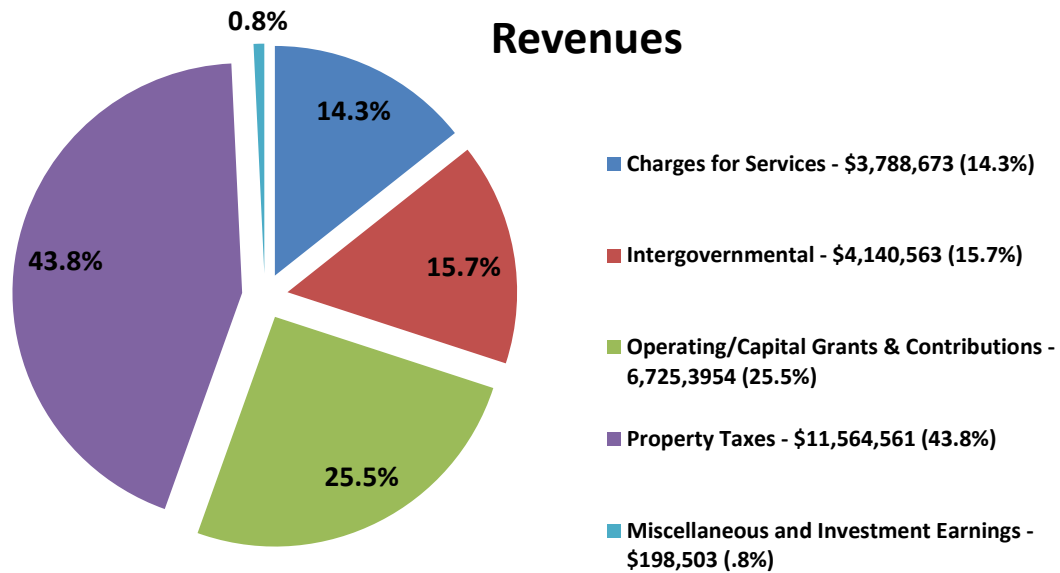
Housing and Community Development expenses increased \$112,547 due primarily to the \$63,000 increase in contractual expenses related to the City's residential Exterior Home Repair Program, Takoma Junction Survey, and Recreation Center study. The balance of the increase to personnel costs is due to the implementation of the compensation study, and increase in printing costs and computer supplies.

Recreation and culture expenses increased \$228,038 from fiscal year 2014 to fiscal year 2015. This variance is due primarily to the \$139,700 increase in personnel costs due to the increase in programs in the Recreation Department for senior citizens and youth camps, and the website development in the Communications Department. In addition, website costs were \$25,700 higher in fiscal year 2015.

As shown previously, the cost of all governmental activities was \$24,386,228. Those who directly benefited from the services paid \$3,788,673 of the activity costs. The City also received operating and capital grants and contributions from other governments and organizations of \$6,725,394 which reduced the amount paid by City residents for certain services. The net cost of the City's governmental activities totaled \$13,861,115 and was funded with general revenues, including property taxes.

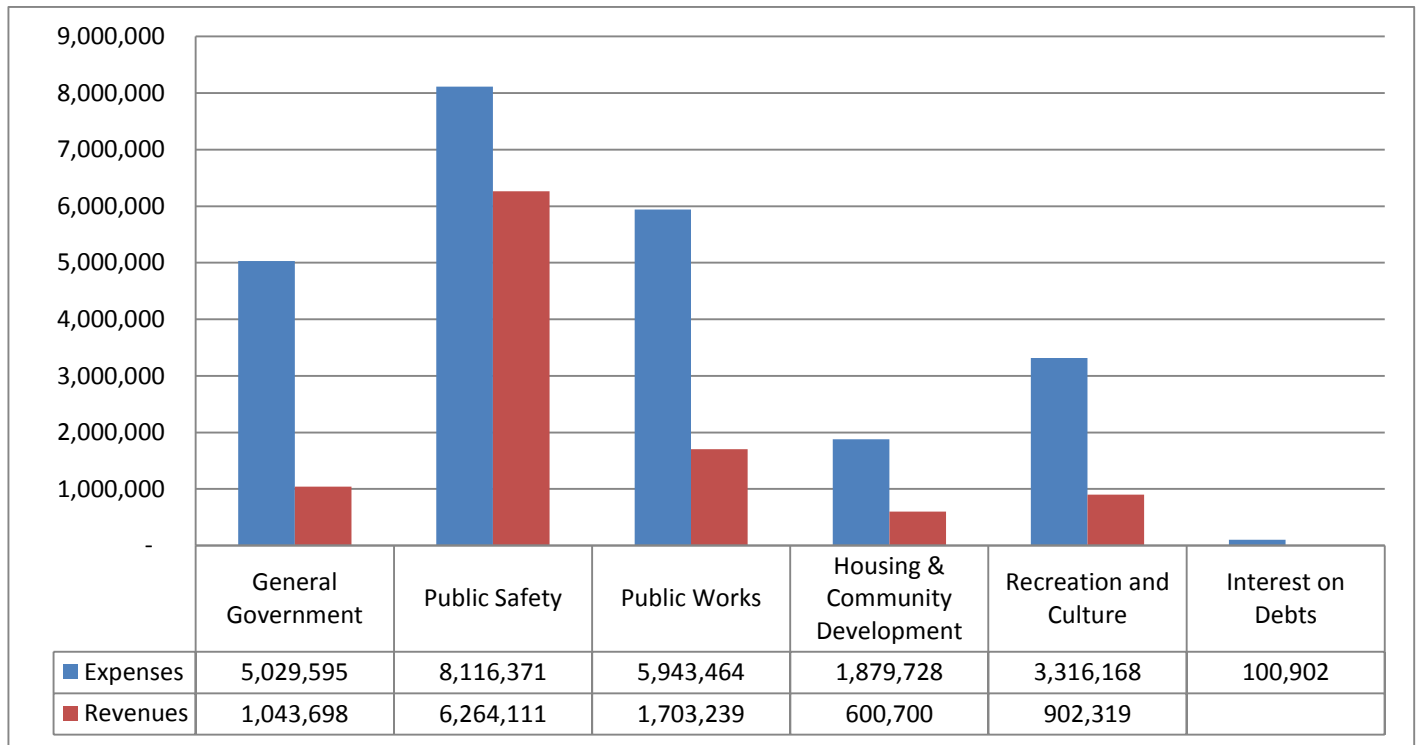
**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Governmental Activities  
Fiscal Year Ended June 30, 2015**



**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Governmental Activities  
Comparison of Program Revenues versus  
Expenses Fiscal Year Ended June 30, 2015**



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

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related 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. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2015, the City's governmental funds had combined fund balances of \$15,028,696, an increase of \$312,406 from the prior year. This increase is due primarily to unspent speed camera fines. Approximately 24 percent of the fund balance amount is restricted or considered "nonspendable" and is not available for new spending. The portion of the fund balance that is restricted or not available for spending totals \$4,298,698. The use of these funds is restricted for expenditures primarily for equipment replacement, speed camera, and grants.

The General Fund is the chief operating fund of the City of Takoma Park. At the end of the fiscal year, it had a total fund balance of \$11,265,305, an increase of \$41,260. The increase is due to the increase in revenues from income tax, State Highway for the Flower Avenue Green Street project.



**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

The General Fund's fund balance includes \$225,496 which is restricted for street improvements and \$562,529 which is nonspendable (e.g., deposits and prepaid expenditures). A portion of the General Fund fund balance, totaling \$4,871,320 or 32 percent, is committed for the following purposes:

- Equipment Replacement      \$ 3,756,833
- Emergency                      455,068
- Facility Maintenance            659,419

The unassigned portion of the General Fund's fund balance as of June 30, 2015 is \$4,336,807.

Besides the General Fund, the City has two other major funds. The Speed Camera Fund was established to account for the activity related to the City's Safe Speed Program. Fines and fees collected during fiscal year 2015 totaled about \$1.75 million. These fines and fees cover operational costs, including the contractual payments to the program vendor, other program administration costs including staffing, and ticket processing costs. Revenues not required for program administration costs are restricted by law and must be used for public safety purposes. The Speed Camera Fund had a fund balance of \$647,917 at June 30, 2015. The fund balance is comprised of \$24,846 which relates to prepaid expenditures and is nonspendable. The remaining \$623,071 is restricted for public safety purposes. The Special Revenue Fund is also a major fund.

This Fund was established primarily to account for revenue and expenditure activity related to the City's grant activities. The Special Revenue Fund had a fund balance of \$2,854,667 as of June 30, 2015. Most of the fund balance is restricted for the acquisition of cable equipment. The amount that is restricted for cable equipment is \$2,808,877. The remaining fund balance of \$45,790 is restricted for police-related expenditures allowed by the Department of Justice Equitable Sharing Program. The fund balance of the Special Revenue Fund is due primarily to the City not spending all of the cable grant revenue that was received in fiscal year 2014.

**CITY OF TAKOMA PARK, MARYLAND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2015**

The City has three non-major funds: the Stormwater Management Fund, the Rehabilitation Loans and Grants Fund, and the Facility Construction Fund.

The Stormwater Management Fund, which was established to account for revenue and expenditure activity related to the maintenance and construction of the City's storm water systems, had a fund balance of \$255,534 as of June 30, 2015.

The Rehabilitation Loans and Grants Fund, which was established to account for activities related to loans and grants to assist low- and moderate-income City homeowners in rehabilitating their homes to conform to locally adopted codes, had a fund balance of \$5,273 as of June 30, 2015. The entire fund balance is restricted and related to outstanding notes receivable.

The Facility Construction Fund was established to account for construction activities related to the City's community and municipal center. During fiscal year 2015, there was no construction activity related to the community and municipal center. The Facility Construction Fund did not have a fund balance at June 30, 2015.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, there were net increases totaling \$767,051 in the General Fund expenditure appropriations between the original and the final budget. The largest increase in the appropriations related to capital outlay for the acquisition of the undeveloped Washington-McLaughlin parcel at a cost of \$253,000. The budget was also increased for capital projects totaling \$211,425. These projects included renovations of the Teen Room (\$37,000), completion of the engineering and design of the Ethan Allen Streetscape (\$69,130), Public Art projects (\$9,415), the purchase of additional Police vehicles (\$84,100) and the Takoma Junction parking lot pay station (\$11,780). Budget amendments also included appropriations for items such as the increase in personnel costs related to the first phase of the implementation of the compensation study recommendations (\$118,280), addition of a part-time parking enforcement officer (\$45,000), and intern services for the Information Technology Division (\$45,000). Additional funds totaling \$113,896 were appropriated for contractual services related to the digitization of City records, the anti-littering program, the Takoma Junction survey, the assessment of the City's information technology, and for the Exterior Home Repair Program. Additional funds totaling \$20,450 were appropriated to provide for community grants and transit- pedestrian projects. The budget amendments included a number of transfers between various expenditure accounts to properly allocate expenditure appropriations.

On a budgetary basis, actual revenues for the fiscal year exceeded the final budget by \$598,044. This increase is due primarily to income tax revenues exceeding the budget projections by \$522,878.

Actual General Fund expenditures were \$1,659,706 less than the revised budget authorization. General Government expenditures were \$371,857 less than the final budget. The budget for General Government includes expenditures (e.g., insurance premiums, workers' compensation, contingencies) that relate to all City functions.

**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

Public Safety expenditures were \$6,235 more than budget due to staff vacancies and a corresponding increase in overtime salaries due to the shortage. Public Works expenditures were \$354,037 less than budget. Housing and Community Development expenditures were \$145,012 less than budget.

Expenditures for Recreation and Culture were \$262,960 less than budget. Recreation and Culture activities include those of Recreation, Takoma Park Library and Communications Departments. The largest variance occurred in Recreation and Culture due primarily to savings in personnel costs of \$147,000.

Capital Outlay expenditures were \$543,277 less than budget. Expenditures anticipated for the purchase of police vehicles were less than the amount budgeted by \$256,000. Other projects that were not completed in the fiscal year 2015 include building maintenance of Neighborhood Commercial Center and mulch storage area was less than the amount budgeted by \$136,000.

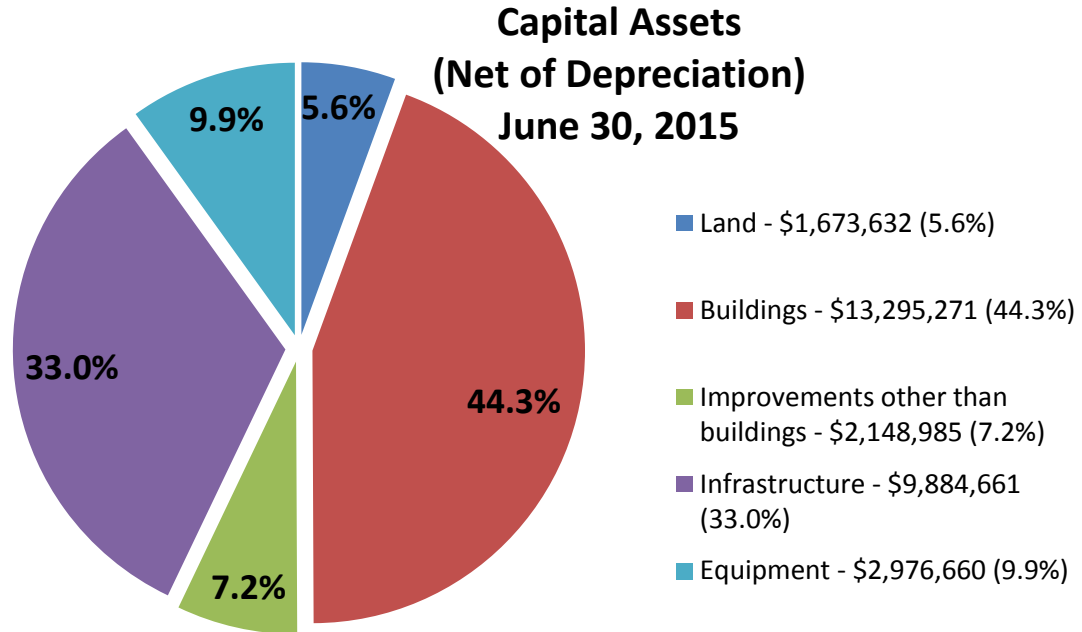
## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

As of June 30, 2015, the City of Takoma Park's investment in capital assets (buildings, roads and other infrastructure, vehicles, and equipment) for its governmental activities totaled \$29,979,209 (net of accumulated depreciation). This amount represents an increase of \$1,186,098 from the prior year. The increase was attributable to asset additions totaling \$2,662,074, net of depreciation expense of \$1,464,373 and asset disposals with a book value of \$11,603. Asset additions made during the fiscal year included \$253,000 for the acquisition of unimproved land, \$193,934 for vehicles for Public Safety, \$21,737 for equipment for Public Safety and Public Works, \$26,707 for public art, \$153,771 for media equipment, \$121,820 for a new financial system, and \$7,900 for a parking lot pay station. Improvements totaling \$109,963 were made to land and buildings included a mulch storage area and renovation costs for the teen room, library, and finance offices. Asset additions also included infrastructure improvements totaling \$1,773,243 that included ADA sidewalk retrofits, new sidewalks, street improvements and street paving. Further information on the City's capital assets is shown in following table:

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>Capital Assets (net of depreciation)</b>		
Land	\$ 1,673,632	\$ 1,420,632
Buildings	13,295,271	13,839,421
Improvements other than buildings	2,148,985	2,076,496
Infrastructure	9,884,661	8,505,769
Equipment	2,976,660	2,950,793
<b>Total</b>	<b>\$ 29,979,209</b>	<b>\$ 28,793,111</b>

**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**



Additional information on the City's capital assets can be found in Note 8 - Capital Assets and Other Property on page 56 of this report.

### **Debt Administration**

At year-end, the City had \$3,348,071 in outstanding debt, a decrease of \$198,907 or about six percent from the prior year. The outstanding debt is comprised of long-term notes and bonds and accrued obligations for compensated absences. The decrease in outstanding debt was due to the principal payments on existing debt that totaled \$273,000, net of the increase of \$74,093 in compensated absences.

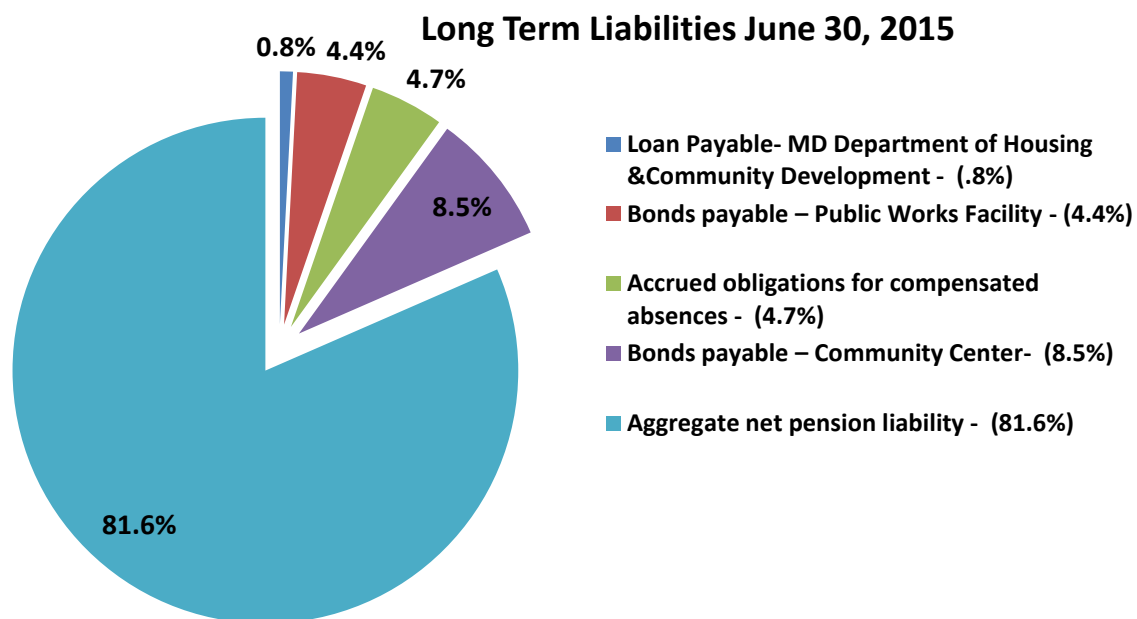
The City's aggregate net pension liability totaled \$14,799,050 at year-end, a decrease of \$569,655 from the prior year. The decrease is due to additional employer and employee contributions during fiscal year 2015.

Further information on the City's outstanding debt is shown in the following table. Information for the prior fiscal year is shown for comparative purposes.

**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**Governmental Activities**

<b>Long-Term Liabilities</b>	<b>2015</b>	<b>2014</b>
Loan Payable- MD Department of Housing & Community Development	\$ 150,000	\$ 150,000
Bonds payable – Community Center	1,538,500	1,661,500
Bonds payable – Public Works Facility	805,000	955,000
Accrued obligations for compensated absences	854,571	780,478
Aggregate net pension liability	13,981,566	14,799,050
<b>Total</b>	<b>\$ 17,329,637</b>	<b>\$ 18,346,028</b>



Additional information on the City's long-term debt can be found in Note 9 - Non-Current Liabilities on pages 57- 59 of this report.

**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATES**

The following are some highlights of the adopted budget for the fiscal year beginning July 1, 2015:

- The tax rate for real property increases from \$0.57 per \$100 to \$0.585 per \$100 of the assessed valuation. The personal property tax rate and the railroad and utilities tax rate did not change.
- Projected increase of approximately \$227,000 in real property tax revenue from the prior fiscal year's budgeted amount based upon the projected taxable values.
- Anticipated revenues of \$1.8 million from the Speed Camera Program with estimated expenditures of \$1.9 million. Speed Camera Fund expenditures include operating expenditures (e.g., payments to the program contractor and Safe Speed program staff costs), and the purchase of police equipment. The budget provides for the use of fund balance to cover the anticipated excess expenditures.
- Increase in staffing level by 2.37 full-time equivalents which will include a full-time Sanitation Technician as well as adjustments to some part-time position hours.
- Anticipated General Fund expenditures of \$1.2 million for gateway and street improvements. General Fund expenditures also include \$187,000 for the Flower Avenue Green Street Project to be paid for with a payment from the State Highway Administration.
- Anticipated grant funds totaling \$1.4 million to assist with funding various neighborhood improvements and streetscape construction projections.
- Expenditures of \$684,750 for the construction, maintenance, and repair of storm drains, inlets, and channels, along with several bio-retention projects.
- Contribution of \$800,000 to the Equipment Replacement Reserve.
- Continued focus on existing services rather than undertaking new services due to uncertain national economic conditions and the ongoing budget challenges of the State of Maryland and Montgomery County, which may negatively impact the City's budget and overall financial condition.
- Impact of lower interest rates and the continued volatility of the stock market on both the City's Police Retirement Plan and the Maryland State Retirement and Pension System, possibly resulting in increases in the City's future contribution rates for both retirement plans.

**CITY OF TAKOMA PARK, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide residents, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the City of Takoma Park Finance Department, 7500 Maple Avenue, Takoma Park, Maryland 20912, 301- 891-7212.

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## **BASIC FINANCIAL STATEMENTS**

**CITY OF TAKOMA PARK, MARYLAND**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,080,236
Investments	11,829,416
Accounts receivable, net	205,114
Notes receivable, net	27,357
Due from other governments	1,724,601
Other assets	590,191
Capital assets, net	
Non-depreciable	1,673,632
Depreciable	28,305,577
<b>TOTAL ASSETS</b>	<b>48,436,124</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>945,908</b>
<b>LIABILITIES</b>	
Accounts payable	1,902,249
Accrued liabilities	526,205
Deposits and escrows held	139,972
Due to other governments	209,009
Unearned revenue	189,545
Non-current liabilities:	
Net pension liability	13,981,566
Due within one year	932,500
Due in more than one year	2,415,571
<b>TOTAL LIABILITIES</b>	<b>20,296,617</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>1,572,665</b>
<b>NET POSITION</b>	
Net investment in capital assets	27,635,709
Restricted for:	
Public safety	668,861
Cable equipment	2,808,877
Loans	5,273
Streets	225,496
Equipment replacement	3,756,833
Emergency expenses	455,068
Facility maintenance	659,419
Unrestricted	(8,702,786)
<b>TOTAL NET POSITION</b>	<b>\$ 27,512,750</b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

		Program Revenues			Net (Expense)
					Revenue and Changes
					in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b><u>Functions/Programs</u></b>					
Governmental activities:					
General government	\$ 5,029,595	\$ 114,502	\$ 5,000	\$ 924,196	\$ (3,985,897)
Public safety	8,116,371	2,207,710	4,056,401	-	(1,852,260)
Public works	5,943,464	554,600	896,132	252,507	(4,240,225)
Housing and community development	1,879,728	354,256	246,444	-	(1,279,028)
Recreation and culture	3,316,168	557,605	306,364	38,350	(2,413,849)
Interest on long-term debt	100,902	-	-	-	(100,902)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 24,386,228</b>	<b>\$ 3,788,673</b>	<b>\$ 5,510,341</b>	<b>\$ 1,215,053</b>	<b>\$ (13,872,161)</b>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,564,561
Intergovernmental / unrestricted					4,140,563
Miscellaneous					167,602
Unrestricted investment earnings					30,901
Total general revenues					15,903,627
<b>CHANGE IN NET POSITION</b>					2,031,466
<b>NET POSITION, BEGINNING OF YEAR - AS PREVIOUSLY REPORTED</b>					40,280,334
<b>ADJUSTMENT TO RESTATE NET POSITION</b>					(14,799,050)
<b>NET POSITION, BEGINNING OF YEAR AS RESTATED</b>					25,481,284
<b>NET POSITION, END OF YEAR</b>					<b>\$ 27,512,750</b>

**CITY OF TAKOMA PARK, MARYLAND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

	<b>General Fund</b>	<b>Speed Camera Fund</b>	<b>Special Revenue Fund</b>	<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 143,778	\$ 2,876,523	\$ -	\$ 1,059,935	\$ 4,080,236
Investments	11,829,416	-	-	-	11,829,416
Receivables, net					
Taxes	173,182	-	-	-	173,182
Notes	-	-	22,084	5,273	27,357
Other	8,312	-	5,890	17,730	31,932
Due from other funds	2,518,537	5,959	2,449,912	207,534	5,181,942
Due from other governments	1,137,204	-	587,397	-	1,724,601
Other assets	562,529	24,846	-	2,816	590,191
<b>TOTAL ASSETS</b>	<b>16,372,958</b>	<b>2,907,328</b>	<b>3,065,283</b>	<b>1,293,288</b>	<b>23,638,857</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 16,372,958</b>	<b>\$ 2,907,328</b>	<b>\$ 3,065,283</b>	<b>\$ 1,293,288</b>	<b>\$ 23,638,857</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,468,188	\$ 181,319	\$ 134,058	\$ 118,684	\$ 1,902,249
Accrued expenditures	508,793	11,285	1,600	4,527	526,205
Deposits and escrows held	106,608	-	8,185	25,179	139,972
Due to other funds	2,449,912	2,066,807	5,959	659,264	5,181,942
Due to other units of government	-	-	-	209,009	209,009
Unearned revenue	128,731	-	60,814	-	189,545
<b>TOTAL LIABILITIES</b>	<b>4,662,232</b>	<b>2,259,411</b>	<b>210,616</b>	<b>1,016,663</b>	<b>8,148,922</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>445,421</b>	<b>-</b>	<b>-</b>	<b>15,818</b>	<b>461,239</b>
<b>FUND BALANCES</b>					
Nonspendable	562,529	24,846	-	2,816	590,191
Restricted	225,496	623,071	2,854,667	5,273	3,708,507
Committed	4,871,320	-	-	-	4,871,320
Assigned	1,269,153	-	-	252,718	1,521,871
Unassigned	4,336,807	-	-	-	4,336,807
Total fund balances	11,265,305	647,917	2,854,667	260,807	15,028,696
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,372,958</b>	<b>\$ 2,907,328</b>	<b>\$ 3,065,283</b>	<b>\$ 1,293,288</b>	<b>\$ 23,638,857</b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2015**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 15,028,696
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 as assets in governmental funds. The cost of these assets is \$52,426,634 and the accumulated depreciation is \$22,447,425.	29,979,209
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,348,071)
Net pension liability is recognized as a liability on the Statement of Net Position but not in the fund financial statements.	(13,981,566)
Payments made for the pension systems reduce the long-term liability on the statement of net position but are treated as expenditures in the funds. This is the amount of deferred outflows of resources.	945,908
Deferred inflows of resources related to pension liability and earnings on pension plan investments are not reported in the fund financial statements.	(1,572,665)
Certain receivables are offset by unavailable revenue in the governmental funds since they are not available to pay for current-period expenditures.	<div style="border-top: 1px solid black;">461,239</div>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 27,512,750</div>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

	<b>General Fund</b>	<b>Speed Camera Fund</b>	<b>Special Revenue Fund</b>	<b>Non-Major Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes and utility fees	\$ 14,768,703	\$ -	\$ -	\$ -	\$ 14,768,703
Licenses and permits	76,103	-	-	-	76,103
Fines and forfeitures	310,977	1,747,787	-	-	2,058,764
Use of money and property	29,729	1,172	-	-	30,901
Charges for services	1,165,614	-	-	421,463	1,587,077
Intergovernmental	6,089,786	-	1,469,501	-	7,559,287
Miscellaneous	149,142	-	38,613	4,991	192,746
Total revenues	<u>22,590,054</u>	<u>1,748,959</u>	<u>1,508,114</u>	<u>426,454</u>	<u>26,273,581</u>
<b>EXPENDITURES</b>					
General government	3,868,206	-	15,350	-	3,883,556
Public safety	6,717,974	1,229,960	1,842	-	7,949,776
Public works	4,219,023	-	60,891	331,035	4,610,949
Housing and community development	1,566,811	-	285,054	-	1,851,865
Recreation and culture	3,104,779	-	-	-	3,104,779
Capital outlay	2,674,039	71,056	1,303,366	126,841	4,175,302
Debt service					
Principal	273,000	-	-	-	273,000
Interest	111,948	-	-	-	111,948
Total expenditures	<u>22,535,780</u>	<u>1,301,016</u>	<u>1,666,503</u>	<u>457,876</u>	<u>25,961,175</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>54,274</u>	<u>447,943</u>	<u>(158,389)</u>	<u>(31,422)</u>	<u>312,406</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	<u>(13,014)</u>	<u>-</u>	<u>13,014</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	41,260	447,943	(145,375)	(31,422)	312,406
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>11,224,045</u>	<u>199,974</u>	<u>3,000,042</u>	<u>292,229</u>	<u>14,716,290</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 11,265,305</u>	<u>\$ 647,917</u>	<u>\$ 2,854,667</u>	<u>\$ 260,807</u>	<u>\$ 15,028,696</u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 312,406</b>
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 outlay \$2,662,074 exceeds depreciation expense \$(1,464,373) in the period.	1,197,701
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid or expected to be paid within one year). This year, leave earned exceeded used by \$74,093.	(74,093)
Long-term debt repayments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of long-term debt repayments for fiscal year 2015.	273,000
Pension expense pertaining to the net pension liability does not require the use of current financial resources and therefore is not reported in the funds.	190,727
Interest expense in the statement of activities differs from the amount reported in governmental funds due to the net decrease in accrued interest.	11,046
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(14,469)
Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance current expenditures. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in "unavailable" revenues at the end of the year over the amount at the beginning of the year.	135,148
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,031,466</b>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (GAAP BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes and utility fees	\$ 14,379,654	\$ 14,379,654	\$ 14,768,703	\$ 389,049
Licenses and permits	75,854	75,854	76,103	249
Fines and forfeitures	190,500	190,500	310,977	120,477
Use of money and property	25,000	25,000	29,729	4,729
Charges for services	1,064,730	1,064,730	1,165,614	100,884
Intergovernmental	5,779,272	6,128,272	6,089,786	(38,486)
Miscellaneous	58,000	128,000	149,142	21,142
Total revenues	<u>21,573,010</u>	<u>21,992,010</u>	<u>22,590,054</u>	<u>598,044</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,141,543	4,240,063	3,868,206	371,857
Public safety	6,659,139	6,711,739	6,717,974	(6,235)
Public works	4,555,240	4,573,060	4,219,023	354,037
Housing and community development	1,600,817	1,711,823	1,566,811	145,012
Recreation and culture	3,345,059	3,367,739	3,104,779	262,960
Capital outlay	2,752,891	3,217,316	2,674,039	543,277
Debt service	373,746	373,746	384,948	(11,202)
Total expenditures	<u>23,428,435</u>	<u>24,195,486</u>	<u>22,535,780</u>	<u>1,659,706</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(1,855,425)</u>	<u>(2,203,476)</u>	<u>54,274</u>	<u>2,257,750</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	<u>(92,850)</u>	<u>(92,850)</u>	<u>(13,014)</u>	<u>79,836</u>
Total other financing sources (uses)	<u>(92,850)</u>	<u>(92,850)</u>	<u>(13,014)</u>	<u>79,836</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,948,275)</b>	<b>(2,296,326)</b>	<b>41,260</b>	<b>2,337,586</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>11,224,045</u>	<u>11,224,045</u>	<u>11,224,045</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 9,275,770</u></u>	<u><u>\$ 8,927,719</u></u>	<u><u>\$ 11,265,305</u></u>	<u><u>\$ 2,337,586</u></u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.



**CITY OF TAKOMA PARK, MARYLAND**  
**SPEED CAMERA FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (GAAP BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 1,812,000	\$ 1,812,000	\$ 1,747,787	\$ (64,213)
Use of money and property - interest income	800	800	1,172	372
Total revenues	<u>1,812,800</u>	<u>1,812,800</u>	<u>1,748,959</u>	<u>(63,841)</u>
<b>EXPENDITURES</b>				
Public safety	1,269,180	1,281,930	1,229,960	51,970
Capital outlay	86,903	86,903	71,056	15,847
Total expenditures	<u>1,356,083</u>	<u>1,368,833</u>	<u>1,301,016</u>	<u>67,817</u>
<b>NET CHANGE IN FUND BALANCE</b>	456,717	443,967	447,943	3,976
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>199,974</u>	<u>199,974</u>	<u>199,974</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 656,691</u>	<u>\$ 643,941</u>	<u>\$ 647,917</u>	<u>\$ 3,976</u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (GAAP BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 1,783,870	\$ 2,449,100	\$ 1,469,501	\$ (979,599)
Miscellaneous	37,800	37,800	38,613	813
Total revenues	<u>1,821,670</u>	<u>2,486,900</u>	<u>1,508,114</u>	<u>(978,786)</u>
<b>EXPENDITURES</b>				
General government	8,150	8,150	15,350	(7,200)
Public safety	12,448	12,448	1,842	10,606
Public works	100,000	221,963	60,891	161,072
Housing and community development	211,608	364,818	285,054	79,764
Capital outlay	857,050	2,138,070	1,303,366	834,704
Total expenditures	<u>1,189,256</u>	<u>2,745,449</u>	<u>1,666,503</u>	<u>1,078,946</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>632,414</u>	<u>(258,549)</u>	<u>(158,389)</u>	<u>100,160</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Fund	<u>92,850</u>	<u>92,850</u>	<u>13,014</u>	<u>(79,836)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>725,264</u>	<u>(165,699)</u>	<u>(145,375)</u>	<u>20,324</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>3,000,042</u>	<u>3,000,042</u>	<u>3,000,042</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,725,306</u>	<u>\$ 2,834,343</u>	<u>\$ 2,854,667</u>	<u>\$ 20,324</u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2015**

	<u><b>Total</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 278,909
Investments, at fair value:	
Equities	7,292,325
Fixed income	3,985,014
Total investments	<u>11,277,339</u>
<b>TOTAL ASSETS</b>	<u>11,556,248</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-
<b>LIABILITIES</b>	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	-
<b>NET POSITION</b>	
Held in trust for pension benefits	<u><u>\$ 11,556,248</u></u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Fiscal Year Ended June 30, 2015**

	<u><b>Total</b></u>
<b>ADDITIONS</b>	
Employer contributions	\$ 1,101,564
Plan member contributions	178,132
Total contributions and other receipts	<u>1,279,696</u>
Net investment earnings	<u>449,087</u>
Total additions	<u>1,728,783</u>
<b>DEDUCTIONS</b>	
Benefits and refunds paid	785,603
Administrative expenses	<u>59,652</u>
Total deductions	<u>845,255</u>
<b>CHANGE IN NET POSITION</b>	883,528
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>10,672,720</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</b>	<u><u>\$ 11,556,248</u></u>

These financial statements should be read only in connection with  
the accompanying summary of significant accounting policies  
and notes to financial statements.

**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments. A summary of significant accounting policies followed by the City are presented below.

**REPORTING ENTITY**

The City of Takoma Park, Maryland (the City) was incorporated in 1890 with its legal authority derived from Chapter 310, Section 2 of the Annotated Code of Maryland. The City is construed to mean both the City and its inhabitants. Since 1989, the City has operated under the Council-Manager form of government. Services provided include refuse, streets and drainage, recreation and parks, police, planning, community development, and housing services.

For financial reporting purposes, in conformance with accounting principles generally accepted in the United States of America, the reporting entity includes the City Council, the primary government, and the following fiduciary funds:

City of Takoma Park Police Employees' Retirement Plan (Pension Trust)  
City of Takoma Park Employees 401(a) Plan (Defined Contribution Plan)

The City has no component units as defined by generally accepted accounting principles.

Additional information and actuarial reports for the pension plan and additional plan information for the 401(a) plan may be obtained from the City Clerk's office, 7500 Maple Avenue, Takoma Park, Maryland 20912.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are that interfund services provided and used are not eliminated in the process of consolidation. Governmental activities are those which are supported by taxes and intergovernmental revenues, whereas business-type activities are those supported through customer service charges. The City does not have any business-type activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those specifically associated with a program or function. Program revenues include charges for services and grants and contributions restricted to the capital or operational requirements of specific programs or functions. Revenues that are not classified as program revenues, such as taxes, are reported as general revenues.

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

**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

The accounting and financial reporting is determined by its measurement focus. Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized in the year of levy and grants are recognized when all eligibility requirements are met. For pension trust funds, employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Governmental fund statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). Measurable means the amount of the transaction that can be determined and available means collected within 60 days of the year-end. Expenditures are recorded when the related liability is incurred as in the accrual basis of accounting. However, principal and interest on long-term debt and expenditures for compensated absences are recorded when the payments are due.

Those revenues susceptible to accrual are property taxes, taxes collected by the state and county on behalf of the City, franchise taxes, revenues from other agencies, interest revenue and charges for services. Fines and forfeitures, licenses, permits, penalties and interest (on property taxes) and other revenues become measurable and available when cash is received by the City and are recognized as revenue at that time.

The City has three major governmental funds: General Fund, Speed Camera Fund and Special Revenue Fund. The General Fund accounts for the normal recurring activities of the City such as police, public works, recreation and parks, general government, etc. These activities are financed primarily by property taxes, other taxes, service charges and grants from other governmental units. The Speed Camera Fund accounts for the financial activity related to the City's speed enforcement cameras. The Special Revenue Fund was established to account for the financial activity of proceeds of special revenue sources that are legally restricted to expenditure for specific purposes. During fiscal year 2015, most Special Revenue Fund revenues came from cable companies for upgrading cable equipment. Other Special Revenue Fund revenues included the Community Development Block Grants, Washington Suburban Sanitary Commission grant for water main design work for Flower Avenue, and highway funds for Safe Routes to School projects. There are three non-major governmental funds: the Stormwater Management Fund, the Rehabilitation Loans and Grants Fund, and the Facilities Construction Fund. The Stormwater Management Fund was established to track the financial activity related to construction of the City's stormwater management facilities. The Rehabilitation Loans and Grants Fund accounts for the financial activity related to the City's rehabilitation loans and grants. The Facilities Construction Fund accounts for the financial activity related to the construction of the City's facilities. The Fiduciary Fund accounts for the financial activity of the City's Police Employees' Retirement Plan and the City's defined contribution pension plan.

**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES**

**Cash Equivalents and Investments**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months at the time of purchase. Cash deposits of the City are made in accordance with the Annotated Code of Maryland (the Code), which requires depositories to give security in the form of collateral as provided for in the Code, for the safekeeping of these deposits.

Excess funds are also permitted to be invested either in bonds or other obligations for the payment of principal and interest of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued pursuant to acts of Congress, or in the local government investment pool created by the State of Maryland. The Pension Trust Funds are also authorized to invest in corporate bonds and notes, preferred stocks, and common stocks. Investments are reported at fair value. Assets in the Pension Trust Funds are also reported at fair value.

**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)**

**Receivables and Payables**

Property taxes are reported at their estimated collectible value. The following summarizes the property tax calendar:

	<u><b>Real Property</b></u>	<u><b>Personal and Corporate</b></u>
Assessment roll validated:	Dec. 31	Jan. 1
Tax rate ordinance approved:	June 30	June 30
Beginning of fiscal year for which taxes have been levied:	July 1	July 1
Tax bills rendered and due:	July 1	On County bill
Owner-occupied residential:	July 1 and Jan. 1	July 1 and Jan. 1
Property taxes payable:		
Delinquent	Oct. 1, Jan. 1	After 30 days
Terms	60 days	30 days
Delinquent interest, per month	2/3 of 1%	2/3 of 1%

Information presented is for a “full year” levy. “Half year” levy dates are each six months later, and relate to new construction in the first six months of the calendar year. A lien is attached to property on the billing date and sold at tax sale by the end of 18 months.

Allowances for uncollectible accounts are maintained on all types of receivables that historically experience bad debt. Receivables are shown net of such an allowance for uncollectibles. Real property taxes are generally fully collectible.



**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)**

**Capital Assets**

Capital assets, which include property, plant and equipment and infrastructure such as roads, storm drains and pipe systems, are reported in the governmental activities in the government-wide financial statements. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the City has included infrastructure. The City defines capital assets as those which have an individual acquisition cost or donated value of at least \$5,000 (except for infrastructure which is \$100,000) and an estimated useful life of three years or more. Such assets are valued at historical or estimated historical cost if actual cost is not available. Donated assets are stated at their donated value at the date of donation. The cost of normal maintenance and repairs that do not add value or extend asset lives are not capitalized.

In accordance with GASB 51 intangible assets are capitalized at historical cost or fair market value, if donated. Capitalization thresholds are \$500,000 for internally generated computer software, \$250,000 for other computer software and \$100,000 for land use rights and other intangible assets such as patents, trademarks, and copyrights.

Expenditures for major assets and improvements are capitalized as the assets are acquired or constructed. Interest on debt during the construction period is capitalized. Exhaustible capital assets are depreciated, which is charged as an expense against their operations. Land is not an exhaustible asset and is a non-depreciable asset. Accumulated depreciation is reported in the Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. Intangible assets are amortized over their useful lives using the straight line method if they do not have indefinite useful lives. Estimated useful lives are as follows

Buildings	20 - 40 years
Improvements other than buildings	25 - 50 years
Equipment	4 - 10 years
Infrastructure	25 - 50 years

**Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the face amount of newly issued debt is reported as other financing sources and the amount of principal repayment is reported as an expenditure.

**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)**

**Compensated Absences**

Vested vacation is accrued when earned by employees and a liability is recorded in the government-wide financial statements. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits, as the City does not pay these amounts when employees separate from service.

The City pays outstanding vacation leave at separation. The accrual of \$854,571 is included as “non-current liabilities” in the government-wide statements.

Compensated absences have generally been liquidated by the General Fund.

**Deferred Inflows of Resources**

A deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

**Net Position**

Equity is classified as net position and is displayed in three components:

*Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and reduced or increased by deferred inflows and outflows attributable to the acquisition, construction or improvement of those assets.

*Restricted net position* – Consists of net position with constraints placed on their use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation and are reduced by liabilities and deferred inflows of resources related to those constraints.

*Unrestricted net position* – Consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first and then unrestricted resources as needed.

**CITY OF TAKOMA PARK, MARYLAND**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**June 30, 2015**

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, NET POSITION AND FUND BALANCES (CONTINUED)**

**Governmental Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of restrictions imposed externally by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by the City Charter, City Code or enabling legislation.
3. Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action (ordinance) by City Council, the City's highest level of decision-making authority, and can only be changed by a formal action by City Council ordinance.
4. Assigned Fund Balance – amounts that are constrained by the City's intent that they will be used for specific purposes but are neither restricted nor committed. Pursuant to the City Charter, the City Manager and the City Council are authorized to assign amounts for specific purposes.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The City considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The City also considers committed fund balances to be spent first, assigned fund balances to be spent second and unassigned fund balances be spent last when other unrestricted fund balance classifications are available for use.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

1. Prior to July 1, the budget is legally enacted through passage of an ordinance.
2. The budget ordinance becomes effective July 1 and provides spending authority for the operations of the City government.
3. In compliance with the City Charter, a general expenditure contingency (equal to at least 0.5% of total budgeted revenue for the general fund) is budgeted. The account is maintained to meet extraordinary or unanticipated expenditures as directed by the Council.
4. The City Manager may reallocate expenditures within the budget adopted by the Council, subject to such restrictions as the Council shall impose by ordinance. Subsequent to passage of the budget ordinance, the City Council must approve additional expenditures.
5. At the end of the fiscal year, unencumbered appropriations lapse.
6. The annual budgets for the General, Stormwater Management, Speed Camera Fund, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Budgetary control is maintained at the fund level. An annual budget is not adopted for the Rehabilitation Loans and Grants Fund and the Facilities Construction Fund.
7. The budget information presented in the accompanying basic financial statements includes all budget ordinances and amendments as approved by the City Council for the fiscal year ending June 30, 2015.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2 – CASH AND INVESTMENTS**

**A. Cash on Hand**

At year-end, cash on hand for petty cash and change funds was \$1,376.

**B. Deposits**

At year-end, the carrying amount of the City of Takoma Park (the City) deposits was \$4,078,860 and the corresponding bank balances were \$4,069,877. Of the bank balance, \$250,000 was covered by Federal Depository Insurance and \$3,819,877 was covered by collateral held in the pledging bank's trust department in the City's name. The City was not exposed to custodial credit risk as of June 30, 2015. The City has a contractual arrangement with the bank for funds to be transferred daily from investment in a repurchase agreement to cover checks as presented.

**C. Investments**

At June 30, 2015, the City's investment balances by type were as follows:

	Credit Rating	Fair Value	Investment Maturities (in Year)		
			Less than 1	1-5	More than 5
Repurchase agreements	AAA	\$ 8,377,201	\$ 8,377,201	\$ -	\$ -
Maryland Local Government Investment Pool	AAAm	1,339,616	1,339,616	-	-
Money Market Mutual Funds*	AAAm	278,909	-	278,909	-
Money Market	AAAm	10,068	10,068	-	-
Equities*	N/A	7,292,325	-	7,292,325	-
Certificates of Deposit	Not Rated	1,862,745	488,455	1,374,290	-
Government Bonds	AAA	239,786	-	239,786	-
Fixed Income*	**	3,985,014	76,382	2,858,072	1,050,560
<b>Total investments</b>		<b>\$ 23,385,664</b>	<b>\$ 10,291,722</b>	<b>\$ 12,043,382</b>	<b>\$ 1,050,560</b>

\* Included in Fiduciary Funds.

\*\* 71.4% of portfolio is rated Aaa; 4.1% is rated Aa; 12.8% is rated A and 11.7 % is rated Baa.

**D. Reconciliation of cash and investments as shown on the Statement of Net Position:**

Cash on hand	\$ 1,376
Carrying amount of deposits	4,078,860
Carrying amount of investments	23,385,664
Total cash and investments	27,465,900
Less fiduciary funds	11,556,248
<b>Total cash and investments per Statement of Net Position</b>	<b>\$ 15,909,652</b>
Cash and cash equivalents	\$ 4,080,236
Investments	11,829,416
<b>Total cash and investments per Statement of Net Position</b>	<b>\$ 15,909,652</b>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

*Investment interest rate risk*

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit the City's exposure to fair value losses arising from increasing interest rates, the City's investment policy limits the term of investment maturities except in the fiduciary funds, for which longer term maturities are allowed to match the cash flow of liabilities. The City's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose. The investments at June 30, 2015 met the City's investment policy as of that date.

Investment income includes the following for the year ended June 30, 2015:

Total net investment income per Statement of Activities	<u>\$ 30,901</u>
---	------------------

Net investment income per the Statement of Activities of \$30,901 is comprised of dividends and interest.

The net investment earnings per the *Statement of Changes in Fiduciary Net Position* is comprised of the following:

Dividends and interest	\$ 217,683
Realized gain	66,133
Unrealized gain (loss)	165,271
	<u>\$ 449,087</u>

The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments, and realized gains and losses of the current period include unrealized amounts from prior periods.

*Credit Risk*

The City invests in the Maryland Local Government Investment Pool (MLGIP) which is under the administration of the State Treasurer. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland. The MLGIP seeks to maintain a constant value of \$1.00 per unit. Unit value is computed using the amortized cost method. In addition, the net asset value of the pool, marked to market, is calculated and maintained on a weekly basis to ensure a \$1.00 per unit constant value. The City's policy is to attain a rate of return consistent with credit risk. All investments in U.S. Government Agencies Bonds are rated AAA by Standard & Poor's as of June 30, 2015. The MLGIP is rated AAAM by Standard & Poor's. The repurchase agreements are guaranteed by financial institutions that are rated AAA by Standard & Poor's. The City places no limit on the amount the City may invest in any one issuer. The Fiduciary Fund investments have an investment policy that is designed to provide benefits as anticipated through a carefully planned and executed investment program that achieves a reasonable long term total return consistent with the level of risk assumed.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The City's investments were \$8,377,201 in repurchase agreements, \$1,339,616 in MLGIP, \$7,292,325 in direct securities, \$1,862,745 in certificates of deposit, \$239,786 in government bonds, and \$288,977 in money market funds. At June 30, 2015, all of the City's investments were insured or registered, or the securities were held by the City or its agent in the City's name or were invested in the MLGIP.

**NOTE 3 – PROPERTY TAXES**

Real and personal property taxes are levied at rates enacted by the City Council in the annual budget ordinance on the assessed value of the property as determined by the Maryland State Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation without public notice and only after public hearings.

The real, personal property and public utility tax rate for fiscal year 2015 was \$0.57 per \$100, \$1.55 per \$100, and \$1.57 per \$100, respectively, of assessed value. The City charges taxpayers interest (at the rate of 2/3 of 1% per month) and penalties (at the rate of 1% per month) on all overdue taxes.

Property tax revenues are recognized in the year levied and when they become available, including amounts expected to be collected soon enough after the end of the year to be used to pay liabilities of the current period (estimated by the City as 60 days). At June 30, 2015, taxes receivable, net of an allowance for uncollectibles of \$103,977, amounted to \$173,182.

**NOTE 4 – NOTES RECEIVABLE, NET**

Notes receivable of \$27,357 are comprised of \$22,084 and \$5,273 recorded in Special Revenue Fund and the Rehabilitation Loans and Grants Fund (Rehabilitation Loans Fund), respectively. Notes receivable recorded in the Rehabilitation Loans Fund consist mainly of below market interest rate loans made to City homeowners of low and moderate income through the rehabilitation loan and grant program, for the purpose of conforming their homes to locally adopted codes and fund balance is nonspendable for general purposes, and may only be used for loans serving the same purpose. At June 30, 2015, notes receivable – Rehabilitation Loans Fund, net of allowances for uncollectibles of \$2,233, amounted to \$5,273.

The notes receivable in the amount of \$22,084, net of allowance for uncollectible of \$0, recorded in the Special Revenue Fund as a note receivable and unearned revenue consists of an unsecured loan to a nonprofit organization for repaving and other improvements along Maple Avenue. Repayment terms call for 0% interest rate and monthly payments of \$417 beginning in January, 2010 with full payment no later than December, 2019. If the organization defaults on the loan the interest rate may be increased to 6%.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 5 – UNAVAILABLE AND UNEARNED REVENUES**

Governmental funds report advanced revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and Governmental Activities also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the fiscal year, the unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Income taxes, General Fund	\$ 336,530	\$ -	\$ 336,530
Property taxes receivable, General Fund	104,620	-	104,620
Charges for services, General Fund	4,271	-	4,271
Fees, General Fund	-	82,524	82,524
Stormwater receivable	15,818	-	15,818
General Fund	-	46,207	46,207
Grant funds received in excess of expenditures			
Special Revenue Fund	-	60,814	60,814
	<u>\$ 461,239</u>	<u>\$ 189,545</u>	<u>\$ 650,784</u>

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS**

The General Fund periodically advances funds to the Special Revenue Fund and the Facilities Construction Fund to cover operating cash deficits. In addition, transfers are used to move unrestricted General Fund revenues to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. All interfund balances are expected to be repaid within one year.

During the year ended June 30, 2015, the General Fund transferred \$13,014 to the Special Revenue Fund to provide the required matching funds for grants.



**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLE AND TRANSFERS (CONTINUED)**

The balances at June 30, 2015 of individual fund interfund borrowings were as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 2,518,537	\$ 2,449,912
Speed Camera	5,959	2,066,807
Special Revenue	2,449,912	5,959
	<u>4,974,408</u>	<u>4,522,678</u>
Non-major funds:		
Community Center	207,226	207,226
Storm Water	308	449,900
Rehab Loan	-	2,138
	<u>207,534</u>	<u>659,264</u>
<b>Total</b>	<u><u>\$ 5,181,942</u></u>	<u><u>\$ 5,181,942</u></u>

**NOTE 7 – DUE FROM OTHER GOVERNMENTS**

The June 30, 2015 balance of due from other governments is as follows:

State of Maryland:	
Income tax	\$ 226,634
Income tax reserve	336,530
Highway user tax	21,964
Amusement tax	31,872
Maryland Department of Transportation	9,685
State Highway Administration	152,480
Department of Natural Resources	77,656
Montgomery County	
Police rebate	230,249
Library aid	36,450
Community Development Block Grant	95,324
Franchise fees	311,507
Homeland Security	1,842
Other	39,476
Washington Suburban Sanitary Commission	152,932
<b>Total</b>	<u><u>\$ 1,724,601</u></u>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 8 – CAPITAL ASSETS AND OTHER PROPERTY**

A summary of changes in capital assets during fiscal year 2015 follows:

	<b>Balance June 30, 2014</b>	<b>Additions and Transfers</b>	<b>Deletions and Transfers</b>	<b>Balance June 30, 2015</b>
Capital assets (not being depreciated)				
Land	\$ 1,420,632	\$ 253,000	\$ -	\$ 1,673,632
Total non-depreciable capital assets	<u>1,420,632</u>	<u>253,000</u>	<u>-</u>	<u>1,673,632</u>
Capital assets (being depreciated)				
Buildings	18,547,952	-	(13,335)	18,534,617
Improvements other than buildings	3,329,733	136,670	-	3,466,403
Equipment	6,091,806	499,161	(74,086)	6,516,881
Infrastructure	20,461,858	1,773,243	-	22,235,101
Total depreciable capital assets	<u>48,431,349</u>	<u>2,409,074</u>	<u>(87,421)</u>	<u>50,753,002</u>
Less - accumulated depreciation for:				
Buildings	(4,708,531)	(530,815)	-	(5,239,346)
Improvements other than buildings	(1,253,237)	(64,181)	-	(1,317,418)
Equipment	(3,141,013)	(475,026)	75,818	(3,540,221)
Infrastructure	<u>(11,956,089)</u>	<u>(394,351)</u>	<u>-</u>	<u>(12,350,440)</u>
Total accumulated depreciation	<u>(21,058,870)</u>	<u>(1,464,373)</u>	<u>75,818</u>	<u>(22,447,425)</u>
Total capital assets being depreciated	<u>27,372,479</u>	<u>944,701</u>	<u>(11,603)</u>	<u>28,305,577</u>
<b>Total capital assets</b>	<u><u>\$ 28,793,111</u></u>	<u><u>\$ 1,197,701</u></u>	<u><u>\$ (11,603)</u></u>	<u><u>\$ 29,979,209</u></u>

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

General government	\$ 379,613
Public safety	158,914
Housing and community development	3,574
Public works	784,014
Recreation and culture	138,258
	<u><u>\$ 1,464,373</u></u>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9 – NON-CURRENT LIABILITIES**

The following is a summary of changes in the City's long-term debt for the year ended June 30, 2015:

	Balance June 30, 2014	Increase	Decrease	Balance June 30, 2015	Due Within One Year	Coupon Interest Rate	Date of Maturity
Notes payable:							
Loan payable -							
Maryland Department of							
Housing and Community							
Development (DHCD)	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ -	0.00%	June 2022
Other long-term liabilities:							
Bonds payable	1,661,500	-	(123,000)	1,538,500	127,500	4.00%	May 2025
Bonds payable	955,000	-	(150,000)	805,000	155,000	2.97%	June 2020
Compensated absences	780,478	719,957	(645,864)	854,571	650,000		
Net pension liability	14,799,050	945,908	(1,763,392)	13,981,566	-		
	<u>\$ 18,346,028</u>	<u>\$ 1,665,865</u>	<u>\$ (2,682,256)</u>	<u>\$ 17,329,637</u>	<u>\$ 932,500</u>		

**A. Notes and Bonds**

In June, 2004 the City entered into a Community Legacy Program Loan Agreement with the Maryland Department of Housing and Community Development for an unsecured loan of up to \$300,000 for the construction of a multi-level public parking structure in the Old Town business district. This Agreement was amended in June, 2008, and funds were reallocated for other parking related improvements. The total amount of the loan proceeds through June 30, 2010 was \$150,000. The interest rate is 0% annually and principal and interest payments are deferred until June 30, 2022 at which time the unpaid and un-forgiven portion of the loan is due and payable. The balance of the loan at June 30, 2015 is \$150,000.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)**

**A. Notes and Bonds**

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021-2022	150,000	-	150,000
<b>Total</b>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>

On May 26, 2005, the City issued bonds in the amount of \$2,600,000 to be used for the community center construction project. The principal is to be repaid in variable amounts, increasing each year until the bond is paid. Interest payments are based on variable interest rates. The interest rate at June 30, 2015 was 4.00%. The balance at June 30, 2015 is \$1,538,500.

The annual installments for the repayment of the bond as of June 30, 2015 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 127,500	\$ 66,103	\$ 193,603
2017	133,000	60,747	193,747
2018	138,000	55,162	193,162
2019	143,500	49,366	192,866
2020	149,500	43,339	192,839
2021-2025	847,000	115,381	962,381
<b>Total</b>	<u>\$ 1,538,500</u>	<u>\$ 390,098</u>	<u>\$ 1,928,598</u>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 9 – NON-CURRENT LIABILITIES (CONTINUED)**

In July, 2010 the City issued bonds in the amount of \$1,500,000 to renovate the Public Works facility. The interest rate is 2.97% annually. Principal is repaid annually and interest payments are made semiannually. The loan matures on June 15, 2020. The balance of the loan at June 30, 2015 is \$805,000. The annual installments for the repayment of the loan as of June 30, 2015 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 155,000	\$ 23,909	\$ 178,909
2017	155,000	19,305	174,305
2018	160,000	14,702	174,702
2019	165,000	9,950	174,950
2020	170,000	5,049	175,049
<b>Total</b>	<u><u>\$ 805,000</u></u>	<u><u>\$ 72,915</u></u>	<u><u>\$ 877,915</u></u>

**NOTE 10 – DEFERRED INFLOWS OF RESOURCES – GOVERNMENTAL FUNDS**

Deferred inflows of resources are comprised of the following amounts as of June 30, 2015:

	<u>General Fund</u>	<u>Non-Major Fund</u>	<u>Total</u>
Income taxes	\$ 336,530	\$ -	\$ 336,530
Property taxes receivable	104,620	-	104,620
Charges for services	4,271	-	4,271
Stormwater receivable	-	15,818	15,818
	<u><u>\$ 445,421</u></u>	<u><u>\$ 15,818</u></u>	<u><u>\$ 461,239</u></u>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 11 – FUND BALANCES**

Fund balances for the City's governmental funds consisted of the following as of June 30, 2015:

**Nonspendable Fund Balances**

Nonspendable fund balances totaling \$590,191 as of June 30, 2015 are comprised of prepaid expenditures of \$552,321, and trash bins of \$10,208 in the General Fund, and prepaid expenditures of \$24,846 in the Speed Camera Fund, and \$2,816 in the Stormwater Management Fund.

**Restricted Fund Balances**

Restricted fund balances total \$3,708,507 as of June 30, 2015. The General Fund restricted fund balance at June 30, 2015 is \$225,496 pertaining to street improvements. Fund balance in the Speed Camera Fund is restricted to public safety projects. At June 30, 2015, this amount was \$623,071. Most of the fund balance in the Special Revenue Fund is restricted to cable equipment and related expenditures. At June 30, 2015, this amount was \$2,808,877. The remaining fund balance in the Special Revenue Fund of \$45,790 is restricted for police-related expenditures allowed by the Department of Justice Equitable Sharing Program for forfeitures. The amount restricted in the Rehabilitation Loans and Grants Fund related to notes receivable is \$5,273 as of June 30, 2015.

**Committed Fund Balances**

The General Fund has \$4,871,320 in committed fund balances as of June 30, 2015. This is comprised of the following:

General fund:

Equipment replacement reserve	\$ 3,756,833
Emergency reserve	455,068
Facility maintenance reserve	659,419
	<u>\$ 4,871,320</u>

The Charter requires a minimum reservation of \$250,000 to cover emergencies, plus a percentage increase each year, equal to the percentage increase in the Consumer Price Index. The City has committed \$455,068 for emergency expenses as of June 30, 2015.

**Assigned Fund Balances**

Assigned fund balances totaling \$1,521,871 are comprised of \$252,718 in the Stormwater Management Fund assigned to stormwater management projects and \$1,269,153 in the General Fund for future expenditures.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS**

The City has adopted GASB No. 68 – Accounting and Financial Reporting for Pensions (“GASB 68”) for the year ended June 30, 2015. The City participates in the Maryland State Retirement and Pension System (the “System”) described below and qualifies as a Participating Governmental Unit (“PGU”). The City also participates in the City of Takoma Park Police Employees’ Retirement Plan, described on page 71. The State Retirement Agency (the “Agency”) is the Plan administrator and fiduciary. GASB No. 68 requires that a PGU recognize its proportionate share of the System’s net pension liability (i.e., unfunded pension liability) and pension expense. The City’s proportionate share is based on total System contributions and approximates \$4,338,175 as of the measurement date of June 30, 2014.

The City has also adopted GASB No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB No. 68. GASB No. 71 requires that contributions to the pension plan subsequent to the measurement date be recognized as a deferred outflow of resources. The City’s fiscal 2015 contribution of \$596,532 is therefore recognized as a pension-related deferred outflow of resources.

**A. Description of Plans**

The State of Maryland identifies multiple-employer defined benefit pension plans as cost-sharing plans.

On October 1, 1941, the Employees’ Retirement System of the State of Maryland was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees’ Retirement System was essentially closed to new members and the Employees’ Pension System was established.

The Employees’ Pension System of the State of Maryland (Pension System) was established January 1, 1980. The Pension System covers employees hired after December 31, 1979, as well as Retirement System participants who have voluntarily joined the Pension System. The Employees Contributory Pension System of the State of Maryland (Contributory Pension System) was established July 1, 1998. As of July 1, 1999, and retroactively to July 1, 1998, the City elected to participate in the Contributory Pension System for all service earned on or after July 1, 1998.

Under the terms of the Contributory Pension System, a member hired may retire with full benefits upon attaining age 60 or after completing 30 years of eligible service regardless of age. A member may retire with reduced benefits prior to attaining age 60 after completing 25 years of eligible service. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested retirement allowance upon age 60.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

Under the terms of the Contributory Pension System, a member hired before July 1, 2011 may retire after 30 years of service regardless of age; at age 65 with two years of service; at age 64 with three years of service; at age 63 with four years of service; or at age 62 with at least five years of service. An employee hired before July 1, 2011 may also take early retirement with reduced benefits at age 55 with 15 years of service. A member hired before July 1, 2011 terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested pension allowance upon reaching age 62. Members hired on or after July 1, 2011 may retire when their age and years of eligibility service totals 90 years or at age 65 with 10 years of eligibility service. Members hired on or after July 1, 2011 terminating employment before attaining retirement age, but after completing ten years of eligible service becomes eligible for a vested pension allowance upon reaching age 65.

On retirement from service, a member of any of these plans shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service multiplied by a factor. This factor varies from 1.2% to 2.0% per eligible service year, depending on employee/employer contributions and other plan-specific provisions. Early retirement, where available, is subject to provisions that reduce the benefit received.

Benefits under the two plans are established under the State Personnel and Pensions Article of the Annotated Code of Maryland.

The State Retirement and Pension System of Maryland issues a comprehensive annual financial report that includes disclosures regarding: plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The pension plans' fiduciary net position has been determined on the same basis used by the pension plans. The pension plans' financial statements are prepared on the accrual basis of accounting and are prepared in accordance with principles generally accepted in the United States of America that apply to governmental accounting for fiduciary funds. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Actual employer contributions billed to participating governmental units for the year ending June 30, 2014 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations. The contributions were adjusted by increasing contributions by approximately \$598,000,000 to adjust for differences between actuarially determined contributions and actual contributions by the State of Maryland. This report can be obtained from the agency's office as follows:

State Retirement and Pension System of Maryland  
120 E. Baltimore Street, Suite 1601  
Baltimore, Maryland 21202-1600



**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

*Funding Policy*

Obligations to contribute to the plans are under the Annotated Code of Maryland. Members of the three plans contribute a percentage of their gross employee compensation. For the Retirement System and Contributory Pension System, members contribute 7 percent, 5 percent or 2 percent. Contribution rate to the Contributory Pension System was 5 percent for fiscal year 2011 and will be 7 percent for each fiscal year thereafter.

Required contributions under the plans are not funded by employee contributions but are funded entirely by the City. Contributions by the City to all three State plans take place during the fiscal year and are based upon salaries for the preceding fiscal year. The City contributions for the year ending June 30, 2015 are based on salaries for the year ending June 30, 2014. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees, and contributions by the City are authorized by the City Council. The required and actual contributions for the fiscal years ending June 30<sup>th</sup> were as follows:

	<b>Fiscal Year Ending June 30</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Retirement plan contributions	<u>\$596,532</u>	<u>\$571,845</u>	<u>\$419,070</u>

The City contributed \$596,532 to the System for fiscal year 2015 which was actuarially determined based on statutory provisions. The City has also recognized in Pension Expense its proportionate share of the System's deferred inflows of resources (an increase in Pension Expense) attributable to the net difference between projected and actual investment earnings on pension plan assets and its proportionate share of the System's deferred outflows of resources (a decrease in Pension Expense) attributable to changes in assumptions.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

*Actuarial assumptions*

The annual required contribution for the current year was determined as part of the actuarial valuation on July 1, 2014 rolled forward to June 30, 2015. The key assumptions used to perform the June 30, 2015 pension liability calculation for the System are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Asset valuation method	5-year smoothed market; 20% collar
Inflation (b)	2.90% general, 3.4% wage
Salary Increases	3.40% to 11.9%, including inflation
Discount Rate (a)	7.65%
Investment Rate of Return (b)	7.65%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2006-2010.
Mortality	RP-2000 Combined Healthy Mortality Table projected to the year 2025

- (a) Discount rate at prior measurement date was 7.70%.
- (b) There were no benefit changes during the year. Adjustments to the roll-forward liabilities were made to reflect the following assumption changes in the 2014 valuation:
  - a. Investment return assumption changed from 7.70% to 7.65%.
  - b. Inflation assumption changed from 2.95% to 2.90%.

The components of the net pension liability for the System as of June 30, 2014, calculated in accordance with GASB Statement No. 67, are shown in the following table:

Total Pension Liability	\$63,086,719,000
Plan Fiduciary Net Position	<u>45,339,988,000</u>
Net Pension Liability	<u>\$17,746,731,000</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>71.87%</u>
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**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

**Investments**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Pension System's Board after considering input from the investment consultant(s) and actuary(s). For each major asset class that is included in the Pension System's target asset allocation, these best estimates are summarized in the following table:

Asset Class	Target Allocations	Long-term Expected Real Rate of Return
Public Equity	35%	4.70%
Fixed income	10%	2.00%
Credit opportunity	10%	3.00%
Real return	14%	2.80%
Absolute return	10%	5.00%
Private equity	10%	6.30%
Real estate	10%	4.50%
Cash	1%	1.40%
Total	100%	

The above was the Pension System's Board of Trustee's adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2014.

**Discount Rate**

A single discount rate of 7.65% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.65%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

**Sensitivity of the Net Pension Liability**

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the System's net pension liability and the City's proportionate share of the System's net pension liability, calculated using a single discount rate of 7.65%, a single discount rate that is 1-percentage point lower (i.e., 6.65%), and a single discount rate that is 1-percentage point higher (i.e., 8.65%).

	1% Lower – 6.65%	Current Rate – 7.65%	1% Higher – 8.65%
The System's Net Pension Liability	\$25,575,273,000	\$17,746,731,000	\$11,189,338,000
The City's Proportionate Share Of Net Pension Liability	\$6,251,856	\$4,338,175	\$2,735,225

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

At June 30, 2015, the City reported a liability of \$4,338,175 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2014, the City's proportion was approximately 0.024 percent.

For the year ended June 30, 2015, the City recognized pension expense of \$124,971. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Changes of assumptions	\$62,755	\$ -
Net difference between projected and actual earnings on pension plan investments	-	474,842
Contributions subsequent to the measurement date	596,532	-
Total	\$659,287	\$474,842

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

The deferred outflow of resources of \$62,755 due to changes in assumptions and deferred inflows of resources of \$474,842 due to differences in projected and actual investment earnings represent the City's proportionate share of the unamortized portions of the System's original amounts, which are being amortized over a five-year period beginning in fiscal 2015. These unamortized amounts will be ratably recognized in pension expense over the next four years. The deferred outflows of resources of \$596,532 relating to contributions subsequent to the measurement date will be recognized as a reduction of the City's net pension liability in the year ended June 30, 2016.

**Net Pension Liability**

The components of the city's proportionate share of the Pension System's net pension liability as of the measurement date of June 30, 2014 were as follows:

Total Pension Liability	\$15,421,501
Plan Fiduciary Net Position	<u>11,083,326</u>
Net Pension Liability	<u>\$ 4,338,175</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>71.87%</u>
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**B. City of Takoma Park Police Employees' Retirement Plan**

*General*

The Police Retirement Plan is a single-employer contributory defined benefit pension plan established by City ordinance (Title 4 of the City's Municipal Code). The plan is governed by the City of Takoma Park Retirement Plan Committee which is responsible for the management of plan assets. The plan committee consists of 7 members including the City Administrator, City Treasurer, Chief of Police, Police Supervisor, or their designees, a representative of Local 400 of the United Food and Commercial Workers and two citizens elected by the City Council. The City has delegated the authority to manage plan assets to PNC Institutional Investments.

The City does not issue a separate audited annual financial report for the Retirement Plan.

*Basis of Accounting*

The Plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments*

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated values.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

The annual money-weighted rate of return was 4.14% for the year ended June 30, 2015. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Plan Membership*

As of July 1, 2015, the pension plan's membership consisted of:

Active plan members	41
Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to benefits but not yet receiving them	<u>1</u>
<b>Total</b>	<u><u>66</u></u>

**Contribution Information and Funding Policy**

The Plan covers sworn police officers who are employed on a regular full-time basis. Provisions of the Plan include retirement, disability and death benefits to plan members and their beneficiaries. Cost of living adjustments are provided annually as prescribed by the City Code.

Title 4 of the City's Municipal Code establishes contribution rates to the Plan. Contributions to the Plan made by the City are based on an actuarially determined rate. The actuarially required contribution and the amount paid into the plan by the City for the year ended June 30, 2015 was \$1,101,564. The police officers contribute to the Plan based on 7% of salaries. Member's actual contributions were \$178,132 at June 30, 2015. Administrative costs are financed through investment earnings.

The annual pension cost for 2015, 2014 and 2013 was \$1,101,564, \$1,044,504, and \$923,053, respectively. The contributions made as a percentage of the annual pension cost for 2015, 2014, and 2013 were 100%, 100% and 100%, respectively. The net pension benefit as of June 30, 2015, 2014 and 2013 was \$0, \$5,065 and \$4,796, respectively. The net pension benefit is the cumulative difference between the annual required contribution (ARC) adjusted for interest and contributions made. The net pension assets for 2015, 2014 and 2013 were \$11,311,413, \$10,436,237 and \$8,692,671, respectively.

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established by Title 4 of the City's Municipal Code and may be amended by the City. The plan's investment policy is to construct a diversified portfolio of several different asset classes that will potentially lower total risk (as measured by volatility of returns) and increase total expected return. Key considerations in the implementation of the plan's investment policy include, but are not limited to, the financial condition of the plan, the expected long-term outlook for capital markets, the plans risk tolerance, future growth of plan participants and the liquidity requirements of the plan.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

The plan's target asset allocation and long-term expected real rate of return was the following as of June 30, 2015.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	50%	5.90%
Foreign Equity	10%	6.90%
Fixed Income	35%	75.00%
Cash	5%	0.00%
Inflation		2.00%
	<u>100%</u>	

The amortization period for the year ended June 30, 2015 was closed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3%). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized above.

*Discount rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made equal to the actuarially determined contribution. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

**B. City of Takoma Park Police Employees' Retirement Plan (Continued)**

The key assumptions used to perform the June 30, 2015 pension liability calculation for police are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Asset valuation method	5-year smoothed market
Inflation (b)	3.0%
Salary Increases	5.5%, including inflation
Discount Rate (a)	7.5%
Investment Rate of Return (b)	7.5%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant and service.
Mortality	RP-2000 Combined Healthy Table with blue collar adjustment, projected seven years beyond the year of the valuation by scale AA

(a) Discount rate at prior measurement date was 7.5%.

(b) There were no benefit changes during the year. Investment return and inflation assumptions did not change from last year.

*Sensitivity of the net pension liability to changes in the discount rate*

The following presents the net pension liability of the City calculated using a discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
City's net pension liability	\$ 12,638,179	\$ 9,643,391	\$ 7,186,079



**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

Following is the schedule of changes in the City's Net Pension Liability (dollar amounts in thousands):

<b>Total Pension Liability</b>	2015
Service cost	\$ 543
Interest	1,547
Changes of benefit terms	-
Difference between expected and actual experience	(1,372)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	(786)
<b>Net change in total pension liability</b>	<u>(68)</u>
<b>Total pension liability - beginning</b>	21,022
<b>Total pension liability - end</b>	<u><u>\$ 20,954</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 1,102
Contributions - employees	178
Net investment income	441
Benefit payments, including refunds of member contributions	(786)
Administrative expenses	(60)
Other	-
<b>Net change in plan fiduciary net position</b>	<u>875</u>
<b>Plan fiduciary net position - beginning</b>	10,436
<b>Plan fiduciary net position - end</b>	<u><u>\$ 11,311</u></u>
<b>Net pension liability</b>	<u><u>\$ 9,643</u></u>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

For the year ended June 30, 2015, the City recognized pension expense of \$970,311. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows	Deferred Inflows
Changes of assumptions	\$286,621	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,097,823
Contributions subsequent to the measurement date	-	-
Total	\$286,621	\$1,097,823

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	\$ (202,801)
2017	(202,801)
2018	(202,801)
2019	(202,799)
2020	-
Thereafter	-

The following is the City's aggregate pension-related assets, liabilities, deferred inflows of resources, deferred outflows of resources, and pension expense associated with the net pension liability:

	Maryland State Pension System	Police Employees' Plan
Total pension liability	\$ 63,086,719,000	\$ 20,954,804
Total fiduciary net position	\$ 45,339,988,000	\$ 11,311,413
City's proportionate share of total pension liabilities	\$ 4,338,175	\$ 9,643,391
City's proportionate share of net pension liability	0.02444%	100%
Total pension assets	\$ 45,339,988,000	\$ 11,311,413
Measurement date of collective net pension liability	June 30, 2014	June 30, 2015
Date of actuarial valuation	June 30, 2014	June 30, 2015
Deferred outflows related to pensions	\$ 659,287	\$ 286,621
Deferred inflows related to pensions	\$ 474,842	\$ 1,097,823
Pension expense/expenditures for the period	\$ 124,971	\$ 970,311

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT PLANS (CONTINUED)**

**C. 457 Deferred Compensation Plan**

All employees of the City Government may participate in the deferred compensation plan organized under the Internal Revenue Code Section 457, and administered by the International City Management Association Retirement Corporation (“ICMA-RC”). Under the terms of the plan, participating employees may have a portion of their salaries withheld, subject to limitations imposed by the Internal Revenue Service, and invested in the plan. All income taxes are deferred on these contributions and related earnings until the participant terminates from the plan. The City is in compliance with the Internal Revenue Code Section 457(g) requiring all assets and income of the plan to be held in trust for the exclusive benefit of participants and their beneficiaries. Management’s involvement with the plan is limited to transferring amounts withheld from payroll to the Plan Administrator. Management has little administrative involvement with the plan and does not perform the investing function for the plan. Accordingly, the fair values of the plan assets are not reflected in the City’s financial statements.

**D. Defined Contribution**

The City of Takoma Park Governmental Money Purchase Plan & Trust is a defined contribution pension plan established to provide benefits to certain employees. Employees are not required to contribute to the plan and may make voluntary contributions. Employees are fully vested after 5 years. However, if an employee is terminated prior to the completion of 5 years, that employee will be immediately vested. The City is not required to contribute to the plan.

At June 30, 2015, there were three inactive participants. Plan provisions and contribution requirements are established and may be amended by the City Council. The amount of pension expense recognized by the City for the year ended June 30, 2015 was \$5,000. The City’s liability was \$0 as of June 30, 2015. The plan administrator is ICMA-RC.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 12 – RETIREMENT COMMITMENTS (CONTINUED)**

**E. Condensed Financial Information**

	<b>Pension Trust</b>	<b>Defined Contribution Plan</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 278,909	\$ -	\$ 278,909
Total investments	<u>11,032,504</u>	<u>244,835</u>	<u>11,277,339</u>
<b>TOTAL ASSETS</b>	<u>11,311,413</u>	<u>244,835</u>	<u>11,556,248</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 11,311,413</u>	<u>\$ 244,835</u>	<u>\$ 11,556,248</u>
<b>NET POSITION - Held in trust for pension benefits</b>	<u>\$ 11,311,413</u>	<u>\$ 244,835</u>	<u>\$ 11,556,248</u>
<b>ADDITIONS</b>			
Total contributions	\$ 1,279,696	\$ -	\$ 1,279,696
Net investment earnings	<u>440,735</u>	<u>8,352</u>	<u>449,087</u>
Total additions (deductions)	<u>1,720,431</u>	<u>8,352</u>	<u>1,728,783</u>
<b>DEDUCTIONS</b>			
Total deductions	<u>845,255</u>	<u>-</u>	<u>845,255</u>
<b>CHANGE IN NET POSITION</b>	875,176	8,352	883,528
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>10,436,237</u>	<u>236,483</u>	<u>10,672,720</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</b>	<u>\$ 11,311,413</u>	<u>\$ 244,835</u>	<u>\$ 11,556,248</u>

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 13 – RISKS AND UNCERTAINTIES**

The Police Employees' Retirement Plan and the Defined Contribution Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net position available for benefits.

**NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES**

The City participates in certain federally-assisted grant programs, principally Community Development Block Grants. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial which has been the case in previous program audits.

The City is subject to various legal proceedings. In the opinion of the City Attorneys, the potential liability arising from claims against the City not covered by insurance, would not materially affect the financial statements.

**NOTE 15 – POST RETIREMENT BENEFITS**

The City does not provide and has no liability for post-retirement benefits at June 30, 2015.

**NOTE 16 – RISK MANAGEMENT**

The City's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For property, general, excess and environmental liability coverage, the City is a member of the Maryland Local Government Insurance Trust (LGIT). This trust is a public entity risk pool which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

The City pays LGIT an annual premium. Claims are processed and recoveries and administrative costs are paid by LGIT. Similar to a commercial insurance carrier, recoveries are subject to deductibles and to annual aggregate/per occurrence dollar limits. No insurance settlement has exceeded the coverage in any of the past three fiscal years.

The City is fully insured for worker's compensation through the Chesapeake Employers' Insurance Company. Employees are bonded through commercial insurance carriers to limit the loss to the City in the event of employees committing acts of embezzlement or theft.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 17 – NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued the following statements:

Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, effective for financial statements for fiscal years beginning after June 15, 2015.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, issued June 2015, effective for financial statements for fiscal years beginning after June 15, 2015.

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, issued June 2015, effective for financial statements for fiscal years beginning after June 15, 2016.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, effective for financial statements for fiscal years beginning after June 15, 2017.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued June 2015, effective for financial statements for fiscal years beginning after June 15, 2015.

Statement No. 77, *Tax Abatement Disclosures*, issued August 2015, effective for financial statements for fiscal years beginning after December 15, 2015.

The City will implement these statements as necessary as of their effective dates. While the City is still in the process of determining the effect of implementing these GASB statements, they are not expected to have a material effect on the financial position of the City.

**NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE**

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition Contribution Made Subsequent to the Measurement Date* (an amendment of GASB Statement No. 68). The City participates in the Maryland State Retirement and Pension System (MSRPS) and maintains the City of Takoma Park's Police Employees' Retirement Plan (Police Retirement Plan). GASB 68 requires that the City recognize its proportionate share of the MSRPS' net pension liability and pension expense as well as the City's Police Retirement Plan's net pension liability and pension expense. GASB 71 requires that a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The presentation of the net pension liability and pension expense in accordance with GASB 68 and GASB 71 required the restatement of beginning net position. The City restated beginning net position in the governmental activities by (\$14,799,050) from \$40,280,334 to \$25,481,284.

**CITY OF TAKOMA PARK, MARYLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015**

**NOTE 19 – SUBSEQUENT EVENT**

On August 27, 2015, the City issued Infrastructure Bonds, 2015 Series A in the amount of \$1,512,202 maturing on April 1, 2025 with an interest rate of 2.34%. The proceeds from the bond issuance were used to refinance the \$1,538,500 of Infrastructure Bonds, 2005 Series A.

## **REQUIRED SUPPLEMENTAL INFORMATION**



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**CITY OF TAKOMA PARK, MARYLAND**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**POLICE EMPLOYEES' RETIREMENT PLAN**  
**SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**Last Ten Fiscal Years**  
**(Dollar amounts in thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service cost	\$ 543	\$ 796								
Interest	1,547	1,438								
Changes of benefit terms	-	-	Information for years 2013 and prior is not available							
Difference between expected and actual experience	(1,372)	-								
Changes of assumptions	-	-								
Benefit payments, including refunds of member contributions	(786)	(784)								
<b>Net change in total pension liability</b>	<b>(68)</b>	<b>1,450</b>								
<b>Total pension liability - beginning</b>	<b>21,022</b>	<b>19,572</b>								
<b>Total pension liability - end</b>	<b>\$ 20,954</b>	<b>\$ 21,022</b>								
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 1,102	\$ 1,044								
Contributions - employees	178	184								
Net investment income	441	1,354								
Benefit payments, including refunds of member contributions	(786)	(784)								
Administrative expenses	(60)	(55)								
Other	-	-								
<b>Net change in plan fiduciary net position</b>	<b>875</b>	<b>1,743</b>								
<b>Plan fiduciary net position - beginning</b>	<b>10,436</b>	<b>8,693</b>								
<b>Plan fiduciary net position - end</b>	<b>\$ 11,311</b>	<b>\$ 10,436</b>								
<b>Net pension liability</b>	<b>\$ 9,643</b>	<b>\$ 10,586</b>								
Plan fiduciary net position as a percentage of total pension liability	53.98%	49.64%								
Covered employee payroll	\$ 3,129	\$ 3,305								
Net pension liability as a percentage of covered-employee payroll	308.16%	320.30%								

The above schedules are presented to illustrate the requirement for specific information for 10 years; however, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

**CITY OF TAKOMA PARK, MARYLAND  
REQUIRED SUPPLEMENTAL INFORMATION  
POLICE EMPLOYEES' RETIREMENT PLAN  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS (CONTINUED)  
Last Ten Fiscal Years  
(Dollar amounts in thousands)**

**SCHEDULE OF THE CITY'S POLICE PENSION PLAN CONTRIBUTIONS  
Last 10 Fiscal Years  
(dollar amounts in thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$1,102	\$1,045								
Contributions in relation to the contractually required contribution	1,102	1,045								
Contribution deficiency (excess)	-	-								
City's covered-employee payroll	\$ 3,129	\$ 3,305								
Contributions as a percentage of covered-employee payroll	35.2%	31.6%								

Notes to Schedule

Valuation date:	Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll, closed
Remaining amortization period	22 years (closed)
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	5.5%, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service
Mortality	RP-2000 Combined Healthy Table with blue collar adjustment, projected seven years beyond the year of the valuation by scale AA

**City of Takoma Park, Maryland**  
**SCHEDULES OF REQUIRED PENSION-RELATED**  
**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**

	FY 2015
City's proportion (%) of collective net pension liability	0.024
City's proportionate share (\$) of collective net pension liability	\$ 4,338,175
City's covered-employee payroll(\$)	\$ 7,368,222
City's proportionate share of collective net pension liability as a percentage of its covered-employee payroll	58.90%
Pension plan's fiduciary net position as a percentage of the total pension liability	71.87%

**City of Takoma Park, Maryland**  
**SCHEDULES OF REQUIRED PENSION-RELATED**  
**SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PENSION PLAN CONTRIBUTIONS**  
**Last 10 Fiscal Years**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$596,532	\$571,845								
Contributions in relation to the contractually required contribution	596,532	571,845								
Contribution deficiency (excess)	-	-								
City's covered-employee payroll	\$ 7,363,222	\$ 6,083,944								
Contributions as a percentage of covered-employee payroll	8.1%	9.4%								

The above schedule is presented to illustrate the requirement for specific information for 10 years; however, until a full 10-year trend is compiled, information is only presented for those years for which information is available.

## **SUPPLEMENTAL INFORMATION**

**CITY OF TAKOMA PARK, MARYLAND**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>				
Taxes:				
<u>Property</u>				
Real property	\$ 11,144,083	\$ 11,144,083	\$ 11,016,039	\$ (128,044)
Business or other property	516,880	516,880	545,109	28,229
Penalty and interest	31,000	31,000	48,066	17,066
Additions and abatements	(25,000)	(25,000)	(64,967)	(39,967)
Total property	<u>11,666,963</u>	<u>11,666,963</u>	<u>11,544,247</u>	<u>(122,716)</u>
<u>Local Taxes</u>				
Admission and amusement	<u>135,000</u>	<u>135,000</u>	<u>122,970</u>	<u>(12,030)</u>
	135,000	135,000	122,970	(12,030)
<u>Shared taxes</u>				
Highway	302,691	302,691	303,608	917
Income tax	<u>2,275,000</u>	<u>2,275,000</u>	<u>2,797,878</u>	<u>522,878</u>
Total shared taxes	<u>2,577,691</u>	<u>2,577,691</u>	<u>3,101,486</u>	<u>523,795</u>
Total taxes	<u>14,379,654</u>	<u>14,379,654</u>	<u>14,768,703</u>	<u>389,049</u>
Licenses and permits	<u>75,854</u>	<u>75,854</u>	<u>76,103</u>	<u>249</u>
Fines and forfeitures	<u>190,500</u>	<u>190,500</u>	<u>310,977</u>	<u>120,477</u>
Use of Money and Property:				
Interest and dividends	<u>25,000</u>	<u>25,000</u>	<u>29,729</u>	<u>4,729</u>
Charges for Services:				
Public parking	75,000	75,000	94,197	19,197
Protective inspection fees	316,000	316,000	322,448	6,448
Waste collection and disposal	72,000	72,000	72,192	192
Passport	45,000	45,000	74,220	29,220
Recreation	478,000	478,000	523,823	45,823
Library fines and fees	34,000	34,000	33,782	(218)
Other	<u>44,730</u>	<u>44,730</u>	<u>44,952</u>	<u>222</u>
Total charges for services	<u>1,064,730</u>	<u>1,064,730</u>	<u>1,165,614</u>	<u>100,884</u>

**CITY OF TAKOMA PARK, MARYLAND**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES (Continued)</b>				
Intergovernmental Revenues:				
Police protection	\$ 431,752	\$ 431,752	\$ 433,382	\$ 1,630
In Lieu of Police	2,515,147	2,515,147	2,515,147	-
In Lieu of County Services	998,496	998,496	998,496	-
Police rebate	951,540	951,540	920,996	(30,544)
Bank share tax	5,643	5,643	5,643	-
Library Aid	132,819	132,819	145,801	12,982
Montgomery County Tax	406,225	755,225	786,055	30,830
Takoma/Langley Recreation Center	87,650	87,650	87,650	-
Montgomery County - Study	-	-	5,000	5,000
State Highway street project	250,000	250,000	191,616	(58,384)
Total intergovernmental revenues	<u>5,779,272</u>	<u>6,128,272</u>	<u>6,089,786</u>	<u>(38,486)</u>
Miscellaneous revenue - other	58,000	128,000	149,142	21,142
Total revenues	<u>21,573,010</u>	<u>21,992,010</u>	<u>22,590,054</u>	<u>598,044</u>
<b>EXPENDITURES</b>				
General Government:				
City Council	201,700	201,700	183,770	17,930
City Manager	1,328,360	1,371,660	1,303,068	68,592
Finance	559,560	654,170	547,603	106,567
Legal	253,025	253,025	226,013	27,012
Information Systems Administration	491,418	529,578	581,347	(51,769)
Other - unclassified	1,307,480	1,229,930	1,026,405	203,525
Total general government	<u>4,141,543</u>	<u>4,240,063</u>	<u>3,868,206</u>	<u>371,857</u>
Public Safety:				
Office of the Chief	446,950	446,950	525,766	(78,816)
Communications	574,400	574,400	553,403	20,997
Patrol	3,374,879	3,419,879	3,607,548	(187,669)
Criminal investigations	1,590,530	1,590,530	1,344,347	246,183
Administration	672,380	679,980	686,910	(6,930)
Total public safety	<u>6,659,139</u>	<u>6,711,739</u>	<u>6,717,974</u>	<u>(6,235)</u>
Public Works:				
Administration	563,600	563,600	495,976	67,624
Building Maintenance	865,100	870,750	860,209	10,541
Equipment Maintenance	527,355	531,905	443,277	88,628
Right of Way	1,022,270	1,024,090	988,603	35,487
Solid Waste Management	822,940	826,840	826,589	251
Urban forest/ City Gardens	459,175	461,075	384,799	76,276
City engineer	294,800	294,800	219,570	75,230
Total public works	<u>4,555,240</u>	<u>4,573,060</u>	<u>4,219,023</u>	<u>354,037</u>



**CITY OF TAKOMA PARK, MARYLAND**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**OTHER FINANCING SOURCES (USES) – BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

(Continued)

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>EXPENDITURES (Continued)</b>				
Housing and Community Development:	\$ 1,600,817	\$ 1,711,823	\$ 1,566,811	\$ 145,012
Recreation and Culture:				
Recreation	1,613,125	1,615,405	1,507,047	108,358
Library and media	1,731,934	1,752,334	1,597,732	154,602
Total recreation and culture	3,345,059	3,367,739	3,104,779	262,960
Capital Outlay	2,752,891	3,217,316	2,674,039	543,277
Debt Service:				
Repayments	373,746	373,746	384,948	(11,202)
Total debt service	373,746	373,746	384,948	(11,202)
Total expenditures	23,428,435	24,195,486	22,535,780	1,659,706
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	(1,855,425)	(2,203,476)	54,274	2,257,750
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers:				
Special Revenue	(92,850)	(92,850)	(13,014)	79,836
Total other financing sources (uses)	(92,850)	(92,850)	(13,014)	79,836
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,948,275)	(2,296,326)	41,260	2,337,586
<b>APPROPRIATION OF FUND BALANCE</b>	1,948,275	2,296,326	-	(2,296,326)
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	\$ -	\$ -	\$ 41,260	\$ 41,260

**CITY OF TAKOMA PARK, MARYLAND**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2015**

	<b>Stormwater Management Fund</b>	<b>Facility Construction Fund</b>	<b>Rehabilitation Loans and Grants</b>	<b>Total Nonmajor Governmental Funds</b>
<u>Assets</u>				
Cash and temporary investments	\$ 848,788	\$ -	\$ 211,147	\$ 1,059,935
Notes receivable, net	-	-	5,273	5,273
Other receivables	17,730	-	-	17,730
Due from other funds	308	207,226	-	207,534
Other assets	2,816	-	-	2,816
Total assets	869,642	207,226	216,420	1,293,288
<u>Deferred outflows of resources</u>				
	-	-	-	-
Total assets and deferred outflows of resources	\$ 869,642	\$ 207,226	\$ 216,420	\$ 1,293,288
<u>Liabilities</u>				
Accounts payable	\$ 118,684	\$ -	\$ -	\$ 118,684
Accrued expenses	4,527	-	-	4,527
Deposits and escrows held	25,179	-	-	25,179
Due to other funds	449,900	207,226	2,138	659,264
Due to other governments	-	-	209,009	209,009
Total liabilities	598,290	207,226	211,147	1,016,663
<u>Deferred inflows of resources</u>				
	15,818	-	-	15,818
<u>Fund Balances</u>				
Nonspendable	2,816	-	-	2,816
Restricted	-	-	5,273	5,273
Committed	-	-	-	-
Assigned	252,718	-	-	252,718
Unassigned	-	-	-	-
Total fund balances	255,534	-	5,273	260,807
Total liabilities, deferred inflows of resources and fund balances	\$ 869,642	\$ 207,226	\$ 216,420	\$ 1,293,288

**CITY OF TAKOMA PARK, MARYLAND  
NON-MAJOR GOVERNMENTAL FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2015**

	<b>Stormwater Management Fund</b>	<b>Facility Construction Fund</b>	<b>Rehabilitation Loans and Grants</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Grant funds	\$ -	\$ -	\$ -	\$ -
Charges for service	421,463	-	-	421,463
Intergovernmental	-	-	-	-
Miscellaneous	4,991	-	-	4,991
Total revenues	<u>426,454</u>	<u>-</u>	<u>-</u>	<u>426,454</u>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	331,035	-	-	331,035
Housing and community development	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	126,841	-	-	126,841
Total expenditures	<u>457,876</u>	<u>-</u>	<u>-</u>	<u>457,876</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(31,422)</u>	<u>-</u>	<u>-</u>	<u>(31,422)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(31,422)</u>	<u>-</u>	<u>-</u>	<u>(31,422)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>286,956</u>	<u>-</u>	<u>5,273</u>	<u>292,229</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 255,534</u>	<u>\$ -</u>	<u>\$ 5,273</u>	<u>\$ 260,807</u>

**CITY OF TAKOMA PARK, MARYLAND**  
**STORMWATER MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Grant funds	\$ 168,750	\$ 168,750	\$ -	\$ (168,750)
Charges for services	414,400	414,400	421,463	7,063
Miscellaneous	8,000	8,000	4,991	(3,009)
Total revenues	<u>591,150</u>	<u>591,150</u>	<u>426,454</u>	<u>(164,696)</u>
<b>EXPENDITURES</b>				
Public works	368,700	368,700	331,035	37,665
Capital outlay	350,000	350,000	126,841	223,159
Total expenditures	<u>718,700</u>	<u>718,700</u>	<u>457,876</u>	<u>260,824</u>
Excess (deficiency) of revenues over expenditures before other financing sources (users)	<u>(127,550)</u>	<u>(127,550)</u>	<u>(31,422)</u>	<u>96,128</u>
<b>NET CHANGE IN FUND BALANCE</b>	(127,550)	(127,550)	(31,422)	96,128
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>286,956</u>	<u>286,956</u>	<u>286,956</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 159,406</u>	<u>\$ 159,406</u>	<u>\$ 255,534</u>	<u>\$ 96,128</u>

**CITY OF TAKOMA PARK, MARYLAND**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**For the year ended June 30, 2015**  
**(With Comparative Totals for 2014)**

	<b>Pension Trust</b>	<b>Defined Contribution Plan</b>	<b>Totals</b>	
			<b>2015</b>	<b>2014</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 278,909	\$ -	\$ 278,909	\$ 383,210
Investments, at fair value:				
Equities	7,047,490	244,835	7,292,325	6,682,656
Fixed income	3,985,014	-	3,985,014	3,606,854
Total investments	<u>11,032,504</u>	<u>244,835</u>	<u>11,277,339</u>	<u>10,289,510</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,311,413</u>	<u>\$ 244,835</u>	<u>\$ 11,556,248</u>	<u>\$ 10,672,720</u>
<b>LIABILITIES</b>	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>	-	-	-	-
<b>NET POSITION</b>				
Held in trust for pension benefits	<u>\$ 11,311,413</u>	<u>\$ 244,835</u>	<u>\$ 11,556,248</u>	<u>\$ 10,672,720</u>

**CITY OF TAKOMA PARK, MARYLAND**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended June 30, 2015**  
**(With Comparative Totals for 2014)**

	<b>Pension Trust</b>	<b>Defined Contribution Plan</b>	<b>Totals</b>	
			<b>2015</b>	<b>2014</b>
<b>ADDITIONS</b>				
Employer contributions	\$ 1,101,564	\$ -	\$ 1,101,564	\$ 1,044,504
Plan member contributions	178,132	-	178,132	184,003
Total contributions and other receipts	<u>1,279,696</u>	<u>-</u>	<u>1,279,696</u>	<u>1,228,507</u>
Investment earnings	<u>440,735</u>	<u>8,352</u>	<u>449,087</u>	<u>1,388,799</u>
Total additions	<u>1,720,431</u>	<u>8,352</u>	<u>1,728,783</u>	<u>2,617,306</u>
<b>DEDUCTIONS</b>				
Benefit and refunds paid	785,603	-	785,603	784,424
Administrative expenses	<u>59,652</u>	<u>-</u>	<u>59,652</u>	<u>55,334</u>
Total deductions	<u>845,255</u>	<u>-</u>	<u>845,255</u>	<u>839,758</u>
<b>CHANGE IN NET POSITION</b>	875,176	8,352	883,528	1,777,548
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR</b>	<u>10,436,237</u>	<u>236,483</u>	<u>10,672,720</u>	<u>8,895,172</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</b>	<u>\$ 11,311,413</u>	<u>\$ 244,835</u>	<u>\$ 11,556,248</u>	<u>\$ 10,672,720</u>

## **STATISTICAL SECTION**

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## STATISTICAL SECTION

This part of the City'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 economic condition.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial position and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant own-source revenues.

#### **Debt Capacity**

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 for additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF TAKOMA PARK, MARYLAND**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 27,635,709	\$ 26,176,611	\$ 25,892,877	\$ 24,247,163	\$ 20,973,813	\$ 19,250,374	\$ 17,912,991	\$ 17,227,232	\$ 17,112,525	\$ 12,220,247
Restricted	8,579,827	7,985,381	6,485,552	5,757,899	4,836,215	2,381,395	1,766,922	1,672,038	1,327,101	1,524,639
Unrestricted	<u>(8,702,786)</u>	<u>6,118,342</u>	<u>5,711,016</u>	<u>4,681,714</u>	<u>5,825,803</u>	<u>8,105,697</u>	<u>8,560,575</u>	<u>7,439,030</u>	<u>6,118,379</u>	<u>4,210,070</u>
<b>TOTAL PRIMARY</b>										
<b>GOVERNMENT NET POSITION</b>	<u>\$ 27,512,750</u>	<u>\$ 40,280,334</u>	<u>\$ 38,089,445</u>	<u>\$ 34,686,776</u>	<u>\$ 31,635,831</u>	<u>\$ 29,737,466</u>	<u>\$ 28,240,488</u>	<u>\$ 26,338,300</u>	<u>\$ 24,558,005</u>	<u>\$ 17,954,956</u>

Note: In 2013, the City implemented GASB 63 and accordingly net assets for the years 2005 through 2012 have been reclassified as net position.

Table 2

**CITY OF TAKOMA PARK, MARYLAND**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 5,029,595	\$ 4,280,357	\$ 3,655,803	\$ 3,528,633	\$ 3,655,556	\$ 5,719,008	\$ 3,120,349	\$ 3,425,823	\$ 2,764,025	\$ 2,819,521
Public safety	8,116,371	8,245,260	7,628,389	7,637,072	7,213,649	7,563,656	6,048,350	5,797,560	5,214,230	4,726,609
Public works	5,943,464	5,532,265	5,332,321	5,107,165	5,564,151	5,099,655	5,774,672	4,798,252	4,526,174	3,651,129
Housing and community development	1,879,728	1,767,181	1,552,964	1,470,360	1,360,806	1,836,561	1,403,582	1,264,767	1,198,331	1,005,222
Recreation and culture	3,316,168	3,088,130	2,736,596	2,613,109	2,678,012	2,622,686	2,623,651	2,526,988	2,540,913	2,170,734
Interest	100,902	123,274	121,537	250,453	296,666	213,883	250,349	246,360	250,342	263,379
	<u>24,386,228</u>	<u>23,036,467</u>	<u>21,027,610</u>	<u>20,606,792</u>	<u>20,768,840</u>	<u>23,055,449</u>	<u>19,220,953</u>	<u>18,059,750</u>	<u>16,494,015</u>	<u>14,636,594</u>
Total primary government expenses										
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	114,502	111,293	101,876	98,727	80,613	82,479	103,010	75,238	39,080	537,608
Public safety	2,207,710	2,094,462	1,709,357	2,335,397	2,044,513	2,424,778	882,331	236,428	181,219	190,287
Public works	554,600	535,722	555,926	507,571	484,608	485,424	490,129	513,215	840,248	831,409
Housing and community development	354,256	352,886	335,542	338,930	349,099	328,503	333,619	346,593	-	614
Recreation and culture	557,605	556,741	531,159	524,168	457,419	308,424	286,090	274,653	322,675	249,909
Operating grants and contributions	5,510,341	5,386,820	5,249,350	4,243,995	4,189,088	4,927,311	5,311,448	4,879,649	3,943,472	5,528,750
Capital grants and contributions	1,215,053	1,019,166	979,304	774,395	728,089	2,298,112	-	43,348	531,460	716,414
	<u>10,514,067</u>	<u>10,057,090</u>	<u>9,462,514</u>	<u>8,823,183</u>	<u>8,333,429</u>	<u>10,855,031</u>	<u>7,406,627</u>	<u>6,369,124</u>	<u>5,858,154</u>	<u>8,054,991</u>
Total primary government program revenues										
Total primary government net expense	(13,872,161)	(12,979,377)	(11,565,096)	(11,783,609)	(12,435,411)	(12,200,418)	(11,814,326)	(11,690,626)	(10,635,861)	(6,581,603)
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes:										
Property taxes	11,564,561	11,514,020	12,134,376	11,668,702	11,381,629	11,085,519	10,459,749	9,627,880	8,764,784	7,901,543
Intergovernmental / unrestricted	4,140,563	3,561,666	2,791,760	3,003,680	2,914,276	2,472,591	3,030,468	3,342,710	3,662,840	1,904,784
Unrestricted investment earnings	30,901	27,012	27,248	48,663	46,947	76,217	172,830	353,747	359,342	184,751
Miscellaneous and other	167,602	67,568	14,381	113,509	(9,076)	63,069	53,467	146,584	180,062	198,004
	<u>15,903,627</u>	<u>15,170,266</u>	<u>14,967,765</u>	<u>14,834,554</u>	<u>14,333,776</u>	<u>13,697,396</u>	<u>13,716,514</u>	<u>13,470,921</u>	<u>12,967,028</u>	<u>10,189,082</u>
Total primary government										
<b>TOTAL PRIMARY GOVERNMENT</b>										
<b>CHANGE IN NET POSITION</b>	<u>\$ 2,031,466</u>	<u>\$ 2,190,889</u>	<u>\$ 3,402,669</u>	<u>\$ 3,050,945</u>	<u>\$ 1,898,365</u>	<u>\$ 1,496,978</u>	<u>\$ 1,902,188</u>	<u>\$ 1,780,295</u>	<u>\$ 2,331,167</u>	<u>\$ 3,607,479</u>

Table 3

**CITY OF TAKOMA PARK, MARYLAND**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Nonspendable	\$ 562,529	\$ 70,855	\$ 581,896	\$ 464,978	\$ 383,459	\$ 54,627	\$ 18,175	\$ 8,210	\$ 46,969	\$ -
Restricted	225,496	225,383	225,248	224,978	224,754	224,372	43,949	43,337	-	117,347
Committed	4,871,320	4,554,709	3,764,492	2,860,071	2,469,790	2,157,023	1,722,973	1,628,701	1,327,101	1,215,203
Assigned	1,269,153	1,138,984	1,193,243	-	1,539,234	3,417,680	1,559,362	1,715,916	1,513,213	1,222,641
Unassigned	4,336,807	5,234,114	5,434,260	5,533,428	5,158,361	3,481,662	5,576,736	4,553,565	3,517,381	2,325,305
Total general fund	<u>\$ 11,265,305</u>	<u>\$ 11,224,045</u>	<u>\$ 11,199,139</u>	<u>\$ 9,083,455</u>	<u>\$ 9,775,598</u>	<u>\$ 9,335,364</u>	<u>\$ 8,921,195</u>	<u>\$ 7,949,729</u>	<u>\$ 6,404,664</u>	<u>\$ 4,880,496</u>
Total all other governmental funds										
Restricted	\$ 3,483,011	\$ 3,205,289	\$ 2,495,812	\$ 2,672,850	\$ 2,141,671	\$ 1,678,614	\$ 1,066,524	\$ 485,574	\$ 413,714	\$ 439,023
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	252,718	286,956	270,757	282,846	311,814	465,618	381,953	300,162	272,423	143,704
Total	<u>\$ 3,735,729</u>	<u>\$ 3,492,245</u>	<u>\$ 2,766,569</u>	<u>\$ 2,955,696</u>	<u>\$ 2,453,485</u>	<u>\$ 2,144,232</u>	<u>\$ 1,448,477</u>	<u>\$ 785,736</u>	<u>\$ 686,137</u>	<u>\$ 582,727</u>

Note: In 2011, the City implemented GASB 54 and accordingly fund balances for years 2005 through 2010 have been revised.

Table 4

**CITY OF TAKOMA PARK, MARYLAND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Taxes	\$ 14,768,703	\$ 14,582,031	\$ 14,650,731	\$ 14,404,183	\$ 13,751,914	\$ 13,287,014	\$ 13,318,311	\$ 12,573,318	\$ 11,486,637	\$ 10,306,405
Licenses and permits	76,103	81,746	79,372	81,235	78,664	75,030	72,291	45,470	104,597	62,415
Fines and forfeitures	2,058,764	1,955,306	1,626,267	2,269,843	1,987,826	2,376,632	839,804	213,197	181,219	190,287
Use of money and property	30,901	27,012	27,248	48,663	46,947	76,217	172,830	353,747	359,342	184,751
Stimulus grant	-	-	-	-	9,486	180,225	-	-	-	-
Charges for services	1,587,077	1,560,001	1,508,982	1,452,179	1,363,478	1,364,673	1,092,405	831,249	1,108,872	1,007,213
Intergovernmental	7,559,287	6,907,022	6,645,981	5,435,902	5,325,155	7,046,959	5,654,908	4,762,643	5,475,182	6,245,164
Miscellaneous	192,746	59,856	90,293	152,662	142,001	299,362	163,841	157,676	174,241	247,158
Total revenues	<u>26,273,581</u>	<u>25,172,974</u>	<u>24,628,874</u>	<u>23,844,667</u>	<u>22,705,471</u>	<u>24,706,112</u>	<u>21,314,390</u>	<u>18,937,300</u>	<u>18,890,090</u>	<u>18,243,393</u>
<b>EXPENDITURES</b>										
Current:										
General government	3,883,556	3,781,298	3,265,503	3,209,319	3,308,640	5,357,962	3,077,096	2,994,878	2,621,670	2,435,598
Public safety	7,949,776	7,677,677	7,319,009	7,366,853	6,965,312	7,115,499	5,981,975	5,349,349	5,037,668	4,659,466
Public works	4,610,949	4,609,589	4,085,967	3,879,854	3,978,563	4,136,274	4,047,071	3,611,130	3,765,225	3,480,726
Housing/community development	1,851,865	1,637,193	1,531,295	1,455,351	1,332,775	1,751,912	1,392,147	1,277,216	1,189,911	1,003,247
Recreation and culture	3,104,779	2,940,692	2,602,741	2,444,878	2,513,391	2,545,113	2,389,783	2,324,744	2,160,849	2,129,854
Capital outlay	4,175,302	3,402,414	2,363,371	3,534,937	4,177,448	3,305,507	1,807,850	931,837	2,029,151	4,127,017
Debt service:										
Principal	273,000	263,500	1,412,893	1,901,052	909,268	665,769	752,343	919,207	733,584	612,522
Interest	111,948	110,029	121,537	242,355	270,587	212,634	231,918	251,511	250,342	249,983
Total expenditures	<u>25,961,175</u>	<u>24,422,392</u>	<u>22,702,316</u>	<u>24,034,599</u>	<u>23,455,984</u>	<u>25,090,670</u>	<u>19,680,183</u>	<u>17,659,872</u>	<u>17,788,400</u>	<u>18,698,413</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>312,406</u>	<u>750,582</u>	<u>1,926,558</u>	<u>(189,932)</u>	<u>(750,513)</u>	<u>(384,558)</u>	<u>1,634,207</u>	<u>1,277,428</u>	<u>1,101,690</u>	<u>(455,020)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond/loan proceeds	-	-	-	-	1,500,000	1,494,484	-	220,029	525,888	-
Sale of property	-	-	-	-	-	-	-	109,276	-	157,951
Transfers in (out)	-	-	-	-	-	-	-	(61,668)	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>1,494,484</u>	<u>-</u>	<u>267,637</u>	<u>525,888</u>	<u>157,951</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ 312,406</u>	<u>\$ 750,582</u>	<u>\$ 1,926,558</u>	<u>\$ (189,932)</u>	<u>\$ 749,487</u>	<u>\$ 1,109,926</u>	<u>\$ 1,634,207</u>	<u>\$ 1,545,065</u>	<u>\$ 1,627,578</u>	<u>\$ (297,069)</u>
Debt service as a percentage of noncapital expenditures	1.68%	1.71%	7.36%	11.44%	5.86%	3.93%	5.34%	6.93%	6.03%	5.81%

Table 5

**CITY OF TAKOMA PARK, MARYLAND**  
**GENERAL FUND TAX REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

<b>Fiscal Year</b>	<b>General Property Taxes</b>	<b>Utility and Personal Property</b>	<b>Penalties and Interest on Delinquent Tax</b>	<b>Additions and Abatements</b>	<b>Amusement Tax</b>	<b>Income Tax</b>	<b>Highway Tax</b>	<b>Total</b>
2015	\$ 11,016,039	\$ 545,109	\$ 48,066	\$ (64,967)	\$ 122,970	\$ 2,797,878	\$ 303,608	\$ 14,768,703
2014	10,974,639	517,647	43,195	(43,186)	128,806	2,671,765	289,165	14,582,031
2013	11,496,734	570,360	70,971	(8,176)	48	2,437,127	83,667	14,650,731
2012	11,166,179	446,819	63,142	-	1,100	2,595,845	131,098	14,404,183
2011	10,858,055	460,664	62,267	-	514	2,330,225	40,189	13,751,914
2010	10,556,622	470,012	61,172	-	614	2,138,384	60,210	13,287,014
2009	10,007,250	434,015	58,807	(1,139)	268	2,310,208	508,902	13,318,311
2008	9,032,239	550,415	47,447	(2,221)	102	2,359,552	585,784	12,573,318
2007	8,232,645	535,626	78,387	18,071	420	2,016,347	605,141	11,486,637
2006	7,369,473	490,667	10,325	(58,142)	486	1,904,784	588,812	10,306,405

Source: City's financial records.

Table 6

**CITY OF TAKOMA PARK, MARYLAND  
REAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections and Credits</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections and Credits</b>	<b>Total Tax Collections and Credits</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2015	\$ 11,044,215	\$ 10,958,911	99.2%	\$ 54,987	\$ 11,013,898	99.7%
2014	10,937,327	10,877,172	99.5%	59,448	10,936,620	99.9%
2013	11,533,580	11,468,702	99.4%	55,922	11,524,624	99.9%
2012	11,218,982	11,165,805	99.5%	49,198	11,215,003	99.9%
2011	10,839,223	10,610,360	97.9%	117,035	10,727,395	99.0%
2010	10,595,358	10,538,917	99.5%	54,514	10,593,431	100.0%
2009	10,025,305	9,953,428	99.3%	8,783	9,962,211	99.4%
2008	8,959,820	8,881,476	99.1%	13,565	8,895,041	99.3%
2007	8,730,162	8,649,985	99.1%	-	8,649,985	99.1%
2006	7,747,197	7,674,253	99.1%	-	7,674,253	99.1%

Source: City's Finance Department.

Table 7

**CITY OF TAKOMA PARK, MARYLAND**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Public Utilities		Personal Property		Total		Ratio of Total Assessed to Total	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value (2)	Assessed Value	Estimated Actual Value	Estimated Actual Value	
2015	\$ 1,937,581,662	\$ 1,937,581,662	\$ 13,042,570	\$ 13,042,570	\$ 23,553,430	\$ 23,553,430	\$ 1,974,177,662	\$ 1,974,177,662	100	0.570
2014	1,918,829,231	1,918,829,231	11,405,440	11,405,440	23,161,990	23,161,990	1,953,396,661	1,953,396,661	100	0.570
2013	1,988,548,200	1,988,548,200	10,976,190	10,976,190	22,166,730	22,166,730	2,021,691,120	2,021,691,120	100	0.580
2012	1,934,307,192	1,934,307,192	11,178,450	11,178,450	19,536,290	19,536,290	1,965,021,932	1,965,021,932	100	0.580
2011	1,868,831,518	1,868,831,518	11,113,060	11,113,060	21,189,430	21,189,430	1,901,134,008	1,901,134,008	100	0.580
2010	1,826,785,810	1,826,785,810	10,919,000	10,919,000	20,707,720	20,707,720	1,858,412,530	1,858,412,530	100	0.580
2009	1,669,463,691	1,669,463,691	10,236,720	10,236,720	21,517,740	21,517,740	1,701,218,151	1,701,218,151	100	0.605
2008	1,480,266,902	1,480,266,902	10,139,630	10,139,630	24,076,170	24,076,170	1,514,482,702	1,514,482,702	100	0.610
2007	1,305,972,838	1,305,972,838	10,406,020	10,406,020	21,500,830	21,500,830	1,337,879,688	1,337,879,688	100	0.630
2006	1,159,577,994	1,159,577,994	9,507,450	9,507,450	20,828,000	20,828,000	1,189,913,444	1,189,913,444	100	0.630

(1) Property owned by the City, other governments, churches and schools is exempt. No estimate of exempt property is included.

(2) Personal property and public utilities are assessed at 100% of estimated actual value.

Source: State of Maryland Department of Assessment and Taxation.



Table 8

**CITY OF TAKOMA PARK, MARYLAND**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(Per \$100 of Assessed Value)**

<b>Fiscal Year</b>	<b>Direct Tax Rate<sup>(1)</sup> Takoma Park General</b>	<b>Overlapping Tax Rates<sup>(1)</sup></b>					<b>Direct and Overlapping Total</b>
		<b>State of Maryland</b>	<b>Montgomery County</b>	<b>Maryland - National Capital Park and Planning Commission</b>	<b>Transit District</b>	<b>Recreation Areas</b>	
2015	\$ 0.5700	\$ 0.1120	\$ 0.7320	\$ 0.0740	\$ 0.0400	\$ 0.0230	\$ 1.5510
2014	0.5700	0.1120	0.7590	0.0720	0.0420	0.0200	1.5750
2013	0.5800	0.1120	0.7240	0.0720	0.0480	0.0210	1.5570
2012	0.5800	0.1120	0.7130	0.0650	0.0380	0.0180	1.5260
2011	0.5800	0.1120	0.6990	0.0610	0.0370	0.0180	1.5070
2010	0.5800	0.1120	0.6830	0.0690	0.0370	0.0190	1.5000
2009	0.6050	0.1120	0.6610	0.0730	0.0400	0.0220	1.5130
2008	0.6100	0.1120	0.6270	0.0780	0.0580	0.0240	1.5090
2007	0.6300	0.1120	0.6240	0.0780	0.0530	0.0240	1.5210
2006	0.6300	0.1320	0.6790	0.0840	0.0420	0.0250	1.5920

(1) In dollars per \$100 of assessed value.

Source: State of Maryland Department of Assessment and Taxation.

**CITY OF TAKOMA PARK, MARYLAND  
COMPUTATION OF LEGAL DEBT MARGIN  
Year Ended June 30, 2015**

Fiscal year 2014 real property assessed value	<u>\$ 1,937,581,662</u>
Debt limit - 100% of assessed value	1,937,581,662
Amount of debt applicable to debt limit - legal debt margin	<u>2,493,500</u>
Legal debt margin	<u>\$ 1,935,088,162</u>

**SECTION 823 - AUTHORIZATION TO BORROW MONEY**

(a) The Council of Takoma Park shall have the power to borrow money for any proper purpose and to evidence such borrowing by the issue and sale of its general obligation bonds, notes, or other certificates of indebtedness in the manner prescribed in Section 31 to 37 inclusive, of Article 23A of the Annotated Code of Maryland (1998 edition, as amended), title "Municipal Corporations," sub-title "Creation of Municipal Public Debt." Notwithstanding the provisions of this subsection, the Council may authorize a private negotiated sale of bonds upon a finding by the Council that such private negotiated sale is in the best interests of the City of Takoma Park.

(b) Any proposed new indebtedness that is greater than five percent (5%) of the revenue budgeted for that year shall be subject to a public hearing and the Council shall not take final action on the proposed indebtedness less than fourteen (14) days following the hearing.

**SECTION 824 - PAYMENT OF INDEBTEDNESS**

The power and obligation of the City to pay any and all bonds, notes, or other evidences of indebtedness issued by it shall be unlimited and the City shall levy ad valorem taxes on all the taxable property in the City for payment of such bonds, notes, or other evidences of indebtedness and interest thereon. The faith and credit of the City is pledged for the payment of the principal and interest on all bonds, notes or other evidences of indebtedness issued under the authority of this Charter, whether or not such pledge be stated in the bonds, notes or other evidences of indebtedness, or in the ordinance authorizing their issuance.

**CITY OF TAKOMA PARK, MARYLAND**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED**  
**VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Population <sup>(1)</sup></b>	<b>Assessed Value</b>	<b>Bonded Debt</b>	<b>Capital Leases <sup>(2)</sup></b>	<b>Ratio of Net Bonded Debt Value</b>	<b>Net Bonded Debt Per Capita</b>
2015	16,715	\$ 1,937,581,662	\$ 2,343,500	\$ -	0.12%	\$140.20
2014	16,715	1,953,396,661	2,616,500	-	0.13%	\$156.54
2013	16,715	2,021,691,120	2,880,000	-	0.14%	\$172.30
2012	16,715	1,965,021,932	4,292,893	-	0.22%	\$256.83
2011	16,715	1,901,134,008	6,147,455	46,508	0.33%	\$367.78
2010	17,299	1,858,412,530	5,398,992	201,979	0.30%	\$312.10
2009	17,299	1,701,218,151	4,869,000	363,687	0.31%	\$281.46
2008	17,299	1,514,482,702	5,621,343	561,768	0.41%	\$324.95
2007	17,299	1,337,879,688	6,320,521	541,584	0.51%	\$365.37
2006	17,299	1,189,913,444	6,528,217	192,763	0.56%	\$377.38
2005	17,299	1,073,828,539	7,140,738	252,946	0.69%	\$412.78
2004	17,299	969,625,688	2,741,845	310,586	0.31%	\$158.50

(1) Source: U.S. Census Bureau.

(2) Capital leases were fully paid in FY 2012.

**CITY OF TAKOMA PARK, MARYLAND**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Debt Service to General Governmental Expenditures (Percent)</b>
2015	\$ 273,000	\$ 111,948	\$ 384,948	\$ 25,961,175	1.48%
2014	263,500	110,029	373,529	24,422,392	1.53%
2013	1,412,893	121,537	1,534,430	22,702,316	6.76%
2012	1,901,052	242,355	2,143,407	20,869,505	10.27%
2011	909,268	270,587	1,179,855	20,612,228	5.72%
2010	665,769	212,634	878,403	20,336,802	4.32%
2009	752,343	231,918	984,261	18,127,353	5.43%
2008	919,207	251,511	1,170,718	17,659,872	6.63%
2007	733,584	250,342	983,926	17,788,399	5.53%
2006	612,521	249,984	862,505	18,698,413	4.61%

(1) Takoma Junction loan balance was fully paid.

(2) Bond issue was redeemed early.

Source: City's financial records.

**CITY OF TAKOMA PARK, MARYLAND**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT <sup>(2)</sup>**  
**June 30, 2015**

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Share of Debt</u>
Direct debt –			
City of Takoma Park	\$ 2,493,500	100%	\$ 2,493,500
Direct debt sub-total	<u>2,493,500</u>		<u>2,493,500</u>
Overlapping debt -			
Montgomery County	2,493,500	1% <sup>(1)</sup>	24,935
Maryland-National Capital Park and Planning Commission			
Montgomery County	<u>41,330,000</u>	1% <sup>(1)</sup>	<u>413,300</u>
Overlapping debt sub-total	<u>43,823,500</u>		<u>438,235</u>
<b>Total direct and overlapping debt</b>	<u><u>\$ 46,317,000</u></u>		<u><u>\$ 2,931,735</u></u>

- (1) Rate of assessed value in the City to total assessed value in Montgomery County.
- (2) The overlapping debt is not a debt of the City of Takoma Park, Maryland on either a direct or contingent basis, but represents the share of debt of overlapping governmental entities which the residents of the City of Takoma Park, Maryland are obligated to pay through direct tax levies of these governmental entities.

Source: Montgomery County Department of Finance.

**CITY OF TAKOMA PARK, MARYLAND  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income (2) (thousands)</b>	<b>Per Capita Income <sup>(2)</sup></b>	<b>Labor Force <sup>(3)</sup></b>	<b>Unemployment Rate <sup>(4)</sup></b>	<b>Registered Pupils <sup>(5)</sup></b>
Montgomery County:						
2015	16,715	\$ 79,300,000	\$ 77,745	\$ 544,313	4.0	154,230
2014	16,715	75,940,000	74,597	540,128	4.4	151,289
2013	16,715	73,958,785	72,746	542,029	5.0	149,018
2012	16,715	73,467,234	73,140	540,444	5.2	146,497
2011	16,715	71,081,967	71,681	536,636	5.2	143,309
2010	17,299	67,890,159	69,559	532,549	5.6	140,500
2009	17,299	65,858,231	68,673	522,421	5.3	137,763
2008	17,299	67,279,968	71,366	515,987	3.2	137,745
2007	17,299	64,365,237	69,084	509,769	2.6	137,798
2006	17,299	62,144,979	67,076	510,593	2.9	139,387

- (1) U.S. Census Bureau. Includes annexed area.
- (2) Personal income, per capita income and registered pupils are not available for the City of Takoma Park, Maryland on a separate basis. The best available information is provided by the Finance Department of Montgomery County, Maryland and the Bureau of Economic Analysis - U.S. Department of Commerce (BEA). Estimates for 2006-2013 revised by BEA. Data for 2014-2015 are estimates derived by the Montgomery County Department of Finance.
- (3) Bureau of Labor Statistics (BLS), U.S. Department of Labor. Civilian labor force data includes all persons in the civilian noninstitutional population classified as either employed or unemployed and counted by place of residence and are revised by BLS for 2006-2014. Data for 2015 estimated by Montgomery County Department of Finance based on the percent change from first half of CY2014 to the first half of CY2015.
- (4) The unemployment rates for 2006 through 2014 were revised by the Bureau of Labor Statistics, U.S. Department of Labor. Unemployment rate for 2015 estimated by Montgomery County Department of Finance based on the average of the monthly unemployment rates for the first half of 2015.
- (5) Montgomery County Executive's Recommended FY16 Operating Budget, Office of Management and Budget, Montgomery County, page 5-16.

Table 14

**CITY OF TAKOMA PARK, MARYLAND  
PRINCIPAL PROPERTY TAXPAYERS  
Current Fiscal Year and Nine Years Ago**

Taxpayer	Fiscal Year 2015			Taxpayer	Fiscal Year 2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Saul Subsidiary I LTD Partnership	\$ 26,978,800	1	1.37%	Takoma Langley Improvements	\$ 15,202,424	1	1.28%
Walgreen Company	24,517,399	2	1.24%	Saul Subsidiary I LTD Partnership	12,524,932	2	1.05%
Park Ritchie Apartments	16,834,833	3	0.85%	Hampshire Place/Hampshire Lodging LLC	10,736,232	3	0.90%
7401 New Hampshire Avenue, LLC	15,112,900	4	0.77%	Oxon Equities Group	10,579,964	4	0.89%
Takoma Business Center LLC	11,657,467	5	0.59%	Franklin Associates	9,992,432	5	0.84%
Franklin Associates	11,428,000	6	0.58%	Park Ritchie Apartments	8,067,898	6	0.68%
Takoma Park Land LLP	10,253,467	7	0.52%	Potomac Electric Power Company <sup>(1)</sup>	6,520,710	7	0.55%
FC-GEN Real Estate LLC	9,564,667	8	0.48%	Takoma Business Center	6,199,566	8	0.52%
Potomac Electric Power Company <sup>(1)</sup>	8,770,160	9	0.44%	Takoma Tower	5,695,398	9	0.48%
Maple View Apartments LLC	8,388,100	10	0.42%	Maple View Apartments LLC	4,904,000	10	0.41%
Total	<u>\$ 143,505,793</u>		<u>7.27%</u>		<u>\$ 90,423,556</u>		<u>7.60%</u>

Notes:

(1) Represents the assessed valuation for operating real and personal property taxes.

Source: State of Maryland Department of Assessment and Taxation

Table 15

**CITY OF TAKOMA PARK, MARYLAND**  
**PRINCIPAL EMPLOYERS**  
**Current Fiscal Year and Nine Years Ago**

<b>Employer</b>	<b>Fiscal Year 2015</b>			<b>Fiscal Year 2006</b>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Washington Adventist Hospital	1,334	1	22.78%	1,918	1	32.24%
Montgomery College	698	2	11.92%	434	2	7.29%
Montgomery County Public Schools	234	3	4.00%	196	4	3.29%
City of Takoma Park	207	4	3.54%	197	3	3.31%
Washington Adventist University <sup>(1)</sup>	141	5	2.41%	119	7	2.00%
Sligo Creek Center	133	6	2.27%	-		-
Republic	55	7	0.94%	-		-
Don Bosco Cristo Rey High School	53	8	0.91%	-		-
International House of Pancakes	48	9	0.82%	-		-
Gryphon Scientific	42	10	0.72%	-		-
Adventist Healthcare Inc	-		-	150	5	2.52%
Wackenhut Corporation (G4S)	-		-	120	6	2.02%
Long & Foster Real Estate Inc	-		-	80	8	1.34%
Takoma Park Symphony Orchestra	-		-	75	9	1.26%
Takoma Park / Silver Spring Co-Op	-		-	50	10	0.84%
<b>Total</b>	<b>2,945</b>		<b>50.31%</b>	<b>3,339</b>		<b>56.12%</b>

Notes:

<sup>(1)</sup> Formerly Columbia Union College



Table 16

**CITY OF TAKOMA PARK, MARYLAND**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>FUNCTION</b>										
General government	17.50	16.95	16.88	16.50	16.50	18.00	18.00	18.00	16.00	16.00
Public safety	62.47	61.83	61.35	59.87	59.49	60.69	60.87	59.50	58.73	57.47
Public works	36.00	34.00	34.00	33.00	33.00	33.38	33.38	33.38	33.58	33.29
Housing and community development	9.75	10.85	11.06	9.79	9.75	10.25	9.50	9.50	9.50	8.81
Recreation and culture	<u>35.14</u>	<u>33.92</u>	<u>28.73</u>	<u>28.57</u>	<u>29.00</u>	<u>32.17</u>	<u>31.69</u>	<u>32.95</u>	<u>32.40</u>	<u>31.73</u>
<b>TOTAL</b>	<u><u>160.86</u></u>	<u><u>157.55</u></u>	<u><u>152.02</u></u>	<u><u>147.73</u></u>	<u><u>147.74</u></u>	<u><u>154.49</u></u>	<u><u>153.44</u></u>	<u><u>153.33</u></u>	<u><u>150.21</u></u>	<u><u>147.30</u></u>

Source: City's Finance Department

Table 17

**CITY OF TAKOMA PARK, MARYLAND**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Public Safety:</b>										
Crimes reported	664	528	550	550	565	653	764	739	832	791
Dispatched Calls/Events Handled	21,041	19,762	19,382	20,000	21,495	20,500	19,661	21,483	18,622	16,569
Hours-foot/bike patrol	2,200	2,500	3,000	3,000	3,500	3,600	2,897	3,689	3,705	3,320
Physical arrests	399	400	425	450	464	450	480	461	363	353
Calls for service	15,000	14,921	14,012	15,000	14,179	15,000	14,405	16,048	14,363	13,071
Traffic stops	7,953	7,593	5,370	5,000	7,105	5,300	5,256	5,435	4,259	3,498
Parking tickets processed	3,500	3,495	2,939	3,500	3,228	4,000	4,084	3,665	3,357	3,882
Criminal investigations assigned	245	239	214	350	310	400	426	324	370	313
Criminal cases closed	124	100	107	150	126	140	139	119	123	108
Warrants received for service	453	403	236	450	468	440	475	440	372	N/A
NCIC Validations (Wanted Items/Persons)	1110	1043	748	1150	1219	1150	1129	1109	1052	N/A
<b>Public Works:</b>										
Permits Processed	297	303	204	193	133	229	297	321	293	319
Vehicles maintained	81	83	80	70	73	74	75	73	74	62
Tons of leaves collected	1,800	1,900	1,900	1,900	2,000	2,100	2,150	2,100	2,100	2,000
Tons of refuse collected	2,990	3,082	3,162	3,284	3,476	3,550	3,513	4,300	4,222	4,053
Tons of recyclables collected	1,506	1,679	1,489	1,470	1,544	1,500	1,662	1,440	1,380	1,151
Tons of yard waste collected	216	491	340	998	765	250	233	420	410	413
Tons of food waste collected	183	150	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streets resurfacing (miles)	1.70	1.76	2.00	1.00	0.40	0.43	0.44	0.63	0.98	3.00
Storm drains inspected (linear feet)	10,918	7,207	23,854	1,029	8,254	11,000	14,259	8,500	12,831	8,203
New storm drain pipes (linear feet)	272	439	450	1,027	307	N/A	N/A	300	350	350
Replaced storm drain pipes (linear feet)	150	50	88	73	125	50	181	100	50	N/A
<b>Recreation and culture:</b>										
Library materials circulated	113,074	116,288	114,070	115,973	118,328	105,344	104,083	89,754	80,606	70,016
Library program attendance	16,648	14,612	15,130	14,365	14,682	14,963	13,133	11,539	6,346	N/A
<b>Housing and Community Development:</b>										
Rental housing inspections (Note 4)	3,100	3,164	3,050	3,000	3,059	2,936	3,357	3,200	2,280	N/A
Number of rental licenses issued	402	436	420	420	407	431	341	351	213	N/A
Landlord certifications issued	234	148	195	215	199	132	130	212	112	N/A
Number of new nuisance complaints	209	210	245	300	236	364	356	186	108	N/A
Number of nuisance complaints closed	119	95	200	250	145	364	465	210	56	N/A
Courtesy Notices issued	280	266	140	210	135	290	390	674	N/A	N/A
Handbill and flyers removed	9,915	3,429	1,100	1,000	1,240	737	397	275	N/A	N/A
Landlord and tenant contacts	2,524	2,605	2,600	2,600	2,706	2,642	2,539	2,537	2,491	N/A
Rent stabilization reports monitored	295	283	260	280	260	251	273	276	251	N/A
Permit letters issued	268	207	200	234	190	178	185	150	N/A	N/A
Rent increase petitions processed	1	2	1	4	2	1	3	5	47	N/A
<b>General Government:</b>										
Original City TV program hours	287	311	255	268	251	207	201	220	225	220

Source: Various government departments

Notes: 1 - Data was not routinely collected prior to 2007. Data that is unavailable is labeled as N/A.

**CITY OF TAKOMA PARK, MARYLAND  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Public Safety:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Cars	41	46	45	45	44	42	41	40	38	26
<b>Public Works:</b>										
Sanitation collection trucks	5	5	5	5	6	4	4	6	6	6
Leaf vacuums	7	7	7	7	7	7	7	7	7	7
Stormwater drains (miles)	17.01	17.01	17.01	17.01	16.82	16.72	16.72	16.72	16.66	16.59
Streets (miles)	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60	34.60
Streetlights	78	78	78	78	78	78	78	78	68	62
<b>Recreation and Culture:</b>										
Parks acreage	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98	8.98
Parks	7	7	7	7	7	7	7	7	7	7
Community Centers	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	2	2	2	2	2	2	2	2

Sources: Various City departments.

Notes: No capital asset indicators are available for the General Government and Housing and Community Development Functions.

**CITY OF TAKOMA PARK, MARYLAND  
MISCELLANEOUS STATISTICAL DATA  
June 30, 2015**

Date of incorporation	1890
Date of adoption of City Charter	1890
Revision of City Charter	2013
Form of government	Council - Manager
Area - square miles	2.4
Miles of streets and sidewalks:	
Streets	34.60
Sidewalks	32.65
Housing:	
Number of housing units	7,162
Number of owner-occupied housing units	3,444
Fire and rescue services	Montgomery County Fire Department
Police protection:	
Number of stations	1
Number of authorized police (sworn officers)	41
Municipal water plant (Washington Suburban Sanitary Commission)	None
Telephone, natural gas and electricity services are furnished by private corporations	
Recreation and parks - number of acres	8.98

	<u>City</u>	<u>School</u>	<u>Park and Planning Commission</u>	<u>Total</u>
Playgrounds	7	2	5	14
Baseball diamonds	1	2	1	4
Football fields	-	1	1	2
Swimming pools	-	1	-	1
Tennis courts	-	4	4	8

**CITY OF TAKOMA PARK, MARYLAND  
MISCELLANEOUS STATISTICAL DATA**

**June 30, 2015**

(Continued)

Number of schools:

Elementary (public)	2
Intermediate (public)	1
Private	3
Colleges	2

Election:

Registered voters – November, 2013	11,819
Number of votes cast - November, 2013	1,199
Percentage voting	10.14%

Population by age group

(Source: U.S. Census Bureau)

<b>Age</b>	<b>2010</b>	<b>2000</b>	<b>1990</b>	<b>1980</b>	<b>1970</b>
Under 5	1,254	1,237	1,320	955	1,367
5 – 17	2,495	2,261	2,201	2,463	3,250
18 – 24	1,361	2,094	1,567	2,447	3,284
25 – 44	5,150	6,206	7,288	5,842	4,710
45 – 64	4,787	3,972	2,551	2,616	3,950
65 – 74	973	787	928	1,071	1,163
75 and over	<u>695</u>	<u>742</u>	<u>845</u>	<u>837</u>	<u>731</u>
<b>Total</b>	<u><u>16,715</u></u>	<u><u>17,299</u></u>	<u><u>16,700</u></u>	<u><u>16,231</u></u>	<u><u>18,455</u></u>

**CITY OF TAKOMA PARK, MARYLAND**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2015**

<b>Type of Coverage/Company Name</b>	<b>Policy Number</b>	<b>From</b>	<b>To</b>	<b>Limits of Coverage</b>	<b>Premiums</b>
Commercial General Liability – Local Government Insurance Trust	PLP 542500	7/01/14	<sup>(1)</sup> 7/01/15	\$3,000,000 aggregate – \$1,000,000/occurrence	\$ 9,625
Public Officials Liability – Local Government Insurance Trust	PLP 542500	7/01/14	<sup>(1)</sup> 7/01/15	\$3,000,000 aggregate – \$2,500 deductible	\$ 12,566
Police Liability – Local Government Insurance Trust	PLP 542500	7/01/14	<sup>(1)</sup> 7/01/15	\$3,000,000 aggregate – \$2,500 deductible	\$ 16,407
Comprehensive Auto Liability – Local Government Insurance Trust	PLP 542500	7/01/14	<sup>(1)</sup> 7/01/15	Physical damage: Comprehensive – \$1,000,000/occurrence, \$500 deductible Collision – \$1,000,000/occurrence, \$500 deductible Bodily Injury and Property Damage – no deductible \$1,000,000/occurrence, \$3,000,000 aggregate	\$ 37,821
Excess Liability – Local Government Insurance Trust	PLP 542500	7/01/14	<sup>(1)</sup> 7/01/15	Insurance for the City against losses in excess of \$1,000,000 up to an additional \$5,000,000 for automobile liability, commercial general liability, public officials, and police/personal injury liability	\$ 3,718
Building and Contents (includes boiler and machinery) Local Government Insurance Trust	PLP 542500	7/01/14	<sup>(1)</sup> 7/01/15	Insured to \$14,454,725, \$1,000 deductible.	\$ 12,100
Chesapeake Employers' Insurance Company – Workers' Compensation	-	7/01/14	<sup>(1)</sup> 7/01/15	Statutory limit	\$ 528,659
Fidelity Bond – United States Insurance Services	Various	Various	<sup>(1)</sup> Various	\$15,000 to \$100,000 limits	\$ 853

(1) Insurance policy was renewed with the carrier for an additional one year period.