



PARKING
OF BALTIMORE CITY
AUTHORITY

2013 ANNUAL REPORT

find. create. implement.

Parking solutions to help Baltimore grow



PARKING
OF BALTIMORE CITY
AUTHORITY

200 W. Lombard Street | Baltimore, MD 21201

Phone: 443.573.2800 | Fax: 410.685.1557
www.ci.baltimore.md.us/government/parking

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baltimore.

TABLE OF CONTENTS

Letter from the Mayor	2
Letter from the Board of Directors	3
Parking Planning Section Takes Proactive Approach	4
Innovation Makes Single Space Meters Smarter	5
ProjectSPACE Creates More Space for All	6
Penn Station Plaza Spruced Up Through Partnership	7
Valet Regulations Manager Insures Sound Parking Policies	8
PABC Updating You with Social Media	9
Financial Statements	11

partners.

FROM THE MAYOR

BALTIMORE IS ON THE CUSP OF A PROUD RENEWAL. We are writing a new chapter in our city's history that grows our population by 10,000 families in the next ten years. To do that, we need a strong financial foundation on which to build. With revenues exceeding \$35 Million, the Parking Authority contributes to the financial stability, diversifies the City's funding sources and reduces the tax burden on residents.

By being responsible stewards of the City's on-street and off-street parking assets, including 17 parking garages, 24 metered lots, 11,000 metered spaces, 46 Residential Parking Programs and 88 car sharing spaces, the Parking Authority maximizes the City's return on investments while pursuing its mission – **TO FIND, CREATE OR IMPLEMENT PARKING SOLUTIONS FOR BALTIMORE CITY AND TO BE THE RESOURCE ON ALL THINGS "PARKING" IN BALTIMORE.**

To make Baltimore an attractive option for new families and to keep existing residents we must take a comprehensive approach to the parking needs of neighborhoods, both as they are and how they will be in the future. That is why the Parking Authority has created a Parking Planning Division to address each neighborhood's needs as a whole and plan for the future as Baltimore grows.

I am proud to have the Parking Authority as a partner in our ambitious quest to Grow Baltimore and prepare our city for an even brighter future.

Sincerely

Stephanie Rawlings-Blake
Mayor, Baltimore City



guide.

FROM THE BOARD OF DIRECTORS

GROWING BALTIMORE by 10,000 families in 10 years is an ambitious goal, but growth is nothing new to the Parking Authority of Baltimore City. At our creation in 2001, we had five employees. In the 12 years since, our list of responsibilities has grown enormously and, today, 55 dedicated team members work together to fulfill our mission to find, or create, and implement parking solutions for Baltimore City and to be the resource on all things "parking" in Baltimore. In the past twelve years, the City has added 3 garages, 19 lots, 14 RPP areas, and 873 EZ Park Meters.

Under the Parking Authority's management, revenues from off-street parking facilities has grown 48% - an additional \$7.5 Million annually (from \$15.5 Million to \$23 Million), and revenues from parking meters has grown 165% - \$7.5 Million annually (from \$4.5 Million to \$12 Million). We've evolved with the times, including parking demand management tools such as car sharing (Zipcar) and bicycle parking to our repertoire of parking solutions. Most recently, we have added Valet Parking Regulations to our list of programs and restructured our operations to include a Parking Planning Division to better manage all existing parking assets in neighborhoods as well as plan for future parking needs as Baltimore grows.

In 2013, the Parking Authority grew in many ways. Thousands of email permit renewal notifications were sent to Residential Permit Parking (RPP) customers for the first time, hundreds of new RPP permits were sold, sixty-six additional bicycles can now park within City-owned parking garages, nine new positions were created, nine new Zipcars were introduced and two new RPP areas were added.

Two new electric vehicle charging stations were added on-street and the small team behind the Reserved Residential Handicap Parking program increased its efficiency and now process more applications in less time.

We have no plans to stop growing as Baltimore grows. In 2014, thousands of smart, single-space parking meters will be added throughout Baltimore, increasing payment options for parkers and reducing the time it takes to find an available on-street parking space. We will also introduce a new, easier to use on-line renewal system for Residential Permit Parking customers.

As the Chairman of the Board of Directors for PABC, I am honored to help guide the growth of our organization – to not only keep up with the demands of an increasing population, but to create a better Baltimore that encourages even more residents to move here.

Sincerely,

Peter Auchinloss
Board Chair



Pictured above (left to right): Sophie Dagenais, Director, The Annie E. Casey Foundation; Councilwoman Sharon Green Middleton, Board Secretary, Baltimore City Council, District 6; Peter E. Auchinloss, Board Chair, President – Watermark Corporation; Harry Black, Director of Finance, City of Baltimore; and Pierce J. Flanigan, IV, President, P. Flanigan & Sons Inc.

proactive.

Parking Planning Section Takes Proactive Approach



Many of Baltimore's neighborhoods are experiencing tremendous popularity and growth. Areas in all quadrants of the city are teeming with new residents seeking dynamic areas to live. These residents own more cars than in previous decades, putting a strain on the existing parking supply. The Mayor's goal of increasing the city's population by 10,000 families in ten years will bring more parking challenges.

We need to be ready. The old school of thought was to meet demand by building more parking garages. At \$20,000 or more per parking space to construct, this is an expensive solution and not always the best use of land. Parking was constructed to meet the specific demands of each building or project, did not encourage shared parking, and did not account for the unique characteristics of the area. This approach has oftentimes been detrimental to the character of the city and has resulted in lopsided utilization of parking assets. In sticking with its core mission of finding parking solutions, and answering the Mayor's call to Change to Grow, the Parking Authority restructured this year to employ a more modern, proactive way of meeting the parking needs of neighborhoods by shifting the focus from increasing supply to meet demand, to surveying supply and redistributing demand.



top photo: Parking Planning Manager Jennifer Leonard and Hampden Community Council President Jay Lazar discuss Hampden's Parking Master Plan

bottom photo: Incorporating angle parking and car sharing into a neighborhood's parking plan helps limited on-street parking go farther. Switching from parallel to angle parking can add 10-15% more vehicles that can park per block.

Our Parking Planning Section came into existence in the early part of 2013 with the creation of a new position - Parking Planning Manager, who started in May. The Parking Planning Manager harnesses the institutional knowledge and skills of our existing Parking Specialist Team to predict demand and develop parking management strategies that support efficient use of existing parking assets. Our Parking Specialists, with a combined total of over 50 years of experience, have witnessed the ebbs and flows of parking supply and demand in Baltimore, and offer the Parking Planning Manager insight into Baltimore's parking history and a way to seamlessly usher in modern approaches to parking.

The Parking Planning Section targets successful and up-and-coming areas of the city that have, or will have parking issues. They meet with stakeholders, residents, businesses, and city agencies to look beyond individuals' parking needs and toward the neighborhood's parking needs. Forward-thinking tactics are employed, such as identifying the current and future use of buildings, collecting data on the number of patrons an establishment will hold and inventorying underutilized private and public parking assets. Once the information is gathered and mapped, we can use a variety of tools to find, create and implement parking solutions (our mission). These tools could be shared valet and loading zones, contracts with existing private lots when utilization is low, creating the proper mix of metered and monthly parking in off-street facilities and deployment of parking demand management tools, such as car sharing.

By using all assets available in a community, not just ones controlled by the City, we are helping fulfill our mission and changing to grow.

innovate.

Innovation Makes Single Space Meters Smarter

In 2004, EZ Park Meters began to replace thousands of single space meters in Baltimore City. These multi-space parking meters were better than single space meters in several ways – they allow more cars to park on each block, improve the streetscape of the neighborhood, and, best of all, they accept credit cards as well as coins. Nearly 900 EZ Park Meters have been installed to date, but they aren't everywhere. One EZ Park Meter usually replaces 5-10 single space meters. But on some blocks, there are just two or three single space meters – not enough to replace with an EZ Park Meter. Other locations cannot accommodate an EZ Park Meter because of the lack of curb space.

These old single space meters cause frustration to drivers who can't pay the meter despite having the one or two dollars in the bank needed to secure a parking space. Drivers either risk getting a ticket or cruise the area in search of a space serviced by credit-card-accepting EZ Park Meters, further adding to downtown traffic and drivers' frustration levels. It was time for a change.

Like Mayor Rawlings-Blake says - we have to "change" to grow. In this case, we had to add credit cards as well as change! In late 2013, single space meters in the Central Business District were replaced with "smart" meters that accept credit cards as well as coins.

Now, drivers can approach any meter in the downtown area with the same ease and convenience they have grown to enjoy since the debut of EZ Park Meters in 2004. No longer must they view single space meters as unavailable, or approach these meters with trepidation; worried they might not have the right denomination of coins. With the Phase I introduction of the new Smart Meters complete, many more spaces will now be available for drivers. They will have the option to pay with the same ease and convenience found at EZ Park Meters, as well as parking spaces on smaller side streets.

Upgrading to the smart single-space meters improves record keeping, reduces down-time by sending real time alerts for needed repairs, and allows for meter rates to vary to adjust for demand throughout the day.

These smart meters were purchased through the City's Innovation Fund, an award granted to agencies with a clear vision and proven success in finding modern solutions.



Parkers can now use a credit card at newly upgraded single space parking meters in much of Baltimore City, including Charles Village.



More innovation comes to the curbside with on street Electric Vehicle Charging stations.

access.

PROJECT SPACE MORE SPACE FOR ALL



Ruth Ann Wynegar, Commissioner, Mayor's Commission on Disabilities, supports Project SPACE, which will increase the availability of on-street parking in Baltimore City.

ProjectSPACE Creates More Space for All

Finding an available on-street parking space in Baltimore City can be nearly impossible. Drivers can spend 20 minutes or more searching for parking. Studies have shown 1/3 of drivers in downtown areas have arrived at their destination, but are just searching for a place to park. This leads to increased congestion and emissions, not to mention frustrated parkers.

For people with disabilities, not being able to find a convenient and accessible parking space leads to missed doctor's appointments and missing out on all that Baltimore has to offer. ProjectSPACE is launching in early 2014 to help make finding a parking space on-street easier for everyone, including people with disabilities.

For years, displaying a disability placard has meant free, unlimited parking. This policy has been too tempting for some people without disabilities to resist. Disability placards are the second most stolen item from automobiles in Baltimore, behind GPS devices. Vehicles displaying disability placards or license plates oftentimes occupy 100% of parking spaces on certain downtown city blocks for more than 4 hours, making it extremely difficult to find an available parking space.

When the Americans with Disabilities Act (ADA) was passed in the 1990's, the crank-turn motion required to operate the parking meters of that time meant that they were "inaccessible" by ADA standards. Municipalities responded by allowing vehicles with disability placards or license plates to park in metered locations without paying. Drop coin technology and credit card accepters in newer parking meters, such as those installed throughout Baltimore in the past ten years, have led to a change in accessibility ratings and changes to handicapped parking policies in other municipalities.

Baltimore is changing with the times. Given the advances in technology and the dire parking situation facing most parkers, the Parking Authority is partnering with the Mayor's Commission on Disabilities to launch ProjectSPACE in 2014. Hundreds of single space parking meters that are easy to use, even for those in a wheelchair, will be added on-street. One or two parking spaces will be reserved on each block for use by vehicles displaying disability placards or license plates. Everyone will be required to pay the meter, including those with disability placards or license plates. With no free parking incentive, those who are abusing disability placards for free parking will park in less expensive parking spaces off-street, making hundreds of additional parking spaces available for all.

In 2013, the Parking Authority teamed up with the Mayor's Commission on Disabilities to roll out this new program, meeting with stakeholders, visiting other municipalities with similar programs and educating the public on what to expect in 2014. Phase One will launch in January, focusing on Downtown. Additional areas will launch in 2014 including Fells Point/Harbor East, Federal Hill and Mount Vernon.



form & function.

Penn Station Plaza Spruced Up Through Partnership

The area in front of Penn Station was spruced up this year. The functional, uninspiring space, which was simply used as a place to wait for a ride, has been transformed into a colorful plaza and gathering spot. Resting on the borders between the Mt. Vernon Cultural District, the Station North Arts District, and the burgeoning Greenmount West neighborhood, the Station not only serves travelers and commuters, but, with its beaux-arts architecture, acts as a stately interchange between the popular neighborhoods. It was essential that the Plaza reflect the Station's significance in the neighborhoods, as well as its role as an active transportation hub serving all modes (trains, cars, buses, bikes and feet!) of transportation.

The transformation of the plaza is a prime example of the Parking Authority's practice to partner with other organizations to garner the funding needed to bring a collective vision to fruition. The Parking Authority worked with the Station North Arts District, Amtrak, and the Mayor's (aka the Plaza Committee), to seize an opportunity provided by the Central Baltimore Partnership and the Deutsch Foundation's Spruce Up Grant. The Plaza Committee's goal was to "enhance the character of Penn Plaza for local residents, workers, students, and commuters with amenities and public programming.

With the award, the Plaza Committee spoke with neighboring communities to create an area that meets their ideal of a public space. The Committee purchased a colorful assortment of outdoor tables, chairs, and umbrellas; worked with the Baltimore City Departments of Transportation and General Services to install new bike racks; added new plants around the plaza and along the Station's entrance; worked with local artists to create public art installations and events; and hired an Ambassador to be the steward of the Plaza. The Committee accomplished these goals in less than a year, an achievement they wouldn't have been able to complete individually.

Today, the Penn Station Plaza is no longer a gap between neighborhoods, but an active landmark and valuable gateway connecting the area.



Penn Station is a transportation hub for all modes of traffic including taxis and bicycles



cooperate.

Valet Regulations Manager Insures Sound Parking Policies



Parking Operations Manager Mo Alshawi assists customer Patricia Fife. The valet parking operation at the Sheraton Baltimore City Center Hotel was the first to obtain a valet permit from the Parking Authority of Baltimore City.

Valet parking provides a great service to customers and can get customers where they want to go without the stress of searching for an available parking space. More and more valet providers are popping up in vibrant Baltimore neighborhoods, especially those where finding parking can be a challenge.

Until now, valet parking operators have been allowed to function with very little oversight. In fact, valet drivers faced fewer risks than the car owners because they were operating and parking vehicles registered to other people. Some car owners discovered unpaid parking violations received due to a valet driver's negligence. Others suffered damage to their vehicles that valet companies wouldn't cover due to inadequate insurance. Patrons' cars were also creating parking problems in the neighborhoods where the businesses were located when they were parked on-street, instead of in off-street parking facilities. Although situations like these are bad business practices and are bad parking policy, they weren't illegal.

The Parking Authority took legislative action and drafted Baltimore City Council Bill 12-0081. The bill was introduced in May 2012, and the Parking Authority worked with elected officials, community members, and businesses to develop criteria and standards by which valet operators must abide. The bill was unanimously approved by all 14 City Council Members and signed into law by the Mayor in February, 2013.

To implement the bill effectively, the Parking Authority hired a Valet Parking Regulation Manager. The Manager will apply the new regulations throughout city in phases - beginning with the Central Business District and then move into other high volume areas like Fells Point, Little Italy, and Mount Vernon. The manager is also responsible for developing and maintaining working relationships with valet operators and businesses utilizing valets. Almost every aspect of valet operators' conduct must be pre-approved: from the location of the valet stand, to the credentials of their drivers, to proof of insurance, and the route to and from a required off-street parking facility.

Customers of valet services that utilize the public right-of-way deserve the peace of mind to know that, when they hand their keys over to an attendant, they can expect a certain level of service and protection. They also should have confidence that their car isn't going to be parked in a way that harms the residents in the neighborhoods where they are bringing their business.

Patrons who see a PABC issued valet operator's license and permit before handing their keys over will know that the valet has a current driver's license, works for a company that is licensed and adequately insured, operates under certain standards, and will park their car in a legal parking space that does not interfere with residents or other businesses.

Valet operators who do not comply will face stiff penalties, or may be prohibited entirely from conducting business in the city. Patrons or residents who observe questionable practices are asked to notify us. Go to our website for more information.



PABC Updating You with Social Media

Social media is more than a passing trend. It has become the way many of us get information, share our ideas and communicate with each other. Government agencies are quickly getting on board. They use social media websites such as Facebook and Twitter to notify their constituents and clients about events that affect their lives and gain a better understanding of the people they serve.

Constituents can share the information with their network of acquaintances and provide their thoughts and feelings about issues.

At the Parking Authority, we recognize the importance social media plays in the success of promoting the city's parking programs and implementing parking solutions for the public. In 2012, we launched a Twitter account and in 2013 we established a Facebook page. We also started sending e-newsletters with the overarching goals of promoting our parking programs, listening to our customers and fulfilling our mission to find, or create, and implement parking solutions for Baltimore City, and to be the resource on all things "parking" in Baltimore.

Follow us on Twitter (twitter.com/ParkingAuthBC) and like us on Facebook (www.facebook.com/ParkingAuthBC) and we will let you know when we are open late to renew your Residential Parking Permit, where you can find great parking rates near popular destinations, we'll share informative articles related to parking and transportation, and we'll also help you get around Baltimore without a car. Our Twitter and Facebook accounts have been excellent tools to provide day-before or same-day information parkers would find useful; such as the location and rates of city-owned garages within walking distance of big events, road closures and detours, and our extended office hours.

We want to also hear from you! We've received suggestions for locations of more parking meters, notices about broken electric vehicle chargers, and requests for special permits. We appreciate it all. And if we can't help we'll steer you in the right direction.

The Parking Authority's **e-newsletters** provide information about each of our programs, garages and residential permit parking areas. You can sign up for our general newsletter to give you an overview of what we're doing or just sign up for the program, garage or RPP area that affects you. Sign up with this link: <http://bit.ly/10SI5gZ>.



Check facebook or twitter for location and rates of city-owned garages within walking distance of big events, road closures and detours, and our extended office hours.

BALTIMORE CITY PARKING AUTHORITY, INC.

Financial Statements

JUNE 30, 2013

CONTENTS

Independent Auditors' Report	II
Management's Discussion and Analysis	13
Governmental Fund Balance Sheet/ Statement of Net Position	17
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities	17
Notes to Financial Statements	18
Required Supplementary Information: Budgetary Comparison Schedule – General Fund	21

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Baltimore City Parking Authority, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and fund information of the Baltimore City Parking Authority, Inc. (Authority) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the accompanying 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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. 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 auditors' 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 auditors consider 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 the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

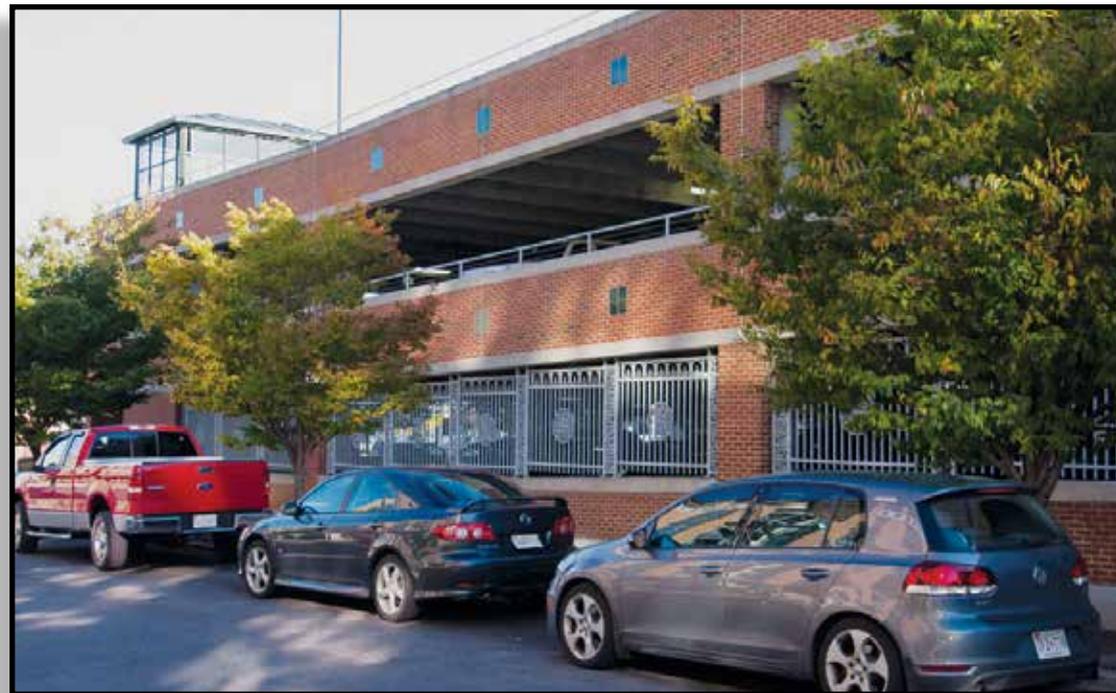
Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis and budgetary comparison information on Pages 13 through 16 and 21 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 assurance.

Ellin & Tucker, Chartered

ELLIN & TUCKER, CHARTERED
Certified Public Accountants
Baltimore, Maryland
November 26, 2013



MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. Notes to Financial Statements follow the presentation of the basic financial statements. The report also contains other required supplementary information, primarily a Budgetary Comparison Schedule.

The Governmental Fund Balance Sheet/Statement of Net Position is presented in reconciliation format and shows the difference between the assets and liabilities of the Authority as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Balance Sheet) and assets and liabilities as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Net Position). For the Authority, the difference related primarily to capital assets which are reflected as assets on the Statement of Net Position but are excluded from general fund assets.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is also presented in reconciliation format and shows the differences between revenues and expenditures as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) and revenues and expenses as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Activities). The primary differences relate to the treatment of capital asset purchases. For governmental fund accounting purposes, all cash payments for capital asset acquisitions are reflected as expenditures and deducted from revenues in calculating the net fund activity for the year. Under accounting principles generally accepted in the United States of America, capital asset acquisitions are not reflected in the Statement of Activities as a deduction from revenues but are reflected as increases to assets or reductions of liabilities.

Generally, fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources segregated by specific activities or objectives. The Authority's financial activity is classified into one fund—the general fund. The general fund accounts for capital asset acquisitions as expenditures when acquired, rather than as capital assets as a result of the use of the current financial resources measurement focus in accordance with generally accepted accounting principles.

The Notes to the Financial Statements provide additional information needed for a full understanding of the basic financial statements.

Required supplementary information consists of a comparison of actual financial activity to budgeted amounts to demonstrate compliance with the budget.

Analysis of Net Position and Changes in Net Position

The following is a comparison summary of the Authority's net position and changes in net position for the years ended June 30, 2013 and 2012:

	2013	2012
Assets:		
Current and Other Assets	\$ 2,526,685	\$ 2,013,738
Capital Assets	192,644	160,691
Total Assets	<u>\$ 2,719,329</u>	<u>\$ 2,174,429</u>
Liabilities:		
Current Liabilities	\$ 708,559	\$ 1,655,186
Net Position:		
Invested in Capital Assets	\$ 192,644	\$ 160,691
Unrestricted	1,818,126	358,552
Total Net Position	<u>\$ 2,010,770</u>	<u>\$ 519,243</u>
Changes in Net Position:		
Program Revenues:		
Baltimore City Grant	\$ 6,492,093	\$ 4,943,364
Other	124,431	17,148
Total Revenues	<u>6,616,524</u>	<u>4,960,512</u>
Expenses:		
Salaries and Benefits	2,414,363	2,125,396
Professional Fees	861,944	1,141,963
Bank and Armored Car Fees	1,065,212	855,208
Rent and Utilities	125,369	166,740
Depreciation	49,426	44,476
Maintenance and Supplies	172,799	112,672
Other Operating Expenses	435,884	363,675
Total Expenses	<u>5,124,997</u>	<u>4,810,130</u>
Increase in Net Position	1,491,527	150,382
Net Position – Beginning of Year	519,243	368,861
Net Position – End of Year	<u>\$ 2,010,770</u>	<u>\$ 519,243</u>

For the year ended June 30, 2013, the Authority received substantially all of its funding from an annual grant from the City of Baltimore. The purpose of the grant was to finance the administration of the City's parking operations through the Authority and cover all of the Authority's personnel costs, capital asset requirements, and other operating costs. The grant for the year ended June 30, 2013 was \$6,492,093. Operating expenses for the year ended June 30, 2013 totaled \$5,124,997 resulting in an increase in net position of approximately \$1,492,000. Total operating expenses increased approximately \$315,000 during the year ended June 30, 2013 as compared to the year ended June 30, 2012. The increase was primarily a result of an increase in salaries and employee benefits relating to the hiring of additional employees throughout the year and an increase in bank and armored car fees relating to increased credit card usage on meters and the fees associated with their usage.

During the year ended June 30, 2013, the Authority purchased capital assets of approximately \$81,000. At June 30, 2013, the Authority had liabilities totaling \$708,559. These liabilities are expected to be funded through existing cash balances.

Budget Analysis

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2013 (FY 2013) is presented on Page 21. The most significant budget variations included salaries and benefits, equipment acquisitions, and bank and armored car service fees.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$313,000 less than expected. The decrease was due to several vacancies remaining open throughout the fiscal year. In addition, the budget included additional funds for employer contributions to the employee benefit plan; however, there were fewer participants in the plan than anticipated.

Equipment acquisitions were \$341,000 less than expected. This is due to the status of the iParq software upgrade. The upgrade to this system has only completed Phase 1 and is expected to be completed in fiscal year 2014.

Bank and armored car service fees, which include credit card fees, were approximately \$154,000 more than expected. This is due to an increase in meters installed and an increase in credit card usage at meters. The increase is also due to increased credit card fees as a result of a change in federal regulations, which allowed for increased fees on credit card transactions.

The most significant variance between the original and final budget was software expenditures. Software expenditures final budgeted amounts increased by approximately \$127,000 compared to the original budgeted amounts. These additional funds were utilized for software expenditures relating to new meter installation.

Fiscal Year Ending June 30, 2014

The budget for the fiscal year ending June 30, 2014 (FY 2014) has been submitted to the Baltimore City Board of Estimates in the amount of \$5,481,625 which represents an overall increase in the funding level compared to the fiscal year ended June 30, 2013 in the amount of \$291,153. The total grant appropriation includes \$2,497,427 for the base administrative grant, \$2,794,259 for the Meter Program Administrative grant, and \$189,939 for the Valet Regulations Program. The Authority has been granted

supplemental funding for the Bus Facility Parking Program in the amount of \$138,846. The total available funds for FY 2014 are \$5,751,851, including carryover funds from the fiscal year ended June 30, 2013.

This grant will pay salary, benefits, and other costs to support the administrative functions of the Authority. FY 2013 is the second year of managing both single and multi-space meters, which will now be referred to as the EZPark Meter Program. There are currently 873 multi-space meters and 5,082 single space meters installed as of June 30, 2013. During FY 2013, the Authority anticipates it will enter into the next phase of the expansion of the EZPark Meter Program, which includes the installation of approximately 2,000 single space smart meters in the Central Business District during FY 2014. This will complete Phase I of the EZPark Single Space Smart Meter upgrade.

During the next several years, the Authority anticipates the installation of approximately 400 additional new multi-space meters and 4,000 single-space smart meters. This year's budget for the meter program includes the cost for the single space and multi-space meter administration. The budget combines both into a single meter administration program budget.

The Authority has upgraded the financial software used for facility accounting. The final implementation will be complete in FY 2014. Reports will be available electronically containing current financial information. Implementation of software to manage the revenue process and coordinate the electronic transfer of data from the billing system to the facility access control system will continue into FY 2014. The Authority will be issuing a Request for Proposal for implementation of an online bill payment system in FY 2014. When completed, it will allow customers to pay their bills via the web. It will also provide some account controls for contract customers via a web connection.

The management team of the Authority is committed to introducing new technology and other methods to increase revenues for the City and providing outstanding customer service to all City patrons.

Governmental Fund Balance Sheet / Statement of Net Position

June 30, 2013	General Fund	Adjustments (Note 4)	Statement of Net Position
Assets:			
Cash and Cash Equivalents	\$ 2,526,685	\$ -	\$ 2,526,685
Capital Assets, Net (Note 2)	-	192,644	192,644
Total Assets	<u>\$ 2,526,685</u>	<u>\$ 192,644</u>	<u>\$ 2,719,329</u>
Liabilities:			
Accounts Payable	\$ 357,957	\$ -	\$ 357,957
Related Party Payable	72,702	-	72,702
Accrued Expenses	277,900	-	277,900
Total Liabilities	<u>708,559</u>	<u>-</u>	<u>708,559</u>
Commitments (Note 3)			
Fund Balances:			
General Fund Balance	1,818,126	(1,818,126)	-
Total Liabilities and Fund Balances	<u>\$ 2,526,685</u>		
Net Position:			
Invested in Capital Assets		192,644	192,644
Unrestricted		1,818,126	1,818,126
Total Net Position		<u>2,010,770</u>	<u>2,010,770</u>
Total Liabilities and Net Position		<u>\$ 192,644</u>	<u>\$2,719,329</u>

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance / Statement of Activities

For the Year Ended June 30, 2013	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Administration of Parking Facilities	\$ 5,075,571	\$ -	\$ 5,075,571
Capital Outlay/Depreciation	81,379	(31,953)	49,426
Total Expenditures/Expenses	<u>5,156,950</u>	<u>(31,953)</u>	<u>5,124,997</u>
Program Revenue:			
Grant Revenue - Baltimore City	6,492,093	-	6,492,093
Other Income	124,431	-	124,431
Total Revenue	<u>6,616,524</u>	<u>-</u>	<u>6,616,524</u>
Excess (Deficit) of Revenue over Expenditures	<u>1,459,574</u>	<u>(1,459,574)</u>	<u>-</u>
Change in Net Position		<u>\$ (1,491,527)</u>	<u>1,491,527</u>
Fund Balance/Net Position - Beginning of Year	<u>358,552</u>		<u>519,243</u>
Fund Balance/Net Position - End of Year	<u>\$ 1,818,126</u>		<u>\$2,010,770</u>

NOTES TO FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Baltimore City Parking Authority, Inc. (Authority) was created in 2000 by Baltimore City Ordinance 2000-71. The Authority's purpose is to assist Baltimore City (City) in the planning, development, management, and administration of its parking assets. The Authority does not own any parking facilities or other real property. The Authority's main source of revenue is a grant from the City rather than parking receipts. The grant is intended to fund all operating expenses of the Authority.

The Board of Directors of the Authority consists of five members, four of which are appointed by the Mayor of Baltimore City and confirmed by the City Council, and one who is a member of the City Council appointed by the City Council President.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority follows Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" (GASB 34) and GASB Statement No. 38, "Certain Financial Statement Note Disclosures" (GASB 38). GASB 34 requires net position be classified as restricted, unrestricted, or invested in capital assets and requires presentation of a Management's Discussion and Analysis section to introduce the basic financial statements. GASB 34 and GASB 38 require certain expanded footnote disclosures.

The Authority's main source of revenue is a single grant from the City; therefore, all assets, liabilities, revenues, and expenses/expenditures are accounted for in a governmental fund.

The government-wide 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 related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain other obligations, are recorded only when payment is due.

The general fund is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

Amounts reported as program revenues primarily include the operating grant from the City.

Budgetary Information

The annual budget of the Authority is subject to approval by the City's Board of Estimates. The budget serves as the basis for determining the grant from the City.

Budgetary data is presented as required supplementary information for the general fund. The budget is adopted on a basis consistent with generally accepted accounting principles for the governmental fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Subsequent Events

The Authority has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 26, 2013, the date the financial statements were available to be issued.

Cash and Cash Equivalents

The Authority considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Authority maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the useful lives, which range from 3 to 10 years, of the assets. It is the Authority's policy to capitalize property and equipment over \$500. Lesser amounts are expensed.

Compensated Absences

The Authority accrues a liability for compensated absences which consists primarily of accumulated vacation leave. The liability includes those amounts expected to be paid upon termination of employment or through paid leave time.

2. CAPITAL ASSETS:

Capital assets of the Authority are as follows:

	Beginning of Year	Additions	Retirements	End of Year
Capital Assets:				
Computer Equipment	\$ 454,908	\$ 25,503	\$ -	\$ 480,411
Office Equipment	68,511	4,080	-	72,591
Furniture and Fixtures	78,817	24,806	-	103,623
Leasehold Improvements	33,754	26,990	-	60,744
	<u>635,990</u>	<u>81,379</u>	<u>-</u>	<u>717,369</u>
Less: Accumulated Depreciation:				
Computer Equipment	339,009	19,739	-	358,748
Office Equipment	58,479	3,139	-	61,618
Furniture and Fixtures	48,172	8,842	-	57,014
Leasehold Improvements	29,639	17,706	-	47,345
	<u>475,299</u>	<u>49,426</u>	<u>-</u>	<u>524,725</u>
Net Capital Assets	<u>\$ 160,691</u>	<u>\$ 31,953</u>	<u>\$ -</u>	<u>\$ 192,644</u>

3. COMMITMENTS

The Authority leases office space from the City under various leases which expire through June 2016. The Authority leases office equipment under lease agreements which expire through June 2017. Rent expense recorded for the year ended June 30, 2013 was \$85,323.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30, 2014	\$ 85,928
2015	27,891
2016	27,891
2017	5,104

4. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUNDS FINANCIAL STATEMENTS AND GAAP FINANCIAL STATEMENTS

Statement of Net Position and Governmental Fund Balance Sheet

The fund balance of the general fund differs from net position reported in the Statement of Net Position. The difference results primarily from the treatment of capital assets. When capital assets are used in governmental activities, the costs of the assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those assets among the assets of the Authority.

Statement of Activities and Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance

As noted above, outlays for capital assets to be used in governmental activities are reported as expenditures in the general fund; however, those expenditures are reported as assets, not expenses, in the Statement of Activities.

5. RETIREMENT PLAN

The Authority maintains a retirement plan covering substantially all employees. On January 1, 2012, the Authority amended its retirement plan to allow for discretionary matching contributions. Amounts to be contributed to the plan are determined by the Board of Directors. The Authority made contributions for the years ended June 30, 2013 and 2012 in the amounts of \$20,015 and \$6,554, respectively.

Budgetary Comparison Schedule — General Fund

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenue:				
Grant - Baltimore City	\$ 5,639,100	\$ 5,810,500	\$ 6,492,093	\$ 681,593
Other	-	-	124,431	124,431
Total Revenue	\$ 5,639,100	\$ 5,810,500	\$ 6,616,524	\$ 806,024
Expenditures:				
Salaries and Benefits	\$ 2,725,100	\$ 2,727,700	\$ 2,414,363	\$ 313,337
Telephones/Utilities/Internet	37,700	37,100	40,046	(2,946)
Vehicles/Travel	79,600	89,100	85,851	3,249
Business Machine Rental	14,900	14,900	13,479	1,421
Consultants	85,500	85,500	54,612	30,888
Equipment Warranty	255,000	255,000	254,988	12
Software	473,800	601,000	505,118	95,882
Legal	63,500	63,500	-	63,500
Printing and Copying	26,500	30,600	30,870	(270)
Bank and Armored Car Service Fees	910,800	910,800	1,065,212	(154,412)
Computer Maintenance	24,000	42,000	47,226	(5,226)
Other Services	220,100	235,100	275,254	(40,154)
Maintenance and Supplies	150,700	153,900	172,799	(18,899)
Equipment Acquisitions	420,700	422,100	81,379	340,721
Rent	133,200	133,200	85,323	47,877
Advertising	1,500	1,500	3,670	(2,170)
Dues/Subscriptions/Training	16,500	19,000	26,760	(7,760)
Total Expenditures	\$ 5,639,100	\$ 5,822,000	5,156,950	\$ 665,050
Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP:				
Depreciation Expense (Net of Disposals) Not Included in Budget			49,426	
Capital Asset Acquisitions Included in Expenses			(81,379)	
Total Expenses			\$ 5,124,997	

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