



PARKING
OF BALTIMORE CITY
AUTHORITY

NEW PERSPECTIVES

Annual Report 2015

MISSION

The mission of the Parking Authority of Baltimore City is to find, or create, and implement parking solutions for Baltimore City, and to be the resource on all things “parking” in Baltimore.

VALUES

Integrity

We follow all laws, regulations, policies and procedures. The decisions we make are morally right and in the best interest of the city.

Professionalism

We interact with our customers and with our teammates with professional conduct and courtesy at all times.

Our actions and appearance reflect the professional nature of our organization.

Responsiveness

We respond quickly to the questions, concerns and needs of all of our customers and of our teammates.

Fairness

In our interactions with customers and teammates, we are always fair and unbiased.

Innovation

We are always looking for ways to accomplish our mission better, faster, and at less cost.

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MESSAGE FROM THE MAYOR

The Parking Authority's vision for the future is an ambitious one. To fulfill their mission to find, or create, and implement parking solutions for Baltimore City, and to be the resource on all things parking in Baltimore, they will have to find new and innovative ways to manage parking. Throughout my tenure as mayor, I have always appreciated their willingness to take on bold initiatives to fulfill their mission. This year's annual report provides a preview into the future of parking in Baltimore City. Thanks for taking the time to read about the Parking Authority's initiatives!



Stephanie Rawlings-Blake
Mayor



"...I have always appreciated the Parking Authority's willingness to take on bold initiatives to fulfill their mission."



LETTER FROM THE BOARD

WHAT IF PEOPLE GOT FREE PARKING EVERYWHERE IN BALTIMORE?

Everyone loves free parking. Sometimes we get feedback that Baltimore doesn't have plentiful, free parking everywhere. But, what would that look like? Municipalities who simply build new parking structures to fulfill parking demand must tear down existing structures to create those parking spaces. Is that what we want for the future of Baltimore?

Some places in America do have ample, free parking. In small towns, for example, there are few places, if any, where you have to pay for parking. Populations are low, open spaces are abundant, and cars are a necessity for getting around. Large parking lots dominate the landscape and sidewalks are hard to come by. Streets are wide, traffic is fast and walking is dangerous. Doesn't sound much like Baltimore. Baltimore's charm doesn't come from wide streets, fast driving and huge parking lots. It comes from having dinner and enjoying the crisp evening air at one of Federal Hill's bustling restaurants with outdoor table service, walking along Fell's Point's historic cobblestone streets, or catching up with neighbors while enjoying a cone outside an ice cream parlor in Hampden. To build new parking lots or garages in these areas would mean removing businesses, homes or green space in successful, thriving neighborhoods. To gain the free parking we sometimes wish we had, we'd have to give up what makes Baltimore great.

Read more of our stories that reveal what we envision for the future of Baltimore. Parking is never the final destination. But we hope that, by managing parking well, we help you enjoy all of Baltimore's unique neighborhoods and destinations while preserving what makes Baltimore a great city.

Peter Auchincloss,
Chairman, Board of Directors

>> **Councilwoman Sharon Green Middleton**
Board Secretary, Baltimore City Council, District 6

Pierce J. Flanigan, IV
President, P. Flanigan & Sons, Inc.

Henry J. Raymond
Director of Finance, City of Baltimore

Peter E. Auchincloss, Board Chair
President, Watermark Corporation

Sophie Dagenais
Director, The Annie E. Casey Foundation

GOOD PARKING MANAGEMENT

Last year, the Parking Authority's annual report was called Parking 101. It was a parking primer – a short course on the basics of good parking management. We hope this year's annual report serves as both a reminder of good parking management and lays out our vision for the future of parking in Baltimore.

We understand what you want from parking. You want to park as close as possible and feel safe when going to and from your car. You also want to pay as little as possible to park. But there are only so many parking spaces steps away from your destination.

The laws of supply and demand are used to manage parking well. Your first choice is probably to park in the most convenient spot. But, if it costs too much, then you may give up convenience and park a little farther away at a garage or lot where it costs less. We strive to optimize supply in each Baltimore neighborhood through the correct pricing of parking.

On-street spaces are the most convenient and are the most in demand. Our goal is make one or two on-street parking spaces available on each block during times of high demand.

Where there is more demand than supply, we use price to encourage people to manage parking. To encourage long



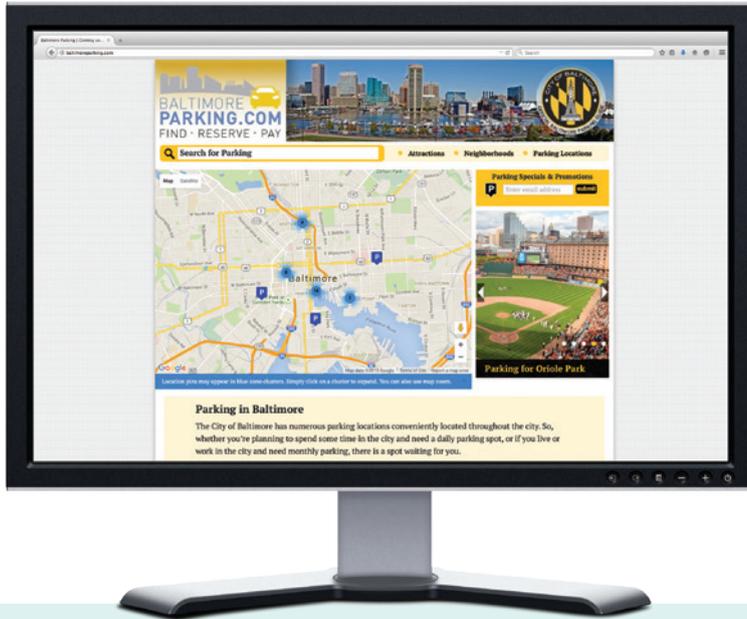
term parkers to park in a garage or lot, we price on-street meters less than off-street for a few hours, but more for longer periods of time.

The following stories illustrate how new, innovative strategies will help Baltimore build on these good parking management fundamentals and help create a strong future.

A handwritten signature in black ink, appearing to read 'Peter E. Little'.

Peter E. Little
Executive Director

ONLINE TOOLS LAUNCHED TO HELP PARKERS



“...find, reserve and pay for parking.”

Daily Parking

When you want to buy concert tickets, sporting event tickets, or even make a restaurant reservation these days, you go online. Why not purchase your parking online too? In 2015, we launched baltimoreparking.com, where you can find, reserve and pay for parking. The website helps parkers locate off-street parking options near local attractions or in Baltimore neighborhoods. With a few clicks, you can reserve and pay for your parking ahead of time. An email with directions to the garage and a barcode will appear in your inbox. When you arrive at the garage, just scan the barcode. It's easy and gives you peace of mind that you've found the best rate and the best location for you. Follow us on Twitter or like us on Facebook to find promo codes for discounts on parking when you use www.baltimoreparking.com.

Monthly Parking

People looking for monthly parking can also go online to locate a garage, sign up for a monthly contract and manage their accounts. The website www.payments.bcparking.com lets you do all that and more. Customers with existing monthly contracts are able to view and edit their account information online, sign up to receive invoices electronically, print bills, schedule monthly payments or make one-time payments online.

These online tools make it easier for you to park and make it easier for us to provide you with even better customer service!

THE FUTURE OF PARKING IN BALTIMORE

VIRTUAL PERMIT PARKING

Residential Permit Parking

If you are a resident of one of Baltimore's many Residential Permit Parking (RPP) areas, you know that you must get a new decal for your car every year. Some residents can go online and purchase a new permit, but they have to go to a community pick up or to the Parking Authority office to pick it up. You must present documents such as an apartment lease or settlement papers, a driver's license and vehicle registration. You must scrape off the old decal and adhere the new one to your windshield. You can buy visitor's permits for your friends, family or service providers to use temporarily.

What if we did away with the decals and visitor's permits and your license plate served as your credential instead? It's possible and we're working on it. It's called virtual permitting. You could apply for your permit parking online, upload your documents and pay with a credit card. After a quick check of your documents, you'd get an email confirming that your car is renewed for another year.

Visitor's permits can be virtual as well. Before your visitor arrives, you could go online, enter the visitor's license plate number and when they will be parking on street. The visitor's license plate would serve as the parking credential instead of the placards we use now.

What makes this all possible? Vehicles fitted with license plate readers can drive down a street and quickly read the license



>> License plate readers mounted on vehicles will allow virtual permit parking in the future

plate numbers. If your license plate number is registered in the system, the reader will move on to next license plate. If that car does not have a virtual permit, the parking enforcement agent can issue a ticket.

Residents would no longer have to spend time picking up their permits and wouldn't have to scrape off the old decals and adhere the new ones. New residents who move in on a Saturday won't have to worry about getting a ticket until our office opens on Monday morning. And misuse of visitor permits would be eliminated because the online system would prevent the same license plate number from being used more often than is allowed.



>> Parkers will soon be able to use their cell phone to pay parking meters

Metered Parking

Virtual permitting can be used at parking meters, too. Instead of displaying the parking meter receipt on your dashboard, you could pay the meter, enter your car's license plate number walk away.

The same license plate readers could be used to scan license plates of cars on metered streets. Those cars who haven't paid at that time would receive a ticket.

Pay by Cell Phone

Soon, you will be able to use your cell phone to pay the parking meter! Already popular in Washington, DC, more and more people are skipping the meter altogether. People in Baltimore will soon be able to use their cell phone to enter their license plate number, credit card information and meter location number. The best part is – if you haven't maxed out the duration limit, you'll get a text message before your meter is due to expire, and you can make an additional payment to get more time!

"...Baltimore residents are going to find it easier to live without a car in the future."

CAR SHARING IN THE FUTURE

Car sharing launched on Baltimore City streets over five years ago. Car sharing allows residents to have access to a nearby vehicle when they need one and, therefore, allows them to own (and pay for, and have to park) fewer cars. Zipcar members have loved being able to live with fewer cars. In fact, there are about 3,000 fewer personally owned cars in Baltimore City because of Zipcar. Had Baltimore City built a garage to park all those vehicles, it would have had to spend \$75 Million!

So what's next for car sharing in Baltimore? In the next year or so, you'll be seeing car sharing vehicles that do not need to be parked in designated, reserved parking spaces. Called "point to point" or "one way" car sharing, this new type of car sharing allows members to drive the point to point car sharing vehicle wherever they need to go (within the city) without worrying about returning the vehicle to where they picked it up.

This will be helpful to existing car sharing members who occasionally need one way trips in a car without resorting to purchasing a vehicle. It may also help those who own a car but only need to drive occasionally, make the decision to let go of their vehicle and walk, bike, use transit, traditional car sharing and point to point car sharing. With more physically separated bike lanes appearing, extended Charm City Circulator routes to more neighborhoods, bike sharing, traditional car sharing and point to point car sharing, Baltimore residents are going to find it easier to live without a car in the future.



PROJECT SPACE DRIVES DOWN STOLEN DISABILITY PLACARDS



>> Phase 1 of Project SPACE added about 200 highly accessible parking meters to downtown Baltimore

For years, people with disabilities' were targeted by thieves for their parking placards. An average of 23 placards were reported stolen to the Baltimore City Police Department each month until last year. They weren't stealing the placards just to park in reserved spaces, they were stealing them for the free parking that came with them. Since the Americans with Disabilities Act was passed in 1990, the disability placards have meant free parking in metered spaces because the parking meters at the time the law was passed were not accessible according to the Americans with Disabilities Act (ADA) guidelines. People who abused disability placards saved roughly \$2400 a year by avoiding the cost of garage parking. Abusers parked their cars on street all day, making

it difficult for anyone to find a parking space, and making it impossible for people with disabilities to access the services they need.

Last year, Project SPACE was launched by the Parking Authority and the Mayor's Commission on Disabilities. Phase 1 of Project SPACE launched July 10, 2014. It included the area bounded by Franklin Street to the North, President Street to the East, Pratt Street and Key Highway to the South, and Martin Luther King, Jr., Boulevard to the West. Project SPACE did three things:

1. One or two parking spaces near the corner of each block were reserved for people with disabilities and highly accessible single-space meters were installed at those spaces.
2. EZ Park Meters were retrofitted to meet the most current ADA guidelines.
3. Everyone, whether or not they have a disability, was required to pay to park.

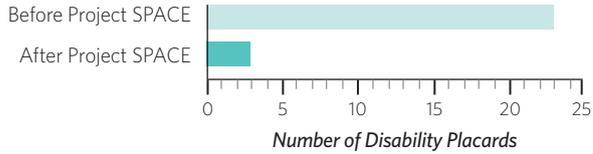
Project SPACE has two goals:

1. Decrease the theft and abuse of disability parking placards
2. Increase the availability of parking spaces

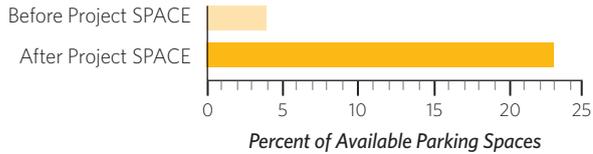
Those goals have been met.

“People who abused disability placards saved roughly \$2400 a year...”

Average number of disability placards reported stolen per month to Baltimore City Police Department



Percentage of Available Parking Spaces on Worst Blocks in Phase 1



Phase 2 of Project SPACE is planned for a 2016 launch. It includes Harbor East and Fells Point.



>> Mayor's Commission on Disabilities Commissioner Ruth Ann Wynegar uses an accessible parking meter

FINANCIALS 2015

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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, 2015 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, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other 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 12 through 15 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 any assurance.

Ellin & Tucker, Chartered

ELLIN & TUCKER, CHARTERED
Certified Public Accountants
Baltimore, Maryland
November 10, 2015



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 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 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, 2015 and 2014:

	2015	2014
Assets:		
Current and Other Assets	\$ 2,180,021	\$ 2,795,169
Capital Assets	<u>352,185</u>	<u>364,013</u>
Total Assets	<u>\$ 2,532,206</u>	<u>\$ 3,159,182</u>
Liabilities:		
Current Liabilities	<u>\$ 815,427</u>	<u>\$ 697,332</u>
Net Position:		
Invested in Capital Assets	\$ 352,185	\$ 364,013
Unrestricted	<u>1,364,594</u>	<u>2,097,837</u>
Total Net Position	<u>\$ 1,716,779</u>	<u>\$ 2,461,850</u>
Changes in Net Position:		
Program Revenues:		
Baltimore City Grant	\$ 5,199,883	\$ 5,291,686
Other	<u>337,050</u>	<u>809,851</u>
Total Revenues	<u>5,536,933</u>	<u>6,101,537</u>
Expenses:		
Administration of Parking Facilities	6,121,623	5,594,873
Capital Outlay/Depreciation	<u>160,381</u>	<u>55,584</u>
Total Expenses	<u>6,282,004</u>	<u>5,650,457</u>
(Decrease) Increase in Net Position	(745,071)	451,080
Net Position - Beginning of Year	<u>2,461,850</u>	<u>2,010,770</u>
Net Position - End of Year	<u>\$ 1,716,779</u>	<u>\$ 2,461,850</u>

For the year ended June 30, 2015, 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, 2015 was \$5,199,883. Operating expenses for the year ended June 30, 2015 totaled \$6,282,004 resulting in a decrease in net position of approximately \$745,000. Total operating expenses increased approximately \$632,000 during the year ended June 30, 2015 as compared to the year ended June 30, 2014. 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 merchant service fees relating to increased credit card usage on meters and the fees associated with their usage.

During the year ended June 30, 2015, the Authority purchased capital assets of approximately \$149,000. At June 30, 2015, the Authority had liabilities totaling \$815,427. These liabilities are expected to be funded through existing cash balances.

BUDGET ANALYSIS

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2015 (FY 2015) is presented on Page 21. The most significant budget variations included salaries and benefits and merchant service fees.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$389,000 less than expected. The decrease was due to employment vacancies during 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 and participants not maximizing the employer matching contribution opportunity.

Merchant service fees, which include credit card fees, were approximately \$216,000 more than expected. This is due to increases in installed meters and credit card usage and fees.

The most significant variance between the original and final budget was for expenditures for equipment acquisitions. Equipment acquisition expenditures final budgeted amounts increased by \$30,000 compared to the original budgeted amounts. These additional funds were utilized for costs related to the software system upgrade and PARIS-On-The-Web implementation.

FISCAL YEAR ENDING JUNE 30, 2016

The budget for the fiscal year ending June 30, 2016 (FY 2016) has been submitted to the Baltimore City Board of Estimates in the amount of \$6,081,578, which represents an overall increase in the funding level compared to the fiscal year ended June 30, 2015 in the amount of \$490,320. The total grant appropriation includes \$2,976,818 for the base administrative grant, \$2,907,147 for the Meter Program Administrative grant, and \$197,613 for the Valet Regulations Program. The Authority has been granted supplemental funding for the Bus Facility Parking Program in the amount of \$43,779. The total available funds for FY 2016 is \$6,940,697, including carryover funds from the fiscal year ended June 30, 2015.

This grant will pay salary, benefits, and other costs to support the administrative functions of the Authority. This is the fourth year of consolidation of parking meter programs for both single- and multi-space meters, which will now be referred to as the EZPark Meter Program. There are currently 887 multi-space meters and 5,063 single-space meters of which 1,727 are single-space smart meters and 3,336 mechanical single-space meters as of June 30, 2015. During FY 2015, the Authority completed Phase I of the EZPark single-space smart meter upgrade, which included the installation of the 1,727 single-space smart meters in the central business district.

Over the next several years, the Authority anticipates the installation of approximately 400 additional new multi-space meters and 3,000 single-space smart meters. The FY 2016 budget for the EZPark Meter Program includes the cost for single-space and multi-space meter administration. The budget combines both into a single meter administration program budget.

During FY 2015, the Authority implemented PARIS-On-The-Web, which allows customers to manage their parking accounts online, via the Authority's website. Customers looking for monthly parking can now go to <https://payments.bcparking.com> to find, locate and pay for monthly parking. PARIS (Parker Accounts Receivable Information System) is a custom built, full-featured billing and accounts receivables system for monthly parking management. PARIS-On-The-Web is a feature of the PARIS program that provides customers with a more interactive experience. PARIS-On-The-Web allows existing customers to make basic edits to their account, view their account history, make monthly payments, and completely manage their accounts online. PARIS-On-The-Web allows new customers to locate parking facilities, view rates, complete and submit applications, etc. and allow Authority's staff to better manage monthly routine accounting maintenance. Customers can now enter their own credit card information in an encrypted PCI tokenization credit

GOVERNMENTAL FUND BALANCE SHEET/ STATEMENT OF NET POSITION

June 30, 2015

card security system, which decreases the risk of PCI non-compliance by having cardholder information in the files. Full implementation of this project allows customers to pay bills via the web and provide some account controls for contract customers via a web connection.

The financial system is now generating reports electronically containing current financial information by program. 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 2016. During FY 2016, the Authority anticipates issuing a Request for Proposal (RFP) to upgrade its financial software Microsoft Dynamics Great Plains 2010 to MS Dynamics GP 2015, including all third party software.

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

	General Fund	Adjustments (Note 4)	Statement of Net Position
Assets:			
Cash and Cash Equivalents	\$ 2,058,598	\$ -	\$ 2,058,598
Accounts Receivable	77,693	-	77,693
Other Assets	43,730	-	43,730
Capital Assets, Net (Note 2)	-	352,185	352,185
Total Assets	\$ 2,180,021	\$ 352,185	\$ 2,532,206
Liabilities:			
Accounts Payable	\$ 446,037	\$ -	\$ 446,037
Due to Baltimore City	151,546	-	151,546
Accrued Expenses	217,844	-	217,844
Total Liabilities	815,427	-	815,427
Commitments (Note 3)			
Fund Balances:			
General Fund Balance	1,364,594	(1,364,594)	-
Total Liabilities and Fund Balances	\$ 2,180,021		
Net Position:			
Invested in Capital Assets		352,185	352,185
Unrestricted		1,364,594	1,364,594
Total Net Position		1,716,779	1,716,779
Total Liabilities and Net Position		\$ 352,185	\$ 2,532,206

FINANCIALS 2015

STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Administration of Parking Facilities	\$ 6,121,623	\$ -	\$ 6,121,623
Capital Outlay/Depreciation	148,553	11,828	160,381
Total Expenditures/Expenses	<u>6,270,176</u>	<u>11,828</u>	<u>6,282,004</u>
Program Revenue:			
Grant Revenue - Baltimore City	5,199,883	-	5,199,883
Other Income	337,050	-	337,050
Total Revenue	<u>5,536,933</u>	<u>-</u>	<u>5,536,933</u>
(Deficit) Excess of Revenue Over Expenditures	(733,243)	<u>733,243</u>	-
Change in Net Position		<u>\$ (745,071)</u>	(745,071)
Fund Balance/Net Position - Beginning of Year	<u>2,097,837</u>		<u>2,461,850</u>
Fund Balance/Net Position - End of Year	<u>\$ 1,364,594</u>		<u>\$ 1,716,779</u>

NOTES TO FINANCIAL STATEMENTS

1. 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 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 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 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 (GAAP) 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 10, 2015, 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.

Capital Assets

Capital assets are recorded at cost and depreciated using the straight-line method over the useful lives of the assets, which range from 3 to 10 years. It is the Authority's policy to capitalize capital assets 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	\$ 703,622	\$ 123,134	\$ -	\$ 826,756
Office Equipment	73,429	25,419	-	98,848
Furniture and Fixtures	106,527	-	-	106,527
Leasehold Improvements	60,744	-	-	60,744
	<u>944,322</u>	<u>148,553</u>	<u>-</u>	<u>1,092,875</u>
Less: Accumulated				
Depreciation:				
Computer Equipment	391,303	145,562	-	536,865
Office Equipment	64,308	5,284	-	69,592
Furniture and Fixtures	65,226	8,262	-	73,488
Leasehold Improvements	59,472	1,273	-	60,745
	<u>580,309</u>	<u>160,381</u>	<u>-</u>	<u>740,690</u>
Net Capital Assets	<u>\$ 364,013</u>	<u>\$ (11,828)</u>	<u>\$ -</u>	<u>\$ 352,185</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 July 2017. Rent expense recorded for the year ended June 30, 2015 was \$108,962.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,	2016	\$	30,603
	2017		5,794

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, 2015 and 2014 in the amounts of \$19,520 and \$17,665, respectively.

REQUIRED SUPPLEMENTARY INFORMATION: BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenue:				
Grant - Baltimore City	\$ 6,538,700	\$ 6,568,700	\$ 5,199,883	\$ (1,368,817)
Other	-	-	337,050	337,050
Total Revenue	<u>\$ 6,538,700</u>	<u>\$ 6,568,700</u>	<u>\$ 5,536,933</u>	<u>\$ (1,031,767)</u>
Expenditures:				
Salaries and Benefits	\$ 3,411,400	\$ 3,411,400	\$ 3,022,763	\$ 388,637
Telephones/Utilities/Internet	47,800	47,800	56,212	(8,412)
Vehicles/Travel	91,200	91,200	41,360	49,840
Business Machine Rental	14,900	14,900	13,908	992
Consultants	174,000	174,000	88,697	85,303
Equipment Warranty	275,800	275,800	284,634	(8,834)
Software	487,700	487,700	562,915	(75,215)
Legal	48,500	48,500	-	48,500
Printing and Copying	26,700	26,700	30,602	(3,902)
Merchant Service Fees	1,142,800	1,142,800	1,358,955	(216,155)
Computer Maintenance	42,000	42,000	61,533	(19,533)
Other Services	230,900	230,900	297,960	(67,060)
Maintenance and Supplies	207,800	207,800	129,428	78,372
Equipment Acquisitions	184,800	214,800	154,365	60,435
Rent	117,900	117,900	108,962	8,938
Advertising	1,500	1,500	6,905	(5,405)
Dues/Subscriptions/Training	33,000	33,000	50,977	(17,977)
Total Expenditures	<u>\$ 6,538,700</u>	<u>\$ 6,568,700</u>	<u>6,270,176</u>	<u>\$ 298,524</u>
Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP:				
Depreciation Expense (Net of Disposals) Not Included in Budget			160,381	
Capital Asset Acquisitions Included in Expenses			(148,553)	
Total Expenses			<u>\$ 6,282,004</u>	



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