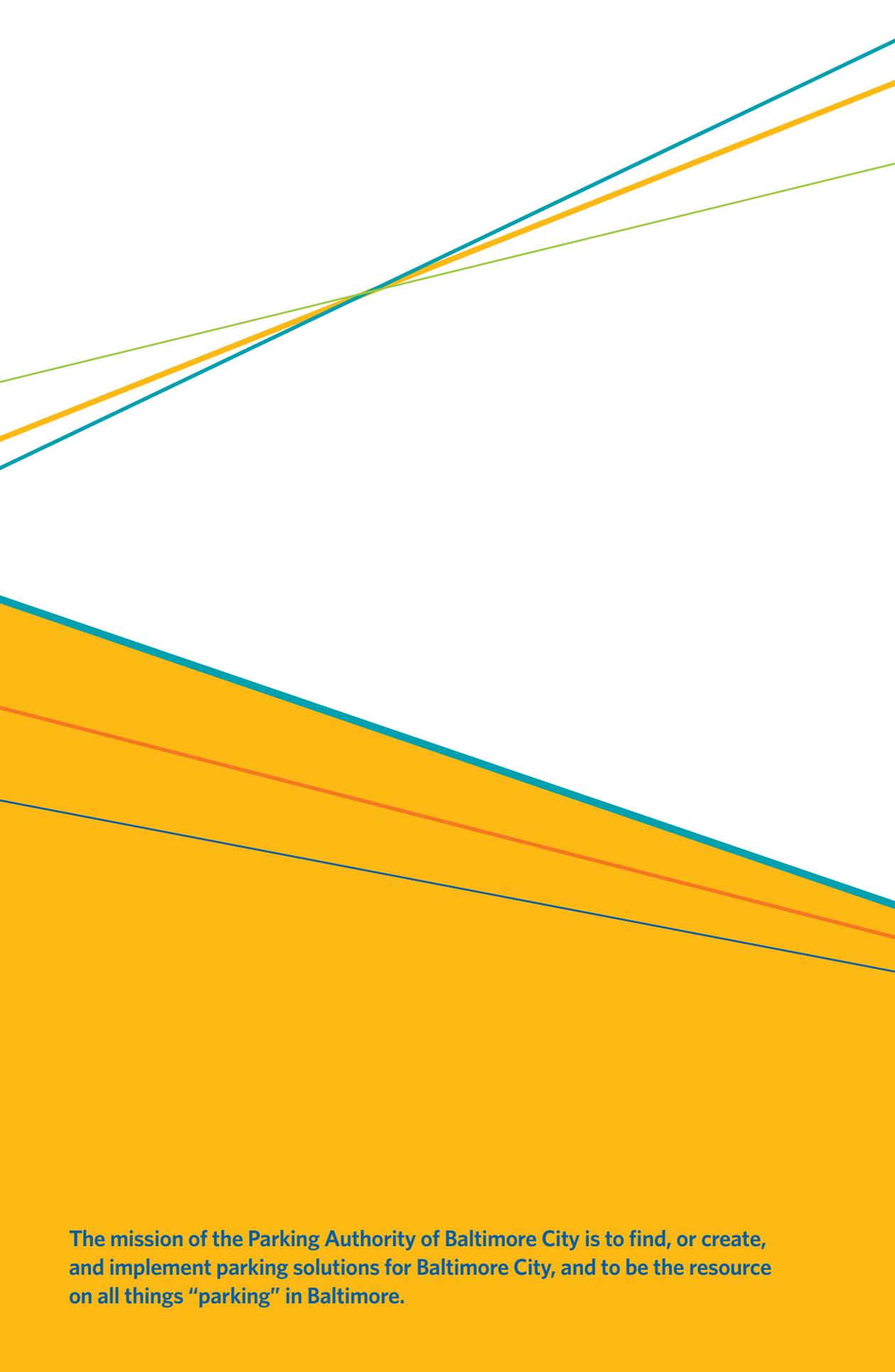




PARKING OF BALTIMORE CITY AUTHORITY



Making a Difference.
2011 Annual Report



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.

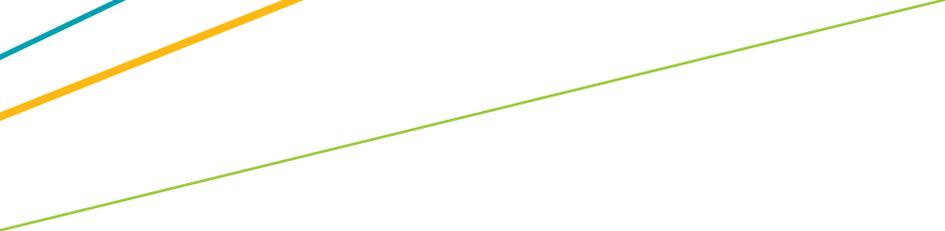
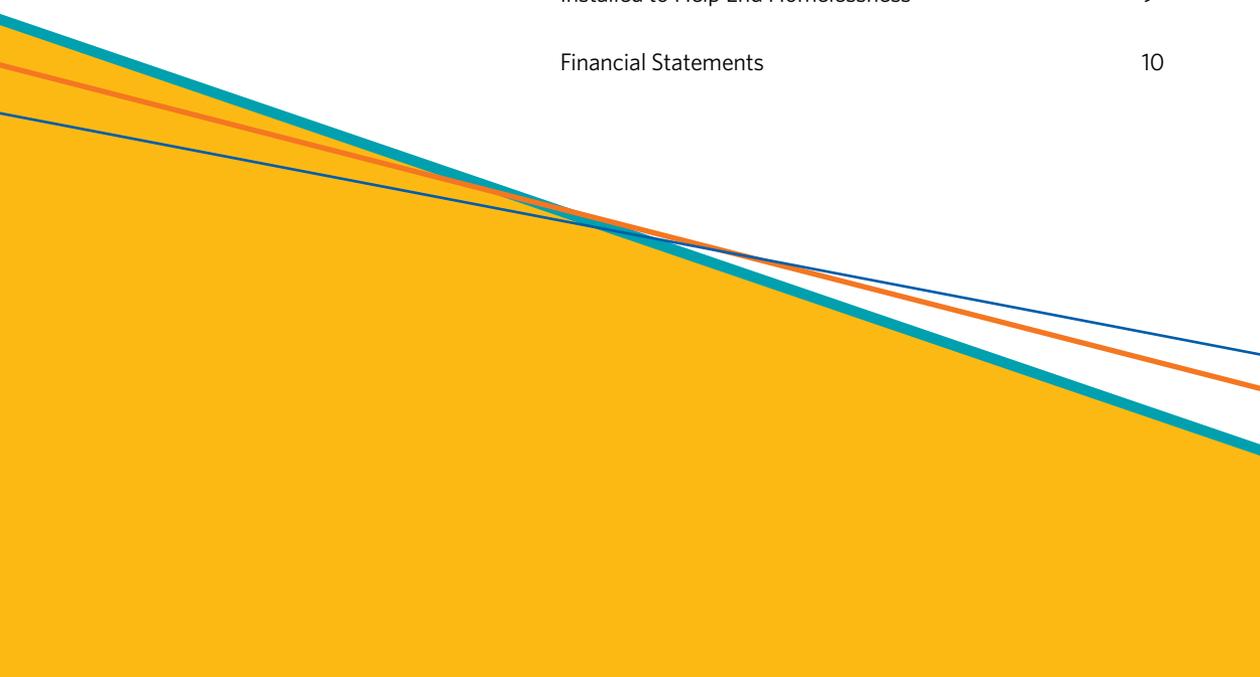


table OF contents

Letter from the Mayor	2
Message from our Board of Directors	3
Reserved Residential Handicap Parking Spaces Provide Access to the Community	4
EZ Park Program Continues to Grow	5
Residential Permit Parking Helps Reduce Competition for On-Street Parking Spaces	6
After One Year, Zipcar is Driving Vehicle Ownership Down in Baltimore	7
Electric Vehicle Charging Stations Installed in 9 PABC Garages	8
Credit Card Accepting Meter To Be Installed to Help End Homelessness	9
Financial Statements	10





“The Parking Authority of Baltimore City makes a difference in people’s lives every day.”

Letter from the Mayor

As a taxpayer, you have certain expectations from the City—you want to know that City agencies and quasi-governmental agencies are making a positive impact in people’s lives. This year’s annual report features Baltimore City residents who have been positively affected by the work done by the Parking Authority of Baltimore City this past year.

Continue reading to meet Mr. Kiser, an 87-year-old Baltimore resident who suffers from sciatica, which makes walking extremely painful. Before reserved residential handicap parking signs were installed in front of his house, he would have to walk for nearly half an hour to get home. You will also meet Ms. Cathcart, a business owner whose clients can now find parking near her business—without circling the block dozens of times—thanks to EZ Park Meters in the area. Ms. Hollomon saves hundreds of dollars a month, after swapping her car for a Zipcar membership, thanks to a partnership the car sharing organization has with the Parking Authority. Also featured are Mr. Conlon, who doesn’t have to compete with tourists, hospital employees, and sports enthusiasts for parking when he gets home from work, and Mr. Davidson, who can charge his electric vehicle for free in a Parking Authority garage.

I invite you to turn the page. You will see that the Parking Authority of Baltimore City is truly making a difference in the lives of Baltimore’s residents and visitors every day.

Sincerely,

Stephanie Rawlings-Blake
Mayor, Baltimore City



Message from our Board of Directors

We, the members of the Parking Authority's Board of Directors, are proud of the Parking Authority's rich tradition of service that makes a difference in people's lives. Programs such as Reserved Residential Handicap Parking and Residential Permit Parking provide better opportunities for citizens to locate parking closer to their homes, EZ Park meters increase on-street parking availability in busy areas of the city, car sharing services provide an alternative to owning a car, and the Parking Authority's newly installed electric vehicle charging stations and energy-efficient lighting fixtures in city-owned garages are helping Baltimore become greener.

Although the Parking Authority has had another successful year implementing and maintaining its programs, we understand that in an urban arena, there is always more to do. We need to remain proactive. So we ask, "What more can we do to improve parking in Baltimore?" In the coming year, expect to see upgrades to many of the Authority's long-standing programs. For example, the Board worked closely with Parking Authority Staff, the Residential Permit Parking (RPP) Advisory Board, and employed the assistance of a mayoral fellow to create recommendations for improvements to the RPP program. In 2012, the program will be revamped with new technology and online services, more accommodating ways to acquire decals, and a more efficient advisory board structure. The Board is also excited about the continued expansion of EZ Park meters, capital repairs to city-owned garages, and car sharing.

We are proud of the Parking Authority's hard work and innovation, and we invite you to read further to learn more about the Authority's past accomplishments and future endeavors.

Sincerely,

Peter Auchincloss, Board Chair

Pictured above (left to right):

Sophie Dagenais
Senior Fellow, Center for Community and Economic Opportunity, The Annie E. Casey Foundation

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

Peter E. Auchincloss
Board Chair, President - Watermark Corporation

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

Edward Gallagher
Director of Finance, City of Baltimore

Reserved Residential Handicap Parking Spaces Provide Access to the Community

The Parking Authority of Baltimore City issued more than 1,000 Reserved Residential Handicap Parking Permits in 2011, more than any other previous year. This program designates on-street parking spaces located in front of or next to residential units that are reserved for use by a resident who is permanently disabled and mobility restricted. Residents must meet strict qualifications including notarized documentation from a physician. Residents must not have access to off-street parking to qualify for the service.

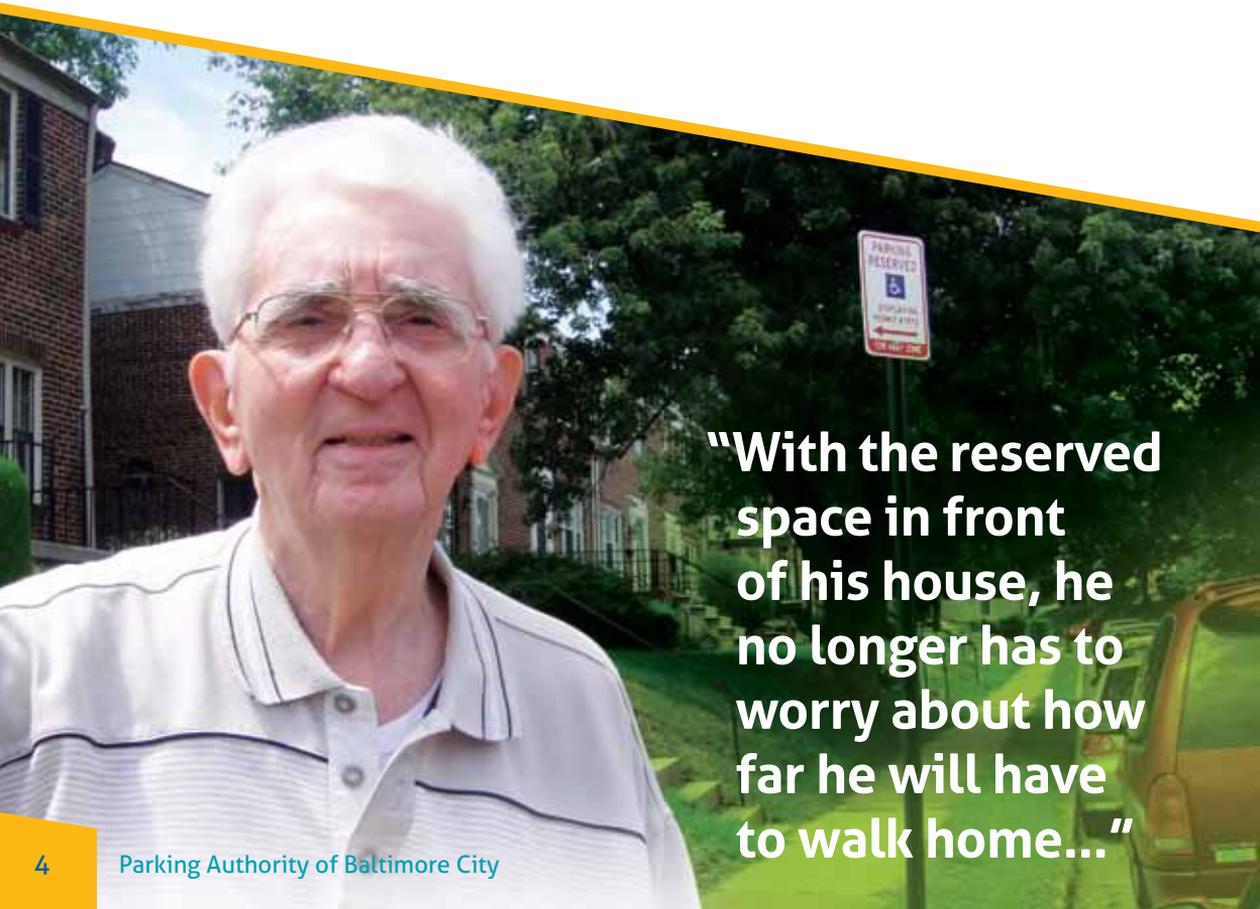
These parking spaces provide much-needed access to a resident's home for a disabled resident and caregivers. Without this service, these residents would be house-bound and unable to visit doctors, family members or access the community.

Eighty-seven year old Baltimore resident William Kiser (pictured below) suffers from Sciatica, a condition that requires him to walk with a cane and makes each step extremely painful. After suffering with the condition for too long, he finally applied for a reserved residential handicap parking space this year. After submitting the required documentation and meeting with the program manager, signs were installed in front of his house reserving the space

for his car only. A World War II veteran and retired Baltimore Transit and Baltimore Sun employee, Mr. Kiser lives alone and is grateful for the parking space in front of his home, which is located at the foot of a long set of steps leading to his front door

Before the reserved parking signs were installed, Mr. Kiser sometimes had to park 2-3 blocks away from his house and walk home, which could take 20 agonizing minutes or more. Mr. Kiser described one night when he came home and had to park three blocks from his home. "It was raining and I dropped my keys in a neighbor's lawn and could not find them in the dark. I thought, 'What am I going to do?'" After several minutes of searching, a neighbor came out and helped him find the keys and got him home safely.

With the reserved space now in front of his house, Mr. Kiser and his four daughters no longer have to worry about him leaving the house to visit family, go to the doctor or to the grocery store because returning may mean a long, painful walk home. For Mr. Kiser and others like him, a reserved residential handicap parking space in front of his home makes it possible to maintain access to vital services in the community.



"With the reserved space in front of his house, he no longer has to worry about how far he will have to walk home..."

EZ Park Program Continues to Grow

Baltimore saw its first EZ Park Meter installed in 2004. Over the last seven years, one dedicated employee managed the installation of nearly 800 of these multi-space meters. In 2011, the Parking Authority added new employees and made additional improvements to the program.

By transferring the Meter Shop from the Department of Transportation to the Parking Authority, five Meter Maintenance employees, one Office Clerk and one Assistant Manager were added to the Meter Maintenance Program.

Two new credit cards (Discover and American Express) are now accepted at EZ Park Meters as well as coins, making it even easier for parkers to pay for parking and avoid citations.

A new toll-free phone number was created to report problems with EZ Park meters. The toll-free number (443-986-9430) can be found on all EZ Park Meters. Operators are available 24-hours a day, 7-days a week.

Business owners and merchants' associations continue to ask for EZ Park meters because the meters make it easier for their customers to find a parking space. Single space meters mark where each vehicle must park, leaving unused curb space behind smaller cars. With EZ Park Meters, drivers can park their cars closer together, resulting in 10-15% more vehicles parked in the same amount of curb space. EZ Park Meters also promote frequent turnover and encourage long-term parkers to find off-street parking.

Business owner Sarah Cathcart says her customers are happy to pay a little more for parking if it means not having to circle the block several times looking for a parking space. "Before last year's rate increase, my customers would apologize for being late saying they had trouble finding a parking space. Now they say it's much easier to park." Cathcart says a lot of employees in the area had been parking on-street and now park in off-street locations. This helps keep on-street parking available for short-term parkers, such as Cathcart's clients.

More EZ Park Meters will be added throughout Baltimore neighborhoods in 2012, increasing payment options for parkers, allowing more vehicles to park on Baltimore's streets and promoting turnover of parking spaces.



Residential Permit Parking Helps Reduce Competition for On-Street Parking Spaces

Forty-three areas throughout Baltimore have Residential Permit Parking (RPP) programs, which limit how long vehicles can park in that area unless a permit is displayed. These parking restrictions encourage non-residents to either park off-street or to use alternative forms of transportation, making it easier for residents to find a parking space within a reasonable distance from their home. This program helps neighborhoods where parking by non-residents on residential street has created problems.

This program has made a big difference to Chris Conlon, who has lived in Ridgely's Delight (RPP Area 5) for the past ten years. With the University of Maryland, Camden Yards and the Inner Harbor nearby, Ridgely's Delight's neighborhood streets are often used by students, employees and sports enthusiasts looking for a cheap, convenient parking space for their car. "Without RPP there would be no way to prevent people from parking in our neighborhood." Conlon estimates that residents, including a mix of young professionals, university students, families, and elderly residents, would have to park up to five blocks away or in parking garages on a regular basis. On game days, they would be forced to park even farther away.

Many RPP areas such as Ridgely's Delight host community RPP permit pick-up sessions to make the permit renewal process more convenient for residents. Permits expire on the same day each year. As early as six weeks before the expiration date, residents can purchase next year's permits. Two days prior to the scheduled community pick-up, RPP employees prepare the permits that have been purchased on-line for that area. At the community permit pick-up sessions, usually scheduled in the evening or on weekends, residents present the confirmation page from their on-line purchase, vehicle registration and proof of residency in order to obtain their permit(s). Residents of Ridgely's Delight live within a 10 minute walk of the Parking Authority offices, so many residents choose to pick up their permits during office hours.



"Without RPP there would be no way to prevent people from parking in our neighborhood."

“It’s exciting. When you buy a car, you buy a car. When you join Zipcar you get to drive a different car all the time.”



After One Year, Zipcar is Driving Vehicle Ownership Down in Baltimore

June 29, 2011 marked the one year anniversary of the partnership between the Zipcar and the Parking Authority of Baltimore City, who helped bring the car sharing organization to Baltimore as a way to help residents reduce their reliance on personally owned automobiles and decrease the number of vehicles competing for parking spaces in Baltimore’s neighborhoods. A year later, the results are in. A survey of Baltimore Zipcar members shows that 64% of respondents either got rid of a vehicle or avoided purchasing one since joining the car sharing organization. Seventy-two percent of survey participants said being a Zipcar member made it less likely they would buy or lease a car in the future.

Fewer personally owned cars means less competition for on-street parking in the neighborhoods where Zipcars are found, improving the parking situation for everyone in the community, including those who never join Zipcar.

Amy Hollomon has been a Zipcar member since February, 2011. She used to drive from Station North to Federal Hill every day, but now takes the Charm City Circulator or the MTA instead. Her fiancé also takes public transportation to and from work. They no longer own a car and use Zipcar 2-3 times a month to visit family outside the City on the weekends, to pick up a load of groceries or to visit

clients for work from her office. Hollomon estimates they save \$400 a month compared to owning a car, taking into account insurance, maintenance, parking and gas, which is completely covered with Zipcar. Hollomon also likes driving new and different cars. “It’s exciting,” she says, “When you buy a car, you buy a car. When you join Zipcar you get to drive a different car all the time.”

Zipcar has also placed several Zipcars in or near neighborhoods where the high cost of car ownership has made it difficult for residents to own their own vehicle. Affordable access to a vehicle parked within walking distance means being able to choose a high quality physician across town, being able to fill the refrigerator with fresh produce once a week or driving to a job interview on time and in style.

Beginning with twenty vehicles in June of 2010, the number of Zipcars doubled in less than nine months. As of the printing of this publication, 66 Zipcars live on-street in neighborhoods from Hampden to Fells Point, from Guilford to Sharp-Leadenhall.

With demand high from a growing number of Baltimore Zipcar members, more vehicles are being added throughout the Baltimore area every month.

Electric Vehicle Charging Stations Installed in 9 PABC Garages

Working with the City's Energy Office, the Parking Authority of Baltimore City has installed electric vehicle (EV) charging stations in nine City-owned parking garages. Each charging station is capable of charging two vehicles simultaneously, allowing up to 18 electric vehicles at a time to recharge their cars' batteries.

This new program was made possible by a grant from the Maryland Energy Association.

Dave Davidson (pictured) purchased a 2011 Nissan Leaf earlier this year. Mr. Davidson says the biggest advantage to owning an electric vehicle is not having to buy gasoline. "I can go about 100 miles on less than \$3.00 worth of electricity," Davidson says. He also says his EV requires less maintenance and provides a quiet, smooth ride. Davidson also appreciates that his new car greatly reduces air pollution. As Maryland and other states include cleaner forms of electricity production, electric vehicles will become even cleaner. Davidson also likes that driving his electric vehicle helps reduce the nation's dependence on foreign oil.

Drivers of electric vehicles can park and charge their vehicles at the following PABC garages:

Arena Garage

99 S. Howard Street (2nd Level)

Baltimore Street Garage

15 Guilford Avenue (3rd Level)

Caroline Street Garage

805 S. Caroline Street (1st Level)

Lexington Street Garage

510 E. Lexington Street (2nd Level)

Little Italy Garage

400 S. Central Avenue (1st Level)

Penn Station Garage

1151 N. Charles Street (Level 1B)

Redwood Street Garage

11 S. Eutaw Street (Lower Level)

Water Street Garage

414 Water Street (Level 3)

West Street Garage

40 E. West Street (Lower Level)

Plugging in is free, but drivers pay to park in the garage according to posted rates.

With more car manufacturers producing EV's and more charging stations being installed throughout Maryland and other states, Mr. Davidson and other EV drivers can extend their battery life and driving range while reducing their overall transportation costs and their impact on the environment. Please call 443-573-2800 for more information.





Credit Card Accepting Meter To Be Installed to Help End Homelessness

You have probably seen the blue parking meters placed on busy corners throughout downtown. Feeding these meters won't help you avoid a parking citation, but it will help fight homelessness in Baltimore City. These meters accept quarters, dimes, and nickels; but like most of Baltimore's parking meters, it's time for an update.

Through a partnership between the Parking Authority and Downtown Partnership of Baltimore, a new Cale meter will be installed at the Southeast corner of Lombard Street and Market Place. In addition to coins, this meter will accept credit cards. This will help visitors, employees and residents make a bigger impact on the lives of those affected by homelessness.

All proceeds go to the Journey Home, Baltimore City's ten year plan to end homelessness. A collaboration between businesses, not-for-profits, faith-based organizations and concerned citizens, the Journey Home's vision is that, within ten years, homelessness in Baltimore City will be rare and brief. For more information, go to journeyhomebaltimore.org.

THE JOURNEY HOME

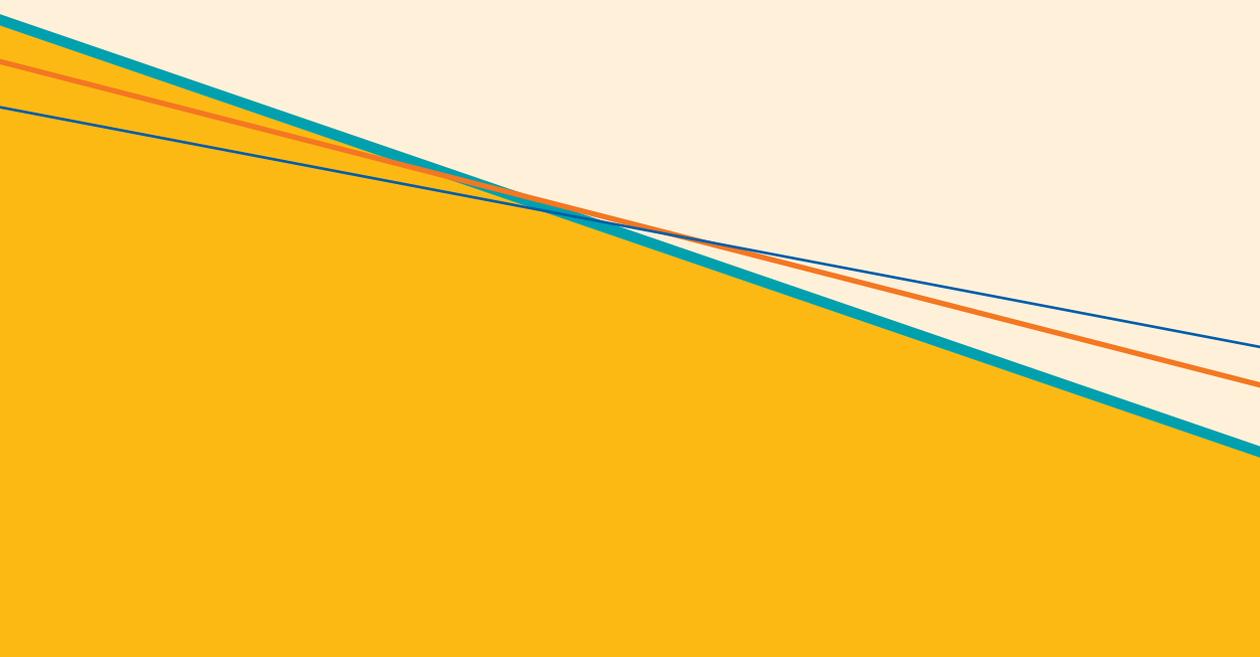
Baltimore City's 10-Year Plan to End Homelessness

The next time you pass this meter, please stop and consider making a donation.



financial statements

Independent Auditors' Report	11
Management's Discussion and Analysis	12 - 15
Governmental Fund Balance Sheet/ Statement of Net Assets	16
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/ Statement of Activities	16
Notes to Financial Statements	17 - 19
Required Supplementary Information: Budgetary Comparison Schedule - General Fund	20



Independent Auditors' Report

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

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, 2011, which collectively comprise the Authority's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and fund information of the Authority as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion, analysis and budgetary comparison information on Pages 12 through 15 and 20 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



ELLIN & TUCKER, CHARTERED
Certified Public Accountants
Baltimore, Maryland
November 15, 2011

Overview of the Financial Statements

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Assets 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 Assets 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 Assets). For the Authority, the difference related primarily to capital assets which are reflected as assets on the Statement of Net Assets 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 Assets and Changes in Net Assets

The following is a comparison summary of the Authority's net assets and changes in net assets for the years ended June 30, 2011 and 2010.

	2011	2010
Assets:		
Current and Other Assets	\$ 1,378,203	\$ 514,976
Capital Assets	115,045	121,490
Total Assets	<u>\$ 1,493,248</u>	<u>\$ 636,466</u>
Liabilities:		
Current Liabilities	<u>\$ 1,124,387</u>	<u>\$ 415,031</u>
Net Assets:		
Invested in Capital Assets	\$ 115,045	\$ 121,490
Unrestricted	253,816	99,945
Total Net Assets	<u>\$ 368,861</u>	<u>\$ 221,435</u>
Changes in Net Assets:		
Program Revenues:		
Baltimore City Grant	\$ 3,750,350	\$ 3,620,350
Other	13,461	2,568
Total Revenues	<u>3,763,811</u>	<u>3,622,918</u>
Expenses:		
Salaries and Benefits	1,742,593	1,819,169
Professional Fees	698,962	564,201
Bank and Armored Car Fees	715,807	741,963
Rent and Utilities	129,150	122,400
Depreciation	48,418	53,272
Maintenance and Supplies	109,913	86,302
Other Operating Expenses	171,542	206,468
Total Expenses	<u>3,616,385</u>	<u>3,593,775</u>
Increase in Net Assets	147,426	29,143
Net Assets - Beginning of Year	<u>221,435</u>	<u>192,292</u>
Net Assets - End of Year	<u>\$ 368,861</u>	<u>\$ 221,435</u>



For the year ended June 30, 2011, 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, 2011 was \$3,750,350, including an additional appropriation of \$580,000 to reimburse the Authority for additional meter program and administrative expenses. Operating expenses for the year ended June 30, 2011 totaled \$3,616,385 resulting in an increase in net assets of approximately \$147,000. Total operating expenses increased approximately \$23,000 during the year ended June 30, 2011 as compared to the year ended June 30, 2010. The increase was primarily a result of an increase in software consulting fees related to converting the credit card processing to real-time. This increase was offset by a decrease in salaries and benefits due to vacant positions during the year ended June 30, 2011.

During the year ended June 30, 2011, the Authority purchased computer equipment of approximately \$42,000. At June 30, 2011, the Authority had liabilities totaling \$1,124,387. These liabilities are expected to be funded through existing cash balances.

Budget Analysis

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2011 (2011) is presented on Page 20. The most significant budget variations included salaries and benefits, legal, and maintenance and supplies.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$72,000 less than expected. There were two vacant positions for a portion of the year, and the 2011 budget did not include a reduction to salaries and benefits expenses for mandatory furlough days.

Legal fees were approximately \$52,000 less than expected due to utilization of in-house counsel.

Maintenance and supplies were \$61,987 less than expected as the Authority did not need to purchase as many supplies as the 2011 budget allowed.

The most significant variance between the original and final budget was salaries and benefits. Salaries and benefits final budgeted amounts decreased approximately \$111,000 compared to the original budgeted amounts. This decrease is a result of the final budget not including salaries and benefits relating to the valet administration program since the program has not yet received legislative approval.

Fiscal Year Ending June 30, 2012

The budget for the fiscal year ending June 30, 2012 (2012) has been submitted to the Baltimore City Board of Estimates in the amount of \$3,545,064, which represents a decrease in the funding level compared to the fiscal year ended June 30, 2011 of approximately \$205,000. The total grant appropriation includes \$2,331,369 for the base administrative grant, \$997,500 for the base meter administrative grant, and \$216,195 for the valet administration program. The Authority has also been granted supplemental funding for the meter program in the amount of \$1,607,462. The total available funds for 2012 are \$5,152,526, excluding any carryover funds from the fiscal year ending June 30, 2011.

The funding will pay salaries, benefits, and other costs to support the addition of a new assistant manager for the meter program, an office clerk, and six meter mechanics. The management of the single space meters has been the responsibility of the Department of Transportation for the City of Baltimore prior to 2012. The Authority has managed only the multi-space meters. The consolidation of parking meter programs was approved for 2012. Both meter programs will be managed by the Authority beginning in 2012. There are currently 740 multi-space meters and 6,200 single space meters installed as of June 30, 2011. During 2012, the Authority anticipates it will enter into the next phase of the expansion of the EZ Park multi-space meter program, including installation of approximately 75 additional meters throughout the City. This phase of the program will utilize the remaining funds awarded in the base meter administrative and supplemental meter program grants. Once this phase of the program is completed, there will be over 800 multi-space meters in operation. Over the next several years, the Authority anticipates the installation of approximately 400 additional new multi-space meters. The Authority has converted all multi-space meter credit card processing to real-time as of June 30, 2011. The 2012 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 is upgrading the financial software used to maintain accounts receivable for the City of Baltimore Off-Street facilities that the Authority oversees. The software will be used to manage the revenue process and coordinate the electronic transfer of data from the billing system to the facility access control system. The second phase of the implementation is scheduled to be completed by spring 2012 which 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 Assets

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

Governmental Fund Balance Sheet/Statement of Net Assets

June 30, 2011

	General Fund	Adjustments (Note 4)	Statement of Net Assets
Assets:			
Cash and Cash Equivalents	\$ 1,370,000	\$ -	\$ 1,370,000
Capital Assets, Net (Note 2)	-	115,045	115,045
Prepaid Expenses	8,203	-	8,203
Total Assets	<u>\$ 1,378,203</u>	<u>\$ 115,045</u>	<u>\$ 1,493,248</u>
Liabilities:			
Accounts Payable	\$ 204,468	\$ -	\$ 204,468
Related Party Payable	283,933	-	283,933
Accrued Expenses	216,221	-	216,221
Deferred Revenue	419,765	-	419,765
Total Liabilities	<u>1,124,387</u>	<u>-</u>	<u>1,124,387</u>
Commitments (Note 3)			
Fund Balances:			
General Fund Balance	253,816	(253,816)	-
Total Liabilities and Fund Balances	<u>\$ 1,378,203</u>		
Net Assets:			
Invested in Capital Assets		115,045	115,045
Unrestricted		253,816	253,816
Total Net Assets		<u>368,861</u>	<u>368,861</u>
Total Liabilities and Net Assets		<u>\$ 115,045</u>	<u>\$ 1,493,248</u>

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

For the Year Ended June 30, 2011

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Administration of Parking Facilities	\$ 3,567,967	\$ -	\$ 3,567,967
Capital Outlay/Depreciation	41,973	6,445	48,418
Total Expenditures/Expenses	<u>3,609,940</u>	<u>6,445</u>	<u>3,616,385</u>
Program Revenue:			
Grant Revenue - Baltimore City	3,750,350	-	3,750,350
Other Income	13,461	-	13,461
Total Revenue	<u>3,763,811</u>	<u>-</u>	<u>3,763,811</u>
Excess (Deficit) of Revenue over Expenditures	153,871	(153,871)	-
Change in Net Assets		<u>\$ 147,426</u>	147,426
Fund Balance/Net Assets - Beginning of Year	<u>99,945</u>		<u>221,435</u>
Fund Balance/Net Assets - End of Year	<u>\$ 253,816</u>		<u>\$ 368,861</u>

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 that net assets 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 15, 2011, 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.

At June 30, 2011, the Authority's carrying value of cash and cash equivalents was \$1,370,000, and the bank balance was \$1,491,523. The difference between the carrying value and the bank balance is due to outstanding checks at June 30, 2011. Of the bank balance, \$250,000 was covered by Federal Depository Insurance (Risk Category 1), and the balance of \$1,241,523 was unsecured (Risk Category 3).

Bank deposits are categorized to give an indication of the level of risk assumed by the Authority for such deposits. Risk Category 1 includes deposits that are insured or collateralized with securities held by the Authority or its agents in the name of the Authority. Risk Category 2 includes deposits collateralized with securities held by the pledging institutions' trust department or agent in the name of the Authority. Risk Category 3 includes deposits that are not collateralized. Category 1 deposits have the least risk to the Authority.

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.

Deferred Revenue

The Authority received grant funds during the year in the amount of \$419,765 related to the valet administration program. The program has not formally started as it had not received legislative (or "City") approval as of June 30, 2011. Since the program has not been approved, the funds received have been recorded as deferred revenue in the accompanying financial statements.

2. Capital Assets

Capital assets of the Authority are as follows:

	Beginning of Year	Additions	Retirements	End of Year
Capital Assets:				
Computer Equipment	\$ 330,432	\$ 40,869	\$ 690	\$ 370,611
Office Equipment	64,805	-	-	64,805
Furniture and Fixtures	75,594	1,104	-	76,698
Leasehold Improvements	33,754	-	-	33,754
	<u>504,585</u>	<u>41,973</u>	<u>690</u>	<u>545,868</u>
Less: Accumulated Depreciation:				
Computer Equipment	269,134	37,439	690	305,883
Office Equipment	53,848	2,083	-	55,931
Furniture and Fixtures	33,392	7,437	-	40,829
Leasehold Improvements	26,721	1,459	-	28,180
	<u>383,095</u>	<u>48,418</u>	<u>690</u>	<u>430,823</u>
Net Capital Assets	<u>\$ 121,490</u>	<u>\$ (6,445)</u>	<u>\$ -</u>	<u>\$ 115,045</u>

3. Commitments

The Authority leases office space from the City under a lease which expires in January 2014. The Authority leases office equipment under lease agreements which expire through April 2014. Rent expense recorded for the year ended June 30, 2011 was \$98,436.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,	2012	\$ 103,056
	2013	100,291
	2014	58,037

4. Explanation of Certain Differences Between Governmental Funds Financial Statements and GAAP Financial Statements

Statement of Net Assets and Governmental Fund Balance Sheet

The fund balance of the general fund differs from net assets reported in the Statement of Net Assets. 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 Assets 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.

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenue:				
Grant - Baltimore City	\$ 3,956,300	\$ 3,750,400	\$ 3,750,350	\$ (50)
Other	-	-	13,461	13,461
Total Revenue	<u>\$ 3,956,300</u>	<u>\$ 3,750,400</u>	<u>\$ 3,763,811</u>	<u>\$ 13,411</u>
Expenditures:				
Salaries and Benefits	\$ 1,925,400	\$ 1,814,600	\$ 1,742,593	\$ 72,007
Telephones/Utilities/Internet	36,300	34,300	30,714	3,586
Vehicles/Travel	33,400	29,800	9,637	20,163
Business Machine Rental	5,000	5,000	11,147	(6,147)
Consultants	42,000	42,000	53,780	(11,780)
Equipment Warranty	257,800	257,800	229,316	28,484
Software	374,500	374,500	370,359	4,141
Legal	57,000	52,000	300	51,700
Printing and Copying	24,000	24,000	23,232	768
Bank and Armored Car Service Fees	730,000	730,000	715,807	14,193
Computer Maintenance	25,600	25,000	45,207	(20,207)
Other Services	168,400	104,700	121,555	(16,855)
Maintenance and Supplies	183,400	171,900	109,913	61,987
Equipment Acquisitions	45,100	42,000	41,973	27
Rent	116,500	112,900	98,436	14,464
Advertising	5,000	5,000	2,461	2,539
Dues/Subscriptions/Training	8,000	6,000	3,510	2,490
Total Expenditures	<u>\$ 4,037,400</u>	<u>\$ 3,831,500</u>	3,609,940	<u>\$ 221,560</u>
Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP:				
Depreciation Expense (Net of Disposals) Not Included in Budget			48,418	
Capital Asset Acquisitions Included in Expenses			(41,973)	
Total Expenses			<u>\$ 3,616,385</u>	





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