



PARKING
OF BALTIMORE CITY
AUTHORITY

2008 Annual Report

THE NEW PARKING PHILOSOPHY:
MANAGING PARKING IN THE 21ST CENTURY

contents

Introduction	2
Mayor's Letter	3
Board of Directors Letter.	4
Parking Philosophy	5
Business District Parking.	6
EZ Park Meters.	7
State-of-the-Art Parking Access & Revenue Control (PARC) Equipment.	8
Hybrid Vehicle Program	8
Carpooling Program	8
Customer Appreciation Days	8
Structural Surveys of Parking Garages	8
Residential Area Parking	9
Residential Permit Parking	10
Parking Demand Management	11
Addressing the Call for Demand	12
Accommodating Two-Wheeled Vehicles in Parking Garages	12
Free Downtown Shuttle is Coming	12
Welcome Baltimore CarShare.	13
Converting Old Meters to Bicycle Parking	13
Financial Statements	14
Independent Auditors' Report	15
Management's Discussion and Analysis	16
Notes to Financial Statements	20
Required Supplementary Information	23



introduction

Parking policy can have a profound effect on a wide array of urban issues ranging from traffic congestion, neighborhood life, economic development and the environment. By creating incentives for drivers to make good parking decisions or to use alternative forms of transportation, the Parking Authority plays an important role in creating a stronger, healthier and greener Baltimore.



The new parking philosophy in Baltimore City is multi-faceted. It allows us a real opportunity to question our old assumptions about driving, parking and even car ownership.

Multiple solutions for a diverse community include providing safe and convenient options for long-term parkers, more available curb side space for short term parkers, and practical alternatives to driving.

Mayor's Letter As the "authority" on parking, I have trusted the Parking Authority of Baltimore City to be experts in finding parking solutions in Baltimore City. Each program at the Parking Authority fits into a larger parking philosophy, one that promotes cleaner air, less traffic congestion and gets people where they need to go. Parking also plays an important role in my vision for a cleaner, greener Baltimore.

I was surprised to learn that 30% of traffic congestion is caused by drivers "circling" to find an available parking space. Being able to find a parking space quickly means cleaner air. The Parking Authority of Baltimore City has designed its programs to enable us to find parking quickly and make decisions in ways that promote good parking management. For example, parking rates at our new EZ Park Meters are set at levels that encourages short-term parking and discourages all day parking. This prompts drivers who plan to park for long periods of time to strongly consider parking in garages or in parking lots, which creates more available on-street spaces for drivers making quick trips.



But managing parking well is only part of the solution. As gas prices fluctuate, more and more of us are finding other ways to get around and leaving our cars at home. The Parking Authority of Baltimore City is making alternative transportation a viable and attractive option for as many people as possible. Examples include creating a separate non-profit car sharing organization, providing its employees with free MTA passes and installing bicycle parking in city-owned garages.

Thank you for taking the time to learn more about the Parking Authority of Baltimore City and how our transportation choices can create a cleaner and greener Baltimore.

Sheila Dixon
Mayor, Baltimore City

**Board of
Director's Letter**

Since its inception in 2001, the Parking Authority of Baltimore City has proven to be highly successful in creating and implementing parking solutions for neighborhoods, businesses, visitors and commuters. Seven years ago, city-owned garages had a reputation for being dangerous, dirty and poorly maintained. As a result, they were under-utilized. Today the Parking Authority of Baltimore City oversees the operations of 17 city-owned garages and has set the standard for cleanliness, customer service and innovation that other garages try to emulate. These improvements have produced unprecedented gains in city-owned garage usage that were unimaginable before the creation of the Parking Authority. This has resulted in revenue gains at those facilities of over \$8.6 Million—an increase of 69%.

**FY 2008
Board of Directors**

Back Row (Left to Right)

Bernard C. "Jack" Young
Baltimore City Council,
12th District

Pierce Flanigan, III
President & CEO,
P. Flanigan & Sons

James Fields
Principal,
Jones & Associates, P.C.

Front Row (Left to Right)

Edward Gallagher
Director of Finance,
City of Baltimore

Patricia McGowan
Partner, Venable, LLP



Our carpooling, hybrid vehicle, and bicycle parking programs within Parking Authority garages encourage the use of alternative and environmentally-friendly means of transportation.

We are busy installing more EZ Park multi-space meters in many areas throughout Baltimore City to lighten your load (gone are the days of having to carry around quarters, dimes and nickels to feed the meter), which create more parking spaces while reducing streetscape clutter.

Keep reading to learn how we're helping make Baltimore an even better place to live, work and have fun!

Meet the Parking Authority team. Top row: David Rhodes, Peter Little, Alvin Turner, Tonya Austin, Bheti Molock, Sandra Downs, Kenneth Turner, and Pete Collier. Middle row: Theresa Webb, Ulonda Bond, Nakisha Hill, Michele Berry, Candace Lee, Artia Johnson, Etta Crafton, Barbara Hughes, and Kenneth Sands. Front row: Nikki Phillips, Tiffany James, Michelle Thompson, Katrina Odom, Niani Glascoe, and Mardocha Mobuary.





parking philosophy

- ✓ Business Districts: Promote short term parking and parking turnover in on-street parking spaces and push all-day parking to off-street garages and lots.
- ✓ Residential Areas: Help residents find parking through Residential Permit Parking programs where it is needed.
- ✓ Parking Demand Management: Provide practical alternatives to driving and car ownership.



business district parking

Shopping, dining and a variety of eclectic attractions are part of the charm of Charm City. So what can the city do to provide the parking availability that keeps these businesses convenient stopping points for the customers that they depend on?



In a historic city with development already at or near capacity, creative thinking for on-street parking must be a part of the plan. Solutions like EZ Park Meters and reverse angled parking allow more cars to occupy the same amount of space.

EZ Park Meters have already added dozens of parking spaces to the Fell's Point area. In 2008 and 2009, EZ Park Meters will be added to the Johns Hopkins Medical Campus, Federal Hill Business District, Waverly Business District, Eastern Ave/Greektown, Bio-Park West and the Cross Street Market.

EZ Park Meters For the past four years, the Parking Authority of Baltimore City has replaced thousands of single space parking meters with over 600 EZ Park Multi-Space Meters. These new meters provide greater convenience for users, allow more vehicles to park in the same amount of space and encourage higher turnover of spaces, which makes finding a parking space easier.

The old fashioned meters, which accepted only quarters, dimes and nickels, made paying a parking meter a real work out! The new EZ Park Meters now accept credit cards as well as coins. Now you can go about your business without worrying whether or not you'll get a citation because you couldn't find enough change between the seat cushions of your car.

EZ Park Meters mean more parking! Without the individual meters telling you where to park, drivers can make the most of curb space and fit as many vehicles as possible. Depending on the block, replacing traditional meters with a multi-space meter can increase the amount of spaces by 15%!

One EZ Park Meter can replace 12 or more individual meters. That means less streetscape clutter! Main Streets all over Baltimore are happily waving good-bye to hundreds of old posts and saying hello to more walkable and more attractive retail districts.

EZ Park Meters are also good for business by making more spaces available for customers. Rates at the new meters are low enough that parkers don't feel rushed when shopping or dining, but high enough to discourage all-day parking, which makes finding available curb space difficult. "We receive many calls each week from different merchants associations and individual business owners requesting the EZ Park meters be installed in their areas," says Candace Lee, Manager of the EZ Park Meter Program. "They are aware of the positive effects these meters have had in other neighborhoods."





Providing good customer service and valuable amenities is critical to getting long-term parkers off the street. Coupling state-of-the-art technologies with the basics like good lighting and reliable elevators have proven effective in dramatically increasing garage patronage since 2001.

Contract holders who register their hybrid vehicles with the Parking Authority pay half the regular monthly contract rate and park in reserved spaces. Registered carpoolers also enjoy parking in spaces reserved for program participants.

State-of-the-Art Parking Access & Revenue Control (PARC) Equipment

A “Garage Full” sign in front of a garage with dozens or even hundreds of empty parking spaces does not help to meet the parking needs of residents, commuters, business patrons or visitors. This was a common site before the Parking Authority took control of these garages. The Parking Authority has invested millions of dollars to equip city-owned garages with state-of-the-art parking access and revenue control (PARC) equipment. This equipment and associated software helps to track and predict garage occupancy, maximizing the parking potential of each garage. Now if there’s an empty parking space in a city-owned garage, you’ll be able to use it.

Hybrid Vehicle Program

Thinking of purchasing a hybrid vehicle? If you have a monthly contract in a Parking Authority owned garage, the decision just got easier. Participants in the Parking Authority’s Hybrid Vehicle Program pay half the regular monthly contract rate! You also can park in one of the conveniently located hybrid-reserved spots near the entrance or exit of the garage. Drivers of hybrids that get better than 29 miles per gallon can register.

Carpooling Program

Sharing a ride saves you money on gas, maintenance and parking. As a monthly contract holder in a Parking Authority owned garage, registered carpoolers are offered conveniently located reserved spaces.

Looking for someone to share a ride? Baltimore’s CityCommute Program can help! Get matched with other commuters who live and work near you and who are interested in sharing a ride! Call 410-396-POOL/7665 for more information.

Customer Appreciation Days

Parking is more about people than cars. At the Parking Authority, we care about our customers’ experiences. Although the Parking Authority uses professional parking operators to manage all city-owned garages, we want to make sure our customers are satisfied regardless of which operator is taking care of them. That’s why we regularly treat each of our customers to a morning cup of coffee and a donut or a bagel and an afternoon snack. We also ask each of our customers to complete a survey to rate their experience at the garage. For completing the survey, customers receive backpacks, umbrellas, lunch bags and key chains.

Structural Surveys of Parking Garages

To protect valuable city-owned assets, each Parking Authority garage is undergoing a structural survey by a structural engineering firm.

Two firms divide the work of surveying 16 facilities for their structural needs... After the results of the surveys have been reviewed, the next phase will involve formulating and implementing capital repair and replacement programs that will ensure the useful lives of these valuable parking assets for decades to come.



residential area parking

As Baltimore attracts more residents to the concept of city living, residential parking issues become an increasingly important reality. So how will Baltimore address the issues residents face today, while preparing for the inevitable population growth in the years to come?

Residents living near retail districts, colleges and major institutions are particularly vulnerable to parking overcrowding. Residential Permit Parking programs help discourage long-term, curb side parking on residential streets while allowing residents reasonable access to their homes.



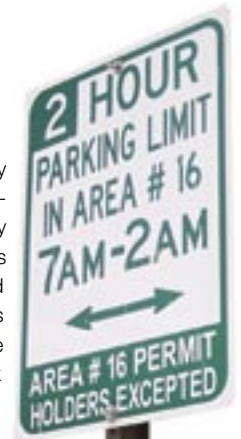
Residential Permit Parking programs have been established in high-parking-demand areas including Oakenshawe, Mt. Vernon, Charles Village, Fells Point, and Federal Hill.

Residential Permit Parking

Baltimore residents enjoy being able to walk to nearby grocery stores, movie theaters, coffee shops and other amenities. Ranked as the 12th most walkable community by the web site WalkScore.com™, Baltimore neighborhoods Federal Hill, Fell's Point and the Inner Harbor were called a "walkers' paradise." This proximity to local amenities sometimes means competition for parking spaces. While on-street parking spaces should be available for quick trips, long-term parking on neighborhood streets should be available for residents.

The Parking Authority manages 39 Residential Permit Parking areas throughout the city to discourage long term on-street parking by visitors to these residential neighborhoods.

This year, the Residential Permit Parking program is being overhauled with an all new database and software program that will make it even easier for residents without off-street parking options to participate in this program. Future updates will include new static cling decals that can be printed on-site with more vehicle information, and utilizing vehicle license plate recognition cameras to improve enforcement.





parking demand management

Amidst wildly fluctuating gas prices and the increasing awareness of global warming, many would love to ditch the car keys to find a cheaper, easier and more ecological way to travel. But transportation needs vary from person to person, so what solutions does Parking Authority have in response to such a diverse community?



Addressing the Call for Demand

The Parking Authority is tasked with a difficult responsibility: developing parking solutions in Baltimore City. As a quasi-governmental agency, we rely on using public funds to find those solutions. Additional parking facilities cost money, whether they are parking garages, lots or EZ Park Meters. Decreasing parking demand in the first place is a low-cost solution to finding space for cars.

Part of Baltimore's charm is its dense, urban neighborhoods filled with row houses that were built before the prevalence of the automobile. Our vehicles are sometimes as long as our houses are wide. It's no wonder parking spaces are at a premium!

The Parking Authority is mandated in its charter to find and implement parking demand management tools. It is addressing this mandate in many creative ways in 2009 and beyond.

Accommodating Two-Wheeled Vehicles in Parking Garages

With gas prices and environmental consciousness reaching all time highs, commuters are turning to fuel efficient motorcycles and scooters or using their own power and riding bicycles. The Parking Authority of Baltimore City is evaluating each city-owned garage for opportunities to further accommodate two-wheeled vehicles.

Six parking garages were identified as able to equip with bicycle parking. In September 2008, the Parking Authority teamed up with the Maryland Transit Authority and the City of Baltimore's Department of Transportation to install bicycle racks on the 1st floor of the Penn Station garage. Other upgrades are in the works, with still more planned in the future.

For those desiring additional security for their bicycles, a secure bike room is being considered for monthly contract holders at the Baltimore Street Garage near City Hall, the Municipal Offices and the City Courthouse.

Free Downtown Shuttle is Coming

Getting around Downtown Baltimore without a car is about to get easier! The Parking Authority of Baltimore City assisted the Mayor's Office, the Department of Transportation and Downtown Partnership of Baltimore to provide residents, employees and visitors free rides in and around Downtown Baltimore. Beginning in mid 2009, a network of 20 environmentally-friendly buses will operate on three routes, keeping wait times limited to no more than ten minutes. Now you can do some shopping at Harbor East on your lunch hour, pick up an associate at the train station or go to a doctor's appointment all without getting in your car.



Residents and city workers must understand what the Parking Authority has known since its inception: building new parking spaces alone will not solve Baltimore City’s Parking Problems.

Available space is finite, especially in a historical city. Baltimore City residents and workers must cooperate with city planning in order to emulate the success stories of other progressive cities like New York and Seattle, and to experience the benefits of those successes. There are plenty of city residents whose lifestyles allow them to take advantage of the convenience of car sharing, public transportation and other, less congesting methods of transportation. Most of us can incorporate more self-powered travel such as walking and biking into their lives. The city is moving to make all of these options more attractive to drivers. We just need those drivers to take advantage of those services and amenities offered.

Welcome Baltimore CarShare

As a way to reduce parking demand in the city, the Parking Authority created Baltimore CarShare. Modeled on the most successful non-profit car sharing organization in the region—PhillyCarShare—the new non-profit focuses on building a better Baltimore. As a local non-profit, Baltimore CarShare will strengthen the community (and not the bottom line of private investors) by hiring locally, using local vendors when possible, and keeping hourly rates and membership fees low.

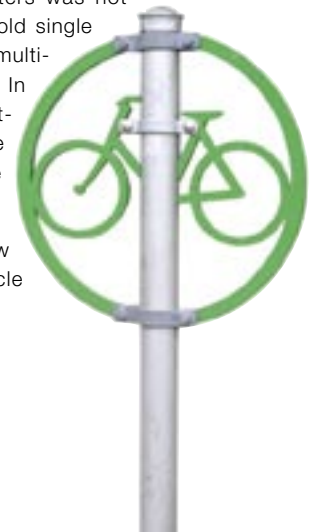
Baltimore CarShare will strive to make Baltimore a better place to live, work and play by providing a variety of fuel-efficient, low-emissions vehicles available for rent by the hour to individuals with relatively clean driving records. Rates include maintenance, insurance, parking and gas! Members can reserve the vehicle of their choice on-line or over the phone, unlock the doors and start the vehicle without waiting in line or signing forms. People can drive to the farmer’s market, stock up at a big-box store or to a job interview.

With vehicles conveniently placed downtown, in neighborhoods and close to transit stops, Baltimore CarShare will encourage its members to free themselves of their personal automobile and use alternative forms of transportation, including car sharing vehicles.

Converting Old Meters to Bicycle Parking

For many bicyclists, the introduction of multi-space meters was not good news. They would often park their bicycles at the old single space meters with a U-lock. In some cities, the conversion to multi-space meters has meant a decrease in bicycle parking. In Baltimore, however, the Parking Authority and the Department of Transportation are saving many of the single space meter posts (without the meter heads) when the new multi-space meters are being installed.

Bicycle “toppers” fit on top of the old posts to breathe new life into the old single space meter posts, preserving bicycle parking in a more attractive way.





financial statements

JULY 1, 2007 - JUNE 30, 2008

Independent Auditors' Report	15
Management's Discussion and Analysis	16
Notes to Financial Statements	20
Required Supplementary Information	23



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, 2008, 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, 2008, 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 16 through 18 and 23 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 21, 2008

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 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, 2008 and 2007.

	2008	2007
Assets:		
Current and Other Assets	\$ 309,680	\$ 324,524
Capital Assets	213,808	125,720
Total Assets	<u>\$ 523,488</u>	<u>\$ 450,244</u>
Liabilities:		
Current Liabilities	<u>\$ 404,727</u>	<u>\$ 238,079</u>
Net Assets:		
Invested in Capital Assets	\$ 213,808	\$ 125,720
Unrestricted	(95,047)	86,445
Total Net Assets	<u>\$ 118,761</u>	<u>\$ 212,165</u>
Changes in Net Assets:		
Program Revenues:		
Baltimore City Grant	\$ 2,768,193	\$ 2,095,650
Other	8,713	8,107
Total Revenues	<u>2,776,906</u>	<u>2,103,757</u>
Expenses:		
Salaries and Benefits	1,658,695	1,357,440
Professional Fees	471,057	317,203
Bank and Armored Car Fees	416,201	166,816
Rent and Utilities	72,246	54,899
Depreciation	67,688	50,464
Other Operating Expenses	184,423	136,213
Total Expenses	<u>2,870,310</u>	<u>2,083,035</u>
(Decrease) Increase in Net Assets	<u>(93,404)</u>	<u>20,722</u>
Net Assets – Beginning of Year	<u>212,165</u>	<u>191,443</u>
Net Assets – End of Year	<u>\$ 118,761</u>	<u>\$ 212,165</u>

For the year ended June 30, 2008, 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, 2008 was \$2,768,193, including an additional appropriation of \$45,193 to reimburse the Authority for meter program expenses. Operating expenses for the year ended June 30, 2008 totaled \$2,870,310 resulting in a decrease in net assets of approximately \$93,000. Total operating expenses increased approximately \$787,000 during the year ended June 30, 2008 as compared to the year ended June 30, 2007. These increases were offset, in part, by a decrease in legal fees. The increase was due primarily to higher salaries and benefits, consultant fees, and bank and armored car service fees. Salary and benefit expenses increased due to higher insurance benefit costs, general salary increases, and the addition of two new employees. Consultant fees related to increase in maintenance and repairs of meters due to increase in meter usage and additional meters installed. The bank and armored car service fees related to the increase in collection of revenue and credit card fees from the Multi-Space Meter Program due to an increase in meter usage and additional meters installed. In 2007, legal fees were higher than normal due to an action against a garage operator.

During the year ended June 30, 2008, the Authority purchased computer equipment, software, and furniture and fixtures of approximately \$156,000. At June 30, 2008, the Authority had liabilities totaling \$404,727. These liabilities are expected to be funded through existing cash balances and collection of accounts receivable.

Budget Analysis

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2008 (2008) is presented on page 23. The most significant budget variations included salaries and benefits, consultant fees, legal fees, bank and armored car service fees, and equipment acquisitions.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were \$67,005 less than expected. The Authority budgeted for three additional staff positions in 2008; however, these positions were vacant for a portion of the year.

Consultant fees were \$88,660 less than expected. The Authority budgeted for the implementation of new Residential Parking Permit Program software that was not completed during the fiscal year, as well as a salary compensation study that was not completed in 2008.

Legal fees were \$58,138 less than budgeted as the Authority utilized in-house counsel more than expected.

The bank and armored car service fees exceed the budgeted amount by approximately \$176,000. The Authority incurred significant credit card transaction charges and collection fees due to the increase in meter usage and additional meters installed for the Multi-Space Meter Project.

Equipment acquisitions exceeded budgeted amounts by \$85,776. The cost to install new computers and software was higher than expected. In addition, the Authority purchased additional servers that were not included in the budget.

Fiscal Year Ending June 30, 2009

The budget for the fiscal year ending June 30, 2009 (2009) has been submitted to the Baltimore City Board of Estimates in the amount of \$3,154,000, which represents an increase in the funding level compared to the fiscal year ended June 30, 2008 in the amount of \$431,000. The increase in funding in 2009 will be used toward several purposes; the most significant of which are increases in rent expense, expansion of the EZ Park multi-space meter program, and software installation.

During 2009, the Authority's rent expense will increase relating to the expansion of office space. The Authority plans to continue the reconfiguration of its space with modular furniture.

During 2009, the Authority anticipates it will enter into the next phase of the expansion of the EZ Park multi-space meter program, including installation of over 280 additional meters throughout the City. This phase of the program will utilize the remaining funds awarded in the original \$2.4 million appropriation. When completed, there will be approximately 780 multi-space meters in operation. These installations are expected to be completed before July 1, 2009. Over the next several years, the Authority anticipates the installation of approximately 600 additional new multi-space meters. The City has appropriated funds to cover the purchase and installation of the multi-space meters. The City has increased the allocation of administrative funds from \$535,000 to \$950,000 to the Authority who continues to be responsible for funding certain administrative costs of the program.

The Authority anticipates the completion of the software installation for the Residential Parking Program before December 31, 2008. The software is expected to help the Authority manage the program more efficiently and better serve the citizens of the City of Baltimore.

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
June 30, 2008

	General Fund	Adjustments (Note 4)	Statement of Net Assets
Assets:			
Cash and Cash Equivalents	\$ 264,487	\$ -	\$ 264,487
Accounts Receivable - Baltimore City	45,193	-	45,193
Capital Assets, Net (Note 2)	<u>-</u>	<u>213,808</u>	<u>213,808</u>
Total Assets	<u>\$ 309,680</u>	<u>\$ 213,808</u>	<u>\$ 523,488</u>
Liabilities:			
Accounts Payable	\$ 231,817	\$ -	\$ 231,817
Accrued Expenses	<u>172,910</u>	<u>-</u>	<u>172,910</u>
Total Liabilities	<u>404,727</u>	<u>\$ -</u>	<u>\$ 404,727</u>
Commitments (Note 3)			
Fund Balances:			
General Fund Balance (Deficit)	<u>(95,047)</u>	<u>\$ 95,047</u>	<u>\$ -</u>
Total Liabilities and Fund Balances	<u>\$ 309,680</u>		
Net Assets:			
Invested in Capital Assets		\$ 213,808	\$ 213,808
Unrestricted		<u>(95,047)</u>	<u>(95,047)</u>
Total Net Assets		<u>\$ 118,761</u>	<u>\$ 118,761</u>

**Statement of Governmental Fund Revenues, Expenditures, and Changes
in Fund Balance/Statement of Activities**
For the Year Ended June 30, 2008

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses:			
Administration of Parking Facilities	\$2,802,622	\$ -	\$ 2,802,622
Capital Outlay	<u>155,776</u>	<u>(88,088)</u>	<u>67,688</u>
Total Expenditures/Expenses	<u>2,958,398</u>	<u>(88,088)</u>	<u>2,870,310</u>
Program Revenue:			
Grant Revenue - Baltimore City	2,768,193	-	2,768,193
Other Income	<u>8,713</u>	<u>-</u>	<u>8,713</u>
Total Revenue	<u>2,776,906</u>	<u>-</u>	<u>2,776,906</u>
Excess (Deficit) of Revenue over Expenditures	(181,492)	181,492	-
Change in Net Assets	-	<u>\$ (93,404)</u>	(93,404)
Fund Balance/Net Assets - Beginning Of Year	<u>86,445</u>		<u>212,165</u>
Fund Balance/Net Assets - End of Year	<u>\$ (95,047)</u>		<u>\$ 118,761</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'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 government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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.

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.

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, 2008, the Authority's carrying value of cash and cash equivalents was \$264,487 and the bank balance was \$310,394. The difference between the carrying value and the bank balance is due to outstanding checks at June 30, 2008. Of the bank balance, \$100,000 was covered by Federal Depository Insurance (Risk Category 1), and the balance of \$210,394 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.

2. Capital Assets

Capital assets of the Authority are as follows:

	Beginning of Year	Additions	Retirements	End of Year
Capital Assets:				
Computer Equipment	\$ 198,414	\$ 128,342	\$ -	\$ 326,756
Office Equipment	58,181	-	-	58,181
Furniture and Fixtures	45,676	27,434	-	73,110
Leasehold Improvements	<u>33,754</u>	<u>-</u>	<u>-</u>	<u>33,754</u>
	<u>336,025</u>	<u>155,776</u>	<u>-</u>	<u>491,801</u>
Less: Accumulated Depreciation:				
Computer Equipment	134,764	49,576	-	184,340
Office Equipment	44,839	6,551	-	51,390
Furniture and Fixtures	11,218	7,242	-	18,460
Leasehold Improvements	<u>19,484</u>	<u>4,319</u>	<u>-</u>	<u>23,803</u>
	<u>210,305</u>	<u>67,688</u>	<u>-</u>	<u>277,993</u>
Net Capital Assets	<u>\$ 125,720</u>	<u>\$ 88,088</u>	<u>\$ -</u>	<u>\$ 213,808</u>

3. Commitments

The Authority leases office space from the City on a month-to-month basis for approximately \$6,000 per month. The Authority leases office equipment under lease agreements which expire through November 2012. Rent expense recorded for the year ended June 30, 2008 was \$53,073.

Future minimum lease payments under operating leases are as follows:

<u>Year Ending June 30</u>	
2009	\$ 7,182
2010	4,740
2011	4,740
2012	4,740
2013	2,370

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.

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenue:				
Grant - Baltimore City	\$ 2,723,000	\$ 2,723,000	\$ 2,768,193	\$ 45,193
Other	-	-	8,713	8,713
Total Revenue	\$ 2,723,000	\$ 2,723,000	\$ 2,776,906	\$ 53,906
Expenditures:				
Salaries and Benefits	\$ 1,725,700	\$ 1,725,700	\$ 1,658,695	\$ 67,005
Telephones/Utilities/Internet	25,600	25,600	29,258	(3,658)
Vehicles/Travel	13,500	13,500	14,599	(1,099)
Business Machine Rental	5,000	5,000	18,849	(13,849)
Consultants	473,000	473,000	384,340	88,660
Legal	101,000	101,000	42,862	58,138
Printing and Copying	20,000	20,000	24,753	(4,753)
Bank and Armored Car Service Fees . .	240,200	240,200	416,201	(176,001)
Computer Maintenance	34,000	34,000	43,855	(9,855)
Other Services	49,000	49,000	61,948	(12,948)
Maintenance and Supplies	32,300	32,300	27,221	5,079
Equipment Acquisitions	70,000	70,000	155,776	(85,776)
Rent	65,000	65,000	42,988	22,012
Advertising	6,000	6,000	15,048	(9,048)
Dues/Subscriptions/Training	7,000	7,000	22,005	(15,005)
Total Expenditures	\$ 2,867,300	\$ 2,867,300	2,958,398	\$ (91,098)

Reconciliation of Budgetary

Expenditures to Expenses Reported

Under GAAP:

Depreciation Expense Not Included in Budget	67,688
Capital Asset Acquisitions Included in Expenses	(155,776)
Total Expenses	\$ 2,870,310



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