

# Parking in Motion

2019 ANNUAL REPORT



**PARKING**  
OF BALTIMORE CITY  
AUTHORITY

# MISSION

Our mission 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



Long before I became mayor, I served as a Member of the Parking Authority of Baltimore City's Board of Directors. From 2005 – 2009, while representing the 12th District on the Baltimore City Council, I worked with the Parking Authority to improve the operations of City-owned garages, introduce hundreds of then state-of-the-art parking meters and reduce Baltimore's dependency on cars.

As Mayor, I am still proud of the work the Parking Authority of Baltimore City does and take pride in the new programs it is launching this year including the latest in parking meter technology, and introducing virtual parking permits in two residential permit parking areas.

Please read more about the Parking Authority and how it is leading parking into the future. PABC shows us that parking is never stagnant. It is always in motion. Baltimore will continue to move with the times.

Bernard C. "Jack" Young  
Mayor



## Board of Directors

**ELVA E. TILLMAN, ESQ.**  
Board Chair  
*Retired, Baltimore City Law Department*

**HENRY M. KAY, AICP**  
Director, Rail/Transit  
*RK&K*

**HENRY J. RAYMOND**  
Director of Finance,  
*City of Baltimore*

**DANIELLE A. SANDERS**  
Associate Counsel,  
*Baltimore City Public Schools*

**ROBERT STOKES, SR.**  
Secretary, City  
*Councilman, District 12*

A year after joining the Parking Authority's Board of Directors in 2018, I was asked to serve as its Chair. Longtime Board Member and Chair Pierce J. Flanigan, IV's final board term had ended. It was my pleasure to have the opportunity to work with him and the members of the Board. I am now grateful to serve as Chair and continue to work with the Executive Director, Peter Little, and the very capable staff of the Parking Authority of Baltimore City. The director and staff work tirelessly to identify opportunities to resolve the parking challenges that confront Baltimore City.

Over the past two years, I have enjoyed learning about the Parking Authority and the many ways it goes about meeting its mission to find, or create, and implement parking solutions for the city. The Authority is "the resource on all things parking" in Baltimore.

As a "native" and longtime resident of Baltimore City, I have seen many changes throughout the years as I walk through Downtown and the city's vibrant neighborhoods. Some of those changes, I have learned, are because of the Parking Authority's dedication to launching new, and innovative programs, including some of the programs and projects outlined in this year's annual report.

I invite you to read more about these programs and projects, including a transition to parking meters that use license plate numbers instead of displaying a paper receipt. This new technology will also allow big changes in residential permit parking that will save residents a trip to our office. We also recently partnered with a new App called Spot Angels that helps identify on-street and off-street parking options.

I am excited about working with the Parking Authority Board members and staff to guide the implementation of new programs and projects the Parking Authority has in store for the future. Do not hesitate to contact the Parking Authority, if you have ideas regarding how we can best serve Baltimore City's parking needs. We are here to serve.

All the best,

Elva E. Tillman, Esq.  
Board Chair, PABC

# New Ways to Pay



## PAY BY PLATE PARKING METERS INSTALLED

In 2004, Baltimore had thousands of single space parking meters that only accepted coins. They were the only parking meters Baltimore had ever seen. That year, when the first multi-space meter kiosks hit the streets, they were on the cutting edge of parking meter technology. These pay-and-display-receipt machines revolutionized the parking industry at the time—by allowing more cars to park in the same amount of curb space and by accepting credit cards as payment.

In 2019, Baltimoreans were introduced to a new type of parking meter. Rather than using the pay-and-display model, the new parking meters allow drivers to pay at the meter and go directly to their destination because the vehicle's license plate number is the driver's parking credential rather than the printed coupon.

Instead of parking enforcement agents looking at each car's dashboard for a printout to determine if the driver paid for parking at that time, agents now look up the car's license plate number on a handheld device that securely downloads the information from the parking meter.

Pay by license plate parking meters were placed in the JFA parking lot and on some downtown streets this year. More will be added throughout Baltimore in 2020.

## PAY BY CELL PHONE

Finding a parking space can be difficult. Paying for parking should be as easy as possible. That's why we will be launching pay by cell phone in early 2020. With pay by cell phone, there is no need to find a parking meter. Once parkers have found a space, they simply locate the parking zone number for the block where parked and use one of Baltimore's approved pay by cell phone vendors.

By allowing multiple vendors, residents benefit from increased competition—lower prices and better service. Go to [www.baltimoreparkingmeters.com](http://www.baltimoreparkingmeters.com) to choose your vendor.

# Forward Motion

## TWO RESIDENTIAL PARKING PERMIT AREAS TO GO VIRTUAL

Two residential permit parking (RPP) areas are slated to test out a new program called Virtual Permit Parking, which eliminates the need for residents to pick up a physical permit. Instead of going to our office or a community pickup, residents of the newly approved Riverside and the existing Ridgely's Delight RPP areas will do everything online and their license plate number will serve as their parking permit.

### How the new system works:

Residents will upload their required documentation and pay for their permits on a secure website. The Parking Authority will review the documentation and approve the request for a permit online.

The resident then receives an email saying the permit was approved and their vehicle is immediately exempt from the posted parking restrictions in their neighborhood.

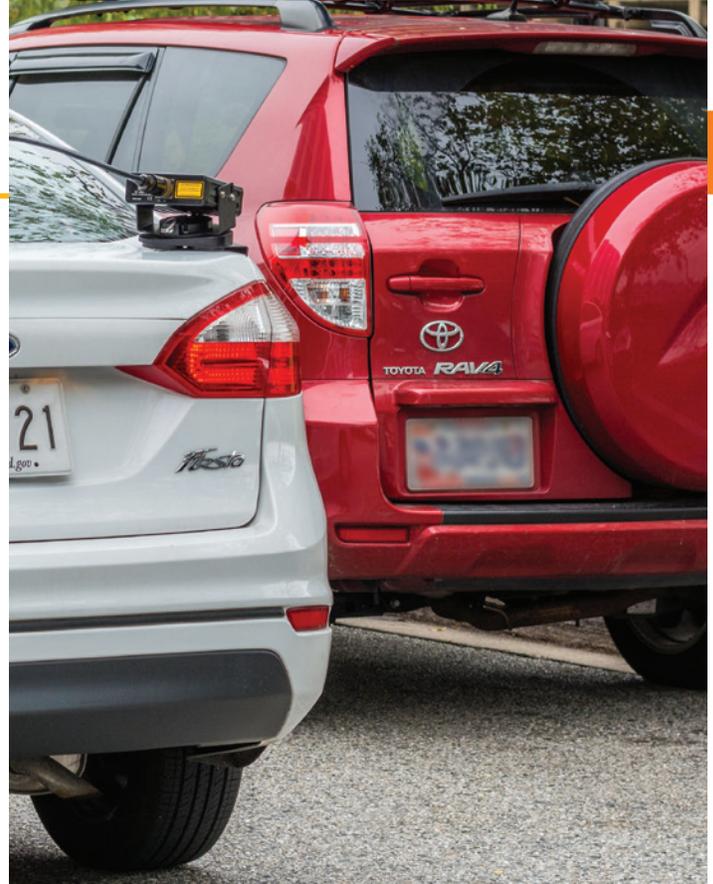
On street, Baltimore City Department of Transportation's parking enforcement agents will scan license plate numbers to verify the car has a permit instead of looking for a decal on the vehicle's windshield.

### There are many benefits to Virtual Permit Parking.

"The number one complaint we receive is from residents who don't want to come to our office to get their permit," says Peter E. Little, Executive Director of the Parking Authority. The system will allow residents to apply for and renew their permits when it works for their schedule—24 hours a day, 7 days a week.

"Instead of waiting in line, our customers will go online," says Steve Robinson, manager of the program.

Although the Parking Authority offers extended hours each month and works with community associations who are willing to distribute permits in the neighborhoods, the dates and times



don't work for everyone. Residents will be able to renew their permits when the office is closed—on the weekends, in the evenings, on a holiday or even during a snowstorm.

Another benefit: no hard to remove decals stuck to windshields!

Residents will be able to purchase virtual visitors permits online too. They simply enter onto the website or app the license plate number, date and timeframe when a visitor will be parking in the neighborhood.

The Parking Authority hopes to eventually offer each residential permit parking area the option to choose which type of permit their community will use: real or virtual.



## SPOTANGELS APP HELPS BALTIMORE LOCATE PARKING

When you load the SpotAngels app onto your phone, you can enter your destination and locate on-street and off-street parking options nearby.

It also remembers where you parked and sends you reminders when you need to move your car, helping you avoid parking tickets!

Learn more at [SpotAngels.com](http://SpotAngels.com) or download the app on the App Store or Play Store.

## NEW RESIDENTIAL PERMIT PARKING AREA APPROVED

When Jeff Brown first moved to the Riverside neighborhood in South Baltimore in 2004, finding parking near his rowhome wasn't a problem. In the 15 years since he's lived there, parking has become a nightmare. As the South Baltimore peninsula thrived, the competition for available on-street parking grew more intense.

As chair of the Riverside Neighborhood Association's Transportation Committee, Jeff led his neighborhood's efforts to create a new residential permit parking area—Area 48, which was launched in late 2019. With the Inner Harbor and Federal Hill's popular bars and shops to the North, Camden Yards and M&T Bank Stadium to the West, and Riverside Park to the South, their quiet residential streets with no parking restrictions became overflow parking for those who wanted to park nearby but couldn't find a space.

The neighborhood association identified 13 contiguous block faces to start the program and went door-to-door to gather signatures of residents who wanted to restrict parking to residents-only for longer than two hours during the evening and on weekends, when finding parking was the worst.

After the petition process was complete and the neighborhood met all the qualifications, the Parking Authority approved the new area.

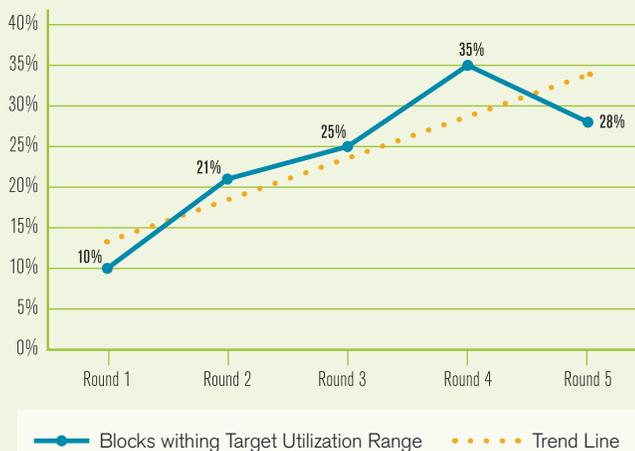


The Riverside neighborhood will use virtual residential parking permits instead of decals.

## DEMAND BASED PARKING METER RATES HELP INCREASE AVAILABLE PARKING SPACES

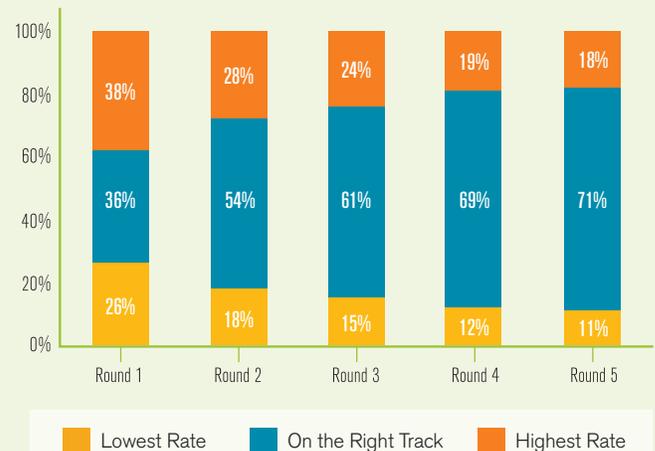
Parking meter rates in Downtown Baltimore have gone through five rounds of adjustments in order to help us reach our goal of creating one or two available parking spaces (75-85% occupancy) on each block. Every six months the average level of occupancy is measured on each metered block in Downtown Baltimore. If the occupancy rate is higher than 85%, the rate is increased by 25 cents. If the occupancy rate is lower than 75%, the rate is decreased by 25 cents. If the number of cars parked on the block is just right (75%-85%), the rate is kept the same.

### BLOCKS WITHIN TARGET UTILIZATION RANGE



The line graph shows the number of blocks that have "maintained" their rate because they have been within the target utilization range (75%-85%) for each round. Even with the slight dip for Round 5, we are making steady progress toward our goal of having 75% of the block faces within the target utilization range.

### BLOCKS AT HIGHEST AND LOWEST RATES



This stacked column shows the number of blocks that have been at the highest and lowest rates for each round. It shows the program is working because as our range of rates expands with each round (currently \$1.75-\$3.25) fewer blocks are at the extremes, meaning blocks are settling on their correct rates. With each round, and our subsequent ability to raise and lower the rates another \$0.25, more blocks are being priced correctly.

# 2019 Financials

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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, 2019 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 the Baltimore City Parking Authority, Inc. as of June 30, 2019, 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 on Pages 8 through 9 and budgetary comparison information on Page 13 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  
Certified Public Accountants  
Baltimore, Maryland  
November 12, 2019

# Management's Discussion and Analysis

JUNE 30, 2019

## 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 the 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 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 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, 2019 and 2018:

	2019	2018
<b>Assets:</b>		
Current and Other Assets	\$ 8,465,442	\$ 6,620,288
Capital Assets	<u>178,313</u>	<u>190,165</u>
<b>Total Assets</b>	<b><u>\$ 8,643,755</u></b>	<b><u>\$ 6,810,453</u></b>
<b>Liabilities:</b>		
Current Liabilities	<u>\$ 957,259</u>	<u>\$ 846,408</u>
<b>Net Position:</b>		
Invested in Capital Assets	\$ 178,313	\$ 190,165
Unrestricted	<u>7,508,183</u>	<u>5,773,880</u>
<b>Total Net Position</b>	<b><u>\$ 7,686,496</u></b>	<b><u>\$ 5,964,045</u></b>
<b>Changes in Net Position:</b>		
<b>Program Revenues:</b>		
Baltimore City Grant	\$ 8,233,034	\$ 11,108,018
Other	<u>413,738</u>	<u>392,712</u>
<b>Total Revenues</b>	<b><u>8,646,772</u></b>	<b><u>11,500,730</u></b>
<b>Expenses:</b>		
Administration of Parking Facilities	6,886,548	7,407,929
Capital Outlay/Depreciation	<u>37,773</u>	<u>73,764</u>
<b>Total Expenses</b>	<b><u>6,924,321</u></b>	<b><u>7,481,693</u></b>
Increase in Net Position	1,722,451	4,019,037
<b>Net Position – Beginning of Year</b>	<b>5,964,045</b>	<b>1,945,008</b>
<b>Net Position – End of Year</b>	<b><u>\$ 7,686,496</u></b>	<b><u>\$ 5,964,045</u></b>

For the year ended June 30, 2019, 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, 2019 was \$8,233,034. Operating expenses for the year ended June 30, 2019 totaled \$6,924,321 resulting in an increase in net position of approximately \$1,722,000. Total operating expenses decreased approximately \$560,000 during the year ended June 30, 2019 as compared to the year ended June 30, 2018. The decrease was primarily a result of a reduction in merchant service fees resulting in lower rates applied on credit card usage on meters and the fees associated with their usage.

During the year ended June 30, 2019, the Authority purchased capital assets of approximately \$26,000. At June 30, 2019, the Authority had liabilities totaling \$957,259. These liabilities are expected to be funded through existing cash balances.

## BUDGET ANALYSIS

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2019 (FY 2019) is presented on Page 13. The most significant budget variations included salaries and benefits, equipment acquisitions, and merchant service fees.

Salaries and benefits, which include base salaries, benefits, and health insurance costs, were approximately \$511,000 less than expected. The decrease was due to employment vacancies during the fiscal year.

Equipment acquisitions were approximately \$207,000 less than expected. The budget included expenses relating to office renovations, which were not fully utilized during the year ended June 30, 2019.

Merchant service fees, which include credit card fees, were approximately \$1,030,000 less than expected. This is due to lower service fees charged on credit card usage following a review of fees and rates charged by the merchant service provider.

## FISCAL YEAR ENDING JUNE 30, 2020

The budget for the fiscal year ending June 30, 2020 (FY 2020) has been submitted to the Baltimore City Board of Estimates in the amount of \$8,803,770, which represents an overall decrease in the funding level compared to the fiscal year ended June 30, 2019 in the amount of \$740,287. The total grant appropriation includes \$4,886,842 for the base administrative grant, \$3,701,344 for the Meter Program Administrative grant, and \$215,584 for the Valet Regulations Program. This grant will pay salary, benefits, and other costs to support the administrative functions of the Authority.

The administrative portion of the grant supports salaries and benefits for 37 positions. It includes employee development for 50 employees, 2 employees in degree programs, and various training certification programs. Additionally, it includes funding for the following items: in-service training for Office 365, Microsoft Word, Microsoft Excel, and SharePoint; industry representation at the International Parking and Mobility Institute (IPMI), Great Plains User Group (GPUG) Summit, Middle Atlantic Parking Association (MAPA), and Human Resources (HR) conferences; GIS Certification and Leadership Certificates; and shared services, such as postage machine, copiers, and printers.

The Meter Management grant's funds support salaries and benefits for 10 positions. The Meter Program supports 835 multi-space meters and 3,777 single space electronic meters. In FY 2020, the Authority anticipates implementing several new pilot programs. The Authority will be purchasing the first 200 pay-by-license plate multi-space meters, which use state-of-the-art technology to provide real-time data to Baltimore City's Department of Transportation (BCDOT) Enforcement agents' hand-held devices or computers inside vehicles equipped with license plate readers. Pay-by-plate meters will reduce the need

for paper receipts, allowing for more efficient enforcement. Once pay-by-plate meters are installed, the Authority will be able to offer pay-by-cell phone service for parking at meters. Pay-by-cell phone will give the Authority additional options for payment at meters, reduce costs associated with the parking meter program, and allow for a more efficient flow of vehicles into and out of parking spaces.

The Valet Regulations grant's funds support salaries and benefits for 2 positions. The Valet Regulations program administers the licensing of valet operators in Baltimore and oversees the permitting of local businesses who offer valet parking. There are 32 current licensed valet operators and 61 valet loading zones.

In FY 2020, the Authority anticipates the implementation of a Virtual Parking Permit (VPP) program. This program will use vehicles' license plates' numbers instead of adhesive decals and paper visitor permits within the VPP Program. The program will allow permits to be purchased online, streamlining all application and renewal processes. As with pay-by-plate and pay-by-cell, BCDOT Enforcement agents will use license plate recognition to efficiently enforce neighborhood parking restrictions.

During fiscal year 2019, the Authority implemented DocuSign as a solution to workflow management. This initiative will reduce paper handling and enable data to be managed in a digital format. DocuSign provides users with the ability to create, send, track, access, and sign forms and documents in or out of office on different devices. The advantages include portability, legally defensible audit trails, integration friendly, workflow, and use of PowerForms for public-facing online forms. This process is now used for financial documents as well as Valet Applications, Refund Request forms, Account Adjustments, and several internal forms. A cross-functional team has been formed to review and develop workflow for the Authority. In FY 2020, the Authority will be expanding this initiative throughout the Organization.

The financial system is now generating reports electronically containing current financial information by program which is being posted on the Authority's SharePoint site. 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 in FY 2020. During FY 2020, the Authority anticipates upgrading its financial software Microsoft Dynamics Great Plains reporting capability. The Authority will also be implementing time-saving data importing of information and providing improved reporting of financial information to management.

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.

# Governmental Fund Balance

# Sheet/Statement of Net Position

JUNE 30, 2019

	General Fund	Adjustments (Note 4)	Statement of Net Position
<b>Assets</b>			
Cash and Cash Equivalents	\$ 8,211,698	\$ -	\$ 8,211,698
Accounts Receivable	215,896	-	215,896
Other Assets	37,848	-	37,848
Capital Assets, Net (Note 2)	-	178,313	178,313
<b>Total Assets</b>	<b>\$ 8,465,442</b>	<b>\$ 178,313</b>	<b>\$ 8,643,755</b>
<b>Liabilities</b>			
Accounts Payable	\$ 590,583	\$ -	\$ 590,583
Due to Baltimore City	68,809	-	68,809
Deferred Revenue	32,537	-	32,537
Accrued Expenses	265,330	-	265,330
<b>Total Liabilities</b>	<b>957,259</b>	<b>-</b>	<b>957,259</b>
<b>Commitments (Note 3)</b>			
<b>Fund Balances</b>			
General Fund Balance	7,508,183	(7,508,183)	-
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,465,442</b>		
<b>Net Position</b>			
Invested in Capital Assets		178,313	178,313
Unrestricted		7,508,183	7,508,183
<b>Total Net Position</b>		<b>7,686,496</b>	<b>7,686,496</b>
<b>Total Liabilities and Net Position</b>		<b>\$ 178,313</b>	<b>\$ 8,643,755</b>

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

FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Adjustments (Note 4)	Statement of Activities
<b>Expenditures/Expenses</b>			
Administration of Parking Facilities	\$ 6,886,548	\$ -	\$ 6,886,548
Capital Outlay/Depreciation	25,921	11,852	37,773
<b>Total Expenditures/Expenses</b>	<b>6,912,469</b>	<b>11,852</b>	<b>6,924,321</b>
<b>Program Revenue</b>			
Grant Revenue - Baltimore City	8,233,034	-	8,233,034
Other Income	413,738	-	413,738
<b>Total Revenue</b>	<b>8,646,772</b>	<b>-</b>	<b>8,646,772</b>
Excess of Revenue over Expenditures	1,734,303	(1,734,303)	-
<b>Change in Net Position</b>		<b>\$ 1,722,451</b>	<b>1,722,451</b>
<b>Fund Balance/Net Position - Beginning of Year</b>	<b>5,773,880</b>		<b>5,964,045</b>
<b>Fund Balance/Net Position - End of Year</b>	<b>\$ 7,508,183</b>		<b>\$ 7,686,496</b>

## **NOTE 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 are appointed by the Mayor of Baltimore City and confirmed by the City Council and one 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 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 (GAAP) for the governmental fund.

### **USE OF ESTIMATES**

The preparation of financial statements in conformity with 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 12, 2019, 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. Uninsured deposits are collateralized through the Federal Reserve Bank with securities held by the pledging financial institution.

### **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.

# Notes to Financial Statements (cont.)

## NOTE 2: CAPITAL ASSETS

Capital assets of the Authority are as follows:

	Beginning of Year	Additions	Retirements	End of Year
<b>Capital Assets:</b>				
Computer Equipment	\$ 551,298	\$ 8,320	\$ -	\$ 559,618
Office Equipment	42,059	-	-	42,059
Furniture and Fixtures	101,676	17,601	(32,818)	86,459
Leasehold Improvements	60,744	-	-	60,744
	<u>755,777</u>	<u>25,921</u>	<u>(32,818)</u>	<u>748,880</u>
<b>Less: Accumulated Depreciation:</b>				
Computer Equipment	398,252	29,456	-	427,708
Office Equipment	26,518	2,830	-	29,348
Furniture and Fixtures	80,097	5,187	(32,518)	52,766
Leasehold Improvements	60,745	-	-	60,745
	<u>565,612</u>	<u>37,473</u>	<u>(32,518)</u>	<u>570,567</u>
<b>Net Capital Assets</b>	<u>\$ 190,165</u>	<u>\$ (11,552)</u>	<u>\$ (300)</u>	<u>\$ 178,313</u>

## NOTE 3: COMMITMENTS

The Authority leases office space from the City under various leases, which expire through June 2021. The Authority leases office equipment under lease agreements, which expire through May 2022. Rent expense recorded for the year ended June 30, 2019 was approximately \$150,000.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,	2020	\$ 138,481
	2021	30,543
	2022	7,535

## NOTE 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.

## NOTE 5: RETIREMENT PLAN

The Authority maintains a retirement plan covering substantially all employees. The Plan allows for discretionary matching, qualified nonelective, and profit sharing contributions. Amounts to be contributed to the plan are determined by the Board of Directors. The Authority made contributions for the year ended June 30, 2019 in the amount of \$76,105.

# Required Supplementary Information

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance (Negative) Positive
<b>Revenue</b>				
Grant - Baltimore City	\$ 8,816,028	\$ 8,816,028	\$ 8,233,034	\$ (582,994)
Other	-	-	413,738	413,738
<b>Total Revenue</b>	<u>\$ 8,816,028</u>	<u>\$ 8,816,028</u>	<u>\$ 8,646,772</u>	<u>\$ (169,256)</u>
<b>Expenditures</b>				
Salaries and Benefits	\$ 3,789,200	\$ 3,789,200	\$ 3,278,551	\$ 510,649
Telephones/Utilities/Internet	46,800	46,800	43,264	3,536
Vehicles/Travel	69,800	69,800	69,011	789
Business Machine Rental	20,100	20,100	24,581	(4,481)
Consultants	253,500	253,500	61,142	192,358
Equipment Warranty	313,000	313,000	286,813	26,187
Software	660,000	660,000	754,796	(94,796)
Legal	51,000	51,000	-	51,000
Printing and Copying	34,500	34,500	33,275	1,225
Merchant Service Fees	2,594,000	2,594,000	1,564,337	1,029,663
Computer Maintenance	80,000	80,000	61,241	18,759
Other Services	299,600	299,600	398,551	(98,951)
Maintenance and Supplies	170,300	170,300	135,330	34,970
Equipment Acquisitions	253,400	253,400	46,290	207,110
Rent	115,400	115,400	124,204	(8,804)
Advertising	11,700	11,700	599	11,101
Dues/Subscriptions/Training	53,800	53,800	30,484	23,316
<b>Total Expenditures</b>	<u>\$ 8,816,100</u>	<u>\$ 8,816,100</u>	<u>6,912,469</u>	<u>\$ 1,903,631</u>
<b>Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP</b>				
Depreciation Expense (Net of Disposals) Not Included in Budget			37,773	
Capital Asset Acquisitions Included in Expenses			(25,921)	
<b>Total Expenses</b>			<u>\$ 6,924,321</u>	



**PARKING**  
OF BALTIMORE CITY  
**AUTHORITY**

**Parking Authority of Baltimore City**

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