

A NEW ERA OF PARKING



PARKING
OF BALTIMORE CITY
AUTHORITY

2021 ANNUAL REPORT

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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LETTER from the MAYOR

Even under the difficult circumstances 2020 presented, the Parking Authority of Baltimore City (PABC) was able to pivot and continue to serve the residents of Baltimore City. Through its many programs, PABC impacts every corner of our great city. Whether its issuing permits, virtually and in-person, to residents in nearly 50 neighborhoods, offering discounted parking for commuters who have switched to a more flexible work schedule, or evaluating the most equitable placement for electric vehicle charging stations, PABC can be relied upon to adapt to a changing world.

Keep reading to learn more about the creative ways PABC has readjusted to meet the challenges of today.

Brandon M. Scott
Mayor

MESSAGE from the BOARD



HENRY M. KAY, AICP
BOARD CHAIR
Director, Transit/Rail, Rummel, Klepper & Kahl (RK&K)

ROBERT STOKES, SR.
SECRETARY
City Councilman, District 12

HENRY J. RAYMOND
Director of Finance,
City of Baltimore

NATASHA M. DARTIGUE, ESQ.
Deputy District Public Defender
for Baltimore City

TONY SCOTT
Executive Director, Southwest
Partnership Baltimore

The COVID-19 pandemic continued to have enormous implications for the Parking Authority of Baltimore City. Businesses, residents, and government were all required to focus and adapt to a constantly changing environment. Because many employees continued to work from home and there were fewer visitors to the city there was less demand for garages and metered parking spaces.

Despite these challenges, PABC maintained its commitment to customer service and strong fiscal management. We took advantage of lower occupancy in the garages to advance repairs and rehabilitation to elevators, pavements, roofs, and structural elements. We completed the replacement of our on-street multi-space meters with new 4G, pay by license plate meters. We implemented flexible, discounted rates in our garages to accommodate customers with hybrid work schedules, and we adjusted meter rates in several neighborhoods to reflect the most current parking trends. With the resumption of enforcement of Residential Permits, we added a permit-by-mail option and, with health protocols in place, re-opened our offices for the convenience of walk-in customers. City residents responded with consistently high ratings for our customer service.

Through these investments and initiatives, we are proud to remain one of the most innovative and nimble municipal parking operators in the nation, and as we settle into our new normal, we will continue to develop programs and projects that serve the needs of City residents, workers, and visitors.

Henry M. Kay, AICP
Board Chair
Director, Transit/Rail, Rummel, Klepper & Kahl (RK&K)

RESIDENTIAL PARKING PERMITS

TWO RESIDENTIAL PARKING PERMIT AREAS GO VIRTUAL

New RPP area Riverside launched in February 2021 but no permits were issued! How? It's all done virtually. Residents use an online system to apply for the permit and once approved, the vehicle's license plate number is used by Parking Enforcement Agents to check which vehicles are permitted to park on RPP blocks. Existing RPP area Ridgley's Delight will switch to virtual in the Fall of 2021.

- Customers can apply for permits anytime they want, thanks to our partnership with a 24/7 call center that can review and approve any applications at any time. Permits are valid immediately once approved.
- Visitor Permits are also virtual. In addition to vehicle information, residents include when their visitors will be parking in the RPP area.
- We are launching an app this fall to pair with the website and call center.



RESIDENTIAL PARKING PERMITS (RPP) CAN NOW BE MAILED!

When Governor Hogan's emergency order was lifted in 2021, making it necessary for residents to renew their residential parking permits, we started giving permit holders the option to have their permits mailed to them, so customers don't need to come to our office anymore. Each mailed permit comes with a print-at-home temporary permit so there is no need to worry how long the permit might take to arrive in the mail. Residents can apply for their permits and upload their documents to a secure website. Permits are still \$20 each, but there is a small fee to cover shipping.

“...we are proud to remain one of the most innovative and nimble municipal parking operators in the nation...”

- Henry M. Kay, AICP,
Board Chair
Director, Transit/Rail, Rummel,
Klepper & Kahl (RK&K)





ELECTRIC VEHICLE CHARGING STATIONS INSTALLED THROUGHOUT BALTIMORE

Baltimore City, through the Parking Authority of Baltimore City, has been a leader in the State of Maryland in introducing Electric Vehicle Charging Stations (EVCS) in City-owned parking facilities. In the past 10 years, we installed 41 publicly accessible dual-port Level 2 EVCSs, capable of charging up to 82 Electric Vehicles at a time, in the parking facilities we manage on behalf of the City.

In 2019, the Electric Vehicle Work Group was established. Made up by representatives from the Baltimore City Department of Transportation, the Parking Authority of Baltimore City, the Baltimore City Department of Planning, the Baltimore City Department of Housing and Community Development, the Baltimore City Department of General Services, and the Baltimore City Law Department, the group works to ensure the equitable distribution of EV charging infrastructure across Baltimore City. In the summer of 2020, the work group drafted and fully executed a Memorandum of Understanding (MOU) between BGE and Baltimore City to allow for BGE's installation of Electric Vehicle Charging Stations on City-owned off-street properties. The MOU mandates the equitable distribution of these EVCSs throughout Baltimore City. It also makes clear the relationship in this endeavor by defining responsibilities and ensuring a smooth partnership.

Additionally, the Electric Vehicle Work Group spearheaded efforts to introduce franchise agreement legislation (CB 20-0573) before the Baltimore City Council that allows BGE to install EVCSs on-street. The legislation was approved by City Council and was signed by the Mayor in December 2020.

The Baltimore City Electric Vehicle Work Group actively works with BGE to identify City-owned off-street and on-street parking sites to installation BGE's EVCSs. To date, BGE has installed three (3) electric vehicle charging stations and been given full approval to install seventeen (17) electric vehicle charging stations in Baltimore City (four DC Fast charging stations; and ten Level 2 charging stations. We expect that those electric vehicle charging stations will be installed by BGE very soon.

We anticipate BGE will apply for many more installations here in Baltimore City, and we are committed to prompt review of all of their applications.

We have also created an electric vehicle charging website to inform the public of:

- Currently available, publicly accessible electric vehicle charging stations
- Upcoming publicly accessible electric vehicle charging stations
- A means for the public to request that a publicly accessible electric vehicle charging station be installed near their residence or business
- The website address is: parking.baltimorecity.gov/charging-stations





NEW MULTI-SPACE PARKING METERS

Over 830 new multi-space parking meters have been installed in Baltimore over the past two years, replacing old Pay and Display parking meters with new Pay by License Plate meters. Parkers no longer have to return to their car to place the paper receipt on their dashboard. Parkers enter their license plate number into the parking meter kiosk, pay for the amount of time they'd like to park, and walk away.

The new meters have also been upgraded from 3G to 4G, making connectivity problems less likely. At the end of each parking transaction, a QR code is displayed on the meter's screen directing parkers to a survey. We monitor the results regularly.

PARKING GARAGES

The pandemic created a lot of chaos in Downtown Baltimore workers' schedules. Some workers stayed home and worked remotely. Others came in one or two days a week and others had no choice but to continue to work from their office.

In 2021, many downtown parking garage operators, including garages that are owned by the City, created parking specials to reflect these new work schedules.

We helped promote these rates on our website and through our social media accounts.

ADDRESS	DISCOUNTED PRICE	VALUE	SAVINGS
99 S Howard St	\$80	\$200	\$140
15 Galliard Ave	\$50	\$120	\$130
504 Ellen St	\$50	\$160	\$110
400 S Central Ave	\$60	\$180	\$110
210 St Paul Place	\$80	\$170	\$120
510 E Lexington St	\$60	\$200	\$120
15 W Franklin St	\$70	\$130	\$60
231 N Place St	\$50	\$90	\$40
402 Key Hwy	\$100	\$220	\$120

EMAIL: OFFSTREET@BPCPARKING.COM TO LEARN MORE.

We began to offer discounted rate coupons for those purchasing 10 or more coupons. This provided flexible discounted parking without the commitment of a monthly parking contract. We also

adjusted many early-bird hours that allowed parkers to enter by 10:00 am instead of the usual 9:00 am, and exit by 7:00 pm rather than the standard 6:00 pm.



Parking sessions are geo-specific. Parkers cannot move their car to a different area and continue a previously paid parking session. Each block in the downtown area has its own rate that is tied to demand (blocks with lower demand have lower rates; blocks with higher demand have higher rates). This year, we expanded demand-based parking meter rates to Harbor East. More information about our parking meter program and demand-based rates can be found at: parking.baltimorecity.gov/parking-meters.

2021 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 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, 2021 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 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, 2021 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 to 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, which 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America that 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
Certified Public Accountants
Baltimore, Maryland
December 14, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. The notes to the financial statements follow the presentation of the basic financial statements. The report also contains other required supplementary information, specifically 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 relates 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, which is the general fund. The general fund accounts for capital asset acquisitions as expenditures when acquired, rather than as capital assets, as a result of the use of the current financial resources measurement focus in accordance with generally accepted accounting principles.

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

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

ANALYSIS OF NET POSITION AND CHANGES IN NET POSITION

The following is a comparison summary of the Authority's net position and changes in net position for the years ended June 30, 2021 and 2020:

	2021	2020
Assets:		
Current and Other Assets	\$ 11,521,944	\$ 9,905,422
Capital Assets	171,070	181,956
Total Assets	\$ 11,693,014	\$ 10,087,378
Liabilities:		
Current Liabilities	\$ 842,976	\$ 891,061
Net Position:		
Invested in Capital Assets	\$ 171,070	\$ 181,956
Unrestricted	10,678,968	9,014,361
Total Net Position	\$ 10,850,038	\$ 9,196,317
Changes in Net Position:		
Program Revenues:		
Baltimore City Grant	\$ 8,319,420	\$ 8,418,731
Other	387,199	304,791
Total Revenues	8,706,619	8,723,522
Expenses:		
Administration of Parking Facilities	6,997,864	7,168,741
Capital Outlay/Depreciation	55,034	44,960
Total Expenses	7,052,898	7,213,701
Increase in Net Position	1,653,721	1,509,821
Net Position – Beginning of Year	9,196,317	7,686,496
Net Position – End of Year	\$ 10,850,038	\$ 9,196,317

For the year ended June 30, 2021, 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 Baltimore'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, 2021 was \$8,319,420. Operating expenses for the year ended June 30, 2021 totaled \$7,052,898, resulting in an increase in net position of approximately \$1,654,000. Total operating expenses decreased approximately \$161,000 during the year ended June 30, 2021, as compared to the year ended June 30, 2020. The decrease was primarily a result of lower merchant service fees following both a renegotiated service agreement and also decreased meter revenue following less travel into Baltimore City during the coronavirus pandemic.

During the year ended June 30, 2021, the Authority purchased capital assets of approximately \$45,000. At June 30, 2021, the Authority had liabilities totaling \$842,976. These liabilities are expected to be funded through existing cash balances.

BUDGET ANALYSIS

The Budgetary Comparison Schedule – General Fund for the fiscal year ended June 30, 2021 (FY 2021) is presented on Page 13. The most significant budget variations included salaries and benefits, equipment acquisitions, and merchant service fees.

Software costs were approximately \$665,000 less than expected. The budget included expenses relating to computer and equipment system upgrades, which were not fully utilized during the year ended June 30, 2021 and were delayed until future periods.

Merchant service fees, which include credit card fees, were approximately \$1,000,000 less than expected. The decrease was due to lower service fees charged on credit card usage following a merchant service fee agreement and a decrease in meter-related revenue during the year.

Other services, which include meter repair costs, were approximately \$300,000 less than expected. The budget included estimated repair costs for meters that were not as extensive as originally expected due to significantly lower usage following lower amounts of travel to Baltimore City during the pandemic.

FISCAL YEAR ENDING JUNE 30, 2022

The budget for the fiscal year ending June 30, 2022 (FY 2022) was submitted to the Baltimore City Board of Estimates in the amount of \$9,754,541, which represents an overall increase in the funding level compared to the fiscal year ended June 30, 2021 in the amount of \$250,395. The total grant appropriation includes \$4,958,345 for the base administrative grant, \$4,580,612 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, two employees in degree programs, and various training certification programs. Additionally, it includes funding for the following items: in-service training for Microsoft 365, including Word and 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; Geographic Information System (GIS) Certification and Leadership Certificates; and shared services, such as postage machines, copiers, and printers.

The Meter management program grant's funds support salaries and benefits for 10 positions. The Meter management program supports 832 multi-space meters and 3,547 single-space electronic meters. In FY 2022, the Authority will be implementing several new pilot programs. The Authority replaced all pay-and-display with pay-by-license plate meters in FY 2021. Pay-by-license plate meters 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. They have reduced the need for paper receipts, allowing for more efficient enforcement. Now that 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 service 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 program grant's funds support salaries and benefits for two positions. The Valet regulations program administers the licensing of valet operators in Baltimore and oversees the permitting of local businesses that offer valet parking. There are 33 current licensed valet operators and 24 valet loading zones.

In FY 2021, the Authority started the implementation of a Virtual Parking Permit (VPP) program. In FY 2022, this program will be expanded to other residential permit parking areas of the city. This program will use vehicles' license plate 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 services, BCDOT enforcement agents will use license plate recognition to efficiently enforce neighborhood parking restrictions.

In FY 2021, the Authority implemented Cityworks, an enterprise asset management system (EAMS). Baltimore City and BCDOT implemented the Cityworks system and are currently working to complete integration with their 311/Salesforce system as their main ticketing and database system. Utilizing Cityworks would give BCDOT, the Authority, and the city an electronic means for requesting, inputting, and tracking work orders and other components, such as signs and meters. Cityworks empowers GIS to manage both physical infrastructure and also land-focused asset management. Service requests, work orders, inspections, and projects are used to track citizen concerns and all types of work activities—cyclical or reactive—with their associated costs. Map layers can be created to display information such as all open requests, sign locations, meter locations, residential reserved disabled parking, and valet locations for a given time, etc. Reports of all types can be generated on the fly using various search parameters or can be set up as customized templates. Cityworks empowers staff at all levels—field staff, call takers, and administration—to get the information they need to perform their jobs efficiently and to make wise use of the resources to manage assets and provide services. In FY 2022, the Authority will start Phase II of the implementation, which will enhance the valet regulations program, residential reserved disabled parking Program, meter management program, and the electric vehicle charging station program.

In FY 2021, the residential reserved disabled parking program began the implementation of Salesforce Carahsoft system for customer management. This system will generate automated emails, notifications, reminders, and event-based triggered actions.

During fiscal year 2019, the Authority implemented DocuSign as a solution to workflow management. This initiative reduced paper handling and enabled 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 friendliness, workflow, and use of Power Forms 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 was formed to review and develop workflow for the Authority. In FY 2022, the Authority will continue to expand this initiative throughout its 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 to coordinate the electronic transfer of data from the billing system to the facility access control system will continue in FY 2022. During FY 2022, 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, 2021

	General Fund	Adjustments (Note 4)	Statement of Net Position
Assets			
Cash and Cash Equivalents	\$ 11,379,255	\$ -	\$ 11,379,255
Accounts Receivable	70,575	-	70,575
Other Assets	72,114	-	72,114
Capital Assets, Net (Note 2)	-	171,070	171,070
Total Assets	\$ 11,521,944	\$ 171,070	\$ 11,693,014
Liabilities			
Accounts Payable	\$ 383,735	\$ -	\$ 383,735
Due to Baltimore City	36,689	-	36,689
Accrued Expenses	422,552	-	422,552
Total Liabilities	842,976	-	842,976
Commitments (Note 3)			
Fund Balances			
Unassigned Fund Balance	10,678,968	(10,678,968)	-
Total Liabilities and Fund Balance	\$ 11,521,944		
Net Position			
Invested in Capital Assets		171,070	171,070
Unrestricted		10,678,968	10,678,968
Total Net Position		10,850,038	10,850,038
Total Liabilities and Net Position		\$ 171,070	\$ 11,693,014

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

JUNE 30, 2021

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditures/Expenses			
Administration of Parking Facilities	\$ 6,997,864	\$ -	\$ 6,997,864
Capital Outlay/Depreciation	44,148	10,886	55,034
Total Expenditures/Expenses	7,042,012	10,886	7,052,898
Program Revenue			
Grant Revenue - Baltimore City	8,319,420	-	8,319,420
Other Income	387,199	-	387,199
Total Revenue	8,706,619	-	8,706,619
Excess of Revenue over Expenditures	1,664,607	(1,664,607)	-
Change in Net Position		\$ 1,653,721	1,653,721
Fund Balance/Net Position – Beginning of Year	9,014,361		9,196,317
Fund Balance/Net Position – End of Year	\$ 10,678,968		\$ 10,850,038



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 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 GASB 38 require certain expanded footnote disclosures.

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

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider are 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 evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through December 14, 2021, 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 three 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 that 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
Capital Assets:				
Computer Equipment	\$ 608,220	\$ 41,000	\$ (15,574)	\$ 633,646
Office Equipment	42,059	-	(105)	41,954
Furniture and Fixtures	86,459	3,148	(3,469)	86,138
Leasehold Improvements	60,745	-	-	60,745
	<u>797,483</u>	<u>44,148</u>	<u>(19,148)</u>	<u>822,483</u>
Less: Accumulated Depreciation:				
Computer Equipment	464,498	43,569	(14,016)	494,051
Office Equipment	31,890	2,542	(105)	34,327
Furniture and Fixtures	58,394	5,605	(1,709)	62,290
Leasehold Improvements	60,745	-	-	60,745
	<u>615,527</u>	<u>51,716</u>	<u>(15,830)</u>	<u>651,413</u>
Net Capital Assets	<u>\$ 181,956</u>	<u>\$ (7,568)</u>	<u>\$ (3,318)</u>	<u>\$ 171,070</u>

NOTE 3

COMMITMENTS

The Authority leases office space from the City under various leases, which expire through May 2022. The Authority leases office equipment under lease agreements, which expire through July 2025. Rent expense recorded for the year ended June 30, 2021 was approximately \$144,000.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,		
2022	\$	117,203
2023		4,788
2024		4,788
2025		4,788
2026		399

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, 2021 in the amount of \$110,721.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance (Negative) Positive
Revenue				
Grant - Baltimore City	\$ 9,504,145	\$ 9,504,145	\$ 8,319,420	\$ (1,184,725)
Other	-	-	387,199	387,199
Total Revenue	<u>\$ 9,504,145</u>	<u>\$ 9,504,145</u>	<u>\$ 8,706,619</u>	<u>\$ (797,526)</u>
Expenditures				
Salaries and Benefits	\$ 4,205,500	\$ 4,205,500	\$ 3,945,350	\$ 260,150
Telephones/Utilities/Internet	46,700	46,700	46,749	(49)
Vehicles/Travel	81,300	81,300	15,384	65,916
Business Machine Rental	20,100	20,100	19,756	344
Consultants	211,000	211,000	33,035	177,965
Equipment Warranty	22,400	22,400	95,364	(72,964)
Software	1,645,800	1,645,800	981,173	664,627
Legal	51,000	51,000	-	51,000
Printing and Copying	43,400	43,400	38,577	4,823
Merchant Service Fees	1,606,100	1,606,100	605,903	1,000,197
Computer Maintenance	100,000	100,000	111,233	(11,233)
Other Services	1,031,600	1,031,600	733,039	298,561
Maintenance and Supplies	122,500	122,500	65,489	57,011
Equipment Acquisitions	113,700	113,700	205,009	(91,309)
Rent	122,700	122,700	123,926	(1,226)
Advertising	11,300	11,300	1,298	10,002
Dues/Subscriptions/Training	69,100	69,100	20,727	48,373
Total Expenditures	<u>\$ 9,504,200</u>	<u>\$ 9,504,200</u>	<u>7,042,012</u>	<u>\$ 2,462,188</u>
Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP				
Depreciation Expense (Net of Disposals) Not Included in Budget			55,034	
Capital Asset Acquisitions Included in Expenses			(44,148)	
Total Expenses			<u>\$ 7,052,898</u>	



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