



PARKING
OF BALTIMORE CITY
AUTHORITY

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MAPPING THE FUTURE

2006 Annual Report



PARKING
OF BALTIMORE CITY
AUTHORITY



Fiscal year 2006 was an exciting time for the Parking Authority of Baltimore City. The Parking Authority team continued to build on the successes of previous years, and that success was recognized by the City in the official reauthorization of the Parking Authority, by the Mayor and City Council, in June 2006!



a message from
MAYOR MARTIN O'MALLEY

Parking in Baltimore has been a thorny issue for almost as long as there have been cars in Baltimore. The parking situation was at near crisis-level when I first took office as Mayor.

Where were we at that time regarding parking?

- A shortage of parking spaces in downtown Baltimore caused businesses to avoid moving their offices there, and was the impetus for some businesses to relocate out of Baltimore.
- The parking garages that did exist, especially City-owned parking facilities, were not pleasant places to patronize. They were dirty, poorly lit, and elevators were constantly out of service.
- Neighborhoods were experiencing growing parking problems as new residents moved in, and as their business districts revived.

We needed a new plan to address these parking issues. So, we assembled a group of parking professionals who could analyze these problems, and come up with and implement solutions. In 2000 we formed the Baltimore City Parking Authority to do just that.

Where are we now regarding parking?

- The Parking Authority was instrumental in the construction of five new City parking facilities, adding thousands of spaces to the inventory in downtown and to burgeoning neighborhoods.
- The Parking Authority has worked with neighborhood community associations and merchant groups throughout the City to solve small and large scale parking problems. One tool frequently used to provide for on-street parking for residents, Residential Permit Parking (RPP) programs, has shown tremendous growth under the Parking Authority's professional and customer-oriented administration. Over 28,000 residents now participate in Residential Permit Parking programs.
- The quality of parking garages has improved throughout the City, led by incredible improvements at City parking garages. City garages are now models of cleanliness and safety. They are well-lit, and elevators and access and revenue control equipment are extremely reliable. As a result of these improvements, the demand for parking at City garages has sky-rocketed, increasing revenues for the City. To try to compete with City garages, privately owned garages have improved significantly as well.

Where are we going regarding parking?

Baltimore still has parking issues, and, with further growth and development underway, new parking solutions must be found. The Baltimore City Parking Authority has proven very capable of finding us those solutions – whether through new parking technologies, or through the professional administration of parking management programs. I am confident they will meet the challenges to come so that we never again have a parking crisis.

Sincerely,

The Honorable Martin O'Malley

MESSAGE FROM OUR BOARD OF DIRECTORS



Fiscal year 2006 was an exciting time for the Parking Authority of Baltimore City. The Parking Authority team continued to build on the successes of previous years, and that success was recognized by the City in the official reauthorization of the Parking Authority, by the Mayor and City Council, in June of 2006!

In each area of the Parking Authority's responsibilities, the numbers speak to the success of the organization.

BOARD OF DIRECTORS

James H. Fields

Principal
Jones & Associates

Edward Gallagher

Director of Finance
City of Baltimore

Bernard "Jack" Young

12th District Councilman
City of Baltimore

David Wallace P.E.

Partner - Rummel, Klepper
& Kahl (Chair)

Patricia McGowan

Partner - Venable, LLP

RESIDENTIAL PERMIT PARKING (RPP) PROGRAMS

Because of the professional and customer-oriented way the Parking Authority team has administered the RPP programs, participation in those programs continues to grow.

- 5 new Residential Permit Parking areas have been added over the past 6 years.
- 16 additional block faces were added to RPP programs in FY2006. 70 block faces have been added in the past 6 years.
- The Parking Authority issued over **28,000** residential parking permits in FY 2006. Over the past 4 years there has been a **35% increase** in the number of residents participating in RPP programs.

PARKING FACILITIES

Since taking over operation of the City's parking facilities six years ago, those facilities have seen a rebirth that has translated into greater use of those facilities and, as a result, greater financial returns to the City on those investments in parking infrastructure. City-owned garages and lots were some of the worst in the City prior to the Parking Authority's taking charge. They are now some of the very best parking facilities in Baltimore – very clean, with reliable elevators and bright lighting, and boasting state-of-the-art security and access and revenue control equipment.

More and more customers now choose to park in the City's parking facilities, and that equates to increases in revenues.

- In just the past 4 years, under the Parking Authority's control, gross revenues from parking facilities operations have **increased by 52%**.
- As a result, the City is realizing **\$6.6 million in additional annual parking revenues**.



BOARD OF DIRECTORS MESSAGE CONTINUED

PARKING METERS

The Parking Authority has revolutionized metered parking in Baltimore through the use of new parking technology! The program is called EZ Park, because the meters are easy to use and provide customers with the convenient option of paying with a credit card (no more fishing through your car for change!). After a very successful pilot program involving the installation of 70 solar powered multi-space parking meters – which **increased parking meter revenues by nearly \$500,000** – we have embarked on a program of additional installations of these new meters. Over the course of FY2007 and FY2008, we expect to install up to an additional 300 EZ Park meters.



The Parking Authority is a very results-oriented organization. The results of the past 6 years – increased participation in Residential Permit Parking programs; increased use of the City's parking facilities due to improvements in the product and service; and increased meter revenue and parker satisfaction – are incredible, and were the basis for the reauthorization of the Parking Authority. Now the Parking Authority can reach for even higher goals!

MEET THE EXECUTIVE BOARD

Peter Little is the Executive Director for the Parking Authority of Baltimore City. Born in Frankfurt, Germany and raised in Middleboro, MA, Mr. Little is a graduate of Boston College and has been Executive Director of the Parking Authority for 2 years. Previously, he was a Vice President with Standard Parking and in charge of their Mid-Atlantic operations. Mr. Little has over 14 years of parking industry experience.



Peter Collier is the Director of Operations for the Parking Authority of Baltimore City. Born in Cooperstown, NY and a graduate of the State University of New York, Mr. Collier is involved with numerous professional, civic and philanthropic organizations. His operations activities focus on development and implementation of strategic plans that address the parking concerns of both citizens and the businesses of Baltimore.



David Rhodes is the General Counsel for the Parking Authority. Born in Baltimore, MD and a graduate of Loyola College and the University of Baltimore School of Law; Mr. Rhodes has been a member of the Parking Authority for more than 2 years.



Sandra Downs is the Chief Financial Officer for the Parking Authority of Baltimore City. Born in Dover, DE and a graduate of Grambling State University, Ms. Downs has experience in governmental accounting and school business finance. She is active in the Mayor's Mentoring Program and has a keen interest in educating our youth.



OFF STREET PARKING

The Parking Authority manages 16 garages and numerous metered lots in Baltimore. Over the years, our facilities have become more and more user friendly. With the implementation of Coin Chip machines, Smart Cards, Carpooling and the Hybrid program, the Parking Authority is continuously improving customer service and creating programs which promote energy efficiency and a cleaner environment.

CHIP COIN INSTALLED IN THREE PABC LOCATIONS

The Parking Authority of Baltimore City has expanded the Chip Coin Pay-on-Foot system in three locations: Baltimore Street Garage, Franklin Street Garage, and Market Center Garage. The Chip Coin system replaces the paper ticket customarily used in the parking industry with a plastic chip that is the shape and size of a quarter. Embedded inside each Chip Coin is a RF Transponder, the same technology used inside a HID proximity card. The benefit of the Chip Coin system is the reduction of overall costs. The cost savings is seen in consumable products, maintenance, and actual manufacturing savings. This paperless system also helps the environment because there are no wasted and non-reusable resources (tickets). We are continuing to look for innovative technology to keep the city of Baltimore leading the industry in parking technology implementation.



SMART CARDS

The Parking Authority of Baltimore City is introducing its Smart Card. A Smart Card is a plastic ticket that can be used at all of our facilities. This is a cashless way for customers to use our parking garages. There is up to a 10% discount, and you can purchase Smart Cards in increments of \$10. To use the Smart Card, simply insert the card into the machine and the hourly/daily rate will be deducted from your card. Once you have expended all monies on the card, stop by the office and we will reload it for you.

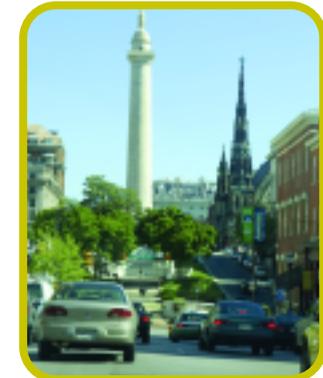
HYBRID DISCOUNT PARKING PROGRAM

We announced the Hybrid Vehicle Parking Program in October 2005. This program allows owners of hybrid vehicles to receive a 50% discount on their monthly parking rates (net of parking tax) at all City Parking Facilities. There are no waiting lists and there are reserved spaces for hybrids in all of our garages. We currently have 30 customers participating in this program and look forward to more. This is our way of contributing to a cleaner, healthier city for all of us to enjoy.



RIDESHARING/CARPOOLING PROGRAM

In the future we will launch a Carpooling Program. This program will have many benefits. It will reduce the cost of your commute because carpoolers will be sharing the cost of parking, fuel and vehicle maintenance. There will be convenient parking in reserved areas for carpooling vehicles close to facility entrances and exits. There will be free initial access cards beyond the cost of one card. There is immediate acceptance into the program for participants meeting all requirements. This program will help to make everyone's commute to and from work a lot easier by eliminating some of the traffic in the Downtown area.



Operator: PMS Parking, Inc.
400 S. Central Avenue
Baltimore, Maryland

LITTLE ITALY GARAGE

The Parking Authority of Baltimore City was the first in the United States to purchase a Scheidt & Bachmann Chip Coin Pay-on-Foot system for our Little Italy Garage. Since installation, there has been a significant decrease in expenses related to equipment maintenance; and it has also added more revenue to our bottom line figures. We plan to install this software in three of our other facilities by January 2007.

Nearby Attractions:

- Whole Foods Market
- Amicci's
- Aldo's
- Mos Pasta & Seafood
- Caesar's Den
- Vacarro's
- Chiapparelli's
- Da Mimmo
- Sabatino's



Operator: Republic Parking
99 S. Howard Street
Baltimore, Maryland

ARENA GARAGE

The Arena Garage, adjacent to the 1st Mariner Arena, is one of a few parking facilities that experience a variety of parking uses. It is because of this use, and the implementation of Pay-on-Foot revenue control equipment, that we have seen an increase in revenues of over 50% since Fiscal Year 2002.

Nearby Attractions:

- 1st Mariner Arena
- Hopkins Plaza
- M&T Bank Stadium
- Light Rail
- Hippodrome
- VA Hospital
- Oriole Park at Camden Yards
- University of MD



Operator: Landmark Parking
501 S. Eden Street
Baltimore, Maryland

FLEET & EDEN GARAGE

The Fleet & Eden garage opened in September 2005 and is the most attractive of all locations in our portfolio. It is equipped with License Plate Recognition technology, automated revenue control equipment, and a state of the art surveillance camera system.

Nearby Attractions:

- Broadway Market
- Fells Point
- Pier 6
- Whole Foods Market
- Little Italy
- Water Taxi

EZ PARK METERS

It is now easier than ever to find and pay for on-street parking in Baltimore City! The new EZ Park multi-space parking meters the Parking Authority is installing all over the City offers many advantages, to parkers and to the City, over the old single-space parking meters.



- **ADDITIONAL PARKING SPACES** – Because conventional single-space meters must be spaced to accommodate the longest cars, they are separated by more space than necessary for small cars. At unmarked curbs, smaller cars can fit into spaces too small for longer cars, and about 10 to 15 percent more cars can typically fit into the available curb space.
- **EXPANDED PAYMENT OPTIONS** – Parkers can now pay for parking with a credit card in addition to cash. No more checking under the car seats for loose change or hoping you can break a dollar at the corner store to pay for parking! In the future, we expect to introduce other payment options, including pay-by-cell-phone and smartcards.
- **PROOF OF PAYMENT PROVIDED** – With the new EZ Park Multi-Space Meters you get a receipt when you park! The receipt is proof of payment for the parker's business and tax records. Also, parkers who wish to appeal a ticket from parking enforcement will now have evidence of payment.
- **ENHANCED STREETSCAPES** – One EZ Park meter can replace up to 12 (or more) single-space meters, and EZ Park meters do not require marking individual curb spaces on the street. EZ Park meters thus reduce street clutter by removing unnecessary hardware and signs.
- **REDUCED METER DOWNTIME** – EZ Park meters automatically report any mechanical failure wirelessly to a central computer. Rapid service response can then insure meters are up and running when motorists try to pay.
- **ECONOMICAL** – One multi-space meter can cost less to purchase and maintain than the eight to fifteen (or more) individual meters it replaces. Payment by credit and debit cards, and the fact that the EZ Park meters will send a wireless alert when cash needs to be collected, reduces the cost of collecting, transferring and counting coins.
- **SOLAR POWERED** – EZ Park meters are solar powered and, therefore, environmentally friendly.
- **SUPERIOR DATA COLLECTION** – EZ Park meters produce records of parking occupancy on each block by time of day, day of the week, for particular months, and for particular seasons. The information can then be utilized to analyze usage patterns to better manage the parking supply and to determine where additional parking is needed.
- **BETTER REVENUE CONTROL** – EZ Park meters automatically record how much money is collected from the various payment options. Each meter keeps a running tally of the day's receipts, and that tally is sent wirelessly to the central computer. This allows auditors to detect any discrepancies when the revenue is collected and counted.

EZ Park Multi-Space meters have been so successful that the Parking Authority is now installing them in many areas of Baltimore, starting with the Central Business District. EZ Park meters are on their way to making parking EZ-er throughout the City.

ON STREET PARKING

The Regulations section of the Parking Authority maintains parking restrictions in the city's commercial and residential districts. Within these districts, you will find 2 Hour Parking, Truck Loading Zones, Passenger Loading Zones, and Reserved Residential Disabled Parking. As the city's demographics change so do the parking needs. With the implementation of new programs, the Parking Authority will be able to and continue to efficiently serve the citizens of Baltimore.

REVERSE ANGLE PARKING

The Parking Authority of Baltimore City has implemented the Reverse Angle Parking program in the Hampden area of the city on Chestnut Avenue. By changing the direction of parking spaces from vertical to angle and only allowing parkers to back into spaces, the number of spaces increases per city block and motorists and bicyclists are safer because cars pull forward and do not back into on-coming traffic.

CAR SHARING

The Car Sharing Program is an innovative program offering members an opportunity to share cars that have been placed in the designated locations. This program will allow drivers access to a car, for a specific time, which can be picked up in specific locations in their neighborhood, around medical institutions or near their place of employment. We anticipate that this program will give residents an alternative to owning their own vehicle, thus reducing parking demands especially in neighborhoods parking problems.



EAST/WEST BIO-TECH

The Bio-tech Complexes are being constructed in both East and West Baltimore and will become some of Baltimore's newest attractions. The Parking Authority has been proactive with the development plans as they relate to parking management. Both complexes include residential, commercial, medical and research center components. The Parking Authority has been helping to design and implement innovative urban parking plans to meet the needs of the effected communities.

RESIDENTIAL PERMIT PARKING PROGRAM

The Residential Permit Parking Program, (RPP) was established in 1979 when the residents of the Oakenshawe area experienced parking problems when the staff from Union Memorial Hospital began parking in their neighborhood. Since that time, many other neighborhoods began to experience similar parking problems. This has led to the creation of 36 RPP areas in the city with requests for additional areas every year. In 2005, the PABC issued over 28,000 permits, and collected more than \$480,000 in RPP revenue.

(RPP) NEW DATABASE

In 2003, we implemented an on-line renewal website that allows residents to conveniently edit, renew and pay for permits before entering the office, thereby cutting their wait time in half. As technology improves, so will our services. In early 2007, we will be upgrading the RPP database to provide quality control monitoring of off-street parking spaces, multi-family dwellings and counterfeit permits.

The new RPP system will allow us to integrate with Parking Enforcements' handheld ticket devices and the license plate recognition technology currently used.



ADVISORY BOARD

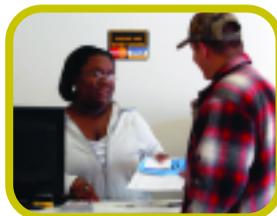
The Residential Permit Parking Program has an Advisory Board consisting of Community Association Representatives. They were instrumental in the establishment of Bill 06-316. This bill provides limitations on the number of permits per household. The bill also helps to eliminate misuse or abuse of permits by making those abuses a misdemeanor punishable by a fine, loss of vehicle and/or imprisonment. This bill also establishes guidelines for the designation of Board members. The Board will continue to meet and make recommendations to enhance the RPP program.



SPECIAL PARKING PERMITS

The RPP Team also coordinates Special Parking Permits for:

- Churches
- Residential Handicapped Reserved Parking
- Official Business Permits for government employees performing business throughout the city.



CUSTOMER SERVICE

The RPP Team is proud of the outstanding customer service we provide. We have received numerous cards, letters and phone calls regarding our staff's friendly and professional service. We seek, every day, to improve the quality of the service we provide.

FINANCIAL STATEMENTS

June 30, 2006

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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, 2006, 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, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and budgetary comparison information on pages 12 through 15 and 22 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

ELLIN & TUCKER, CHARTERED
Certified Public Accountants

Baltimore, Maryland
August 14, 2006



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 differences related primarily to capital assets and the related capital lease obligation which are reflected as assets and liabilities on the Statement of Net Assets but are excluded from general fund assets and liabilities.

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 and debt repayments. For governmental fund accounting purposes, all cash payments for capital asset acquisitions and debt repayments 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 and the related debt repayments 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, 2006 and 2005.

	2006	2005
ASSETS:		
Current and Other Assets	\$ 304,598	\$ 53,020
Capital Assets	121,148	179,218
Total Assets	\$ 425,746	\$ 232,238
LIABILITIES:		
Current Liabilities	\$ 234,303	\$ 357,736
Long-Term Liabilities	-	-
Total Liabilities	\$ 234,303	\$ 357,736
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt Unrestricted	\$ 118,388	\$ 159,280
	73,055	(284,778)
Total Net Assets	\$ 191,443	\$ (125,498)
CHANGES IN NET ASSETS:		
Program Revenues:		
Baltimore City Grants	\$ 2,187,940	\$ 1,600,000
Other	3,032	1,887
Total Revenues	\$ 2,190,972	\$ 1,601,887
EXPENSES:		
Salaries and Benefits	\$ 1,142,619	\$ 1,062,853
Professional Fees	498,039	514,789
Rent and Utilities	56,040	55,284
Depreciation	53,619	48,141
Other Operating Expenses	123,714	145,174
Total Expenses	1,874,031	1,826,241
Increase (Decrease) in Net Assets	\$ 316,941	\$ (224,354)
Net Assets – Beginning of Year	(125,498)	98,856
Net Assets – End of Year	\$ 191,443	\$ (125,498)

For the year ended June 30, 2006, 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, 2006 was \$2,187,940, including an additional appropriation of \$161,900 for accrued vacation and sick pay liability. Operating expenses for the year ended June 30, 2006 totaled \$1,874,031 resulting in an increase in net assets of approximately \$317,000. Total operating expenses increased approximately \$48,000 during the year ended June 30, 2006 as compared to the year ended June 30, 2005. These increases were offset, in part, by a decrease in legal fees. The increase was due primarily to higher salaries and benefits, consulting fees, computer equipment expense, and bank and armored car service fees. Salary and benefit expense increased due to general salary increases. The increase in computer equipment expense relates to barcoding equipment purchased for the enforcement division of Baltimore City. The consultant and bank and armored car service fees relate to the collection of revenue from the Multi-Space Meter Program which began in fiscal year 2005. In 2005, legal fees were significantly higher than normal due to increased participation of legal counsel in personnel policy and other general matters due to a vacancy in the executive director position. In 2006 this position was filled and legal fees decreased accordingly.

During the year ended June 30, 2006, the Authority purchased computer equipment and software of approximately \$18,400. At June 30, 2006, the Authority had a capital lease obligation totaling \$2,760, which is due within the next two months, and other liabilities totaling \$231,543. These liabilities are expected to be funded through collections of accounts receivable, future grants, and other income.

Budget Analysis

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2006 (2006) is presented on Page 13. The most significant budget variations included salaries and benefits, consultant fees, bank and armored car service fees, and equipment acquisitions.

Salaries and benefits, which include base salaries and benefits, and health insurance costs, were \$249,700 less than expected. The Authority budgeted for three additional staff positions in 2006; however, due to more effective utilization of existing personnel, the additional positions were not created.

Consultant expenses exceeded budgeted amounts by approximately \$31,000. The Authority utilized consulting services for the Residential Parking Program and the Multi-Space Meter Project. In addition, the Authority hired temporary services from an employment agency due to a vacant executive assistant position.

The bank and armored car service fees exceed the budgeted amount by approximately \$53,100. The Authority incurred significant credit card transaction charges due to the increase in credit card usage at meters for the Multi-Space Meter Project.

Capital expenditures during 2006 were approximately \$44,500 less than budget, net of disposals of \$23,112. Capital expenditures for 2006 consisted of primarily computer equipment and software.

Fiscal Year Ending June 30, 2007

The budget for the fiscal year ending June 30, 2007 (2007) has been submitted to the Baltimore City Board of Estimates in the amount of \$2,026,050, which represents no change in funding level compared to the fiscal year ended June 30, 2006.

During 2007, the Parking Authority will be adding the following positions: Executive Assistant for Finance/Legal and a Parking Specialist II for Operations/On-Street Parking Section. The Authority plans to reconfigure its space with module furniture for the Finance and On-Street Parking Section.

During 2007, the Authority anticipates it will enter into the next phase of the expansion of the meter program, which includes installation of over 300 additional meters throughout the City at a cost of approximately \$4 million. These installations are expected to be completed by January 2007. Over the next several fiscal years, the Authority anticipates the installation of approximately 600 new multi-space meters. The City has appropriated funds in the amount of \$4 million to cover the purchase and installation of the multi-space meters, but the Authority will continue to be responsible for funding certain administrative costs of the Program.

The Authority anticipates the acquisition of upgraded software for the Residential Parking Program to be installed before the end of fiscal year 2007. The software is expected to help the Authority manage the Program more efficiently and better serve the citizens of the City of Baltimore. A contract is anticipated to be presented to the Board of Estimates for approval by January 2007.

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, 2006

	GENERAL FUND	ADJUSTMENTS (NOTE 5)	STATEMENT OF NET ASSETS
ASSETS:			
Cash and Cash Equivalents	\$ 142,658	\$ -	\$ 142,658
Accounts Receivable - Baltimore City	161,940	-	161,940
Capital Assets, Net (Note 2)		121,148	121,148
Total Assets	\$ 304,598	\$ 121,148	\$ 425,746
LIABILITIES:			
Accounts Payable	\$ 45,391	\$ -	\$ 45,391
Accrued Expenses	186,152	-	186,152
Capital Lease Obligation (Note 3)	-	2,760	2,760
Total Liabilities	\$ 231,543	\$ 2,760	\$ 234,303
COMMITMENTS (NOTE 4)			
FUND BALANCES:			
General Fund Balance (Deficit)	\$ 73,055	\$ (73,055)	\$ -
Total Liabilities and Fund Balances	\$ 304,598	\$ -	\$ -
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	\$ -	\$ 118,388	\$ 118,388
Unrestricted		73,055	73,055
Total Net Assets	\$ -	\$ 191,443	\$ 191,443

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

For the Year Ended June 30, 2006

	GENERAL FUND	ADJUSTMENTS (NOTE 5)	STATEMENT OF ACTIVITIES
EXPENDITURES/EXPENSES:			
Administration of Parking Facilities	\$ 1,820,628	\$ -	\$ 1,820,628
Capital Outlay	(4,667)	58,070	53,403
Debt Service	17,178	(17,178)	-
Total Expenditures/Expenses	\$ 1,833,139	\$ 40,892	\$ 1,874,031
PROGRAM REVENUE:			
Grant Revenue - Baltimore City	\$ 2,187,940	\$ -	\$ 2,187,940
Other Income	3,032	-	3,032
Total Revenue	\$ 2,190,972	\$ -	\$ 2,190,972
Excess (Deficit) of Revenue Over Expenditures	\$ 357,833	\$ (357,833)	\$ -
CHANGE IN NET ASSETS	\$ -	\$ 316,941	\$ 316,941
FUND BALANCE/NET ASSETS			
Beginning of Year	\$ (284,778)	\$ -	\$ (125,498)
FUND BALANCE/NET ASSETS			
End of Year	\$ 73,055	\$ -	\$ 191,443



NOTES TO FINANCIAL STATEMENTS



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 including capital lease 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, 2006, the Authority's carrying value of cash and cash equivalents was \$142,658 and the bank balance was \$184,310. The difference between the carrying value and the bank balance is due to outstanding checks at June 30, 2006. Of the bank balance, \$100,000 was covered by Federal Depository Insurance (Risk Category 1), and the balance of \$84,310 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	\$ 169,533	\$ 18,445	\$ 22,835	\$ 165,143
Office Equipment	58,458	-	277	58,181
Furniture and Fixtures	23,911	-	-	23,911
Leasehold Improvements	33,754	-	-	33,754
	<u>\$ 285,656</u>	<u>\$ 18,445</u>	<u>\$ 23,112</u>	<u>\$ 280,989</u>
LESS: ACCUMULATED DEPRECIATION:				
Computer Equipment	\$ 66,654	\$ 36,137	\$ 191	\$ 102,600
Office Equipment	24,433	10,216	25	34,624
Furniture and Fixtures	6,451	1,974	-	8,425
Leasehold Improvements	8,900	5,292	-	14,192
	<u>\$ 106,438</u>	<u>\$ 53,619</u>	<u>\$ 216</u>	<u>\$ 159,841</u>
Net Capital Assets	<u>\$ 179,218</u>	<u>\$ (35,174)</u>	<u>\$ (22,896)</u>	<u>\$ 121,148</u>

3 Capital Leases

The Authority leases machinery and equipment under capital leases which expire at various dates through 2007. Future minimum lease payments under capital leases are as follows:

Year Ending June 30, 2007	\$ 2,792
Less: Amounts Representing Interest	32
Present Value of Lease Payments	2,760
Less: Current Portion	2,760
Long-Term Portion	<u>\$ -</u>

Information relating to equipment held under capital leases at June 30, 2006 is as follows:

	2006	2005
Equipment Held under Capital Leases	\$ 53,264	\$ 53,264
Less: Accumulated Depreciation	33,303	23,578
	<u>\$ 19,961</u>	<u>\$ 29,686</u>

For the year ended June 30, 2006, depreciation and interest expense related to the capital leases was \$9,725 and \$1,173, respectively. Long-term liability activity for the year ended June 30, 2006 was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Capital Lease Obligation	\$ 19,938	\$ -	\$ (17,178)	\$ 2,760	\$ 2,760

4 Commitments

The Authority leases office space from the City under a lease which expires in February 2008. The lease provided for rent abatement from March 2003 (lease inception) through February 2005. The Authority records the ratable portion of total lease payments over the lease term as rent expense. The Authority leases a postage machine under a lease which expires in December 2008. Rent expense recorded for the year ended June 30, 2006 was \$32,563.

Future minimum lease payments under operating leases are as follows:

Year Ending June 30,	2007	\$ 59,386
	2008	\$ 51,740

5 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 differences result primarily from the treatment of capital assets and capital lease obligations. 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. Long-term liabilities, including capital lease obligations, relating to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the general fund. All current and long-term liabilities are reported as liabilities in the Statement of Net Assets.

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. Payments under the Authority's capital lease obligations are reported as expenditures of the general fund; however, the principal portion of such payments is reported as reductions of capital lease liabilities in the Statement of Activities. The interest portion of the lease payments is reflected in the Statement of Activities as a current period expense.

**REQUIRED SUPPLEMENTARY INFORMATION:
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**

For the Year Ended June 30, 2006

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE POSITIVE (NEGATIVE)
REVENUE:				
Grant - Baltimore City	\$ 2,026,100	\$ 2,026,100	\$ 2,187,940	\$ 161,840
Other	–	–	3,032	3,032
Total Revenue	\$ 2,026,100	\$ 2,026,100	\$ 2,190,972	\$ 164,872
EXPENDITURES:				
Salaries and Benefits	\$ 1,392,300	\$ 1,392,300	\$ 1,142,619	\$ 249,681
Telephones/Utilities/Internet	29,000	29,000	25,490	3,510
Vehicles/Travel	11,500	11,500	7,647	3,853
Business Machine Rental	26,000	26,000	44,154	(18,154)
Consultants	223,300	223,300	254,224	(30,924)
Legal	80,000	80,000	69,109	10,891
Printing and Copying	8,000	8,000	11,594	(3,594)
Bank and Armored Car Service Fees	85,000	85,000	138,093	(53,093)
Computer Maintenance	30,000	30,000	36,613	(6,613)
Other Services	29,500	29,500	48,880	(19,380)
Maintenance and Supplies	33,500	33,500	20,433	13,067
Equipment Acquisitions (Disposals)	39,800	39,800	(4,667)	44,467
Rent	31,600	31,600	30,550	1,050
Advertising	5,000	5,000	5,778	(778)
Dues/Subscriptions/Training	1,600	1,600	2,622	(1,022)
Total Expenditures	\$ 2,026,100	\$ 2,026,100	\$ 1,833,139	\$ 192,961

RECONCILIATION OF BUDGETARY EXPENDITURES TO EXPENSES REPORTED UNDER GAAP:

Depreciation Expense (Net of Disposals) Not Included in Budget	\$53,403
Capital Asset Acquisitions Not Included in Expenses	(18,445)
Capital Asset Disposals Not Included in Expenses	23,112
Principal Portion of Capital Lease Payments Not Included in Expense	(17,178)
Total Expenses	\$ 1,874,031

PARKING RESOURCES

For assistance with parking related issues not managed by the Parking Authority, see the list below.

Abandoned Vehicles	410.396.4308	Department of Transportation	
Impound Lots		City property and alleys	410.361.9286
Fallsway Impound	410.396.4613	Street maintenance (potholes, broken sidewalks, guard rails)	410.396.4447
Pulaski Impound	410.396.4389		
Parking & Traffic Tickets		Permits	
Enforcement	410.396.1945	Moving Vans, Dumpsters	
Red Light Tickets	410.396.4080	Large Trucks	410.396.6865
Fines	410.396.3961	Miscellaneous	
Meter Issues		MVA	800.950.1682
Broken Meters	410.396.7576	Yellow Cab	410.685.1212
EZ Park Meters	443.573.2800	City Operator	410.396.3100
Bagging of Meters	410.396.4508		

PABC GARAGES

Arena Garage 99 S. Howard Street	Lexington Street Garage 510 E. Lexington Street	Redwood Street Garage 11 S. Eutaw Street
Baltimore Street Garage 15 Guilford Avenue	Little Italy Garage 400 S. Central Avenue	St. Paul Street Garage 210 St. Paul Street
Caroline Street Garage 805 S. Caroline Street	Marina Garage 402 Key Highway	Water Street Garage 414 Water Street
Franklin Street Garage 15 W. Franklin Street	Market Center Garage 221 N. Paca Street	West Street Garage 40 E. West Street
Fleet & Eden Garage 501 Eden Street	Marriott Garage 405 W. Lombard Street	
Guilford Garage 210 Guilford Avenue	Penn Station Garage 1511 N. Charles Street	

PABC LOTS

Mulberry Street Lot 507 W. Mulberry Street	McElderry & Duncan Street 2100 McElderry Street	Boston/Baylis Street 3400 Boston Street
Mulberry Street Lot 410 W. Mulberry Street	Collington & Duncan 500 Collington Avenue	Orleans/Forrest 1000 Orleans Street
Lot 33 Birkhead	Bank & Broadway 400 S. Broadway (EZ Park Meters)	Ensor/Forrest 600 Ensor Street
Lot O 710 W. Ostend Street	Broadway Market 600 S. Broadway (EZ Park Meters)	Gay/Mott 600 Ensor Street
Key Highway 202 Key Highway	Fleet & Dean Street 3702 Fleet Street	Laurens Street/Penn Avenue (2 Lots) 600 Laurens Street
Jones Falls Expressway (JFA) 400 E. Saratoga Street	Hollins & Carrolton Street 1100 Hollins Street	Smith Avenue/Newbury Street 5600 Smith Avenue
Jones Falls Expressway (JFB) 453 Guilford Avenue	Newbury & Kelly Avenue 1600 Newbury Street	
Green & Saratoga Street 301 Green Street	Waverly 3200 Barclay Street	
McElderry & Collington 2200 McElderry Street		