



PARKING
OF BALTIMORE CITY
AUTHORITY

2007

ANNUAL REPORT

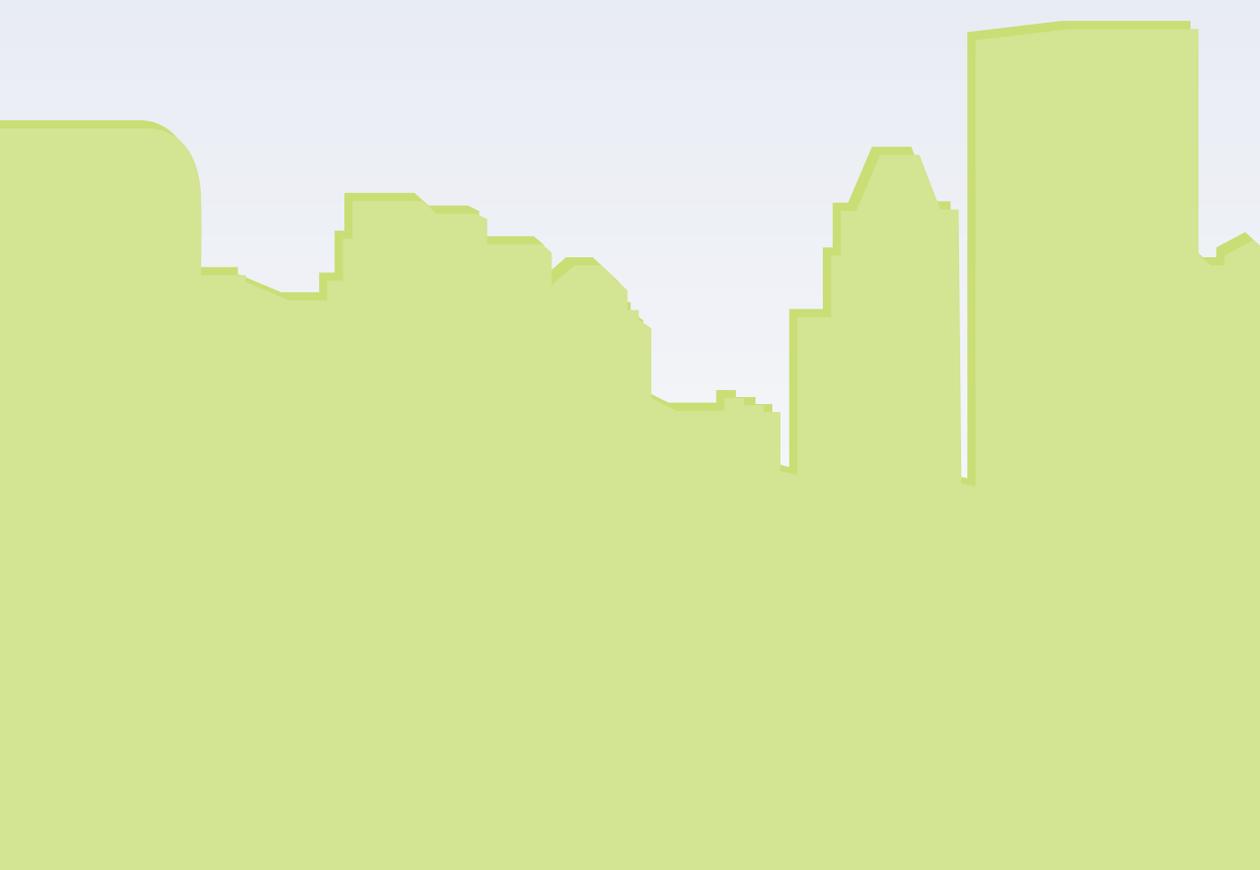
Promoting a Cleaner Greener Baltimore



>> The City has realized a 22% increase in revenue from Parking Authority managed assets since 2005; all while undertaking environmentally friendly programs.

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Garage

Size	Price
6' x 8'	\$4
8' x 8'	\$5
10' x 8'	\$6
12' x 8'	\$7
14' x 8'	\$8

Garage

10' x 10' \$9
12' x 10' \$10
14' x 10' \$11



LETTER FROM MAYOR, SHEILA DIXON



<< Flower pots like this one at the Little Italy Garage beautify each of the City's sixteen publicly owned garages. Our efforts earned the Parking Authority the title of "Most Extensive Planting" in the Mayor's Office 2007 greening competition among all city agencies.

>> Since taking office in January of this year, the focus of my administration has been on a cleaner, greener and safer Baltimore. I am proud to say that the Parking Authority of Baltimore City has needed no encouragement to get on board with this agenda.

A whole host of the Parking Authority's programs promote a cleaner, greener and safer Baltimore:

Hybrid Vehicle Discount Parking Program

Owners of qualifying hybrid vehicles receive 50% off monthly contract parking charges (net of parking tax) at City-owned garages. This program is intended to incentivize the purchase of these energy-efficient, low emissions, environmentally-friendly vehicles - and it has! There are currently over 40 participants in the program.

Carpooling Program

Commuters to and within Baltimore who are willing to carpool with others can obviously save money through shared parking and gas charges. Carpoolers, by taking extra cars off our streets each day, also help to improve the quality of the air we breathe by lowering overall vehicle emissions. The Parking Authority is now making it easier for carpoolers by offering reserved parking spaces in prime spots in each City-owned garage for registered carpool groups.

Car Sharing

The Parking Authority is leading an effort to bring a car sharing program to Baltimore. Car sharing will offer residents and businesses of Baltimore a fleet of vehicles spread throughout the City, which can be rented by the hour. Many of the vehicles will be low-emission, fuel efficient hybrid cars. By helping to create alternatives to dependence on personal vehicles, the Parking Authority is taking the lead in programs that are good for the environment, and help to reduce parking demand, especially in neighborhoods where parking demand outstrips supply.

It is clear that the Parking Authority has been and continues to be progressive in its mission. The Parking Authority is not just about parking cars in the City's garages and lots and at our parking meters. The Parking Authority is also committed to finding new ways to make Baltimore cleaner, greener and safer.

Sincerely,

A handwritten signature in cursive script that reads "Sheila Dixon".

Sheila Dixon

Mayor, Baltimore City

LETTER FROM THE BOARD OF DIRECTORS

2007 has been an exciting year for the Parking Authority of Baltimore City! As the PABC Board of Directors, we are proud to be serving at a time of rapid growth. Through innovation, customer service, and expansion of the Residential Permit Parking program, the City has realized a 22% increase in revenue from Parking Authority managed assets since 2005; all while undertaking environmentally friendly programs.

The introduction of solar-powered multi-space meters with credit card processing means on-street parking in Baltimore has never been easier. It has also meant a \$500,000 increase in parking meter revenues since their introduction.

Our City-owned parking garages have set the standard for excellence in customer service. With programs such as the hybrid vehicle program, carpooling program and by "greening" our garages with beautiful flowers and plantings, the average number of customers per garage has increased by 20% over the last 5 years.

The Residential Permit Parking program that protects parking for neighborhood residents has never been more popular, netting a 6% increase in revenues since 2005.

Increased revenues mean increased Baltimore City services. By being responsible managers of some of the City's most valuable resources, we help to reduce the burden on taxpayers and make their dollars go further.

Although we are thrilled at the financial successes of the Parking Authority, what gives us the most satisfaction is the fact that our customers, including the citizens of Baltimore, have entrusted us with some of the City's most valuable assets, and we have proven to be worthy of that trust.

Clockwise from top left,

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

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

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

Patricia McGowan
Partner, Venable, LLP

Edward Gallagher
Director of Finance,
City of Baltimore





We're Here to Serve You!

Whether you need to obtain or renew your Residential Parking Permit, apply for a reserved handicapped parking space or become a monthly parker in one of the 16 publicly owned garages, we're here to serve you.

Our offices are located at 200 West Lombard Street, near the intersection of Howard and Lombard Streets, adjacent to the Baltimore Arena occupying the first level of the Arena Garage. Drivers' entrance is on Howard Street. We are also conveniently located to the Light Rail and several bus routes.

Please stop by and let us know how we can serve you!

THE PARKING AUTHORITY TEAM



Top Row: LaTonya Dutton, Administrative Assistant, Operations; Peter Little, Executive Director; Kenneth Turner, Team Leader, Operations, RPP; Michelle Berry, Parking Specialist I, Operations, RPP;

Third Row: Ken Sands, Parking Specialist II, Operations, On-Street; Sandra Downs, Chief Financial Officer; Ulonda Bond, Customer Service Representative I, Operations, On-Street; Candace Lee, Meter Manager, Operations, On-Street; Nakisha Hill, Parking Associate II, Keri Hickey, Executive Assistant, Legal/Finance; Vickie Kuzmik, Accountant II, Finance; David Rhodes, Jr., General Counsel

Second Row: Theresa Webb, Manager, Operations, On-Street; Artia Campbell-Johnson, Assistant Manager, Operations, Off-Street; Reggie Jarvis, Accountant I, Finance; Barbara Hughes, Customer Service Representative I, Operations, On-Street; Mardocho Mobyary, Customer Service Representative I, Operations, RPP; Katrina Odom, Executive Assistant, Executive

Front Row: Naomi Phillips, Accountant III, Finance; Bheti Woodberry-Molock, Manager, Operations, Off-Street; Tiffany James, Special Assistant to the Executive Director & Public Relations Manager; Gail Desch-Jones, Supervisor, Permits & Regulations, Operations, RPP

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Hybrid Vehicle Parking Program >>

The decision to purchase a hybrid vehicle just got easier for monthly contract holders at Baltimore City-owned garages! Owners of fuel efficient and low-emission hybrid vehicles receive:

- Discounted monthly contract parking (**half off** the net-of-parking-tax rates!)
- Special **reserved spaces** at City-owned parking garages

Although this program was initiated in 2006, it has really hit its stride in 2007. There are now 45 participants in this program and it continues to grow! Participation in Baltimore's hybrid parking program is much greater than that in many other cities with similar programs.

This year, three additional vehicles were added to the list of eligible hybrid cars that now includes the Ford Escape Hybrid, Honda Accord Hybrid, Honda Civic Hybrid, Honda Insight, Mercury Mariner Hybrid and Toyota Prius.

The Parking Authority is proud to offer this incentive that encourages people to purchase and drive hybrid vehicles. Hybrids dramatically reduce carbon dioxide emissions, which are linked to global warming, and help alleviate air pollution and its associated health risks.

Registered hybrid customers also enjoy **exemptions from waiting lists** at all garages.



^ Hybrid vehicles line up near the entrance to the Arena Garage, making finding a parking spot easy for our registered monthly hybrid customers, who receive half off the rates (net of parking tax).



Carpooling Program >>

In 2006, the Parking Authority introduced a program designed to encourage people to carpool to work. Now, commuters who drive together can not only save money on parking, gas and vehicle maintenance by carpooling, but they can save time as well!

Registered monthly contract holders who register their carpool in this program can:

- Stop wasting time looking for a parking spot and park in a conveniently located **reserved parking space** for carpooling vehicles
- Receive **free access cards** for each carpool member beyond the initial driver's

Spots are available immediately - **No Waiting List!**



Low emissions, fuel efficient car sharing vehicles such as those located on Johns Hopkins' Homewood Campus, will be conveniently located on city streets and available 24/7 for rental by the hour. ^

Why pay for a car (including maintenance, insurance, parking and gas) that sits idle most of the day? Dozens of people can use the same car sharing vehicle day or night. ^

Car Sharing is Coming to Baltimore >>

What if there was a way to get people to either give up their car or not make a future car purchase? What if there was a way to get more people to use alternative forms of transportation such as walking, biking or using public transit? What if there was a way to clean our air, ease congestion and free up parking? What if you could do all of these things at the same time? You can! It's called car sharing and the Parking Authority is bringing it to Baltimore!

Car sharing is a service that allows members access to a fleet of vehicles distributed throughout the city that can be reserved and rented by the hour. No more worrying about car payments, maintenance, insurance, gas or parking. With car sharing, it's all covered! With gas prices and environmental consciousness rising, people across the country are looking to car sharing as a way to save money and reduce their carbon footprint!

Car sharing has been proven to encourage residents to either give up one or more of their cars or not purchase an additional car. Members of car sharing organizations use alternative transportation more often including walking, biking and public transit. Cities enjoy cleaner air and less congested roads.

The Parking Authority has taken the lead in bringing a car sharing organization to Baltimore, issuing a Request for Proposal in 2006. We are committed to finding the right organization to meet the growing needs of residents, businesses and government agencies who are ready to let someone else deal with the hassles of car ownership and focus on the important stuff - like getting to their destination with a clear conscience and more money in the bank!

Rash Field Park and Garage >>



Imagine a beautiful park – a great stretch of green, with trees and flowers, a playground, a beautiful carousel, areas for volleyball and a trapeze school, and outdoor space for a multitude of functions, drawing thousands of people to the heart of the City – stretching all the way from the Maryland Science Center to the Rusty Scupper. Imagine a world-class park where a conglomeration of concrete, gravel and asphalt now lay.

Now imagine a parking garage fully concealed beneath the park that would support all of those park functions, as well as the activities of the Science Center, Rusty Scupper, Inner Harbor Marina, and surrounding neighborhoods. The Parking Authority and the Baltimore Development Corporation are leading the initiative to redesign Rash Field Park to create an innovative, beautiful and more functional public park and installing a fully enclosed and concealed parking facility underneath. Landscape Designers Thomas Balsley Associates and Architects Ziger/Snead were chosen to work with stakeholders for the project slated to begin in 2008.



The redevelopment of Rash Field Park will greatly increase the amount of green space in the city's most public of spaces – the Inner Harbor. The new park will provide improved storm water runoff management, cleaner air, and a nice place to sit and enjoy the best view of the City skyline.

<< Renderings courtesy of Ziger/Snead and Thomas Balsley





Chip Coin System >>

In the first half of 2007, the Parking Authority installed new “chip coin” revenue control equipment in three additional City-owned parking garages. **Baltimore was the first city in North America** to install this revolutionary paper-ticket-less parking revenue control system in a garage when we did so in 2005 at the Little Italy Garage. Since then, we have installed chip coin systems at the City’s Market Center, Baltimore Street and Franklin Street Garages.

Instead of receiving a paper parking ticket from a ticket-spitter at a garage entrance, transient customers receive a plastic coin with a computer chip embedded in it. The chip coin dispenser at the garage’s vehicle entrance encodes the computer chip inside the coin with information regarding the date and time of entry. When the parker leaves the facility, the pay-on-foot equipment reads that encoded information to calculate the parking fee. The chip coins are retained by the system upon the parker’s exit so that they can be reused thousands and thousands of times.

This new system saves money by reducing production and maintenance costs. Chip coin systems mean **no more paper tickets**, saving paper and, ultimately, trees.

The Little Italy Garage was the first in North America to install a completely sustainable Chip Coin System, shown above ^ ^





<< Leave your car at home and bicycle to Penn Station to make your daily commute greener.

Secure and Convenient Bicycle Racks >>

The Parking Authority has installed bicycle racks at several City-owned parking garages, including the Baltimore Street Garage, the Penn Station Garage, and the Fleet & Eden Garage over the past year. We are committed to installing more at each new facility. Furthermore, as single-space parking meters are removed and replaced with multi-space parking meters, we are leaving some of the posts that once held single-space meters so that they can be “topped” with specially designed units that will enable them to be used as sidewalk bicycle racks.

By working with the Mayor’s Bicycle Advisory Committee, we are exploring additional possibilities to promote bicycling in Baltimore, including providing secure bicycle parking for monthly contract holders within our parking facilities.

We anticipate that by providing secure and convenient bicycle racks throughout the City, we will promote the use of bicycles as an alternative form of transportation – especially as an alternative to automobile use, reducing auto emissions, traffic congestion and parking demand.



Cleaning Garages the Green Way >>

Many City-owned parking garages are regularly washed utilizing “scrubbers” that vacuum up the water used to wash down the decks instead of allowing the water, which is often full of salts, petroleum and other chemicals, into the facilities’ drains and on to storm water drains.

By preventing contaminated water run-off from the pressure-washing of City-owned garages from entering the City’s storm water system, we are helping protect our area’s waterways, including the Inner Harbor and Chesapeake Bay.

With programs like the Hybrid Vehicle Discount Program, Car Sharing and the Chip Coin System, the Parking Authority is doing it’s part to promote a cleaner, greener Baltimore.

ON STREET & OFF STREET OPERATIONS





New multi-space parking meters now accept credit cards. ^



Reverse angle parking has added 70 parking spaces to the neighborhood of Hampden.. ^

EZ Park Meter Installation

This year, the Parking Authority installed hundreds of new solar powered, multi-space parking meters throughout the City. EZ Park meters have been installed in Charles Village, Hampden, Harbor East, the Market Place area and the Westside of Downtown. There are now nearly 400 EZ Park meters installed in the City. The advantages of these new high-tech parking meters, compared to the old single-space meters, are numerous:

- **Expanded payment options** - EZ Park Meters not only accept coins for payment of parking charges, but they offer the convenience of accepting credit cards for payment as well! Currently, about 60% of revenues collected at EZ Park meters are through credit card transactions.
- **Proof of payment provided** - The receipt that is printed by EZ Park meters is proof of payment for the parker's business and tax records. Also, parkers who wish to appeal a ticket from parking enforcement will have evidence of payment.
- **Enhanced streetscapes** - One EZ Park meter can replace up to 15 (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.
- **ADDITIONAL PARKING SPACES** - Because conventional 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.

Reverse Angle Parking

What is it? Much like regular angle parking, except drivers back into a parking spot at a 45° angle.

Why do it? Angled parking allows 20-25% additional parking spaces than traditional parallel parking.

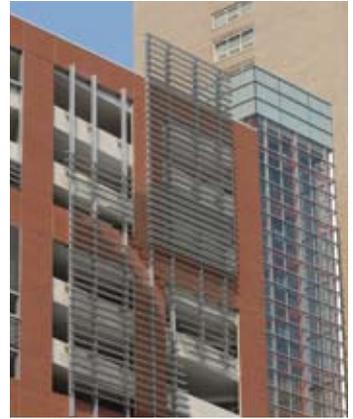
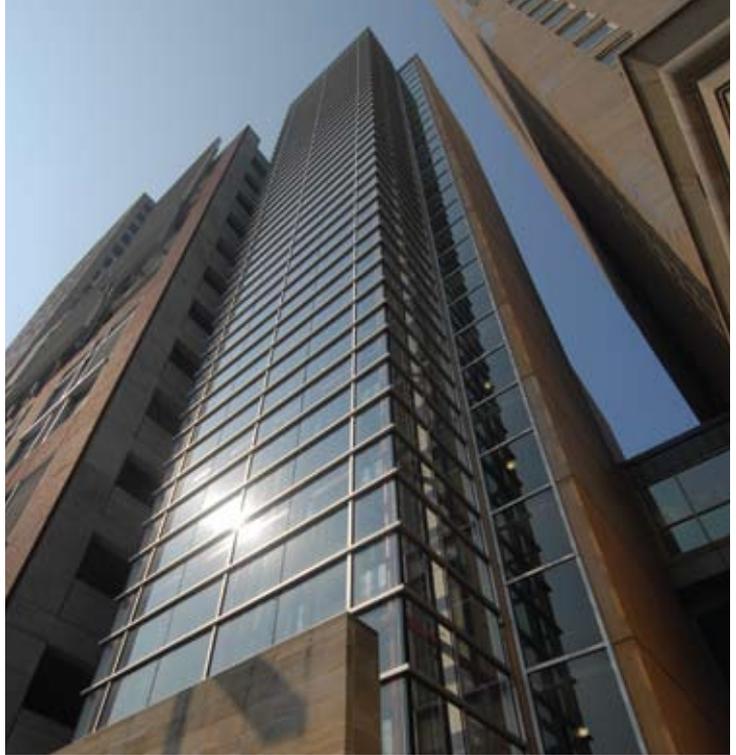
Reverse Angle Parking makes pulling out of a space safer because motorists can see all oncoming traffic such as bicyclists, pedestrians and cars.

Where is it? In the neighborhood of Hampden on Chestnut Avenue from 33rd Street to 36th Street and The Avenue (36th Street) from Chestnut Avenue to Roland Avenue.

By implementing reverse angle parking the Parking Authority has added 70 new parking spaces in Hampden.

Parking Facilities Structural Survey and Capital Repair & Replacement Program

One of the primary functions of the Parking Authority of Baltimore City is to maintain and preserve the valuable parking assets the City owns. To that end, the Parking Authority issued a Request for Proposals for engineering firms to conduct structural surveys of all City-owned parking garages to serve as a basis for a long-term capital repair and replacement program for those facilities. Two engineering firms, Desman Associates and Hoffmann Architects, were selected to do this work – each will survey half of the City-owned garages. We are currently negotiating contracts with both firms to provide this service and we expect the surveys will commence in January or February. By Spring 2008, we expect to have a Capital Repair & Replacement Program in place so that we can maintain these very important and very valuable parking assets for decades to come.



^ City-owned garages, such as these (St. Paul garage at top and right, Gay Street Garage at left), will be surveyed to insure that Baltimore City parking facilities continue to provide the community with safe and reliable parking.

FUTURE PLANS



New Parking Garage Design and Construction >>

The Parking Authority is in the process of designing three new public parking garages.

Rash Park Garage:

The Parking Authority and the Baltimore Development Corporation are leading the initiative to redesign, enlarge and beautify Rash Field Park, with a fully enclosed and concealed 600+ space parking facility underneath to be located between the Maryland Science Center and the Rusty Scupper.

Front Street Garage

Currently, the area near the Maryland Juvenile Justice Center is grossly underserved by parking. The Parking Authority is working with the East Baltimore Community Corporation in a public/private partnership to develop a new 400+ space garage at the corner of Front and Low Streets to meet the current and growing parking demands of that area. A new facility for Healthcare for the Homeless, two new hotels and new office and retail space are planned within four blocks of the site of this proposed parking facility.

Charles Village / Olmsted Garage

The Parking Authority is working with Struever Brothers, Eccles & Rouse on their Olmsted Project at the corner of St. Paul and 33rd Streets in Charles Village. Part of the development will include a 500 space public parking garage. The Charles Village neighborhood has experienced parking issues like few others over the past years because of parking demand from Johns Hopkins University and Union Memorial Hospital that has encroached on neighborhood parking. The construction of this new facility will go a long way toward helping to solve that neighborhood's parking problems.

EZ Park Meter Expansion >>

The EZ Park Multi-Space Meters have become so popular we can barely keep up with requests for more! By the end of 2007, the remainder of the Central Business District and Harbor East will receive these new meters that make fishing for loose change a thing of the past. 2008 will see multi-space meters installed in Waverly on Greenmount Avenue, on the square in Canton, Harford Road in NE Baltimore and the business corridors of Light and Charles Street in Federal Hill.

There are no plans to replace all single space meters within the City, but, where appropriate, we will utilize multi-space meters to make it easier for drivers to pay for on-street parking and to increase the inventory of public parking spaces.



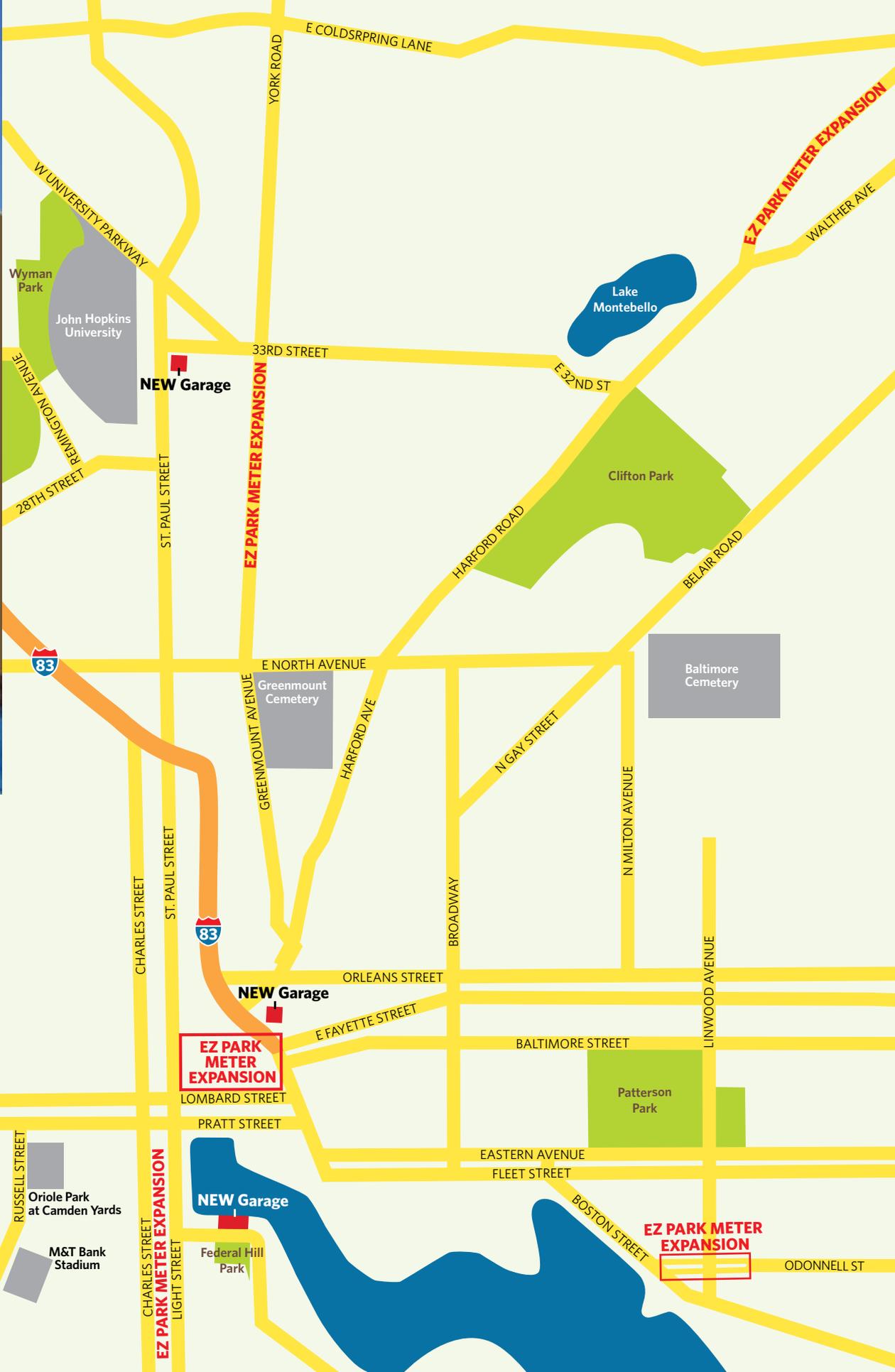
Front Street Garage 
rendering courtesy of
Gant Brunnett Architects

New Parking Garages

located between the Maryland Science Center and the Rusty Scupper at Rash Field, on the corner of Front and Low Streets in East Baltimore, and in Charles Village on the corner of 33rd Street and St. Paul Street. >>

EZ Park Meter Expansions

located in the Central Business District, on Greenmount Avenue in Waverly, on the square in Canton, on Harford Road in NE Baltimore, and on Light Street and Charles Street in Federal Hill.. >>



NEW Garage

EZ PARK METER EXPANSION

EZ PARK METER EXPANSION

EZ PARK METER EXPANSION

NEW Garage

EZ PARK METER EXPANSION

NEW Garage

EZ PARK METER EXPANSION

FINANCIAL STATEMENTS

JUNE 30, 2007



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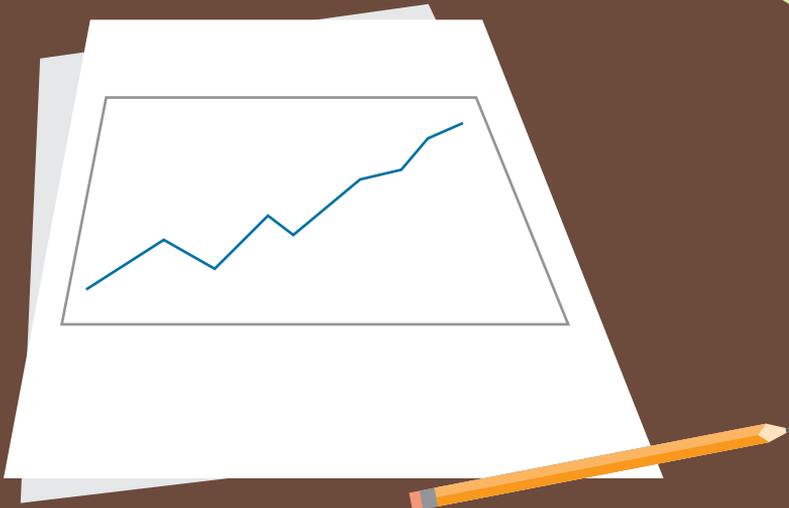
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Independent Auditors' Report >>

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, 2007, 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, 2007, 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, analysis and budgetary comparison information on Pages 20 through 23 and 28 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
November 1, 2007

Overview of the Financial Statements

The Authority's basic financial statements consist of the Governmental Fund Balance Sheet/Statement of Net Assets and the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. Notes to Financial Statements follow the presentation of the basic financial statements. The report also contains other required supplementary information, primarily a Budgetary Comparison Schedule.

The Governmental Fund Balance Sheet/Statement of Net Assets is presented in reconciliation format and shows the difference between the assets and liabilities of the Authority as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Balance Sheet) and assets and liabilities as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Net Assets). For the Authority, the difference related primarily to capital assets which are reflected as assets on the Statement of Net Assets but are excluded from general fund assets.

The Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities is also presented in reconciliation format and shows the differences between revenues and expenditures as reported using the current financial resources measurement focus and the modified accrual basis of accounting (Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance) and revenues and expenses as reported using the total economic resources measurement focus and the accrual basis of accounting (Statement of Activities). The primary differences relate to the treatment of capital asset purchases 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, 2007 and 2006.

	2007	2006
>> Assets:		
Current and Other Assets	\$ 324,524	\$ 304,598
Capital Assets	125,720	121,148
Total Assets	\$ 450,244	\$ 425,746
>> Liabilities:		
Current Liabilities	\$ 238,079	\$ 234,303
Long-Term Liabilities	-	-
Total Liabilities	\$ 238,079	\$ 234,303
>> Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 125,720	\$ 118,388
Unrestricted	86,445	73,055
Total Net Assets	\$ 212,165	\$ 191,443
>> Changes in Net Assets:		
Program Revenues:		
Baltimore City Grant	\$ 2,095,650	\$ 2,187,940
Other	8,107	3,032
Total Revenues	\$ 2,103,757	\$ 2,190,972
>> Expenses:		
Salaries and Benefits	\$ 1,357,440	\$ 1,142,619
Professional Fees	484,019	498,039
Rent and Utilities	54,899	56,040
Depreciation	50,464	53,619
Other Operating Expenses	136,213	123,714
Total Expenses	\$ 2,083,035	\$ 1,874,031
Increase in Net Assets	\$ 20,722	\$316,941
>> Net Assets - Beginning of Year	191,443	(125,498)
>> Net Assets - End of Year	\$ 212,165	\$ 191,443



For the year ended June 30, 2007, 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, 2007 was \$2,095,650, including an additional appropriation of \$69,650 to reimburse the Authority for meter program expenses. Operating expenses for the year ended June 30, 2007 totaled \$2,083,035 resulting in an increase in net assets of approximately \$21,000. Total operating expenses increased approximately \$209,000 during the year ended June 30, 2007 as compared to the year ended June 30, 2006. These increases were offset, in part, by a decrease in computer equipment expense. The increase was due primarily to higher salaries and benefits, legal expenses, and bank and armored car service fees. Salary and benefit expense increased due to higher insurance benefit costs, general salary increases, and the addition of three new employees. Legal fees increased due to greater participation of legal counsel involving an action against a garage operator. The bank and armored car service fees related to the increase in collection of revenue from the Multi-Space Meter Program due to an increase in meter usage and additional meters installed. In 2006, computer equipment expense was higher than normal due to computerized handheld citation writing equipment purchased for the enforcement division of Baltimore City.

During the year ended June 30, 2007, the Authority purchased computer equipment, software, and furniture and fixtures of approximately \$55,000. At June 30, 2007, the Authority had liabilities totaling \$238,079. These liabilities are expected to be funded through collections of accounts receivable and future grants.

Budget Analysis

The Budgetary Comparison Schedule for the fiscal year ended June 30, 2007 (2007) is presented on Page 28. The most significant budget variations included salaries and benefits, legal fees, bank and armored car service fees, computer maintenance, and rent expense.

Salaries and benefits, which include base salaries and benefits, and health insurance costs, were \$43,600 less than expected. The Authority budgeted for three additional staff positions in 2007; however, these positions were vacant for a portion of the year.

Legal fees were \$27,800 less than budgeted as the Authority utilized in-house counsel more than expected.

The bank and armored car service fees exceed the budgeted amount by approximately \$41,800. The Authority incurred significant credit card transaction charges due to the increase in meter usage and additional meters installed for the Multi-Space Meter Project.

Computer maintenance expenses were \$29,400 less than budgeted. The Authority budgeted for new computer equipment for several employees; however, not all of the computers were purchased and placed in service before the end of the year.

Rent expense was less than budgeted by \$24,900. The budget is adopted on a basis consistent with generally accepted accounting principles for the



governmental fund. Under this method, rent expense is reflected in the year in which it is paid. Under accounting principals generally accepted in the United States of America, the Authority records the ratable portion of total lease payments over the lease term as rent expense.

Fiscal Year Ending June 30, 2008

The budget for the fiscal year ending June 30, 2008 (2008) has been submitted to the Baltimore City Board of Estimates in the amount of \$2,723,000, which represents an increase of \$697,000 compared to the fiscal year ended June 30, 2007.

The increase in funding will be used for new positions including a Special Assistant to the Director and a Meter Manager for Operations/On-Street Parking Section and the reconfiguration of its office space with modular furniture. The Authority will continue with the next phase of its planned technology upgrade by replacing its server and other network equipment. The Authority expects to complete the first phase of technology training courses for all employees on the use of the new technology that has been put in place.

During 2008, the Authority anticipates it will enter into the next phase of the expansion of the Easy Park multi-space meter parking program, including installation of over 125 additional meters throughout the City. This phase of the program will utilize the remaining funds in the original \$4 million appropriation. When completed, there will be approximately 500 multi-space meters in operation. Installation of the 125 meters is expected to be completed before June 30, 2008. Over the next several years, the Authority anticipates the installation of approximately 600 additional new multi-space meters. The City has appropriated funds to cover the purchase and installation of the multi-space meters. The City has increased the allocation of administrative funds to the Authority who continues to be responsible for funding certain administrative costs of the program.

The Authority anticipates the acquisition and installation of upgraded software for the Residential Parking Program before the end of fiscal year 2008. 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 November 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, 2007

	General Fund	Adjustments (Note 4)	Statement of Net Assets
>> Assets:			
Cash and Cash Equivalents	\$ 254,874	\$ -	\$ 254,874
Accounts Receivable - Baltimore City	69,650	-	69,650
Capital Assets, Net (Note 2)	-	125,720	125,720
Total Assets	\$ 324,524	\$ 125,720	\$ 450,244
>> Liabilities:			
Accounts Payable	\$ 58,596	\$ -	\$ 58,596
Accrued Expenses	179,483	-	179,483
Total Liabilities	\$ 238,079	\$ -	\$ 238,079
Commitments (Note 3)			
>> Fund Balances:			
General Fund Balance (Deficit)	86,445	\$ (86,445)	\$ -
Total Liabilities and Fund Balances	\$ 324,524		
>> Net Assets			
Invested in Capital Assets, Net of Related Debt		\$ 125,720	\$ 125,720
Unrestricted		86,445	86,445
>> Total Net Assets		\$ 212,165	\$ 212,165

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

For the Year Ended June 30, 2007

	General Fund	Adjustments (Note 4)	Statement of Activities
>> Expenditures/Expenses:			
Administration of Parking Facilities	\$ 2,032,571	\$ -	\$ 2,032,571
Capital Outlay	55,036	(4,572)	50,464
Debt Service	2,760	(2,760)	-
Total Expenditures/Expenses	2,090,367	(7,332)	2,083,035
>> Program Revenue:			
Grant Revenue - Baltimore City	2,095,650	-	2,095,650
Other Income	8,107	-	8,107
Total Revenue	2,103,757	-	2,103,757
Excess (Deficit) of Revenue over Expenditures	13,390	(13,390)	-
>> Change in Net Assets:	-	\$ 20,722	20,722
>> Fund Balance/Net Assets - Beginning of Year	73,055		191,443
>> Fund Balance/Net Assets - End of Year	\$ 86,445		\$ 212,165

1 >> Summary of Significant Accounting Policies

Reporting Entity

Baltimore City Parking Authority, Inc. (Authority) was created in 2000 by Baltimore City Ordinance 2000-71. The Authority's purpose is to assist Baltimore City (City) in the planning, development, management, and administration of its parking assets. The Authority does not own any parking facilities or other real property. The Authority's main source of revenue is a grant from the City rather than parking receipts. The grant is intended to fund all operating expenses of the Authority.

The Board of Directors of the Authority consists of five members, four of which are appointed by the Mayor of Baltimore City and confirmed by the City Council, and one who is a member of the City Council appointed by the City Council President.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred,

as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain other obligations 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, 2007, the Authority's carrying value of cash and cash equivalents was \$254,874 and the bank balance was \$341,327. The difference between the carrying value and the bank balance is due to outstanding checks at June 30, 2007. Of the bank balance, \$100,000 was covered by Federal Depository Insurance (Risk Category 1), and the balance of \$241,327 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	\$ 165,143	\$ 33,271	\$ -	\$ 198,414
Office Equipment	58,181	-	-	58,181
Furniture and Fixtures	23,911	21,765	-	45,676
Leasehold Improvements	33,754	-	-	33,754
	280,989	55,036	-	336,025
>> Less: Accumulated Depreciation:				
Computer Equipment	102,600	32,164	-	134,764
Office Equipment	34,624	10,215	-	44,839
Furniture and Fixtures	8,425	2,793	-	11,218
Leasehold Improvements	14,192	5,292	-	19,484
	159,841	50,464	-	210,305
>> Net Capital Assets	\$ 121,148	\$ 4,572	\$ -	\$ 125,720

3 >> 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, 2007 was \$32,948. Future minimum lease payments under operating leases are as follows:

>> **Year Ending June 30, 2008** **\$51,740**

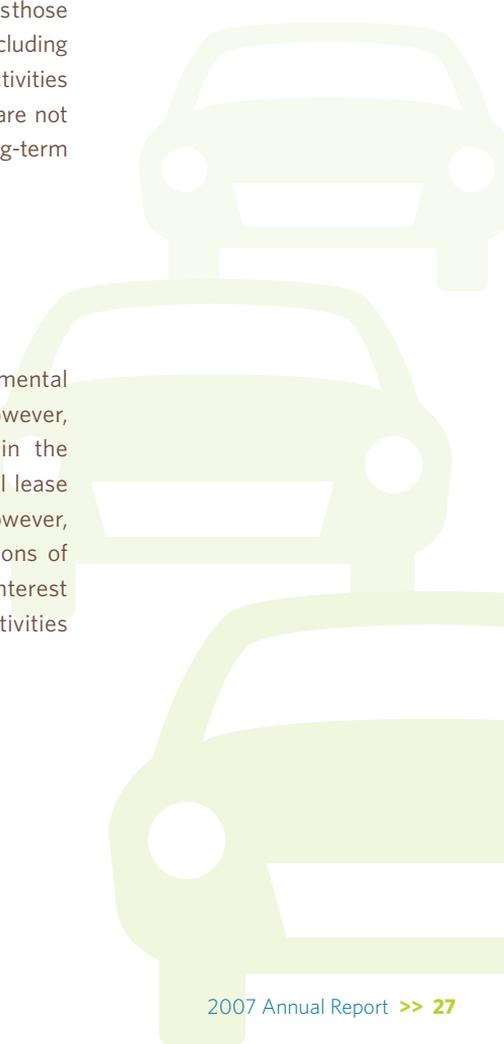
4 >> Explanation of Certain Differences Between Governmental Funds Financial Statements and GAAP Financial Statements

Statement of Net Assets and Governmental Fund Balance Sheet

The fund balance of the general fund differs from net assets reported in the Statement of Net Assets. The differences result primarily from the treatment of capital assets and long-term liabilities. 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, 2007

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance Positive (Negative)
>> Revenue::				
Grant - Baltimore City	\$ 2,026,000	\$ 2,026,000	\$ 2,095,650	\$ 69,650
Other	-	-	8,107	8,107
Total Revenue	\$ 2,026,000	\$ 2,026,000	\$ 2,103,757	\$ 77,757

>> Expenditures:

Salaries and Benefits	\$ 1,401,000	\$ 1,401,000	\$ 1,357,440	\$ 43,560
Telephones/Utilities/Internet	30,500	30,500	24,286	6,214
Vehicles/Travel	11,400	11,400	8,616	2,784
Business Machine Rental	4,800	4,800	10,696	(5,896)
Consultants	228,000	228,000	225,409	2,591
Legal	115,000	115,000	87,166	27,834
Printing and Copying	12,000	12,000	27,041	(15,041)
Bank and Armored Car Service Fees	125,000	125,000	166,816	(41,816)
Computer Maintenance	34,000	34,000	4,628	29,372
Other Services	38,500	38,500	56,128	(17,628)
Maintenance and Supplies	26,100	26,100	22,329	3,771
Equipment Acquisitions (Disposals)	70,000	70,000	55,036	14,964
Rent	55,500	55,500	30,613	24,887
Advertising	6,000	6,000	6,285	(285)
Dues/Subscriptions/Training	1,600	1,600	7,878	(6,278)

Total Expenditures	\$ 2,159,400	\$ 2,159,400	2,090,367	\$ 69,033
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Reconciliation of Budgetary Expenditures to Expenses Reported Under GAAP

>> Depreciation Expense Not Included in Budget	50,464
>> Capital Asset Acquisitions Not Included in Expenses	(55,036)
>> Principal Portion of Capital Lease Payments Not Included in Expenses	(2,760)
>> Total Expenses	\$ 2,083,035

PARKING AUTHORITY OF BALTIMORE CITY

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