

**CITY OF BALTIMORE
DEPARTMENT OF TRANSPORTATION**

Financial Statements
Together with Independent Auditor's Report

For the Years Ended June 30, 2010, 2011, 2012 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council, Comptroller and Board of Estimates
City of Baltimore, Maryland

We have audited the accompanying financial statements for the governmental funds and the conduit fund of the City of Baltimore, Maryland, Department of Transportation, as of and for the years ending June 30, 2010 through June 30, 2013, and the related notes to the financial statements which collectively comprise the Department of Transportation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Transportation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental funds and the conduit fund for the Department of

Transportation, as of June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013, and the respective changes in financial position and cash flows for the conduit fund for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

The financial statements of the Department of Transportation are intended to present the financial position and changes in financial position of only that portion of the financial reporting segment of the City of Baltimore, Maryland that is attributable to the transactions of the Department of Transportation. They do not purport to, and do not, present fairly the financial position and changes in financial position of the City of Baltimore, Maryland as of and for the years ended June 30, 2010, June 30, 2011, June 30, 2012 and June 30, 2013. Additionally, these financial statements do not contain all the minimum disclosures required by U.S. generally accepted accounting principles for legally separate entities. Specifically, government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and management's discussion and analysis, to introduce the financial statements and provide an analytical overview of the government's financial activities, are excluded from these statements as the Department of Transportation is not legally separate from the City of Baltimore.

These financial statements do contain budgetary comparison schedules for governmental funds as required supplementary information to supplement the basic financial statements. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2016 on our consideration of the Department of Transportation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts and other matters. The purpose of that report is to describe the scope of our internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department of Transportation's internal control over financial reporting and compliance.

Hamilton Enterprises LLC

Greenbelt, Maryland
October 20, 2016

**CITY OF BALTIMORE
DEPARTMENT OF TRANSPORTATION**

Basic Financial Statements
Notes to the Financial Statements

For the Years Ended June 30, 2010, 2011, 2012 and 2013

CITY OF BALTIMORE
Department of Transportation

Balance Sheet - Governmental Funds
June 30, 2010

| | General Fund | Motor Vehicle Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|--|-------------------|-----------------------|---------------------------|--------------------------|----------------------|
| Assets: | | | | | |
| Due from Baltimore City | \$ 936,022 | \$ 4,360,701 | \$ 5,065,627 | \$ 19,799,237 | \$ 30,161,587 |
| Due from Other Governments | - | - | 328,718 | 8,591,906 | 8,920,624 |
| Other Receivables | - | - | - | 1,512,911 | 1,512,911 |
| Total Assets | \$ 936,022 | \$ 4,360,701 | \$ 5,394,345 | \$ 29,904,054 | \$ 40,595,122 |
| Liabilities: | | | | | |
| Accounts Payable | \$ 468,133 | \$ 2,562,946 | \$ 882,524 | \$ 1,998,976 | \$ 5,912,579 |
| Retainages Payable | - | - | - | 6,304,991 | 6,304,991 |
| Accrued Payroll | 467,889 | 1,797,755 | 19,525 | - | 2,285,169 |
| Advance | - | - | 4,492,296 | - | 4,492,296 |
| Total Liabilities | 936,022 | 4,360,701 | 5,394,345 | 8,303,967 | 18,995,035 |
| Fund Balances: | | | | | |
| Assigned | - | - | - | 21,600,087 | 21,600,087 |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | - | - | - | 21,600,087 | 21,600,087 |
| Total Liabilities and Fund Balances | \$ 936,022 | \$ 4,360,701 | \$ 5,394,345 | \$ 29,904,054 | \$ 40,595,122 |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Balance Sheet - Governmental Funds
June 30, 2011

| | General Fund | Motor Vehicle Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|--|---------------------|-----------------------|---------------------------|--------------------------|----------------------|
| Assets: | | | | | |
| Due from Baltimore City | \$ 1,035,575 | \$ 3,899,221 | \$ 1,879,524 | \$ - | \$ 6,814,320 |
| Due from Other Governments | - | - | 261,684 | 6,601,060 | 6,862,744 |
| Other Receivables | - | - | - | 3,782,847 | 3,782,847 |
| Total Assets | <u>\$ 1,035,575</u> | <u>\$ 3,899,221</u> | <u>\$ 2,141,208</u> | <u>\$ 10,383,907</u> | <u>\$ 17,459,911</u> |
| Liabilities: | | | | | |
| Due to the City | \$ - | \$ - | \$ - | \$ 3,110,741 | \$ 3,110,741 |
| Accounts Payable | 253,317 | 2,118,103 | 52,392 | 926,620 | 3,350,432 |
| Retainages Payable | - | - | - | 6,854,496 | 6,854,496 |
| Accrued Payroll | 782,258 | \$ 1,781,118 | 34,598 | - | 2,597,974 |
| Other Payables | - | - | - | 4,757 | 4,757 |
| Advance | - | - | 1,815,768 | - | 1,815,768 |
| Total Liabilities | <u>1,035,575</u> | <u>3,899,221</u> | <u>1,902,758</u> | <u>10,896,614</u> | <u>17,734,168</u> |
| Fund Balances: | | | | | |
| Assigned | - | - | 238,450 | - | 238,450 |
| Unassigned | - | - | - | (512,707) | (512,707) |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>238,450</u> | <u>(512,707)</u> | <u>(274,257)</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,035,575</u> | <u>\$ 3,899,221</u> | <u>\$ 2,141,208</u> | <u>\$ 10,383,907</u> | <u>\$ 17,459,911</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Balance Sheet - Governmental Funds
June 30, 2012

| | General Fund | Motor Vehicle Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|--|---------------------|-----------------------|---------------------------|--------------------------|----------------------|
| Assets: | | | | | |
| Due from Baltimore City | \$ 2,130,394 | \$ 691,056 | \$ 2,581,016 | \$ 2,231,438 | \$ 7,633,904 |
| Due from Other Governments | - | - | 3,356,896 | 3,454,407 | 6,811,303 |
| Other Receivables | - | - | - | 3,993,112 | 3,993,112 |
| Total Assets | <u>\$ 2,130,394</u> | <u>\$ 691,056</u> | <u>\$ 5,937,912</u> | <u>\$ 9,678,957</u> | <u>\$ 18,438,319</u> |
| Liabilities: | | | | | |
| Due to the City | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts Payable | 1,699,004 | 75,986 | 2,278,046 | 3,842,328 | 7,895,364 |
| Retainages Payable | - | - | - | 6,093,017 | 6,093,017 |
| Accrued Payroll | 431,390 | 615,070 | 5,185 | - | 1,051,645 |
| Other Payables | - | - | - | 4,714 | 4,714 |
| Advance | - | - | - | - | - |
| Total Liabilities | <u>2,130,394</u> | <u>691,056</u> | <u>2,283,231</u> | <u>9,940,059</u> | <u>15,044,740</u> |
| Fund Balances: | | | | | |
| Assigned | - | - | 3,654,681 | - | 3,654,681 |
| Unassigned | - | - | - | (261,102) | (261,102) |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>3,654,681</u> | <u>(261,102)</u> | <u>3,393,579</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,130,394</u> | <u>\$ 691,056</u> | <u>\$ 5,937,912</u> | <u>\$ 9,678,957</u> | <u>\$ 18,438,319</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Balance Sheet - Governmental Funds
June 30, 2013

| | General Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|--|---------------------|------------------------|--------------------------|----------------------|
| Assets: | | | | |
| Due from Baltimore City | \$ 2,461,692 | \$ 5,785,501 | \$ - | \$ 8,247,193 |
| Due from Other Governments | - | 33,970 | 26,619,441 | 26,653,411 |
| Other Receivables | - | - | 3,229,497 | 3,229,497 |
| Total Assets | <u>\$ 2,461,692</u> | <u>\$ 5,819,471</u> | <u>\$ 29,848,938</u> | <u>\$ 38,130,101</u> |
| Liabilities: | | | | |
| Due to the City | \$ - | \$ - | \$ 40,327,657 | \$ 40,327,657 |
| Accounts Payable | 1,284,210 | 182,064 | 2,742,929 | 4,209,203 |
| Retainages Payable | - | - | 7,379,534 | 7,379,534 |
| Accrued Payroll | 1,177,482 | 9,331 | - | 1,186,813 |
| Other liabilities | - | - | 5,177 | 5,177 |
| Advance | - | 1,735,488 | - | 1,735,488 |
| Total Liabilities | <u>2,461,692</u> | <u>1,926,883</u> | <u>50,455,297</u> | <u>54,843,872</u> |
| Fund Balances: | | | | |
| Assigned | - | 3,892,588 | - | 3,892,588 |
| Unassigned | - | - | (20,606,359) | (20,606,359) |
| Total Fund Balances | <u>-</u> | <u>3,892,588</u> | <u>(20,606,359)</u> | <u>(16,713,771)</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,461,692</u> | <u>\$ 5,819,471</u> | <u>\$ 29,848,938</u> | <u>\$ 38,130,101</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Statement of Revenues, Expenditure, and Changes in Fund Balances (Deficits)

Governmental Funds

For the Year Ended June 30, 2010

| | General Fund | Motor Vehicle Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|---|-------------------|--------------------|---------------------|-----------------------|----------------------|
| Revenues: | | | | | |
| General Fund Appropriations | \$ 16,698,834 | \$ - | \$ - | \$ - | \$ 16,698,834 |
| Motor Vehicle Appropriations | - | 118,540,164 | - | - | 118,540,164 |
| Alley and Footways | - | - | - | 3,146,480 | 3,146,480 |
| Federal Grant Revenue | - | - | 2,157,582 | 28,008,287 | 30,165,869 |
| State Grant Revenue | - | - | 14,849 | 23,000 | 37,849 |
| Other Grant Revenue | - | - | 756,729 | - | 756,729 |
| Transfers In/Out | - | - | 1,984,590 | - | 1,984,590 |
| Other Revenues | - | - | 3,293,343 | 1,829,188 | 5,122,531 |
| Total Revenues | <u>16,698,834</u> | <u>118,540,164</u> | <u>8,207,093</u> | <u>33,006,955</u> | <u>176,453,046</u> |
| Expenditures: | | | | | |
| Administration | 228,494 | 7,377,414 | 1,019,907 | - | 8,625,815 |
| Bridge and Culvert Management | - | 7,823 | - | - | 7,823 |
| Circulator | - | - | 3,356,376 | - | 3,356,376 |
| Complete Street and Sustainable Trans. | - | - | 40,380 | - | 40,380 |
| Dock Master | - | - | 5,458 | - | 5,458 |
| Engineering and Construction | 370,079 | 3,035,282 | - | - | 3,405,361 |
| Highway Maintenance | - | 65,036,360 | - | - | 65,036,360 |
| Parking Enforcement | 9,498,738 | - | - | - | 9,498,738 |
| Parking Management | 6,158,319 | - | - | - | 6,158,319 |
| School Crossing Guards | 93,604 | - | - | - | 93,604 |
| Street Lighting | - | 23,670,955 | - | - | 23,670,955 |
| Towing | 349,600 | 7,801,263 | - | - | 8,150,863 |
| Traffic Engineering | - | 3,993,862 | 3,576,147 | - | 7,570,009 |
| Traffic Safety | - | 1,590,562 | 208,825 | - | 1,799,387 |
| Traffic Signals | - | 5,715,229 | - | - | 5,715,229 |
| Transit and Marine Services | - | 311,414 | - | - | 311,414 |
| Capital Outlay | - | - | - | 73,966,389 | 73,966,389 |
| Total Expenditures | <u>16,698,834</u> | <u>118,540,164</u> | <u>8,207,093</u> | <u>73,966,389</u> | <u>217,412,480</u> |
| Excess (Deficiency) of Revenues over Expenditures | - | - | - | (40,959,434) | (40,959,434) |
| Other Financing Sources: | | | | | |
| Transfers from/To City | - | - | - | 353,000 | 353,000 |
| State Construction Loans | - | - | - | 20,455,091 | 20,455,091 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,808,091</u> | <u>20,808,091</u> |
| Fund Balance Beginning | - | - | - | 41,751,430 | 41,751,430 |
| Fund Balance Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,600,087</u> | <u>\$ 21,600,087</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Statement of Revenues, Expenditure, and Changes in Fund Balances (Deficits)
Governmental Funds
For the Year Ended June 30, 2011

| | General Fund | Motor Vehicle Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|---|---------------|--------------------|---------------------|-----------------------|---------------|
| Revenues: | | | | | |
| General Fund Appropriations | \$ 29,115,885 | \$ - | \$ - | \$ - | \$ 29,115,885 |
| Motor Vehicle Appropriations | - | 82,481,550.00 | - | - | 82,481,550 |
| Alleys and Footways | - | - | - | 5,814,238.00 | 5,814,238 |
| Federal Grant Revenue | - | - | 3,352,796.00 | 43,928,617.00 | 47,281,413 |
| State Grant Revenue | - | - | 104,315.89 | 2,385,443.00 | 2,489,759 |
| Other Grant Revenue | - | - | 354,611 | - | 354,611 |
| Transfers In/Out | - | - | 2,704,962 | - | 2,704,962 |
| Other Revenues | - | - | 7,985,595 | 516,321 | 8,501,916 |
| Total Revenues | 29,115,885 | 82,481,550 | 14,502,280 | 52,644,619 | 178,744,334 |
| Expenditures: | | | | | |
| Administration | 3,555,115 | 4,218,955 | 211,730 | - | 7,985,800 |
| Bridge and Culvert Management | - | 1,746,308 | - | - | 1,746,308 |
| Circulator | - | - | 7,932,836 | - | 7,932,836 |
| Complete Street and Sustainable Trans. | (34,694) | 157,491 | 292,688 | - | 415,485 |
| Dock Master | - | 3,286 | 201,889 | - | 205,175 |
| Inner Harbor Services | 887,719 | 421,568 | - | - | 1,309,287 |
| Parking Enforcement | 10,176,007 | - | - | - | 10,176,007 |
| Parking Management | 5,505,366 | - | - | - | 5,505,366 |
| Public Right-of-Way Landscape Management | - | 5,428,613 | - | - | 5,428,613 |
| Snow and Ice Control | - | 5,984,427 | - | - | 5,984,427 |
| Special Event Supports | 636,588 | 27,837 | - | - | 664,425 |
| Street Lighting | 491,490 | 20,789,811 | - | - | 21,281,301 |
| Street Management | 3,303,302 | 22,771,662 | - | - | 26,074,964 |
| Survey Control | 317,463 | - | - | - | 317,463 |
| Traffic Engineering | - | - | 288,312 | - | 288,312 |
| Traffic Management | 461,493 | 16,628,303 | 5,147,486 | - | 22,237,282 |
| Traffic Signals | - | 377,616 | - | - | 377,616 |
| Traffic Safety | - | - | 188,889 | - | 188,889 |
| Vehicle Impounding and Disposal | 3,816,036 | 3,925,673 | - | - | 7,741,709 |
| Capital Outlay | - | - | - | 86,102,249 | 86,102,249 |
| Total Expenditures | 29,115,885 | 82,481,550 | 14,263,830 | 86,102,249 | 211,963,514 |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 238,450 | (33,457,630) | (33,219,180) |
| Other Financing Sources: | | | | | |
| Transfers from/To City | - | - | - | (300,000) | (300,000) |
| State Construction Loans | - | - | - | 11,644,836 | 11,644,836 |
| Total Other Financing Sources | - | - | - | 11,344,836 | 11,344,836 |
| Fund Balance Beginning | - | - | - | 21,600,087 | 21,600,087 |
| Fund Balance Ending | \$ - | \$ - | \$ 238,450 | \$ (512,707) | \$ (274,257) |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Statement of Revenues, Expenditure, and Changes in Fund Balances (Deficits)
Governmental Funds
For the Year Ended June 30, 2012

| | General Fund | Motor Vehicle Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|---|-------------------|--------------------|---------------------|-----------------------|--------------------|
| Revenues: | | | | | |
| General Fund Appropriations | \$ 31,534,279 | \$ - | \$ - | \$ - | \$ 31,534,279 |
| Motor Vehicle Appropriations | - | 81,652,711 | - | - | 81,652,711 |
| Alleys and Footways | - | - | - | 5,788,714 | 5,788,714 |
| Federal Grant Revenue | - | - | 4,940,229 | 46,784,481 | 51,724,710 |
| State Grant Revenue | - | - | 52,771 | 17,500 | 70,271 |
| Other Grant Revenue | - | - | 831,739 | - | 831,739 |
| Transfers In/Out | - | - | 11,720,582 | - | 11,720,582 |
| Other Revenues | - | - | 7,911,502 | 9,619,897 | 17,531,399 |
| Total Revenues | <u>31,534,279</u> | <u>81,652,711</u> | <u>25,456,823</u> | <u>62,210,592</u> | <u>200,854,405</u> |
| Expenditures: | | | | | |
| Administration | 3,589,944 | 3,925,250 | 338,835 | - | 7,854,029 |
| Bridge and Culvert Management | 16,598 | 1,664,343 | - | - | 1,680,941 |
| Circulator | - | - | 15,078,705 | - | 15,078,705 |
| Complete Street and Sustainable Trans. | 589,367 | 309,222 | 536,648 | - | 1,435,237 |
| Dock Master | - | - | 182,442 | - | 182,442 |
| Inner Harbor Services | 1,293,791 | 1,646,036 | - | - | 2,939,827 |
| Parking Enforcement | 10,189,954 | - | - | - | 10,189,954 |
| Parking Management | 6,589,748 | - | - | - | 6,589,748 |
| Public Right-of-Way Landscape Management | - | 3,804,040 | - | - | 3,804,040 |
| Snow and Ice Control | - | 1,493,006 | - | - | 1,493,006 |
| Special Event Supports | 248,516 | 727,660 | - | - | 976,176 |
| Street Cuts | - | 528,640 | - | - | 528,640 |
| Street Lighting | 468,553 | 20,275,531 | - | - | 20,744,084 |
| Street Management | 1,728,567 | 25,811,103 | - | - | 27,539,670 |
| Survey Control | 796,597 | - | - | - | 796,597 |
| Traffic Engineering | - | 56,311 | - | - | 56,311 |
| Traffic Management | 2,195,526 | 5,585,338 | 4,896,513 | - | 12,677,377 |
| Traffic Safety | - | 11,711,947 | 1,007,449 | - | 12,719,396 |
| Traffic Signals | - | 516,946 | - | - | 516,946 |
| Vehicle Impounding and Disposal | 3,827,118 | 3,597,338 | - | - | 7,424,456 |
| Capital Outlay | - | - | - | 87,399,645 | 87,399,645 |
| Total Expenditures | <u>31,534,279</u> | <u>81,652,711</u> | <u>22,040,592</u> | <u>87,399,645</u> | <u>222,627,227</u> |
| Excess (Deficiency) of Revenues over Expenditures | - | - | 3,416,231 | (25,189,053) | (21,772,822) |
| Other Financing Sources: | | | | | |
| Transfers from/To City | - | - | - | - | - |
| State construction Loans | - | - | - | 25,440,658 | 25,440,658 |
| Total Other Financing Sources | - | - | - | <u>25,440,658</u> | <u>25,440,658</u> |
| Fund Balance Beginning | - | - | 238,450 | (512,707) | (274,257) |
| Fund Balance Ending | \$ - | \$ - | \$ 3,654,681 | \$ (261,102) | \$ 3,393,579 |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Statement of Revenues, Expenditure, and Changes in Fund Balances (Deficits)

Governmental Funds

For the Year Ended June 30, 2013

| | General Fund | Grants Revenue Fund | Capital Projects Fund | Totals |
|---|--------------------|---------------------|------------------------|------------------------|
| Revenues: | | | | |
| General Fund Appropriations | \$ 107,451,118 | \$ - | \$ - | \$ 107,451,118 |
| Alleys and Footways | - | - | 5,919,905 | 5,919,905 |
| Federal Grant Revenue | - | 2,396,284 | 51,215,122 | 53,611,406 |
| State Grant Revenue | - | 87,771 | 60,000 | 147,771 |
| Other Grant Revenue | - | - | - | - |
| Transfers In/Out | - | 2,917,614 | - | 2,917,614 |
| Other Revenues | - | 4,966,370 | 481,927 | 5,448,297 |
| Total Revenues | <u>107,451,118</u> | <u>10,368,039</u> | <u>57,676,954</u> | <u>175,496,111</u> |
| Expenditures: | | | | |
| Administration | 7,118,137 | - | - | 7,118,137 |
| Bridge and Culvert Management | 2,340,953 | - | - | 2,340,953 |
| Circulator | - | 9,204,802 | - | 9,204,802 |
| Complete Street and Sustainable Trans. | 861,307 | - | - | 861,307 |
| Dock Master | - | 232,469 | - | 232,469 |
| Inner Harbor Services | 1,632,021 | - | - | 1,632,021 |
| Parking Enforcement | 11,633,375 | - | - | 11,633,375 |
| Parking Management | 7,637,793 | - | - | 7,637,793 |
| Public Right-of-Way Landscape Management | 3,509,425 | - | - | 3,509,425 |
| Snow and Ice Control | 7,788,625 | - | - | 7,788,625 |
| Special Event Supports | 908,439 | - | - | 908,439 |
| Street Cuts | 598,105 | - | - | 598,105 |
| Street Lighting | 19,730,139 | - | - | 19,730,139 |
| Street Management | 21,955,067 | - | - | 21,955,067 |
| Survey Control | 576,208 | - | - | 576,208 |
| Traffic Management | 4,784,526 | - | - | 4,784,526 |
| Traffic Safety | 9,317,194 | 692,861 | - | 10,010,055 |
| Vehicle Impounding and Disposal | 7,059,804 | - | - | 7,059,804 |
| Capital Outlay | - | - | 101,643,880 | 101,643,880 |
| Total Expenditures | <u>107,451,118</u> | <u>10,130,132</u> | <u>101,643,880</u> | <u>219,225,130</u> |
| Excess (Deficiency) of Revenues over Expenditures | - | 237,907 | (43,966,926) | (43,729,019) |
| Other Financing Sources: | | | | |
| Transfers from/To City | - | - | 15,600,000 | 15,600,000 |
| State construction loans | - | - | 8,021,669 | 8,021,669 |
| Total Other Financing Sources | - | - | <u>23,621,669</u> | <u>23,621,669</u> |
| Fund Balance Beginning | - | 3,654,681 | (261,102) | 3,393,579 |
| Fund Balance Ending | <u>\$ -</u> | <u>\$ 3,892,588</u> | <u>\$ (20,606,359)</u> | <u>\$ (16,713,771)</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BALTIMORE
Department of Transportation

Statement Of Net Position - Conduit Fund
For the Fiscal Years Ended June 30,
2010, 2011, 2012 and 2013

| | 2010 | 2011 | 2012 | 2013 |
|--|---------------|---------------|---------------|---------------|
| Assets: | | | | |
| <i>Current assets:</i> | | | | |
| Due from City - cash equivalents | \$ 2,724,603 | \$ 672,018 | \$ - | \$ 1,830,040 |
| Accounts Receivable | 2,146,698 | 3,180,972 | 2,670,918 | 6,102,961 |
| Total current assets | 4,871,301 | 3,852,990 | 2,670,918 | 7,933,001 |
| <i>Noncurrent assets:</i> | | | | |
| Restricted cash held by City | 3,802,776 | 2,866,845 | 6,162,635 | 5,375,191 |
| Capital Assets- net | 45,479,935 | 47,498,368 | 49,548,311 | 53,104,198 |
| Total noncurrent assets | 49,282,711 | 50,365,213 | 55,710,946 | 58,479,389 |
| Total assets | \$ 54,154,012 | \$ 54,218,203 | \$ 58,381,864 | \$ 66,412,390 |
| Liabilities: | | | | |
| <i>Current liabilities</i> | | | | |
| Accounts Payable and accrued liabilities | \$ 159,448 | \$ 619,350 | \$ 121,819 | \$ 80,722 |
| Due to the City - cash equivalents | - | - | 1,646,477 | - |
| Accounts Payable from Restricted Assets | 245,711 | 174,502 | 174,453 | 174,502 |
| Total Current | 405,159 | 793,852 | 1,942,749 | 255,224 |
| <i>Noncurrent Liabilities</i> | | | | |
| Other liabilities | 548,797 | 435,643 | 442,157 | 438,568 |
| Total Liabilities | 953,956 | 1,229,495 | 2,384,906 | 693,792 |
| Net position | | | | |
| Net investment in capital assets | 45,479,935 | 47,498,368 | 49,548,360 | 53,104,198 |
| Unrestricted | 7,720,121 | 5,490,340 | 6,448,598 | 12,614,400 |
| Total net position | \$ 53,200,056 | \$ 52,988,708 | \$ 55,996,958 | \$ 65,718,598 |

The notes are an Integral part of this Financial Statement.

CITY OF BALTIMORE
Department of Transportation

Statement of Revenues, Expenses, and Changes in Net Position - Conduit Fund
For the Fiscal Years Ended June 30,
2010, 2011, 2012 and 2013

| | 2010 | 2011 | 2012 | 2013 |
|--------------------------------|---------------|---------------|---------------|---------------|
| Operating Revenues: | | | | |
| Charges for services | \$ 9,044,331 | \$ 9,503,663 | \$ 11,383,000 | \$ 17,210,770 |
| Operating expenses: | | | | |
| Salaries and wages | 2,346,646 | 2,687,609 | 2,833,015 | 4,147,782 |
| Other personnel costs | 1,005,661 | 1,063,702 | 1,298,136 | 1,284,921 |
| Contractual services | 1,690,794 | 1,545,455 | 3,251,829 | 1,380,285 |
| Material and supplies | 157,642 | 3,581,701 | 331,092 | 151,044 |
| Minor Equipment | 25,112 | 10,375 | 6,497 | 293,491 |
| Depreciation | 743,527 | 826,170 | 841,181 | 886,827 |
| Total operating expenses | 5,969,382 | 9,715,012 | 8,561,750 | 8,144,350 |
| Operating income (loss) | 3,074,949 | (211,349) | 2,821,250 | 9,066,420 |
| Capital Contributions | 751,000 | - | 187,000 | 655,220 |
| Change in assets | 3,825,949 | (211,349) | 3,008,250 | 9,721,640 |
| Total net position - beginning | 49,374,107 | 53,200,057 | 52,988,708 | 55,996,958 |
| Total net position - ending | \$ 53,200,056 | \$ 52,988,708 | \$ 55,996,958 | \$ 65,718,598 |

The notes are an integral part of this Financial Statement.

CITY OF BALTIMORE
Department of Finance

Statement of Cash Flows - Conduit Fund
For the Fiscal Years Ended June 30,
2010, 2011, 2012 and 2013

| | 2010 | 2011 | 2012 | 2013 |
|---|--------------|--------------|---------------|---------------|
| Cash flow from operating activities: | | | | |
| Receipts from customers | \$ 8,715,042 | \$ 8,469,389 | \$ 11,893,054 | \$ 13,778,727 |
| Payments to employees | (3,255,659) | (3,864,465) | (4,124,637) | (5,436,292) |
| Payments to suppliers | (1,880,784) | (4,677,629) | (4,086,949) | (1,865,917) |
| Net cash provided (used) by operating activities: | 3,578,599 | (72,705) | 3,681,468 | 6,476,518 |
| Cash flows from capital and related finance activities: | | | | |
| Acquisition of Capital Assets | (3,791,650) | (2,915,811) | (2,891,173) | (4,442,665) |
| Capital contributions | 751,000 | - | 187,000 | 655,220 |
| Net cash provided (used) by capital and related financing | (3,040,650) | (2,915,811) | (2,704,173) | (3,787,445) |
| Net cash increase (decrease) in cash and cash equivalents | 537,949 | (2,988,516) | 977,295 | 2,689,073 |
| Cash and cash equivalents, beginning of year | 5,989,430 | 6,527,379 | 3,538,863 | 4,516,158 |
| Cash and cash equivalents end of year | \$ 6,527,379 | \$ 3,538,863 | \$ 4,516,158 | \$ 7,205,231 |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | | | |
| Operating income | \$ 3,074,949 | \$ (211,349) | \$ 2,821,250 | \$ 9,066,420 |
| Adjustment to reconcile operating income (loss) to net provided (used) by operating activities: | | | | |
| Depreciation | 743,527 | 826,170 | 841,181 | 886,827 |
| (Increase) decrease in accounts receivable | (329,289) | (1,034,274) | 510,054 | (3,432,043) |
| Increase (Decrease) in accounts payable and accrued liabilities | (7,236) | 459,902 | (497,531) | (41,097) |
| Increase (Decrease) in compensated absences | 96,648 | (113,154) | 6,514 | (3,589) |
| Total adjustments | 503,650 | 138,644 | 860,218 | (2,589,902) |
| Net cash provided (used) by operating activities | \$ 3,578,599 | \$ (72,705) | \$ 3,681,468 | \$ 6,476,518 |

The notes are an integral part of this financial statement.

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

1. Description of the Department of Transportation

The Department of Transportation (Department) is responsible for the construction, reconstruction, and maintenance of public streets, bridges and highways and the maintenance of streetlights, alleys and footpaths and the conduit system. Other duties include: maintenance of traffic movement, the inspection and management of City construction projects, including testing and inspecting of construction materials; preparation of surveys; maintenance of parking meters and on street parking enforcement. Capital and federal funds are allocated for engineering, design, construction and inspection of street and bridges in the City

2. Fund Financial Statements

The Department's services are reported in both the Governmental and Enterprise Funds of the City of Baltimore. Information for each governmental fund is presented separately in the Balance Sheet and in the Statement of Revenues, Expenditures and Changes in Fund Balances and for the Enterprise Fund in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

General Fund

The General Fund accounts for the activity of the Department which is funded by appropriations from the City of Baltimore's general fund.

Motor Vehicle Fund

The Motor Vehicle Fund accounts for the activity of the Department which is funded by appropriations from the City of Baltimore's motor vehicle fund. During fiscal year 2013, the City consolidated the activity of the Motor Vehicle fund into the General Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for capital improvement, acquisitions, and related activities all of which is funded by proceeds of bonds issuances, grants and other revenues sources.

Enterprise Fund – Conduit Fund

The funds account for the operation, maintenance, and development of City owned conduit system.

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

3. Summary of Significant Accounting Policies

Basis of Accounting

Governmental Funds

The accounting and financial reporting policies of the Department of Transportation conform to accounting principles generally accepted in the United States and reporting standards as promulgated by the Governmental Accounting Standards Board for governmental funds.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues applicable to the current fiscal year and collected within 60 days after year-end are recognized as revenue, except for grants revenue which have a 90 day availability period. Expenditures expected to be paid from currently available resources are recorded when the related fund liability is incurred, except payments for compensated absences which are recognized as expenditures when paid.

Enterprise Fund – Conduit fund

The Fund is reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and measurable. Expenditures are recorded when incurred and measurable.

Compensated Absences

The liability for compensated absences reported consists of unpaid accumulated annual sick, vacation, and personal leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payment and other who are expected to become eligible at termination are included. Payments made to terminated employee for accumulated leave are charged as expenditure/expenses, primarily in the General fund. Estimated accumulated leave balance by fiscal year for the Department of Transportation are as follows:

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

| Fiscal Year | Governmental Funds | Conduit Fund |
|-------------|--------------------|--------------|
| 2010 | \$ 6,965,827 | \$ 548,797 |
| 2011 | 6,546,796 | 435,643 |
| 2012 | 6,703,414 | 442,157 |
| 2013 | 8,195,414 | 438,568 |

The liability displayed above for Governmental Funds is not included in the financial statements. The liability for the Conduit Fund is reported as Other Liabilities on the Statement of Position.

4. Capital Assets

Capital Assets activity by year for the Conduit Fund is as follows:

| Asset Class | 2010 | 2011 | 2012 | 2013 |
|--------------------------------|--------------|--------------|--------------|--------------|
| Asset being depreciated | | | | |
| Infrastructure | \$59,482,199 | \$66,093,635 | \$69,601,648 | \$71,184,340 |
| Equipment | 1,100,799 | 1,100,799 | 1,100,799 | 1,100,799 |
| Total asset being depreciated | 60,582,998 | 67,194,434 | 70,702,447 | 72,285,139 |
| Accumulated Depreciation | | | | |
| Infrastructure | 19,598,799 | 20,424,969 | 21,266,151 | 22,152,978 |
| Equipment | 1,100,799 | 1,100,799 | 1,100,799 | 1,100,799 |
| Total Accumulated Depreciation | 20,699,598 | 21,525,768 | 22,366,950 | 23,253,777 |
| Net Assets being depreciated | 39,883,400 | 45,668,666 | 48,335,497 | 49,031,362 |
| Assets not being depreciated | | | | |
| Construction in progress | 5,596,535 | 1,829,702 | 1,212,814 | 4,072,836 |
| Net Capital Assets | \$45,479,935 | \$47,498,368 | \$49,548,311 | \$53,104,198 |

Depreciation is computed on a straight-line basis with a 50 year and 25-year useful life for infrastructure and equipment, respectively. Depreciation expense in the amount of \$743,527, \$826,170, \$841,181 and \$886,827 for fiscal years 2010, 2011, 2012 and 2013, respectively, was charged to the fund. Infrastructure in the amount of \$3,791,650, \$2,915,811, \$2,891,173 and \$4,442,665 for year 2010, 2011, 2012 and 2013, respectively was acquired by the Conduit Fund.

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

Purchased or constructed capital assets are reported at cost. Capitalization threshold are \$50,000 for buildings, improvements, and infrastructure and \$5,000 for equipment.

5. Due to Other Funds

Balances due other funds are primarily the result of the City’s policy not to reflect cash deficits in its individual agencies. Due to other funds, by fund, are as follows:

| Fund | Fiscal Year | Amount |
|------------------|--------------------|---------------|
| Capital Projects | 2011 | \$ 3,110,741 |
| Capital Projects | 2013 | 40,327,657 |
| Conduit Fund | 2012 | 1,646,477 |

6. Fund Balances and Deficits

The Department classifies its fund balances into the following categories:

- Assigned fund balance includes amounts that are constrained by the City’s Director of finance to be for a specific purpose. For governmental funds other than the general fund, this is the residual amount within the fund that is neither restricted (by external creditors, grantors, contributors or law) nor committed (pursuant to constraints imposed by a formal vote of the Board of Estimates, the City highest level of Decision making authority).
- Unassigned fund balance in other governmental funds, represent the fund balance deficit.

The Department of Transportation had fund deficits at June 30 as follows:

| Fund | Fiscal Year | Amount |
|------------------|--------------------|---------------|
| Capital Projects | 2011 | \$ 512,707 |
| Capital Projects | 2012 | 261,102 |
| Capital Projects | 2013 | 20,606,359 |

The deficit in capital projects is primarily caused by timing differences between expenditures and receipt of funding from various sources.

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

7. Grants Revenue Fund Operating Deficits

The Department of Transportation Grants Revenue Fund expenditures exceeded grant revenues in fiscal years 2010, 2011, 2012, and 2013. Accordingly, the City transferred \$1,984,590, \$2,704,962, \$11,720,582, and \$2,917,614 for fiscal years 2010, 2011, 2012, and 2013, respectively, from the City's General Fund to cover the operating deficits in the Grant Fund. These advances are included in Due from Baltimore City in the Governmental Fund Balance Sheets.

Should funds for these deficits be received from the grantor, the City's General Fund will be reimbursed.

8. Pension Plan

Classified employees of the Department of Transportation are required to join the City of Baltimore's Employees' Retirement System (ERS). The ERS is a cost-sharing multiple employer defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. The plan is managed by a Board of Trustee in accordance with Article 22 of the Baltimore City Code. Plan provisions may be amended only by the City Council.

The plan issues a publicly available financial report that includes financial statement and the required supplementary information. The report may be obtained by writing to Employees Retirement System at the following address:

Baltimore City Retirement System
7 East Redwood Street 12th Floor
Baltimore, Maryland 21202-3470

The Baltimore City Code establishes the contribution requirements for plan members and the City. The employee's contribution ratio as a percentage of covered payroll fiscal year 2013 was 0.01%. Employer pension expense was not allocated to the Departments before fiscal year 2013. The employer contribution ratio as a percentage of covered payroll for fiscal year 2013 was 22.5%. Employer pension expense allocate to the Department of Transportation for fiscal year 2013 was \$9,630,881.

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

9. Other Postemployment Benefit

Baltimore City administrative policy provides that other postemployment benefits OPEB, other than pension benefits, be provided to all employees of the City. The Plan provides postemployment healthcare, prescription and life insurance benefits to retired employees and their beneficiaries. The OPEB Plan (Plan) is a contributory single employer defined benefit plan. The benefits and contribution provision of the Plan are established and may be amended by the City.

In order to effectively manage the Plan, the City established as OPEB Trust Fund. All retiree and City contributions are deposited into the Trust Fund and all retiree related health and life benefits are paid from the Trust Fund. The City also contracted with the Board of Trustees of the Employees' Retirement System to act as investment manager for the Trust Fund, and BNY Mellon Bank Asset Servicing is the Trust Fund's asset custodian. The Plan does not issue stand-alone financial statement; however, the OPEB Trust fund is included in the City's Financial Statements in the Fiduciary Funds.

It is the City policy to fund benefits on a pay-as-you-go basis plus additional contributions comprising Federal retiree drug subsidy payments and additional annual appropriations.

Retirees are required to contribute at various rates ranging from \$3 to \$2,288 on a monthly basis, depending on the health plan and level of coverage elected and whether Medicare supplemental coverage is present. In addition, retirees contribute 20% toward the prescription plan coverage. Administrative costs of the Plan are covered by the City.

OPEB costs are not allocated to the City department, and are excluded in the accompanying financial statements. For more information, see the City of Baltimore's Comprehensive Annual Financial Report.

10. Budget Process

The Department of Transportation participates in the City of Baltimore's Outcome Based Budgeting process. Outcome Based Budgeting is a budget process that aligns resources with results produced. This budgeting tool integrates strategic planning, long-range financial planning and performance management, and is a recommended practice of the Government Finance Officers Association.

CITY OF BALTIMORE
Department of Transportation
Notes to the Financial Statements
Fiscal Years Ended June 30,
2010, 2011, 2012, and 2013

11. Risk Management

The City of Baltimore is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees and members of the public; and natural disasters. The Department of Transportation is a chartered agency within the City of Baltimore municipal government. Therefore, its exposure to various risks is managed the City's Office of Risk Management.

**CITY OF BALTIMORE
DEPARTMENT OF TRANSPORTATION**

Required Supplementary Information

For the Years Ended June 30, 2010, 2011, 2012 and 2013

See Independent Auditors' Report

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2010

| | Original Budget | Final Budget | Actual | <i>Variance with Original Budget Positive (Negative)</i> | <i>Variance with Final Budget Positive (Negative)</i> |
|---|--------------------|---------------|---------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 19,767,775 | \$ 19,767,775 | \$ 16,698,834 | \$ (3,068,941) | \$ (3,068,941) |
| Total revenues | 19,767,775 | 19,767,775 | 16,698,834 | (3,068,941) | (3,068,941) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 228,494 | 228,494 | 228,494 | - | - |
| Engineering and Construction | 498,205 | 498,205 | 402,729 | 95,476 | 95,476 |
| Parking Enforcement | 11,864,453 | 11,864,453 | 9,364,721 | 2,499,732 | 2,499,732 |
| Parking Management | 6,778,212 | 6,778,212 | 6,976,289 | (198,077) | (198,077) |
| School Crossing Guards | 142 | 142 | 120,414 | (120,272) | (120,272) |
| Towing | 398,269 | 398,269 | 349,600 | 48,669 | 48,669 |
| Total expenditures and encumbrances | 19,767,775 | 19,767,775 | 17,442,247 | 2,325,528 | 2,325,528 |
| Excess (deficiency) of revenues over expenditures | - | - | (743,413) | (743,413) | (743,413) |
| Effect of change in encumbrances | - | - | 648,564 | - | - |
| Effect of change in accounts payable | - | - | 94,849 | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ (743,413) | \$ (743,413) |

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Original Budget Positive (Negative) | Variance with Final Budget Positive (Negative) |
|---|--------------------|---------------|---------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 28,464,440 | \$ 32,736,440 | \$ 29,115,885 | \$ 651,445 | \$ (3,620,555) |
| Total revenues | 28,464,440 | 32,736,440 | 29,115,885 | 651,445 | (3,620,555) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 3,595,057 | 3,595,057 | 3,595,055 | 2 | 2 |
| Complete Street and Sustainable Trans. | 55,066 | 55,066 | (55,067) | 110,133 | 110,133 |
| Inner Harbor Services | 676,771 | 676,771 | 990,900 | (314,129) | (314,129) |
| Parking Enforcement | 11,339,423 | 11,339,423 | 10,497,793 | 841,630 | 841,630 |
| Parking Management | 6,929,747 | 6,929,747 | 5,202,368 | 1,727,379 | 1,727,379 |
| Special Event Supports | 605,007 | 605,007 | 658,895 | (53,888) | (53,888) |
| Street Lighting | 491,490 | 491,490 | 491,490 | - | - |
| Street Management | - | 3,588,000 | 3,303,302 | (3,303,302) | 284,698 |
| Survey Control | 322,190 | 322,190 | 322,187 | 3 | 3 |
| Traffic Management | (7,563) | 676,437 | 630,561 | (638,124) | 45,876 |
| Vehicle Impounding and Disposal | 4,457,252 | 4,457,252 | 4,457,237 | 15 | 15 |
| Total expenditures and encumbrances | 28,464,440 | 32,736,440 | 30,094,721 | (1,630,281) | 2,641,719 |
| Excess (deficiency) of revenues over expenditures | - | - | (978,836) | (978,836) | (978,836) |
| Effect of change in encumbrances | - | - | 764,021 | - | - |
| Effect of change in accounts payable | - | - | 214,815 | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ (978,836) | \$ (978,836) |

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Variance with Original Budget Positive (Negative) | Variance with Final Budget Positive (Negative) |
|---|-----------------|---------------|---------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 33,440,454 | \$ 33,440,454 | \$ 31,534,279 | \$ (1,906,175) | \$ (1,906,175) |
| Total revenues | 33,440,454 | 33,440,454 | 31,534,279 | (1,906,175) | (1,906,175) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 3,348,890 | 3,348,890 | 3,575,810 | (226,920) | (226,920) |
| Complete Street and Sustainable Trans. | 34,693 | 34,693 | 554,814 | (520,121) | (520,121) |
| Inner Harbor Services | 792,334 | 792,334 | 1,191,948 | (399,614) | (399,614) |
| Parking Enforcement | 12,510,159 | 12,510,159 | 11,395,000 | 1,115,159 | 1,115,159 |
| Parking Management | 6,633,787 | 6,633,787 | 7,024,577 | (390,790) | (390,790) |
| Special Event Supports | 42,102 | 42,102 | 210,016 | (167,915) | (167,915) |
| Street Lighting | 510,658 | 510,658 | 237 | 510,421 | 510,421 |
| Street Management | 2,462,494 | 2,462,494 | 1,658,971 | 803,523 | 803,523 |
| Survey Control | 5,878 | 5,878 | 796,627 | (790,749) | (790,749) |
| Traffic Management | 1,744,636 | 1,744,636 | 1,641,549 | 103,087 | 103,087 |
| Traffic Safety | - | - | (266,632) | 266,632 | 266,632 |
| Vehicle Impounding and Disposal | 5,354,822 | 5,354,822 | 3,673,073 | 1,681,749 | 1,681,749 |
| Total expenditures and encumbrances | 33,440,454 | 33,440,454 | 31,455,990 | 1,984,464 | 1,984,464 |
| Excess (deficiency) of revenues over expenditures | - | - | 78,289 | 78,289 | 78,289 |
| Effect of change in encumbrances | - | - | 1,367,398 | - | - |
| Effect of change in accounts payable | - | - | (1,445,687) | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ 78,289 | \$ 78,289 |

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2013

| | Original Budget | Final Budget | Actual | Variance with Original Budget Positive (Negative) | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------------|----------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 115,146,996 | \$ 115,146,996 | \$ 107,451,118 | \$ (7,695,878) | \$ (7,695,878) |
| Total revenues | 115,146,996 | 115,146,996 | 107,451,118 | (7,695,878) | (7,695,878) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 7,614,366 | 7,614,366 | 7,221,154 | 393,212 | 393,212 |
| Bridge and Culvert Management | 2,435,276 | 2,435,276 | 2,449,681 | (14,405) | (14,405) |
| Complete Street and Sustainable Trans. | 654,161 | 654,161 | 873,854 | (219,693) | (219,693) |
| Inner Harbor Services | 861,224 | 861,224 | 1,721,644 | (860,420) | (860,420) |
| Parking Enforcement | 14,519,451 | 14,519,451 | 10,196,760 | 4,322,691 | 4,322,691 |
| Parking Management | 8,556,413 | 8,556,413 | 7,347,605 | 1,208,808 | 1,208,808 |
| Public Right-of-Way Landscape Management | 2,714,770 | 2,714,770 | 3,517,822 | (803,052) | (803,052) |
| Snow and Ice Control | 2,703,772 | 2,703,772 | 7,866,511 | (5,162,739) | (5,162,739) |
| Special Event Supports | 527,432 | 527,432 | 946,690 | (419,259) | (419,259) |
| Street Cuts | 919,005 | 919,005 | 676,499 | 242,506 | 242,506 |
| Street Lighting | 17,244,965 | 17,244,965 | 20,043,474 | (2,798,509) | (2,798,509) |
| Street Management | 29,038,972 | 29,038,972 | 23,013,554 | 6,025,418 | 6,025,418 |
| Survey Control | 115,984 | 115,984 | 578,233 | (462,249) | (462,249) |
| Traffic Management | 8,787,338 | 8,787,338 | 5,919,761 | 2,867,577 | 2,867,577 |
| Traffic Safety | 10,105,792 | 10,105,792 | 9,695,500 | 410,292 | 410,292 |
| Vehicle Impounding and Disposal | 8,348,076 | 8,348,076 | 8,378,227 | (30,151) | (30,151) |
| Total expenditures and encumbrances | 115,146,996 | 115,146,996 | 110,446,969 | 4,700,027 | 4,700,027 |
| Excess (deficiency) of revenues over expenditures | - | - | (2,995,851) | (2,995,851) | (2,995,851) |
| Effect of change in encumbrances | - | - | 2,559,728 | - | - |
| Effect of change in accounts payable | - | - | 436,123 | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ (2,995,851) | \$ (2,995,851) |

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
 Budget and Actual - Budgetary Basis - Motor Vehicle Fund
 For the Year Ended June 30, 2010

| | Original Budget | Final Budget | Actual | Variance with Original Budget Positive (Negative) | Variance with Final Budget Positive (Negative) |
|---|-----------------|----------------|----------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 107,654,637 | \$ 131,854,637 | \$ 118,540,164 | \$ 10,885,527 | \$ (13,314,473) |
| Total revenues | 107,654,637 | 131,854,637 | 118,540,164 | 10,885,527 | (13,314,473) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 8,186,718 | 8,186,718 | 7,709,765 | 476,953 | 476,953 |
| Engineering and Construction | 3,087,094 | 3,087,094 | 2,555,549 | 531,545 | 531,545 |
| Highway Maintenance | 47,301,339 | 71,501,339 | 64,663,086 | (17,361,747) | 6,838,253 |
| Street Lighting | 26,797,482 | 26,797,482 | 23,049,670 | 3,747,812 | 3,747,812 |
| Towing | 8,851,147 | 8,851,147 | 9,335,632 | (484,485) | (484,485) |
| Traffic Engineering | 4,331,276 | 4,331,276 | 4,625,826 | (294,550) | (294,550) |
| Traffic Safety | 2,227,180 | 2,227,180 | 1,581,730 | 645,450 | 645,450 |
| Traffic Signals | 6,554,863 | 6,554,863 | 6,959,290 | (404,427) | (404,427) |
| Transit and Marine Services | 317,538 | 317,538 | 312,934 | 4,604 | 4,604 |
| Total expenditures and encumbrances | 107,654,637 | 131,854,637 | 120,793,482 | (13,138,845) | 11,061,155 |
| Excess (deficiency) of revenues over expenditures | - | - | (2,253,318) | (2,253,318) | (2,253,318) |
| Effect of change in encumbrances | - | - | 826,312 | - | - |
| Effect of change in accounts payable | - | - | 1,427,006 | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ (2,253,318) | \$ (2,253,318) |

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
Budget and Actual - Budgetary Basis - Motor Vehicle Fund
For the Year Ended June 30, 2011

| | Original Budget | Final Budget | Actual | Variance with Original Budget Positive (Negative) | Variance with Final Budget Positive (Negative) |
|---|-----------------|---------------|---------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 88,469,800 | \$ 90,769,800 | \$ 82,481,550 | \$ (5,988,250) | \$ (8,288,250) |
| Total revenues | 88,469,800 | 90,769,800 | 82,481,550 | (5,988,250) | (8,288,250) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 4,433,845 | 4,433,845 | 3,579,352 | 854,493 | 854,493 |
| Bridge and Culvert Management | 1,632,801 | 1,632,801 | 1,811,717 | (178,916) | (178,916) |
| Complete Street and Sustainable Trans. | 176,345 | 176,345 | 157,491 | 18,854 | 18,854 |
| Conduit | - | - | 3,087,442 | (3,087,442) | (3,087,442) |
| Dock Master | - | - | 3,429 | (3,429) | (3,429) |
| Engineering and Construction | 9,374 | 9,374 | (8,225) | 17,599 | 17,599 |
| Highway Maintenance | 3,297,902 | 3,297,902 | (3,280,947) | 6,578,849 | 6,578,849 |
| Inner Harbor Services | 405,503 | 405,503 | 807,352 | (401,849) | (401,849) |
| Public Right-of-Way Landscape Management | 4,282,330 | 4,282,330 | 5,486,572 | (1,204,242) | (1,204,242) |
| Snow and Ice Control | 3,344,075 | 3,344,075 | 6,428,395 | (3,084,320) | (3,084,320) |
| Special Event Supports | - | - | 31,340 | (31,340) | (31,340) |
| Street Lighting | 24,036,360 | 24,036,360 | 20,280,924 | 3,755,436 | 3,755,436 |
| Street Management | 24,351,410 | 24,351,410 | 22,306,806 | 2,044,604 | 2,044,604 |
| Towing | 797,098 | 797,098 | (761,391) | 1,558,489 | 1,558,489 |
| Traffic Engineering | 201,807 | 201,807 | (193,231) | 395,038 | 395,038 |
| Traffic Management | 19,650,318 | 19,650,318 | 14,821,121 | 4,829,197 | 4,829,197 |
| Traffic Safety | 39,194 | 39,194 | (37,929) | 77,123 | 77,123 |
| Traffic Signals | 695,368 | 695,368 | (266,059) | 961,427 | 961,427 |
| Transit and Marine Services | 4,363 | 4,363 | (4,363) | 8,726 | 8,726 |
| Vehicle Impounding and Disposal | 1,111,709 | 3,411,709 | 4,512,898 | (3,401,189) | (1,101,189) |
| Total expenditures and encumbrances | 88,469,800 | 90,769,800 | 78,762,694 | 9,707,106 | 12,007,106 |
| Excess (deficiency) of revenues over expenditures | - | - | 3,718,856 | 3,718,856 | 3,718,856 |
| Effect of change in encumbrances | - | - | (4,163,699) | - | - |
| Effect of change in accounts payable | - | - | 444,843 | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ 3,718,856 | \$ 3,718,856 |

CITY OF BALTIMORE
Department of Transportation

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance
Budget and Actual - Budgetary Basis - Motor Vehicle Fund
For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Variance with Original Budget Positive (Negative) | Variance with Final Budget Positive (Negative) |
|---|-----------------|---------------|---------------|--|---|
| Revenues: | | | | | |
| Appropriations revenues | \$ 90,111,596 | \$ 90,111,596 | \$ 81,652,711 | \$ (8,458,885) | \$ (8,458,885) |
| Total revenues | 90,111,596 | 90,111,596 | 81,652,711 | (8,458,885) | (8,458,885) |
| Expenditures and Encumbrances: | | | | | |
| Administration | 3,587,029 | 3,587,029 | 4,357,927 | (770,898) | (770,898) |
| Bridge and Culvert Management | 2,060,702 | 2,060,702 | 1,710,310 | 350,392 | 350,392 |
| Complete Street and Sustainable Trans. | 469,806 | 469,806 | 309,222 | 160,584 | 160,584 |
| Conduit | 3,087,442 | 3,087,442 | (3,087,442) | 6,174,884 | 6,174,884 |
| Dock Master | 143 | 143 | - | 143 | 143 |
| Engineering and Construction | (244) | (244) | 14,858 | (15,102) | (15,102) |
| Highway Maintenance | 129,926 | 129,926 | 17,224 | 112,702 | 112,702 |
| Inner Harbor Services | 892,733 | 892,733 | 1,649,023 | (756,290) | (756,290) |
| Public Right-of-Way Landscape Management | 1,972,946 | 1,972,946 | 3,745,381 | (1,772,435) | (1,772,435) |
| Snow and Ice Control | 3,463,259 | 3,463,259 | 1,210,055 | 2,253,204 | 2,253,204 |
| Special Event Supports | 485,416 | 485,416 | 728,596 | (243,180) | (243,180) |
| Street Cuts | 715,252 | 715,252 | 680,785 | 34,467 | 34,467 |
| Street Lighting | 23,376,410 | 23,376,410 | 19,017,005 | 4,359,405 | 4,359,405 |
| Street Management | 25,159,553 | 25,159,553 | 25,601,891 | (442,338) | (442,338) |
| Towing | 35,709 | 35,709 | (33,090) | 68,799 | 68,799 |
| Traffic Engineering | 3,855 | 3,855 | 56,186 | (52,331) | (52,331) |
| Traffic Management | 8,655,213 | 8,655,213 | 4,588,205 | 4,067,008 | 4,067,008 |
| Traffic Safety | 1,265 | 1,265 | - | 1,265 | 1,265 |
| Traffic Safety | 11,781,655 | 11,781,655 | 12,930,253 | (1,148,598) | (1,148,598) |
| Traffic Signals | - | - | 521,608 | (521,608) | (521,608) |
| Vehicle Impounding and Disposal | 4,233,526 | 4,233,526 | 3,388,156 | 845,370 | 845,370 |
| Total expenditures and encumbrances | 90,111,596 | 90,111,596 | 77,406,153 | 12,705,443 | 12,705,443 |
| Excess (deficiency) of revenues over expenditures | - | - | 4,246,558 | 4,246,558 | 4,246,558 |
| Effect of change in encumbrances | - | - | (6,288,676) | - | - |
| Effect of change in accounts payable | - | - | 2,042,118 | - | - |
| Excess (deficiency) of revenues over expenditures (GAAP) | \$ - | \$ - | \$ - | \$ 4,246,558 | \$ 4,246,558 |

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Mayor, City Council, Comptroller and Board of Estimates
City of Baltimore, Maryland

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the carve out financial statements for the governmental funds and the conduit fund of the City of Baltimore, Maryland, Department of Transportation as of and for the years ended June 30, 2010 through June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated October 20, 2016. Carve out financial statements are a component unit or part of a legal entity, but not the entire entity and, as such, the reporting unit is not a separate legal entity. Our audit was of the Department of Transportation and not of the City of Baltimore as a whole or any other funds or operations.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department of Transportation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department of Transportation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department of Transportation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hamilton Enterprises LLC

Greenbelt, Maryland
October 20, 2016