

**CITY OF BALTIMORE
DEPARTMENT OF PLANNING**

Financial Statements
Together with Independent Auditor's Report

For the Years Ended June 30, 2011, 2012, 2013 and 2014

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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 of the City of Baltimore, Maryland, Department of Planning, as of and for the years ending June 30, 2011 through June 30, 2014, and the related notes to the financial statements which collectively comprise the Department of Planning'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 Planning'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 for the Department of Planning, as of June 30,

2011, June 30, 2012, June 30, 2013 and June 30, 2014, in accordance with accounting principles generally accepted in the United States.

Other Matters

The financial statements of the Department of Planning 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 Planning. 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, 2011, June 30, 2012, June 30, 2013 and June 30, 2014. 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 Planning 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 November 4, 2016 on our consideration of the Department of Planning'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 Planning's internal control over financial reporting and compliance.

Hamilton Enterprises LLC

Greenbelt, Maryland
November 4, 2016

**CITY OF BALTIMORE
DEPARTMENT OF PLANNING**

Basic Financial Statements
Notes to the Financial Statements

For the Years Ended June 30, 2011, 2012, 2013 and 2014

CITY OF BALTIMORE
Department of Planning

Balance Sheet - Governmental Funds
June 30, 2011

	General Fund	Motor Vehicle Fund	Grants Revenue Fund	Capital Projects Fund	Total
Assets:					
Due from Baltimore City	\$ 91,746	\$ 26,981	\$ 220,652	\$ 42,667	\$ 382,046
Total Assets	<u>\$ 91,746</u>	<u>\$ 26,981</u>	<u>\$ 220,652</u>	<u>\$ 42,667</u>	<u>\$ 382,046</u>
Liabilities:					
Due to Other Governments	\$ -	\$ -	\$ 218,712	\$ -	\$ 218,712
Accounts Payable	13,960	41	-	149,556	163,557
Accrued Payroll	77,786	26,940	1,940	-	106,666
Total Liabilities	<u>91,746</u>	<u>26,981</u>	<u>220,652</u>	<u>149,556</u>	<u>488,935</u>
Fund Balances:					
Assigned	-	-	-	-	-
Unassigned	-	-	-	(106,889)	(106,889)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,889)</u>	<u>(106,889)</u>
Total Liabilities and Fund Balances	<u>\$ 91,746</u>	<u>\$ 26,981</u>	<u>\$ 220,652</u>	<u>\$ 42,667</u>	<u>\$ 382,046</u>

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

CITY OF BALTIMORE
Department of Planning

Balance Sheet - Governmental Funds
June 30, 2012

	General Fund	Motor Vehicle Fund	Grants Revenue Fund	Capital Projects Fund	Total
Assets:					
Due from Baltimore City	\$ 41,557	\$ 13	\$ 234,813	\$ -	\$ 276,383
Total Assets	<u>\$ 41,557</u>	<u>\$ 13</u>	<u>\$ 234,813</u>	<u>\$ -</u>	<u>\$ 276,383</u>
Liabilities:					
Due to the City	\$ -	\$ -	\$ -	\$ 259,274	\$ 259,274
Due to Other Governments	-	-	226,958	-	226,958
Accounts Payable	6,212	13	-	21,000	27,225
Accrued Payroll	35,345	-	4,039	-	39,384
Advance	-	-	3,816	-	3,816
Total Liabilities	<u>41,557</u>	<u>13</u>	<u>234,813</u>	<u>280,274</u>	<u>556,657</u>
Fund Balances:					
Assigned	-	-	-	-	-
Unassigned	-	-	-	(280,274)	(280,274)
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(280,274)</u>	<u>(280,274)</u>
Total Liabilities and Fund Balances	<u>\$ 41,557</u>	<u>\$ 13</u>	<u>\$ 234,813</u>	<u>\$ -</u>	<u>\$ 276,383</u>

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

CITY OF BALTIMORE
Department of Planning

Balance Sheet - Governmental Funds
June 30, 2013

	General Fund	Grants Revenue Fund	Capital Projects Fund	Total
Assets:				
Due from Baltimore City	\$ 67,089	\$ 280,340	\$ 1,674,955	\$ 2,022,384
Due from Other Governments	-	1,407,417	-	1,407,417
Total Assets	\$ 67,089	\$ 1,687,757	\$ 1,674,955	\$ 3,429,801
Liabilities:				
Due to the City	\$ -	\$ -	\$ -	\$ -
Accounts Payable	10,255	-	52,854	63,109
Accrued Payroll	56,834	3,231	-	60,065
Advance	-	1,684,526	-	1,684,526
Total Liabilities	67,089	1,687,757	52,854	1,807,700
Fund Balances:				
Assigned	-	-	1,622,101	1,622,101
Unassigned	-	-	-	-
Total Fund Balances	-	-	1,622,101	1,622,101
Total Liabilities and Fund Balances	\$ 67,089	\$ 1,687,757	\$ 1,674,955	\$ 3,429,801

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

CITY OF BALTIMORE
Department of Planning

Balance Sheet - Governmental Funds
June 30, 2014

	General Fund	Grants Revenue Fund	Capital Projects Fund	Total
Assets:				
Due from Baltimore City	\$ 92,507	\$ 4,236,691	\$ 1,383,681	\$ 5,712,879
Total Assets	\$ 92,507	\$ 4,236,691	\$ 1,383,681	\$ 5,712,879
Liabilities:				
Due to the City	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	253,370	-	253,370
Accounts Payable	20,132	255	8,000	28,387
Accrued Payroll	72,375	5,888	-	78,263
Advance	-	3,977,178	-	3,977,178
Total Liabilities	92,507	4,236,691	8,000	4,337,198
Fund Balances:				
Assigned	-	-	1,375,681	1,375,681
Unassigned	-	-	-	-
Total Fund Balances	-	-	1,375,681	1,375,681
Total Liabilities and Fund Balances	\$ 92,507	\$ 4,236,691	\$ 1,383,681	\$ 5,712,879

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

CITY OF BALTIMORE
Department of Planning

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	Total
Revenues:					
General Fund Appropriations	\$ 1,401,831	\$ -	\$ -	\$ -	\$ 1,401,831
Motor Vehicle Appropriations	-	571,372	-	-	571,372
Federal Grant Revenue	-	-	16,000	-	16,000
Other Revenues	-	-	-	72,763	72,763
Transfers	-	-	15,124	-	15,124
Total Revenues	1,401,831	571,372	31,124	72,763	2,077,090
Expenditures:					
Administration	592,202	12,401	-	-	604,603
Comprehensive Planning	82,447	-	9,939	-	92,386
Development Oversight	252,721	558,971	-	-	811,692
Historic Preservation	132,180	-	-	-	132,180
Information Analysis for City Planning	165,058	-	21,185	-	186,243
Six-Year Capital Improvement Program	74,279	-	-	-	74,279
Sustainability	102,944	-	-	-	102,944
Economic Development	-	-	-	547,766	547,766
Total Expenditures	1,401,831	571,372	31,124	547,766	2,552,093
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(475,003)	(475,003)
Fund Balance Beginning	-	-	-	368,114	368,114
Fund Balance Ending	\$ -	\$ -	\$ -	\$ (106,889)	\$ (106,889)

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

CITY OF BALTIMORE
Department of Planning

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	Total
Revenues:					
General Fund Appropriations	\$ 1,954,547	\$ -	\$ -	\$ -	\$ 1,954,547
Motor Vehicle Appropriations	-	8,894	-	-	8,894
Federal Grant Revenue	-	-	18,249	-	18,249
State Grant Revenue	-	-	-	-	-
Other Revenues	-	-	-	252,665	252,665
Transfers	-	-	17,189	-	17,189
Total Revenues	<u>1,954,547</u>	<u>8,894</u>	<u>35,438</u>	<u>252,665</u>	<u>2,251,544</u>
Expenditures:					
Administration	474,957	-	-	-	474,957
Comprehensive Planning	451,565	-	4,915	-	456,480
Development Oversight	735,606	8,894	-	-	744,500
Historic Preservation	128,307	-	-	-	128,307
Information Analysis for City Planning	-	-	23,201	-	23,201
Sustainability	164,112	-	7,322	-	171,434
Economic Development	-	-	-	426,050	426,050
Total Expenditures	<u>1,954,547</u>	<u>8,894</u>	<u>35,438</u>	<u>426,050</u>	<u>2,424,929</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(173,385)	(173,385)
Fund Balance Beginning	-	-	-	(106,889)	(106,889)
Fund Balance Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (280,274)</u>	<u>\$ (280,274)</u>

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

CITY OF BALTIMORE
Department of Planning

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	Total
Revenues:				
General Fund Appropriations	\$ 3,499,293	\$ -	\$ 100,000	\$ 3,599,293
20th, 21st, 22nd & 30th Econ. Development Loans	-	-	1,052,446	1,052,446
Federal Grant Revenue	-	-	-	-
State Grant Revenue	-	40,566	-	40,566
Other Grant Revenue	-	14,460	-	14,460
Other Revenues	-	-	1,302,128	1,302,128
Transfers	-	-	-	-
Total Revenues	<u>3,499,293</u>	<u>55,026</u>	<u>2,454,574</u>	<u>6,008,893</u>
Expenditures:				
Administration	809,318	-	-	809,318
Community Planning and Resource Management	941,895	12,317	-	954,212
Development Oversight and Project Support	914,756	39,434	-	954,190
Historic Preservation	525,267	-	-	525,267
Planning for a Sustainable Baltimore	308,057	1,132	-	309,189
Economic Development	-	-	552,199	552,199
Transfers	-	2,143	-	2,143
Total Expenditures	<u>3,499,293</u>	<u>55,026</u>	<u>552,199</u>	<u>4,106,518</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	1,902,375	1,902,375
Fund Balance Beginning	-	-	(280,274)	(280,274)
Fund Balance Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,622,101</u>	<u>\$ 1,622,101</u>

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

CITY OF BALTIMORE
Department of Planning

Statement of Revenues, Expenditure, and Changes in Fund Balances (Deficits)
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Grants Revenue Fund	Capital Projects Fund	Total
Revenues:				
General Fund Appropriations	\$ 3,710,945	\$ -	\$ 200,000	\$ 3,910,945
20th, 21st, 22nd & 30th Econ. Development Loans	-	-	109,613	109,613
Federal Grant Revenue	-	13,000	-	13,000
State Grant Revenue	-	469,292	-	469,292
Other Revenues	-	-	-	-
Transfers	-	4,122,723	-	4,122,723
Total Revenues	3,710,945	4,605,015	309,613	8,625,573
Expenditures:				
Administration	771,384	-	-	771,384
Community Planning and Resource Management	843,505	75,577	-	919,082
Development Oversight and Project Support	1,080,889	16,856	-	1,097,745
Historic Preservation	569,835	-	-	569,835
Planning for a Sustainable Baltimore	445,332	4,512,582	-	4,957,914
Economic Development	-	-	500,195	500,195
Transfers	-	-	55,838	55,838
Total Expenditures	3,710,945	4,605,015	556,033	8,871,993
Excess (Deficiency) of Revenues over Expenditures	-	-	(246,420)	(246,420)
Fund Balance Beginning	-	-	1,622,101	1,622,101
Fund Balance Ending	\$ -	\$ -	\$ 1,375,681	\$ 1,375,681

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

CITY OF BALTIMORE
Department of Planning
Notes to the Financial Statements
Fiscal Years Ended June 30,
2011, 2012, 2013, and 2014

1. Description of the Department of Planning

The Department of Planning provides services and leadership in urban and strategic planning, historical, and architectural preservation, zoning, design, development, and capital budgeting to promote the sustained economic, social, and community development of the City of Baltimore.

The services provided by the Department of Planning are mandated by Articles VI and VII of the Baltimore City Charter and the Zoning Code. The Planning Commission is the policymaking authority for the Department and consists of the Mayor or designee, the Director of Public Works, a member of the City Council, and six City residents appointed by the Mayor and confirmed by the City Council.

The Charter authorizes the Planning Commission to develop and update plans for the physical development of the City, review proposals for the subdivision of land, submit an annual capital budget and six-year Capital Improvement Program and make recommendations on proposed amendments to the City's Zoning Ordinance. The Comprehensive Master Plan guides future development and the capital budget.

The Planning Commission relies on department staff to develop plans, conduct permit reviews, conduct studies and make policy and zoning recommendations related to land use, economic development, housing, transportation, environmental and other planning issues. The department monitors the capital budget, serves as community liaisons and works closely with the Mayor's Office and other agencies.

The Department of Planning also provides historical and architectural preservation services as mandated by Article VI of the City Code. The Commission on Historical and Architectural Preservation is the policymaking authority for these services and consists of eleven City residents appointed by the Mayor and confirmed by the City Council.

The Commission on Historical and Architectural Preservation designates historic districts and landmarks, reviews all proposed alterations to properties in historic districts and landmarks, and generally undertakes efforts to support and provide incentives for historic preservation. The Commission relies on department staff to make recommendations, conduct surveys, implement incentive programs and make policy and other recommendations related to historical and architectural preservation.

The Office of Sustainability, within the Department of Planning, was created by ordinance in 2007 to develop and implement the City of Baltimore Sustainability Plan. The Office of

CITY OF BALTIMORE
Department of Planning
Notes to the Financial Statements
Fiscal Years Ended June 30,
2011, 2012, 2013, and 2014

Sustainability also manages environmental planning and regulatory functions, as well as staffing the Sustainability Commission.

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.

Grants Revenue Fund

The Grants Revenue Fund is used to account for operating revenues received from Federal, State and private sources. The funds are restricted by law, contract or regulations to expenditures for specific purposes.

CITY OF BALTIMORE
Department of Planning
Notes to the Financial Statements
Fiscal Years Ended June 30,
2011, 2012, 2013, and 2014

3. Summary of Significant Accounting Policies

Basis of Accounting

Governmental Funds

The accounting and financial reporting policies of the Planning Department 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 soon after year-end are recognized as revenue. 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.

Compensated Absences

The liability for compensated absences reported in the internal service fund 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 others who are expected to become eligible at termination are included. Payments made to terminated employees for accumulated leave are charged as expenditure/expenses, primarily in the General Fund. Estimated accumulated leave balance by fiscal year for the Planning Department are as follows:

Fiscal Year	Governmental Funds
2011	\$ 858,267
2012	845,046
2013	730,679
2014	686,013

4. Capital Assets

The Department of Planning uses various City Offices. All fixed assets used by the Department are owned by the City. The Department of Planning does pay for certain utility and maintenance cost out of its annual budget.

CITY OF BALTIMORE
Department of Planning
Notes to the Financial Statements
Fiscal Years Ended June 30,
2011, 2012, 2013, and 2014

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
Grants Revenue	2011	\$ 218,712
Grants Revenue	2012	226,958
Grants Revenue	2014	253,370
Capital Projects	2012	259,274

6. Fund Balances and Deficits

The Planning Department had fund deficits at June 30 as follows:

Fund	Fiscal Year	Fund Balance Deficit
Capital Projects	2011	\$ 106,889
Capital Projects	2012	280,274

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

7. Grant Fund Operating Deficits

The Planning Department Grant Fund expenditures exceeded grant revenues in fiscal years 2011-2014. Accordingly, the City transferred \$15,124, \$17,200, \$50,939, and \$4,122,723 for fiscal years 2011, 2012, 2013, and 2014, respectively, from the City's General Fund to cover the operating deficits in the Grant Fund. These advances are included in Due from the City of Baltimore in the Governmental Fund Balance Sheets.

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

CITY OF BALTIMORE
Department of Planning
Notes to the Financial Statements
Fiscal Years Ended June 30,
2011, 2012, 2013, and 2014

8. Pension Plan

Classified employees of the Planning Department 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.

9. Other Postemployment Benefit

Baltimore City administrative policy provides that other postemployment benefits, other than pension benefits, be available to all employees of the City. These benefits include certain healthcare and life insurance benefits. All employees who retire are eligible to receive these benefits. The City of Baltimore provides other postemployment benefits (OPEB) to all qualified City employees. 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. The Plan provides postemployment healthcare, prescription and life insurance benefits to retirees and their beneficiaries. In order to effectively manage the Plan, the City established an 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 statements; however, the OPEB Trust Fund is included in the City's Financial Statements 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.

10. Budget Process

The Planning Department participates in the City of Baltimore's Outcome Based Budgeting process. Outcome Based Budgeting is a budget process that aligns resources with results

CITY OF BALTIMORE
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Fiscal Years Ended June 30,
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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.

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 Planning Department 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 PLANNING**

Required Supplementary Information

For the Years Ended June 30, 2011, 2012, 2013 and 2014

See Independent Auditors' Report

CITY OF BALTIMORE
Department of Planning

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	<i>Variance with Original Budget Positive (Negative)</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:					
Appropriations revenues	\$ 1,711,893	\$ 1,711,893	\$ 1,401,831	\$ (310,062)	\$ (310,062)
Total revenues	1,711,893	1,711,893	1,401,831	(310,062)	(310,062)
Expenditures and Encumbrances:					
Development Oversight	465,926	465,926	237,606	228,320	228,320
Historic Preservation	123,514	123,514	135,296	(11,782)	(11,782)
Comprehensive Planning	205,916	205,916	82,475	123,441	123,441
Six-Year Capital Improvement Program	64,933	64,933	74,279	(9,346)	(9,346)
Sustainability	107,535	107,535	102,943	4,592	4,592
Information Analysis for City Planning	306,421	306,421	165,058	141,363	141,363
Administration	437,648	437,648	603,115	(165,467)	(165,467)
Total expenditures and encumbrances	1,711,893	1,711,893	1,400,772	311,121	311,121
Excess (deficiency) of revenues over expenditures	-	-	1,059	1,059	1,059
Effect of change in encumbrances	-	-	10,175	-	-
Effect of change in accounts payable	-	-	(11,234)	-	-
	-	-	-	-	-
Excess (deficiency) of revenues over expenditures (GAAP)	\$ -	\$ -	\$ -	\$ 1,059	\$ 1,059

CITY OF BALTIMORE
Department of Planning

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	<i>Variance with Original Budget Positive (Negative)</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:					
Appropriations revenues	\$ 2,157,580	\$ 2,157,580	\$ 1,954,547	\$ (203,033)	\$ (203,033)
Total revenues	2,157,580	2,157,580	1,954,547	(203,033)	(203,033)
Expenditures and Encumbrances:					
Development Oversight and Project Support	784,024	784,024	731,934	52,090	52,090
Historic Preservation	116,117	116,117	130,203	(14,086)	(14,086)
Community Planning and Resource Management	642,095	642,095	449,071	193,024	193,024
Planning for a Sustainable Baltimore	200,683	200,683	164,237	36,446	36,446
Administration	414,661	414,661	475,559	(60,898)	(60,898)
Total expenditures and encumbrances	2,157,580	2,157,580	1,951,004	206,576	206,576
Excess (deficiency) of revenues over expenditures	-	-	3,543	3,542	3,542
Effect of change in encumbrances	-	-	(11,291)	-	-
Effect of change in accounts payable	-	-	7,748	-	-
Excess (deficiency) of revenues over expenditures (GAAP)	\$ -	\$ -	\$ -	\$ 3,542	\$ 3,542

CITY OF BALTIMORE
Department of Planning

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	<i>Variance with Original Budget Positive (Negative)</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:					
Appropriations revenues	\$ 3,769,392	\$ 3,769,392	\$ 3,499,293	\$ (270,099)	\$ (270,099)
Total revenues	3,769,392	3,769,392	3,499,293	(270,099)	(270,099)
Expenditures and Encumbrances:					
Development Oversight and Project Support	1,016,636	1,016,636	922,694	93,942	93,942
Historic Preservation	461,327	461,327	524,034	(62,707)	(62,707)
Community Planning and Resource Management	1,178,309	1,178,309	943,977	234,332	234,332
Planning for a Sustainable Baltimore	357,077	357,077	309,299	47,778	47,778
Administration	756,043	756,043	808,255	(52,212)	(52,212)
Total expenditures and encumbrances	3,769,392	3,769,392	3,508,259	261,133	261,133
Excess (deficiency) of revenues over expenditures	-	-	(8,966)	(8,966)	(8,966)
Effect of change in encumbrances	-	-	13,009	-	-
Effect of change in accounts payable	-	-	(4,043)	-	-
Excess (deficiency) of revenues over expenditures (GAAP)	\$ -	\$ -	\$ -	\$ (8,966)	\$ (8,966)

CITY OF BALTIMORE
Department of Planning

Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	<i>Variance with Original Budget Positive (Negative)</i>	<i>Variance with Final Budget Positive (Negative)</i>
Revenues:					
Appropriations revenues	\$ 3,973,452	\$ 3,973,452	\$ 3,710,945	\$ (262,507)	\$ (262,507)
Total revenues	3,973,452	3,973,452	3,710,945	(262,507)	(262,507)
Expenditures and Encumbrances:					
Development Oversight and Project Support	1,276,390	1,276,390	1,076,351	200,039	200,039
Historic Preservation	487,562	487,562	568,015	(80,453)	(80,453)
Community Planning and Resource Management	1,045,340	1,045,340	855,070	190,270	190,270
Planning for a Sustainable Baltimore	420,429	420,429	470,000	(49,571)	(49,571)
Administration	743,731	743,731	777,753	(34,022)	(34,022)
Total expenditures and encumbrances	3,973,452	3,973,452	3,747,189	226,263	226,263
Excess (deficiency) of revenues over expenditures	-	-	(36,244)	(36,244)	(36,244)
Effect of change in encumbrances	-	-	46,121	-	-
Effect of change in accounts payable	-	-	(9,877)	-	-
Excess (deficiency) of revenues over expenditures (GAAP)	\$ -	\$ -	\$ -	\$ (36,244)	\$ (36,244)

CITY OF BALTIMORE
Department of Planning

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	<i>Variance with Original Budget Positive (Negative)</i>	<i>Variance with Original Budget Positive (Negative)</i>
Revenues:					
Appropriations revenues	\$ 574,445	\$ 574,445	\$ 571,372	\$ (3,073)	\$ (3,073)
Total revenues	574,445	574,445	571,372	(3,073)	(3,073)
Expenditures and Encumbrances:					
Administration	12,401	12,401	12,401	-	-
Development Oversight	562,044	562,044	558,929	3,115	3,115
Total expenditures and encumbrances	574,445	574,445	571,330	3,115	3,115
Excess (deficiency) of revenues over expenditures	-	-	42	42	42
Effect of change in encumbrances	-	-	(3,263)	-	-
Effect of change in accounts payable	-	-	3,221	-	-
Excess (deficiency) of revenues over expenditures (GAAP)	\$ -	\$ -	\$ -	\$ 42	\$ 42

CITY OF BALTIMORE
Department of Planning

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	<i>Variance with Original Budget Positive (Negative)</i>	<i>Variance with Original Budget Positive (Negative)</i>
Revenues:					
Appropriations revenues	\$ 189	\$ 189	\$ (8,894)	\$ (9,083)	\$ (9,083)
Total revenues	189	189	(8,894)	(9,083)	(9,083)
Expenditures and Encumbrances:					
Development Oversight and Project Support	189	189	(8,293)	8,482	8,482
Total expenditures and encumbrances	189	189	(8,293)	8,482	8,482
Excess (deficiency) of revenues over expenditures	-	-	(601)	(601)	(601)
Effect of change in encumbrances	-	-	573	-	-
Effect of change in accounts payable	-	-	28	-	-
Excess (deficiency) of revenues over expenditures (GAAP)	\$ -	\$ -	\$ -	\$ (601)	\$ (601)

**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 of the City of Baltimore, Maryland, Department of Planning as of and for the years ended June 30, 2011 through June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated November 4, 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 Planning 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 Planning'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 Planning's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department of Planning'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
November 4, 2016