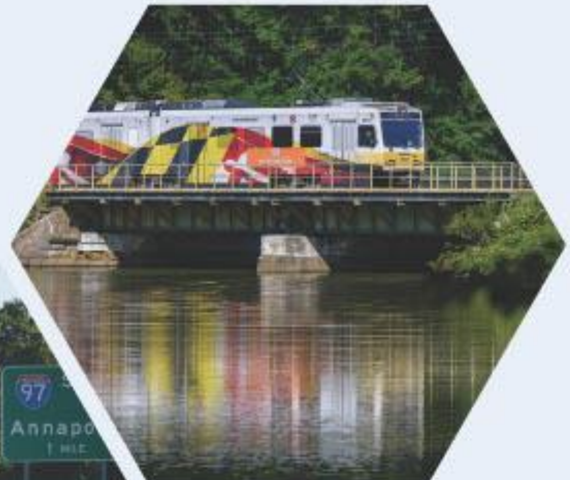
MARYLAND DEPARTMENT OF TRANSPORTATION

Annual Comprehensive Financial Report



FOR THE
FISCAL YEAR
ENDED JUNE 30
2024

Wes Moore, *Governor*
Aruna Miller, *Lt. Governor*
Paul J. Wiedefeld, *Secretary*

MARYLAND DEPARTMENT OF TRANSPORTATION

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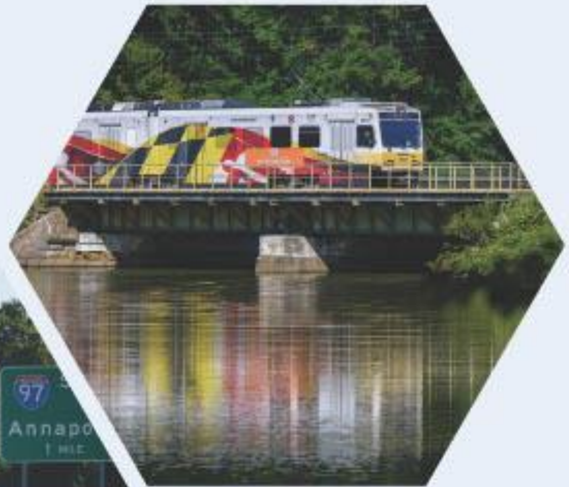




FOR THE
FISCAL YEAR
ENDED JUNE 30

2024

**Prepared by
the Office of Finance
Chief Financial Officer
Octavia Robinson**

MARYLAND DEPARTMENT OF TRANSPORTATION

Our Mission

The Maryland Department of Transportation is a customer-driven leader that delivers safe, sustainable, intelligent, exceptional and inclusive transportation solutions in order to connect our customers to life's opportunities.

Our Goals

The Maryland Department of Transportation maintains six goals that support the achievement of the Department's mission. These goals help guide the Department in tackling the State's biggest transportation challenges over the next 20 years.

- **Safety and Security:** Enhance the safety of the transportation system.
- **System Preservation:** Preserve and maintain the State's existing transportation infrastructure and assets.
- **Quality of Service:** Maintain and enhance the quality of the service experienced by users of Maryland's transportation system.
- **Environmental Stewardship:** Ensure the delivery of the State's transportation infrastructure program conserves and enhances Maryland's natural, historic, and cultural resources.
- **Community Vitality:** Provide options for the movement of people and goods that support communities and quality of life.
- **Economic Prosperity:** Support a healthy and competitive Maryland economy.

MARYLAND DEPARTMENT OF TRANSPORTATION
A Department of the State of Maryland
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Introductory Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION

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Wes Moore
Governor

Aruna Miller
Lieutenant Governor

Paul J. Wiedefeld
Secretary

December 31, 2024

Mr. Paul J. Wiedefeld
Secretary
Maryland Department of Transportation
7201 Corporate Center Drive
Hanover MD 21076

Dear Secretary Wiedefeld:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Maryland Department of Transportation (Department) for the fiscal year ended June 30, 2024, which includes the financial statements of the Department. The data is reported in a manner designed to present fairly the financial position and changes in financial position of the Department. All disclosures necessary to enable the reader to gain a maximum understanding of the Department's financial affairs have been included. This ACFR is a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Department. Consequently, management assumes full responsibility for the completeness and reliability of all information presented within this report. To provide a reasonable basis for making these representations, the Department's management has established internal controls designed to protect the Department's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Department's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the Department's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert to the best of our knowledge and belief that this financial report is complete and reliable in all material respects.

The Department, in conjunction with the State of Maryland (State), requires an audit of the Department's basic financial statements by a firm of licensed certified public accountants. The Department has complied with this requirement, and the independent audit report of CliftonLarsonAllen, LLC is presented on page 27 of this report. The goal of the independent audit is to provide reasonable assurance that the Department's financial statements for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; evaluating the key internal controls; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Department's basic financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP.

The independent audit of the Department's basic financial statements is part of a broader audit of the State of Maryland's financial statements. Additionally, the Department is included in the State's federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The State's ACFR and Single Audit can be obtained from the Comptroller of Maryland and is available at https://www.marylandtaxes.gov/reports/index.php.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Department's MD&A can be found starting on page 30 of this report.

Profile of the Maryland Department of Transportation

The Department has responsibility for most State-owned transportation facilities and programs in Maryland. This responsibility includes the planning, financing, construction, operation, and maintenance of various modes of transportation as well as various related licensing and administrative functions. The Department includes the Secretary's Office (TSO), which provides overall policy direction, guidance, and support to five modal administrations and one authority: the Maryland Aviation Administration (MAA), theMaryland Port Administration (MPA), the Maryland Transit Administration (MTA), the Motor VehicleAdministration (MVA), the State Highway Administration (SHA), and the Maryland Transportation Authority (MDTA). In addition, Maryland's share of funding for the Washington Metropolitan Area Transit Authority (WMATA) is paid through the Department. MDTA and WMATA are separate entitieswith separate fiscal operations and management and are not financially accountable to the Department. Both entities are excluded from the Department's financial statements (other than money paid by the Department to these entities) and produce their own financial statements.

The Department brings together all of the State's modes of transportation into one organization that allows modal administrations to work together seamlessly and leverage one another's strengths. This unified approach provides the State with the ability to develop coordinated and balanced multi-modal solutions totransportation across the State. The Department embraces one unified mission statement across all modal administrations that serves as the guiding light for all of the Department's operations and interactions withits customers.

MARYLAND DEPARTMENT OF TRANSPORTATION

MISSION STATEMENT
The Maryland Department of Transportation is a customer-driven leader that delivers safe, sustainable, intelligent, exceptional, and inclusive transportation solutions in order to connect our customers to life's opportunities.

Maryland Aviation Administration

The MAA fosters the vitality of aviation statewide and promotes safe and efficient operations, economic viability, and environmental stewardship. The State of Maryland owns, and MAA operates the Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) and Martin State Airport and supports public-use airports across the State of Maryland. BWI Marshall Airport averaged 282 daily departures, with 19 airlines serving 94 nonstop destinations throughout the year. The airport served 27.0 million passengers in fiscal year 2024. Southwest Airlines was the busiest carrier at BWI Marshall Airport, serving about 70% of the airport's passenger traffic, and BWI Marshall Airport was the fourth busiest airport in Southwest's network during that time.

Busiest domestic routes from BWI (September 2023 – August 2024)[113]

Rank	City	Passengers	Carriers
1	Atlanta, Georgia	907,810	Delta, Southwest, Spirit, Frontier
2	Orlando, Florida	758,750	Frontier, Southwest, Spirit
3	Fort Lauderdale, Florida	500,430	Southwest, Spirit
4	Denver, Colorado	473,740	Frontier, Southwest, United
5	Boston, Massachusetts	454,610	Delta, Southwest
6	Charlotte, North Carolina	425,730	American, Southwest
7	Tampa, Florida	399,720	Southwest, Spirit
8	Miami, Florida	329,770	American, Frontier, Southwest, Spirit
9	Chicago–O'Hare, Illinois	298,720	American, Southwest, United
10	Las Vegas, Nevada	293,210	Southwest, Spirit

"Baltimore, MD: Baltimore/Washington International Thurgood Marshall (BWI)". *Bureau of Transportation Statistics*. Research and Innovative Technology Administration. Retrieved March 26, 2024.

Maryland Port Administration

The Helen Delich Bentley Port of Baltimore in its 2024 fiscal year handled 11.7 million tons of cargo. The Port of Baltimore ranks No. 9 nationwide for foreign cargo handled ($80.8billion) and is the top-ranked U.S. port for autos / light trucks, roll -on, roll-off heavy equipment, sugar, and gypsum import volumes. It is responsible for $5.3 billion in wages and salaries and 20,200 direct jobs.

Maryland Transit Administration

The MTA is one of the largest multi-modal transit systems in the United States with a goal to provide safe, efficient, and reliable transit across Maryland with world-class customer service. The MTA operates local and commuter buses, Light RailLink, Metro SubwayLink, Maryland Area Regional Commuter (MARC) train service, and a comprehensive paratransit (MobilityLink) system. The MTA also manages the Taxi Access system and directs funding and statewide assistance to locally operated transit systems in each of Maryland's 23 counties, Annapolis, Baltimore City, and Ocean City. The MTA's system has consistently been ranked as the safest transit system out of the top 12 U.S. transit agencies.

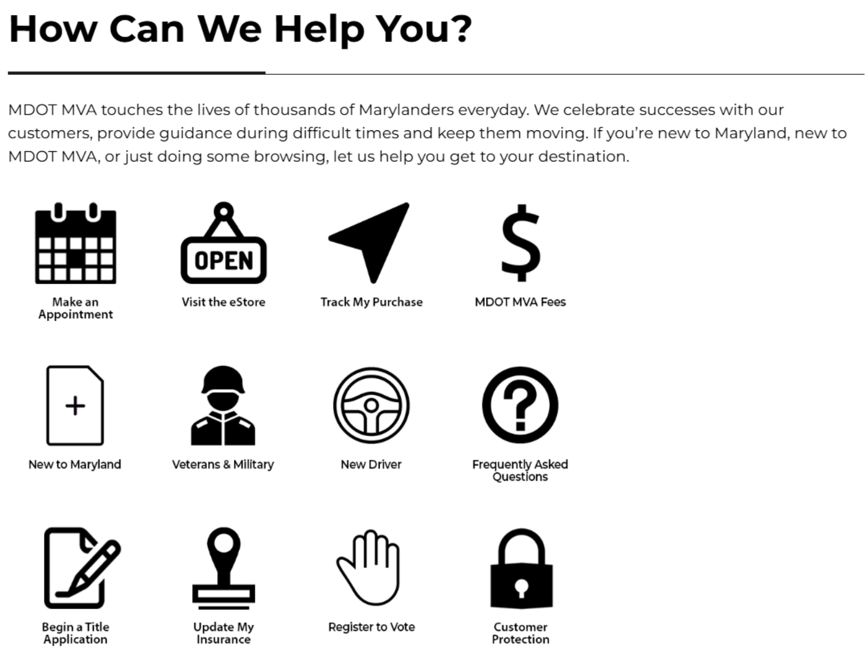
Motor Vehicle Administration

The MVA delivers exceptional customer service to Maryland residents through 24 branch offices and 18 vehicle emissions inspection stations strategically located across the State. In fiscal year 2024, the MVA successfully completed 11.5 million transactions and generated $1.896 billion in gross revenue.

Committed to providing premier customer service, the MVA continues to expand its Alternative Service Delivery (ASD) options, offering secure and convenient solutions that reduce branch office wait times. In fiscal year 2024, approximately 80% of transactions were completed through ASD channels, including mail-in services, online platforms, and self-service kiosks. Marylanders have embraced these innovative offerings, with nearly 290,000 downloads of mobile driver's licenses/IDs and over 2 million active myMVA online users.

Additionally, the MVA houses the Maryland Highway Safety Office (MHSO), which plays a critical role in promoting traffic safety across the State. The MHSO conducts vital educational outreach, allocates federal funding to local law enforcement agencies, and implements initiatives aimed at reducing traffic fatalities through its comprehensive Strategic Highway Safety Plan.

Some of the on-line services available on the MVA website:



State Highway Administration

The SHA operates, maintains, and rebuilds the major highways (numbered, non-toll routes) in Maryland's 23 counties, including more than 17,000 lane-miles and 2,572 bridges. The Department's Coordinated Highways Action Response Team (CHART) continuously monitors traffic and provides emergency patrols that assist with incident responses, disabled vehicles, and traffic management operations for special and weather-related events. In calendar year 2022, CHART drivers responded to 63,474 incidents and disabled vehicles on the road. Their efforts saved motorists $2.0 billion in user costs through fuel savings and crash reductions and helped reduce delays by 40.9 million vehicle-hours. Construction projects at SHA sustain thousands of jobs in the highway industry for contractors, suppliers, engineering firms and small and minority businesses. The State highway system supports Marylanders' quality of life by connecting communities, schools, recreation, worship, and the world through BWI Marshall Airport and the Port of Baltimore.

Maryland Transportation Authority

The MDTA owns and operates Maryland's eight toll facilities, which includes four bridges, two tunnels, and two turnpikes across the State. The MDTA Board consists of eight members who are appointed by the Governor with the advice and consent of the Maryland Senate. The Secretary of Transportation presides as MDTA's Chairman. The MDTA acts on behalf of, but is separate from, the Department. The MDTA is solely funded through toll revenues and does not receive funding from the Department. The MDTA prepares a separate ACFR, available at http://mdta.maryland.gov/About/Finances/Financial_Statements_and_Annual_Reports.html.

Washington Metropolitan Area Transit Authority

WMATA operates the second busiest rail system and the sixth busiest bus network in the United States. It is an interstate compact agency that was created in 1967 as an instrumentality of the State of Maryland, the Commonwealth of Virginia, and the District of Columbia. WMATA is governed by an eight-member board, composed of two members each from Maryland, Virginia, D.C, and the federal government. The Secretary of Transportation, or the Secretary's designee, serves as one of Maryland's representatives on the WMATA board. In accordance with State law, Maryland's share of WMATA's operating and capital expenses are paid as a grant from the Department's Transportation Trust Fund (TTF). Services include a Metrorail network of 6 lines, 98 stations, and 128 miles of track; a Metrobus system covering more than 11,000 stops across 1,500 square miles in Maryland, Virginia, and Washington D.C.; and the MetroAccess paratransit system. WMATA is a wholly separate entity from the Department and prepares a separate ACFR, available at https://www.wmatabonds.com/wmata-bonds-dc/financial-documents/i2812.

Transportation Trust Fund

The TTF was established in 1971 as a nonlapsing special fund to establish a dedicated fund to support the Department. The use of this integrated trust fund approach allows Maryland tremendous flexibility to meet varying transportation service and infrastructure needs. The continuing commitment to these needs has provided Maryland with the excellent infrastructure system necessary to support the economic growth of the State. All funds dedicated to the Department are deposited in the TTF, including motor fuel taxes, vehicle excise (titling) taxes, motor vehicle fees (registrations, licenses, and other fees), a portion of the State's corporate income taxes, a portion of the State's sales and use tax on rental vehicles, operating revenues (e.g., transit fares, port fees, airport fees), federal aid, and bond proceeds. All activities of the Department are supported by the TTF, including debt service, maintenance, operations, administration, and capital projects. Unexpended funds at the close of each fiscal year remain in the TTF and do not revert to the State's General Fund.

Funds in the TTF are dedicated to transportation. In 2014, a Constitutional amendment was overwhelmingly approved by Maryland voters that limits the use of the TTF to debt service on transportation bonds and for constructing and maintaining the State's transportation system. Except for transfers for local transportation aid or to the MDTA, funds from the TTF may not be transferred to the State's General Fund or any other fund unless the Governor declares a fiscal emergency and the General Assembly approves legislation by a three-fifths vote of both chambers concurring with the use or transfer of funds. In addition, State law requires any funds diverted or transferred be repaid within five years.

State law requires that certain transportation revenues be shared with the counties and municipalities across the State as a capital grant once all of the Department's debt service obligations and operating expenses are paid. The amount of funding for local transportation aid is established in State law through a formula based on certain percentages of certain revenues less certain statutory deductions. In fiscal year 2024, 15.4% of designated revenues less statutory deductions were distributed as local transportation aid capital grants.

Accounting records for the TTF are maintained by the Comptroller of Maryland, and all cash and investments of the TTF are held by the State Treasurer, except for revolving cash accounts. Accounts maintained by the Department on a budgetary basis generally conform to GAAP, but there are certain departures from these principles, primarily for the exclusion of non-budgeted activities and classification of fund-type, that are dictated by statutory requirements and historical practices.

Long-Term Planning

The Department's strategic approach is presented through the annual State Report on Transportation, which is comprised of three documents: (1) the Maryland Transportation Plan, which outlines the Department's 20-year vision for the transportation system; (2) the Consolidated Transportation Program (CTP), which outlines the Department's six-year plan for transportation capital projects; and (3) the Annual Attainment Report on Transportation System Performance, which evaluates and reports the performance of Maryland's transportation system compared to the goals established in the Maryland Transportation Plan. These documents are available at https://mdot.maryland.gov/tso/Pages/Index.aspx?PageId=27.

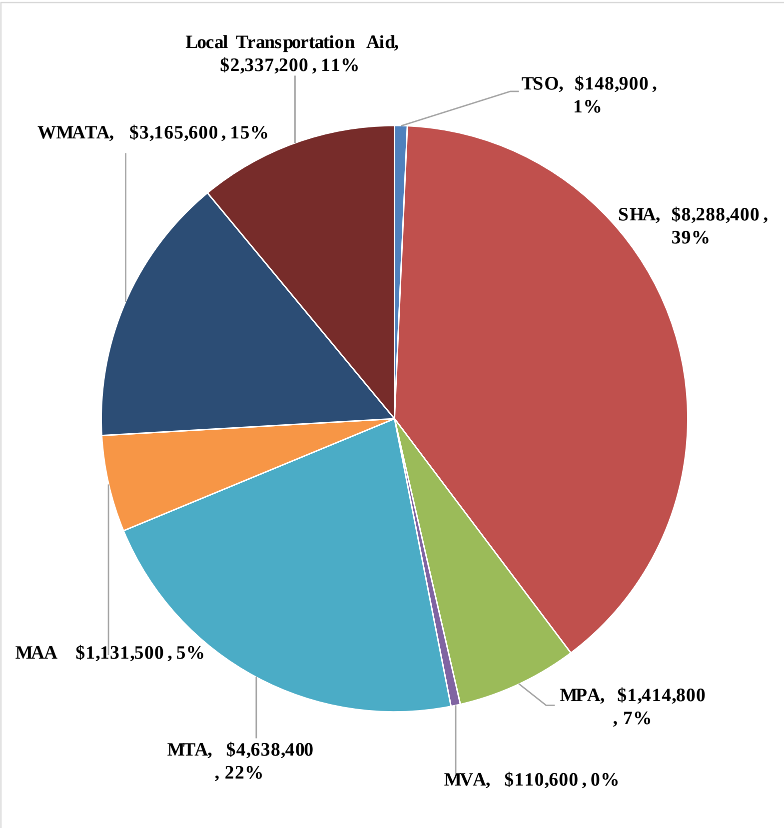
The Maryland Transportation Plan and the performance measures reported in the Annual Attainment Report are based on the 2050 Maryland Transportation Plan Goals (listed below) that were last updated in January 2024. These documents are updated every five years following extensive outreach efforts and collaboration with the public, local jurisdictions, and State agencies to ensure they reflect the needsand priorities of Marylanders. The CTP and Annual Attainment Report are updated on an annual basis.

2050 Maryland Transportation Plan Goals

- ✓ Enhance Safety and Security
- ✓ Deliver System Quality
- ✓ Serve Communities and Support the Economy
- ✓ Promote Environmental Stewardship

The Department publishes the draft CTP in September of each year and the final CTP in January of the next calendar year. The Department's draft CTP for fiscal years 2025-2030 includes projects totaling $18.9 billion for the Department's multi-modal transportation network during the next six years. Funding for the draft CTP includes $9.8 billion in State funds (revenues and bond proceeds of theDepartment), $6.8 billion in federal funds, and $2.3 billion in other funds. Other funds include other funding sources not received through the TTF, such as passenger facility charges and customer facility charges at BWI Marshall Airport, the proceeds of Special Transportation Project Revenue Bonds, capital funding received from the State, and federal funds received directly by WMATA.

FY 2025-2030 Draft Consolidated Transportation Program
Spending by Modal Administration
($ in thousands)



MAA: MD Aviation Administration
MPA: MD Port Administration
MTA: MD Transit Administration
MVA: Motor Vehicle Administration
SHA: State Highway Administration
TSO: The Secretary's Office
WMATA: Wash. Metro. Area Transit Authority

Total 6-year capital program
$21.2 billion

Relevant Financial Policies

The Department's annual budget serves as the foundation for its financial planning and control. The Maryland Constitution requires the Governor to submit, and the General Assembly to adopt, a balanced budget containing a complete plan of proposed expenditures and estimated revenues for the ensuing fiscal year, including the Department. The General Assembly may not amend the budget to affect payment of State debt or otherwise to change its provisions, except to increase or decrease the appropriations relating to the General Assembly or the Judiciary, or to delete or reduce other appropriations submitted by the Governor. On November 3, 2020, Maryland voters approved a legislatively referred constitutional amendment that, beginning with the fiscal year 2024 budget, allows the General Assembly to increase, decrease, or add items to the State budget if such measures do not exceed the total proposal submitted by the Governor.

The Department's expenditures are made in accordance with appropriations provided for in the annual budget bill. The legal level of budgetary control is at the program level by fund type. The Department may, with the Governor's approval, transfer funds from one project or business unit to another or increase or decrease the amount of the appropriation to the extent that actual revenues exceed budget estimates and sufficient revenues are available. All budget amendments approved by the Governor are required to be reported to the next session of the General Assembly. Unexpended appropriations may be carried to the following year to the extent of available resources and encumbrances. A schedule showing budget and actual expenditures is presented as required supplementary information on page 101 of this report.

The Department publishes its six-year financial plan at least twice per year in conjunction with the publication of the draft CTP and the final CTP to demonstrate the affordability of the capital program. For internal planning purposes, additional financial plans are developed throughout the year to reflect year-to-date revenue attainment and spending, alternative planning horizons, or sensitivity testing. The financial plan accounts for all the Department's revenues, planned expenses, debt service, and the issuance of bonds to help fund the capital program. Revenue forecasts are based on historical attainment, econometric modeling, independent forecasts of certain variables, and a consensus process with the State's Board of Revenue Estimates and legislative staff.

The Department issues Consolidated Transportation Bonds to help fund its capital program. The Department maintains strong credit ratings of AAA from Standard and Poor's, Aa1 by Moody's, and AA+ by Fitch Ratings. These ratings are in part based on strong debt oversight by both the Department and the State. State debt oversight includes the Capital Debt Affordability Committee, composed of the State Treasurer, the State Comptroller, the Secretary of the Department of Budget and Management, the Secretary of Transportation, and one member of the public appointed by the Governor. The Committee annually reviews all tax-supported debt, including the Department's tax-supported debt, to ensure affordability. New issuances of tax-supported debt must be authorized by the Board of Public Works, which is composed of the Governor, the State Treasurer, and the State Comptroller, and must mature within 15 years.

State law and the Department's debt practices limit Consolidated Transportation Bonds issuances with three criteria: a debt outstanding limit and two coverage tests. State law establishes a maximum debt outstanding limit for Consolidated Transportation Bonds of $4.50 billion and requires the Maryland General Assembly to establish an annual debt limit in the budget bill. For fiscal year 2024, the annual debt outstanding limit was $3.115 billion, and the debt outstanding was $3.30 billion as of June 30, 2023.

Two bond coverage tests are established in the Department's bond resolutions and require that annual pledged taxes and net income from the prior year each equal at least 2.0 times the maximum level of future debt service payments on all Consolidated Transportation Bonds debt outstanding and expected to be issued. The Department maintains a management practice that requires minimum coverage of 2.5 times maximum future debt service. The net income coverage test is the ratio of all prior year's income (excluding federal capital, bond proceeds, and third-party reimbursements) minus prior year operating expenses, debt service payments, and deductions for certain non-transportation agencies to maximum future annual debt service. The pledged taxes coverage test measures annual net revenues from vehicle excise, motor fuel, rental car sales tax, and corporation income taxes (excluding refunds and all statutory deductions) as a ratio of maximum future annual debt service. If either of these coverage ratios falls below the 2.0 times level, the Department is prohibited under its bond covenants from issuing additional debt until the ratios are once again at the minimum 2.0 times level. In fiscal year 2024, the ratio of pledged taxes was 6.21 and the ratio of net income was 4.24.

The Department also has the authority to issue Special Transportation Project Revenue Bonds, which are bonds backed by project-specific revenues. The Department issued BWI Marshall Airport Special Transportation Project Revenue Bonds in fiscal years 2021 and 2022 to refund certain previously outstanding intergovernmental financing agreements and to provide funding for BWI Marshall Airport's Concourse A/B Connector and Baggage Handling System Improvement project. The bonds will be repaid from airport revenues, excluding passenger facility charges and customer facility charges.

Major Initiatives

The Maryland Department of Transportation (MDOT) is a customer-focused leader committed to delivering safe, sustainable, innovative, and inclusive transportation solutions. MDOT's mission centers on connecting customers to life's opportunities through an integrated and comprehensive approach. By prioritizing safety and security, MDOT ensures a resilient and reliable transportation system. With a strong focus on fiscal responsibility, the Department allocates resources wisely to enhance transportation choices and connections. This holistic approach reflects MDOT's dedication to meeting the diverse and evolving needs of Maryland's residents and businesses.

Celebration for the arrival of the first Purple Line light rail vehicle. Each vehicle is 142-feet long, currently the longest of its kind in the United States.

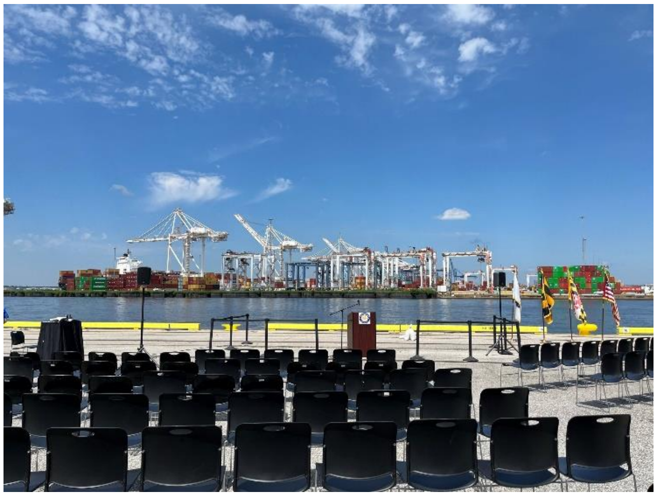
Port of Baltimore

As one of the nation's leading ports, the Port of Baltimore ranks first for volume in autos, roll-on/roll-off machinery, and key imports, while generating significant economic impact. The Port supports over 15,300 direct jobs, with nearly 140,000 jobs tied to its activities, contributing $3.3 billion in wages, $2.6 billion in business revenue, and $395 million in state and local tax revenues annually. For the 15th consecutive year, the Helen Delich Bentley Port of Baltimore has received top marks from the U.S. Coast Guard for the security of its six state-owned marine terminals managed by the Maryland Port Administration (MPA). The MPA remains steadfast in prioritizing safety, security, and economic vitality at Maryland's premier gateway to global commerce.

MDOT's Solar Program aims to deliver 100 MW of solar capacity across MDOT's transportation modes to meet climate goals. The Hawkins Point initiative can create alternative energy solutions and supports the Climate Solutions Now Act for decarbonization while potentially reducing utility costs and generating renewable energy credits.

The launch of double-stacked rail operations at the Helen Delich Bentley Port of Baltimore marks a transformative milestone for Maryland's freight and logistics capabilities. This achievement, part of the Howard Street Tunnel Project, enhances the Port's competitiveness by enabling efficient intermodal rail service to the Northeast and Midwest markets. The project is expected to generate 13,000 new jobs, expand the Port's capacity by 160,000 containers annually, and deliver environmental and cost-saving benefits. Key partners, including CSX, Ports America Chesapeake, and local officials, collaborated to achieve this milestone, supported by federal investments through the Bipartisan Infrastructure Law. The CSX-owned Howard Street Tunnel Project will allow for the Port of Baltimore to accommodate double-stacked container rail cars, clearing a longtime hurdle for the Port and giving the East Coast seamless double-stack capacity from Maine to Florida. Temporary double-stacked rail routes are already operational, with full project completion anticipated in 2026.

This modernization effort, which involves reconstructing the 129-year-old Howard Street Tunnel and increasing vertical clearance at 21 locations, positions the Port of Baltimore as a critical hub for seamless



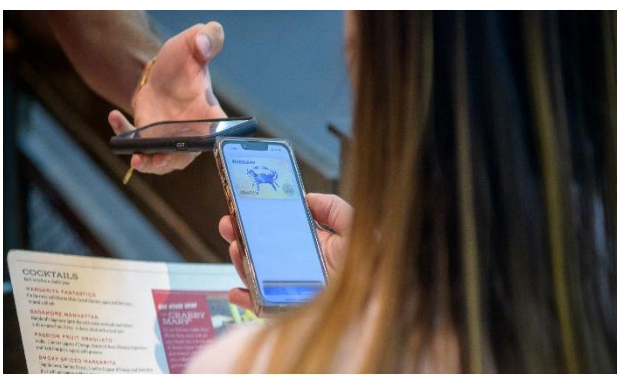
Port of Baltimore press conference to welcome the community back to the reinvigorated port after the channel was cleared and ready for work.

East Coast freight movement. Leaders, including Maryland's Governor, highlighted the project's role in boosting the local economy, creating pathways to jobs, and solidifying the Port's standing as a national leader. Coupled with ongoing enhancements at the Seagirt Marine Terminal, the double-stack capabilities reinforce Baltimore's role as a key driver of economic growth and supply chain efficiency for the region and beyond.

Motor Vehicle Administration

In fiscal year 2024, MVA continues to advance transformative initiatives, reaffirming its unwavering commitment to elevating service standards, enhancing accessibility, and prioritizing safety for the residents of Maryland.

MVA announced the launch of Maryland Mobile ID in Samsung Wallet, making Maryland the second state in the nation to offer digital licenses and IDs in this platform. This new feature allows Marylanders to securely verify their identity at select Transportation Security Administration (TSA) airport PreCheck checkpoints, including Baltimore/Washington International Thurgood Marshall Airport and Ronald Reagan Washington National Airport. Maryland Mobile ID in Samsung Wallet complements the existing digital ID options available in Apple Wallet and Google Wallet, continuing MDOT MVA's commitment to providing secure, innovative, and inclusive identity solutions.



Age Verification when you order in just a few quick steps using Maryland Motor Vehicle Administration's Mobile ID Check by MD.

Since the introduction of digital driver's licenses in 2022, over 200,000 Marylanders have added their IDs to mobile wallets. Maryland Mobile ID is designed as a companion to physical IDs, prioritizing safety and customer privacy through advanced hardware and software security measures in Samsung Wallet. This achievement highlights MDOT MVA's leadership in integrating technology while maintaining the highest standards of security and convenience for Maryland residents.

MVA now offers the Commercial Driver's License (CDL) knowledge test in Spanish, joining over 20 states in expanding accessibility for diverse populations. The Spanish-language test aligns with federal guidelines and aims to reduce barriers to obtaining a CDL, supporting critical transportation needs and improving roadway safety. However, the skills test and pre-trip inspection remain in English to ensure applicants can follow examiner instructions.

This initiative addresses income disparities by making CDL licenses more accessible, which can lead to living wages and help fill critical shortages, such as school bus drivers. The MVA is also modernizing services for CDL applicants, including offering online tools, extending license validity to eight years, and simplifying medical certificate submissions. With over 114,000 valid CDLs in Maryland as of May

2024, these enhancements aim to support Maryland’s workforce and transportation infrastructure.

Additionally, MVA has expanded the learner’s permit knowledge test to include nine additional languages, bringing the total to 17. New languages include American Sign Language (ASL), Amharic, Portuguese, Russian, and Tagalog, selected using U.S. Census data. The ASL version uses video translation on the digital exam. This initiative reflects the commitment to inclusivity and accessibility for Maryland’s diverse communities.

Maryland has surpassed 100,000 electric vehicle (EV) registrations, marking significant progress in EV adoption under the Moore-Miller Administration. Registrations have risen over 59% since January 2023, with approximately 2,500 new EVs added monthly, reflecting the state’s leadership in transitioning to zero-emission vehicles. Maryland is prioritizing efforts to expand EV infrastructure, particularly in underserved communities, through programs like the National Electric Vehicle Infrastructure (NEVI) initiative. Incentives such as state excise tax credits, federal tax credits, and rebates for charging equipment are encouraging broader adoption among Marylanders.

Maryland’s commitment to clean transportation is bolstered by the Advanced Clean Cars II rule, which aims to achieve 100% EV sales for passenger cars and light trucks by 2035. This initiative will significantly reduce harmful emissions and provide annual health benefits valued at $603.5 million. State officials emphasize that collaborative efforts between government, industry, and consumers, combined with innovation and expanded charging infrastructure, are key to achieving these goals and combating climate change.

BWI Marshall Airport

BWI Marshall Airport set new passenger traffic records in fiscal year 2024, logging over 27 million passengers for the year and achieving an all-time monthly high of 2,603,847 in June. This marks an 11% increase compared to the same period in the previous fiscal year. These milestones highlight the airport’s role as a critical hub for both domestic and international travel in the National Capital region. Additionally, BWI set a new record for international passenger traffic in fiscal year 2024, with 1,365,847 passengers — a 2.58% increase over its previous peak in 2018. New international carriers, including Copa Airlines, Icelandair, and PLAY, have expanded service at BWI Marshall, along with Southwest Airlines' new flights to Belize and BermudAir’s recent launch of service to Bermuda.

BWI Thurgood Marshall Airport (BWI) is the busiest Southwest Airlines station on the East Coast.

The airport generates a significant economic impact of $11.3 billion annually, supporting over 107,000 jobs across Maryland and the surrounding region. With approximately 300 daily nonstop flights to over 80 destinations, BWI Marshall remains the busiest airport in the area. The airport is recognized for its contributions to Maryland’s competitiveness, citing its influence on tourism, business attraction, economic growth, and job creation.

BWI Marshall is undertaking several transformative capital projects to enhance passenger experience and infrastructure. These include the Concourse A/B Connector and Baggage Handling System, the largest capital project in the airport's history. Upgrades will include expanded seating, new restrooms, additional food and retail options, and a sophisticated baggage system to support airline partners and accommodate growing travel demand.

Southwest Airlines and BWI are collaborating on the construction of a $135 million aircraft maintenance facility on a 27-acre site. The Southwest Airlines BWI New Tech Operations Hangar East will feature a 129,000-square-foot maintenance hangar, designed to accommodate up to three Boeing 737 aircraft inside, with apron space for up to eight jets. The project will also include a fire pump building, a 300,000-gallon water storage tank, and a wastewater containment storage canopy. This state-of-the-art facility will provide essential office and workshop spaces to support maintenance operations. Once completed, it will be Southwest Airlines' first maintenance facility in the northeastern U.S., strengthening the airline's presence in the region and improving operational efficiency.

Argo, a hard working Transportation Security Administration explosives canine at BWI Airport

A/B Connector and Baggage Handling System Improvement project is a key initiative that reinforces BWI Marshall's position as a premier airport is the. This major upgrade involves the installation of an advanced baggage handling system, a direct link between concourses A and B, expanded holdroom areas, renovated restrooms, and additional space for food and retail concessions. These improvements are designed to enhance the passenger experience and support the airport's largest airline partner, Southwest Airlines, which handles approximately 70% of BWI Marshall's passenger traffic. The multi-year construction project represents the most extensive terminal enhancement in the airport's history, with a projected completion date of 2026.

Cintas Corporation has named Baltimore/Washington International Thurgood Marshall Airport the winner of the 2023 America's Best Restroom® contest. The newly constructed restrooms at BWI Thurgood Marshall Airport maximize occupant capacity while enhancing the overall passenger experience. The entrance welcomes travelers with an aesthetic mural and seating area while they wait for their companions. The new restrooms feature bright, spacious, fully enclosed stalls for privacy, touchless fixtures and individual lactation, adult changing and family assist rooms. Each restroom features a state-of-the-art smart restroom system that integrates with color-changing, LED stall occupancy lights and digital signage at the restroom entrances showing current availability. The smart restroom system also provides real-time inventory tracking and usage counts for custodial services.

Transit

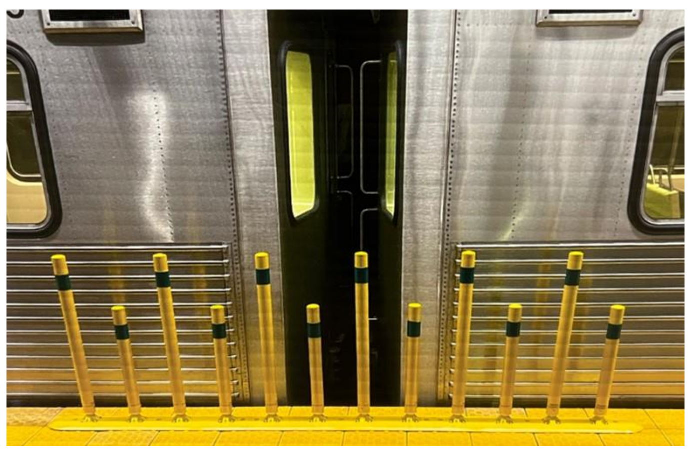
Although MTA has not yet fully recovered from the impact of COVID-19, the agency remains deeply committed to providing reliable and essential transit services to Maryland residents. During the height of the pandemic in spring 2020, ridership across all MTA modes saw significant declines, ranging from 60% to 95%, as widespread stay-at-home orders and shifts to remote work and learning led to reduced travel. As ridership gradually returns, MTA remains focused on serving riders while acknowledging that it may take several years to fully recover to pre-pandemic levels, with core bus and MobilityLink

A Light Rail train en route to Hunt Valley, providing reliable transit that connects communities and commuters across the region.

ridership expected to rebound more quickly than MARC and commuter bus services. MTA is one of the largest multi-modal transit systems in the United States, and operates Local Bus, Commuter Bus, Light Rail, Metro Subway, MARC Train Service and a comprehensive Mobility paratransit system. The goal of the Maryland Transit Administration is to provide safe, efficient and reliable transit across Maryland with world-class customer service.

As of fiscal year 2024, MTA has introduced CharmPass mobile transit fare payments for Mobility riders, offering enhanced convenience, security, and ease of use. Prior to this, Mobility riders relied on ticket books or cash payments. With the free CharmPass app, riders can now pay fares directly from their smartphones using a credit card, debit card, or PayPal, and store tickets for use even in areas with limited cellphone or Wi-Fi coverage. The app also tracks payments, making it easy to replace lost fare value. MTA operates one of the largest multi-modal transit systems in the U.S. and aims to deliver safe, efficient, and reliable transit services across Maryland.

In collaboration with organizations such as the National Federation for the Blind and Blind Industries and Services of Maryland MTA installed safety bollards at all 14 Metro Subway stations from Owings Mills to Johns Hopkins. These bright yellow bollards are designed to prevent passengers, particularly those with visual impairments, from stepping off the platform between railcars by acting as physical barriers in front of the gaps. This initiative, in response to a new federal safety requirement, reflects MTA's commitment to providing safe and accessible transit services. The program was developed.



ADA-Compliant Platform Barrier Installation Enhances Safety for All Riders

The Maryland Transit Administration (MTA) has received $213.7 million in grant funding from the U.S. Department of Transportation’s Federal Transit Administration’s Rail Vehicle Replacement program to replace all 52 aging Light Rail vehicles in its fleet with modern, low-floor cars. The grant, made possible by the Infrastructure Investment and Jobs Act, is complemented by $90 million in state matching funds and $127.6 million in federal formula funds. This project, a high priority in MTA’s Capital Needs Inventory, will improve accessibility, safety, and performance on the Light Rail system, which serves more than 13,000 daily riders. New trains will reduce wait times, improve reliability, and enhance comfort while lowering maintenance costs and improving service performance.

The Light Rail vehicle replacement project is part of MTA’s efforts to modernize its fleet and improve the quality of transit service in the Baltimore region. The new, low-floor vehicles will eliminate barriers for individuals with mobility challenges, including those using wheelchairs or strollers. The project is expected to enhance equity by benefiting riders in areas of persistent poverty and ensuring that the system remains safe and operational for decades to come.


A Baltimore bus navigating through downtown, offering convenient and efficient transit options for residents and visitors alike.

MTA and Purple Line Transit Partners are moving forward with the ambitious Purple Line project, announcing a strategic extension of the Revenue Service Availability deadline to Winter 2027. This extension allows the project team to address the complexities of construction in a dense, urban environment while continuing to make significant progress. With over 65% of the project completed, key milestones such as track laying, station construction, and preparations for the arrival of light rail vehicles have already been achieved.

The Purple Line's progress reflects a strong commitment to creating a transformative transit experience for the region. The project is expected to provide seamless east-west connections, reduce traffic congestion, and foster economic growth through revitalization and job creation. Additionally, $4 million in grants will support businesses impacted by construction, and a job training program will cultivate a diverse, qualified workforce. Once complete, the 16.2-mile light rail line will enhance mobility for residents, connect to major regional transit systems, and create lasting benefits for the communities it serves. enhanced bus stops, and improved bicycle facilities along Baltimore's vital North Avenue, supporting economic revitalization.

MTA has received a $1.276 million federal grant from the U.S. Department of Transportation's SMART program to install and test new cloud-based transit signal priority (TSP) technology at 90 intersections across four high-frequency bus routes in Baltimore City. This technology enhances bus service reliability by reducing wait times at traffic signals, either extending green lights or shortening red lights. The cloud-based system, which improves on the existing GPS-based TSP technology, promises to reduce maintenance and operational costs while providing a more efficient and reliable service. The project will improve commute times for riders along key bus routes connecting neighborhoods in northern and central Baltimore.

The Maryland Board of Public Works has approved a $100 million, eight-year Program Management Consultant service contract for the Maryland Transit Administration (MTA) to support the Baltimore Red Line project. Awarded to Gannett Fleming, Inc., the contract will help advance preliminary engineering activities such as design, schedule development, and environmental reviews. Additionally, MTA has restarted the National Environmental Policy Act (NEPA) process to assess environmental impacts, with a Supplemental Environmental Impact Statement (SEIS) to be prepared to guide the project's development.

MTA has been honored as one of three recipients of the Federal Transit Administration's (FTA) Healthy Climate Challenge award, recognizing its commitment to sustainability and environmental stewardship. This acknowledgment highlights MTA's 2024 Climate Action Plan, which sets emissions reduction goals and outlines strategies for cleaner, more sustainable transit solutions. MTA has already implemented innovative technologies, including clean diesel and zero-emission buses, as part of its efforts. The award aligns with President Biden's goals to reduce greenhouse gases and promote clean energy, solidifying MTA's role as a leader in sustainable transit solutions.

State Highway System

(SHA) is committed to maintaining the state's infrastructure to ensure a safe, efficient, and accessible transportation network for all users. SHA's efforts are vital in connecting communities and facilitating mobility, allowing Maryland's residents to reach essential destinations such as homes, schools, workplaces, and recreational spaces. The administration is dedicated to implementing innovative transportation solutions that reduce congestion and drive economic growth. A well-maintained highway system supports a resilient economy, enhances safety, promotes the smooth flow of people and goods, and improves the overall quality of life for Maryland's citizens.

SHA is committed to being a leader in transportation asset management, meeting federal requirements, and maintaining a state of good repair for transportation systems. The MDOT SHA Asset Management Program focuses on 14 key asset classes and employs asset lifecycle management strategies to promote collaboration across planning, engineering, operations, maintenance, and finance. This approach optimizes performance, prioritizes investments with the highest impact and return, and ensures the right treatment for each asset at the right time. It also fosters an integrated asset management culture that considers social, environmental, and economic factors, driving innovation and continuous improvement to achieve long-term objectives.

The Maryland Department of Transportation State Highway Administration (SHA) is advancing the I-270 Innovative Congestion Management Project, which aims to improve safety and reduce travel time along I-270 from Frederick to I-495. As part of this project, SHA activated and tested a new ramp metering system in the Germantown area of Montgomery County in 2021, marking the first of 45 planned ramp locations. Ramp metering, a key component of the project, uses sensors to detect real-time traffic conditions and control traffic flow onto I-270 more efficiently. The system operates with flashing warning signs, followed by green signals that allow one car at a time to merge safely, reducing congestion.

The MD 650 corridor between MD 193 (University Boulevard) and Powder Mill Road is planned for safety improvements as part of the Maryland State Highway Administration's Pedestrian Safety Action Plan

SHA collects and utilizes data on Maryland's highways to inform planning and system operations, supporting a high-quality, reliable transportation system. As the state grows, SHA focuses on responsible planning and performance-driven decisions to enhance safety, mobility, and multi-modal options for people and goods. To ensure data-driven decisions, the agency is developing advanced computer models for various stages of project planning, using cutting-edge technology to generate accurate results. SHA's approach includes a multi-tiered modeling methodology to guide transportation decisions effectively.

In 2024, the SHA continued its commitment to enhancing Maryland's transportation network with several notable infrastructure projects. One key achievement was the significant progress was made on the US 1 project between College Avenue and MD 193, with final paving, the installation of a concrete median, bus bays, and traffic signal

MD 210 @ Palmer/Livingston Roads and Old Fort Road (North)

upgrades completed by mid-year. While several projects have been completed, others, such as the US 1 North Laurel to Elkridge project, are still under construction with work expected to extend into 2025.

SHA is dedicated to modernizing Maryland's transportation network through a range of projects, including bridge replacements, interchange upgrades, and safety improvements. These efforts are part of SHA's broader mission to maintain a strong and efficient transportation infrastructure that benefits both Maryland's residents and visitors.

Economic Outlook

Maryland's population is estimated at approximately 6.26 million, reflecting a modest increase from the previous year. Maryland boasts a strong economy, leading the nation in several key economic indicators, including the highest median household income at $108,200 and the lowest unemployment rate at 1.8%. The state also exhibits above-average productivity and has one of the lowest poverty rates in the U.S. at 8.6%, compared to the national rate of 11.5%.

Maryland closed the fiscal year ended June 30, 2024 with a fund balance of $1.06 billion in the General Fund. Of this amount $581 million was assigned by the 2024 General Assembly for fiscal year 2025 operations leaving an unassigned fund balance of $479 million.

Since the end of 2016, Maryland has lagged behind the U.S. and its neighboring states in key growth indicators such as GDP, employment, personal income, and real wages. The federal government plays a significant role in Maryland's economy, accounting for 5.7% of total state employment, compared to 1.9% nationally. Since the pandemic, federal government employment in Maryland has grown substantially, while private sector employment growth has remained stagnant. Over the course of FY 2024 economic and revenue growth continued to slow, largely due to the Federal Reserve's efforts to slow spending growth and reduce inflation. T

Despite the challenges, Maryland boasts a strong economy, leading the nation in key economic indicators such as the highest median household income of $108,200 and the lowest unemployment rate at 1.8%. The state is at the forefront of industries like vaccine development, medical technologies, quantum computing, and advanced military defense systems. Despite these strengths, Maryland's economy has been sluggish since 2016, with a slow recovery from the COVID-19 pandemic. Key challenges include a limited labor pool, decelerating population growth, and the high cost of housing.

Transportation Trust Fund

The TTF is credited with all transportation taxes and fees, federal transportation funds, and bond proceeds and it is the primary source of funding for transportation spending across the State. The

Department prepares financial plans for a six-year period that coincides with the six-year capital program. Revenue forecasting relies on the condition and outlook for the State as a whole, as well as the condition and outlook for each major revenue source. In September 2024, the Department published its six-year draft capital program totaling $18.9 billion. Total projected revenues for fiscal years 2025-2030 for the Department totaled $39.5 billion.

The following provides a summary of the major sources of revenue for the Transportation Trust Fund:

Motor Fuel Tax: As of July 1, 2024, the motor fuel tax rates are 46.1 cents per gallon for gasoline and 46.85 cents per gallon for diesel fuel. These rates include three components: a base rate of 23.5 and 24.25 cents per gallon for gasoline and diesel, respectively; an annual inflation adjustment based on the average percentage growth in the Consumer Price Index for All Urban Consumers, and a sales and tax use equivalent rate of 5% on the average retail price of gasoline. Modest growth is expected as vehicle miles traveled continue to recover from COVID-19 declines and inflation and gas prices remain high in the near-term. This revenue source is projected to provide $8.1 billion during the six-year period.

Motor Vehicle Titling Tax: The titling tax of 6% of the fair market value of motor vehicles, less an allowance for trade-ins, is applied to new and used vehicles sold and to vehicles of new residents. The titling tax follows the cycle of auto sales with periods of decline and growth. This revenue source is projected to provide $7.0 billion during the six-year period.

Motor Vehicle Fees: This includes a number of fees for various vehicle and licensing services. The six-year forecast assumes revenues will increase an average of 1% per year over the program period. This revenue source is projected to provide $6.4 billion during the six-year period.

Corporate Income Tax: The Department received 20% of the State's 8.25% corporation income tax in fiscal year 2024. The Department's share will vary during the six-year period as the result of legislation passed during the 2022 legislative session, peaking at 22% in fiscal years 2026 and 2027. The State's Board of Revenue Estimates forecasts these revenues for both the State and the Department. This revenue source is projected to provide $2.5 billion for the Department during the six-year period.

Operating Revenues: The activities of MAA, MPA, and MTA generate operating revenues. Revenues from the MTA include rail and bus fares. The MPA's revenues include terminal operations, rent revenue collected for office space, and other Port-related revenues. Revenue from the MAA include flight activities, rent and user fees, parking, airport concessions, and other aviation-related fees. The Transportation Trust Fund receives the net revenues from airport activities after accounting for debt service due on Special Transportation Project Revenue Bonds. Operating revenues are projected at $3.1 billion during the six-year period, including $2.1 billion from MAA, $0.615 billion from MTA, and $0.340 billion from MPA.

Federal Aid: The Department expects to receive funds totaling $6.8 billion from various federal grant programs over the six-year period to support its operating and capital programs. The Department continues to benefit from COVID relief funding from the federal American Rescue Plan Act and has programmed additional transportation funding associated with higher funding levels available under the Infrastructure Investment and Jobs Act (IIJA). IIJA provides a multi-year reauthorization of many critical transportation programs.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Maryland Department of Transportation for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. It was the 24th consecutive year that the Department received this prestigious award. To be awarded a Certificate of Achievement, the Department must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Department believes that this ACFR continues to meet the Certificate of Achievement Program's requirements and we will again submit it to the GFOA to determine its eligibility for another certificate.

The dedicated men and women of the Department provide exceptional multimodal transportation services to connect the citizens of Maryland to life's opportunities. The work the Department does is not possible without their hard work and dedication. From our employees on the frontline interacting with our customers every day to our employees in offices supporting these efforts, we are truly one Department, working together to deliver solutions across the transportation network. The preparation of this ACFR could not have been possible without the professionalism of the financial staff across the Department. Their expertise and hard work are greatly valued and sincerely appreciated.

Sincerely,

Octavia N. Robinson

Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Maryland Department of Transportation

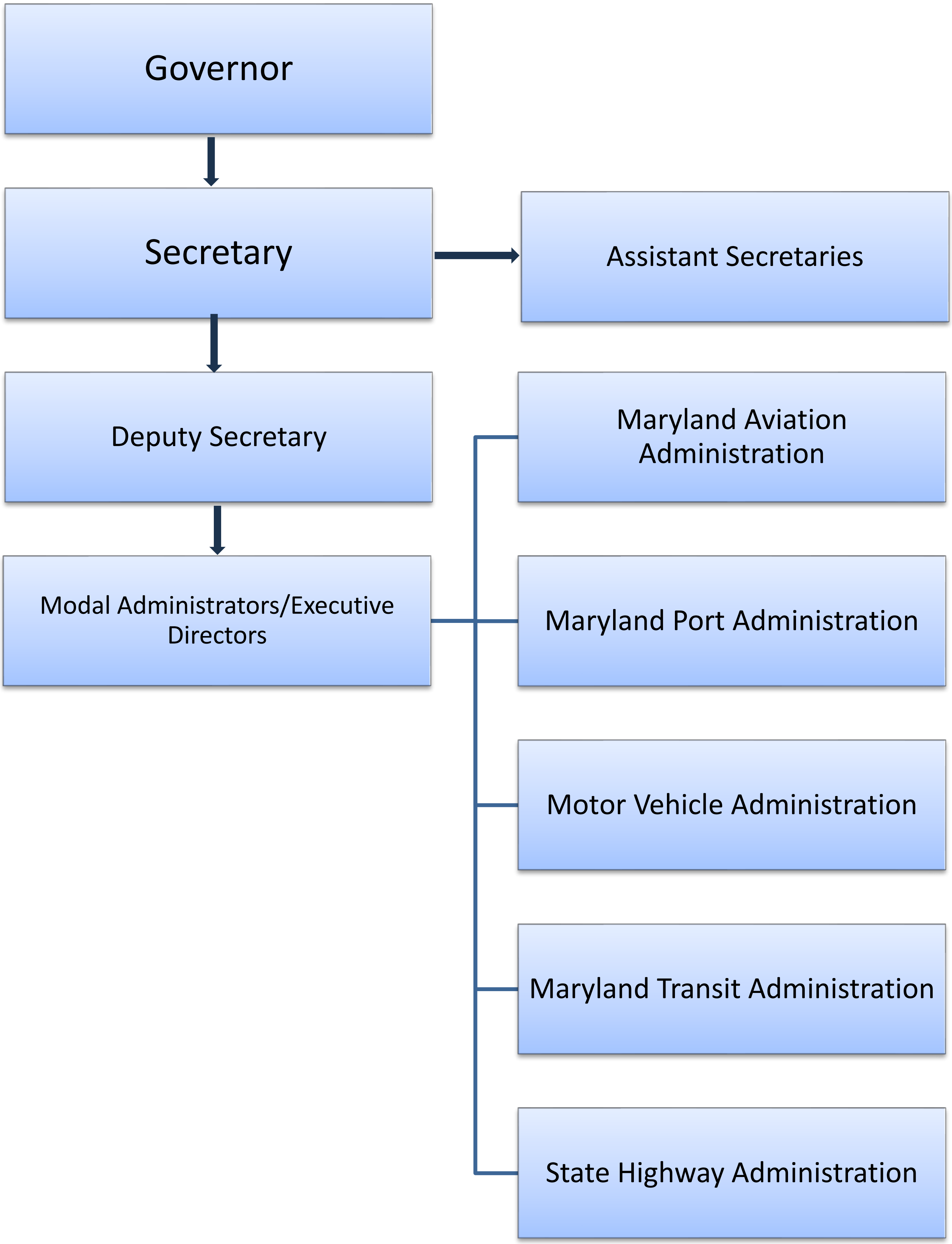
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

MARYLAND DEPARTMENT OF TRANSPORTATION
Organizational Chart



MARYLAND DEPARTMENT OF TRANSPORTATION
List of Principal Department Officials
As of June 30, 2024

Title	Name
Secretary of Transportation	Paul J. Wiedefeld
Deputy Secretary of Transportation	Samantha Biddle
Maryland Aviation Executive Director	Ricky D. Smith, Sr.
Maryland Port Executive Director	Jonathan Daniels
Maryland Transit Administrator	Holly Arnold
Motor Vehicle Administrator	Christine Nizer
State Highway Administrator	William Pines

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Financial Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Secretary Paul J. Wiedefeld
Maryland Department of Transportation
Hanover, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Maryland Department of Transportation (the Department of Transportation), of the State of Maryland, as of and for the year ended June 30, 2024, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information for the Department of Transportation of the State of Maryland as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Maryland, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department of Transportation are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities, the major fund, and the aggregate remaining fund information of the State of 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 of the State of Maryland as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, and the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the Department of Transportation of the State of Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department of Transportation's 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
February 28, 2025

MARYLAND DEPARTMENT OF TRANSPORTATION
Management's Discussion and Analysis

As management of the Maryland Department of Transportation (Department), we offer the citizens of Maryland and others interested in the Department's financial statements this narrative overview and analysis of the financial activities of the Department for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here inconjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page 3 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Department exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year in the amount of $18,666,659,000 (net position). Of this amount, $1,847,045,000 represents the unrestricted deficit primarily related to the noncurrent liabilities of the Department.

- The Department's governmental funds reported a combined ending fund balance, as of the close of the current fiscal year, of $144,317,000, a decrease of $480,788,000 compared to the prior fiscal year.
- The Department's Consolidated Transportation Bonds debt outstanding totaled $3,004,910,000, which was a decrease of $292,120,000, or 8.9%, from the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Department's basic financial statements. The Department's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Department's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Department's assets, deferred outflows, liabilities, and deferred inflows, with the difference between these reported as net position. Over time, increases and decreases in net position may serve as one of several useful indicators of the Department's financial position. The Statement of Activities presents information showing how the Department's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Department that areprincipally supported by taxes and intergovernmental revenues (governmental activities) from other functions. The government-wide financial statements include only the Department (a Special Revenue Fund of the State of Maryland) and does not include the Maryland Transportation Authority (MDTA), which is a separate enterprise fund of the State of Maryland. The government-wide financial statements can be found starting on page 44 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have beensegregated for specific activities or objectives. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Department can be divided into two categories: governmentalfunds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflowsof spendable resources, as well as on balances of spendable resources available at the end of the fiscalyear. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financialstatements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Bydoing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statementof Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate thiscomparison between governmental funds and governmental activities.

The Department maintains two individual governmental funds. Information is presented separately inthe governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the Special Revenue Fund and the Debt Service Fund. The Special Revenue Fund is considered to be a major fund. The basic governmental fund financial statements can be found starting on page 46 of this report.

The Maryland General Assembly authorizes an annual appropriated budget for the Department's Special Revenue Fund. A budgetary comparison schedule has been provided for the Special RevenueFund to demonstrate compliance with this budget. The budgetary comparison schedule can be foundon page 101 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements becausethe resources of those funds are not available to support the Department's own programs. The basicfiduciary fund financial statements can be found starting on page 50 of this report.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notesto the financial statements can be found starting on page 52 of this report.

Changes in Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) previously issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; and Statement No. 96, Subscription-Based Information Technology Arrangements, which the Department implemented during the year ended June 30, 2024. The Department entered into an availability payment arrangement for the Purple Line Light Rail Project. The Project is currently under construction. Once it is placed in service it will be accounted for as an availability payment arrangement in accordance with Statement No. 94. Statement No. 96 had a material effect on the Department's financial statements.

As of June 30, 2024, the GASB issued the following pronouncements, which will require adoption in the future, if applicable: Statement No. 99, Omnibus 2022; Statement No. 100, Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62; and Statement No. 101, Compensated Absences. The Department has not yet completed the process of evaluating the impact of these pronouncements on its financial statements and plans to adopt them, as applicable, by their effective date.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Department's Maryland Transit Administration(MTA) OPEB Plan, MTA Pension Plan, and the Department's participation in the Maryland State Retirement Pension Plan, as well as the budget and actual comparison schedule. Required supplementary information can be found starting on page 95 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. For the Department, assets and deferred outflows exceeded liabilities and deferred inflows by $18,666,659,000 at the end of fiscal year 2024. The largest portion of the Department's net position reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less any outstanding related debt used to acquire those assets. The Department maintains and safeguards the majority of the capital assets owned by the State of Maryland.

The Department's capital assets provide services to the citizens of Maryland; consequently, these assets are not available for future spending. Although the Department's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate the liabilities.

The Department's net position increased by $892,916,000 during the fiscal year ended June 30,

2024. An increase in Capital Assets and Long-term liabilities added to the increase. The Department takes seriously its responsibility to operate and maintain the transportation network in a safe and secure manner for all travelers. A robust and data-driven asset management program is utilized to identify and prioritize capital needs.

The following schedule reflects the Department's Net Position Summary (amounts expressed in thousands):

Maryland Department of Transportation
Net Position Summary

	For Fiscal Years Ended June 30,			
Governmental Activities	**2024**	**2023**	**Variance**	**% Change**
Current and other assets	2,107,213	2,222,072	(114,859)	-5.2%
Capital assets	24,477,197	23,942,992	534,205	2.2%
Total assets	26,584,410	26,165,064	419,346	1.6%
Deferred amount for pensions	378,807	291,254	87,553	30.1%
Deferred amount for OPEB	75,594	94,417	(18,823)	-19.9%
	454,401	385,671	68,730	17.8%
Long-term liabilities outstanding	6,414,126	6,709,908	(295,782)	-4.4%
Other liabilities	1,001,589	852,004	149,585	17.6%
Total liabilities	7,415,715	7,561,912	(146,197)	-1.9%
Deferred service concession arrangement receipt	197,124	210,356	(13,232)	-6.3%
Deferred amount for refunding bonds	14,033	19,024	(4,991)	-26.2%
Deferred amount for leases	204,066	234,216	(30,150)	-12.9%
Deferred amount for pensions	234,711	394,131	(159,420)	-40.4%
Deferred amount for OPEB	306,503	357,353	(50,850)	-14.2%
	956,437	1,215,080	(258,643)	-21.3%
Net Position				
Net investment in capital assets	20,513,704	19,536,326	977,378	5.0%
Unrestricted deficit	(1,847,045)	(1,762,583)	(84,462)	4.8%
Total net position	$ 18,666,659	$ 17,773,743	$ 892,916	5.0%

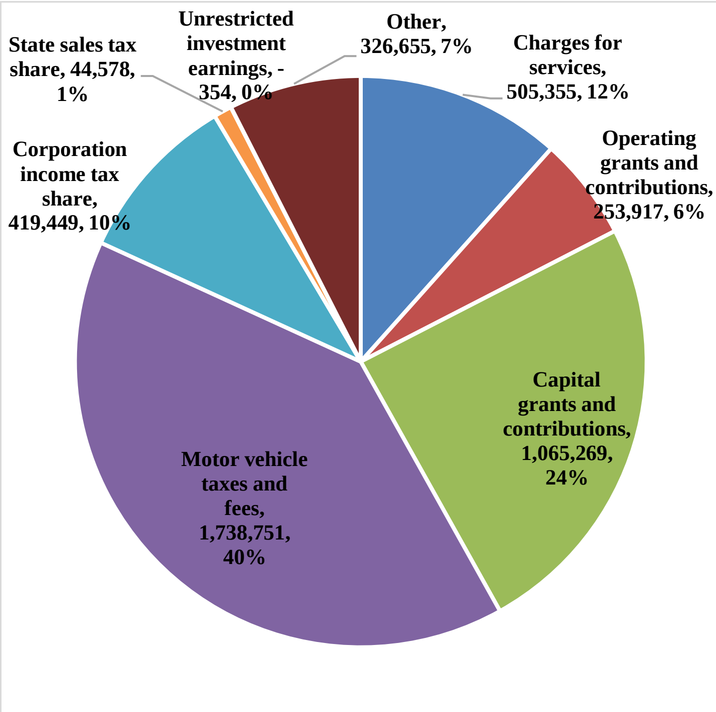
Maryland Department of Transportation
Statement of Activities

	For Fiscal Years Ended June 30,			
Governmental Activities	**2024**	**2023**	**Variance**	**% Change**
Revenues:				
Program revenues:				
Charges for services	505,355	$ 515,691	(10,336)	-2.0%
Operating grants and contributions	253,917	521,950	(268,033)	-51.4%
Capital grants and contributions	1,065,269	1,283,674	(218,405)	-17.0%
General revenues:				
Motor vehicle taxes and fees	1,738,751	1,718,718	20,033	1.2%
Motor fuel taxes and fees	1,397,354	1,303,019	94,335	7.2%
Corporation income tax share	419,449	333,768	85,681	25.7%
State sales tax share	44,578	41,330	3,248	7.9%
Unrestricted investment earnings	(354)	4,177	(4,531)	-108.5%
Other	326,655	311,672	14,983	4.8%
Total revenues	5,750,975	6,034,000	(283,025)	-4.7%
Expenses:				
Secretary's Office	1,027,089	898,125	128,964	14.4%
State Highway Administration	1,720,394	1,570,376	150,018	9.6%
Port Administration	158,017	13,102	144,915	1106.1%
Motor Vehicle Administration	251,333	217,955	33,378	15.3%
Transit Administration	1,291,917	1,340,990	(49,073)	-3.7%
Aviation Administration	326,587	404,780	(78,193)	-19.3%
Interest on long-term debt	82,721	89,356	(6,635)	-7.4%
Total expenses	4,858,059	4,534,684	323,375	7.1%
Change in net position	892,916	1,499,317	(606,401)	-40.4%
Net position - July 1	17,773,743	16,274,426	1,499,317	9.2%
Net position - June 30	18,666,659	17,773,743	892,915	5.0%

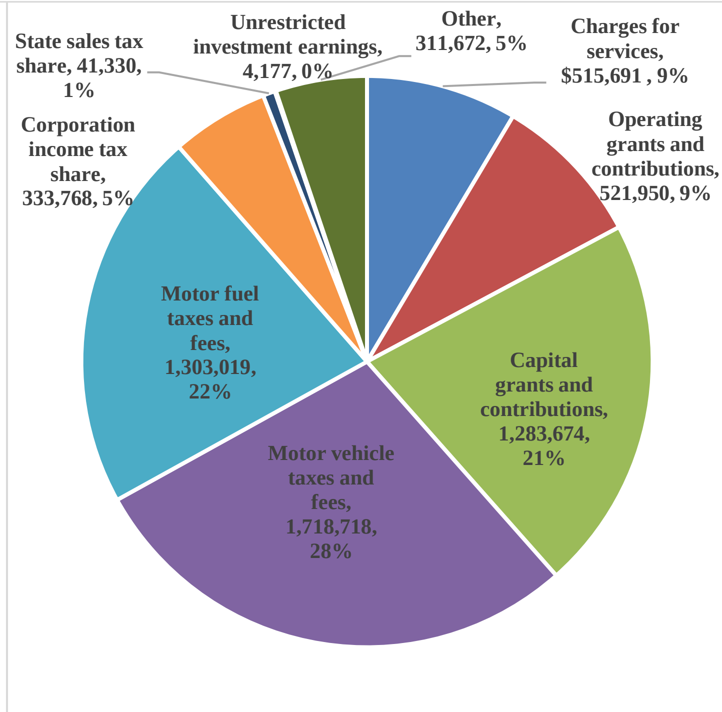
The Department's primary revenue sources are motor vehicle taxes and fees, which include revenues from the titling tax and various driver and vehicle fees, and motor fuel taxes and fees. Motor fuel taxes and fees increased by 7.2% from the previous year, driven by higher fuel prices. Approximately 3 billion gallons of fuel are sold in Maryland each year. Registration revenues combined with miscellaneous MVA fees saw a slight decrease of 4% from prior year. Titling tax revenue increased 2% year-over-year, with both vehicle prices and units sold increasing by approximately 1% from prior year. About 900,000 taxable vehicles were sold in Maryland in fiscal year 2024. Other includes a transfer from the State to support the annual funding contribution to the Washington Metropolitan Area Transit Authority (WMATA). The key elements of the Department's governmental activities are as follows (amounts expressed in thousands):

Revenues by Source

Fiscal Year 2024
(dollars in thousands)

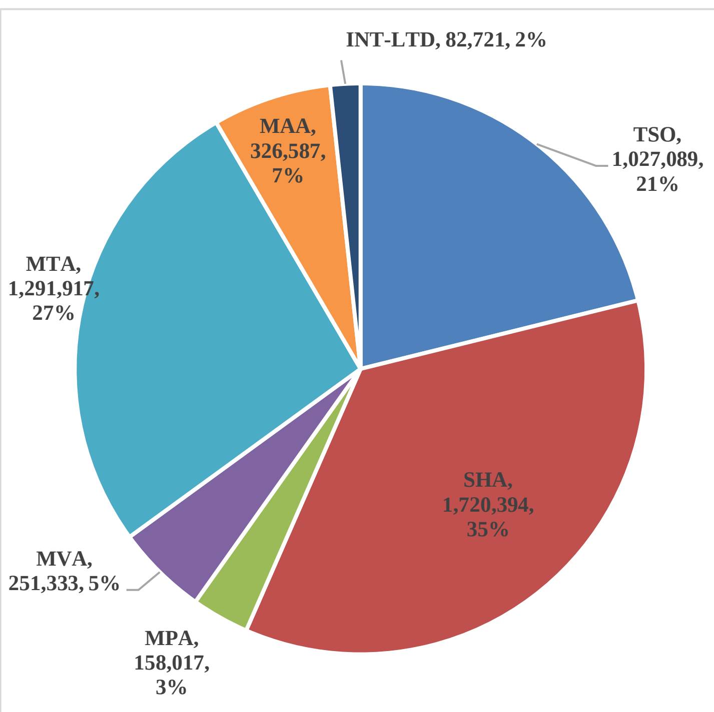


Fiscal Year 2023
(dollars in thousands)

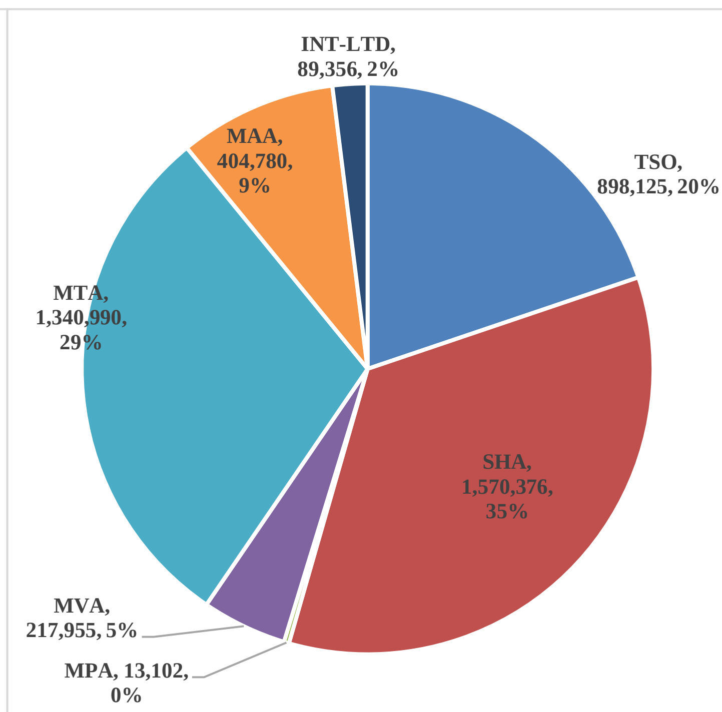


Expenses by Modal Administration

Fiscal Year 2024
(dollars in thousands)



Fiscal Year 2023
(dollars in thousands)



INT-LTD: Interest on Long-term Debt MAA: MD Aviation Administration MPA: MD Port Administration MTA: MD Transit Administration MVA: Motor Vehicle Administration SHA: State Highway AdministrationTSO: The Secretary's Office

Financial Analysis of the Government's Funds

The Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Department's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Department's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Department's governmental funds reported combined ending fund balances of $144,317,000, a decrease of $480,788 from the prior fiscal year. The Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. Even the Department's Unassigned fund balance is restricted. Also included in the fund balance is a non-spendable designation, Inventories for $110,594,000.

The Special Revenue Fund is the chief operating fund for the Department. As a measure of the Special Revenue Fund's liquidity, it may be useful to compare the total fund balance of $144,317,000 to total Special Revenue Fund expenditures of $5,521,656,000. The total fund balance represents 2.6% of the total fund expenditures.

Capital Asset and Debt Administration

Capital assets

The Department's investment in capital assets as of June 30, 2024, amounts to $24,477,198,000 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress. Additional information on the Department's capital assets can be found in Note 8.

In the current fiscal year, the Department's investments in capital assets increased by $534,207,000. Some of the major capital asset events during the current fiscal year included the following:

- A variety of widening and/or expansion of existing and new highways and bridges were completed in fiscal year 2024; infrastructure assets for the State Highway Administration at the close of the current fiscal year reached $27,910,121,000, an increase of $981,519,000, or 3.6%, from the prior fiscal year.
- Various transit projects were ongoing in the current fiscal year; construction in progress as of June 30, 20234 was $8,904,510,000, with additions of $1,017,447,000 and transfers of completed projects of $803,309,000.

The following schedule reflects the Department's Capital Assets Summary (amounts expressed in thousands):

Maryland Department of Transportation
Capital Assets (net of depreciation/amortization)

	For Fiscal Years Ended June 30,			
Governmental Activitie	**2024**	**2023**	**Variance**	**% Change**
Land	$ 3,066,017	$ 3,025,140	$ 40,877	1.4%
Buildings and improveme	$ 1,564,210	$ 1,537,218	$ 26,992	1.8%
Machinery and equipmer	$ 693,750	$ 687,632	$ 6,118	0.9%
Infrastructure	$ 10,208,894	$ 9,961,491	$ 247,403	2.5%
Seagirt Assets	$ 39,817	$ 41,137	$ (1,320)	-3.2%
Construction in progress	$ 8,904,510	$ 8,690,373	$ 214,137	2.5%
Total	$ 24,477,198	$ 23,942,991	$ 534,206	2.2%

The Department implemented GASB Statement No. 96 effect ive July 1, 2023. As a result , the beginning balances include the subscription assets for those qualifying subscriptions that were in place at that date.

Long-term debt

The Department issues long-term debt to fund construction and improvements to its capital assets. Long-term debt includes Consolidated Transportation Bonds and Special Transportation Project Revenue Bonds. These bonds have separate repayment sources, credit ratings, coverage limits, and debt outstanding limits and thus will be discussed separately. Additional information on the Department's long-term debt can be found in Note 10 of this report.

Certain transportation taxes and fees are pledged for repayment of Consolidated Transportation Bonds. At the end of the current fiscal year the Department had total Consolidated Transportation Bonds outstanding of $3,004,910,000. The Department's Consolidated Transportation Bonds outstanding debt decreased by $292,120,000, or 8.9%, from the prior fiscal year. This change includes the principal payments.

As provided by State law, the maximum outstanding aggregate amount of Consolidated Transportation Bonds that may be outstanding is $4,500,000,000. In addition, the General Assembly sets an annual limit on the amount of debt outstanding. For fiscal year 2024, that amount was $3,114,910,000. The Department's Consolidated Transportation Bonds outstanding as of June 30, 2024, was less than these amounts and therefore was within legal limits. The Department maintains an "AAA" rating with Standard & Poor's, an "AA+" rating with Fitch Ratings and an "Aa1" rating with Moody's Investors Services, Inc., for its Consolidated Transportation Bonds.

The following schedule reflects the amount of debt outstanding and legal debt margin for Consolidated Transportation Bonds (amounts expressed in thousands):

Maryland Department of Transportation
Consolidated Transportation Bonds

Governmental Activities	For Fiscal Years Ended June 30, 2024	2023	Increase (Decrease)	% Change
Debt Outstanding	$ 3,004,910	$ 3,297,030	$ (292,120)	-8.9%
Statutory Limit of Debt Outstanding	4,500,000	4,500,000	-	0.0%
Available Legal Debt Margin	$ 1,495,090	$ 1,202,970	$ 292,120	

The Department may also issue Special Transportation Project Revenue Bonds, which are backed by certain project-specific revenues and limited by bond coverage requirements as outlined in the bond documents. At the end of the current fiscal year the Department had Special Transportation Project Revenue Bonds outstanding of $383,610,000. The Department's Special Transportation Project Revenue Bonds outstanding debt decreased by $26,755,000, or 6.5%, from the prior fiscal year. This change includes the principal payments. These bonds are secured by a gross pledge of airport revenues, exclusive of passenger facility charges and customer facility charges. These bonds maintain an "A" rating with Fitch Ratings and an "A1" rating with Moody's Investors Services, Inc.

The following schedule reflects the amount of debt outstanding for Special Transportation Project Revenue Bonds (amounts expressed in thousands):

Maryland Department of Transportation
Special Transportation Project Revenue Bonds

Governmental Activities	For Fiscal Years Ended June 30, 2024	2023	Variance	% Change
Debt Outstanding	383,610	410,365	(26,755)	-6.5%

Intergovernmental financing agreements and certificates of participation

At the end of the current fiscal year the Department had intergovernmental financing agreements and certificates of participation outstanding of $214,241,000.The Department's obligations related to the agreements decreased by a net amount of $46,090,000, during the current fiscal year primarily due to the decrease in funds held in trust. The Department maintains an "AA+" rating with Standard & Poor's, an "Aa2" rating with Moody's Investors Services, Inc. and an "AA" with Fitch Ratings for the Certificates of Participation. Additional information on these agreements can be found in Note 12 of this report.

The following schedule summarizes the Department's intergovernmental financing agreements and Certificates of Participation (amounts expressed in thousands):

Maryland Department of Transportation
Intergovernmental Financing Agreements and Certificates of Participation

	For Fiscal Years Ended June 30,			
Governmental Activities	**2024**	**2023**	**Increase (Decrease)**	**% Change**
Intergovernmental Financing Agreements and Certificates of Participation	214,241	260,331	(46,090)	-17.7%

Leases and Subscriptions

The Department implemented GASB Statement No. 87 as of July 1, 2021. At the end of the current fiscal year, the Department recognized a long-term liability of $32,029,000 related to GASB 87 Leases. The Department implemented GASB Statement No. 96 as of July 1, 2022. At the end of the current fiscal year, the Department recognized a long-term liability of $6,489,000 related to GASB 96 Subscriptions.

Special Revenue Fund Budgetary Highlights

Between the original and final amended budgets, the Department's appropriations increased by $192,059,000 for special funds and decreased by $146,243,000 for federal funds. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual can be found on page 101 of this report.

Economic Factors and Next Year's Budgets and Rates

Fiscal year 2024 financial results were held steady with rate increases offsetting volume decreases. This is true for our largest revenue line items, motor vehicle and motor fuel taxes and fees. Motor fuel revenues are being challenged by Maryland's move to electric vehicles. The State will require all new cars sold to be electric by 2035. Several initiatives have started to replace this revenue.

Interest Rates have remained steady, however almost all of the Department's debt instruments are fixed rate and we have experienced little impact, yet, with limited recent issuances.

Airline enplanements are back to normal operating levels; public transit is not. The 13.5 million Enplaned Passenger count for fiscal year 2024 is equivalent to the 13.5 million in fiscal year 2018. The Maryland Transit Administration reports ridership on Core and Commuter Buses, Metro, Light Rail and MARC Trains. In this ACFR's 10-year statistical reporting period, ridership peaked in 2015 at 109.8 million and is down to 61.2 million for fiscal year 2024 a decrease of 44.3%. On a positive note, the downward ridership trend has changed. Fiscal year 2021 reported 40.5 million riders. The 61.2 million reported in this fiscal year, is a 51.1% increase from that recent low.

Requests for Information

This Annual Comprehensive Financial Report is designed to provide a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Octavia Robinson, Chief Financial Officer, Maryland Department of Transportation, 7201 Corporate Center Drive, Hanover, MD, 21076.

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Basic Financial Statements

ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION

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MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Net Position
June 30, 2024
(amounts expressed in thousands)

		Total Governmental Activities
ASSETS:		
Cash and cash equivalents - restricted	$	114,498
Taxes receivable, net		206,264
Intergovernmental receivable		1,123,532
Other accounts receivable		92,783
Due from other State agencies		240,582
Lease receivable		218,960
Prepaids		-
Inventories		110,594
Capital assets not depreciated:		
Construction in progress		8,904,510
Land		3,066,017
Capital assets (net of depreciation/amortization):		
Buildings and improvements		1,564,210
Machinery and equipment		693,750
Infrastructure		10,208,894
Seagirt assets		39,817
Total assets		26,584,410
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred amount for pensions		378,807
Deferred amount for OPEB		75,594
Total deferred outflows of resources		454,401
LIABILITIES:		
Salaries payable		38,406
Accounts payable and other current liabilities		667,681
Accounts payable to political subdivisions		89,087
Due to other State agencies		138,583
Unearned revenue		33,144
Accrued interest payable		34,688
Noncurrent liabilities:		
Due within one year		456,698
Due in more than one year		5,957,428
Total liabilities		7,415,715
DEFERRED INFLOWS OF RESOURCES:		
Deferred service concession arrangement receipts		197,124
Deferred amount for refunding bonds		14,033
Deferred amount for leases		204,066
Deferred amount for pensions		234,711
Deferred amount for OPEB		306,503
Total deferred inflows of resources		956,437
NET POSITION:		
Net investment in capital assets		20,513,704
Unrestricted deficit		(1,847,045)
Total net position	$	18,666,659

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Activities
For the year ended June 30, 2024
(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue and Changes in Net Positon
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Total Governmental Activities**
Governmental activities:					
Secretary's Office	$ 1,027,089	$ 5,619	$ 10,239	$ 750	$ (1,010,480)
State Highway Administration	1,720,394	48,805	31,277	758,025	(882,287)
Port Administration	158,017	62,717	-	22,651	(72,649)
Motor Vehicle Administration	251,333	145	11,028	103	(240,057)
Transit Administration	1,291,917	73,299	189,395	227,496	(801,728)
Aviation Administration	326,587	314,770	11,978	56,244	56,404
Interest on long-term debt	82,721	-	-	-	(82,721)
Total governmental activities	$ 4,858,059	$ 505,355	$ 253,917	$ 1,065,269	(3,033,517)
General revenues:					
Motor vehicle taxes and fees					1,738,751
Motor fuel taxes and fees					1,397,354
Corporation income tax share					419,449
State sales tax					44,578
Unrestricted investment earnings					(354)
Other revenue					326,655
Total general revenues					3,926,433
Change in net position					892,916
Net position, July 1, 2023					17,773,743
Net position, June 30, 2024					$ 18,666,659

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Balance Sheet
Governmental Funds
June 30, 2024
(amounts expressed in thousands)

	Special Revenue	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
ASSETS			
Cash and cash equivalents - restricted	$ 114,498	$ -	$ 114,498
Taxes receivable, net	206,264	-	206,264
Intergovernmental receivable	1,123,532	-	1,123,532
Other accounts receivable	92,782	-	92,782
Due from other State agencies	240,582	-	240,582
Lease receivable	218,960	-	218,960
Prepaid Expenditures	-	-	-
Inventories	110,594	-	110,594
Total assets	2,107,212	-	2,107,212
LIABILITIES			
Salaries payable	38,406	-	38,406
Accounts payable and other current liabilities	667,681	-	667,681
Accounts payable to political subdivisions	89,087	-	89,087
Due to other State agencies	138,583	-	138,583
Unearned revenue	33,144	-	33,144
Total liabilities	966,901	-	966,901
DEFERRED INFLOW OF RESOURCES			
Lease related	204,066	-	204,066
Unavailable revenue	791,928	-	791,928
Total deferred inflow of resources	995,994	-	995,994
FUND BALANCES			
Nonspendable fund balance:			
Inventories	110,594	-	110,594
Prepaid items	-		-
Unassigned fund balance:	33,723	-	33,723
Total fund balances	144,317	-	144,317
Total liabilities, deferred inflows and fund balances	$ 2,107,212	$ -	$ 2,107,212

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of June 30, 2024
(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of net assets are different because:		2024
Amount in governmental funds, fund balance (page 46)	$	144,317
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.		24,477,197
Accrued interest payable on bonds and capital leases		(34,688)
Long-term liabilities not due and payable in the current period and, therefore, are not reported in the fund financial statements, includes the following:		
Unavailable revenue		791,928
Deferred amount on refunding bonds		(14,033)
CTB Bonds payable		(3,004,910)
Special Transportation Revenue Bonds		(383,610)
Intergovernmental financing agreements		(214,241)
Lease Payable		(32,029)
Subscription Payable		(6,489)
Pollution liability		(33,191)
MTA OPEB liability		(763,938)
Net pension liability		(1,490,549)
Premium on bonds not liquidated with current financial resources		(297,827)
Workers' compensation costs		(70,884)
Energy savings liability		(10,354)
Compensated absences		(106,103)
Net deferred outflows and inflows related to pensions and OPEB		(86,813)
Deferred service concession arrangement receipts		(197,123)
Net position of governmental activities (page 44)	$	18,666,659

MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024
(amounts expressed in thousands)

	Special Revenue	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
REVENUES:			
Taxes:			
Motor vehicle taxes and fees	$ 1,738,751	$ -	$ 1,738,751
Motor vehicle fuel taxes and fees	1,397,354	-	1,397,354
Revenue sharing of State corporation income tax	419,449	-	419,449
Revenue sharing of State sales tax	44,578	-	44,578
Federal reimbursements	1,056,006	-	1,056,006
Charges for services	505,355	-	505,355
Passenger facility charges	50,901	-	50,901
Customer facility charges	12,717	-	12,717
Investment earnings	(354)	-	(354)
Impaired asset recovery	-	-	-
Other	242,565	-	242,565
Total revenues	5,467,322	-	5,467,322
EXPENDITURES:			
Current:			
Department administration, operating, and maintenance expenditures:			
Secretary's Office	192,393	-	192,393
State Highway Administration	406,630	-	406,630
Port Administration	138,263	-	138,263
Motor Vehicle Administration	231,764	-	231,764
Transit Administration	1,229,593	-	1,229,593
Aviation Administration	311,413	-	311,413
Intergovernmental:			
Highway user revenue distributions and federal fund pass-thru to local subdivisions	415,856	-	415,856
Washington Metropolitan Area Transit Authority grants	833,400	-	833,400
Debt service:			
Principal repayment	-	292,120	292,120
Interest	-	134,334	134,334
Impaired asset recovery	-	-	-
Capital outlay	1,762,344	-	1,762,344
Total expenditures	5,521,656	426,454	5,948,110
Excess of expenditures over revenues	(54,334)	(426,454)	(480,788)
OTHER FINANCING SOURCES (USES):			
Issuance of Consolidated Transportation Bonds refunding bonds	-	-	-
Premium on CTB refunding bonds	-	-	-
Payment to refund CTB debt	-	-	-
Issuance of lease agreements		-	-
Debt service transfer	(426,454)	426,454	-
Total other financing sources and (uses)	(426,454)	426,454	-
Net change in fund balances	(480,788)	-	(480,788)
Fund balances, July 1, 2023	625,105	-	625,105
Fund balances, June 30, 2024	$ 144,317	$ -	$ 144,317

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024
(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds (page 48)		$ (480,788)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.		
Capital outlays	$ 1,762,344	
Loss on disposal of assets	(20,974)	
Depreciation/amortization expense	(1,207,164)	
		534,206
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		243,666
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Reductions of premium	$ 57,039	
Principal repayment of bonds	292,120	
Special Transportation Revenue Bond	26,755	
Intergovernmental financing agreements	46,090	
Lease and Subscription Payable	10,955	
		432,959
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Accrued interest	$ 2,827	
Compensated absences	(18,339)	
Energy savings liability	5,223	
Pollution obligations	4,768	
Workers compensation	1,429	
State net pension liability	(94,505)	
MTA net pension liability	(22,562)	
MTA OPEB obligation	(13,190)	
		(134,350)
Deferred financing inflows (outflows)		
Pension activity	$ 246,973	
OPEB activity	32,027	
Amortization of deferred concession receipts	13,233	
Refunding bonds	4,991	
		297,223
Change in net position of governmental activities (page 45)		$ 892,916

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2024
(amounts expressed in thousands)

	Maryland Transit Administration Pension Plan Trust Fund	Custodial Fund
ASSETS		
Cash and cash equivalents	$ 15,110	$ 12,111
Receivables:		
Accrued investment income	1,573	-
Investment sales proceeds	1,857	-
Total receivables	3,430	-
Investments:		
U.S. Government obligation	46,694	-
Domestic corporate obligations	22,186	-
International obligations	13,482	-
Domestic stocks	85,620	-
International stocks	78,779	-
Mortgages and mortgage related securities	15,453	-
Alternative investments	258,178	-
Total investments	520,392	-
Collateral for loaned securities	32,185	-
Total assets	571,117	12,111
LIABILITIES		
Obligation for collateral for loaned securities	32,185	-
Manager fees payable	97	-
Accounts payable and accrued liabilities	5,140	-
Total Liabilities	37,422	
NET POSITION:		
Restricted for pension	$ 533,695	
Restricted for other governments		$ 12,111

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Change in Fiduciary Net PositionFiduciary Funds
For the Fiscal Year Ended June 30, 2024
(amounts expressed in thousands)

	Maryland Transit Administration Pension Plan Trust Fund	Custodial Fund
ADDITIONS:		
Contributions from employer	$ 56,110	-
Contributions from employees	10,104	-
Total Contributions	66,214	
Funding offset to political subdivision		$ 10,126
INVESTMENT INCOME:		
Interest and Dividend Income	22,770	-
Net Appreciation (Depreciation) in Fair Value of Investmer	14,133	-
Less: Investment Expenses	(3,444)	-
Net Income from Securities Lending Activities	171	-
Net Investment Income (Loss)	33,630	-
Total additions	99,844	10,126
DEDUCTIONS:		
Benefit payments/Contribution withdrawals	53,342	-
Debt Service payments	-	14,473
Reimbursement to political subdivision	-	16
Administrative expenses	173	-
Total deductions	53,515	14,489
Change in net postion	46,329	(4,363)
Net positon, July 1, 2023	487,366	16,474
Net position, June 30, 2024	$ 533,695	$ 12,111

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

Index for Notes to the Financial Statements

MARYLAND DEPARTMENT OF TRANSPORTATION
Notes to the Financial Statements
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies:

A. Reporting Entity:

The Maryland Department of Transportation (Department), a department of the State of Maryland, was established by statute in 1971. The Department is responsible for carrying out the Governor's policies in the area of transportation under statutory mandates, guidelines and constraints established by the Maryland General Assembly. The Department has the responsibility for most State-owned transportation facilities and programs, including planning, financing, constructing, operating, and maintaining various modes of transportation and carrying out related licensing and administrative functions. The Department includes the Secretary's Office (TSO), which provides overall policy direction, guidance, and support to five modal administrations and one authority: the Maryland Aviation Administration (MAA), the Maryland Port Administration (MPA), the Maryland Transit Administration (MTA), the Motor Vehicle Administration (MVA), the StateHighway Administration (SHA), and the Maryland Transportation Authority (MDTA).

The accompanying financial statements include the Department, which has no component units. The MDTA is a separate entity with separate fiscal operations and management, and accordingly, is excluded from the Financial Reporting Entity of the Department, because it is not financially accountable to the Department, as required by generally accepted accounting principles (GAAP) in the United States of America to require inclusion in the reporting entity.

B. Government-Wide and Fund Financial Statements:

The Department's government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the government. As a generalrule, the effect of interfund activity has been eliminated from the government-wide financial statements. The Department's governmental activities are supported primarily by taxes, intergovernmental revenues, and charges for services. Fiduciary funds are excluded from the Department's government-wide and fundfinancial statements, as fiduciary assets are not available for the Department's use. Separate financial statements are provided for the MTA Employee Pension Plan Trust Fund, additional information at Note 15. The custodial fund is used to report on the County Transportation Revenue Bond program on behalf of Baltimore City, currently the only political subdivision using this program.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function areoffset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.Program revenues include:

- charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and

- (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other itemsnot properly included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded whenearned and expenses are recorded when incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providerhave been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the financial statements as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability or obligation is incurred as a result of goods or services rendered, as under accrual accounting. However, under the modified accrual basis, debt service expenditures are recorded only when payment is due. Compensated absences, retirement, workers' compensation costs and claims, judgments, and other liabilities not expected to be paid with current available resources are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Motor vehicle taxes, motor vehicle fuel taxes, charges for services, federal reimbursements, and interest associated with the current fiscal period are all considered to be available and susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered tobe measurable and available only when cash is received by the Department.

The Department collects and receives various types of motor vehicle taxes and fees. These taxes and fees consist primarily of a portion of the motor vehicle fuel taxes, motor vehicle titling taxes and motor vehicle registration fees. The Department accrues the motor vehicle fuel taxes and titling taxes for the month of June that are unremitted as of year-end as a receivable. These taxes are considered measurable and available since they represent June collections that are remitted to the Department in July and thereafter by merchants who collect these taxes. Expenditure-driven federal grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met, and the reimbursement funding is available from the federal government.

The Department reports the following major governmental fund:

Special Revenue Fund:

Transactions related to resources obtained, the uses of which are restricted for specific purposes, are accounted for in the Special Revenue Fund. The Special Revenue Fund accounts for resources used for operations (other than debt service and pension activities) of the Department, including construction and improvement of transportation facilities and mass transit operations. Fiscal resources dedicated to transportation operations include the excise taxes on motor vehicle fuel and motor vehicle titles, a portionof the State's corporation income tax and the sales tax on short-term vehicle rentals, wharfage fees, a portion of landing fees, fare box revenues, bond proceeds, federal grants for transportation purposes, andother receipts of the Department's agencies. The Department's unexpended balances as of year-end do not revert to the State's General Fund. In addition, the various series of Consolidated

Transportation Bonds are serviced from the resources of the Department. The particular taxes and other designated revenues arededicated to the payment of Consolidated Transportation Bonds and constitute the sole sources to which holders of Consolidated Transportation Bonds may legally look for repayment.

The Department reports the following non-major governmental fund:

Debt Service Fund:

Transactions related to the resources accumulated and payments made for principal and interest on Consolidated Transportation Bonds are accounted for in the Debt Service Fund.

Additionally, the Department reports the following fund types:

MTA Employee Pension Plan Trust Fund:

The MTA Employee Pension Plan Trust Fund (MTA Pension Trust Fund) accounts for the activities of the MTA Employee Pension Plan, which accumulates resources for pension benefit payments to qualifiedMTA employees. The MTA Pension Trust Fund accounts for plan assets at their fair value. Additional information regarding the MTA Employee Pension Plan is included in Note 15. The accounts of the MTA Pension Trust Fund are maintained and reported using the accrual basis of accounting. Under this method,revenues are recorded in the fiduciary fund financial statements when earned, administrative expenses arerecorded at the time the liabilities are incurred, and pension benefits are recorded when paid.

Custodial Fund:

The custodial fund uses the economic resources measurement focus and reports resources, not in a trust, that are held by the Department for other parties outside of Department's reporting entity. The Department uses a custodial fund to account for the accumulation of and payment of debt service for bonds issued under the County Transportation Revenue Bond program. Additional information regarding County Transportation Revenue Bonds is included in Note 11.

2. Summary of Significant Accounting Policies – Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position:

A. All Funds:

Deposits and investments:

The State Treasurer's Office operates a centralized cash receipt, investment, and disbursement function for the majority of the State's funds as required by statute. Certain pension funds, agency funds, and other fundsare specifically exempt from this function by law. Individual fund equity in pooled invested cash is reported as an asset on the balance sheets of those funds participating in the centralized cash receipt and disbursement function. Investment earnings accrue to those funds reporting equity in pooled invested cash only if statute specifically provides for the fund's accrual of interest earnings.

The Department participates in the centralized cash receipt and disbursement function operated by the StateTreasurer's Office and the Department's Special Revenue Fund retains its interest earnings per statute. Statelaw establishes allowed investments and other investment criteria that the State Treasurer's

Office must follow. The Department's cash on hand, demand deposits and short-term investments maturing within 90 days from the date purchased are considered as cash and cash equivalents. The Department's investmentsare recorded at fair value and changes in fair value are recognized as revenue. Additional information on permitted investments is available in the State's Annual Comprehensive Financial Report, available at: https://www.marylandtaxes.gov/reports/cafr.php.

The cash and cash equivalents and investments of the MTA Pension Trust Fund are maintained by the State Retirement and Pension System of Maryland (the System) on a pooled basis. The System, in accordance with Section 21 of the State Personnel and Pensions Article of the Annotated Code of Maryland, is permitted tomake investments subject to the terms, conditions, limitations and restrictions imposed by the Board of Trustees of the System. The System's investments are commingled in three combined investment funds. Twoinvestment funds consist principally of bonds and other fixed income investments, while the other investmentfund consists principally of common stocks.

Receivables and payables:

Amounts due to the Department from various tax revenue sharing programs are recorded as taxes receivable, while amounts due to the Department from the federal government are reported as intergovernmental receivables. Amounts representing balances due from the MDTA and the State's General Fund are reported as due from other State agencies.

Amounts representing balances due to the MDTA and the State's General Fund are reported as due to other State agencies. Amounts representing balances due to political subdivisions are reported as accountspayable to political subdivisions.

Inventories and prepaid items:

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In governmental fund type accounts, prepaid expenses are generally accounted for using the purchases method. As such, prepaid expenses are treated as expenditures when purchased rather than accounted for as an asset.

Grants:

Revenues from federal reimbursement type grants are recognized when the related expenditures are incurred, and the revenues are both measurable and available. The government considers grant revenues to be available if they are for costs incurred during the fiscal year that are eligible to be reimbursed throughan executed grant agreement.

Capital assets:

Capital assets, which include land, buildings and improvements, capital equipment, construction in progress, and infrastructure assets (e.g., roads, bridges, stormwater infrastructure, sidewalks and similar items), lease assets and subscription-based information technology arrangements, are reported in the governmental activities column in the government-wide financial statements. Per State law, the Department adheres to the standards established by the Department of General Services for controlling inventories of materials, supplies, and fixed assets. As such, capital assets are defined as assets with an initial, individual cost of more than $100 and an estimated useful life of more than one year. In addition, capital assets include sensitive items, which are items with an individual cost more than $50 that are prone to theft and concealable in a handbag or briefcase, such as laptops and handheld radios, as well as firearms and other law enforcement weapons, regardless of cost.

Capital assets are recorded at historical cost if purchased or constructed. The cost of constructed assets includes materials, labor, design, and any other costs directly related to putting the asset in use. Donated capital assets or donated works of art are recorded at acquisition value at the date of donation. Also, capital assets received in a service concession arrangement should be reported at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset	**Years**
Infrastructure	10-50
Transit vehicles and equipment	10-25
Buildings and improvements	5-50
Other vehicles	3-10
Office equipment	3-10
Computer equipment	3-10
Lease assets	Lease term

Deferred outflows/inflows of resources:

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The Department has two items that qualify for reporting in this category: deferred amount for pensions and the deferred amount for other post-employment benefits (OPEB). Additional information concerning pensions can be found in Note 15 and for OPEB, Note 16.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Department has five items that qualify for reporting in this category: deferred service concession arrangement receipts, the deferred amount for refunding bonds, leases, pensions, and OPEB. Additional information is available as follows:

- Service concession arrangements - Note 9;
- Refunding bonds - Note 11;
- Leases – Note 13
- Pensions - Note 15
- OPEB, Note 16.

Compensated absences:

It is the State's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.There is no liability for unpaid accumulated sick leave since the State does not have a policy to pay any amounts when employees separate from State service. A liability for vacation pay amounts is reported ingovernmental funds only if they have matured as a result of employee resignations or retirements.

All full-time State employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 75 days as of the end of each calendar year. Accumulated earned, but unused, annual leave for the Department's employees is accounted for in the government-wide financial statements.

Long-term obligations:

In the government-wide financial statements, long-term debt and other long-term obligations are reportedas liabilities. Bond premiums and discounts adjust the carrying value of the bonds and are amortized overthe life of the bonds. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts duringthe period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund balance:

The Department's Balance Sheet for the reservation of fund balance includes the following categories:

- (1) Non spendable fund balance (which includes inventories and prepaid items),
- (2) Restricted fund balance (for debt service items),
- (3) Committed fund balance (imposed by legislative action),
- (4) Assigned fund balance (for loans receivable, agency activities and other function related activities), and
- (5) Unassigned fund balance. The Unassigned fund balance is the residual classification for the Department and includesall spendable amounts not contained in the other classifications for the Special Revenue Fund.

When both restricted and unrestricted resources are available for use, it is the Department's policy to userestricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources are available for use it is the Department's policy to use committedresources first, then assigned, and then unassigned as they are needed.

The Department utilizes encumbrance accounting. Encumbrances, based on purchase orders or other contracts, have been classified based on the existing resources that will be used to liquidate them. Encumbrances not included in the restricted fund balance are included in the committed fund balance since these amounts do not lapse at year-end but are payable from remaining appropriations from the prior year. These amounts can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision-making authority through the budget process.

Leases/Subscription Based Information Technology Arrangements (SBITAs):

The Department acts as both a lessee/SBITA subscriber and a lessor.

The Department is a lessee for noncancellable leases of buildings and infrastructure and a subscriber of subscription-based information technology arrangements for noncancellable software arrangements. The Department recognizes a lease/SBITA liability and an intangible right-to-use lease asset (lease asset)/SBITA asset in the government-wide financial statements. Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term debt on the Statement of Net Position.

At the commencement of a lease/SBITA, the Department initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease term. Subsequently, the lease/SBITA liability is reduced by the principal portion of payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases/SBITAs include how the Department determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The interest rate charged in the contract is used as the discount rate. When the interest rate charged is not provided, the estimated incremental borrowing rate is used as the discount rate. The term includes the noncancellable period of the lease/SBITA. Payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase options that the Department is reasonably certain to exercise. Lease modifications, cancellations, or renewals will result in a remeasurement of the lease if changes occur that are expected to significantly affect the amount of the lease liability.

The Department is also a lessor for noncancellable leases of building space. The Department recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Department initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Department determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Department uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease modifications, cancellations, or renewals will result in a remeasurement of the lease if changes occur that are expected to significantly affect the amount of the lease receivable.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in theUnited States of America requires management to make estimates and assumptions that affect the reportedamounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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3. Reconciliation of Government-wide and Fund Financial Statements:

Explanation of the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund Balance Sheet includes a reconciliation between the fund balance for governmental funds and the net position of governmental activities as reported in the government-wide Statement of Net Position.

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between the net change in fund balance for governmental funds and the change in net position of governmental activities as reported in the government-wide Statement of Activities.

The Statement of Net Position displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, although a balance sheet format (assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources, plus net position) may be used.Regardless of the format used, the Statement of Net Position should report the residual amount as net position, rather than net assets, proprietary or fiduciary fund balance, or equity. The net position representsthe difference between all other elements in a Statement of Net Position and should be displayed in threecomponents:

- (1) net investment in capital assets,
- (2) restricted (distinguishing between major categories of restrictions), and
- (3) unrestricted.

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4. Deposits and Investments:

Investments at Fair Value:

The State Treasurer's Office performs a centralized cash receipt and investment function for the Department. The State categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

As reported by the MTA Pension Plan Trust fund, the fiduciary funds have the following fair value measurements as of June 30, 2024 (amounts expressed in millions):

Investments by fair value level	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government obligations	$ 47	$ 47	$ -	$ -
Domestic corporate obligations	22	-	22	-
International obligations	8	-	8	-
Emerging markets debt	6		6	
Mortgages & mortgage related securities	15	-	-	15
Total debt securities	98	47	36	15
Equity Securities				
Domestic stocks (including REITs)	56	56	-	-
International stocks (including REITs)	54	54	-	-
Total equity securities	110	110	-	-
Alternative Investment	3	3	-	-
Total investment by fair value level	**$ 211**	**$ 160**	**$ 36**	**$ 15**
Investment measured at the net asset value (NAV)				
Equity Open-End Fund	$ 55			
Private Funds (includes equity, real estate, credit, energy, infrastructure and timber)	177			
Real Estate-open ended	38			
Multi-asset	2			
Hedge Funds				
Equity long/short	9			
Event-driven	4			
Global macro	8			
Relative value	16			
Opportunistic	1			
Total investment measured at the NAV	**310**			
Total	**$ 520**			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented on the following table (amounts expressed in millions):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Funds (includes equity, energy, credit, infrastructure, timber, commodity and real estate (1)	$ 177	$ 82		
Real Estate-open ended (3)	38		Quarterly	45 - 90 days
Equity open-end fund (2)	30		Daily	1 day
	20		Monthly	7-30 days
	5		Triennially	150 days
Multi-asset (9)	2		Monthly	5 days
Hedge Funds				
Equity long/short (5)	7		Monthly	30 - 45 days
	2		Quarterly	60 days
Event-driven (6)	1		Quarterly	15 days
	2		Quarterly	60 - 65 days
	-		Quarterly	90 days
	1		Quarterly	120 days +
Global macro (4)	2		Monthly	5 - 30 days
	5		Monthly	60 - 90 days
	1		Quarterly	60 - 90 days
Relative value (7)	1		Monthly	30 days
	2		Monthly	90 days
	4		Quarterly	30 days
	9		Quarterly	45 - 90 days
Opportunistic (8)	1		Quarterly	90 days
Total	$ 310	$ 82		

1. Private funds (includes equity, real estate, credit, energy, infrastructure, commodities, and timber): This type includes 426 global private funds, which cannot be redeemed. Instead, distributions are received through the liquidation of the underlying assets of the fund. These funds are valued based on individual audited financial statements and assumptions used by fund managers.

2. Equity Open-End Fund: This type includes investments in institutional investment funds, which invest in three domestic and eight emerging market equities. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. The four funds have a 5 to 30 days liquidity structure, and one fund is redeemable in five months with triennial redemption restrictions.

3. Real estate-open ended: This type includes nine domestic open-ended real estate funds, which can be liquidated. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.

4. Global macro: This category includes six hedge funds that invest in over 100 financial markets. The funds are diversified and take long, short and spread positions. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. These assets have a liquidity structure which ranges from 5 to 90 days.

5. Equity long/short: This type includes investments in four hedge funds that invest both long and short primarily in U.S. and Asian common stocks. Management of each hedge fund has the ability to shift investment from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. Two funds have a two-year hard lockup and the other two have a one-year soft lock-up and requires a 30-day to 60-day notice.

6. Event-driven: This type includes five investments, two of which are credit hedge funds. These funds invest in equities and bonds of companies and governments at risk of or in the process of reorganizing to profit from economic, political, corporate and government-driven events. The other three are focused on merger arbitrage and assets across the capital structure. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets. The other funds have a 15 to 90-day liquidity structure.

7. Relative value: This category includes seven hedge funds with a liquidity structure between 30 and 90 days. These funds invest in a wide range of strategies. The fair values of the funds within this type have been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.

8. Opportunistic: Currently there are three hedge funds in this category, which invests in re-insurance for catastrophe risk (mostly hurricane and earthquake). The fund has a quarterly redemption with a 90-day notice and the other has a semi-annual redemption with a 90-day notice. The fair value of this fund has been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.

9. Multi-asset: This category includes one diversified fund. The fair value of the fund within this type has been determined using the NAV per share, which has been valued by the fund based on the characteristics of the underlying assets.

The MTA Employee Pension Plan's (the MTA Plan) cash deposits and investments are commingled with MSRPS assets. MSRPS does not separately trust or manage the MTA Plan's cash and investments. The MTA Plan does not own an individual interest in specific assets. For full disclosure of the risks over cash deposits and investments, MSRPS's audited financial statements and cash and investment footnote can be found on sra.maryland.gov.

Security Lending Transactions

MSRPS accounts for securities lending transactions in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*.

The following table details the net income from securities lending for MSRPS for the year ended June 30, 2024 (in thousands):

	2024
Interest income	$ 2,415
Less:	
Interest expense	2,235
Program fees	9
Expenses from securities lending	2,244
Net income from securities lending	$ 171

The Board of Trustees authorized MSRPS to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. Deutsche Bank, pursuant to a written agreement, is permitted to lend long-term securities to authorized broker-dealers subject to the receipt of acceptable collateral. MSRPS lends securities for collateral in the form of either cash or other securities. The types of securities on loan as of June 30, 2024, included long-term U.S. government obligations, domestic and international equities, as well as domestic and international debt obligations. At the initiation of a loan, borrowers are required to provide collateral amounts of 102% (domestic securities and foreign securities that are denominated in the same currency as the collateral provided by the counterparty) and 105% (foreign securities that are not denominated in the same currency as the collateral provided by the counterpart). In the event the collateral fair value falls below 100% for domestic securities and foreign securities that are denominated in the same currency as the collateral or 103% on foreign securities not denominated in the same currency as the collateral provided by the counterparty, the borrower is required to provide additional collateral to the original levels by the end of the next business day. Deutsche Bank is obligated to indemnify the client if there are any losses of securities, collateral, or investments of the client in the Bank's custody arising out of or related to the negligence or dishonesty of the Bank.

MSRPS maintains the right to terminate the securities lending transactions upon notice. The lending agent reinvests the cash collateral received on each loan utilizing indemnified repurchase agreements (repos). As of June 30, 2024, such repos had average days to maturity of 44.77 days. MSRPS cannot pledge or sell collateral securities received unless (and until) a borrower defaults. At year-end, MSRPS had no credit risk exposure to borrowers because the amount MSRPS owed the borrowers exceeded the amount the borrowers owed MSRPS. The fair value of securities on loan and cash value of collateral held as of June 30, 2024 (in thousands) was $31,446,000 and $32,185,000, respectively.

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2024 for the MTA plan (amounts expressed in thousands):

Securities Lent	Fair Value Loaned Securities	Collateral Fair Value	Percent Collateralized
Lent for cash collateral			
U.S. government and agency	$ 22,114	$ 22,629	102.3%
Domestic bond & equity	9,103	9,317	102.4%
International fixed	64	65	102.2%
International equity	165	174	105.4%
Total securities lent	$ 31,446	$ 32,185	102.3%

There were no significant under-collateralization events as of June 30, 2024

The Department discloses investment risk as follows:

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer's Office's investment policy states that to the extent possible, it will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the State Treasurer will not directly invest in securities maturing more than five years from the date of purchase.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law requires that repurchase agreements be collateralized by U.S. Treasury and agency obligations. In addition, investments may be made directly in U.S. agency obligations. These agency obligations are rated Aa1 by Moody's and AAA by Standard and Poor's. State law also requires that money market mutual funds contain only U.S. Treasuries or agencies or repurchase agreements secured by U.S. treasuries or agencies. The money market mutual funds are rated Aaa/AAA.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The State Treasurer's Office's investment policy limits the amount of repurchase agreements to be invested with a particular institution to 30% of the portfolio.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. State law permits the State Treasurer to deposit in a financial institution in the State, unexpended or surplus moneyin which the State Treasurer has custody if (a) the deposit is interest-bearing, (b) the financial institution provides collateral that has a fair value that exceeds the amount by which a deposit exceeds the deposit insurance, or (c) a custodian holds the collateral.

As of June 30, 2024, the Department reported a total of $114,498,000 in Cash and cash equivalents on the Department's Balance Sheet. This amount is primarily for unspent bond proceeds for the Series 2021B Special Transportation Project Revenue Bonds (BWI Marshall Airport).

State law authorizes the Department to invest in obligations of the U.S. Treasury including bills, notes, and bonds; obligations of U.S. agencies and instrumentalities; obligations of supranational issues; repurchase agreements secured by an U.S. Treasury agency; instrumentality obligations or bankers' acceptances guaranteed by a financial institution with the highest short-term debt rating by at least one nationally recognized statistical rating organization (NRSRO); commercial paper with the highest rating by at least one NRSRO; shares or certificates in a money market mutual fund as defined by the State Treasurer; and the Maryland Local Government Investment Pool.

5. Receivables and Unearned Revenue:

The Department's receivables as of June 30, 2024, consisted of the following (amounts expressed in thousands):

Receivables	Special Revenue Fund
Taxes receivable	$ 206,264
Intergovernmental receivable	1,123,532
Other accounts receivable	92,783
Lease receivable	218,960
Due from other State agencies	240,582
Total receivables	$ 1,882,121

The Department's taxes receivable consists of receivables recorded at year-end for the motor vehicle fuel tax in the amount of $148,467,000, the motor vehicle titling tax in the amount of $48,086,000 and a motor vehicle excise tax in the amount of $9,711,000.

The Department's intergovernmental receivables consist of receivables from the federal government in the amount of $1,112,639,000 and from the local subdivisions in the amount of $10,893,000.

The Department's other accounts receivable of $92,783,000 consist of miscellaneous receivables recorded at fiscal year-end across the Department.

The Department's Lease receivable is related to the leases held by MPA of $198,239,000 and held by MAA of $20,721,000.

The Department's due from other State agencies totals $240,582,000 and includes $153,608,000 for the amount due from the State Comptroller's Office for cash transfers related to the collection of certain transportation revenues not transferred to the Department as of June 30, 2024; $61,753,000 due from the MDTA for airport passenger facility charge (PFC) and $7,537,000 for customer facility charge (CFC) collections; $16,987,000 due from the Maryland Department of Budget and Management for the health benefits refund;and $697,000 due from the MDTA for the Intercounty Connector.

The Department's unearned revenue as of June 30, 2024, consisted of the following (amounts expressed in thousands):

Unearned Revenue	**Special Revenue Fund**
SHA advanced contract payments	$ 32,479
MAA airport services	665
Total unearned revenue	$ 33,144

The Department's unavailable revenue as of June 30, 2024, consisted of the following (amounts expressed in thousands):

Unavailable Revenue	**Special Revenue Fund**
Federal receivables	$ 722,638
MAA PFC and CFC Improvement Funds	69,290
Total unavailable revenue	$ 791,928

6. Interfund Transfers:

The interfund transfers for the Department for the year ended June 30, 2024, were as follows (amounts expressed in thousands):

Transfers In	**Transfers Out**	**Amount**
Debt Service Fund	Special Revenue Fund	$ 426,454

The purpose of this interfund transfer is to record the amount of revenue transferred from the Special Revenue Fund to the Debt Service Fund for debt service principal and interest payments for Consolidated Transportation Bonds. This transfer is reported on the Statement of Revenues, Expenditures and Changes in Fund Balances as a debt service transfer under Other Financing Sources (Uses).

7. Due to Other State Agencies:

The amount reported as due to other State agencies within the Special Revenue Fund in the accompanying balance sheet is $138,583,000. That amount represents the amount due to the State's General Fund for cash transfers, not transferred as of June 30, 2024.

8. Capital Assets:

The Department's capital assets activity by asset classification, including accumulated depreciation/ amortization, for the year ended June 30, 2024, was as follows (amounts expressed in thousands):

Capital Assets - Governmental activities	**Balance July 1, 2023**	**Increases**	**Decreases**	**Transfers In (Out)**	**Balance June 30, 2024**
Capital Assets not depreciated:					
Land and Land Improvements	$ 3,025,140	$ 9,673	$ (203)	$ 31,408	$ 3,066,017
Construction in progress	8,690,373	1,017,447	-	(803,310)	8,904,510
Total capital assets not depreciated	11,715,513	1,027,120	(203)	(771,902)	11,970,527
Capital assets depreciated/amortized:					
Building & improvements	3,518,552	9,665	(7,055)	112,025	3,633,187
Lease assets - Buildings	26,192	-	-	-	26,192
Machinery & equipment	2,819,082	65,844	(90,002)	84,946	2,879,871
Subscription assets	13,257	-	-	-	13,257
Infrastructure	30,400,564	659,716	(17,609)	574,930	31,617,601
Lease assets - Infrastructure	15,352	-	-	-	15,352
Seagirt Assets	54,341	-	-	-	54,341
Total capital assets depreciated/amortized	36,847,340	735,225	(114,666)	771,901	38,239,802
Accumulated depreciation/amortization for:					
Building & improvements	(1,994,963)	(83,521)	2,130	-	(2,076,354)
Lease assets - Buildings	(12,563)	(6,252)	-	-	(18,815)
Machinery & equipment	(2,141,262)	(140,098)	88,920	-	(2,192,440)
Subscription assets	(3,445)	(3,493)	-	-	(6,938)
Infrastructure	(20,451,512)	(971,263)	2,846	-	(21,419,929)
Lease assets - Infrastructure	(2,913)	(1,217)	-	-	(4,130)
Seagirt Assets	(13,204)	(1,320)	-	-	(14,524)
Total accumulated depreciation/amortization	(24,619,862)	(1,207,163)	93,896	-	(25,733,129)
Net capital assets after depreciation/amortization	12,227,478	(471,938)	(20,771)	771,901	12,506,673
Net total capital assets – governmental activities	$ 23,942,991	$ 555,182	$ (20,974)	$ -	$ 24,477,200

Depreciation/amortization expense for the current year on capital assets charged to the Department's modal administrations in the Statement of Activities for the year ended June 30, 2024, was as follows (amounts expressed in thousands):

Depreciation/Amortization Expense - Governmental Activities		
Secretary's Office	$	10,556
State Highway Administration		929,989
Port Administration		27,980
Motor Vehicle Administration		39,048
Transit Administration		119,315
Aviation Administration		80,275
Total depreciation/amortization expense - governmental activities	**$**	**1,207,164**

9. Service Concession Arrangements:

The Department entered into a long-term lease with Ports America Chesapeake in 2009 to manage, operate and maintain the Seagirt Marine Terminal. This agreement satisfies the criteria established to be considered a service concession arrangement. Under the terms of the ground lease, the Department transfers certain rights to Ports America Chesapeake for a term of 50 years. After 50 years the Department has the option to buy Ports America Chesapeake's equipment. Ports America Chesapeake charges and collects fees from users for container lifts, short tons of roll on-roll off, breakbulk, and bulk cargo and pays the operating costs, management fee and debt service associated with the project. The Department has the ability to approve what services the operator is required to provide. As of June 30, 2024, the capital assets, net accumulated depreciation, and deferred receipts, were $39,817,000.

The Department entered into a public-private partnership agreement for the design, construction, financing, operation, and maintenance of a new light rail line, the Purple Line. This agreement satisfies the criteria established to be considered an availability payment arrangement. The agreement was originally entered into in 2016 and was subsequently modified in 2022. Under the terms of the agreement, the Department transfers certain rights to Purple Line Transit Partners, LLC for a construction term of 10 years and an operation and maintenance period of 30 years. Purple Line Transit Partners, LLC was selected through a competitive process as the concessionaire. As of June 30, 2024, the Purple Line construction is now more than 70% complete with $2,524,000,000 of expenses included in Construction In Progress accounts.

10. Long-term Liabilities:

The Department's long-term liability activity for the year ended June 30, 2024, was as follows (amounts expressed in thousands):

Changes in Long-Term Liabilities
(amounts expressed in thousands)

Governmental activities:	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024	Due Within One Year
Transportation bonds (1)	$ 3,297,030	$ -	$ (292,120)	$ 3,004,910	$ 309,860
Special transportation project revenue bonds (1)	410,365	-	(26,755)	383,610	26,855
Intergovernmental financing agreements (1&2)	260,331	24,320	(70,410)	214,241	25,805
Lease Payable (1)	39,661	-	(7,632)	32,029	6,921
Subscriptions payable (1)	9,812	-	(3,323)	6,489	3,196
Pollution obligations (2)	37,959	-	(4,768)	33,191	4,450
MTA OPEB liability	750,748	13,190	-	763,938	-
State Employees' Plan net pension liability	634,852	94,505	-	729,357	-
MTA Plan net pension liability	738,630	22,563	-	761,193	-
Premium on bonds (1)	354,866	-	(57,039)	297,827	51,972
Workers' compensation costs	72,313	19,101	(20,530)	70,884	10,633
EPC obligations (1)	15,577	-	(5,223)	10,354	5,007
Compensated absences	87,764	42,024	(23,685)	106,103	12,000
Total long-term liabilities – governmental activities	$ 6,709,908	$ 215,703	$ (511,484)	$ 6,414,127	$ 456,698

(1) These items are combined for the net related debt calculation on the Statement of Net Position section titled Net Position – Net investment in capital assets.

(2) Additions are the year over year change (decrease) for funds held in trust.

The Department's long-term liabilities, other than Consolidated Transportation Bonds and Special Transportation Project Revenue Bonds, are generally liquidated through the Special Revenue Fund. The Department estimates there are no material liabilities for arbitrage rebates as of June 30, 2024.

11. Long-Term Debt:

Consolidated Transportation Bonds

The Department issues Consolidated Transportation Bonds to provide funds for the acquisition and construction of major capital facilities. Consolidated Transportation Bonds are limited obligations issued by the Department for highway, port, airport, rail or mass transit facilities or any combination of such facilities. Pursuant to the State Constitution, tax-supported debt such as Consolidated Transportation Bonds must be fully paid within 15 years from the date of issue. As provided by State law, the General Assembly establishes in the budget for each fiscal year a maximum outstanding aggregate amount of Consolidated Transportation Bonds as of June 30 of the respective fiscal year that may not exceed $4,500,000,000. The aggregate principal amount of those bonds that were allowed to be outstanding as of June 30, 2024, was $3,114,910,000. The aggregate principal amount of Consolidated Transportation Bonds outstanding as of June 30, 2024, was $3,004,910,000. Consolidated Transportation Bonds are paid from the Debt Service Fund. As of June 30, 2024, the Department has no defeased debt outstanding.

The Department's Consolidated Transportation Bonds outstanding as of June 30, 2024, were as follows (amounts expressed in thousands):

	Interest Rates	Amount
Consolidated Transportation Bonds – due serially through 2036 – for State transportation activity	2.0-5.0%	$2,663,675
Consolidated Transportation Bonds, refunding – due serially through 2028 – for State transportation activity	4.0-5.0%	341,235
Total Consolidated Transportation Bonds Outstanding		$3,004,910

Principal and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute, a portion of the corporation income tax, and a portion of the State sales tax on short term vehicle rentals credited to the Department. These amounts are applicable to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payment.

Under the terms of authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued provided, among other conditions, that (1) total receipts (excluding federal funds for capital projects, bond and note proceeds and other receipts not available for debt service), less administration, operation and maintenance expenses for the preceding fiscal year, equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued, and (2) total proceeds from pledged taxes equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued.

Annual debt service requirements to maturity for Consolidated Transportation Bonds in future years are as follows (amounts expressed in thousands):

Years Ended June 30,	Principal	Interest	Total Debt Service Requirements
2025	309,860	119,846	$ 429,706
2026	306,255	104,715	$ 410,970
2027	321,310	89,933	$ 411,243
2028	325,735	74,653	$ 400,388
2029	325,735	59,593	$ 385,328
2030-2034	1,228,415	127,696	$ 1,356,111
2035-2037	187,600	6,699	$ 194,299
Total	$ 3,004,910	$ 583,135	$ 3,588,045

Special Transportation Project Revenue Bonds

The Department may also issue Special Transportation Project Revenue Bonds for certain projects that generate facility revenues. Special Transportation Project Revenue Bonds are limited obligations of the Department payable solely from funds deposited in the respective trust estate in accordance with the associated trust agreement. Maturities are not limited by State law but are limited by the useful life of the facilities being constructed or improved. The amount of bonds issued are not limited by State law but are limited by the debt coverage ratios established in the bond documents.

The Department issued Special Transportation Project Revenue Bonds (BWI Marshall Airport), which are payable from a gross pledge of airport revenues, exclusive of passenger facility charges and customer facility charges. The Department has been upgraded to an “A+” rating with Fitch Ratings and maintains an “A1” rating with Moody’s Investors Services, Inc.

Series 2021A Bonds were issued in February 2021 in the amount of $219,880,000 to redeem previous intergovernmental financing agreements. The Series 2021A Bonds are dated with maturities ranging from 2024 to 2031, at annual interest rates ranging from 0.36%-1.69%. Series 2021B were issued in July 2021 in the amount of $190,485,000 to finance the construction of the Concourse A/B Connector and Baggage Handling System Replacement project. The Series 2021B Bonds are dated with maturities ranging from 2026 to 2051, at annual interest rates ranging from 4.0%-5.0%. At the end of the current fiscal year the Department had total Special Transportation Project Revenue Bonds outstanding of $383,610,000.

Annual debt service requirements to maturity for Special Transportation Project Revenue Bonds in futureyears are as follows (amounts expressed in thousands):

Years Ended June 30,	Principal	Interest	Total Debt Service Requirements
2025	$ 26,855	$ 10,796	$ 37,651
2026	26,995	10,617	37,612
2027	31,075	10,288	41,363
2028	31,515	9,795	41,310
2029	32,060	9,234	41,294
2030-2034	81,480	38,004	119,484
2035-2039	31,445	30,193	61,638
2040-2044	38,755	22,746	61,501
2045-2049	48,830	12,413	61,243
2050-2054	34,600	2,112	36,712
Total	$ 383,610	$ 156,198	$ 539,808

County Transportation Revenue Bonds

County Transportation Revenue Bonds, enacted during the 1993 session of the General Assembly, are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for federally aided highway projects. Debt service on these bonds is payable from, and the obligation of, the respective county or Baltimore City.

Baltimore City is the only jurisdiction currently participating in the program. As of June 30, 2024, there were no unexpended bond proceeds, however certain debt service sinking fund amounts aggregating $12,110,733.19 were invested in money market accounts with the State Treasurer. These funds are reported as restricted cash and cash equivalents within the agency funds. The amount is restricted for project funds and county bond debt service respectively. As of June 30, 2024, $64,345,000 in County Transportation Revenue Bonds was outstanding.

12. Intergovernmental Financing Agreements and Certificates of Participation:

The Department has entered into several agreements for the financing of various transportation related projects, including agreements with the MDTA for the financing of various projects at BWI Marshall Airport. The Department reported obligations under intergovernmental financing agreements and certificates of participation of $214,421,000, as of June 30, 2024. The Department's activity related to intergovernmental financing agreements and certificates of participation is included in the table in Note 10.

The Department's intergovernmental financing agreements and certificates of participation obligations as of June 30, 2024, were as follows:

- $1,650,000 in obligations related to Project Certificates of Participation for Maryland Aviation Administration Facilities, Series 2010 (refunding), issued on December 1, 2010, at annual coupon rates ranging from 3.0-5.0%;

- $2,235,000 in obligations related to Project Certificates of Participation for Maryland Transit Administration Projects, Series 2010 (refunding), issued on December 1, 2010, at annual coupon rates ranging from 3.0-5.0%;
- $17,275,000 in obligations related to Project Certificates of Participation for the Maryland Aviation Administration's Shuttle Bus Fleet Acquisition, Series 2019, issued on March 27, 2019, at annual coupon rates ranging from 3.0-5.0%.
- $59,990,000 on long-term obligations for bonds issued by the MDTA related to the financing of BWI Marshall Airport's Consolidated Rental Car Facility, Series 2002, issued on June 18, 2002, at annual coupon rates ranging from 2.74-6.65%.
- $25,660,000 on long-term obligations for bonds issued by the MDTA related to the financing of a connector hallway between Concourses B and C at BWI Marshall Airport, Series 2012, issued on April 25, 2012, at annual coupon rates ranging from 4.0-5.0%.
- $22,730,000 on long-term obligations for bonds issued by the MDTA related to the financing of BWI Marshall Airport's runway safety and paving improvement projects, Series 2012, issued on December 13, 2012, with fixed rate bonds with coupon rates ranging from 2.0-4.0%, and variable rate demand bonds with an interest rate of 3.57% that was defeased September 2023.
- $24,270,000 on long-term obligation for bonds issued by the MDTA related to the financing of a connector hallway between Concourses C and D at BWI Marshall Airport, Series 2014, issued on December 18, 2014, at annual coupon rates ranging from 3.0-5.0%; and
- $93,105,000 on long-term obligations for bonds issued by the MDTA related to various improvements at BWI Marshall Airport, Series 2019, issued on June 19, 2019, at annual coupon rates ranging from 3.0-5.0%.

As bond proceeds are spent for construction, the Department's liability (or minimum payments) and related capital assets will increase accordingly. Once construction is completed, the Construction in Progress asset will become a Building or Infrastructure asset.

The future minimum Intergovernmental Financing Agreement and Certificates of Participation obligations and the net value of these minimum payments as of June 30, 2024, were as follows (amounts expressed in thousands):

Year Ended June 30	Principal	Interest	Total
2025	$ 25,805	$ 11,280	$ 37,085
2026	25,205	10,137	35,342
2027	25,140	9,034	34,174
2028	18,295	7,892	26,187
2029	19,275	6,897	26,172
2030-2034	95,350	19,036	114,386
2035-2039	37,845	4,505	42,350
Total	$ 246,915	$ 68,781	$ 315,696

Less: amount representing interest	$ (68,781)
Less: funds held by trustee (1)	(32,674)
Value of minimum intergovernmental financing agreement payments	214,241

(1) The reduction shown in the amount of $32,674,000 are monies held by the bond trustee on behalf of the MDTA to be used for construction and Debt Service Reserve Fund expenditures.

The capital assets acquired through intergovernmental financing agreements as of June 30, 2024, were as follows (amounts expressed in thousands):

Capital Asset	Amount
Construction in progress	$ 106,462
Land and improvements	16,569
Buildings and improvements	1,085,163
Machinery and equipment	23,427
Infrastructure	292,106
Total acquired capital assets	1,523,727
Less: accumulated depreciation	644,149
Total capital assets – net	$ 879,578

13. Leases and Subscription Based Information Technology Agreements (SBITA)

Department as Lessor (lease receivable):

The Department is a party to multiple leases, primarily at the BWI Marshall Airport and at the Port of Baltimore. The Department recognized $30,150,000 in lease revenue and $6,025,234 in interest revenue related to leases. As of June 30, 2024, the Department's receivable for lease payments was $218,960,000 and the balance of the deferred inflow of resources was $204,066,000. The deferred inflow of resources will be recognized as revenue over the lease term.

Department as Lessee/SBITA subscriber (lease and SBITA payable):

The Department has entered into various lease agreements as lessee for noncancellable leases of office space and infrastructure (parking) and a subscriber of subscription-based information technology arrangements (SBITAs) for noncancellable software arrangements. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. If the interest rate implicit in the leases is not readily determinable, the Department utilizes its incremental borrowing rate to discount the lease payments, estimated at 3%.

As of June 30, 2024, the Statement of Net Position includes the following amounts relating to leases and SBITAs (amounts expressed in thousands):

Governmental activities		
Lease assets/SBITAs:		
Building & improvements	$	26,192
Infrastructure		15,352
SBITAs		13,257
Total lease assets/SBITAs		54,801
Less accumulated amortization for:		
Lease assets:		
Building & improvements		18,815
Infrastructure		4,129
SBITAs		6,938
Total accumulated amortization		29,882
Total lease assets/SBITAs, net:		
Building & improvements		7,377
Infrastructure		11,223
SBITAs		6,319
Total	$	24,919

Lease/SBITA Payable		
Current	$	10,117
Non-current		28,401
Total	$	38,518

The future principal and interest lease and SBITA payments as of June 30, 2024, were as follows (amounts expressed in thousands):

Year Ended June 30,	Principal	Interest	Total
2025	$ 10,117	$ 1,126	$ 11,243
2026	8,022	824	8,846
2027	4,590	586	5,176
2028	3,245	450	3,695
2029	3,401	310	3,711
2030-2101	9,143	3,456	12,599
Total	$ 38,518	$ 6,752	$ 45,270

14. Pollution Remediation Obligations:

The Department has recognized a pollution remediation obligation on the Statement of Net Position for governmental activities. A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, including pre-cleanup activities, cleanup activities, government oversight and enforcement, and post remediation monitoring.

Obligating events that initiate the recognition of a pollution remediation liability include any of the following: (a) there is an imminent and substantial endangerment to the public; (b) the Department is in violation of a pollution prevention related permit or license; (c) the Department is identified as a responsible party or potentially responsible party by an environmental regulator; (d) the Department is named or has evidence that it will be named in a lawsuit to participate in pollution remediation; or (e) the Department voluntarily commences, or legally obligates itself to commence, cleanup activities, monitoring or operations and maintenance of pollution remediation efforts.

The pollution remediation obligation is an estimate and subject to changes from price increases or reductions, technology advances or changes in applicable laws or regulations. The liability is recognized as it becomes estimable. In some cases, this may be at inception. In other cases, components of a liability are recognized as they become reasonably estimable. At a minimum, the liability is reviewed for sufficiency when various benchmarks occur and as remediation is implemented and monitored. The measurement of the liability is based on the current value of outlays to be incurred using the expected cash flow technique. This technique measures the sum of probability-weighted amounts in a range of possible potential outcomes – the estimated mean or average.

The Department's pollution remediation liability as of June 30, 2024 is estimated at $33,191,000, net of expected recoveries from third parties. Included in this liability are cost estimates for site monitoring and repair excavation of road and infrastructure, because of contaminations by hazardous materials under federal and State law. In these cases, either the Department has been named in a lawsuit by a State Regulator or the Department has legally obligated itself under Section 7-201 of the Environment Article of the Annotated Code of Maryland.

Cost estimates for the Department's pollution remediation, due to site contamination from hazardous materials, are based on managerial cost estimates. The estimated long-term costs that the Department may be responsible for over the next 15 years include: various cleanup projects related to several MTA construction sites and projects related to cleanup of underground hazardous substances at the MPA's Dundalk Marine Terminal and land recently purchased for a dredge material disposal site. The Dundalk Marine Terminal's pollution remediation liability was reviewed, and the present value of the estimated liability was significantly reduced during the fiscal year ended June 30, 2024 due to reduced yearly remediation expenses.

15. Retirement Systems and Pension Plans:

The Department is a member of the Maryland State Retirement System and Pension System (MSRPS) and sponsors a pension plan covering the employees of MTA. The Department recognized a $87,648,000 expense from the system and the MTA plan recognized a loss of $9,265,000, for a Department wide pension expense of $96,913,000.

M*aryland State Retirement and Pension System:*

The Department and its employees contribute to MSRPS. The System was established by the State to provide pension benefits for State employees (other than employees covered by the MTA Employee Pension Plan described below) and employees of various participating political subdivisions or other entities within the State. The non-State entities that participate within MSRPS receive separate actuarial valuations in order to determine their respective funding levels and actuarial liabilities.

While MSRPS is an agent multiple-employer public employee retirement system, the Department accounts for the plan as a cost sharing multiple-employer public employee retirement system as a separate valuation is not performed for the Department and the Department's obligation to the plan is its required annual contributions. Retirement benefits are paid from MSRPS pooled assets rather than from assets relating to a particular plan participant.

The State Retirement Agency is the administrator of MSRPS. MSRPS was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System's administration and operation is vested in a 15-member Board of Trustees. MSRPS prepares a separately audited Annual Comprehensive Financial Report, which can be obtained from the System and is available at: http://www.sra.maryland.gov/ -annual-financial-reports and includes additional information about MSRPS actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate and pension plan fiduciary net position.

Plan description:

MSRPS includes several plans based on date of hire and job function. Employees of the Department are members of the Employees' and Teachers' Retirement System, Employees' and Teachers' Pension System, or Law Enforcement Officers' Pension System. The Employees' and Teachers' Retirement System (the Retirement Plan) includes those employees hired prior to January 1, 1980, who have not elected to transfer to the Employees' and Teachers' Pension System (the Pension Plan) and are not a member of the Law Enforcement Officers' Pension System (the Officers' Plan). Members of the Pension Plan include those employees hired after January 1, 1980, and prior employees who elected to transfer from the Retirement Plan and are not a member of the Officers' Plan. Members of the Officers' Plan include all MTA law enforcement officers.

Benefits provided:

Members of the Retirement Plan become vested after five years. Members are generally eligible for full retirement benefits upon the earlier or attaining age 60 or accumulating 30 years of eligible service regardless of age. The annual retirement allowance equals 1/55 (1.8%) of the member's highest three-year average final salary (AFS) multiplied by the number of years of accumulated credible service. A member may retire with reduced benefits after completing 25 years of eligible service.

The Pension Plan includes several components based on a member's date of hire. This is the result of legislative changes to the Pension Plan enacted in 1998, 2006, and 2011. Provisions for these components are largely the same; however, important distinctions exist in the areas of member contributions, retirement eligibility and benefit calculations. Generally, the greatest distinctions for members of the plan exist for those hired before July 1, 2011, and those hired on or after that date.

The following applies to members of the Pension Plan hired before July 1, 2011. Vesting occurs once members have accrued at least five years of eligible service. Members of the Pension Plan are generally eligible for full retirement benefits upon attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. Generally, the annual pension allowance for a member equals 1.2% of the member's three-year AFS, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFS, multiplied by the number of years of creditable service accumulated prior to June 30, 1998. A member may retire with reduced benefits upon attaining age 55 with at least 15 years of eligible service. Benefits are reduced by 0.5% per month for each month remaining until the retiree reaches the normal retirement service age. The normal retirement service age is 62 with a maximum reduction of 42%.

The following applies to members of the Pension Plan hired on or after July 1, 2011. Vesting occurs once members have accrued at least ten years of eligible service. To receive full retirement benefits, a member's age and years of eligibility service must equal at least 90, or if the member is at least age 65, aminimum of 10 years of eligibility service are required on the date of retirement. The annual pension allowance for a member equals 1.5% of the member's five-year AFS multiplied by the number of years of creditable service. A member may retire with reduced benefits at age 60 with at least 15 years of eligible service. Benefits are reduced by 0.5% per month for each month remaining until the retiree reaches the normal retirement service age. The normal retirement service age is 65, with a maximum reduction of 30%.

For members of the Officers' Plan, hired on or before June 30, 2011, vesting occurs once members have accrued at least five years of eligible service. For members hired on or after July 1, 2011, vesting occurs once a member has accumulated ten years of eligible service. Members are eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 25 years of eligible service regardless of age. Generally, the annual pension allowance for a member equals 2.0% of the member's AFS, up to a maximum of benefit of 60% of AFS (30 years of creditable service). The Officers' Plan does not provide for early retirement.

Funding policy:

In accordance with the State Personnel and Pensions Article of the Annotated Code of Maryland, employer contribution rates are established by annual actuarial valuations using the entry age normal cost method and other actuarial assumptions adopted by the Board of Trustees. Employees are required to contribute to the System a fixed percentage of their regular salaries and wages. Members of the Retirement System pay 5- 7% depending on the retirement system selected. Members of the Pension Plan and Officers' Plan pay 7% of earnable compensation.

The Department's contractually required contribution rate for the System for the year ended June 30, 2024, was $120,522,000, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the System from the Department were $120,522,000 for the year ended June 30, 2024.

The Department recognizes the long-term obligation for pension benefits as a liability on the Statement of Net Position and measures the pension costs. As of June 30, 2024, the Department reported a liability of $729,357,000 for its proportionate share of the System's net pension liability. The Department's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. As of June 30, 2024, the Department's proportionate share of the System's liabilities and assets was 3.40%, compared to 3.40% measured as of June 30, 2023.

The Department's proportion of the System's net pension liability was based on a projection of the Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined.

For the year ended June 30, 2024, the Board of Trustees recognized pension expense for the System of $2,575,174,000, $87,648,000 of the expense allocable to the Department. As of June 30, 2024, the Department reported deferred outflows of resources and deferred inflows of resources related to the System from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 48,999	$ (2,559)
Change in experience	14,765	(20,035)
Contribution after measurement date	120,522	-
Change in proportionate share	1,091	(2,828)
Net difference between projected and actual earning on pension plan investments	67,690	-
Total	$ 253,067	$ (25,422)

The $120,522,000 reported as deferred outflows of resources related to pensions resulting from the Department's contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2025.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense is as follows (amounts expressed in thousands):

Year ended June 30,		Amount
2025	$	16,032
2026		6,890
2027		63,817
2028		17,930
2029		2,454
Total	$	107,123

The sensitivity of the Department's proportionate share of the net pension liability to changes in the discount rate:

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Department's net pension liability, calculated using a single discount rate of 6.80%, as well as what the net position liability would be if the single discount rate is 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
Proportionate share of the State's net pension liability	$ 1,060,008	$ 729,357	$ 453,737

Maryland Transit Administration Employee Pension Plan:

Plan description:

The MTA Employee Pension Plan (the MTA Plan) is a single employer plan that covers certain MTA employees. Covered employees include: any employee who is a member of the Amalgamated Transit Union, Local 1300, or the Office and Professional Employees International Union, Local 2, who are not included in the System; any employee who is a member of the Police Local Union No. 1859, who is not included in the Officers' Plan; and any management employee who transferred from any of the bargaining units above. The MTA Plan is administered and funded in compliance with the collective bargaining agreements, which established the MTA Plan. As of June 30, 2024, membership in the Plan includes 2,476 active members, 715 inactive, nonretired members, and 2,272 retirees and beneficiaries.

The MTA Plan is part of the Department's financial reporting entity and is included in the Department's financial statements as a Pension Trust Fund. The MTA Plan prepares separate audited financial statements, which can be obtained from the MTA Plan, and is available at: https://www.mdot.maryland.gov/tso/Pages/Index.aspx?PageId=53.

Benefits Provided:

Members of the MTA Plan are vested once members have accrued at least five, seven, or ten years, depending on date of hire. Members of the MTA Plan are generally eligible for full retirement benefits upon attaining age 52 with 30 years of eligibility service or attaining age 65 and being fully vested with five years of eligible service. The annual pension allowance for a member equals 1.7% of the member's pensionable earnings for three years over the last 10 years of credited service. Effective July 1, 2016, AFS may include overtime, allowing for up to 2,392 total pay hours in any year. A member may retire with reduced benefits upon attaining age 55 plus years of service at least equal to 85. Benefits are reduced by 0.33% or 0.42% per month depending on age at retirement for each month remaining until the retiree reaches age 65, the normal retirement service age.

Funding Policy:

The MTA's required contributions are based on actuarial valuations. The entry age normal cost method is the actuarial cost method used to determine the employer's contribution rates and the total pension liability. All administrative costs of the MTA Plan are paid by the MTA Plan.

During fiscal year 2024, the MTA contributed $56,110,000 to the plan, $505,000 less than the actuarially determined contribution due to a year end timing issue. The contribution equals 30.25% of covered payroll.

Assumptions and other inputs:

The actuarial method and significant assumptions listed below were used in the actuarial valuation of the Plan for the MTA Plan as of July 1, 2023:

Actuarial Cost Method:	Entry Age – Level Dollar Normal Cost
Amortization Method:	Level Dollar Closed
Wage Inflation: Salary increases: Investment rate of return: Municipal bond rate: Single discount rate: Retirement age:	2.75% 2.40% to 10.2% including inflation 6.80% 3.97% 5.35% Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	• Pre-retirement: The fully generational Pri-2012 Amount-Weighted Blue Collar Employee mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. • Post-retirement Healthy lives: The fully generational Pri-2012 Amount-Weighted Blue Collar Healthy Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. • Post-retirement Disabled lives: The fully generational Pri-2012 Amount-Weighted Total Disabled Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021.

Plan Fiduciary Net Position:

The MTA Plan's fiduciary net position has been determined on the same basis used by the pension plan. The MTA Plan's financial statements are prepared on the accrual basis of accounting. Accordingly, investment purchases and sales are recorded as of their respective trade dates and all contributions and benefits including refunds of employee contributions are recorded in the period when they become due. Investments are reported at fair value.

Net Pension Liability of the Plan:

The total pension liability of the MTA Plan was determined by an actuarial valuation as of July 1, 2023.

Change of assumptions: An increase of the effective single discount rate from 5.37% to 5.35%. The wage inflation assumption remained constant at 2.75%. The assumed COLA remained constant at 2.00%.

The components of the net pension liability as of June 30, 2024, are as follows (amounts expressed in thousands):

Total pension liability	$ 1,294,887
Less: Plan fiduciary net position	(533,695)
Employer net pension liability	$ 761,192
Plan fiduciary net position as a percentage of the total pension liability	41.22%

The sensitivity of the net pension liability to changes in the discount rate:

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the MTA Plan's net pension liability, calculated using a single discount rate of 5.35%, as well as what the net position liability would be if the single discount rate is 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease 4.35%	Discount Rate 5.35%	1% Increase 6.35%
Net pension liability	$ 937,966	$ 761,193	$ 614,523

For the year ended June 30, 2024, the MTA Plan recognized a total pension expense of $9,265,000 and reported deferred outflows of resources and deferred inflows of resources from the following sources (amount expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,265	$ 31,824
Changes of assumptions	66,430	214,727
Net difference between projected and actual earning on pension plan investments	27,045	13,582
Total	$ 125,740	$ 260,133

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the MTA Plan will be recognized in pension expense as follows (amounts expressed in thousands):

Year ended June 30,	Amount
2025	$ (35,721)
2026	(36,282)
2027	(66,213)
2028	3,823
2029	-
Total	$ (134,393)

The changes in the employer's net pension liability as of June 30, 2024, are as follows (amounts expressed in thousands):

Total Pension Liability	
Service cost	$ 31,691
Interest on the Total Pension Liability	65,255
Changes of benefit terms	-
Differences between expected and actual experience	22,080
Change of assumptions	3,207
Benefit payments, including refunds of member contributio	(53,342)
Net Changes in total pension liability	68,891
Total pension liability - beginning	1,225,996
Total pension liability - ending	$1,294,887
Plan fiduciary net position	
Contributions - employer	56,110
Contributions - member	10,104
Net investment income	33,630
Benefit payments, including refunds of member contributio	(53,342)
Administrative expense	(173)
Net Changes in plan fiduciary net position	46,329
Plan fiduciary net position - beginning	487,366
Plan fiduciary net position - ending	533,695
Net pension liability - ending	$ 761,192

16. Other Postemployment Benefits:

State Employee and Retiree Health and Welfare Benefits Program of Maryland

Plan Description:

The State Employee and Retiree Health and Welfare Benefits Program (the Plan) is a single-employer defined benefit healthcare plan established by the State Personnel and Pensions Article of the Annotated Code of Maryland. The Plan is self-insured to provide medical hospitalization, prescription drug and dentalinsurance benefits to eligible State employees, retirees, and their dependents. State law grants authorityto establish and amend benefit provisions to the Secretary of the Department of Budget and Management. In addition, the Secretary specifies by regulation the types or categories of State employees who are eligible to enroll, with or without State subsidies, or who are not eligible to enroll.

The Postretirement Health Benefits Trust Fund (OPEB Trust) is established as an irrevocable trust in the State Personnel and Pensions Article to receive appropriated funds and contributions which will be used to assist the Plan in financing the State's postretirement health insurance subsidy. The oversight of the OPEB funds is the same Board of Trustees that oversees the System. A separate audited GAAP-basis postemployment benefit report is available for the defined benefit healthcare trust fund. The OPEB Trust is included in the State's Annual Comprehensive Financial Report, which can be obtained from the Comptroller of Maryland, and is available at https://www.marylandtaxes.gov/reports/index.php.

Funding Policy:

The contribution requirement of Plan members and the State are established by the Secretary of the Department of Budget and Management. Each year the Secretary recommends to the Governor the State's share of the costs of the Plan. Funds may be separately appropriated in the State's budget for transfer to the OPEB Trust. Applicable administrative expenses are payable from the OPEB Trust and may not exceed $100,000 annually.

Eligibility for the Plan is determined by various factors, including date of hire. Generally, employees hired before July 1, 2011, may enroll and participate in the Plan if the employee left State service with at least 16 years of creditable service, retired directly from State service with at least 5 years of creditable service, left State service with at least 10 years of creditable service and within 5 years of normal retirement age, or retired directly from State service with a disability retirement. Employees hired on or after July 1, 2011, may enroll and participate in the Plan if the employee left State service with at least 25 years of creditable service, retired directly from State service with at least 10 years of creditable service, left State service with at least 10 years of creditable service and within 5 years of normal retirement age, or retired directly from State service with a disability retirement.

The State subsidizes a portion of the covered medical, dental, prescription, and hospitalization costs, depending on the type of insurance plan. The Plan assesses a surcharge for postemployment health care benefits, which is based on health care insurance charges for State employees. The State does not distinguish employees by employer/State agency. For the years ended June 30, 2024, 2023, 2022, 2021, and 2020, the State did not allocate postemployment health care costs to participating employers and as a result did not require acontribution from the Department. As such, the State has elected to maintain the entire net OPEB liability as a liability of the General Fund of the State and has not allocated any balances to State agencies.

Maryland Transit Administration OPEB Plan

Plan Description:

The members of the MTA Plan are provided postemployment healthcare benefits through the MTA Health Plan. The MTA Health Plan provides retireehealth care benefits under a collective bargaining agreement to all employees who are members of the MTA Plan, except transfers from union to management positions who are required to enter in the State Employee and Retiree Health and Welfare Benefits Plan. The MTA Health Plan currently funds retirees'health care cost on a pay-as-you-go basis. The MTA does not have a separate fund set aside to pay health care costs.

The MTA Health Plan provides medical, hospitalization, prescription drug, dental, and vision insurance benefits to eligible MTA employees, retirees, and their dependents. Members are eligible at age 65 with five, seven, or ten years of service (in accordance with bargaining unit and date of hire) or age 52 with 30 years of service provided the member is enrolled in an MTA health plan at normal retirement. Members are also eligible at age 55 if the sum of the participant's age plus years of actual credited service equals at least 85 and the participant is enrolled in an MTA health plan at early retirement, disability with five years of service, and surviving spouses. The MTA Health Plan provides healthcare coverage for 1,506 retirees. A separate audited GAAP-basis postemployment benefit plan report is not available for the healthcare plan.

Funding Policy:

The Department is required by law to provide funding each year to the MTA Health Plan for the Department's share of the pay-as-you-go amount necessary to provide current benefits to retired employees and their dependents. The MTA Health Plan has not set up an irrevocable trust and an actuarially determined contribution is not calculated. Retirees make the same contributions as active employees; however, Medicare contributions are handled separately.

Actuarial Methods and Assumptions:

An actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

A projection of benefits for financial reporting purposes is based on the substantive plan and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial method and significant assumptions listed below were used in the actuarial valuation as of June 30, 2023, of the OPEB Plan for the MTA Health Plan as of June 30, 2023:

Actuarial Cost Method:	Individual Entry Age
Discount Rate:	3.69%
Wage Inflation:	2.75%
Medical Trend:	7.25% for pre-Medicare and 6.50% for post-Medicare, each gradually decreasing to 3.50% for 2037 and thereafter.
Dental/Vision Trend	3.5% per annum
Mortality:	**Pre-retirement**: Pri-2012 Amount-Weighted Blue Collar Employee mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. **Post-retirement Healthy lives**: Pri-2012 Amount Weighted Blue Collar Healthy Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021. **Post-retirement Disabled lives**: Pri-2012 Amount Weighted Total Disabled Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021.

Discount rate:

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For this valuation, the municipal bond rate is 3.86% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). 1.92% was the rate used in fiscal year 2022.

Sensitivity of the OPEB liability to changes in the discount rate:

The following presents the plan's OPEB liability, calculated using as single discount rate of 3.869 as well as what the plan's OPEB liability would be if it were calculated using a single discount rate, that is 1-percentage-point lower or 1-percentage-point higher (amounts expressed in thousands):

	1% Decrease 2.86%	**Discount Rate 3.86%**	**1% Increase 4.86%**
Total OPEB Liability	$ 883,083	$ 763,938	$ 666,936

Sensitivity of the OPEB liability to changes in the healthcare cost trend rate:

The following presents the MTA Health Plan's OPEB liability, calculated using the health care cost trend assumption (trend vector) that changes over the years. The trend vector used in this valuation begins with a near-term trend assumption and declines over time to an ultimate trend rate. Also included are the plan's OPEB liability with the trend vector adjusted 1% lower and 1% higher (amounts expressed in thousands):

	1% Decrease	Health Trend	1% Increase
Total OPEB Liability	$ 649,438	$ 763,938	$ 910,584

OPEB Liability of the MTA Health Plan:

The OPEB Liability was measured as of June 30, 2023 (based on an actuarial valuation date of June 30, 2023) and the components of the OPEB liability are as follows (amounts expressed in thousands):

Total pension liability	
Service cost	$ 29,159
Interest on the total OPEB liability	27,910
Changes of benefit terms	-
Differences between expected and actual experience	(7,547)
Change of assumptions	(18,434)
Benefit payments	(17,899)
Net Changes in total pension liability	13,190
Total pension liability - beginning	750,748
Total pension liability - ending	$ 763,938

The components of the OPEB expense as of June 30, 2024, are as follows (amounts expressed in thousands):

Service cost	$ 29,159
Interest on the total OPEB liability	27,910
Recognition of Outflow (Inflow) of Resources due to Liabilities	(58,008)
Total OPEB expense	$ (938)

The MTA Health Plan recognized an OPEB expense of -$938,000 for the year ended June 30, 2024. Atthat date, the Department reported deferred outflows and deferred inflows of resources related to the MTA Health Plan from the following sources (amounts expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,874	$ 103,320
Changes of assumptions	65,720	203,183
Total	$ 75,594	$ 306,503

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to the MTA Health Plan will be recognized in the expense as follows (amounts expressed in thousands):

Year ended June 30,	Amount
2025	$ (58,008)
2026	(43,775)
2027	(23,847)
2028	(31,734)
2029	(31,490)
Thereafter	(42,055)
Total	$(230,909)

17. Risk Management and Insurance:

Workers' Compensation:

The Department is self-insured for workers' compensation liabilities. The Department's workers' compensation self-insured liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Liabilities for incurred workers' compensation losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using a 4% discount rate. The workers' compensation costs are based upon separately determined actuarial valuations for the fiscal year ended June 30, 2023.

The Department's workers' compensation self-insurance program is administered by the Chesapeake Employers' Insurance Company under a contract which requires that the Department pay premiums based upon loss experience plus a proportionate share of administrative costs. In the event of termination of the contract, the Department is obligated for any premium deficiency at the time of termination. The Department's accrued workers' compensation costs were $70,884,000 as of June 30, 2024. The Department's activity related to accrued workers' compensation costs is included in the table in Note 10. Changes in the balances for the Department's workers' compensation liability during the past two fiscal years are as follows (amounts expressed in thousands):

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Unpaid claims, beginning of fiscal year	$ 72,313	$ 78,029
Incurred claims and changes in estimates	19,101	14,152
Claim payments	(20,530)	(19,868)
Total unpaid claims, end of fiscal year	$ 70,884	$ 72,313

Insurance:

Certain operations of the Department are covered by commercial liability insurance policies and many claims are handled by the Department's insurance carriers. MAA's two facilities, BWI Marshall Airport and Martin State Airport, are covered by airport owners' and operators' general liability insurance policies providing coverage per occurrence up to $750,000,000 for bodily injury and property damage. The lead policy includes a war, hi-jacking and other perils endorsement with a $250,000,000 limit due to the events of September 11, 2001.

MPA's liability insurance policies, including excess liability policies, provide insurance up to $150,000,000 per occurrence for its port operations. These policies cover liability for both injury and property damage.

MTA's MARC operations are covered by a $495,000,000 excess liability insurance program above the MTA's $5,000,000 self-insured retention. Bombardier and Amtrak are contractors hired to provide MTA's commuter rail service known as MARC. In addition, the MTA pays a track access fee to CSX for the use of CSX's railroad tracks (MARC Brunswick Line and Camden Line) and to Amtrak for use of Amtrak's railroad tracks (MARC Penn Line). The MTA has insurance to cover its contractual obligations for the MARC rail service as well as insurance for the MTA's other modes of service (bus, light rail, commuter bus, subway, and mobility).

All other MTA operations insurance coverage provides excess liability limits up to $200,000,000. This includes a shared self-insured retention of $5,000,000 for rail and $10,000,000 for MTA buses. Claims under $5,000,000 are self-insured by the MTA. The excess liability policies also extend punitive damages liability coverage to Bombardier, Amtrak and CSX arising from commuter rail operations for claims. All third-party liability claims exceeding $10,000 for Bombardier and $25,000 for Amtrak must have prior approval of the MTA for payment/settlement. Workers' compensation claims by Bombardier, Amtrak or CSX are exempt from the MTA's coverage because those are the responsibility of the vendors.

In the last five years, one MTA settlement in the fiscal year ended June 30, 2019, exceeded the insurance coverage. For those areas not covered by purchased insurance, the State Treasurer has a program of self-insurance for tort claims. By statute, bodily injury, personal injury, or property damages are limited to claims of $200,000 per claimant before September 30, 2015, and $400,000 on or after October 1, 2015; however, tort liability limits established in law do not apply to the MTA. As of July 1, 2022, there is a new tort cap for law enforcement of $890,000. Effective October 1, 2023, the cap for sexual abuse claims increased to $890,000 per claimant.

18. Energy Performance Contracts:

The Department of General Services (DGS) implemented an Energy Performance Contract program for the Department in the fiscal year ended June 30, 2011, with a goal to reduce Maryland's energy consumption through energy efficiency projects. The State Treasurer's Office financed certain Energy Performance Contract obligations on behalf of the Department. As of June 30, 2024, $10,354,000 is outstanding. The savings resulting from the projects are used to offset the costs of services. The current portion that is due within one year is the principal due in the amount of $5,007,000 for the Energy Performance Contract obligations.

19. Commitments:

The Department has active construction commitments outstanding as of June 30, 2024, of approximately $10,462,439 principally for construction of highway, port, motor vehicle, aviation, and transit projects. Approximately 22% of future expenditures, related to these commitments of the Department,are expected to be reimbursed from proceeds of approved federal grants when the actual costs are incurred. The remaining balance will be funded by other financial resources of the Department, including the issuance of long-term debt. As of June 30, 2024, the Department's commitments with contractors were as follows (amounts expressed in thousands):

Construction projects	Spent-to-date	Remaining commitment
Highway construction	$ 2,736,191	$3,245,001
Port construction	854,745	1,494,752
Motor vehicle construction	369,007	151,712
Transit construction	3,414,617	4,508,354
Aviation construction	798,114	1,062,619
Total projects	$ 8,172,674	$10,462,439

20. Related Party Transactions:

Various State of Maryland agencies provide services for the Department for which they are reimbursed from the Department. During fiscal year ended June 30, 2024, such reimbursements are reflected as Distributions to other State agencies in the Special Revenue Fund.

21. Federal Revenue:

Federal revenue consists principally of grants from the Federal Transit Administration for rail and bus projects for the Baltimore region and from the Federal Highway Administration in connection with highway construction projects. In addition, the Department receives federal grants to aid in planning, design, and construction of transportation facilities and to support mass transit operations. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreementsand applicable federal regulations including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowancesas a result of these audits become a liability of the Department. As of June 30, 2024, the Department estimates that no material liabilities will result from such audits. For the fiscal year ended June 30, 2024, the Department reports $1,056,006,000 of federal reimbursements.

22. Passenger Facility Charges:

The Aviation Safety and Capacity Expansion Act of 1990 (the 1990 Safety Act), enacted by the United States Congress, allows a public agency to impose an airport passenger facility charge (PFC) for enplaned passengers. The proceeds of such PFCs are to be used to finance eligible airport-related construction projects, as approved by the Federal Aviation Administration. MAA received Federal Aviation Administration approval in July 1992 to collect PFCs for four projects.

The Aviation Investment and Reform Act for the 21st Century, enacted by the United States Congress in April of 2000, together with the 1990 Safety Act, increased the maximum per passenger PFC allowed to be charged by qualifying airports from $3.00 to $4.50. In June 2002, the MAA received approval to increase its collection level to $4.50 to support approved PFC projects in the MAA's capital program. The Federal Aviation Administration further allows the MAA to impose and use PFCs for the payment of debt service for bonds used to fund approved PFC projects (see Note 12 Intergovernmental Financing Agreements and Certificates of Participation). PFC collections not needed for debt service are used for approved PFC pay-as-you-go projects.

The MAA has submitted multiple applications for PFC projects, which were approved by the Federal Aviation Administration. Most projects under prior PFC applications have been completed; however, one project from Application 10, submitted in September 2012, and several projects in Application 13, submitted in March 2019, remain open and underway.

23. Net Position/Fund Balance:

The unrestricted deficit for the governmental activities on the government-wide Statement of Net Position is $1,847,045,000.

Non spendable fund balance is reported for a portion of the Special Revenue Fund balance in the amount of $110,594,000 for inventories of supplies and no amount for prepaid items as of June 30, 2024.

Unassigned fund balance was $33,723,000 reported in the Special Revenue Fund as of June 30, 2024.

24. Contingent Liabilities:

The Department is party to various legal proceedings, many of which occur in the normal course of the Department's operations, including actions commenced and claims asserted for alleged property damage, personal injury, breach of contract, discrimination, or other alleged violations of law. In the opinion of the Maryland Office of the Attorney General, these legal proceedings are not likely to have a material adverse impact on the Department's financial position as of June 30, 2024.

25. Subsequent Events:

The Department reports no subsequent events for the year ended June 30, 2024.

Required Supplementary Information

ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION

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MARYLAND DEPARTMENT OF TRANSPORTATION

Required Supplementary Information

Schedule of Changes in the Total Liability and Related Ratios for the Maryland Transit Administration OPEB Plan

(amounts expressed in thousands)

	Fiscal Year Ended June 30						
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Total OPEB liability:							
Service cost	$ 47,907	$ 41,137	$ 31,899	$ 46,156	$ 41,932	$ 46,235	$ 29,160
Interest	25,090	29,487	26,053	26,467	21,957	19,257	27,910
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(14,073)	(1,121)	19,747	(8,079)	(116,971)	(7,547)
Changes of assumptions	(113,863)	(145,356)	64,216	(21,696)	66,622	(167,511)	(18,434)
Benefit payments	(12,422)	(15,617)	(17,240)	(20,354)	(15,511)	(20,177)	(17,899)
Net change in total OPEB liability	(53,288)	(104,422)	103,807	50,320	106,921	(239,167)	13,190
Total OPEB liability - beginning	886,577	833,289	728,867	832,674	882,994	989,915	750,748
Total OPEB liability - ending	$ 833,289	$ 728,867	$ 832,674	$ 882,994	$ 989,915	$ 750,748	$ 763,938
Expected average remaining service years of all participants	8	8	8	8	8	8	8

Source: Maryland Transit Administration Pension Plan, GASB 75 Actuarial Information Report.

Notes to Schedule:

Information for FY 2017 and earlier is not available.

MARYLAND DEPARTMENT OF TRANSPORTATION
MARYLAND TRANSIT ADMINISTRATION PENSION PLAN
Changes in the Net Pension Liability and Related Ratios
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

	Fiscal Year Ended June 30									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Total Pension Liability:										
Service Cost	$ 24,718	$ 48,499	$ 36,334	$ 37,195	$ 36,027	$ 42,308	$ 43,827	$ 50,802	$ 29,389	$ 31,691
Interest	39,236	31,181	57,880	54,904	56,519	55,831	56,406	51,485	62,495	65,255
Changes of benefit terms	-	82,510	2,133	3,105	(203)	208	-	-	-	-
Difference between expected and actual experience	(19,621)	(15,024)	(20,741)	17,385	(8,527)	(17,140)	(11,809)	(50,063)	21,902	22,080
Changes of assumptions	53,480	338,950	(162,606)	(36,903)	(58,176)	101,716	140,735	(390,469)	(29,238)	3,207
Benefit payments, including refunds of member contributions	(30,636)	(35,283)	(39,062)	(37,203)	(42,724)	(44,432)	(44,735)	(47,453)	(50,465)	(53,342)
Net change in total pension liability	67,177	450,833	(126,062)	38,483	(17,084)	138,491	184,424	(385,698)	34,082	68,891
Total pension liability - beginning	841,351	908,528	1,359,361	1,233,299	1,271,782	1,254,698	1,393,189	1,577,613	1,191,914	1,225,996
Total pension liability - ending (a)	$ 908,528	$ 1,359,361	$ 1,233,299	$ 1,271,782	$ 1,254,698	$ 1,393,189	$ 1,577,613	$ 1,191,914	$ 1,225,996	$ 1,294,887
Plan fiduciary net position:										
Contributions - employer	$ 35,400	$ 40,997	$ 40,997	$ 40,997	$ 41,597	$ 43,249	$ 59,280	$ 68,606	$ 54,648	$ 56,110
Contributions - member	-	-	3,094	3,316	3,006	4,610	7,311	6,833	8,302	10,104
Net investment income	14,045	12,768	27,740	20,550	31,023	12,832	93,213	(10,986)	14,786	33,630
Benefit payments, including refunds of member contributions	(30,636)	(35,283)	(39,062)	(37,203)	(42,724)	(44,432)	(44,736)	(47,453)	(50,465)	(53,342)
Administrative expense	(1,851)	(1,967)	(1,914)	(2,213)	(2,325)	(2,652)	(3,601)	(4,135)	(146)	(173)
Other	-	-	(2,631)	-	(6,720)	-	-	-	-	-
Net change in plan fiduciary net position	$ 16,958	$ 16,515	$ 28,224	$ 25,447	$ 23,857	$ 13,607	$ 111,467	$ 12,865	$ 27,124	$ 46,329
Plan fiduciary net position - beginning	211,303	228,261	244,776	273,000	298,447	322,304	335,911	447,378	460,242	487,366
Plan fiduciary net position - ending (b)	$ 228,261	$ 244,776	$ 273,000	$ 298,447	$ 322,304	$ 335,911	$ 447,378	$ 460,242	$ 487,366	$ 533,695
Net pension liability - ending (a)-(b)	$ 680,267	$ 1,114,585	$ 960,299	$ 973,335	$ 932,394	$ 1,057,278	$ 1,130,235	$ 731,672	$ 738,630	$ 761,193
Plan fiduciary net position as a percentage of the total pension liability	25.12%	18.01%	22.14%	23.47%	25.69%	24.11%	28.36%	38.61%	39.75%	41.22%
Covered payroll	$ 135,545	$ 137,427	$ 137,154	$ 145,834	$ 148,445	$ 149,768	$ 164,553	$ 163,102	$ 170,004	$ 187,150
Net pension liability as a percentage of covered payroll	501.88%	811.04%	700.16%	667.43%	628.11%	705.94%	686.85%	448.60%	434.48%	406.73%
Expected average remaining service years of all participants	7	7	7	7	6	6	6	6	6	5

Source: Maryland Transit Administration Pension Plan, GASB 67 and 68 Actuarial Information Report.

Notes to Schedule:

FY 2015 reflects a reduction to the effective discount rate from 5.24% to 4.75%.

FY 2016 reflects removal of the dollar-per-month benefit limit, a reduction to the effective discount rate from 4.75% to 3.5%, and a change to the RP2014 mortality tables.

FY 2017 reflects the increased vesting requirement to 10 years for employees of Local 2 or Local 1300 hired on or after July 1, 2016, a cap on pensionable earnings of 2,392 pay hours per year, and implementation of 2% employee contributi

Local 1300 employees effective July 1, 2016. Reflects increase to the effective discount rate from 3.5% to 4.32%, decrease in wage growth assumption from 3.5% to 3.2%, and changes to the salary scale, retirement rates and termination

FY 2018 reflects an increase of the effective discount rate from 4.32% to 4.52%.

FY 2019 reflects an increase of the effective discount rate from 4.52% to 4.53% and COLA assumption change from 2.5 to 2.1%.

FY 2020 reflects that all Local 1300 employees will contribute 3% of earnings to the plan effective July 1, 2019 and 4% effective July 1, 2020 and reflects a decrease to the effective discount rate from 4.53% to 4.05%.

FY 2021 reflects a decrease to the effective discount rate from 4.05% to 3.26%.

FY 2022 reflects an increase to the effective discount rate from 3.26% to 5.29%.

FY 2023 reflects an increase to the effective discount rate from 5.29% to 5.37%.

FY 2024 reflects a decrease to the effective discount rate from 5.37% to 5.35%.

MARYLAND DEPARTMENT OF TRANSPORTATION
Required Supplementary Information
Schedule of Employer Contributions for the Maryland Transit Administration Pension Plan
(amounts expressed in thousands)

	Fiscal Year Ended June 30									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Actuarially determined contribution	$ 40,807	$ 44,736	$ 62,217	$ 66,495	$ 64,649	$ 55,213	$ 58,842	$ 53,639	$ 55,926	$ 54,407
Actual contribution	(35,400)	(40,997)	(40,997)	(40,997)	(41,597)	(43,249)	(59,280)	(68,606)	(54,648)	(56,110)
Contribution deficiency (excess)	$ 5,407	$ 3,739	$ 21,220	$ 25,498	$ 23,052	$ 11,964	$ (438)	$ (14,967)	$ 1,278	$ (1,703)
Covered payroll	$ 135,545	$ 137,427	$ 137,154	$ 145,834	$ 148,445	$ 149,768	$ 164,553	$ 163,102	$ 170,004	$ 187,150
Contribution as a percentage of covered payroll	26.12%	29.83%	29.89%	28.11%	28.02%	28.88%	36.02%	42.06%	32.15%	29.98%

Source: Maryland Transit Administration Pension Plan, GASB 67 and 68 Actuarial Information Report.

Notes to schedule:

Valuation date: Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the current fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used in the FY 2022 actuarial valuation

Actuarial cost method	Entry-Age - Level Dollar Normal Cost
Amortization method	Level Dollar Closed
Wage Inflation	2.75%
Salary increases	2.40% to 10.20% including inflation
Investment rate of return	6.80%
Municipal bond rate	3.97%
Single discount rate	5.35%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	**Pre-retirement:** The fully generational Pri-2012 Amount-Weighted Blue Collar Employee mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021.
	Post-retirement Healthy lives: The fully generational Pri-2012 Amount-Weighted Blue Collar Healthy Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021.
	Post-retirement Disabled lives: The fully generational Pri-2012 Amount-Weighted Total Disabled Retiree mortality table, sex distinct, with generational mortality improvements from 2012 using scale MP-2021.

MARYLAND DEPARTMENT OF TRANSPORTATION
Required Supplementary Information
Proportionate Share of the Net Pension Liability and Related Ratios for the Maryland State Retirement Pension Plan
(amounts expressed in thousands)

	Plan Year Ended June 30								
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the Maryland State Retirement System Net Pension Liability (asset)	2.86%	2.85%	3.36%	3.28%	3.12%	3.35%	3.35%	3.40%	3.40%
Proportionate share of the State net pension liability (asset)	$ 634,087	$ 581,413	$ 704,025	$ 676,059	$ 705,942	$ 705,942	$ 466,405	$ 634,852	$ 729,357
Covered payroll	$ 372,296	$ 369,543	$ 371,857	$ 380,156	$ 393,924	$ 410,152	$ 399,377	$ 402,813	$ 375,838
Net pension liability as a percentage of covered payroll	170.32%	157.33%	189.33%	177.84%	179.21%	172.12%	116.78%	157.60%	194.06%
Plan fiduciary net position as a percentage of the total pension liability	68.78%	65.79%	69.38%	71.18%	72.34%	70.72%	76.90%	77.20%	76.30%

Note: Information prior to fiscal year 2015 is not available.

MARYLAND DEPARTMENT OF TRANSPORTATION
Required Supplementary Information
Schedule of Employer Contributions for the Maryland State Retirement Pension Plan
(amounts expressed in thousands)

	Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	$ 52,723	$ 56,643	$ 65,517	$ 66,910	$ 66,263	$ 67,221	$ 73,195	$ 72,457	$ 82,028	$ 120,522
Contribution in relation to the actuarially determined contribution	(52,723)	(56,643)	(65,517)	(66,910)	(66,263)	(67,221)	(73,195)	(72,457)	(82,028)	(120,522)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 372,296	$ 369,543	$ 371,857	$ 380,156	$ 393,924	$ 410,152	$ 399,377	$ 402,813	$ 375,838	$ 487,008
Contribution as a percentage of covered payroll	14.16%	15.33%	17.62%	17.60%	16.82%	16.39%	18.33%	17.99%	21.83%	24.75%

Note: Information prior to fiscal year 2015 is not available.

MARYLAND DEPARTMENT OF TRANSPORTATION
Required Supplementary Information Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024
(amounts expressed in thousands)

	Special Funds				Federal Funds			
	Budgeted Amounts		Actual	Variance with Final Budget - Positive	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)	Original	Final	Amounts	(Negative)
REVENUES:								
Taxes:								
Motor vehicle taxes and fees	$ 1,704,713	$ 1,726,806	$ 1,726,806	$ -	$ -	$ -	$ -	$ -
Motor vehicle fuel taxes and fees	1,348,657	1,309,921	1,309,921	-	-	-	-	-
Revenue sharing of State corporation income tax	390,690	419,449	419,449	-	-	-	-	-
Revenue sharing of State sales tax on rental vehicles	42,200	44,578	44,578	-	-	-	-	-
Federal reimbursements	-	-	-	-	1,659,677	1,513,434	1,319,187	(194,247)
Operating revenues	444,400	417,606	417,606	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Other	34,782	69,481	69,481	-	-	-	-	-
Total revenues	3,965,442	3,987,841	3,987,841	-	1,659,677	1,513,434	1,319,187	(194,247)
EXPENDITURES and ENCUMBRANCES:		22,399						
Current:								
General government:								
The Secretary's Office	1,393,654	1,429,925	1,399,513	(30,412)	15,786	16,707	10,990	(5,717)
State Highway Administration	957,529	1,016,496	1,013,410	(3,086)	1,033,847	916,014	789,302	(126,712)
Maryland Port Administration	260,850	275,572	166,749	(108,823)	82,236	52,700	22,651	(30,049)
Motor Vehicle Administration	251,450	261,440	254,382	(7,058)	13,826	14,555	11,131	(3,424)
Maryland Transit Administration	1,294,079	1,387,368	1,293,576	(93,792)	468,937	443,861	416,891	(26,970)
Maryland Aviation Administration	349,679	328,449	318,551	(9,898)	45,046	69,597	68,222	(1,375)
Total general government	4,507,241	4,699,250	4,446,181	(253,069)	1,659,677	1,513,434	1,319,187	(194,247)
Total expenditures and encumbrances	4,507,241	4,699,250	4,446,181	(253,069)	1,659,677	1,513,434	1,319,187	(194,247)
Excess of revenues over expenditures	(541,799)	(711,409)	(458,341)	253,069	(0)	(0)	0	0
OTHER FINANCIAL SOURCES (USES):								
Bond Proceeds and Premium	-	-	-	-	-	-	-	-
Transfers in (out)	367,000	267,001	267,001	-	-	-	-	-
Total other financing sources and uses	367,000	267,001	267,001	-	-	-	-	-
Net change in fund balances	(174,799)	(444,408)	(191,340)	253,069	-	-	-	-
Fund balances, July 1, 2023	158,048	448,914	822,094	373,180	-	-	-	-
Fund balances, June 30, 2024	$ (16,751)	$ 4,506	$ 630,754	$ 626,249	$ (0)	$ (0)	$ 0	$ -

MARYLAND DEPARTMENT OF TRANSPORTATION
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

Stewardship, Compliance and Accountability:

Budgeting and budgetary control:

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year. This budget is prepared and adopted for the Special Revenue Fund, which includes the transportation activities of the Department, shared taxes, and payments of debt service on transportation bonds. The budgetary federal fund revenue and expenditures are included in the GAAP Special Revenue Fund as federal revenues and expenditures by function. An annual budget is also prepared for the federal funds, which accounts for all Departmental grants from the federal government.

Each year the Department prepares its annual budget and submits it to the Governor. The Governor then presents the State's annual budget (including the Department's) to the General Assembly in accordance with Constitutional requirements. The General Assembly is required to then enact a balanced budget for the next fiscal year.

The GAAP Special Revenue Fund includes both budgetary special and federal funds. The special fund includes all transportation activities of the Department. The federal fund accounts for substantially all grants from the federal government.

Budgetary fund equities and other accounts:

The Department's legal level of budgetary control is exercised at the agency appropriation (program) and fund level (legislative spending authority level). Encumbrances and expenditures cannot exceed appropriated amounts. Appropriation transfers between or within departments and any supplemental appropriations require both executive and legislative branch approvals. Unencumbered and unexpended appropriations lapse at fiscal year-end and become available for appropriation in the subsequent year. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year.

All Departmental budgetary expenditures for special and federal funds are made pursuant to appropriations in the annual budget, as amended from time to time. The Department may, with the Governor's approval, amend the appropriations by transportation mode within the budgetary special and federal funds. Additionally, appropriations for programs funded in whole or in part from Special or federal funds may permit expenditures in excess of the original Special or federal fund appropriation to the extent that actual revenues exceed original budget estimates, and such additional expenditures are approved by the Governor. Unexpended appropriations from Special and federal funds may be carried over to the following year to the extent of (1) available resources and (2) encumbrances which are approved by the Department of Budget and Management.

The Department’s original and amended budget adopted by the General Assembly for special and federal funds is presented in the Required Supplementary Information - Special Revenue Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual schedule on page 101 of this report. The Department’s budgetary fund structure and basis of budgeting, which is the modified accrual basis with certain exceptions, differs from that utilized to present financial statements in conformity with GAAP. The budgetary system’s principal departures from the modified accrual basis are the classification of the Department's budgetary funds and the timing of recognition of certain revenues and expenditures. The GAAP Special Revenue Fund is an aggregate of the special and federal budgetary funds.

A summary of the effects of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 2024, is as follows (amounts expressed in thousands):

MARYLAND DEPARTMENT OF TRANSPORTATION
Reconciliation of the Budgetary Special Fund, Fund Balance
to the GAAP Special Revenue Fund, Fund Balance
June 30, 2024
(amounts expressed in thousands)

Classification of budgetary fund equities and other accounts into governmental funds' fund structure:	Special Revenue Fund
Special fund-fund balance (page 101)	$ 630,754
Accounting principle and timing differences:	
Assets recognized in governmental funds financial statements not recognized for budgetary purposes:	
Inventory	110,594
Taxes receivable	9,711
Health insurance receivable	16,987
Cash Held in Escrow for Maryland Aviation Administration	179,178
Maryland Aviation Administration interest income from bond proceeds	12,372
Capital lease adjustments	16,587
Liabilities recognized in governmental funds financial statements not recognized for budgetary purposes:	
Deferral of accrued federal revenue - Maryland Transit Administration	(519,538)
Deferral of accrued federal revenue - State Highway Administration	(203,100)
Maryland Aviation Administration Capital disbursements from bond proceeds	(109,228)
Financial statement governmental funds’ fund balance, June 30, 2024	$ 144,317

Statistical Section

ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION

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MARYLAND DEPARTMENT OF TRANSPORTATION
STATISTICAL SECTION
June 30, 2024

This part of the Maryland Department of Transportation's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Department's overall financial health.

Table of Contents **Pages**

MARYLAND DEPARTMENT OF TRANSPORTATION
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net Investment in capital assets	$ 14,472,903	$ 15,248,583	$ 16,210,472	$ 16,838,969	$ 16,643,603	$ 17,677,016	$ 17,969,875	$ 18,540,714	$ 19,536,326	$ 20,513,704
Unrestricted (deficit)	(1,450,994)	(1,826,709)	(1,897,379)	(2,517,120)	(2,548,182)	(2,809,227)	(2,695,752)	(2,266,288)	(1,762,583)	(1,847,045)
Total governmental activities net assets	$ 13,021,909	$ 13,421,874	$ 14,313,093	$ 14,321,849	$ 14,095,421	$ 14,867,789	$ 15,274,123	$ 16,274,426	$ 17,773,743	$ 18,666,659

(1) FY 2017 Net Position was restated for implementation of GASB Statement No. 75 by ($463,377).

MARYLAND DEPARTMENT OF TRANSPORTATION
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year Ended June 30,									
Governmental Activities:	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Expenses:										
Secretary's Office	$ 624,378	$ 626,299	$ 652,965	$ 938,626	$ 977,303	$ 944,346	$ 939,833	$ 975,459	$ 898,125	$ 1,027,089
State Highway Administration	1,399,446	1,337,696	1,203,216	1,213,310	1,477,133	1,522,930	1,744,380	1,810,024	1,570,376	1,720,394
Port Administration	126,885	148,231	126,432	171,714	182,300	139,364	108,351	105,190	13,102	158,017
Motor Vehicle Administration	213,896	206,117	208,783	272,318	239,324	219,570	213,062	219,989	217,955	251,333
Transit Administration	937,286	1,058,861	1,031,072	1,153,718	1,509,847	898,637	1,046,800	1,033,638	1,340,990	1,291,917
Aviation Administration	337,596	374,475	339,270	448,647	317,838	328,835	386,970	349,049	404,780	326,587
Interest on long-term debt	69,902	80,888	43,547	62,770	183,064	132,760	123,262	89,976	89,356	82,721
Total governmental activities expenses	3,709,389	3,832,567	3,605,285	4,261,103	4,886,809	4,186,442	4,562,658	4,583,325	4,534,684	4,858,059
Program Revenues:										
Charges for services:										
Secretary's Office	7,133	3,307	4,564	3,721	3,753	3,837	951	6,174	10,984	5,619
State Highway Administration	46,435	52,155	60,802	67,394	95,203	95,795	51,540	60,278	48,802	48,805
Port Administration	52,411	55,999	51,641	157,474	64,968	55,267	64,710	47,193	67,088	62,717
Motor Vehicle Administration	4	-	10	11	14	14	17	107	142	145
Transit Administration	142,363	156,524	149,147	190,862	169,748	118,297	90,055	119,063	94,356	73,299
Aviation Administration	339,958	346,836	361,971	377,982	252,988	223,185	181,213	272,790	294,319	314,770
Operating grants and contributions	92,238	87,324	94,499	99,533	90,795	569,263	496,623	716,443	521,950	253,917
Capital grants and contributions	741,846	722,764	858,187	885,245	851,866	1,044,752	902,584	1,042,974	1,283,674	1,065,269
Total governmental activities program revenues	1,422,388	1,424,909	1,580,821	1,782,222	1,529,335	2,110,410	1,787,693	2,265,022	2,321,315	1,824,541
Net (expense) revenue governmental activities	(2,287,001)	(2,407,658)	(2,024,464)	(2,478,881)	(3,357,474)	(2,076,032)	(2,774,965)	(2,318,303)	(2,213,369)	(3,033,517)
General Revenues and Other Changes in Net Assets:										
Taxes:										
Motor vehicle taxes and fees	1,465,022	1,541,596	1,579,384	1,547,450	1,618,524	1,490,462	1,670,450	1,720,718	1,718,718	1,738,751
Motor fuel taxes	918,483	1,013,144	1,078,312	1,084,195	1,140,220	1,076,207	1,025,501	1,113,373	1,303,019	1,397,354
Corporation income tax share	166,051	186,803	146,224	150,784	189,878	193,315	268,718	317,746	333,768	419,449
State sales tax share	30,788	30,780	31,566	31,691	34,471	31,686	21,374	35,487	41,330	44,578
Unrestricted investment earnings	2,096	3,819	627	2,322	2,929	1,918	(774)	6,511	4,177	(354)
Other revenue	64,516	31,481	79,570	134,573	145,024	54,813	196,030	124,771	311,672	326,655
Transfers out	-	-	-	-	-	-	-			
Total governmental activities general revenues:	2,646,956	2,807,623	2,915,683	2,951,015	3,131,046	2,848,400	3,181,299	3,318,606	3,712,685	3,926,433
Change in Net Position:										
Total Governmental Activities	359,955	399,965	891,219	472,134	(226,428)	772,368	406,334	1,000,303	1,499,317	892,916

MARYLAND DEPARTMENT OF TRANSPORTATION
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Motor Vehicle Tax	Motor Fuel Tax	Corporate Income Tax	State Sales Tax	Total
2015	1,465,022	918,483	166,051	30,788	2,580,344
2016	1,541,596	1,013,144	186,803	30,780	2,772,323
2017	1,579,384	1,078,312	146,224	31,566	2,835,486
2018	1,547,450	1,084,195	150,784	31,691	2,814,120
2019	1,618,343	1,140,401	189,878	34,471	2,983,093
2020	1,490,462	1,076,207	193,315	31,686	2,791,669
2021	1,670,450	1,025,501	268,718	21,374	2,986,043
2022	1,720,718	1,113,373	317,746	35,487	3,187,324
2023	1,718,718	1,303,019	333,768	41,330	3,396,835
2024	1,738,751	1,397,354	419,449	44,578	3,600,132

MARYLAND DEPARTMENT OF TRANSPORTATION
Maryland's Largest Employers
(Sorted alphabetically by 2024 employers)

Companies in FY 2024	Number of 2024 employees	Companies in FY 2015
Giant Food Stores	10,000 (+)	Giant Food Stores
Home Depot	7,500-9,999	Home Depot
Johns Hopkins University School of Medicine	7,500-9,999	Johns Hopkins Univeristy
McDonalds	10,000 (+)	
Medstar Health	10,000 (+)	
Naval Air Warfare Center Aircraft Division	10,000 (+)	
Northrop Grumman Corporation	10,000 (+)	Northrop Grumman Corporation
Safeway	5,000-7,499	Safeway
University of Maryland Medical Center	10,000 (+)	University of Maryland Medical System
Walmart	10,000 (+)	Walmart Associates
		Helix Health System Inc
		Johns Hopkins Hospital
		Target

MARYLAND DEPARTMENT OF TRANSPORTATION
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Special Revenue Fund										
Nonspendable	$ 197,847	$ 211,726	$ 103,510	$ 240,924	$ 257,039	$ 94,604	$ 91,175	$ 93,438	$ 304,823	$ 110,594
Committed	27,930	23,871	15,402	12,547	8,908	-	-	-	-	-
Assigned	130,488	-	83,890	793	850	-	-	-	-	-
Unassigned	-	(124,502)	-	(235,155)	(18,085)	(56,612)	178,819	529,650	320,282	33,723
Total Special Revenue Fund	$ 356,265	$ 111,095	$ 202,802	$ 19,109	$ 248,712	$ 37,992	$ 269,994	$ 623,088	$ 625,105	$ 144,317
All other governmental funds										
Restricted	$ 12,331	$ -	$ 12,379	$ 5,769	$ -	$ -	$ -	$ -	$ -	$ -
Total all other governmental funds	$ 12,331	$ -	$ 12,379	$ 5,769	$ -	$ -	$ -	$ -	$ -	$ -

MARYLAND DEPARTMENT OF TRANSPORTATION
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Motor vehicle and fuel taxes and fees	$ 2,383,505	$ 2,554,740	$ 2,657,696	$ 2,631,645	$ 2,758,744	$ 2,566,669	$ 2,695,951	$ 2,834,091	$ 3,021,737	$ 3,136,105
Revenue sharing of State taxes	196,839	217,583	177,790	182,475	224,349	225,001	290,092	353,233	375,098	464,027
Federal reimbursements	833,040	718,951	966,547	847,267	1,005,159	1,319,634	1,478,200	1,749,741	1,217,302	1,056,006
Charges for services	460,668	486,151	496,438	571,999	453,011	496,395	388,909	505,605	515,691	505,355
Passenger facility charges and interest	44,745	48,056	49,032	51,781	51,356	39,583	39,583	39,019	45,520	50,901
Customer facility charges	12,733	13,579	13,559	13,195	12,933	10,959	10,959	8,415	9,430	12,717
Special parking revenues	52,551	62,582	63,520	62,483	66,015	48,339	27,599	2,153	-	
Investment earnings	2,096	3,819	627	2,322	2,929	1,918	(774)	6,511	4,177	(354)
Impaired asset recovery	-	-	-	-	-	-	-	-	399,893	-
Other	63,384	65,255	65,746	44,721	34,973	83,461	127,750	48,192	231,260	242,565
Total revenues	4,049,561	4,170,716	4,490,955	4,407,888	4,609,469	4,791,959	5,058,269	5,546,960	5,820,108	5,467,322
Expenditures:										
Current:										
Department administration, operating and maintenance expenditures	1,793,321	1,804,794	1,645,987	1,980,911	2,457,431	1,675,124	2,167,839	2,217,795	2,054,174	2,510,056
Intergovernmental:										
Highway user revenues and federal funds	253,401	241,459	267,270	294,319	306,252	393,627	270,545	385,835	366,291	415,856
Washington Metropolitan Area Transit Authority Grants	441,964	448,577	448,196	496,698	542,371	770,088	764,185	738,653	716,664	833,400
Distributions to other State agencies	19,926	-	14,728	-	28,170	-	-	-	-	-
Debt service:										
Issuance expenditure	-	1,192	3,614	595	379	-	-	-	-	-
Principal	152,415	174,165	207,185	221,710	199,410	205,755	254,860	296,351	328,120	292,120
Interest	79,989	90,193	100,030	118,350	138,156	151,166	157,580	155,917	152,341	134,334
Impaired asset recovery	-	-	-	-	-	-	-	-	399,893	-
Capital outlays	1,746,878	1,985,949	2,455,869	2,128,115	1,529,103	2,361,517	1,601,321	1,973,797	1,827,841	1,762,344
Total expenditures	4,487,894	4,746,329	5,142,879	5,240,698	5,201,272	5,557,276	5,216,330	5,768,348	5,845,324	5,948,110
Other financing sources (uses):										
Intergovernmental Finanancing Agreements	5,733	917	(1,230)	(3,759)	132,195	-	(219,880)	-	-	-
Issuance of Consolidated Transportation Bonds (CTB)	661,250	300,000	892,525	555,000	630,680	490,000	300,000	295,000	-	-
Issuance of CTB refunding bonds	-	-	-	-	-			191,610	143,585	-
Issuance of Special Transportation Project Revenue Bonds	-	-	-	-	-	-	219,880	190,485	-	-
Sale of future revenue rights	(331,412)	-	(277,611)	-	-	-	-	-	-	-
Issuance of lease agreements									23,817	-
Premium on bonds	91,557	41,905	123,337	92,107	58,531	64,597	90,063	116,501	21,740	-
Payment to refund Consolidated Transportation Bonds	-	-	-	-	-	-	-	(219,114)	(161,910)	-
Total Other Financing Sources (Uses)	427,128	342,822	737,021	643,348	821,406	554,597	390,063	574,482	27,233	-
Net change in fund balances	$ (11,205)	$ (232,791)	$ 85,097	$ (189,462)	$ 229,603	$ (210,720)	$ 232,002	$ 353,094	$ 2,017	$ (480,788)
Debt Service as a percentage of noncapital expenditures	8.48%	9.58%	11.43%	10.93%	9.19%	11.17%	11.41%	11.92%	11.96%	10.19%

MARYLAND DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund
Gasoline and Motor Vehicle Revenue Account
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

	Fiscal Year Ended June 30,									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenues:										
Motor vehicle fuel tax and fees (1)	$ 923,593	$ 1,017,870	$ 1,078,502	$ 1,084,373	$ 1,140,401	$ 1,076,358	$ 1,025,501	$ 1,113,373	$ 1,303,019	$ 1,397,353
Motor vehicle titling tax	795,510	860,415	886,010	869,309	916,535	846,764	976,727	1,021,300	1,027,541	1,050,980
Licensing and registration	376,513	381,344	389,094	390,056	403,495	367,209	407,631	393,681	407,135	390,582
Corporation income tax (2)	166,051	186,803	146,224	150,784	189,878	193,546	268,488	312,389	333,768	419,449
Sales and use tax on rental vehicles	30,788	30,780	31,566	31,690	34,471	31,686	21,373	35,487	41,330	44,579
Total revenues	2,292,455	2,477,212	2,531,396	2,526,212	2,684,780	2,515,563	2,699,720	2,876,230	3,112,793	3,302,943
Deductions:										
1% portion -- Motor vehicle titling tax	(265,170)	(286,805)	(295,337)	(289,770)	(305,361)	(282,255)	(325,576)	(340,433)	(342,514)	(350,327)
Other to the Trust Fund	(180,913)	(283,832)	(342,237)	(348,418)	(400,323)	(408,100)	(376,088)	(387,617)	(605,699)	(715,014)
Other	(57,881)	(59,659)	(64,860)	(65,795)	(69,160)	(63,992)	(70,399)	(72,838)	(81,501)	(90,034)
Total deductions	(503,964)	(630,296)	(702,434)	(703,983)	(774,844)	(754,347)	(772,063)	(800,888)	(1,029,714)	(1,155,375)
Net Highway User Revenues	$ 1,788,491	$ 1,846,916	$ 1,828,962	$ 1,822,229	$ 1,909,936	$ 1,761,216	$ 1,927,658	$ 2,075,342	$ 2,083,079	$ 2,147,568
Allocations (Highway User Revenues): (3)(4)										
Share to the Department	$ 1,616,796	$ 1,669,612	$ 1,653,382	$ 1,647,295	$ 1,726,589	$ 1,524,070	$ 1,667,393	$ 1,795,186	$ 1,801,863	$ 1,813,148
Share to the General Fund	-	-	-	-	-	-	-	-	-	-
Share to counties and municipalities	33,981	35,091	34,750	34,622	36,283	91,345	100,250	107,912	108,320	130,767
Share to Baltimore City	137,714	142,213	140,830	140,312	147,065	145,801	160,015	172,244	172,896	203,653
Local Share to the General Fund	-	-	-	-	-	-	-	-	-	-
Total allocations	$ 1,788,491	$ 1,846,916	$ 1,828,962	$ 1,822,229	$ 1,909,937	$ 1,761,216	$ 1,927,658	$ 2,075,342	$ 2,083,079	$ 2,147,568

Source: Maryland Department of Transportation, The Secretary's Office, Office of Finance.

(1) Chapter 429 of 2013 made changes to the motor fuel tax rate effective July 1, 2013: (a) annual adjustment based on increases in the Consumer Price Index, with no annual increase greater than 8%; and (b) implementation of a sales and use tax equivalent rate on all motor fuel, other than aviation and turbine fuel, calculated by multiplying a specified percentage by the prior year's average retail price of regular unleaded motor fuel (less federal and State excise taxes) purchased in the State. These revenues are retained 100% by the Department, while the base motor fuel tax revenue is shared with the local jurisdictions.

(2) Chapter 397 of 2011 changed the allocation of corporation income tax revenue to the Department from 24% to 17.2%. Effective July 1, 2012, the Department received 9.5%; from July 1, 2013 through June 30, 2016, the Department received 19.5%. Effective July 1, 2016, the Department receives 17.2%.
Effective July 1,2023, the Department receives 20%. Effective July 1,2024, the Department receives 21%. Effective July 1,2025 but before July 1, 2027, the Department receives 22%.

(3) The allocation of highway user revenues is established in State law. In accordance with Chapter 397 of 2011, for fiscal year 2012, the allocation was 79.8% to the Department, 11.3% to the State's General Fund, 7.5% to Baltimore City, 0.8% to the counties, and 0.6% to the municipalities; for fiscal years 2013 throught 2019, the allocation was 90.4% to the Department, 7.7% to Baltimore City, 1.5% to the counties, and 0.4% to the municipalities. Chapters 330 and 331 of 2018 modified the allocation for fiscal years 2020 through 2024 to 86.5% to the Department, 8.3% to Baltimore City, 3.2% to the counties, and 2.0% to the municipalities. Allocation for fiscal years 2024, 84.4% to the Department, 9.5% to Baltimore City, 3.7% to the counties, and 2.4% to the municipalities.

(4) Chapter 330 of 2018 changed the payment of local transportation aid from revenue sharing to capital grants. Beginning in fiscal year 2020, all revenues are credited to the Department but the same allocation formula is applied to determine the amount of a capital grant to each county and municipality. Capital grants are available only after all debt service and Departmental operating expenses have been funded and sufficient funds are available to fund the capital program.

MARYLAND DEPARTMENT OF TRANSPORTATION
Legal Debt Margin Information – Consolidated Transportation Bonds
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

	Fiscal Year Ended June 30									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Annual debt limit	$ 2,530,255	$ 2,855,105	$ 2,773,900	$ 3,021,675	$ 3,422,265	$ 3,773,000	$ 3,877,330	$ 3,675,580	$3,321,205	$3,114,910
Net debt applicable to limit	2,020,250	2,146,085	2,578,385	2,911,675	3,342,945	3,627,190	3,672,330	3,643,475	3,297,030	3,004,910
Total legal debt margin	$ 510,005	$ 709,020	$ 195,515	$ 110,000	$ 79,320	$ 145,810	$ 205,000	$ 32,105	$ 24,175	$ 110,000
Net debt applicable to the limit as a percentage of debt limit	79.84%	75.17%	92.95%	96.36%	97.68%	96.14%	94.71%	99.13%	99.27%	96.47%

Note: Maryland law sets a debt outstanding limit for Consolidated Transportation Bonds at $4.5 billion as of June 30 of any year. In addition, the Maryland General Assembly establishes an annual debt outstanding limit below that amount as part of the budget process. The budget has force of law for one year.

MARYLAND DEPARTMENT OF TRANSPORTATION
Ratio of Annual Debt Service Expenditures for Consolidated Transportation Bonds to Noncapital General Governmental Expenditures
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year Ended June 30	Principal	Interest	Total Debt Service	Total Noncapital Governmental Expenditures	Percentage of Debt Service to Noncapital Expenditures
2015	152,415	79,989	232,404	2,741,016	8.48
2016	174,165	90,193	264,358	2,760,380	9.58
2017	207,185	100,030	307,215	2,687,210	11.43
2018	221,710	118,350	340,060	3,106,219	10.95
2019	199,410	138,156	337,566	3,672,169	9.19
2020	205,755	151,166	356,921	3,195,759	11.17
2021	254,860	157,580	412,440	3,615,009	11.41
2022	296,351	155,917	452,268	3,794,551	11.92
2023	328,120	152,341	480,461	3,137,129	15.32
2024	292,120	134,334	426,454	3,759,312	11.34

MARYLAND DEPARTMENT OF TRANSPORTATION
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)
(unaudited)

	Governmental Activities							
Fiscal Year Ended June 30	Consolidated Transportation Bonds (1)	Special Transportation Project Revenue Bonds	Intergovernmental Financing Agreements	Lease Liability	Subscription Liability	Total Debt	Total Personal Income (2)	Percentage of Debt to Personal Income
2015	2,233,689	-	628,650			2,862,339	337,702,800	0.85
2016	2,359,452	-	621,732			2,981,184	350,384,400	0.85
2017	2,860,828	-	569,659			3,430,487	361,776,700	0.95
2018	3,241,095	-	524,748			3,765,843	372,196,900	1.01
2019	3,680,951	-	504,059			4,185,010	381,396,700	1.10
2020	4,023,852	-	480,015			4,503,867	404,520,700	1.11
2021	4,056,418	219,880	260,947			4,537,245	422,173,000	1.07
2022	4,059,541	410,365	248,065	23,737	13,257	4,754,965	433,461,000	1.10
2023	3,651,896	410,365	260,331	39,661	9,812	4,372,065	456,132,000	0.87
2024	3,302,737	383,610	214,241	32,029	6,489	3,939,106	478,938,600	0.82

(1) Presented net of original issuance discounts and premuims
(2) Source of personal income data: U.S. Department of Commerce, Bureau of Economic Analysis.
Data for 2013 - 2020 is from State Personal Income Summary data tables last updated September 23, 2021.
Data for 2021 - 2022 is from Personal Income, by State and Region, 2nd Quarter, released September 30, 2022.
Data for 2023 is from Personal Income, by State and Region, 2nd Quarter, released September 29, 2023.

MARYLAND DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund
Taxes Pledged to Bonds and Net Revenues as Defined for Purposes of the Consolidated Transportation Bond Coverage Test
Last Ten Fiscal Years

(amounts expressed in thousands – unaudited)

	Fiscal year ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes pledged to bonds:										
Corporation income tax (1)	$ 148,949	$ 167,957	$ 131,160	$ 135,321	$ 170,452	191,739	267,065	310,717	331,433	415,722
Fuel tax (2)	827,830	923,216	981,555	987,506	1,043,835	1,050,605	998,216	1,082,520	1,268,649	1,361,800
Titling tax	744,597	805,348	829,305	813,673	857,453	846,764	976,727	1,021,300	1,027,541	1,050,980
Sales and use tax on rental vehicles	28,424	28,416	29,142	29,257	31,823	31,686	21,373	35,487	41,330	44,578
Total taxes pledged to bonds	1,749,800	1,924,937	1,971,162	1,965,757	2,103,563	2,120,794	2,263,381	2,450,024	2,668,953	2,873,080
Fees:										
Motor vehicle licenses and registrations	310,385	312,771	316,742	317,433	326,555	328,496	363,489	351,013	359,959	336,715
Other	293,315	298,488	306,488	287,720	297,699	259,156	272,388	299,547	281,009	290,958
Total taxes and fees	2,353,500	2,536,196	2,594,392	2,570,910	2,727,817	2,708,446	2,899,258	3,100,584	3,309,921	3,500,753
Operating revenues:										
Port Administration	49,759	49,999	49,039	51,783	55,283	54,743	49,261	50,118	56,146	50,789
Transit Administration	142,414	156,579	149,249	150,911	140,094	108,074	50,060	64,179	72,793	73,367
Aviation Administration	222,117	229,993	243,132	257,218	257,929	231,521	184,300	275,272	284,203	293,450
Total operating revenues	414,290	436,571	441,420	459,912	453,306	394,338	283,621	389,569	413,142	417,606
Other	47,307	59,609	69,012	60,566	56,543	49,418	122,454	112,255	80,653	31,693
Investment income	2,090	3,819	627	2,322	2,928	1,918	-	-	-	-
Total revenues	2,817,187	3,036,195	3,105,451	3,093,710	3,240,595	3,154,120	3,305,333	3,602,408	3,803,716	3,950,052
Expenditures:										
Administration, operation and maintenance expenditures:										
The Secretary's Office	75,339	80,229	86,010	90,330	94,138	89,806	94,169	134,791	100,374	108,353
Washington Metro Transit Grants-in-Aid	284,844	318,917	321,349	362,519	388,583	465,894	425,303	399,491	458,547	485,191
State Highway Administration	301,488	297,190	264,039	294,566	311,364	267,038	321,297	318,893	321,589	367,176
Motor Vehicle Administration	194,887	199,153	201,546	199,910	198,520	206,694	201,924	207,484	218,922	237,240
Port Administration	47,867	47,521	46,841	45,869	48,082	47,038	46,414	48,624	51,635	57,667
Transit Administration	767,009	781,769	840,446	859,477	881,561	898,818	870,510	972,059	1,078,309	1,140,286
Aviation Administration	188,090	192,692	187,965	196,278	205,719	198,008	220,249	212,626	225,428	251,504
Total admin., operation and maintenance expend.	1,859,524	1,917,471	1,948,196	2,048,949	2,127,967	2,173,296	2,179,866	2,293,968	2,454,804	2,647,417
Less Federal funds:										
The Secretary's Office	(7,967)	(8,160)	(8,445)	(10,968)	(10,019)	(8,904)	(9,997)	(49,493)	(10,148)	(10,239)
State Highway Administration -- Highway Safety	(11,357)	(10,066)	(14,561)	(14,326)	(13,077)	(15,804)	(105,234)	(67,881)	(26,235)	(31,277)
Transit -- Planning and program development	(59,046)	(58,940)	(60,221)	(61,364)	(59,935)	(321,011)	(349,601)	(584,691)	(428,177)	(189,395)
Port Administration	-	-	(103)	(73)	(440)	-	-	-	-	-
Motor Vehicle Administration	(10,697)	(9,514)	(10,523)	(12,157)	(6,654)	(8,831)	(8,108)	(8,683)	(9,367)	(11,028)
Aviation Administration	(776)	(645)	(645)	(645)	(645)	(75,729)	(22,711)	(4,698)	(755)	(11,978)
Total Federal funds	(89,843)	(87,325)	(94,498)	(99,533)	(90,769)	(430,279)	(495,651)	(715,446)	(474,682)	(253,917)
Total expenditures	1,769,681	1,830,146	1,853,698	1,949,416	2,037,198	1,743,017	1,684,215	1,578,522	1,980,122	2,393,500
Net revenues	$ 1,047,506	$ 1,206,049	$ 1,251,753	$ 1,144,294	$ 1,203,397	$ 1,411,103	$ 1,621,118	$ 2,023,886	$ 1,823,594	$ 1,556,552
Maximum annual principal and interest	$ 292,327	$ 305,197	$ 331,345	358,739	415,245	457,080	469,477	479,510	480,461	429,707
Ratio of taxes pledged to principal and interest	5.44	5.73	5.81	5.49	4.73	4.60	4.52	4.72	5.10	6.21
Ratio of net revenues to principal and interest	2.96	3.43	3.64	3.49	2.76	2.63	3.01	3.38	4.21	4.24

Source: Maryland Department of Transportation, The Secretary's Office, Office of Finance.

(1) Chapter 397 of 2011 changed the allocation of corporation income tax revenue to the Department from 24% to 17.2%. Effective July 1, 2012, the Department received 9.5%; from July 1, 2013 through June 30, 2016, the Department received 19.5%. Effective July 1, 2016, the Department receives 17.2%.

(2) Chapter 429 of 2013 made changes to the motor fuel tax rate effective July 1, 2013: (a) annual adjustment based on increases in the Consumer Price Index, with no annual increase greater than 8%; and (b) implementation of a sales and use tax equivalent rate on all motor fuel, other than aviation and turbine fuel, calculated by multiplying a specified percentage by the prior year's average retail price of regular unleaded motor fuel (less federal and State excise taxes) purchased in the State. These revenues are retained 100% by the Department, while the base motor fuel tax revenue is shared with the local jurisdictions.

MARYLAND DEPARTMENT OF TRANSPORTATION

Special Transportation Project Revenue Bonds – BWI Marshall Airport

Operating Data and Financial Information

(unaudited)

	Fiscal Year Ended June 30,								
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Number of Nonstop Destinations Served	80	88	91	88	68	77	87	89	91
Enplaned Passengers	12,331,941	12,875,954	13,534,033	13,415,606	10,034,304	6,645,250	10,694,176	12,365,276	13,496,059
% change from previous year	8%	4%	5%	-1%	-25%	-34%	61%	16%	9%
Cost Per Enplaned Passenger	$ 9.51	$ 9.34	$ 9.33	$ 9.33	$ 12.55	$ 16.43	$ 11.95	$ 10.79	$ 10.65
Operating Revenues									
Airline Flight Activities	$ 62,671,220	$ 66,055,412	$ 71,710,348	$ 68,153,431	$ 63,803,472	$ 53,872,442	$ 68,794,611	$ 72,862,829	$ 72,501,868
Airline Other Revenues	$ 68,143,746	$ 69,621,114	$ 66,978,493	$ 67,908,074	$ 74,929,430	$ 69,054,170	$ 74,119,594	$ 83,876,553	$ 89,581,351
Total Airline Revenues	$ 130,814,966	$ 135,676,526	$ 138,688,841	$ 136,061,505	$ 138,732,902	$ 122,926,612	$ 142,914,205	$ 156,739,382	$ 162,083,219
Non-Airline Revenues	$ 102,604,285	$ 107,571,998	$ 118,525,204	$ 121,862,930	$ 94,348,764	$ 83,389,573	$ 216,306,676	$ 127,961,538	$ 130,965,909
Total Operating Revenues (1)	$ 233,419,251	$ 243,248,524	$ 257,214,046	$ 257,924,435	$ 233,081,666	$ 206,316,186	$ 359,011,726	$ 284,700,920	$ 293,049,128
Airline Revenue Percentage of Total	56%	56%	54%	53%	60%	60%	40%	55%	55%
Non-Airline Revenue Percentage of Total	44%	44%	46%	47%	40%	40%	60%	45%	45%
Operating Expenses	$ 192,046,750	$ 187,319,859	$ 195,714,493	$ 205,073,163	$ 197,386,583	$ 198,942,645	$ 211,980,993	$ 224,672,551	$ 233,657,420
Net Operating Income	$ 41,372,501	$ 55,928,665	$ 61,499,553	$ 52,851,272	$ 35,695,083	$ 7,373,541	$ 147,030,733	$ 60,028,368	$ 59,391,708
Capital Funding from the Transportation Trust Fund	$ 84,898,432	$ 66,355,462	$ 48,700,022	$ 10,062,394	$ 27,489,110	$ 42,517,356	$ (102,511,004)	$ 6,045,060	$ 19,633,778
Total State-funded capital program (2)	$ 126,270,933	$ 122,284,127	$ 110,199,574	$ 62,913,666	$ 63,184,193	$ 49,890,897	$ 44,519,729	$ 66,073,428	$ 79,025,486

Source: Maryland Department of Transportation

Note: Data prior to FY 2016 is not available. Data includes revenues and expenses for BWI, Martin State and Regional Aviation.

(1) Revenues FY 2021 and subsequent are net of the debt service for the special transportation project revenue bonds.

(2) State-funded capital program excludes other capital funding sources including but not limited to special transportation project revenue bonds, passenger facility charges, and customer facility charges.

MARYLAND DEPARTMENT OF TRANSPORTATION
Special Transportation Project Revenue Bonds – BWI Marshall Airport
Number of Enplaned Passengers by Airline

	Fiscal Year Ended June 30,								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Domestic scheduled									
Signatory									
Southwest	8,278,543	8,632,719	8,850,763	8,465,545	6,422,702	4,570,841	7,202,944	8,241,316	9,157,525
Spirit	587,150	823,536	1,104,570	1,315,662	1,075,637	668,757	887,925	1,005,712	1,002,459
American	1,007,490	880,180	875,283	875,110	659,129	453,568	628,212	551,758	898,394
Delta	1,047,350	1,028,406	1,048,574	1,073,870	756,811	355,612	759,983	895,484	582,833
United	510,232	482,260	529,636	531,441	358,470	180,358	377,251	464,784	509,984
Frontier (1)	-	-	-	16,541	49,786	74,948	188,506	335,499	449,640
Alaska (2)	100,955	128,266	191,805	205,564	138,640	38,946	60,033	74,446	79,769
JetBlue	213,927	271,098	258,668	184,735	85,324	50	108	68,105	43,059
Nonsignatory (a)	12,205	51,194	70,909	82,721	64,777	54,186	88,504	100,355	92,678
Subtotal Domestic	11,757,852	12,297,659	12,930,208	12,751,189	9,611,276	6,397,266	10,193,466	11,737,459	12,816,341
International scheduled									
Signatory									
Southwest	338,253	304,247	299,322	314,105	208,527	174,421	334,453	296,155	341,765
Spirit	-	-	35,834	81,401	59,479	17,462	61,428	56,182	49,470
Delta	-	5,158	5,219	4,015	1,068	473	163	366	--
Air Canada	42,261	48,693	54,822	68,523	52,451	-	5,309	31,052	24,179
British Airways	57,189	62,308	62,733	65,265	46,801	-	14,109	51,056	59,698
Condor	9,901	12,334	12,581	15,480	14,120	-	2,121	9,257	10,729
WOW Air (3)	49,547	74,223	77,300	56,865	-	-	-	-	-
Alaska	-	3,520	4,942	1,065	-	-	-	-	-
United	-	162	-	47	-	-	115	230	-
American	-	176	-	-	-	-	-	-	-
Frontier (1)	-	-	-	-	-	-	19,597	36,088	27,120
Nonsignatory (b)	14,003	12,609	3,000	11,600	-	-	16,351	79,669	120,162
Subtotal International	511,154	523,430	555,753	618,366	382,446	192,356	453,646	560,055	633,123
Charter airlines (c)	62,935	54,865	48,072	46,051	40,582	55,628	47,064	67,762	44,596
Total Enplaned Passengers (a+b+c)	12,331,941	12,875,954	13,534,033	13,415,606	10,034,304	6,645,250	10,694,176	12,365,276	13,494,060

Source: Maryland Department of Transportation

Note: Data prior to FY 2016 is not available.

(1) Frontier became a signatory airline on July 1, 2021.

(2) Alaska became a signatory on April 1, 2017.

(3) WOW Air became a signatory on May 1, 2017 and ceased operations in March 2019.

(a) Includes Allegiant, Avelo Airlines, Boutique Air, Contour Airlines, Southern Airways, Sun Country, and Via Air .

(b) Includes Air Senegal, Copa, Icelandair, Norwegian, PLAY, and Sunwing.

(c) Includes ATI, Atlas Air, Global Crossing Airlines, National Airlines, OMNI, Swiftair, and any charter flights by signatory airlines.

MARYLAND DEPARTMENT OF TRANSPORTATION
Special Transportation Project Revenue Bonds – BWI Marshall Airport
Percentage of Enplaned Passengers by Airline
(unaudited)

	Fiscal Year Ended June 30,								
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Domestic scheduled									
Signatory									
Southwest	67.1%	67.0%	65.4%	63.1%	64.0%	68.8%	67.4%	66.6%	67.8%
Spirit	4.8	6.4	8.2	9.8	10.7	10.1	8.3	8.1	7.4
American	8.2	6.8	6.5	6.5	6.6	6.8	5.9	4.5	6.6
Delta	8.5	8.0	7.7	8.0	7.5	5.4	7.1	7.2	4.3
United	4.1	3.7	3.9	4.0	3.6	2.7	3.5	3.8	3.8
Frontier (1)	-	-	-	0.1	0.5	1.1	1.8	2.7	3.3
Alaska (2)	0.8	1.0	1.4	1.5	1.4	0.6	0.6	0.6	0.6
JetBlue	1.7	2.1	1.9	1.4	0.9	0.0	0.0	0.6	0.3
Nonsignatory (a)	0.1	0.4	0.5	0.6	0.6	0.8	0.8	0.8	0.6
Subtotal domestic	95.3%	95.5%	95.5%	95.0%	95.8%	96.3%	95.3%	94.9%	95.0%
International scheduled									
Signatory									
Southwest	2.7%	2.4%	2.2%	2.3%	2.1%	2.6%	3.1%	2.4%	2.5%
Spirit	-	-	0.3	0.6	0.6	0.3	0.6	0.5	0.4
Delta	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Air Canada	0.3	0.4	0.4	0.5	0.5	-	0.0	0.3	0.2
British Airways	0.5	0.5	0.5	0.5	0.5	-	0.1	0.4	0.4
Condor	0.1	0.1	0.1	0.1	0.1	-	0.0	0.1	0.1
WOW Air (3)	0.4	0.6	0.6	0.4	-	-	-	-	-
Alaska	-	0.0	0.0	0.0	-	-	-	-	-
United	-	0.0	-	0.0	-	-	0.0	0.0	-
American	-	0.0	-	-	-	-	-	-	-
Frontier (1)	-	-	-	-	-	-	0.2	0.3	0.2
Nonsignatory (b)	0.1	0.1	0.0	0.1	-	-	0.2	0.6	0.9
Subtotal international	4.1%	4.1%	4.1%	4.6%	3.8%	2.9%	4.2%	4.5%	4.7%
Charter airlines (c)	0.5%	0.4%	0.4%	0.3%	0.4%	0.8%	0.4%	0.5%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Maryland Department of Transportation
Note: Data prior to FY 2016 is not available.
(1) Frontier became a signatory airline on July 1, 2021.
(2) Alaska became a signatory on April 1, 2017.
(3) WOW Air became a signatory on May 1, 2017 and ceased operations in March 2019.
(a) Includes Allegiant, Avelo Airlines, Boutique Air, Contour Airlines, Southern Airways, Sun Country, and Via Air.
(b) Includes Air Senegal, Icelandair, Norwegian, PLAY, and Sunwing.
(c) Includes ATI, Atlas Air, Global Crossing Airlines, National Airlines, OMNI, Swiftair, and any charter flights by signatory airlines.

MARYLAND DEPARTMENT OF TRANSPORTATION
Schedule of Miscellaneous Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year Ended June 30										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State Highway Administration:											
Mainline Miles of State Highway (1)	5,155	5,152	5,154	5,151	5,154	5,164	5,206	5,208	5,210	5,212	5,218
Lane Miles of State Highways (1)	17,063	17,117	17,132	17,143	17,179	17,210	17,286	17,302	17,361	17,364	17,404
Vehicle Miles Traveled on State Highways, in thousands	37,031,289	37,109,003	37,758,032	38,627,541	40,655,459	40,497,495	40,957,315	33,847,647	38,332,148	38,365,550	38,912,819
Motor Vehicle Administration:											
Motor Vehicle Titles Issued	1,001,118	1,090,530	1,156,244	1,156,262	1,134,701	1,151,818	1,019,112	1,343,398	1,029,246	997,797	1,009,126
Motor Vehicle Registration Transactions	4,872,481	4,950,003	4,992,358	5,032,374	5,078,313	5,123,131	5,155,566	5,069,111	5,123,342	5,090,649	5,250,935
Motor Vehicle Fuel - Gallons Sold, in thousands (2)	3,211,360	3,283,767	3,313,813	3,327,754	3,295,232	3,312,635	3,026,937	2,886,305	2,874,499	3,093,964	3,035,743
Maryland Port Administration:											
Port of Baltimore (3):											
Export Commerce (2,000 lbs.)	16,750,213	17,755,547	18,032,687	24,811,957	28,799,201	29,388,069	24,289,680	28,298,486	28,295,193	32,133,000	33,444,000
Import Commerce (2,000 lbs.)	12,759,986	14,703,255	13,802,320	13,631,719	14,193,921	14,171,665	13,146,680	13,817,741	15,036,302	15,727,000	12,585,000
Total Foreign Commerce (2,000 lbs.)	29,510,199	32,458,802	31,835,006	38,443,676	42,993,122	43,559,734	37,436,548	42,116,227	43,331,495	47,860,000	46,029,000
General Cargo (2,000 lbs.) (included above)	10,230,365	10,685,003	11,326,594	12,317,094	12,317,094	12,360,713	11,587,613	13,397,755	13,799,987	14,404,000	11,426,000
Maryland Aviation Administration:											
Passenger Traffic	22,238,226	22,761,893	24,669,946	25,686,293	26,991,216	26,715,027	20,044,527	13,263,192	21,451,020	24,705,253	27,046,716
Commercial Air Carrier Operations	232,609	224,246	231,354	238,492	254,202	216,717	187,290	151,105	181,865	201,158	218,022
Total Aircraft Operations	251,305	243,255	248,271	253,238	268,254	260,932	224,257	182,549	213,815	229,207	243,628
Maryland Transit Administration:											
Core and Commuter Bus Ridership	75,780,350	79,035,332	79,828,737	73,453,522	67,550,456	67,612,158	57,961,332	35,466,890	40,881,784	47,774,227	49,222,045
Metro Ridership	14,632,401	13,900,813	12,221,949	10,960,071	8,916,972	7,275,335	5,911,362	1,615,650	1,631,935	1,755,900	3,658,312
Light Rail Ridership	8,105,752	7,657,256	7,475,005	7,413,659	7,416,504	6,966,072	4,648,867	2,453,497	2,910,446	3,434,185	4,471,190
MARC Train Riderships	8,979,468	9,245,588	8,961,892	9,185,382	9,191,727	9,190,885	6,676,588	936,267	2,271,221	3,376,651	3,937,407
Number of MDOT State Employees (Filled Positions)	8,387	8,485	8,454	8,403	8,440	8,414	8,489	8,362	8,303	8,437	8,836

Source: Maryland Department of Transportation.

(1) Mileage as of January 1. Source: Maryland Department of Transportation State Highway Administration Annual Highway Mileage Reports 2012-2022 Form DSD-9

(2) Source: Motor Fuel Tax and Motor Carrier Tax Annual Report prepared by the Comptroller's Office.

(3) Calendar year basis through 2020, then fiscal year basis

MARYLAND DEPARTMENT OF TRANSPORTATION
Paul J. Wiedefeld, Secretary
Samantha Biddle, Deputy Secretary

The Secretary's Office
Jaclyn Hartman, Assistant Secretary, Transportation Investment
Joe McAndrew, Assistant Secretary, Project Development and Delivery
Tony Bridges, Assistant Secretary, Transportation Equity and Engagement
Dianna Rosborough, Assistant Secretary, Administration
Jawauna Greene, Assistant Secretary, Public Affairs and Strategy
Cheryl A.C. Brown-Whitfield, Principal Counsel, Office of the Attorney General

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Lyn Farrow, Director, External Affairs
Matthew Mickler, Director, Government Affairs
Erin Henson, Director, Public Affairs
Sandy Hertz, Director, Climate Change Resilience and Adaptation
Kandese Holford, Director, Bicycle and Pedestrian Access
Christopher Holland, Director, Homeland Security
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Deron Lovaas, Chief of Environment and Sustainable Transportation
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