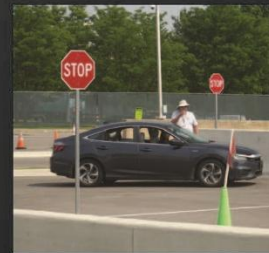
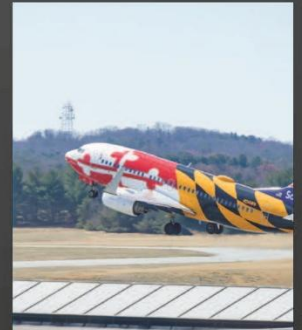




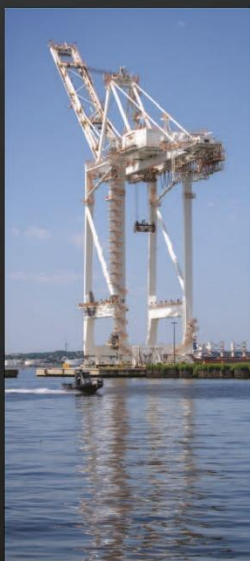
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2025



MDOT
MARYLAND DEPARTMENT
OF TRANSPORTATION

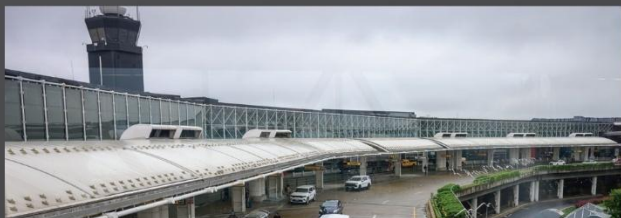
Wes Moore, Governor
Aruna Miller, Lt. Governor
Kathryn Thomson, Acting Secretary





ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2025



MDOT
MARYLAND DEPARTMENT
OF TRANSPORTATION

Prepared by the Office of Finance
Octavia Robinson, Chief Financial Officer
Manuel Gonzalez, Director of Accounting





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 Transportation Plan establishes long-term goals that define what MDOT seeks to achieve by 2050, together with guiding principles that inform how the Department makes planning, investment, and operational decisions. Collectively, these goals and principles articulate MDOT's vision for a transportation system that prioritizes safety, system quality, community connectivity, economic vitality, and environmental stewardship.

- **Enhance Safety and Security:** Prioritize the safety of all transportation system users and strengthen the security of Maryland's transportation network.
- **Deliver System Quality:** Invest in a transportation system that is financially sustainable, resilient, and maintained in a state of good repair.
- **Serve Communities and Support the Economy:** Expand transportation options that connect communities to opportunity and support the efficient movement of people and goods.
- **Promote Environmental Stewardship:** Reduce the environmental impacts of transportation while advancing sustainability and long-term climate resilience.

MARYLAND DEPARTMENT OF TRANSPORTATION
A Department of the State of Maryland
Annual Comprehensive Financial Report
June 30, 2025

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Introductory Section

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION**



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January 20, 2025

To the Citizens of Maryland and Interested Stakeholders:

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, 2025. This report includes the financial statements of the Department and is intended to provide Maryland's citizens, the Department's leadership, and other interested stakeholders with a clear and transparent presentation of the Department's financial position and results of operations. The information is reported in a manner designed to present fairly the financial position and changes in financial position of the Department, and all disclosures necessary to enable the reader to gain a maximum understanding of the Department's financial affairs have been included. This ACFR is 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. Accordingly, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for these representations, the Department's management has established and maintains a comprehensive framework of internal controls designed to safeguard the Department's assets and to ensure the preparation of reliable financial information in conformity with GAAP.

Because the cost of internal controls should not exceed their anticipated benefits, the Department's internal control framework is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. Based on management's assessment, to the best of our knowledge and belief, 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 report of independent public accountants of SB & Company, LLC is included in this report. The objective of the independent audit is to provide reasonable assurance that the Department's financial statements for the fiscal year ended June 30, 2025 are free from material misstatement.

The audit was conducted in accordance with auditing standards generally accepted in the United States of America and included 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 internal control relevant to the preparation of the financial statements; and evaluating the overall financial statement presentation. Based on the results of this audit, the independent public accountant issued an unmodified opinion that the Department's basic financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

The independent audit of the Department's basic financial statements is part of a broader audit of the State of Maryland's financial statements. In addition, the Department is included in the State's federally mandated Single Audit, which is designed to meet the requirements of 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 control over financial reporting and compliance with laws, regulations, and provisions of contracts or grant agreements, with particular emphasis on those requirements applicable to federal awards.

The State of Maryland's Annual Comprehensive Financial Report and Single Audit reports are issued separately and are available from the Comptroller of Maryland (see Comptroller of Maryland website).

Accounting principles generally accepted in the United States of America require 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 intended to complement the MD&A and should be read in conjunction with it. The Department's MD&A begins on page 23 of this report.



Profile of the Maryland Department of Transportation

The Maryland Department of Transportation (Department) is responsible for the planning, financing, construction, operation, and maintenance of most State-owned transportation facilities and programs throughout Maryland. This responsibility encompasses a comprehensive, multi-modal transportation system, as well as related licensing, regulatory, and administrative functions that support the safe and efficient movement of people and goods across the State.

The Department includes the Secretary's Office (TSO), which provides overall policy direction, strategic leadership, and administrative 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 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.

The Department's enterprise-based structure brings together the State's modes of transportation within a single organization, enabling modal administrations to coordinate planning, leverage shared resources, and deliver integrated transportation solutions. This unified approach supports balanced, multi-modal investment decisions and promotes collaboration across modes to meet the State's evolving transportation needs.

MDTA and WMATA are separate legal entities with independent fiscal operations and management and are not financially accountable to the Department. Accordingly, both entities are excluded from the Department's financial statements, except for funds paid by the Department to these entities. MDTA and WMATA each prepare and publish their own annual financial reports.

The Department operates under a single, unified mission across all modal administrations, guiding its commitment to safety, mobility, economic competitiveness, environmental stewardship, and customer service. This shared mission serves as the foundation for the Department's policies, programs, and investments in Maryland's transportation system.



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 Maryland Aviation Administration is responsible for fostering the vitality of aviation throughout the State of Maryland by promoting safe and efficient operations, economic viability, and environmental stewardship. The State of Maryland owns, and MAA operates, Baltimore/Washington International Thurgood Marshall Airport (BWI Marshall Airport) and Martin State Airport and supports public-use airports across the State.

BWI Marshall Airport is a major gateway for domestic and international travel in the National Capital region. During fiscal year 2025, the airport averaged 298 daily domestic departures, with 19 airlines providing nonstop service to 94 nonstop destinations. BWI Marshall Airport served approximately 27.0 million passengers during the fiscal year, reflecting its continued role as one of the region's busiest and most competitive airports. Southwest Airlines remained the airport's largest carrier, accounting for approximately 70 percent of passenger traffic.

MAA's operations contribute significantly to the State's economy through air service connectivity, job creation, tourism, and business development. In addition to passenger activity, MAA supports air cargo operations, general aviation services, and statewide aviation planning initiatives that strengthen Maryland's transportation network and economic competitiveness.

Through continued investment in airport infrastructure, safety, and customer experience, MAA remains focused on meeting current demand while positioning Maryland's aviation system to support future growth, operational resilience, and environmental sustainability.

Maryland Port Administration

The Maryland Port Administration is responsible for promoting and developing the Helen Delich Bentley Port of Baltimore as a leading gateway for international commerce. Through the operation and oversight of Maryland's public marine terminals, MPA supports global trade, supply chain efficiency, and economic growth for the State and the region.

In fiscal year 2025, the Port of Baltimore handled approximately 45.9 million tons of cargo and ranked ninth nationally for foreign cargo handled, totaling \$62.2 billion in value. The Port remained one of the nation's top-ranked port for autos and light trucks, roll-on/roll-off heavy equipment, sugar, and gypsum imports, reflecting its specialized capabilities and strategic geographic location.

The Port of Baltimore is a significant economic engine for Maryland, supporting approximately 20,200 direct jobs and generating \$5.3 billion in wages and salaries. These activities contribute substantially to State and local revenues and reinforce Maryland's position as a critical hub in global logistics and manufacturing supply chains.

Through continued investment in terminal infrastructure, security, and operational efficiency, MPA remains focused on enhancing the Port's competitiveness, resiliency, and capacity to support long-term economic development and job creation across the State.

Maryland Transit Administration

The Maryland Transit Administration is one of the largest multi-modal transit systems in the United States and is responsible for providing safe, reliable, and efficient public transportation services

throughout Maryland. MTA operates local and commuter bus services, Light RailLink, Metro SubwayLink, MARC Train Service, and a comprehensive paratransit program, supporting mobility for residents, workers, and visitors across the State.

MTA continues to adapt its services and planning to evolving travel patterns and customer needs, reflecting changes in commuting behavior, travel demand, and service expectations. While ridership levels vary by mode, MTA remains focused on maintaining essential service, improving reliability, and aligning operations with current and projected demand to ensure long-term sustainability.

In fiscal year 2025, MTA advanced several modernization and customer-focused initiatives, including expanded mobile fare payment options, enhanced safety and accessibility features across the system, and continued progress on major capital investments. These efforts are designed to improve the rider experience, increase operational efficiency, and support equitable access to transit services.

Through strategic investments in fleet replacement, technology, and infrastructure, as well as continued collaboration with federal, State, and local partners, MTA is positioning Maryland's transit system to meet future mobility needs, support economic development, and provide safe and dependable transportation options for communities throughout the State.

Motor Vehicle Administration

The Motor Vehicle Administration is responsible for delivering motor vehicle and driver services to Maryland residents, with a focus on safety, accessibility, and customer service. Through a statewide network of branch offices, vehicle emissions stations, and digital service platforms, MVA supports licensing, vehicle registration, titling, and highway safety programs across the State.

In fiscal year 2025, MVA completed approximately 11.5 million transactions and collected \$1.9 billion in gross revenue, reflecting both the scale of its operations and its central role in supporting the Transportation Trust Fund. MVA continued to prioritize operational efficiency while maintaining high service standards for Marylanders.

MVA has significantly expanded Alternative Service Delivery (ASD) options, enabling customers to complete the majority of transactions outside of branch offices. Approximately 80 percent of transactions were conducted through online services, mail-in processing, self-service kiosks, and mobile platforms. These innovations have reduced wait times, improved convenience, and enhanced overall customer experience.

In addition to core motor vehicle services, MVA houses the Maryland Highway Safety Office (MHSO), which administers traffic safety programs, distributes federal grant funding to local partners, and supports statewide initiatives aimed at reducing roadway fatalities. Through continued investment in technology, service delivery, and safety programs, MVA remains focused on meeting the evolving needs of Maryland residents while supporting the State's transportation system and public safety goals.

State Highway Administration

The State Highway Administration is responsible for operating, maintaining, and improving Maryland's non-toll State highway system, which serves as the backbone of the State's transportation network. SHA manages more than 17,000 lane-miles of highways and approximately 2,570 bridges across Maryland's 23 counties, supporting the safe and efficient movement of people and goods throughout the State.

SHA's mission emphasizes safety, system reliability, and asset stewardship. Through ongoing

maintenance, rehabilitation, and modernization efforts, SHA works to preserve infrastructure in a state of good repair while enhancing roadway safety and performance. These efforts are supported by data-driven planning, asset management practices, and coordination across engineering, operations, maintenance, and finance functions.

SHA also operates the Coordinated Highways Action Response Team (CHART), which provides incident response, traffic management, and emergency assistance on major highways. CHART plays a critical role in improving travel reliability, reducing congestion, and enhancing safety during incidents, special events, and severe weather conditions.

Through continued investment in roadway infrastructure, bridge preservation, and innovative traffic management strategies, SHA remains focused on delivering a safe, resilient, and efficient highway system that supports Maryland's economy, connects communities, and enhances quality of life for residents and visitors.

Maryland Transportation Authority

The Maryland Transportation Authority owns, operates, and maintains Maryland's toll facilities, which include four bridges, two tunnels, and two turnpikes located throughout the State. These facilities play a vital role in supporting regional mobility, interstate commerce, and economic activity.

MDTA is governed by an eight-member Board appointed by the Governor with the advice and consent of the Maryland Senate, with the Secretary of Transportation serving as the Board's Chair. While MDTA operates in coordination with the Department, it is a separate legal entity with independent fiscal operations and management.

MDTA is solely funded through toll revenues and does not receive funding from the Department or the Transportation Trust Fund. Accordingly, MDTA is not financially accountable to the Department and is excluded from the Department's financial statements, except for payments made by the Department to MDTA. MDTA prepares and publishes a separate Annual Comprehensive Financial Report.

Through the operation and maintenance of its toll facilities, MDTA remains focused on providing safe, reliable infrastructure while supporting economic growth and mobility across Maryland.

Washington Metropolitan Area Transit Authority

The Washington Metropolitan Area Transit Authority operates a regional public transportation system serving the District of Columbia, the State of Maryland, and the Commonwealth of Virginia. WMATA is an interstate compact agency created in 1967 and governed by a multi-jurisdictional board with representatives from each participating jurisdiction and the federal government.

WMATA operates one of the nation's largest transit systems, providing Metrorail, Metrobus, and MetroAccess paratransit services across the Washington metropolitan region. These services support regional mobility, economic activity, and access to employment centers for residents and visitors.

In accordance with State law, the Department provides Maryland's share of operating and capital support for the Washington Metropolitan Area Transit Authority through grants funded by State transportation

and capital resources, as authorized by the State of Maryland. WMATA is a separate legal entity with independent fiscal operations and management and is not financially accountable to the Department. Accordingly, WMATA is excluded from the Department's financial statements, except for funds paid by the Department to WMATA.

WMATA prepares and publishes its own Annual Comprehensive Financial Report, which provides detailed financial information for the Authority's operations and activities.

Transportation Trust Fund

The Transportation Trust Fund (TTF) was established in 1971 as a non-lapsing special fund to provide a dedicated and sustainable source of funding for Maryland's transportation system. The integrated trust fund structure allows the Department flexibility to plan, operate, maintain, and invest across all modes of transportation while supporting long-term infrastructure needs and economic growth throughout the State.

All revenues dedicated to the Department are deposited into the TTF, including motor fuel taxes, vehicle excise (titling) taxes, motor vehicle fees, portions of the State's corporate income tax and rental vehicle sales and use tax, operating revenues generated by Departmental activities, federal transportation funds, and bond proceeds. Resources from the TTF support the full range of Departmental activities, including operations, maintenance, administration, debt service, and capital investment.

Funds within the TTF are constitutionally and statutorily dedicated to transportation purposes. In 2014, Maryland voters approved a constitutional amendment that restricts the use of TTF resources to transportation-related debt service and the construction, operation, and maintenance of the State's transportation system. Transfers of TTF resources for non-transportation purposes are permitted only under limited circumstances and subject to specific legislative approval and repayment requirements.

State law also requires that certain transportation revenues be shared with counties and municipalities in the form of local transportation aid capital grants after the Department's operating and debt service obligations are met. These distributions support locally sponsored transportation projects and further extend the benefits of the State's transportation investments.

Accounting records for the TTF are maintained by the Comptroller of Maryland, and cash and investments are held by the State Treasurer, except for authorized revolving accounts. The Department's budgetary accounting practices generally conform to generally accepted accounting principles, with certain statutory and historical distinctions between budgetary and GAAP reporting.

Legislation enacted during fiscal year 2025 authorizes additional recurring revenue sources dedicated to the Transportation Trust Fund beginning in fiscal year 2026, further strengthening the long-term sustainability of Maryland's transportation funding framework.

Long-Term Planning

The Department's long-term transportation planning framework is designed to ensure that Maryland's transportation system remains safe, reliable, and financially sustainable while meeting the State's evolving mobility and economic needs. This framework integrates policy, performance, and financial planning to guide investment decisions across all modes of transportation.

The Department's planning approach is articulated through three primary documents: the Maryland Transportation Plan, which establishes a long-range vision for the State's transportation system; the Consolidated Transportation Program (CTP), which outlines the Department's six-year capital investment program; and the Annual Attainment Report on Transportation System Performance, which evaluates progress toward achieving established performance goals. Together, these documents provide a comprehensive and transparent structure for aligning long-term priorities with available resources.

The Department updates the CTP through a recurring planning process that includes a publicly released draft program and the subsequent adoption of a final program to reflect current conditions, funding availability, and evolving transportation priorities. The CTP is supported by a multi-year financial plan that demonstrates the affordability of the capital program and incorporates projected revenues, operating and maintenance costs, debt service, and planned bond issuances. This disciplined planning process helps ensure that capital investments are aligned with long-term financial capacity and policy objectives.

Through this integrated planning framework, the Department balances near-term infrastructure needs with long-term system preservation, modernization, and resilience. The Department's long-term planning efforts support informed decision-making, fiscal stewardship, and continued investment in a transportation system that serves Maryland's residents, businesses, and visitors.

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 that includes a complete plan of proposed expenditures and estimated revenues for the ensuing fiscal year, including the Department. Budget authority, amendments, and execution are governed by constitutional and statutory provisions and are subject to established oversight processes.

The Department's expenditures are made in accordance with appropriations provided in the annual budget bill. Budgetary controls are maintained at the program level by fund type, and the Department may, with appropriate approvals, make budget adjustments to align resources with operational and capital needs. Unexpended appropriations may be carried forward to subsequent fiscal years, subject to available resources and encumbrances. Budget-to-actual results are presented as required supplementary information in this report.

The Department supports its capital program through long-term financial planning and prudent debt management practices. The Department issues Consolidated Transportation Bonds and other authorized debt instruments to finance capital investments, subject to State-level oversight, affordability review, and approval processes. These practices are intended to maintain strong credit quality, ensure affordability, and preserve financial flexibility over time.

Debt issuance and management are guided by statutory limits, coverage requirements, and oversight by State entities responsible for monitoring tax-supported debt. The Department maintains strong credit ratings AAA from Standard & Poor's, Aa1 from Moody's Investors Service, and AA+ from Fitch Ratings, reflecting sound financial practices and disciplined debt management for its Consolidated Transportation Bonds. Revenue coverage levels consistently exceed required minimums, providing additional assurance of the Department's financial capacity to meet its obligations while supporting ongoing infrastructure investment. In addition, the Department may issue project-specific revenue bonds supported by dedicated revenue streams for certain capital investments, allowing MDOT to strategically

finance major projects while preserving long-term fiscal sustainability.

Major Initiatives

During fiscal year 2025, the Department advanced major initiatives that strengthened safety, improved customer experience, supported economic activity, and enhanced the long-term performance of Maryland's multimodal transportation system. These accomplishments reflect the Department's continued focus on delivering complex projects, maintaining system reliability, and stewarding public resources responsibly.

Port of Baltimore

During fiscal year 2025, the Port of Baltimore continued to serve as a critical economic engine for the State and a key gateway for global commerce. A major accomplishment during the year was continued advancement of the Howard Street Tunnel Project, a transformative freight initiative that will enable double-stack rail service through the Port of Baltimore. Progress during fiscal year 2025 advanced construction milestones critical to improving intermodal connectivity between the Port and national freight networks. Supported by coordinated federal, State, and private-sector partnerships, these efforts strengthened supply chain efficiency, operational reliability, and the Port's long-term competitiveness.

Motor Vehicle Administration

During fiscal year 2025, the Motor Vehicle Administration (MVA) advanced a broad modernization of service delivery focused on accessibility, security, and customer experience. A key achievement was the expansion of the Maryland Mobile ID program, enabling residents to securely use digital driver's licenses and identification through mobile wallet platforms. This initiative enhanced customer convenience while maintaining strong privacy and identity security standards and reinforced Maryland's position as a national leader in mobile identification technology. Alongside expanded online and alternative service channels, these efforts improved operational efficiency, reduced reliance on in-person transactions, and supported stable revenue performance for the Transportation Trust Fund.

BWI Marshall Airport

During fiscal year 2025, Baltimore/Washington International Thurgood Marshall Airport experienced continued growth in passenger activity, reflecting sustained demand for air travel in the region. The Maryland Aviation Administration advanced construction of the Concourse A/B Connector and Baggage Handling System Improvement Project, the largest terminal investment in the airport's history. Work during the year progressed key construction phases designed to improve passenger connectivity, modernize baggage processing, and increase operational capacity. These investments enhanced the customer experience, supported airline operations, and positioned the airport to accommodate future growth, reinforcing BWI Marshall Airport's role as a vital transportation hub and economic asset for the State.

Transit

During fiscal year 2025, the Department continued to stabilize and modernize transit services while advancing major capital investments. A central focus during the year was continued construction of the Purple Line, a 16.2-mile east-west light rail corridor connecting major activity centers in Montgomery and Prince George's Counties. Fiscal year 2025 activities advanced track, station, and systems construction while navigating the complexity of building in a dense urban environment. Together with ongoing efforts to improve service reliability and fleet and infrastructure condition, these initiatives strengthened the Department's ability to deliver safe and dependable transit service and support long-term regional mobility and economic connectivity.

State Highway System

During fiscal year 2025, the Department advanced initiatives to preserve and enhance the State highway system with a focus on safety, asset condition, and system performance. A significant initiative during the year was continued implementation of the I-270 Innovative Congestion Management Project, which advanced ramp metering, traffic operations improvements, and active traffic management strategies along one of Maryland's most heavily traveled corridors. Data-driven system management supported measurable improvements in travel reliability and congestion mitigation. Together with ongoing investments in roadway preservation, bridge rehabilitation, and system operations, these efforts strengthened the resilience and performance of Maryland's highway network for motorists and freight movement.

Economic Outlook

Maryland's economic outlook entering the post-fiscal year 2025 period reflects continued stability supported by a diverse industry base, high household incomes, and a strong federal presence. Although federal budget uncertainty has introduced short-term disruptions, Maryland's substantial federal presence continues to provide a stabilizing influence through long-term employment, contracted activity, and institutional investment across the State.

Looking ahead, inflationary pressures and interest rates are expected to remain key factors influencing consumer behavior, labor markets, and capital investment decisions. While growth is anticipated to continue at a measured pace, labor market conditions are expected to remain relatively tight across several sectors, reinforcing the importance of prudent financial planning and disciplined resource management.

Legislation enacted during fiscal year 2025 authorizes new recurring revenue sources dedicated to the Transportation Trust Fund beginning in fiscal year 2026, including a tire fee, additional vehicle excise titling tax revenues, and a designated portion of capital gains tax revenues. These sources diversify the Transportation Trust Fund's revenue base and reduce reliance on traditional fuel-based revenues.

Transportation Trust Fund

The Transportation Trust Fund (TTF) is credited with all transportation-related taxes and fees, federal transportation funds, and bond proceeds, and serves as the primary source of funding for transportation spending across the State. The Department prepares financial plans for a six-year period that coincide with its six-year capital program, with revenue forecasting based on statewide economic conditions and

the outlook for each major revenue source. In September 2025, the Department published its six-year draft capital program totaling \$21.5 billion, supported by total projected revenues of \$21.5 billion for fiscal years 2026 through 2031.

The following summarizes the major sources of revenue supporting the Transportation Trust Fund:

Motor Fuel Tax: As of July 1, 2025, the motor fuel tax rates were 46.0 cents per gallon for gasoline and 46.75 cents per gallon for diesel fuel. These rates consist of a base per-gallon rate, an annual inflation adjustment tied to the Consumer Price Index for All Urban Consumers, and a sales and use tax equivalent component based on average retail fuel prices. Near-term performance is influenced by travel demand and fuel prices, while longer-term trends reflect improvements in fuel efficiency and changing vehicle technologies. Motor fuel tax revenues are projected to provide \$7.8 billion over the six-year period.

Motor Vehicle Titling Tax: Revenue from the Motor Vehicle Titling Tax, also known as the vehicle excise tax, is projected to total \$8.1 billion over the six-year planning period, reflecting the recent increase in the tax rate. The tax is assessed at 6.5 percent of the fair market value of new and used vehicles, net of trade-in allowances, compared to the prior rate of 6.0 percent. Titling tax revenues are influenced by both vehicle sales volumes and pricing and generally track broader automotive market conditions. As a result, this revenue source experiences periods of growth and moderation consistent with normal business cycles.

Motor Vehicle Fees: Motor vehicle fees include a variety of charges associated with vehicle registration, EV surcharges, licensing, and related services. These revenues provide a stable funding source and are projected to grow modestly over the six-year period. Motor vehicle fees are projected to generate \$6.3 billion from fiscal years 2026 through 2031.

Operating Revenues: Operating revenues generated by MDOT's modal administrations-including aviation, port, and transit activities-also support the Transportation Trust Fund. These revenues include passenger fares, terminal operations, rental income, parking, concessions, and user fees. Net airport revenues are transferred to the TTF after accounting for debt service on Special Transportation Project Revenue Bonds. Operating revenues are projected to total \$3.1 billion over the six-year period.

Corporate Income Tax: The Department receives a designated share of the State's corporate income tax, as forecast by the State's Board of Revenue Estimates. The Department's share varies over the six-year period due to legislative changes enacted in recent years, peaking at 22 percent in fiscal years 2026 and 2027. In accordance with State law, the share distributed to the Transportation Trust Fund will decline from 22 percent to 20 percent beginning in fiscal year 2028. Corporate income tax revenues are projected to provide \$2.9 billion over the six-year period.

Capital Gains Tax: Beginning in fiscal year 2026 and annually thereafter, a portion of the State's capital gains tax will be distributed to the Transportation Trust Fund. A 2 percent tax is applied to capital gains realized by individuals with incomes greater than \$350,000, with the resulting revenues shared between the State's General Fund and the Transportation Trust Fund. Revenues from this source are projected to total \$641 million over the six-year planning period.

Other Revenues: The Transportation Trust Fund also receives funding from several additional sources that support transportation programs across the State. Beginning January 1, 2026, a statewide fee on the purchase of new tires is projected to generate approximately \$126 million over the six-year period. In

addition, the Transportation Trust Fund receives designated sales and use tax revenues, including a portion of the tax on rental vehicles and sales and use tax revenues generated from electric vehicle charging stations; together, these sources are projected to total \$264 million over the six-year period.

Transportation network company fees are also deposited into the Transportation Trust Fund and are projected to generate approximately \$293 million over the forecast period. Other revenue sources include transfers from the State's General Fund, Vehicle Emissions Inspection Program (VEIP) fees, reimbursements, interest income, and other miscellaneous revenues.

Federal Aid: Federal transportation funds support both operating and capital programs and reflect funding levels authorized under the Infrastructure Investment and Jobs Act, which provides multi-year reauthorization of key federal transportation programs. Federal aid is projected to total \$9.2 billion over the six-year period.

State law also requires that certain transportation revenues be distributed to counties and municipalities as local transportation aid capital grants after the Department's operating and debt service obligations are met, extending the benefits of State transportation investments to local jurisdictions throughout Maryland.

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, 2024. This marked the Department's twenty-fifth consecutive year of receiving this prestigious recognition. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting and reflects the Department's continued commitment to transparency, accountability, and high-quality financial reporting.

A Certificate of Achievement is valid for a period of one year only. The Department believes that this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, continues to meet the Certificate of Achievement Program's requirements and intends to submit the report to the GFOA for consideration.

The preparation of this report reflects the professionalism, dedication, and collaboration of staff across the Department. From employees providing direct service to Maryland's customers to those supporting financial management, reporting, and oversight functions, the Department's workforce plays a vital role in stewarding public resources and delivering transportation services statewide.

The Department also acknowledges the contributions of its financial management teams and external partners whose expertise and commitment support accurate reporting and effective fiscal stewardship. Their collective efforts ensure that the Department remains well positioned to meet its responsibilities to the citizens of Maryland.

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

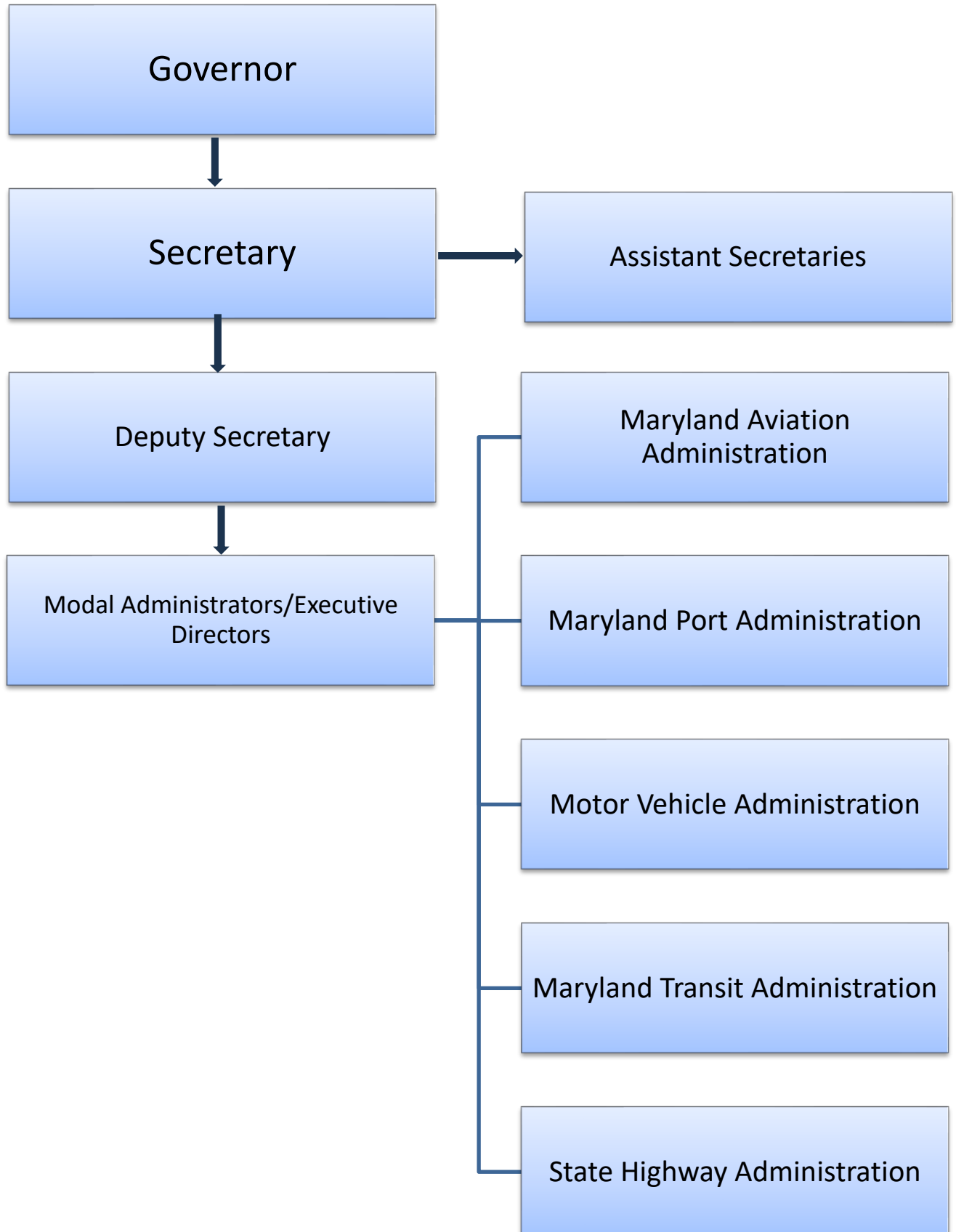
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

MARYLAND DEPARTMENT OF TRANSPORTATION
Organizational Chart



MARYLAND DEPARTMENT OF TRANSPORTATION
List of Principal Department Officials
As of June 30, 2025

<u>Title</u>	<u>Name</u>
Secretary of Transportation	Paul J. Wiedefeld*
Deputy Secretary of Transportation	Samantha J. Biddle
Maryland Aviation Executive Director	Shanetta R. Griffin
Maryland Port Executive Director	Jonathan Daniels
Maryland Transit Administrator	Holly Arnold
Motor Vehicle Administrator	Christine Nizer
State Highway Administrator	William Pines

*Effective January 7, 2026, Kathryn Thomson was appointed Acting Secretary of Transportation.

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Financial Section

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION**





REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

Acting Secretary Katie Thomson
Maryland Department of Transportation
Hanover, Maryland

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maryland Department of Transportation (the Department, a Special Revenue Fund of the State of Maryland), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department, as of June 30, 2025, and the respective changes in financial position 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). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Department 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibility 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 auditor's 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 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, 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'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

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 the management's discussion and analysis, schedule of changes in the total liability and related ratios for the Maryland Transit Administration OPEB plan, changes in the net pension liability and related ratios for the Maryland Transit Administration pension plan, schedule of employer contributions for the Maryland Transit Administration pension plan, proportionate share of the net pension liability and related ratios for the Maryland State Retirement Pension Plan, schedule of employer contributions for the Maryland State Retirement Pension Plan, schedule of revenues,



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Business Advisors

expenditures, and changes in fund balance – budget and actual, and notes to the required supplementary information be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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.

Owings Mills, Maryland
January 20, 2026

SB + Company, LLC

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, 2025. 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 \$19,089,134,000 (net position). Of this amount, \$2,168,257,000 represents the unrestricted deficit primarily attributable to long-term liabilities that are not expected to be liquidated with current financial resources.
- The Department's governmental funds reported a combined ending fund balance deficit of \$585,003,000 at the close of the current fiscal year, representing a decrease of \$729,320,000 compared to the prior fiscal year. This change primarily reflects the timing of federal reimbursements for eligible transportation projects, which are initially funded with State resources and subsequently reimbursed by the federal government.
- The Department's Consolidated Transportation Bonds debt outstanding totaled \$2,895,050,000, which was a decrease of \$109,860,000, or 3.7%, 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 are principally 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 37 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated 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: governmental funds 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 outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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 financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing 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 Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Department maintains two individual governmental funds. Information is presented separately in the 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 39 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 Revenue Fund to demonstrate compliance with this budget. The budgetary comparison schedule can be found on page 91 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 because the resources of those funds are not available to support the Department's own programs. The basic fiduciary fund financial statements can be found starting on page 43 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 notes to the financial statements can be found starting on page 46 of this report.

Changes in Governmental Accounting Standards

As of June 30, 2025, the Governmental Accounting Standards Board (GASB) had issued Statements No. 101, *Compensated Absences*; Statements No. 102, *Certain Risk Disclosures*; No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*. The Department has evaluated these statements and has either implemented them or will implement them in future fiscal years, as applicable.

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 85 of this report.

Government-wide Financial Analysis

Fiscal year 2025 financial results reflect a period of continued investment in transportation infrastructure amid moderating economic growth and evolving travel and revenue patterns. Management focused on maintaining service delivery, advancing capital priorities, and preserving long-term financial sustainability.

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 \$19,089,134,000 as of June 30, 2025. 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 \$422,475,000 during the fiscal year ended June 30, 2025. The increase in net position was driven primarily by continued investment in capital assets, partially offset by changes in long-term liabilities. 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		2025	2024	Variance	% Change
Current and other assets		\$ 2,537,619	\$ 2,107,213	\$ 430,406	20.4%
Capital assets		25,240,441	24,477,197	763,244	3.1%
Total assets		27,778,060	26,584,410	1,193,651	4.5%
Deferred amount for pensions		473,919	378,807	95,112	25.1%
Deferred amount for OPEB		69,843	75,594	(5,751)	-7.6%
		543,762	454,401	89,361	19.7%
Long-term liabilities outstanding		6,469,805	6,414,126	55,679	0.9%
Other liabilities		1,712,606	1,001,589	711,016	71.0%
Total liabilities		8,182,411	7,415,715	766,695	10.3%
Deferred service concession arrangement receipts		183,892	197,124	(13,232)	-6.7%
Deferred amount for refunding bonds		9,687	14,033	(4,346)	-31.0%
Deferred amount for leases		203,004	204,066	(1,062)	-0.5%
Deferred amount for pensions		366,187	234,711	131,476	56.0%
Deferred amount for OPEB		287,509	306,503	(18,994)	-6.2%
		1,050,278	956,437	93,841	9.8%
Net Position					
Net investment in capital assets		21,257,390	20,513,704	743,687	3.6%
Unrestricted deficit		(2,168,257)	(1,847,045)	(321,211)	17.4%
Total net position		\$ 19,089,134	\$ 18,666,659	\$ 422,475	2.3%

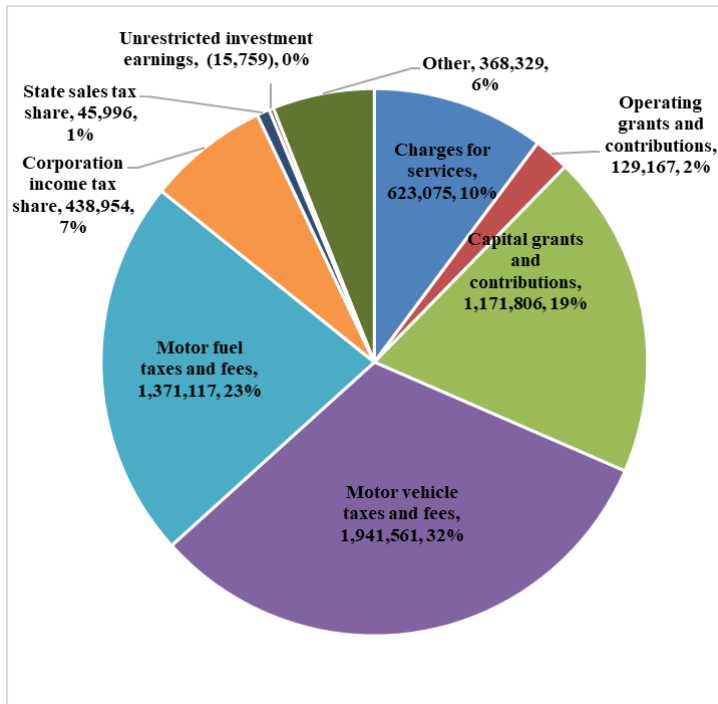
Maryland Department of Transportation
Statement of Activities

Governmental Activities	For Fiscal Years Ended June 30,			
	2025	2024	Variance	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 623,075	\$ 505,355	\$ 117,720	23.3%
Operating grants and contributions	129,167	253,917	(124,750)	-49.1%
Capital grants and contributions	1,171,806	1,065,269	106,536	10.0%
General revenues:				
Motor vehicle taxes and fees	1,941,561	1,738,751	202,810	11.7%
Motor fuel taxes and fees	1,371,117	1,397,354	(26,237)	-1.9%
Corporation income tax share	438,954	419,449	19,505	4.7%
State sales tax share	45,996	44,578	1,418	3.2%
Unrestricted investment loss	(15,759)	(354)	(15,405)	4351.8%
Other	368,329	326,655	41,674	12.8%
Total revenues	6,074,246	5,750,975	323,272	5.6%
Expenses:				
Secretary's Office	1,359,889	1,027,089	332,800	32.4%
State Highway Administration	1,971,788	1,720,394	251,394	14.6%
Port Administration	245,151	158,017	87,134	55.1%
Motor Vehicle Administration	326,751	251,333	75,418	30.0%
Transit Administration	1,362,244	1,291,917	70,327	5.4%
Aviation Administration	309,813	326,587	(16,774)	-5.1%
Interest on long-term debt	76,135	82,721	(6,586)	-8.0%
Total expenses	5,651,771	4,858,059	793,712	16.3%
Change in net position	422,475	892,916	(470,441)	-52.7%
Net position - July 1	18,666,659	17,773,743	892,916	5.0%
Net position - June 30	19,089,134	18,666,659	422,474	2.3%

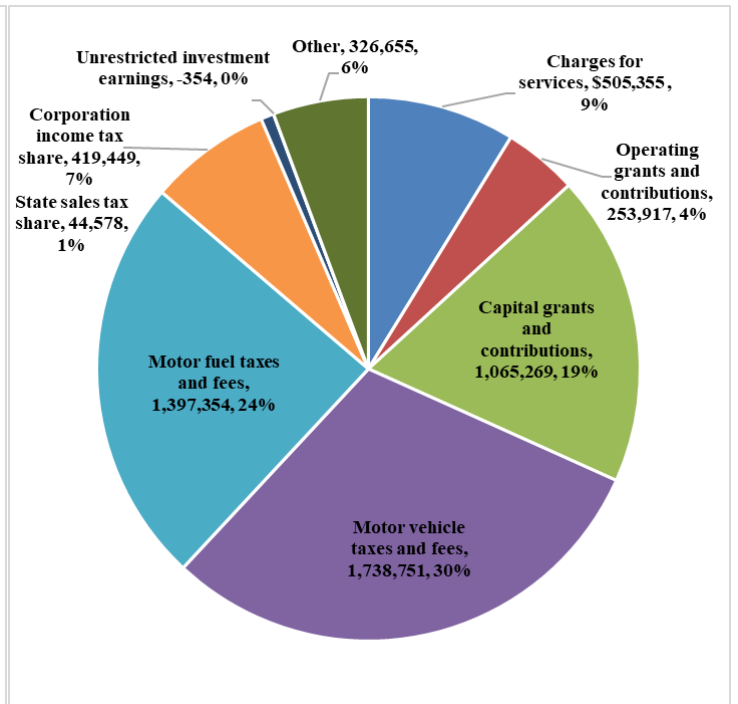
The Department's primary revenue sources are motor vehicle taxes and fees, including revenues from the titling tax and driver and vehicle fees, as well as motor fuel taxes and fees. During fiscal year 2025, motor fuel tax revenues declined modestly compared to the prior year, while motor vehicle-related revenues increased due to higher transaction volumes and fee activity. Titling tax revenues increased year-over-year, reflecting growth in both vehicle prices and units sold. Transfers from the State provided additional support for the Department's 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 2025
(dollars in thousands)

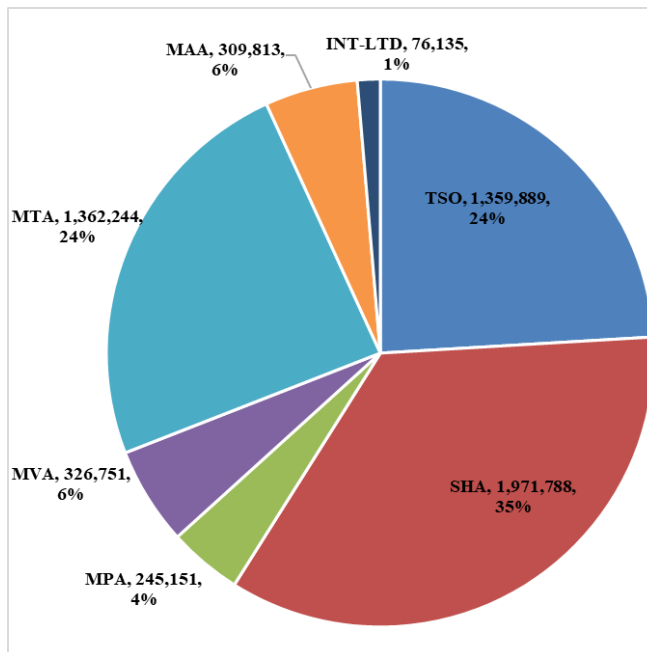


Fiscal Year 2024
(dollars in thousands)

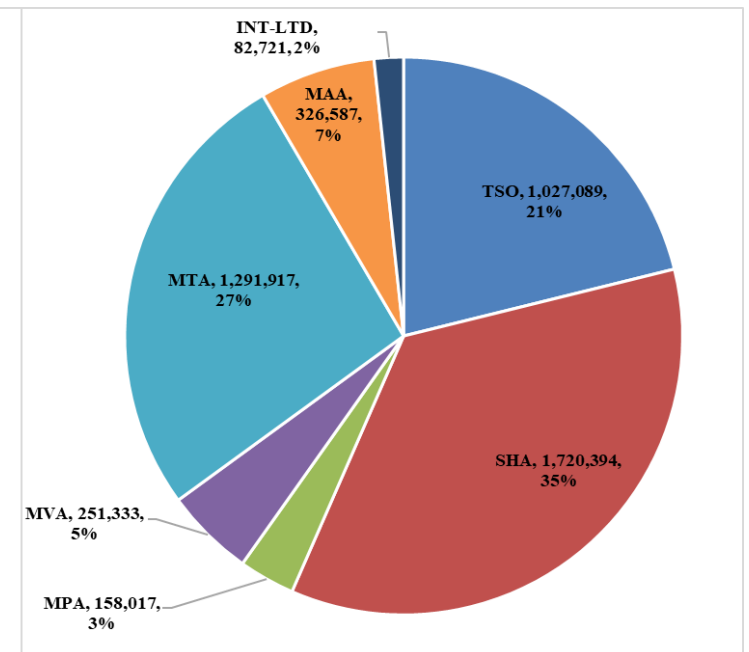


Expenses by Modal Administration

Fiscal Year 2025
(dollars in thousands)



Fiscal Year 2024
(dollars in thousands)



INT-LTD: Interest on Long-term Debt
MTA: MD Transit Administration
TSO: The Secretary's Office

MAA: MD Aviation Administration
MVA: Motor Vehicle Administration

MPA: MD Port Administration
SHA: State Highway Administration

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 balance deficit of \$585,003,000, a decrease of \$729,320,000 from the prior fiscal year. This change primarily reflects the timing of federal reimbursements for eligible transportation projects that are initially funded with State resources and subsequently reimbursed by the federal government. Under accounting principles applicable to governmental funds, federal revenues that are not collected within 60 days after fiscal year end are required to be reported as unavailable revenue. During fiscal year 2025, the Department recorded \$1,243,280,000 of federal reimbursements as unavailable revenue because the related cash receipts occurred after the availability period. Although these amounts are expected to be collected in subsequent periods, their deferral reduced reported fund balance as of June 30, 2025.

The Special Revenue Fund accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes. Although classified as unassigned, the Department's fund balance is effectively constrained by the statutory purposes of the Transportation Trust Fund. Also included in the fund balance is a non-spendable designation, Inventories for \$112,688,000.

The Special Revenue Fund is the chief operating fund for the Department. While the fund reported a deficit fund balance of \$585,003,000 at year end, this amount should be considered in the context of the Department's overall expenditure activity and the timing of federal reimbursements recognized as unavailable under generally accepted accounting principles rather than a deterioration in the Department's underlying liquidity or ability to meet current obligations.

Capital Asset and Debt Administration

Capital assets

The Department's investment in capital assets as of June 30, 2025, amounts to \$25,240,442,000 (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 \$763,244,000. 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 2025; infrastructure assets for the State Highway Administration at the close of the current fiscal year reached \$8,852,349,000, an increase of \$29,979,000, or .34%, from the prior fiscal year.

- Various transit projects were ongoing in the current fiscal year; construction in progress as of June 30, 2025 was \$7,312,171,000, with additions of \$756,187,000 and transfers of completed projects of \$62,428,000.

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

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

Governmental Activities	June 30,				
	2025	2024	Variance	% Change	
Land	\$ 3,105,383	\$ 3,066,017	\$ 39,366	1.3%	
Buildings and improvements	1,501,500	1,564,210	(62,710)	-4.0%	
Machinery and equipment	657,873	693,750	(35,876)	-5.2%	
Infrastructure	10,260,901	10,208,894	52,007	0.5%	
Seagirt Assets	38,497	39,817	(1,320)	-3.3%	
Construction in progress	9,676,288	8,904,510	771,778	8.7%	
Total	\$ 25,240,442	\$ 24,477,198	\$ 763,244	2.2%	

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 11 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 \$2,895,050,000. The Department's Consolidated Transportation Bonds outstanding debt decreased by \$109,860,000, or 3.7%, from the prior fiscal year. This change includes the principal payments, in excess of new proceeds.

As provided by State law, the maximum outstanding aggregate amount of Consolidated Transportation Bonds that may be outstanding is \$5,000,000,000. In addition, the General Assembly sets an annual limit on the amount of debt outstanding. For fiscal year 2025, that amount was \$2,895,050,000. The Department's Consolidated Transportation Bonds outstanding as of June 30, 2025, 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**

	June 30,			
Governmental Activities	2025	2024	Variance	% Change
Debt Outstanding	\$ 2,895,050	\$ 3,004,910	\$ (109,860)	-3.7%
Statutory Limit of Debt Outstanding	5,000,000	4,500,000	500,000	11.1%
Available Legal Debt Margin	\$ 2,104,950	\$ 1,495,090		

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 \$576,510,000. The Department's Special Transportation Project Revenue Bonds outstanding debt increased by \$192,900,000, or 50%, from the prior fiscal year. This change includes the principal payments and the issuance of the Special Transportation Revenue Bonds 2024A. 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 Revenue Bonds**

	June 30,			
Governmental Activities	2025	2024	Variance	% Change
Debt Outstanding	\$ 576,510	\$ 383,610	\$ 192,900	50.3%

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 \$185,150,000. The Department's obligations related to the agreements decreased by a net amount of \$29,091,000, during the current fiscal year primarily due to the decrease in funds held in trust. The Department maintains strong credit ratings of 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

Governmental Activities	June 30,		Variance	% Change
	2025	2024		
Debt Outstanding	\$ 185,150	\$ 214,241	\$ (29,091)	-13.6%

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 \$33,662,000 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 \$3,293,000 related to GASB 96 Subscriptions.

Special Revenue Fund Budgetary Highlights

Between the original and final amended budgets, the Department’s appropriations decreased by \$104,883,000 for special funds and decreased by \$90,661,000 for federal funds. The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual can be found on page 91 of this report.

Economic Factors and Next Year’s Budgets and Rates

Fiscal year 2025 financial results remained relatively stable, with growth in vehicle excise (titling) tax revenues largely offsetting a decline in motor fuel tax revenues. Titling tax revenues increased approximately 5 percent over the prior fiscal year, reflecting higher vehicle sales activity and pricing. Motor fuel tax revenues declined by approximately 2 percent compared to the prior year, driven primarily by lower fuel consumption and changes in travel behavior.

Longer-term pressures on motor fuel tax revenues continue as improvements in vehicle fuel efficiency and the gradual adoption of electric vehicles reduce taxable fuel consumption. In response, Maryland has enacted and is implementing initiatives designed to diversify transportation funding sources and reduce reliance on traditional fuel-based revenues, supporting the long-term sustainability of the Transportation Trust Fund.

Interest rates remained relatively stable during fiscal year 2025. All Consolidated Transportation Bond and Special Transportation Project Revenue Bond issuances are fixed-rate obligations; as a result, changes in market interest rates had no material impact on the Department’s debt service costs during the year. After several years of post-pandemic recovery, airline enplanements declined modestly during fiscal year 2025. Total enplaned passengers for the year were approximately 13.0 million, representing a 4 percent decrease from the prior fiscal year. While short-term fluctuations

in passenger volumes reflect evolving travel patterns and market conditions, aviation activity remains broadly consistent with pre-pandemic operating levels.

Public transportation ridership continued to recover during fiscal year 2025 but has not yet returned to pre-pandemic levels. The Maryland Transit Administration reports ridership across core and commuter bus services, Metro, Light Rail, and MARC Train operations. Within the ACFR's ten-year statistical reporting period, systemwide ridership peaked in fiscal year 2016 at 108.5 million trips. Following a pandemic-related low of 40.5 million trips in fiscal year 2021, ridership increased to 66.6 million trips in fiscal year 2025, representing a 63 percent increase from the pandemic 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, 2025
(amounts expressed in thousands)

	Total Governmental Activities
ASSETS:	
Cash and cash equivalents - restricted	\$ 213,772
Taxes receivable, net	170,907
Intergovernmental receivable	1,374,347
Other accounts receivable	158,618
Due from other State agencies	301,618
Lease receivable	205,668
Inventories	112,688
Capital assets not depreciated:	
Land	3,105,383
Construction in progress	9,676,288
Capital assets (net of depreciation/amortization):	
Buildings and improvements	1,501,500
Machinery and equipment	657,873
Infrastructure	10,260,901
Seagirt assets	38,497
Total assets	27,778,060
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amount for pensions	473,919
Deferred amount for OPEB	69,843
Total deferred outflows of resources	543,762
LIABILITIES:	
Salaries payable	43,700
Accounts payable and other current liabilities	683,634
Accounts payable to political subdivisions	97,781
Due to other State agencies	829,353
Unearned revenue	21,871
Accrued interest payable	36,267
Noncurrent liabilities:	
Due within one year	448,097
Due in more than one year	6,021,708
Total liabilities	8,182,411
DEFERRED INFLOWS OF RESOURCES:	
Deferred service concession arrangement receipts	183,892
Deferred amount for refunding bonds	9,687
Deferred amount for leases	203,004
Deferred amount for pensions	366,187
Deferred amount for OPEB	287,509
Total deferred inflows of resources	1,050,278
NET POSITION:	
Net investment in capital assets	21,257,390
Unrestricted deficit	(2,168,257)
Total net position	\$ 19,089,134

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, 2025
(amounts expressed in thousands)

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense)
					Revenue and
					Changes in
			Operating	Capital	Net Position
		Charges for	Grants and	Grants and	Total
	Expenses	Services	Contributions	Contributions	Governmental
					Activities
Governmental activities:					
Secretary's Office	\$ 1,359,889	\$ 6,038	\$ 12,202	\$ 1,335	\$ (1,340,314)
State Highway Administration	1,971,788	73,288	28,741	751,412	(1,118,347)
Port Administration	245,151	68,624	-	54,675	(121,853)
Motor Vehicle Administration	326,751	96	11,410	267	(314,979)
Transit Administration	1,362,244	135,879	76,814	297,888	(851,663)
Aviation Administration	309,813	339,151	-	66,229	95,568
Interest on long-term debt	76,135	-	-	-	(76,135)
Total governmental activities	\$ 5,651,771	\$ 623,075	\$ 129,167	\$ 1,171,806	(3,727,724)
General revenues:					
Motor vehicle taxes and fees					1,941,561
Motor fuel taxes and fees					1,371,117
Corporation income tax share					438,954
State sales tax					45,996
Unrestricted investment earnings					(15,759)
Other revenue					368,329
Total general revenues					4,150,198
Change in net position					422,475
Net position, July 1, 2024					18,666,659
Net position, June 30, 2025					\$ 19,089,134

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Balance Sheet
Governmental Funds
June 30, 2025

(amounts expressed in thousands)

	Special Revenue	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
ASSETS			
Cash and cash equivalents - restricted	\$ 213,772	\$ -	\$ 213,772
Taxes receivable, net	170,907	-	170,907
Intergovernmental receivable	1,374,347	-	1,374,347
Other accounts receivable	158,618	-	158,618
Due from other State agencies	301,618	-	301,618
Lease receivable	205,668	-	205,668
Inventories	112,688	-	112,688
Total assets	\$ 2,537,619	\$ -	\$ 2,537,619
LIABILITIES			
Salaries payable	\$ 43,700	\$ -	\$ 43,700
Accounts payable and other current liabilities	683,634	-	683,634
Accounts payable to political subdivisions	97,781	-	97,781
Due to other State agencies	829,353	-	829,353
Unearned revenue	21,871	-	21,871
Total liabilities	1,676,339	-	1,676,339
DEFERRED INFLOW OF RESOURCES			
Lease related	203,004	-	203,004
Unavailable revenue	1,243,280	-	1,243,280
Total deferred inflow of resources	1,446,284	-	1,446,284
FUND BALANCES			
Nonspendable fund balance:			
Inventories	\$ 112,688	\$ -	\$ 112,688
Restricted fund balance:			
Unassigned fund balance:	(697,691)	-	(697,691)
Total fund balances	(585,003)	-	(585,003)
Total liabilities, deferred inflows and fund balances	\$ 2,537,619	\$ -	\$ 2,537,619

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
June 30, 2025

(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of net assets
are different because:

Amount in governmental funds, fund balance (page 39)	\$	(585,003)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.		25,240,442
Accrued interest payable on bonds and capital leases		(36,267)
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		1,243,280
Deferred amount on refunding bonds		(9,687)
CTB Bonds payable		(2,895,050)
Special Transportation Revenue Bonds		(576,510)
Intergovernmental financing agreements		(185,150)
Lease Payable		(33,662)
Subscription Payable		(3,293)
Pollution liability		(27,891)
MTA OPEB liability		(742,466)
Net pension liability - State		(880,753)
Net pension liability - MTA		(651,189)
Premium on bonds not liquidated with current financial resources		(274,353)
Workers' compensation costs		(71,913)
Energy savings liability		(5,347)
Compensated absences		(122,229)
Net deferred outflows and inflows related to pensions		107,732
Net deferred outflows and inflows related to OPEB		(217,666)
Deferred service concession arrangement receipts		(183,892)
Net position of governmental activities (page 38)	\$	19,089,134

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

MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025
(amounts expressed in thousands)

	Special Revenue	Nonmajor Governmental Fund Debt Service	Total Governmental Funds
REVENUES:			
Taxes:			
Motor vehicle taxes and fees	\$ 1,941,561	\$ -	\$ 1,941,561
Motor vehicle fuel taxes and fees	1,371,117	-	1,371,117
Revenue sharing of State corporation income tax	438,954	-	438,954
Revenue sharing of State sales tax	45,996	-	45,996
Federal reimbursements	850,071	-	850,071
Charges for services	623,075	-	623,075
Passenger facility charges	43,833	-	43,833
Customer facility charges	15,775	-	15,775
Investment earnings	(15,759)	-	(15,759)
Other	295,039	-	295,039
Total revenues	5,609,662	-	5,609,662
EXPENDITURES:			
Current:			
Department administration, operating, and maintenance expenditures:			
Secretary's Office	341,365	-	341,365
State Highway Administration	864,133	-	864,133
Port Administration	207,988	-	207,988
Motor Vehicle Administration	249,899	-	249,899
Transit Administration	1,256,790	-	1,256,790
Aviation Administration	283,077	-	283,077
Intergovernmental:			
Highway user revenue distributions and federal fund pass-thru to local subdivisions	111,033	-	111,033
Washington Metropolitan Area Transit Authority gra	993,057	-	993,057
Debt service:			
Principal repayment	-	309,860	309,860
Interest	-	119,846	119,846
Capital outlay	2,050,700	-	2,050,700
Total expenditures	6,358,042	429,706	6,787,748
Excess of expenditures over revenues	(748,380)	(429,706)	(1,178,086)
OTHER FINANCING SOURCES (USES):			
Issuance of Consolidated Transportation Bonds	200,000	-	200,000
Premium on CTB bonds	12,712	-	12,712
Issuance of Special Revenue Transportation Bonds	219,755	-	219,755
Premium on Special Revenue Transportation Bonds	16,300	-	16,300
Debt service transfer	(429,706)	429,706	-
Total other financing sources and (uses)	19,060	429,706	448,767
Net change in fund balances	(729,320)	-	(729,320)
Fund balances, July 1, 2024	144,317	-	144,317
Fund balances, June 30, 2025	\$ (585,003)	\$ -	\$ (585,003)

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 Year Ended June 30, 2025
(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 41) \$ (729,320)

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	\$ 2,050,700	
Loss on disposal of assets	(62,570)	
Depreciation/amortization expense	(1,224,885)	763,245

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 451,352

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, net	\$ 23,474	
Consolidated Transportation Bonds	109,860	
Special Transportation Revenue Bond	(192,900)	
Intergovernmental financing agreements	29,091	
Lease and Subscription Payable	1,563	(28,912)

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	\$ (1,579)	
Compensated absences	(16,126)	
Energy savings liability	5,007	
Pollution obligations	5,300	
Workers compensation	(1,029)	
State net pension liability	(151,396)	
MTA net pension liability	110,004	
MTA OPEB obligation	21,472	(28,347)

Deferred financing inflows (outflows)

Pension activity	\$ (36,364)	
OPEB activity	13,243	
Amortization of deferred concession receipts	13,231	
Refunding bonds	4,346	(5,544)

Change in net position of governmental activities (page 38)	\$ 422,475	
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The notes to the financial statements are an integral part of this statement.

MARYLAND DEPARTMENT OF TRANSPORTATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025
(amounts expressed in thousands)

	Maryland	
	Transit Administration	Custodial
	Pension Plan Trust Fund	Fund
ASSETS		
Cash and cash equivalents	\$ 20,231	\$ 10,570
Receivables:		
Accrued investment income	2,884	-
Investment sales proceeds	7,232	-
Total receivables	10,116	-
Investments:		
U.S. Government obligation	48,855	-
Domestic corporate obligations	23,263	-
International obligations	14,099	-
Domestic stocks	98,242	-
International stocks	96,027	-
Mortgages and mortgage related securities	17,797	-
Alternative investments	278,131	-
Total investments	576,413	-
Collateral for loaned securities	41,988	-
Total assets	648,748	10,570
LIABILITIES		
Obligation for collateral for loaned securities	41,988	-
Manager fees payable	121	-
Accounts payable and accrued liabilities	7,365	-
Total Liabilities	49,474	-
NET POSITION:		
Restricted for pension	\$ 599,274	
Restricted for other governments		\$ 10,570

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, 2025
(amounts expressed in thousands)

	Maryland Transit Administration Pension Plan Trust Fund	Custodial Fund
ADDITIONS:		
Contributions from employer	\$ 56,615	\$ -
Contributions from employees	12,934	-
Total Contributions	<u>69,549</u>	<u>-</u>
Funding offset to political subdivision		8,438
INVESTMENT INCOME:		
Interest and Dividend Income	26,900	-
Net Appreciation in Fair Value of Investments	30,026	-
Less: Investment Expenses	(4,108)	-
Net Income from Securities Lending Activities	179	-
Net Investment Income	<u>52,997</u>	<u>-</u>
Total additions	<u>122,546</u>	<u>8,438</u>
DEDUCTIONS:		
Benefit payments/Contribution withdrawals	56,769	-
Debt Service payments	-	9,980
Administrative expenses	198	-
Total deductions	<u>56,967</u>	<u>9,980</u>
Change in net postion	65,579	(1,542)
Net positon, July 1, 2024	<u>533,695</u>	<u>12,111</u>
Net position, June 30, 2025	<u>\$ 599,274</u>	<u>\$ 10,570</u>

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

MARYLAND DEPARTMENT OF TRANSPORTATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT

Index for Notes to the Financial Statements

- Note 1 – Summary of Significant Accounting Policies
- Note 2 – Summary of Significant Accounting Policies – Assets, Deferred Outflows of Resources, Liabilities, Deferred Outflows of Resources, and Net Position
- Note 3 – Reconciliation of Government-wide and Fund Financial Statements
- Note 4 – Deposits and Investments
- Note 5 – Receivables and Unearned Revenue
- Note 6 – Interfund Transfers
- Note 7 – Due to Other State Agencies
- Note 8 – Capital Assets
- Note 9 – Service Concession Arrangements
- Note 10 – Long-term Liabilities
- Note 11 – Long-term Debt
- Note 12 – Intergovernmental Financing Agreements and Certificates of Participation
- Note 13 – Leases and Subscription Based Information Technology Agreements
- Note 14 – Pollution Remediation Obligations
- Note 15 – Retirement Systems and Pension Plans
- Note 16 – Other Postemployment Benefits
- Note 17 – Risk Management and Insurance
- Note 18 – Energy Performance Contracts
- Note 19 – Commitments
- Note 20 – Federal Revenue
- Note 21 – Passenger Facility Charges
- Note 22 – Net Position/Fund Balance
- Note 23 – Contingent Liabilities
- Note 24 – Subsequent Events

MARYLAND DEPARTMENT OF TRANSPORTATION
Notes to the Financial Statements
For the Year Ended June 30, 2025

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 State Highway 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 general rule, 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 fund financial 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 are offset 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 items not 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 when earned 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 provider have 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 to be 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, motor vehicle fees, transportation network company (TNC) fees, electric vehicle surcharges, a portion of the State's corporation income tax and the sales tax on short-term vehicle rentals and electric vehicle charging, wharfage fees, a portion of landing fees, fare box revenues, bond proceeds, federal grants for transportation purposes, and other 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 are dedicated 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 qualified MTA 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 are recorded 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 funds are 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 State Treasurer'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 investments are 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 to make 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. Two investment funds consist principally of bonds and other fixed income investments, while the other investment fund 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 accounts payable 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 through an 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:

<u>Capital Asset</u>	<u>Years</u>
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:

The State permits employees to earn and accumulate annual leave and sick leave benefits. The Department recognizes a liability for leave benefits that are attributable to past service, are not dependent on a future event, and are expected to be used by employees. These liabilities are reported in the government-wide financial statements.

Employees accrue annual leave based on years of service, up to a maximum of 25 days per calendar year. Employees may carry forward up to 75 days of earned but unused annual leave as of the end of each calendar year. Sick leave is earned without limit and is expected to be used as paid time off during employment. Although the State does not pay employees for unused sick leave upon separation, accumulated sick leave meets the recognition criteria under GASB 101 because employees are expected to use a portion of the leave in future periods.

In governmental funds, compensated absences are recognized only when they have matured, such as when amounts are due for employee resignations or retirements. All compensated absences are recorded as long-term liabilities in the government-wide financial statements and are measured at the amounts expected to be paid as leave is taken.

Implementation of GASB 101

The Department adopted GASB Statement No. 101. The standard was implemented during fiscal year 2025 and did not have a material impact on the financial statements. The adoption of GASB 101 resulted in changes to the measurement and recognition of compensated absences liabilities; however, the Department determined that a restatement of beginning net position was not necessary.

Long-term obligations:

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the 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 includes all 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 use restricted 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 committed resources 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 the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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 represents the difference between all other elements in a Statement of Net Position and should be displayed in three components:

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

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, 2025 (amounts expressed in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt Securities				
U.S. Government obligations	\$ 48,855	\$ 48,855	\$ -	\$ -
Domestic corporate obligations	23,263	-	23,263	-
International obligations	7,401	-	7,401	-
Emerging markets debt	6,584	-	6,584	-
Mortgages & mortgage related securities	17,797	-	-	17,797
Total debt securities	103,900	48,855	37,248	17,797
Equity Securities				
Domestic stocks (including REITs)	69,721	69,721	-	-
International stocks (including REITs)	68,305	68,305	-	-
Total equity securities	138,026	138,026	-	-
Alternative Investment	3,307	3,307	-	-
Total investment by fair value level	\$ 245,233	\$ 190,188	\$ 37,248	\$ 17,797
Investment measured at the net asset value (NAV)				
Equity Open-End Fund	\$ 58,622			
Real Estate-open ended	42,353			
Private Funds (includes equity, real estate, credit, energy, infrastructure and timber)	190,829			
Multi-asset	2,398			
Hedge Funds				
Equity long/short	8,790			
Event-driven	2,929			
Global macro	7,030			
Relative value	17,032			
Opportunistic	1,197			
Total investment measured at the NAV	331,180			
Total	\$ 576,413			

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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 thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private Funds (includes equity, energy, credit, infrastructure, timber, commodity and real estate (1))	\$ 190,829	\$ 78,212	Illiquid	N/A
Real Estate-open ended (2)	42,353		Quarterly	45 - 90 days
Equity open-end fund (3)	29,748		Daily	1 day
	22,199		Monthly	5-30 days
	6,674		Triennially	150 days
Multi-asset (4)	2,398		Monthly	5 days
Hedge Funds				
Equity long/short (5)	8,042		Monthly	30 - 45 days
	748		Quarterly	60 days
Event-driven (6)	722		N/A	Liquidating
	1,654		N/A	Liquidating
	415		N/A	Liquidating
	138		N/A	Liquidating
Global macro (7)	-		Monthly	5 - 30 days
	3,395		Monthly	60 - 90 days
	3,635		Quarterly	60 - 90 days
Relative value (8)	1,231		Monthly	90 days
	1,884		Quarterly	30 days
	4,742		Quarterly	45 - 90 days
	9,176		N/A	Liquidating
Opportunistic (9)	1,187		N/A	Liquidating
	10			
Total	\$ 331,180	\$ 78,212		

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. 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.
3. 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.
4. 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.

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. 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.
8. 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.
9. 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.

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, 2025 (in millions):

	2025
Interest Income	\$ 2,181
Less: Interest Expense	2,002
Net Income from Securities Lending	\$ 179

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, 2025, 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 counterparty). 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, 2025, 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, 2025 (in thousands) was \$41,094,000 and \$41,986,000, respectively.

The following table presents the fair values of the underlying securities, and the value of the collateral pledged as of June 30, 2025 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	\$ 28,318	\$ 28,911	102.09%
Domestic bond & equity	12,609	12,901	102.32%
International fixed	64	65	101.56%
International equity	103	109	105.83%
Total securities lent	\$ 41,094	\$ 41,986	102.18%

There were no significant under-collateralization events as of June 30, 2025

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 money in 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, 2025, the Department reported a total of \$213,772,000 in Cash and cash equivalents on the Department's Balance Sheet. This amount is primarily for unspent bond proceeds for the Series 2021B & 2024A 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, 2025, consisted of the following (amounts expressed in thousands):

Receivables	Special Revenue Fund
Taxes receivable	\$ 170,907
Intergovernmental receivable	1,374,347
Other accounts receivable	158,618
Lease receivable	205,668
Due from other State agencies	301,618
Total receivables	\$ 2,211,159

The Department's taxes receivable consists of receivables recorded at year-end for the motor vehicle fuel tax in the amount of \$123,700,000, the motor vehicle titling tax in the amount of \$41,173,000 and a motor vehicle excise tax in the amount of \$6,034,000.

The Department's intergovernmental receivables consist of receivables from the federal government in the amount of \$1,354,094,000 and from the local subdivisions in the amount of \$20,253,000.

The Department's other accounts receivable of \$158,618,000 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 \$188,192,000 and held by MAA of \$17,476,000.

The Department's due from other State agencies totals \$301,618,000 and includes \$204,151,000 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, 2025; \$59,139,000 due from the MDTA for airport passenger facility charge (PFC) and \$21,263,000 for customer facility charge (CFC) collections; \$16,332,000 due from the Maryland Department of Budget and Management for the health benefits refund; and \$733,000 due from the MDTA for the Intercounty Connector.

The Department's unearned revenue as of June 30, 2025, consisted of the following (amounts expressed in thousands):

Unearned Revenue	Special Revenue Fund
SHA advanced contract payments	\$ 17,049
MAA airport services	2,408
TTF Motor Fuel Taxes	2,414
Total unearned revenue	\$ 21,871

The Department's unavailable revenue as of June 30, 2025, consisted of the following (amounts expressed in thousands):

Unavailable Revenue	Special Revenue Fund
Federal receivables	\$ 1,201,040
MAA PFC and CFC Improvement Funds	42,240
Total unavailable revenue	\$ 1,243,280

6. Interfund Transfers:

The interfund transfers for the Department for the year ended June 30, 2025, were as follows (amounts expressed in thousands):

Interfund Transfers <i>(amounts expressed in thousands)</i>		
Transfers In	Transfers Out	Amount
Debt Service Fund	Special Revenue Fund	\$ 429,706

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 \$829,353,000. That amount represents the Department's net position in the State's pooled cash system related to unsettled cash transfers with the General Fund as of June 30, 2025, consistent with the State's centralized cash management practices.

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8. Capital Assets:

The Department's capital assets activity by asset classification, including accumulated depreciation/amortization, for the year ended June 30, 2025, was as follows (amounts expressed in thousands)

:

Capital Assets - Governmental activities	Balance July 1, 2024	Increases	Decreases	Transfers In (Out)	Balance June 30, 2025
<i>Capital Assets not depreciated:</i>					
Land and Land Improvements	\$ 3,066,017	\$ 3,623	\$ (1)	\$ 35,744	\$ 3,105,383
Construction in progress	8,904,510	1,370,396	(33,239)	(565,380)	9,676,288
Total capital assets not depreciated	11,970,527	1,374,019	(33,240)	(529,636)	12,781,671
<i>Capital assets depreciated/amortized:</i>					
Building & improvements	3,633,187	16,480	(7,735)	17,734	3,659,665
Lease assets - Buildings	26,192	-	-	-	26,192
Machinery & equipment	2,879,871	30,456	(55,420)	87,002	2,941,911
Subscription assets	13,257	-	-	-	13,257
Infrastructure	31,617,601	629,745	(18,575)	424,901	32,653,672
Lease assets - Infrastructure	15,352	-	-	-	15,352
Seagirt Assets	54,341	-	-	-	54,341
Total capital assets depreciated/amortized	38,239,802	676,681	(81,729)	529,636	39,364,391
<i>Accumulated depreciation/amortization for:</i>					
Building & improvements	(2,076,354)	(85,743)	1,451	-	(2,160,646)
Lease assets - Buildings	(18,815)	(4,897)	-	-	(23,712)
Machinery & equipment	(2,192,440)	(142,445)	47,719	-	(2,287,165)
Subscription assets	(6,938)	(3,189)	-	-	(10,127)
Infrastructure	(21,419,929)	(986,076)	3,228	-	(22,402,777)
Lease assets - Infrastructure	(4,130)	(1,217)	-	-	(5,346)
Seagirt Assets	(14,524)	(1,320)	-	-	(15,844)
Total accumulated depreciation/amortization	(25,733,129)	(1,224,887)	52,399	-	(26,905,617)
Net capital assets after depreciation/amortization	12,506,672	(548,206)	(29,330)	529,636	12,458,774
Net total capital assets – governmental activities	\$ 24,477,200	\$ 825,813	\$ (62,570)	\$ -	\$ 25,240,442

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, 2025, was as follows (amounts expressed in thousands):

Depreciation/Amortization Expense - Governmental Activities	
Secretary's Office	\$ 11,623
State Highway Administration	929,851
Port Administration	35,252
Motor Vehicle Administration	39,430
Transit Administration	124,786
Aviation Administration	83,946
Total depreciation/amortization expense - governmental activities	\$ 1,224,887

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, 2025, the capital assets, net accumulated depreciation, and deferred receipts, were \$38,497,000.

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, 2025, the Purple Line construction is now more than 80% complete with \$2,800,000,000 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, 2025, was as follows (amounts expressed in thousands):

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

	Beginning Balance			Ending Balance		Due Within
Governmental activities:	July 1, 2024	Additions	Reductions	June 30, 2025	One Year	
Transportation bonds (1)	\$ 3,004,910	\$ 200,000	\$ (309,860)	\$ 2,895,050	\$ 306,255	
Special transportation project revenue bonds (1)	383,610	219,755	(26,855)	576,510	26,995	
Intergovernmental financing agreements (1&2)	214,241		(29,091)	185,150	25,205	
Lease Payable (1)	32,029	4,380	(2,747)	33,662	6,111	
Subscriptions payable (1)	6,489	-	(3,196)	3,293	3,276	
Pollution obligations (2)	33,191	-	(5,300)	27,891	-	
MTA OPEB liability	763,938	-	(21,472)	742,466	-	
State Employees' Plan net pension liability	729,357	151,396	-	880,753	-	
MTA Plan net pension liability	761,193	-	(110,004)	651,189	-	
Premium on bonds (1)	297,827	29,012	(52,486)	274,353	48,992	
Workers' compensation costs	70,884	1,029	-	71,913	10,787	
EPC obligations (1)	10,354	-	(5,007)	5,347	4,351	
Compensated absences	106,103	33,026	(16,900)	122,229	16,125	
Total long-term liabilities – governmental activities	\$ 6,414,127	\$ 638,598	\$ (582,918)	\$ 6,469,805	\$ 448,097	

(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, 2025.

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 \$5,000,000,000. The aggregate principal amount of those bonds that were allowed to be outstanding as of June 30, 2025, was \$2,895,050,000. On June 26, 2025, Consolidated Transportation Bonds in the amount of \$200,000,000 were issued by the Department with a net premium of \$12,712,086. These bonds are dated with maturities ranging from April 1, 2028 to April 1, 2040 at interest rates ranging from 4.00% to 5.00%. The aggregate principal amount of Consolidated Transportation Bonds outstanding as of June 30, 2025, was \$2,895,050,000. Consolidated Transportation Bonds are paid from the Debt Service Fund. As of June 30, 2025, the Department has no defeased debt outstanding.

The Department's Consolidated Transportation Bonds outstanding as of June 30, 2025, were as follows (amounts expressed in thousands):

	Interest Rates	Amount
Consolidated Transportation Bonds – due serially through 2040 – for State transportation activity	2.0-5.0%	\$2,617,935
Consolidated Transportation Bonds, refunding – due serially through 2028 – for State transportation activity	4.0-5.0%	277,115
Total Consolidated Transportation Bonds Outstanding		\$2,895,050

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, transportation network company (TNC) fees, and a portion of the State sales tax on short term vehicle rentals and electric vehicle charging 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 taxproceeds 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	Total Debt Service		
June 30,	Principal	Interest	Requirements
2026	\$ 306,255	\$ 111,915	\$ 418,170
2027	321,310	99,357	420,667
2028	337,060	84,077	421,137
2029	337,625	68,451	406,076
2030	322,710	53,674	376,384
2031-2035	1,092,250	118,221	1,210,471
2036-2040	177,840	13,935	191,775
Total	\$ 2,895,050	\$ 549,630	\$ 3,444,680

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 2023 to 2030, 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% to 5.0%. The Series 2024A Bonds were issued in November 2024, in the amount of \$219,755,000 to complete the construction of the Concourse A/B Connector and Baggage Handling System Replacement project. The Series 2024A Bonds are dated with maturities ranging from 2027 to 2054, at annual interest rates ranging from 5.00% to 5.25%. At the end of the current fiscal year the Department had total Special Transportation Project Revenue Bonds outstanding of \$576,510,000.

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

Years Ended June 30,	Principal	Interest	Total Debt Service Requirements
2026	\$ 26,995	\$ 21,989	\$ 48,984
2027	31,075	21,661	52,736
2028	35,230	21,075	56,305
2029	35,960	20,324	56,284
2030	36,730	19,494	56,224
2031-2035	78,305	87,108	165,413
2036-2040	63,195	73,111	136,306
2041-2045	79,350	56,477	135,827
2046-2050	101,285	34,070	135,355
2051-2055	88,385	9,812	98,197
Total	\$ 576,510	\$ 365,121	\$ 941,631

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, 2025, there were no unexpended bond proceeds, however certain debt service sinking fund amounts aggregating \$10,565,000 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, 2025, \$56,650,000 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 \$185,150,000, as of June 30, 2025. The Department's activity related to intergovernmental financing agreements and certificates of participation is included in the table in Note 12.

The Department's intergovernmental financing agreements and certificates of participation obligations as of June 30, 2025, were as follows:

- \$1,140,000 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%;

- \$15,855,000 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%.
- \$54,910,000 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%.
- \$22,970,000 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%.
- \$15,340,000 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.
- \$22,190,000 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
- \$88,705,000 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, 2025, were as follows (amounts expressed in thousands):

Year Ended June 30	Principal	Interest	Total
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	20,280	5,912	26,192
2031-2035	82,100	14,564	96,664
2036-2040	30,815	3,065	33,880
Total	\$ 221,110	\$ 57,501	\$ 278,611
Less: amount representing interest			\$ (57,501)
Less: funds held by trustee (1)			(35,960)
Value of minimum intergovernmental financing agreement payments			<u>185,150</u>

(1) The reduction shown in the amount of \$35,960,000 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, 2025, were as follows (amounts expressed in thousands):

Capital assets acquired through capital leases		
<i>(amounts expressed in thousands)</i>		
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		668,316
Total capital assets – net	\$	855,411

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 \$19,754,000 in lease revenue and \$6,555,000 in interest revenue related to leases. As of June 30, 2025, the Department's receivable for lease payments was \$205,668,421 and the balance of the deferred inflow of resources was \$203,004,000. 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%.

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As of June 30, 2025, the Statement of Net Position includes the following amounts relating to leases and SBITAs (amounts expressed in thousands):

Governmental activities		
<i>Lease assets/SBITAs:</i>		
Building & improvements	\$	26,192
Infrastructure		15,352
SBITAs		13,257
Total lease assets/SBITAs		54,801
<i>Less accumulated amortization for:</i>		
<i>Lease assets:</i>		
Building & improvements		23,711
Infrastructure		5,345
SBITAs		10,127
Total accumulated amortization		39,184
<i>Total lease assets/SBITAs, net:</i>		
Building & improvements		2,480
Infrastructure		10,006
SBITAs		3,130
Total	\$	15,617
Lease/SBITA Payable		
Current	\$	9,387
Non-current		27,566
Total	\$	36,954

The future principal and interest lease payments as of June 30, 2025, were as follows (amounts expressed in thousands):

Year Ended June 30,	Principal	Interest	Total
2026	\$ 6,111	\$ 986	\$ 7,097
2027	6,033	803	6,837
2028	4,804	623	5,427
2029	5,110	480	5,590
2030	5,397	328	5,725
2031+	6,207	3,177	9,384
Total	\$ 33,662	\$ 6,397	\$ 40,059

The future principal and interest SBITA payments as of June 30, 2025, were as follows (amounts expressed in thousands):

Year Ended June 30,	Principal	Interest	Total
2026	\$ 3,276	\$ 99	\$ 3,374
2027	17	1	18
Total	<u>\$ 3,293</u>	<u>\$ 99</u>	<u>\$ 3,392</u>

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, 2025 is estimated at \$27,891,000, 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, 2025 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 \$100,650,000 expense from the system and the MTA plan recognized a loss of \$26,777,000, for a Department wide pension expense of \$127,427,000.

Maryland 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 of 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, a minimum 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, 2025,

was \$103,082,000, 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 \$103,082,000 for the year ended June 30, 2025.

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, 2025, the Department reported a liability of \$800,753,000 for its proportionate share of the System's net pension liability. The Department's net pension liability was measured as of June 30, 2024, 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, 2025, the Department's proportionate share of the System's liabilities and assets was 3.61%, compared to 3.40% measured as of June 30, 2024.

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, 2025, the Department recognized pension expense of \$100,650,000. As of June 30, 2025, 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	\$ 59,159	\$ -
Change in experience	-	21,341
Contribution after measurement date	103,082	-
Change in proportionate share	823	4,379
Net Difference in Investment Earnings	134,810	70,652
Net difference between projected and actual earning on pension plan investments	91,054	-
Total	\$ 388,929	\$ 96,372

The \$103,082,000 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 as follows (amounts expressed in thousands):

Year ended	
June 30,	Amount
2026	\$ 27,333
2027	88,782
2028	39,944
2029	23,517
2030	9,899
Total	\$ 189,475

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	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
Proportionate share of the State's net pension liability	\$ 1,163,771	\$ 800,754	\$ 498,153

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, 2025, membership in the Plan includes 2,609 active members, 591 inactive, nonretired members, and 2,237 retirees and beneficiaries.

The MTA Pension 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 Pension Plan prepares separate audited financial statements, which are available on the Maryland Department of Transportation website at: <https://www.mdot.maryland.gov>

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 2025, the MTA contributed \$56,601,000 to the plan, \$14,000 less than the actuarially

determined contribution due to a year end timing issue. The contribution equals 27.01% 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:	2.75%
Salary increases:	2.75% to 10.55% including inflation
Investment rate of return:	6.80%
Municipal bond rate:	5.20%
Single discount rate:	6.08%
Retirement age:	Age-based table of rates that are specific to the type of eligibility condition.
Mortality:	<ul style="list-style-type: none"> • 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, 2025.

Change of assumptions: An increase of the effective single discount rate from 5.35% to 6.08%. 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, 2025, are as follows (amounts expressed in thousands):

Total pension liability	\$ 1,250,463
Less: Plan fiduciary net position	(599,274)
Employer net pension liability	<u>\$ 651,189</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>47.92%</u>

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 5.08%	Discount Rate 6.08%	1% Increase 7.08%
Net pension liability	<u>\$ 815,159</u>	<u>\$ 651,189</u>	<u>\$ 514,481</u>

For the year ended June 30, 2025, the MTA Plan recognized a total pension expense of \$2,970,000 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	\$ 44,394	\$ 18,656
Changes of assumptions	25,380	238,102
Net difference between projected and actual earning on pension plan investments	15,216	13,057
Total	<u>\$ 84,990</u>	<u>\$ 269,815</u>

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
2026	\$ (57,820)
2027	(87,751)
2028	(17,715)
2029	(21,539)
Total	<u>\$ (184,825)</u>

The changes in the employer's net pension liability as of June 30, 2025, are as follows (amounts expressed in thousands):

Total Pension Liability	
Service cost	\$ 35,063
Interest on the Total Pension Liability	68,696
Changes of benefit terms	-
Differences between expected and actual experience	25,245
Change of assumptions	(116,659)
Benefit payments, including refunds of member contributions	(56,769)
Net Changes in total pension liability	(44,424)
Total pension liability - beginning	1,294,887
Total pension liability - ending	<u>\$ 1,250,463</u>
Plan fiduciary net position	
Contributions - employer	\$ 56,601
Contributions - member	12,949
Net investment income	52,998
Benefit payments, including refunds of member contributions	(56,769)
Administrative expense	(198)
Net Changes in plan fiduciary net position	65,579
Plan fiduciary net position - beginning June 30, 2024	533,695
Plan fiduciary net position - ending June 30, 2025	<u>599,274</u>
Net pension liability - ending June 30, 2025	<u>\$ 651,189</u>

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 dental insurance benefits to eligible State employees, retirees, and their dependents. State law grants authority to 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, 2025, 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 a contribution 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 retiree health 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, 2025, of the OPEB Plan for the MTA Health Plan as of June 30, 2025:

Actuarial Cost Method:	Individual Entry Age
Discount Rate:	3.97%
Wage Inflation:	2.75%
Medical Trend:	7.75% for pre-Medicare and 6.50% for post-Medicare, each gradually decreasing to 3.50% for 2040 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 3.97% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”).

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 3.97 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 2.97%	Discount Rate 3.97%	1% Increase 4.97%
Total OPEB Liability	\$ 858,049	\$ 742,466	\$ 648,157

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	\$ 628,631	\$ 742,466	\$ 888,722

OPEB Liability of the MTA Health Plan:

The OPEB Liability was measured as of June 30, 2025 (based on an actuarial valuation date of June 30, 2025) and the components of the OPEB liability are as follows (amounts expressed in thousands):

Total pension liability	
Service cost	\$ 28,713
Interest on the total OPEB liability	29,492
Differences between expected and actual experience	(66,099)
Change of assumptions	14,940
Benefit payments	(28,518)
Net Changes in total pension liability	(21,472)
Total pension liability - beginning June 30, 2024	763,938
Total pension liability - ending June 30, 2025	\$ 742,466

The components of the OPEB expense as of June 30, 2025, are as follows (amounts expressed in thousands):

Service cost	\$ 28,713
Interest on the total OPEB liability	29,492
Recognition of Outflow (Inflow) of Resources due to Liabilities	(64,403)
Total OPEB expense	<u>\$ (6,198)</u>

The MTA Health Plan recognized an OPEB expense of -\$6,198,000 for the year ended June 30, 2025. At that 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	\$ 7,405	\$ 142,683
Changes of assumptions	62,438	144,826
Total	<u>\$ 69,843</u>	<u>\$ 287,509</u>

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
2026	\$ (50,170)
2027	(30,242)
2028	(38,129)
2029	(37,885)
2030	(45,203)
Thereafter	(16,038)
Total	<u>\$ (217,666)</u>

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, 2024.

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 \$71,913,000 as of June 30, 2025. 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, 2025	Fiscal Year Ended June 30, 2024
Unpaid claims, beginning of fiscal year	\$ 70,884	\$ 72,313
Incurred claims and changes in estimates	19,199	19,101
Claim payments	(18,170)	(20,530)
Total unpaid claims, end of fiscal year	\$ 71,913	\$ 70,884

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, 2025, \$5,347,000 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 \$4,351,000 for the Energy Performance Contract obligations.

19. Commitments:

The Department has active construction commitments outstanding as of June 30, 2025, of approximately \$9,165,794,000 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, 2025, the Department's commitments with contractors were as follows (amounts expressed in thousands):

Construction projects	Spent-to-date	Remaining commitment
Highway construction	\$ 2,995,504	\$ 3,225,732
Port construction	1,041,129	1,323,285
Motor vehicle construction	404,800	217,457
Transit construction	3,500,881	3,465,107
Aviation construction	1,098,194	934,213
Total projects	\$ 9,040,508	\$ 9,165,794

20. 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 agreements and 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 disallowances as a result of these audits become a liability of the Department. As of June 30, 2025, the Department estimates that no material liabilities will result from such audits. For the fiscal year ended June 30, 2025, the Department reports \$1,291,550,000 of federal reimbursements.

21. 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 14, submitted in October 2023, Application 15, submitted in February 2024, and Application 16 submitted in April 2025 remain open and underway.

22. Net Position/Fund Balance:

The unrestricted net position for governmental activities reported on the government-wide Statement of Net Position reflects a deficit of \$2,168,257,000 as of June 30, 2025. Nonspendable fund balance of \$112,688,000 is reported in the Special Revenue Fund for inventories of supplies; no amounts were reported for prepaid items. The Special Revenue Fund reported an unassigned fund balance deficit of \$585,003,000 as of June 30, 2025.

The unrestricted net position deficit in governmental activities and the unassigned fund balance deficit in the Special Revenue Fund primarily result from the timing of federal reimbursements for eligible transportation projects. The Department initially finances these expenditures using State special funds and subsequently requests reimbursement from the federal government. Federal receivables not collected within 60 days of fiscal year-end are reported as unavailable revenue, which contributes to the reported deficits. These balances are expected to be funded through future federal reimbursements.

23. 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, 2025.

24. Subsequent Events:

On October 8, 2025, the Department sold Consolidated Transportation Bonds, Series 2025B, in the amount of \$345,000,000 with a net premium of \$36,960,000. The sale was competitive with a true interest cost of 3.43%. Closing on the bonds occurred on October 21, 2025.

The Series 2025C Refunding Bonds were sold in the amount of \$499,020,000 with a net premium of \$41,516,000. The Series 2025C Refunding Bonds are dated with maturities ranging from 2026 to 2031, at an annual interest rate of 5.00%. The proceeds of the bonds will refund certain maturities of outstanding Consolidated Transportation Bonds and pay certain costs of issuance of the bonds. Closing on the bonds occurred on October 21, 2025.

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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	2025
Total OPEB liability:								
Service cost	\$ 47,907	\$ 41,137	\$ 31,899	\$ 46,156	\$ 41,932	\$ 46,235	\$ 29,160	\$ 28,713
Interest	25,090	29,487	26,053	26,467	21,957	19,257	27,910	29,492
Difference between expected and actual experience	-	(14,073)	(1,121)	19,747	(8,079)	(116,971)	(7,547)	(66,099)
Changes of assumptions	(113,863)	(145,356)	64,216	(21,696)	66,622	(167,511)	(18,434)	14,940
Benefit payments	(12,422)	(15,617)	(17,240)	(20,354)	(15,511)	(20,177)	(17,899)	(28,518)
Net change in total OPEB liability	(53,288)	(104,422)	103,807	50,320	106,921	(239,167)	13,190	(21,472)
Total OPEB liability - beginning	886,577	833,289	728,867	832,674	882,994	989,915	750,748	763,938
Total OPEB liability - ending	\$ 833,289	\$ 728,867	\$ 832,674	\$ 882,994	\$ 989,915	\$ 750,748	\$ 763,938	\$ 742,466
 Expected average remaining service years of all participants	 8	 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability:										
Service Cost	\$ 48,499	\$ 36,334	\$ 37,195	\$ 36,027	\$ 42,308	\$ 43,827	\$ 50,802	\$ 29,389	\$ 31,691	\$ 35,063
Interest	31,181	57,880	54,904	56,519	55,831	56,406	51,485	62,495	65,255	68,696
Changes of benefit terms	82,510	2,133	3,105	(203)	208	-	-	-	-	-
Difference between expected and actual experience	(15,024)	(20,741)	17,385	(8,527)	(17,140)	(11,809)	(50,063)	21,902	22,080	25,245
Changes of assumptions	338,950	(162,606)	(36,903)	(58,176)	101,716	140,735	(390,469)	(29,238)	3,207	(116,659)
Benefit payments, including refunds of member contributions	(35,283)	(39,062)	(37,203)	(42,724)	(44,432)	(44,735)	(47,453)	(50,465)	(53,342)	(56,769)
Net change in total pension liability	450,833	(126,062)	38,483	(17,084)	138,491	184,424	(385,698)	34,082	68,891	(44,424)
Total pension liability - beginning	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
Total pension liability - ending (a)	\$ 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	\$ 1,250,463
Plan fiduciary net position:										
Contributions - employer	\$ 40,997	\$ 40,997	\$ 40,997	\$ 41,597	\$ 43,249	\$ 59,280	\$ 68,606	\$ 54,648	\$ 56,110	\$ 56,600
Contributions - member	-	3,094	3,316	3,006	4,610	7,311	6,833	8,302	10,104	12,949
Net investment income	12,768	27,740	20,550	31,023	12,832	93,213	(10,986)	14,786	33,630	52,997
Benefit payments, including refunds of member contributions	(35,283)	(39,062)	(37,203)	(42,724)	(44,432)	(44,736)	(47,453)	(50,465)	(53,342)	(56,769)
Administrative expense	(1,967)	(1,914)	(2,213)	(2,325)	(2,652)	(3,601)	(4,135)	(146)	(173)	(198)
Other	-	(2,631)	-	(6,720)	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ 16,515	\$ 28,224	\$ 25,447	\$ 23,857	\$ 13,607	\$ 111,467	\$ 12,865	\$ 27,124	\$ 46,329	\$ 65,579
Plan fiduciary net position - beginning	228,261	244,776	273,000	298,447	322,304	335,911	447,378	460,242	487,366	533,695
Plan fiduciary net position - ending (b)	\$ 244,776	\$ 273,000	\$ 298,447	\$ 322,304	\$ 335,911	\$ 447,378	\$ 460,242	\$ 487,366	\$ 533,695	\$ 599,273
Net pension liability - ending (a)-(b)	\$ 1,114,585	\$ 960,299	\$ 973,335	\$ 932,394	\$ 1,057,278	\$ 1,130,235	\$ 731,672	\$ 738,630	\$ 761,193	\$ 651,191
Plan fiduciary net position as a percentage of the total pension liability	18.01%	22.14%	23.47%	25.69%	24.11%	28.36%	38.61%	39.75%	41.22%	47.92%
Covered payroll	\$ 137,427	\$ 137,154	\$ 145,834	\$ 148,445	\$ 149,768	\$ 164,553	\$ 163,102	\$ 170,004	\$ 187,150	\$ 209,590
Net pension liability as a percentage of covered payroll	811.04%	700.16%	667.43%	628.11%	705.94%	686.85%	448.60%	434.48%	406.73%	310.70%
Expected average remaining service years of all participants	7	7	7	6	6	6	6	6	5	5

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

Notes to Schedule:

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% en 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

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%.

FY 2025 reflects an increase to the effective discount rate from 5.35% to 6.08%.

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 44,736	\$ 62,217	\$ 66,495	\$ 64,649	\$ 55,213	\$ 58,842	\$ 53,639	\$ 55,926	\$ 54,407	\$ 56,615
Actual contribution	(40,997)	(40,997)	(40,997)	(41,597)	(43,249)	(59,280)	(68,606)	(54,648)	(56,110)	(56,601)
Contribution deficiency (excess)	\$ 3,739	\$ 21,220	\$ 25,498	\$ 23,052	\$ 11,964	\$ (438)	\$ (14,967)	\$ 1,278	\$ (1,703)	\$ 14
Covered payroll	\$ 137,427	\$ 137,154	\$ 145,834	\$ 148,445	\$ 149,768	\$ 164,553	\$ 163,102	\$ 170,004	\$ 187,150	\$ 209,590
Contribution as a percentage of covered payroll	29.83%	29.89%	28.11%	28.02%	28.88%	36.02%	42.06%	32.15%	29.98%	27.01%
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.

Methods and assumptions used in the FY 2024 actuarial valuation

Actuarial cost method Entry-Age - Level Dollar Normal Cost

Amortization method Level dollar, closed

Wage Inflation 2.75%

Salary increases 2.75% to 10.55% including inflation

Investment rate of return 6.80%

Municipal bond rate 5.20%

Single discount rate 6.08%

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								
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Proportion of the Maryland State Retirement System Net Pension Liability (asset)	2.85%	3.36%	3.28%	3.12%	3.35%	3.35%	3.40%	3.40%	3.61%
Proportionate share of the State net pension liability (asset)	\$ 581,413	\$ 704,025	\$ 676,059	\$ 705,942	\$ 705,942	\$ 466,405	\$ 634,852	\$ 729,357	\$ 880,754
Covered payroll	\$ 369,543	\$ 371,857	\$ 380,156	\$ 393,924	\$ 410,152	\$ 399,377	\$ 402,813	\$ 375,838	\$ 487,008
Net pension liability as a percentage of covered payroll	157.33%	189.33%	177.84%	179.21%	172.12%	116.78%	157.60%	194.06%	180.85%
Plan fiduciary net position as a percentage of the total pension liability	65.79%	69.38%	71.18%	72.34%	70.72%	76.90%	77.20%	76.30%	73.80%

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 56,643	\$ 65,517	\$ 66,910	\$ 66,263	\$ 67,221	\$ 73,195	\$ 72,457	\$ 82,028	\$ 120,522	\$103,082
Contribution in relation to the actuarially determined contribution	(56,643)	(65,517)	(66,910)	(66,263)	(67,221)	(73,195)	(72,457)	(82,028)	(120,522)	(103,082)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 369,543	\$ 371,857	\$ 380,156	\$ 393,924	\$ 410,152	\$ 399,377	\$ 402,813	\$ 375,838	\$ 487,008	\$339,406
Contribution as a percentage of covered payroll	15.33%	17.62%	17.60%	16.82%	16.39%	18.33%	17.99%	21.83%	24.75%	30.37%

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

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, 2025
(amounts expressed in thousands)

	Special Funds				Federal Funds			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES:								
Taxes:								
Motor vehicle taxes and fees	\$ 1,913,192	\$ 1,933,636	\$ 1,933,636	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle fuel taxes and fees	1,327,037	1,334,128	1,334,128	-	-	-	-	-
Revenue sharing of State corporation income tax	454,984	438,953	438,953	-	-	-	-	-
Revenue sharing of State sales tax on rental vehicle	47,214	46,674	46,674	-	-	-	-	-
Federal reimbursements	-	-	-	-	1,575,940	1,419,133	1,328,473	(90,661)
Operating revenues	465,000	453,059	453,059	-	-	-	-	-
Other	43,869	153,589	153,589	-	-	-	-	-
Total revenues	4,251,296	4,360,039	4,360,039	-	1,575,940	1,419,133	1,328,473	(90,661)
EXPENDITURES and ENCUMBRANCES:								
Current:								
General government:								
The Secretary's Office	1,411,172	1,597,753	1,565,846	(31,908)	14,441	14,441	13,537	(903)
State Highway Administration	995,264	1,022,091	1,057,009	34,918	953,770	837,695	807,653	(30,042)
Maryland Port Administration	330,063	347,598	260,142	(87,456)	76,941	69,730	54,675	(15,055)
Motor Vehicle Administration	239,501	268,242	267,171	(1,071)	13,285	13,342	11,676	(1,666)
Maryland Transit Administration	1,450,426	1,651,489	1,637,610	(13,879)	397,887	389,135	374,702	(14,433)
Maryland Aviation Administration	335,849	343,426	337,938	(5,488)	119,616	94,791	66,229	(28,562)
Total general government	4,762,274	5,230,599	5,125,715	(104,883)	1,575,940	1,419,133	1,328,473	(90,661)
Total expenditures and encumbrances	4,762,274	5,230,599	5,125,715	(104,883)	1,575,940	1,419,133	1,328,473	(90,661)
Excess of revenues over expenditures	(510,978)	(870,560)	(765,676)	104,883	-	-	-	0
OTHER FINANCIAL SOURCES (USES):								
Bond Proceeds and Premium	230,000	211,638	211,638	-	-	-	-	-
Transfers in (out)	367,000	250,032	250,032	-	-	-	-	-
Total other financing sources and uses	597,000	461,670	461,670	-	-	-	-	-
Net change in fund balances	86,022	(408,890)	(304,006)	104,883	-	-	-	-
Fund balances, July 1, 2025	158,048	448,914	630,754	181,840	-	-	-	-
Fund balances, June 30, 2025	\$ 244,070	\$ 40,024	\$ 326,748	\$ 286,723	\$ -	\$ -	\$ -	\$ 0

MARYLAND DEPARTMENT OF TRANSPORTATION
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

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 91 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, 2025, 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, 2025

(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)	\$ 326,748
<u>Accounting principle and timing differences:</u>	
Assets recognized in governmental funds financial statements not recognized for budgetary purposes:	
Inventory	112,688
Taxes receivable	6,034
Health insurance receivable	16,332
Cash Held in Escrow for Maryland Aviation Administration	264,856
Maryland Aviation Administration interest income from bond proceeds	7,198
Capital lease adjustments	2,665
Liabilities recognized in governmental funds financial statements not recognized for budgetary purposes:	
Deferral of accrued federal revenue - Maryland Transit Administration	(747,018)
Deferral of accrued federal revenue - State Highway Administration	(454,022)
Maryland Aviation Administration Capital disbursements from bond proceeds	(120,484)
Financial statement governmental funds' fund balance, June 30, 2025	\$ (585,003)

**Maryland Department of Transportation
Annual Comprehensive Financial Report**

Statistical Section

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
MARYLAND DEPARTMENT OF TRANSPORTATION**



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MARYLAND DEPARTMENT OF TRANSPORTATION
STATISTICAL SECTION
June 30, 2025

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
Financial Trends These schedules contain trend information to help the reader understand how the Department’s financial performance and well-being have changed over time.	97-98
Revenue Capacity These schedules contain information to help the reader assess the Department’s two most significant revenue sources, the motor vehicle tax and motor vehicle fuel tax.	99-102
Debt Capacity – Consolidated Transportation Bonds These schedules present information to help the reader assess the affordability of the Department’s Consolidated Transportation Bonds, including current levels of outstanding debt and ability to issue additional debt in the future.	103-105
Debt Metrics – Special Transportation Project Revenue Bonds These schedules contain trend information to help the reader understand operating data and financial information related to Baltimore/Washington International Thurgood Marshall Airport.	106-108
Miscellaneous Statistics	109-110

MARYLAND DEPARTMENT OF TRANSPORTATION

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year Ended June 30,									
	2016	2017 (1)	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net Investment in capital assets	\$ 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	\$ 21,257,390
Unrestricted (deficit)	(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)	(2,168,257)
Total governmental activities net assets	\$ 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	\$ 19,089,134

(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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Expenses:										
Secretary's Office	\$ 626,299	\$ 652,965	\$ 938,626	\$ 977,303	\$ 944,346	\$ 939,833	\$ 975,459	\$ 898,125	\$ 1,027,089	\$ 1,359,889
State Highway Administration	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	1,971,788
Port Administration	148,231	126,432	171,714	182,300	139,364	108,351	105,190	13,102	158,017	245,151
Motor Vehicle Administration	206,117	208,783	272,318	239,324	219,570	213,062	219,989	217,955	251,333	326,751
Transit Administration	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	1,362,244
Aviation Administration	374,475	339,270	448,647	317,838	328,835	386,970	349,049	404,780	326,587	309,813
Interest on long-term debt	80,888	43,547	62,770	183,064	132,760	123,262	89,976	89,356	82,721	76,135
Total governmental activities expenses	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	5,651,772
Program Revenues:										
Charges for services:										
Secretary's Office	3,307	4,564	3,721	3,753	3,837	951	6,174	10,984	5,619	6,038
State Highway Administration	52,155	60,802	67,394	95,203	95,795	51,540	60,278	48,802	48,805	73,288
Port Administration	55,999	51,641	157,474	64,968	55,267	64,710	47,193	67,088	62,717	68,624
Motor Vehicle Administration	-	10	11	14	14	17	107	142	145	96
Transit Administration	156,524	149,147	190,862	169,748	118,297	90,055	119,063	94,356	73,299	135,879
Aviation Administration	346,836	361,971	377,982	252,988	223,185	181,213	272,790	294,319	314,770	339,151
Operating grants and contributions	87,324	94,499	99,533	90,795	569,263	496,623	716,443	521,950	253,917	129,167
Capital grants and contributions	722,764	858,187	885,245	851,866	1,044,752	902,584	1,042,974	1,283,674	1,065,269	1,171,806
Total governmental activities program revenues	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	1,924,048
Net (expense) revenue governmental activities	(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)	(3,727,724)
General Revenues and Other Changes in Net Assets:										
Taxes:										
Motor vehicle taxes and fees	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	1,941,561
Motor fuel taxes	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	1,371,117
Corporation income tax share	186,803	146,224	150,784	189,878	193,315	268,718	317,746	333,768	419,449	438,954
State sales tax share	30,780	31,566	31,691	34,471	31,686	21,374	35,487	41,330	44,578	45,996
Unrestricted investment earnings	3,819	627	2,322	2,929	1,918	(774)	6,511	4,177	(354)	(15,759)
Other revenue	31,481	79,570	134,573	145,024	54,813	196,030	124,771	311,672	326,655	368,329
Transfers out	-	-	-	-	-	-	-	-	-	-
Total governmental activities general revenues:	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	4,150,198
Change in Net Position:										
Total Governmental Activities	399,965	\$ 891,219	\$ 472,134	\$ (226,428)	\$ 772,368	\$ 406,334	\$ 1,000,303	\$ 1,499,317	\$ 892,916	\$ 422,475

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
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
2025	1,941,561	1,371,117	438,954	45,996	3,797,629

MARYLAND DEPARTMENT OF TRANSPORTATION
Maryland's Largest Employers
(Sorted alphabetically by 2025 employers)

Companies in FY 2025	Number of 2025 employees	Companies in FY 2016
Giant Food Stores	10,000 (+)	Giant Food
GSFC	10,000 (+)	
Home Depot	7500-9999	
John Hopkins Medicine	10,000 (+)	Johns Hopkins University
McDonalds	10,000 (+)	McDonald's
Medstar Health	10,000 (+)	
Northrop Grumman Corporation	10,000 (+)	Northrop Grumman Corporation
University of Maryland College Park	10,000 (+)	
University of Maryland Medical Center	10,000 (+)	University of Maryland Medical System
Walmart	10,000 (+)	Walmart Associates
		Exelon
		Godard Space Flight Ctr
		H&R Block
		Target

Source: Maryland Department of Labor, Major Employer Lists

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Special Revenue Fund										
Nonspendable	\$ 211,726	\$ 103,510	\$ 240,924	\$ 257,039	\$ 94,604	\$ 91,175	\$ 93,438	\$ 304,823	\$ 110,594	\$ 112,688
Committed	23,871	15,402	12,547	8,908	-	-	-	-	-	-
Assigned	-	83,890	793	850	-	-	-	-	-	-
Unassigned	(124,502)	-	(235,155)	(18,085)	(56,612)	178,819	529,650	320,282	33,723	(697,691)
Total Special Revenue Fund	\$ 111,095	\$ 202,802	\$ 19,109	\$ 248,712	\$ 37,992	\$ 269,994	\$ 623,088	\$ 625,105	\$ 144,317	\$ (585,003)
All other governmental funds										
Restricted	\$ -	\$ 12,379	\$ 5,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other governmental funds	\$ -	\$ 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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Motor vehicle and fuel taxes and fees	\$ 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	\$ 3,312,678
Revenue sharing of State taxes	217,583	177,790	182,475	224,349	225,001	290,092	353,233	375,098	464,027	484,950
Federal reimbursements	718,951	966,547	847,267	1,005,159	1,319,634	1,478,200	1,749,741	1,217,302	1,056,006	1,266,550
Charges for services	486,151	496,438	571,999	453,011	496,395	388,909	505,605	515,691	505,355	623,075
Passenger facility charges and interest	48,056	49,032	51,781	51,356	39,583	39,583	39,019	45,520	50,901	43,833
Customer facility charges	13,579	13,559	13,195	12,933	10,959	10,959	8,415	9,430	12,717	15,775
Special parking revenues	62,582	63,520	62,483	66,015	48,339	27,599	2,153	-	-	-
Investment earnings	3,819	627	2,322	2,929	1,918	(774)	6,511	4,177	(354)	(15,759)
Impaired asset recovery	-	-	-	-	-	-	-	399,893	-	-
Other	65,255	65,746	44,721	34,973	83,461	127,750	48,192	231,260	242,565	295,038
Total revenues	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	6,026,140
Expenditures:										
Current:										
Department administration, operating and maintenance expenditures	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	3,203,252
Intergovernmental:										
Highway user revenues and federal funds	241,459	267,270	294,319	306,252	393,627	270,545	385,835	366,291	415,856	111,033
Washington Metropolitan Area Transit Authority Grants	448,577	448,196	496,698	542,371	770,088	764,185	738,653	716,664	833,400	993,057
Distributions to other State agencies	-	14,728	-	28,170	-	-	-	-	-	-
Debt service:										
Issuance expenditure	1,192	3,614	595	379	-	-	-	-	-	-
Principal	174,165	207,185	221,710	199,410	205,755	254,860	296,351	328,120	292,120	309,860
Interest	90,193	100,030	118,350	138,156	151,166	157,580	155,917	152,341	134,334	119,846
Impaired asset recovery	-	-	-	-	-	-	-	399,893	-	-
Capital outlays	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	2,050,700
Total expenditures	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	6,787,748
Other financing sources (uses):										
Intergovernmental Financing Agreements	917	(1,230)	(3,759)	132,195	-	(219,880)	-	-	-	-
Issuance of Consolidated Transportation Bonds (CTB)	300,000	892,525	555,000	630,680	490,000	300,000	295,000	-	-	200,000
Issuance of CTB refunding bonds	-	-	-	-	-	-	191,610	143,585	-	-
Issuance of Special Transportation Project Revenue Bonds	-	-	-	-	-	219,880	190,485	-	-	219,755
Sale of future revenue rights	-	(277,611)	-	-	-	-	-	-	-	-
Issuance of lease agreements	-	-	-	-	-	-	-	23,817	-	-
Premium on bonds	41,905	123,337	92,107	58,531	64,597	90,063	116,501	21,740	-	29,012
Payment to refund Consolidated Transportation Bonds	-	-	-	-	-	-	(219,114)	(161,910)	-	-
Total Other Financing Sources (Uses)	342,822	737,021	643,348	821,406	554,597	390,063	574,482	27,233	-	448,767
Net change in fund balances	\$ (232,791)	\$ 85,097	\$ (189,462)	\$ 229,603	\$ (210,720)	\$ 232,002	\$ 353,094	\$ 2,017	\$ (480,788)	\$ (312,841)
Debt Service as a percentage of noncapital expenditures	9.58%	11.43%	10.93%	9.19%	11.17%	11.41%	11.92%	11.96%	10.19%	9.07%

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Motor vehicle fuel tax and fees (1)	\$ 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	\$ 1,371,117
Motor vehicle titling tax	860,415	886,010	869,309	916,535	846,764	976,727	1,021,300	1,027,541	1,050,980	1,105,208
Licensing and registration	381,344	389,094	390,056	403,495	367,209	407,631	393,681	407,135	390,582	498,400
Corporation income tax (2)	186,803	146,224	150,784	189,878	193,546	268,488	312,389	333,768	419,449	438,954
Sales and use tax on rental vehicles	30,780	31,566	31,690	34,471	31,686	21,373	35,487	41,330	44,579	45,996
Total revenues	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	3,459,675
Deductions:										
1% portion -- Motor vehicle titling tax	(286,805)	(295,337)	(289,770)	(305,361)	(282,255)	(325,576)	(340,433)	(342,514)	(350,327)	(368,403)
Other to the Trust Fund	(283,832)	(342,237)	(348,418)	(400,323)	(408,100)	(376,088)	(387,617)	(605,699)	(715,014)	(849,656)
Other	(59,659)	(64,860)	(65,795)	(69,160)	(63,992)	(70,399)	(72,838)	(81,501)	(90,034)	(88,719)
Total deductions	(630,296)	(702,434)	(703,983)	(774,844)	(754,347)	(772,063)	(800,888)	(1,029,714)	(1,155,375)	(1,306,778)
Net Highway User Revenues	\$ 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	\$ 2,152,897
Allocations (Highway User Revenues): (3)(4)										
Share to the Department	\$ 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	\$ 1,765,375
Share to counties and municipalities	35,091	34,750	34,622	36,283	91,345	100,250	107,912	108,320	130,767	150,703
Share to Baltimore City	142,213	140,830	140,312	147,065	145,801	160,015	172,244	172,896	203,653	236,819
Total allocations	\$ 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	\$ 2,152,897

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 through 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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annual debt limit	\$ 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	\$ 2,895,050
Net debt applicable to limit	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	2,895,050
Total legal debt margin	\$ 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	75.17%	92.95%	96.36%	97.68%	96.14%	94.71%	99.13%	99.27%	96.47%	100.00%

Note: Maryland law sets a debt outstanding limit for Consolidated Transportation Bonds at \$5.0 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
2016	\$ 174,165	\$ 90,193	\$ 264,358	\$ 2,760,380	9.58%
2017	207,185	100,030	307,215	2,687,210	0.11
2018	221,710	118,350	340,060	3,106,219	0.11
2019	199,410	138,156	337,566	3,672,169	0.09
2020	205,755	151,166	356,921	3,195,759	0.11
2021	254,860	157,580	412,440	3,615,009	0.11
2022	296,351	155,917	452,268	3,794,551	0.12
2023	328,120	152,341	480,461	3,137,129	0.15
2024	292,120	134,334	426,454	3,759,312	0.11
2025	309,860	119,846	429,706	3,034,016	0.14

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

Fiscal Year Ended June 30	Governmental Activities						Total Personal Income (2)	Percentage of Debt to Personal Income
	Consolidated Transportation Bonds (1)	Special Transportation Project Revenue Bonds	Intergovernmental Financing Agreements	Lease Liability	Subscription Liability	Total Debt		
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	4,012,923	456,983	248,065	23,737	13,257	4,754,965	433,461,000	1.10
2023	3,607,723	454,538	260,331	39,661	9,812	4,372,065	456,132,000	0.87
2024	3,261,010	425,337	214,241	32,029	6,489	3,939,106	455,134,050	0.87
2025	3,114,322	631,591	115,854	33,662	3,293	3,898,722	478,938,600	0.81

(1) Presented net of original issuance discounts and premiums

(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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes pledged to bonds:										
Corporation income tax (1)	\$ 167,957	\$ 131,160	\$ 135,321	\$ 170,452	191,739	267,065	310,717	331,433	415,722	434,995
Fuel tax (2)	923,216	981,555	987,506	1,043,835	1,050,605	998,216	1,082,520	1,268,649	1,361,800	1,337,046
Titling tax	805,348	829,305	813,673	857,453	846,764	976,727	1,021,300	1,027,541	1,050,980	1,105,208
Sales and use tax on rental vehicles (3)	28,416	29,142	29,257	31,823	31,686	21,373	35,487	41,330	44,578	46,674
Transportation Network Company Impact Fees (3)										41,136
Total taxes pledged to bonds	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	2,965,059
Fees:										
Motor vehicle licenses and registrations (3)	312,771	316,742	317,433	326,555	328,496	363,489	351,013	359,959	336,715	444,672
Electric Vehicle Surcharge (3)	-	-	-	-	-	-	-	-	-	8,282
Other	298,488	306,488	287,720	297,699	259,156	272,388	299,547	281,009	290,958	335,379
Total taxes and fees	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	3,753,392
Operating revenues:										
Port Administration	49,999	49,039	51,783	55,283	54,743	49,261	50,118	56,146	50,789	53,157
Transit Administration	156,579	149,249	150,911	140,094	108,074	50,060	64,179	72,793	73,367	79,395
Aviation Administration	229,993	243,132	257,218	257,929	231,521	184,300	275,272	284,203	293,450	320,506
Total operating revenues	436,571	441,420	459,912	453,306	394,338	283,621	389,569	413,142	417,606	453,058
Other	59,609	69,012	60,566	56,543	49,418	122,454	112,255	80,653	31,693	103,751
Investment income	3,819	627	2,322	2,928	1,918	-	-	-	-	-
Total revenues	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	4,310,201
Expenditures:										
Administration, operation and maintenance expenditures:										
The Secretary's Office	80,229	86,010	90,330	94,138	89,806	94,169	134,791	100,374	108,353	119,511
Washington Metro Transit Grants-in-Aid	318,917	321,349	362,519	388,583	465,894	425,303	399,491	458,547	485,191	641,782
State Highway Administration	297,190	264,039	294,566	311,364	267,038	321,297	318,893	321,589	367,176	401,022
Motor Vehicle Administration	199,153	201,546	199,910	198,520	206,694	201,924	207,484	218,922	237,240	260,898
Port Administration	47,521	46,841	45,869	48,082	47,038	46,414	48,624	51,635	57,667	57,138
Transit Administration	781,769	840,446	859,477	881,561	898,818	870,510	972,059	1,078,309	1,140,286	1,303,314
Aviation Administration	192,692	187,965	196,278	205,719	198,008	220,249	212,626	225,428	251,504	250,437
Total admin., operation and maintenance expend.	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	3,034,102
Less Federal funds:										
The Secretary's Office	(8,160)	(8,445)	(10,968)	(10,019)	(8,904)	(9,997)	(49,493)	(10,148)	(10,239)	(12,202)
State Highway Administration -- Highway Safety	(10,066)	(14,561)	(14,326)	(13,077)	(15,804)	(105,234)	(67,881)	(26,235)	(31,277)	(28,741)
Transit -- Planning and program development	(58,940)	(60,221)	(61,364)	(59,935)	(321,011)	(349,601)	(584,691)	(428,177)	(189,395)	(76,814)
Port Administration	-	(103)	(73)	(440)	-	-	-	-	-	-
Motor Vehicle Administration	(9,514)	(10,523)	(12,157)	(6,654)	(8,831)	(8,108)	(8,683)	(9,367)	(11,028)	(11,410)
Aviation Administration	(645)	(645)	(645)	(645)	(75,729)	(22,711)	(4,698)	(755)	(11,978)	-
Total Federal funds	(87,325)	(94,498)	(99,533)	(90,769)	(430,279)	(495,651)	(715,446)	(474,682)	(253,917)	(129,167)
Total expenditures	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	2,904,935
Net revenues	\$ 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	\$ 1,405,266
Maximum annual principal and interest	\$ 305,197	\$ 331,345	358,739	415,245	457,080	469,477	479,510	480,461	429,707	429,707
Ratio of taxes pledged to principal and interest	5.83	5.81	5.49	4.73	4.60	4.52	4.72	5.10	6.21	6.69
Ratio of net revenues to principal and interest	4.54	3.64	3.49	2.76	2.63	3.01	3.38	4.21	4.24	3.62

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.
- (3) Chapter 717 of 2024 added new revenues, effective July 1, 2025, in the form of Transportation Network Company (TNC) Impact Fees, Electric Vehicle Surcharges, and sales tax from the charging of electric vehicles. Chapter 717 of 2024 also increased vehicle registration fees on most classes of vehicles.

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	2025	
Number of Nonstop Destinations Served	80	88	91	88	68	77	87	89	91	92	
Enplaned Passengers (1)	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	12,959,303	
% change from previous year	8%	4%	5%	-1%	-25%	-34%	61%	16%	9%	-4%	
Cost Per Enplaned Passenger	\$ 9.51	\$ 9.34	\$ 9.33	\$ 9.33	\$ 12.55	\$ 16.43	\$ 11.95	\$ 10.79	\$ 10.65	\$ 11.57	
Operating Revenues											
Airline Flight Activities	\$ 62,671,220	\$ 66,055,412	\$ 71,710,348	\$ 68,153,431	\$ 63,803,472	\$ 53,872,442	\$ 68,585,456	\$ 72,862,829	\$ 72,501,868	\$ 71,552,840	
Airline Other Revenues	\$ 68,143,746	\$ 69,621,114	\$ 66,978,493	\$ 70,607,307	\$ 78,121,784	\$ 70,630,570	\$ 74,853,953	\$ 86,837,213	\$ 89,581,351	\$ 105,107,903	
Total Airline Revenues	\$ 130,814,966	\$ 135,676,526	\$ 138,688,841	\$ 138,760,738	\$ 141,925,256	\$ 124,503,012	\$ 143,439,409	\$ 159,700,042	\$ 162,083,219	\$ 176,660,743	
Non-Airline Revenues	\$ 102,604,285	\$ 107,571,998	\$ 118,525,204	\$ 119,163,697	\$ 91,156,410	\$ 61,370,239	\$ 134,086,140	\$ 151,770,399	\$ 159,300,970	\$ 177,357,026	
Total MAA Operating Revenues (2)	\$ 233,419,251	\$ 243,248,524	\$ 257,214,046	\$ 257,924,435	\$ 233,081,666	\$ 185,873,251	\$ 277,525,549	\$ 311,470,441	\$ 321,384,189	\$ 354,017,769	
Airline Revenue Percentage of Total	56%	56%	54%	54%	61%	67%	52%	51%	50%	50%	
Non-Airline Revenue Percentage of Total	44%	44%	46%	46%	39%	33%	48%	49%	50%	50%	
TTF MAA Operating Expenses (3)	\$ 192,046,750	\$ 187,319,859	\$ 195,714,493	\$ 205,073,163	\$ 197,386,583	\$ 198,942,645	\$ 211,980,993	\$ 224,782,291	\$ 239,525,927	\$ 250,422,941	
Other Reimbursements (4)					\$ 77,522,317	\$ 21,462,068	\$ 83,639,669	\$ 109,740	\$ 5,868,507	\$ 228,753	
Revenue Bond Set Asides, Trustee Fees and Surveillance Fees						\$ (1,019,133)	\$ (2,153,493)	\$ (26,879,261)	\$ (28,335,061)	\$ (33,326,737)	
Net Operating Income	\$ 41,372,501	\$ 55,928,665	\$ 61,499,553	\$ 52,851,272	\$ 113,217,400	\$ 7,373,540	\$ 147,030,732	\$ 59,918,629	\$ 59,391,707	\$ 70,496,845	
Capital Funding from the Transportation											
Trust Fund	\$ 84,898,432	\$ 66,355,462	\$ 48,700,022	\$ 10,062,394	\$ (50,033,207)	\$ 42,517,356	\$ (102,511,003)	\$ 6,154,800	\$ 19,633,779	\$ 17,004,713	
Total TTF funded capital program (5)	\$ 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	\$ 87,501,557	

Source: Maryland Department of Transportation

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

(1) FY 2024 Enplanements is over stated by 677 due to Copa Airlines incorrectly reporting more enplanements in June 2024. Actual enplanements FY2024 = 13,495,382

(2) MAA Revenues FY2021 and subsequent are prior to debt service for the special transportation project revenue bonds.

(3) TTF MAA Operating expenses are Gross prior to FAA COVID relief funds, net of Federal Grant LEO/K9 and TSA COVID Cleaning expenses FY20-23. LEO/K9 grant ended May 2024.

(4) Other reimbursements

Fiscal Year 2021 MAA received \$21M CRRSAA reimbursing the TTF prior advances.

Fiscal Year 2022 MAA received \$80M ARPA reimbursing TTF prior advances and \$4.1M CRRSAA benefitting the TTF.

Excludes direct TTF reimbursements for prior FY advances FY2017 \$25M, FY2018 \$21M and FY2019 \$22M

(5) TTF funded capital program excludes other capital funding sources including but not limited to special transportation project revenue bonds, loans, grants, 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	2025
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	8,811,570
Spirit	587,150	823,536	1,104,570	1,315,662	1,075,637	668,757	887,925	1,005,712	1,002,459	995,655
American	1,007,490	880,180	875,283	875,110	659,129	453,568	628,212	551,758	584,833	555,357
Delta	1,047,350	1,028,406	1,048,574	1,073,870	756,811	355,612	759,983	895,484	898,394	831,451
United	510,232	482,260	529,636	531,441	358,470	180,358	377,251	464,784	509,984	539,413
Frontier (1)	-	-	-	16,541	49,786	74,948	188,506	335,499	449,640	448,687
Alaska (2)	100,955	128,266	191,805	205,564	138,640	38,946	60,033	74,446	79,769	90,215
JetBlue (4)	213,927	271,098	258,668	184,735	85,324	50	108	68,105	43,059	--
SunCountry (5)						--	--	--	--	24,022
Nonsignatory (a)	12,205	51,194	70,909	82,721	64,777	54,186	88,504	100,355	92,678	42,906
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	12,818,341	12,339,276
International scheduled										
Signatory										
Southwest	338,253	304,247	299,322	314,105	208,527	174,421	334,453	296,155	341,765	339,381
Spirit	-	-	35,834	81,401	59,479	17,462	61,428	56,182	49,470	34,823
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	198
British Airways	57,189	62,308	62,733	65,265	46,801	-	14,109	51,056	59,698	71,481
Condor	9,901	12,334	12,581	15,480	14,120	-	2,121	9,257	10,729	6,455
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	132,898
Subtotal International	511,154	523,430	555,753	618,366	382,446	192,356	453,646	560,055	633,123	585,236
Charter airlines (c)	62,935	54,865	48,072	46,051	40,582	55,628	47,064	67,762	44,595	34,791
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	13,496,059	12,959,303

Source: Maryland Department of Transportation

Note: Data prior to FY 2016 is not available. FY 2024 Enplanements is over stated by 677 due to Copa Airlines incorrectly reporting more enplanements in June 2024.

Actual enplanements FY2024 = 13,495,382

(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.

(4) JetBlue ceased operations on April 30, 2024.

(5) SunCountry became a signatory airline on July 1, 2024.

(a) Includes Allegiant, Avelo Airlines, Boutique Air, Contour Airlines, Southern Airways, and Via Air . FY25 SunCountry reported as Signatory.

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

FY 2024 Enplanements is over stated by 677 due to Copa Airlines incorrectly reporting more enplanements in June 2024.

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

For fiscal year 2023, the MAA included charter flights from Nonsignatory Airlines in the total charter count.

Airlines that have stopped serving BWI:

Air Canada (March 30, 2024), Jet Blue (May 1, 2024), Condor (September 14, 2024), Allegiant (December 2, 2024), Contour (May 1, 2025), Play (September 29, 2025)

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	2025
Domestic scheduled										
Signatory										
Southwest	67.1%	67.0%	65.4%	63.1%	64.0%	68.8%	67.4%	66.6%	67.8%	67.9%
Spirit	4.8	6.4	8.2	9.8	10.7	10.1	8.3	8.1	7.4	7.7
American	8.2	6.8	6.5	6.5	6.6	6.8	5.9	4.5	4.3	4.3
Delta	8.5	8.0	7.7	8.0	7.5	5.4	7.1	7.2	6.6	6.3
United	4.1	3.7	3.9	4.0	3.6	2.7	3.5	3.8	3.8	4.2
Frontier (1)	-	-	-	0.1	0.5	1.1	1.8	2.7	3.3	3.5
Alaska (2)	0.8	1.0	1.4	1.5	1.4	0.6	0.6	0.6	0.6	0.7
JetBlue (4)	1.7	2.1	1.9	1.4	0.9	-	-	0.6	0.3	-
SunCountry (5)						-	-	-	-	0.2
Nonsignatory (a)	0.1	0.4	0.5	0.6	0.6	0.8	0.8	0.8	0.6	0.2
Subtotal domestic	95.3%	95.5%	95.5%	95.0%	95.8%	96.3%	95.3%	94.9%	94.9%	95.1%
International scheduled										
Signatory										
Southwest	2.7%	2.4%	2.2%	2.3%	2.1%	2.6%	3.1%	2.4%	2.5%	2.6%
Spirit	-	-	0.3	0.6	0.6	0.3	0.6	0.5	0.4	0.3
Delta	-	-	-	-	-	-	-	-	-	-
Air Canada	0.3	0.4	0.4	0.5	0.5	-	-	0.3	0.2	-
British Airways	0.5	0.5	0.5	0.5	0.5	-	0.1	0.4	0.4	0.6
Condor	0.1	0.1	0.1	0.1	0.1	-	-	0.1	0.1	-
WOW Air (3)	0.4	0.6	0.6	0.4	-	-	-	-	-	-
Alaska	-	-	-	-	-	-	-	-	-	-
United	-	-	-	-	-	-	-	-	-	-
American	-	-	-	-	-	-	-	-	-	-
Frontier (1)	-	-	-	-	-	-	0.2	0.3	0.2	-
Nonsignatory (b)	0.1	0.1	-	0.1	-	-	0.2	0.6	0.9	1.0
Subtotal international	4.1%	4.1%	4.1%	4.6%	3.8%	2.9%	4.2%	4.5%	4.7%	4.5%
Charter airlines (c)	0.5%	0.4%	0.4%	0.3%	0.4%	0.8%	0.4%	0.5%	0.3%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Maryland Department of Transportation

(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.

(4) JetBlue ceased operations on April 30, 2024.

(5) SunCountry became a signatory airline on July 1, 2024.

(a) Includes Allegiant, Avelo Airlines, Boutique Air, Contour Airlines, Southern Airways, and Via Air . FY25 SunCountry reported as Signatory.

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

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State Highway Administration:										
Mainline Miles of State Highway (1)	5,154	5,151	5,154	5,164	5,206	5,208	5,210	5,212	5,218	5,232
Lane Miles of State Highways (1)	17,132	17,143	17,179	17,210	17,286	17,302	17,361	17,364	17,404	17,470
Vehicle Miles Traveled on State Highways, in thousands (1)	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	38,820,003
Motor Vehicle Administration:										
Motor Vehicle Titles Issued	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	1,047,157
Motor Vehicle Registration Transactions	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	5,270,045
Motor Vehicle Fuel - Gallons Sold, in thousands (2)	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	3,046,540
Maryland Port Administration:										
Port of Baltimore (3):										
Export Commerce (2,000 lbs.)	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	37,050,000
Import Commerce (2,000 lbs.)	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	14,759,000
Total Foreign Commerce (2,000 lbs.)	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	51,809,000
General Cargo (2,000 lbs.) (included above)	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	12,735,000
Maryland Aviation Administration:										
Passenger Traffic	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	25,964,711
Commercial Air Carrier Operations	231,354	238,492	254,202	216,717	187,290	151,105	181,865	201,158	218,022	213,797
Total Aircraft Operations	248,271	253,238	268,254	260,932	224,257	182,549	213,815	229,207	243,628	239,587
Maryland Transit Administration:										
Core and Commuter Bus Ridership	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	50,981,302
Metro Ridership	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	5,592,186
Light Rail Ridership	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	5,472,777
MARC Train Riderships	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	4,738,388
Number of MDOT State Employees (Filled Positions)	8,454	8,403	8,440	8,414	8,489	8,362	8,303	8,437	8,836	9,017

Source: Maryland Department of Transportation.

(1) Mileage as of January 1. Source: Maryland Department of Transportation State Highway Administration Annual Highway Mileage Reports 2015-2024 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
Kathryn Thomson, Acting Secretary
Samantha J. 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
Christopher Fontaine, Principal Counsel, Office of the Attorney General

Annaliese Van Saun, Chief Public Information Officer
Christopher Holland, Director of Safety, Security and Facilities
David Zaidain, Chief Transit Oriented Development
Deron Lovaas, Chief Environment and Sustainable Transportation
Geoff Anderson, Chief Planning, Programming and Delivery
Jonathan Rogers, Director, Washington Area Transit Office
Joy Thomas, Chief of Performance
Julie Schablitsky, Chief Archaeologist and Director, Cultural Resources
Kim Johnson, Chief Equity Officer
Loyda Sequeira, Chief of Audits and Rail Safety
Lyn Farrow, Director External Affairs
Marshall Macomber, Chief Innovative Finance and Delivery
Matt Nemphos, Director, Policy and Regulation
Matthew Mickler, Director, Government Affairs
Nicole Williams, Chief of EEO and People Management
Nilay Sameer, Chief of Administration, Budget and Contracts
Shafiq Rahman, Chief Information Officer
Tyree Morgan, Chief Strategy Officer
Valerie Radomsky, Chief Procurement Officer
Octavia Robinson, Chief Financial Officer

Office of Finance

Octavia Robinson, Chief Financial Officer
Manuel Gonzalez, Director of Accounting
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Tony Prattico, Director of Budget
Janet Yakel, Director of Payroll
John Paternoster, Director of Financial Planning