THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration of qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 16, 2025

NEW ISSUES-BOOK ENTRY ONLY

RATINGS: S&P: AA
Moody's: Aa2
(See "RATINGS" herein)

In the opinion of Bond Counsel, under existing law, interest on the Bonds and profit realized from their sale or will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer or the interest thereon. Assuming compliance with certain covenants described herein, under existing statutes, regulations and decisions, interest on the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes. Under existing law, interest on the Tax-Exempt Bonds for federal income tax purposes is not includable in alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on the Tax-Exempt Bonds will be part of adjusted financial statement income in computing the alternative minimum tax on applicable corporations. In addition, interest on the Bonds will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. Interest on the Taxable Bonds will be includable in gross income for federal income tax purposes. See "Tax Matters."

$101,335,000*
MAYOR AND CITY COUNCIL OF BALTIMORE
City of Baltimore, Maryland
General Obligation Bonds

$30,785,000*
Consolidated Public Improvement Bonds
Series 2025A
(Tax-Exempt)

$70,550,000*
Consolidated Public Improvement Bonds
Series 2025B
(Taxable)

Dated: Date of Delivery **Due: See inside front cover**

Security: The Bonds are general obligations of the Mayor and City Council of Baltimore (the "City") for the payment of which the City's full faith and credit and taxing power are irrevocably pledged to the timely payment of principal and interest when due. See "THE BONDS -- Security."

Redemption: The Bonds maturing on and after October 15, 2036 are subject to optional redemption, in whole or in part, on or after October 15, 2035. See "THE BONDS -- Optional Redemption."

Interest Payment Dates: April 15 and October 15, beginning October 15, 2025.

Closing: On or about August 6, 2025.

Denominations: Integral multiples of $5,000.

Purpose: The proceeds of the Bonds will be used to (i) finance various public improvements of the City, (ii) pay the costs of issuance of the Bonds, and (iii) to the extent there are sufficient proceeds, to fund interest with respect to such Bonds.

Book-Entry Only: The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository. The City shall make required payments on the Bonds to DTC which in turn will provide for payment to the beneficial owners of the Bonds. Purchases of the Bonds will be in book-entry form only, and beneficial owners will not receive certificates representing their interests. Manufacturers and Traders Trust Company will act as Bond Registrar for the Bonds. See Appendix F – "Description of the Book-Entry Only System."

FOR AMOUNTS, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIPS, SEE INSIDE COVER

The Bonds are offered for delivery when, as and if issued by the City, subject to the approving opinions of McKennon Shelton & Henn LLP, Baltimore, Maryland, as Bond Counsel to the City and other conditions specified in the official Notices of Sale for the Series 2025A Bonds and the Series 2025B Bonds, copies of which are attached as Appendix C-1 and Appendix C-2, respectively. Certain legal matters will be passed upon for the City by the City Solicitor. It is anticipated that the Bonds will be available for delivery through the facilities of DTC and certain closing documents will be available for delivery in Baltimore, Maryland on or about August 6, 2025.

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

**Preliminary, subject to change*

$101,335,000*
MAYOR AND CITY COUNCIL OF BALTIMORE
(City of Baltimore, Maryland)
General Obligation Bonds

$30,785,000* Consolidated Public Improvement Bonds
Series 2025A (Tax-Exempt)

Maturity Date (Oct. 15)	Amount Maturing*	Interest Rate**	Yield**	CUSIP No.	Maturity Date (Oct. 15)	Amount Maturing*	Interest Rate**	Yield**	CUSIP No.
2026	$920,000				2036	$1,515,000			
2027	965,000				2037	1,590,000			
2028	1,015,000				2038	1,675,000			
2029	1,065,000				2039	1,760,000			
2030	1,120,000				2040	1,850,000			
2031	1,180,000				2041	1,945,000			
2032	1,240,000				2042	2,045,000			
2033	1,305,000				2043	2,150,000			
2034	1,370,000				2044	2,260,000			
2035	1,440,000				2045	2,375,000			

$70,550,000* Consolidated Public Improvement Bonds
Series 2025B (Taxable)

Maturity Date (Oct. 15)	Amount Maturing*	Interest Rate**	Yield**	CUSIP No.	Maturity Date (Oct. 15)	Amount Maturing*	Interest Rate**	Yield**	CUSIP No.
2026	$2,185,000				2036	$3,420,000			
2027	2,280,000				2037	3,595,000			
2028	2,375,000				2038	3,785,000			
2029	2,475,000				2039	3,990,000			
2030	2,585,000				2040	4,205,000			
2031	2,700,000				2041	4,435,000			
2032	2,825,000				2042	4,685,000			
2033	2,960,000				2043	4,945,000			
2034	3,100,000				2044	5,225,000			
2035	3,255,000				2045	5,525,000			

*Preliminary, subject to change
**The interest rates shown above are the interest rates payable by the City resulting from the successful bids for the Bonds at public sale on July 23, 2025. The prices or yields shown above are furnished by the successful bidders. All other information concerning the terms of reoffering of the Bonds, if any, should be obtained from the successful bidders and not from the City (see "SALE AT COMPETITIVE BIDDING" herein).

The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by CUSIP Global Services, which is managed on behalf of the American Bankers Association (the "ABA") by S&P Global Market Intelligence, that is not affiliated with the City, and the City is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders. Neither the City nor the successful bidders take any responsibility for the accuracy of CUSIP information and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The City has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth above. "CUSIP" is a registered trademark of the ABA. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services.

No dealer, broker, salesman or other person has been authorized by the City or the successful bidders to give any information or to make any representations, other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the successful bidders.

All quotations and summaries and explanations of provisions of law and documents herein do not purport to be complete and reference is made to such laws and documents for complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the respective dates as of which information is given herein. Such information and expressions of opinion are made for the purpose of providing information to prospective investors and are not to be used for any other purpose. The information set forth herein has been obtained from the City and other sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the City as to information from sources other than the City.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Furthermore, this Official Statement does not contain any investment advice for purchasers or holders of any of the Bonds. Such persons should consult their own financial advisors regarding possible financial consequences of ownership of the Bonds.

THE OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE FORWARD-LOOKING STATEMENTS, AS SUCH TERM IS DEFINED IN SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, IN THIS RESPECT, SUCH FORWARD-LOOKING STATEMENTS ARE IDENTIFIED BY THE USE OF THE WORDS ESTIMATE, PROJECT, ANTICIPATE, EXPECT, FORECAST, INTEND OR BELIEVE OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY, SUCH FORWARD-LOOKING INFORMATION INVOLVES IMPORTANT RISKS AND UNCERTAINTIES THAT COULD RESULT IN THE ACTUAL INFORMATION BEING SIGNIFICANTLY DIFFERENT FROM THAT EXPRESSED IN THIS OFFICIAL STATEMENT, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS, SUCH FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE CITY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGES IN THE CITY'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933. AS AMENDED, AND HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT, ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND THE INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY, PRIORITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES AND THE INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

MAYOR AND CITY COUNCIL OF BALTIMORE
ELECTED AND CERTAIN APPOINTED OFFICIALS

MAYOR

Brandon M. Scott

CITY COUNCIL

President (elected City-Wide):	Zeke Cohen
First District Councilperson:	Mark Parker
Second District Councilperson:	Danielle McCray
Third District Councilperson:	Ryan L. Dorsey
Fourth District Councilperson:	Mark Conway
Fifth District Councilperson:	Isaac "Yitzy" Schleifer
Sixth District Councilperson:	Sharon Green Middleton
Seventh District Councilperson:	James Torrence
Eighth District Councilperson:	Paris Gray
Ninth District Councilperson:	John T. Bullock
Tenth District Councilperson:	Phylicia Porter
Eleventh District Councilperson:	Zac Blanchard
Twelfth District Councilperson:	Jermaine Jones
Thirteenth District Councilperson:	Antonio Glover
Fourteenth District Councilperson:	Odette Ramos

BOARD OF ESTIMATES

Brandon M. Scott	Mayor
Bill Henry	Comptroller
Zeke Cohen	President of the City Council
Ebony M. Thompson	City Solicitor
Khalil Zaied	Director of Public Works

BOARD OF FINANCE

Brandon M. Scott (President)	Mayor
Bill Henry	Comptroller
Arnold Williams (Vice President)	Member
Frederick W. Meier, Jr.	Member
Robert A. Shelton	Member

CHIEF ADMINISTRATIVE OFFICER

Faith P. Leach

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OFFICIAL STATEMENT

$101,335,000*
MAYOR AND CITY COUNCIL OF BALTIMORE
(City of Baltimore, Maryland)
General Obligation Bonds

$30,785,000*
Consolidated Public Improvement Bonds
Series 2025A
(Tax-Exempt)

$70,550,000*
Consolidated Public Improvement Bonds
Series 2025B
(Taxable)

INTRODUCTION

This introduction is only a brief description of this Official Statement and a full review of the entire Official Statement should be made by any prospective purchaser.

This Official Statement, together with the Appendices, provides certain information relating to the Mayor and City Council of Baltimore (the "City") in connection with the issuance, sale and delivery of its $101,335,000* General Obligation Bonds, consisting of its $30,785,000* Consolidated Public Improvement Bonds, Series 2025A (Tax-Exempt) (the "Series 2025A Bonds" or the "Tax-Exempt Bonds") and its $70,550,000* Consolidated Public Improvement Bonds, Series 2025B (Taxable) (the "Series 2025B Bonds" or the "Taxable Bonds" and, together with the Series 2025A Bonds, the "Bonds").

Purpose of the Bonds

The proceeds of the Bonds will be used to (i) finance various public improvements of the City, (ii) pay for the cost of issuance of the Bonds, and (iii) to the extent there are sufficient proceeds, fund interest with respect to such Bonds.

Appendices

Appendix A of this Official Statement provides certain information relating to the condition, affairs and operations of the City. Appendix B of this Official Statement provides financial and statistical statements of the City as contained in the Annual Comprehensive Financial Report ("ACFR") for the year ended June 30, 2024. Appendix C-1 is the official Notice of Sale for the Series 2025A Bonds and Appendix C-2 is the official Notice of Sale for the Series 2025B Bonds. The forms of Bond Counsel Opinions are set forth in Appendix D. The form of the Continuing Disclosure Certificate is set forth in Appendix E. The description of the book-entry only system is set forth in Appendix F. In connection with the sale of the Series 2025A Bonds (the Tax-Exempt Bonds), the form of Issue Price Certificate of Qualified Competitive Bid is set forth in Appendix G-1 and the form of Issue Price Certificate of Nonqualified Competitive Bid is set forth in Appendix G-2.

THE BONDS

General

The Bonds will be dated the date of their delivery and will mature as set forth on the inside cover page of this Official Statement, subject to earlier redemption, as set forth below under "Optional Redemption." The Bonds will bear interest from the date of their delivery. Interest on the Bonds is payable on each April 15 and October 15, commencing on October 15, 2025. Payment of interest on the Bonds shall be made by the Bond Registrar on each

**Preliminary, subject to change*

interest payment date to the person appearing on the registration books maintained by the Bond Registrar as the registered owner of such Bond at the close of business on the record date, which shall be the last day of the month preceding an interest payment date, by electronic funds transfer or check mailed to such registered owner at the address of such person as it appears on such registration books. Interest on the Bonds will be calculated based on a 360-day year consisting of twelve 30-day months.

The Bonds will be issued in book-entry only form as fully registered bonds without coupons. The Bonds will initially be registered in the name of Cede & Co., the partnership nominee of DTC. So long as Cede & Co. is the registered owner of the Bonds, interest payments due on such Bonds will be made to Cede & Co.

Optional Redemption

The Bonds maturing on or after October 15, 2036 are subject to redemption prior to maturity, at the option of the City, at any time on or after October 15, 2035, in whole or in part, at the principal amount thereof (without premium), plus accrued interest on such principal amount to the date of redemption.

Selection of Bonds for Redemption

If less than all of the outstanding Bonds of a series are called for redemption, the City shall choose the maturities of the Bonds of such series to be redeemed. If less than all of the Bonds of any one maturity of a series shall be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar; except that so long as The Depository Trust Company ("DTC") or its nominee is the sole registered owner of the Bonds, the particular Bonds or portions thereof shall be selected by lot by DTC, in such manner as DTC shall determine. Each $5,000 portion of a Bond shall be treated as a separate Bond in the selection by lot of Bonds to be redeemed. When less than all of a Bond in a denomination in excess of $5,000 shall be so redeemed, then, upon the surrender of such Bond, there shall be issued to the registered owner thereof, without charge, for the unredeemed balance of the principal amount of such Bond, at the option of such owner, Bonds of the same series in any of the authorized denominations, the aggregate face amount of such Bonds not to exceed the unredeemed balance of the principal amount of such Bond.

Notice of Redemption

The Bond Registrar on behalf of the City will give notice of the redemption of the Bonds by mailing a copy of the redemption notice by first class mail postage prepaid, at least 20 days prior to the date fixed for redemption, to the owner of each Bond subject to redemption in whole or in part at the owner's address shown on the Bond Register. When the Bonds are not held in a book-entry only system, a second notice shall be sent in the same manner described above not more than 90 days after the redemption date to the owner of any redeemed Bond which was not presented for payment on the redemption date. Failure to receive notice as described in this paragraph, or any defect in that notice, as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond.

So long as the book-entry only system is in effect, the Bond Registrar will send each notice of redemption to Cede & Co., as nominee of DTC, and not to the Beneficial Owners. So long as DTC or its nominee is the sole registered owner of the Bonds under the book-entry only system, any failure on the part of DTC or a Direct Participant or Indirect Participant to notify the Beneficial Owner so affected will not affect the validity of the redemption.

The notice of the call for redemption of the Bonds shall state (i) whether such Bonds are redeemed in whole or in part, (ii) the Bonds or portion thereof to be redeemed by designation, letters, CUSIP numbers or other distinguishing marks, interest rate, maturity date and principal amount, (iii) the redemption price to be paid, (iv) the date fixed for redemption, (v) that interest shall cease to accrue after the date fixed for redemption, (vi) the place or places, by name and address, where the Bonds must be presented for redemption and payment, (vii) the conditions, if any, to be complied with before the Bods can be redeemed, and (viii) the name and telephone number of the person to whom inquiries regarding the redemption may be directed; provided, however, that the failure to identify a CUSIP number for said Bonds in the redemption notice, or the inclusion of an incorrect CUSIP number, shall not affect the validity of such redemption notice; and provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in such notice.

Authorization

The Bonds are issued under the authority of Section 7 of Article XI of the Constitution of Maryland, as amended; Article II, Section 33 of the Charter of the City (the "Charter"); Article VII, Section 21 of the Charter, the Consolidating Act (as hereinafter defined) and certain ordinances of the City (the "City Ordinances") which have been approved by the City Council of the City (the "City Council") and the Mayor of the City (the "Mayor"); a Resolution of the Board of Finance adopted on June 23, 2025 (the "Resolution"). The debt authorized by the City Ordinances was approved by voters of the City and by either resolutions of the Baltimore City Delegation to the General Assembly of Maryland (the "General Assembly") or the Acts of the General Assembly.

The Bonds are consolidated for sale under the provisions of Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended) (the "Consolidating Act").

The debt authorized by the Ordinances with respect to the Bonds was presented to and approved by a majority of the members of the General Assembly representing the City (the "City Delegation") and was submitted to the legal voters of the City and approved by a majority of the votes cast as set forth on the following page.

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Loan Name	Amount	Date	Number	Authority
1st Affordable Housing	$6,000,000	06/23/16	16-489	Res. I
1st Community & Economic Development	47,000,000	06/18/14	14-255	Res. III
1st Cultural Institution	3,600,000	08/15/06	06-299	Res. I
1st Parks & Public Facilities	47,000,000	06/18/14	14-254	Res. II
1st Public Infrastructure	72,000,000	06/25/20	20-378	Res. IV
2nd Affordable Housing	10,000,000	06/20/18	18-152	Res. I
2nd Community & Economic Development	45,000,000	06/23/16	16-491	Res. II
2nd Parks & Public Facilities	45,000,000	06/23/16	16-492	Res. IV
2nd Public Infrastructure	72,000,000	07/29/22	22-156	Res. IV
3rd Affordable Housing	12,000,000	06/25/20	20-375	Res. I
3rd Community & Economic Development	47,000,000	06/20/18	18-146	Res. I
3rd Parks & Public Facilities	65,000,000	06/20/18	18-147	Res. V
3rd Public Building	12,500,000	05/27/08	08-21	Res. IV
4th Affordable Housing	14,000,000	07/29/22	22-159	Res. I
4th Community & Economic Development	38,000,000	06/25/20	20-377	Res. III
5th Community & Economic Development	36,000,000	07/29/22	22-157	Res. III
5th Public Buildings	16,200,000	06/17/10	10-293	Res. V
6th Public Buildings	17,000,000	06/18/12	12-23	Res. V
19th Economic Development	27,650,000	07/01/02	02-382	Res. III
20th Economic Development	29,875,000	06/23/04	04-714	Res. III
21st Economic Development	24,400,000	08/15/06	06-304	Res. VII
22nd Economic Development	15,300,000	05/27/08	08-19	Res. XIV
23rd Economic Development	16,775,000	06/17/10	10-292	Res. IV
24th Economic Development	15,800,000	06/18/12	12-20	Res. IV
26th Recreation &Parks	12,897,000	05/27/10	10-286	Res. II
27th Recreation & Parks	8,000,000	06/18/12	12-24	Res. II
29th Community Development	30,500,000	05/27/08	08-18	Res. XIII
30th Community Development	18,050,000	06/17/10	10-291	Res. III
31st Community Development	24,000,000	06/18/12	12-18	Res. III
47th Schools	34,000,000	06/23/16	16-490	Res. I
48th Schools	38,000,000	06/20/18	18-145	Res. IV

Security

The Bonds shall be unconditional general obligations of the City, for which the faith and credit of the City are pledged. The Bonds are payable as to principal and interest from *ad valorem* taxes which the City is empowered, obligated and directed by law to levy, without limitation, upon all assessable property within the corporate boundaries of the City, in each year in rate and amount sufficient for such purpose until all of the Bonds and the interest thereon shall have been paid or provision shall have been made for such payment. Payment of the Bonds is not guaranteed by the State or any other governmental entity, except the City.

Notwithstanding that the City is obligated and directed by law to levy *ad valorem* taxes in each year in rate and amount sufficient to pay the principal of and interest on the Bonds and the City's other outstanding parity indebtedness, the collection of such taxes may not be in amounts sufficient to make the required debt service payments on the Bonds. Further, the City does not segregate the tax revenues levied to pay the principal of and interest on the Bonds and all other outstanding parity indebtedness from other general revenues of the City.

Bondholder Remedies Under Court Issued Writ of Mandamus

If the City fails or neglects to budget, appropriate, and pay debt service on the Bonds when due, a holder may petition the appropriate courts of the State of Maryland (the "State"), upon a finding of such failure or neglect, to direct by order of mandamus the Director of the Department of Finance of the City to pay into the sinking funds established for all outstanding bonds of the City, including the Bonds, the first tax moneys or other available revenues or moneys thereafter received by the Department of Finance for the payment of debt service due on outstanding bonds. Courts may be allowed certain discretion in deciding whether to grant a writ of mandamus. Additionally, municipal officials presented with a writ could resign rather than carry out the mandamus order, in which case it is uncertain the extent to which bondholders would be able to cause other City officials to pay amounts then due and owing.

In addition, while remedies would be available to bondholders and while the general obligation bonds of the City are entitled to constitutional protection against the impairment of the obligation of contracts, such constitutional protection and the enforcement of such remedies may not be absolute. The State does not at this time have any statute that authorizes municipalities to file under Chapter 9 of the federal Bankruptcy Code. However, enforcement of a claim for payment of principal of and or interest on the Bonds may be subject to applicability of general principles of equity and, if permitted by the General Assembly, provisions of federal bankruptcy laws (as described below) and to the provisions of other statutory laws enacted by the United States Congress or the General Assembly or case law developed by competent courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

Enforcement of Remedies; Public Health and Safety

City officials are generally charged with the duty of providing for the health, safety and general welfare of their residents. Confronted with a choice between providing basic human services to its residents or funding other obligations like debt service on the Bonds, bondholders should consider carefully the risk that such officials might choose to provide basic services to its residents from its limited funds available before it pays its other obligations.

Limitation on the Remedies Under Bankruptcy, if Enacted

The State does not at this time have any statute that authorizes municipalities to seek relief under Chapter 9 of the federal Bankruptcy Code, which is the only Chapter under which a municipality presently can seek relief under the federal Bankruptcy Code. In the future, however, the General Assembly could enact legislation authorizing municipalities, including the City, to seek relief under Chapter 9 of the federal Bankruptcy Code. If the City were to commence a case under the federal Bankruptcy Code, there could be adverse effects on the rights and remedies of holders of the Bonds and the enforceability of the Bonds, including, among other things, (a) delay in payments due on the Bonds and in the enforcement of bondholder remedies, (b) subordination of bondholder claims to claims arising after the commencement of the case, including claims of the providers of goods and services, and claims arising in connection with administration of the case such as the claims of professionals providing services to the City in connection with the case, and (c) imposition, without bondholder consent or over the objection of bondholders, of a plan of adjustment affecting the amount, interest rate, or amortization of the Bonds and otherwise substantially impairing the recovery of bondholders. In addition, the filing of a bankruptcy petition would result in an automatic stay enjoining any enforcement actions by or on behalf of the bondholders, including any action seeking a writ of mandamus, and would relieve the debtor, during the pendency of the bankruptcy case, from the obligation to make debt service payments on the Bonds. In bankruptcy, holders of the Bonds would be considered to be unsecured creditors of the City, and holders of the Bonds should not expect to receive any payment of debt service prior to confirmation of a plan of adjustment or dismissal of the case. Moreover, holders of the Bonds, as unsecured creditors, generally would not be entitled to a claim for interest accruing during or after the pendency of the bankruptcy case.

Book-Entry Only System

Principal of and interest on the Bonds are payable, so long as the Bonds are in book-entry only form, through a securities depository, as described in Appendix F. DTC, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). Beneficial ownership interests in the Bonds will be available in book-entry only form. Purchasers of beneficial ownership interests will not receive certificates representing their interests in the Bonds purchased. See Appendix F -- "Description of the Book-Entry Only System."

Termination of Book-Entry Only System

In the event that the book-entry only system is discontinued, the Bonds will be delivered by DTC to the Bond Registrar (defined herein) and such Bonds will be exchanged for Bonds registered in the names of the Direct or Indirect Participants or the Beneficial Owners (each as defined in Appendix F) identified to the Bond Registrar. In such event, certain provisions of the Bonds pertaining to ownership of the Bonds will be applicable to the registered owners of the Bonds as described below. Interest on the Bonds will be payable by check mailed by Manufacturers and Traders Trust Company (the "Bond Registrar") to the persons in whose names the Bonds are registered as of the close of business on the first day of the month in which such payment date occurs at the addresses shown on the registration books of the City maintained by the Bond Registrar. The principal or redemption price of and premium, if any, on the Bonds will be payable at the office of the Bureau of Treasury Management in Baltimore, Maryland. The City may designate another entity as Bond Registrar pursuant to the Resolution.

Registration, Transfer and Exchange

The City shall cause a Bond Register (the "Bond Register") for the Bonds to be kept at the designated office of the Bond Registrar. The City may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

Subject to the limitations set forth above with respect to the Bonds held in a book-entry only system, upon surrender for transfer of any Bond at such office, the City shall execute and the Bond Registrar shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds in the same series and authorized denomination or denominations in the aggregate principal amount which the transferee is entitled to receive. All Bonds presented for transfer, exchange or redemption (if so required by the City) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or by his duly authorized attorney. No service charge shall be made for any exchange, transfer, registration or discharge from registration of the Bonds, but the City may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. Neither the City nor any other Bond Registrar on behalf of the City shall be required to (a) register the transfer of or exchange any Bond during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing or (b) register the transfer of or exchange any Bond so selected for redemption in whole or in part.

THE CITY

The City is a body politic and corporate and a political subdivision of the State and has had a charter form of government since 1797 and home rule powers since 1918. All local government functions are performed by the City. Appendix A provides information regarding the City, including organizational information, financial information and certain demographic and economic information. Appendix B contains the City's ACFR for the Fiscal Year ended June 30, 2024.

Debt Service Schedule for Outstanding General Obligation Debt

The following table sets forth the debt service for the Bonds and all other currently outstanding general obligation bonds of the City on a fiscal year basis.

	Existing General Obligation Debt Service		The Bonds Debt Service		Total
Fiscal Year	Principal	Interest[(1)]	Principal	Interest	Debt Service
2026	41,340,000	18,142,293	$ -		
2027	41,010,000	16,257,277			
2028	40,500,000	14,375,093			
2029	38,285,000	12,563,017			
2030	33,455,000	10,954,654			
2031-2035	141,990,000	35,880,015	-	-	-
2036-2040	104,350,000	12,627,291	-	-	-
2041-2045	24,620,000	1,219,086	-	-	-
Total	$465,550,000 [(1)]	$122,018,726 [(1)]	$	$ [(1)]	$ [(1)]

[(1)] Totals may not add due to rounding.

PLAN OF FINANCE

The City intends to use the proceeds of the Bonds to (i) finance various public improvements of the City, (ii) pay the costs of issuance of the Bonds and (iii) to the extent there are sufficient funds, fund a portion of the interest with respect to such Bonds.

The following table outlines the estimated sources and uses of funds for the Bonds.

	Series 2025A Bonds	Series 2025B Bonds	Total
Sources of Funds:			
Par Amount of Bonds	$	$	$
Premium			
Total Sources of Funds:	**$**	**$**	**$**
Uses of Funds:			
Deposit to Project Fund			
Tax-Exempt Projects	$	-	$
Taxable Projects	-	$	
Additional Proceeds for Payment of Debt Service*			
Costs of Issuance**			
Total Uses of Funds:	**$**	**$**	**$**

* A portion of these proceeds may be used by the City, in its discretion, to finance additional projects.

** Costs of issuance include, among other items, the Underwriters' discount, Bond Counsel fees, ratings fees, printer fees and Municipal Advisor fees.

DEBT SERVICE SCHEDULES

Debt Service Schedules for the Bonds

The following table sets forth the annual debt service requirements for the Bonds.

	Series 2025A Bonds		Series 2025B Bonds		
Fiscal Year	**Principal**	**Interest**	**Principal**	**Interest**	**Total***
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2041					
2042					
2043					
2044					
2045					
Total*	**$**	**$**	**$**	**$**	**$**

*Totals may not add due to rounding.

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APPLICATION OF PROCEEDS OF THE BONDS

The proceeds of the Bonds will be used to finance or refinance certain capital projects of the City as approved by voters of the City and by either resolutions of the City Delegation to the General Assembly or the Acts of the General Assembly. A portion of the proceeds of the Bonds will finance indebtedness or reimburse expenditures incurred for such authorized public improvement projects (the "Projects"), as set forth below.

Loan Projects	**Series 2025A Bonds**	**Series 2025B Bonds**	**Total**
1st Affordable Housing	-	$2,771,094.34	$2,771,094.34
1st Community & Economic Development	$835,790.95	1,163,014.92	1,998,805.87
1st Cultural Institution	-	52,477.84	52,477.84
1st Recreation and Parks & Public Facilities	102,279.21	1,001,742.13	1,104,021.34
1st Public Infrastructure	9,906,495.32	2,229,584.28	12,136,079.60
2nd Affordable Housing	-	738,459.30	738,459.30
2nd Community & Economic Development	356,679.51	2,314,244.64	2,670,924.15
2nd Recreation and Parks & Public Facilities	4,011,725.19	409,418.28	4,421,143.47
2nd Public Infrastructure	4,827,264.39	-	4,827,264.39
3rd Affordable Housing	2,355,429.00	62,363.00	2,293,066.00
3rd Community & Economic Development	39,444.05	4,800,898.69	4,840,342.74
3rd Recreation and Parks & Public Facilities	6,969,542.43	2,937,161.26	9,906,703.69
3rd Public Building	-	76,789.48	76,789.48
4th Affordable Housing	215,141.09	-	215,141.09
4th Community & Economic Development	1,484,528.23	10,999,193.81	12,483,722.04
5th Community & Economic Development	2,047,993.33	4,694,966.30	6,742,959.63
5th Public Buildings	337,743.61	1,348,230.24	1,685,973.85
6th Public Buildings	1,269,943.22	1,178,655.14	2,448,598.36
19th Economic Development	-	183,158.59	183,158.59
20th Economic Development	-	134,560.78	134,560.78
21st Economic Development	-	48,045.84	48,045.84
22nd Economic Development	-	245,416.07	245,416.07
23rd Economic Development	-	11,288.87	11,288.87
24th Economic Development		643,787.38	643,787.38
26th Recreation & Parks Buildings	10,320.94	-	10,320.94
27th Recreation & Parks Buildings	700,000.00	-	700,000.00
29th Community Development		146,377.27	146,377.27
30th Community Development		114,904.88	114,904.88
31st Community Development	25,899.00	415,192.30	441,091.30
47th Schools	-	27,804,694.99	27,804,694.99
48th Schools	-	1,785,422.91	1,785,422.91
Total	**$33,203,153.47**	**$70,541,846.53**	**$103,745,000.00**

CERTAIN FINANCIAL INFORMATION REGARDING CITY OF BALTIMORE

Statement of General Obligation Debt and Other Financing Arrangements as of June 30th

	After Bond Sale 2025*	2025*	2024	2023	2022	2021
General Obligation Bonds:						
Education		$133,807,354	$148,484,674	$162,476,702	$182,100,522	$177,318,055
Highways		188,120	254,876	318,009	564,235	797,538
Parking		21,200	74,950	125,750	1,846,700	3,431,258
Public Buildings & Facilities		100,189,018	107,156,752	113,799,518	135,740,421	132,337,258
Public Health		466,867	593,804	714,451	921,989	1,108,554
Public Safety		631,827	778,547	917,924	1,165,965	1,378,828
Recreation & Parks		41,469,148	44,109,112	46,628,853	36,679,058	31,113,448
Storm Water		2,489,400	2,723,085	2,945,489	3,488,109	3,874,727
Unallocated		77,380	273,568	458,988	1,250,855	2,001,112
Urban Renewal & Development		186,209,686	202,810,633	218,669,317	243,422,145	246,619,222
Total General Obligation Bonds		$465,550,000	$507,260,000	$547,055,000	$607,180,000	$599,980,000
Revenue Obligations - City Facilities:						
Convention Center Revenue Bonds	$247,660,000	$247,660,000	$252,220,000	$256,270,000	$259,755,000	$262,705,000
County Transportation Bonds	47,122,553	47,122,553	54,817,553	65,292,149	87,195,000	100,595,000
Parking Facilities Revenue Bonds	53,180,000	53,180,000	57,905,000	62,485,000	67,540,000	71,865,000
Stormwater Special Revenue Bonds[(a)(b) (c)]	110,601,446	110,601,446	112,507,867	115,581,970	104,176,535	63,440,511
Wastewater Utility Revenue Bonds[(b)(c)]	1,514,289,452	1,514,289,452	1,573,765,937	1,633,221,332	1,610,247,971	1,501,194,231
Water Utility Revenue Bonds[(b)(c)]	1,238,805,870	1,238,805,870	1,277,994,392	1,306,073,003	1,341,507,390	1,177,078,403
Total Revenue Obligations – City Facilities	$3,211,659,321	$3,211,659,321	$3,329,210,749	$3,438,923,454	$3,470,421,896	$3,176,878,145
Special Obligation Bonds						
Tax Increment Financing	$356,043,947	$356,043,947	$363,798,880	$368,806,508	$329,424,508	$338,246,119
Total Special Obligation Bonds	$356,043,947	$356,043,947	$363,798,880	$368,806,508	$329,424,508	$338,246,119
Financings with the Federal Government:						
Urban Renewal & Development	13,244,000	13,244,000	15,496,000	5,666,000	7,995,000	11,018,000
Total Federal Government Financings	$13,244,000	$13,244,000	$15,496,000	$5,666,000	$7,995,000	$11,018,000
Conditional Purchase Agreements:						
Master Lease Financings	128,964,688	128,964,688	159,146,999	157,452,697	163,991,970	151,471,488
Total Conditional Purchase Agreements	$128,964,688	$128,964,688	$159,146,999	$157,452,697	$163,991,970	$151,471,488
Total - All Financing Obligations	**$3,709,911,956**	**$4,175,461,956**	**$4,374,912,628**	**$4,517,903,659**	**$4,579,013,374**	**$4,277,593,752**

*** Unaudited – as of May 1, 2025**

(a) Includes borrowings financed with county transportation bonds and Maryland Water Infrastructure Financing Administration.

(b) Includes borrowings financed through the Maryland Water Infrastructure Financing Administration to fund various water and sewer projects.

(c) Includes borrowings financed through U.S. Environmental Protection Agency WIFIA Program.

GENERAL OBLIGATION LOANS AUTHORIZED, NOT ISSUED

As described under the heading "DEBT OF THE CITY" in Appendix A of this Official Statement, the City's ability to incur general obligation debt requires a three-step procedure: State legislative authorization, enactment of a City loan ordinance and approval by the voters of the City. Thereafter, the loan authorization must be appropriated through the City's capital budget process before the loan funds can be expended. As a result of these required procedures, the City usually has a backlog of authorized loans which have not been funded by issuance of either general obligation bonds or general obligation bond anticipation notes. The table below reflects the remaining amount of such loans authorized but not issued as of the closing date of the Bonds:

General Purpose	Number of Authorizations	Amount
Education	5	$196,804,695
Finance	1	20,000,000
Highways	1	21,520
Parking	2	345,000
Public Buildings & Facilities	20	345,534,000
Public Health	4	4,070,611
Public Safety	1	6,470
Recreation & Parks	4	5,439,855
Urban Renewal & Development	32	239,313,809
Total	70	$811,535,960

FUTURE GENERAL OBLIGATION ISSUES

The City's capital improvement program is an ongoing undertaking which requires periodic issuances of the City's general obligation bonds to fund the portion of such program which was appropriated to be paid. The City expects to issue its next general obligation offering in the fourth quarter of fiscal year 2026.

TAX MATTERS

The following is only a general summary of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

Maryland Income Taxation

In the opinion of Bond Counsel, under existing law, interest on the Bonds and profit realized from their sale or exchange will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds, their transfer or the interest thereon. Under existing law, interest on the Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Purchasers of the Bonds should consult their own tax advisors with respect to the taxable status of the Bonds in jurisdictions other than the State of Maryland.

Tax-Exempt Bonds

Federal Income Taxation

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein and under existing statutes, regulations, and decisions, interest on the Tax-Exempt Bonds will be excludable from gross income for federal income tax purposes.

Under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Tax-Exempt Bonds, including restrictions that must be complied with throughout the term of the Tax-Exempt Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Tax-Exempt Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Tax-Exempt Bonds; and (iii) other requirements applicable to the use of the proceeds of the Tax-Exempt Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Tax-Exempt Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The City has covenanted to regulate the investment of the proceeds of the Tax-Exempt Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Further, Bond Counsel is of the opinion that under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. Interest on the Tax-Exempt Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. For this purpose, in general, applicable corporations are corporations with more than one billion dollars in average annual adjusted financial statement income determined over a 3-year period. In addition, interest income on the Tax-Exempt Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion, Bond Counsel will rely, without independent investigation on the representations of certain officials of the City made on behalf of the City in its Tax and Section 148 Certificate with respect to certain material facts within the knowledge of the City relevant to the tax-exempt status of interest on the Tax-Exempt Bonds.

Additional Federal Tax Considerations

There are other federal income tax consequences of ownership of obligations such as the Tax-Exempt Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest; (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 25% of the sum of tax-exempt interest income and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Tax-Exempt Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or other disposition of the Tax-Exempt Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts or estates; and (vi) receipt of certain investment income, including interest on the Tax-Exempt Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

Tax Accounting Treatment of Tax-Exempt Discount Bonds

Certain maturities of the Tax-Exempt Bonds may be issued at an initial public offering price which is less than the amount payable on such Tax-Exempt Bonds at maturity (the "Tax-Exempt Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Tax-Exempt Discount Bonds of each maturity was sold, and the principal amount of such Tax-Exempt Discount Bonds payable at maturity constitutes original issue discount. In the case of any holder of Tax-Exempt Discount Bonds, the amount of such original issue discount that is treated as having accrued with respect to such Tax-Exempt Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity).

For federal income tax purposes (a) any holder of a Tax-Exempt Discount Bond will recognize gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition and (ii) the sum of (1) the holder's original cost basis in such Tax-Exempt Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Tax-Exempt Discount Bond, and (b) the amount of the basis adjustment described in clause (a)(ii)(2) will not be included in the gross income of the holder.

Original issue discount on Tax-Exempt Discount Bonds will be attributed to permissible compounding periods during the life of any Tax-Exempt Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Tax-Exempt Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Tax-Exempt Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount that is treated as having accrued in respect of a Tax-Exempt Discount Bond for any particular compounding period is equal to the excess of (a) the product of (i) the yield for such Tax-Exempt Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (ii) the amount that would be the tax basis of such Tax-Exempt Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (b) the amount actually payable as interest on such Tax-Exempt Discount Bond during such period. For purposes of the preceding sentence the tax basis of a Tax-Exempt Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Tax-Exempt Discount Bond the original issue discount that is treated as having accrued during all prior compounding periods. If a Tax-Exempt Discount Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of Tax-Exempt Discount Bonds should note that, under the tax regulations, the yield and maturity of a Tax-Exempt Discount Bond is determined without regard to commercially reasonable sinking fund payments, and any original issue discount remaining unaccrued at the time that a Tax-Exempt Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain.

Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable on the occurrence of certain contingencies. The prices or yields furnished by the successful bidder for the Tax-Exempt Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purpose of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Tax-Exempt Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Tax-Exempt Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Tax-Exempt Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Tax-Exempt Discount Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding

receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Tax-Exempt Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Tax-Exempt Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Tax-Exempt Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Tax-Exempt Bond will be its cost.

Upon the disposition of a Tax-Exempt Bond (including sale, early redemption, purchase or payment at maturity), for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Tax-Exempt Bond, determined by adding to the original cost basis in such Tax-Exempt Bond the amount of original issue discount that is treated as having accrued as described above under "*Tax Matters* — Tax-Exempt Bonds — *Tax Accounting Treatment of Tax-Exempt Discount Bonds.*" Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Tax-Exempt Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount

If a holder acquires a Tax-Exempt Bond after its original issuance at a discount below its principal amount (or in the case of a Tax-Exempt Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Tax-Exempt Bond was first issued), the holder will be deemed to have acquired the Tax-Exempt Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Tax-Exempt Bond with market discount subsequently realizes a gain upon the disposition of the Tax-Exempt Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Tax-Exempt Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Tax-Exempt Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Tax-Exempt Bond's stated redemption price at maturity over the holder's cost of acquiring the Tax-Exempt Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Tax-Exempt Bond and its maturity date. In the case of a Tax-Exempt Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Tax-Exempt Bond's revised issue price over the holder's cost of acquiring the Tax-Exempt Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Tax-Exempt Bond and its stated maturity date. For this purpose, a "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Tax-Exempt Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Tax-Exempt Bond will be considered to have been acquired at a premium if, and to the extent that, immediately after the acquisition of such Tax-Exempt Bond, the holder's tax basis in the Tax-Exempt Bond exceeds the amount payable at maturity (or, in the case of a Tax-Exempt Bond callable prior to maturity, an amount payable on an earlier call date, as described). Under tax regulations applicable to the Tax-Exempt Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on the Tax-Exempt Bond. The holder will be required to reduce his tax basis in the Tax-Exempt Bond for purposes of determining gain or loss upon disposition of the Tax-Exempt Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the

regulations. Generally, no deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Tax-Exempt Bonds.

U.S. Federal Backup Withholding and Information Reporting

In general, information reporting requirements apply with respect to payments to certain non-corporate United States holders of interest and original issue discount on, and payments to such holder of the proceeds of the sale, exchange, redemption, retirement or other disposition of a Tax-Exempt Bond. If a United States holder of a Tax-Exempt Bond (other than a corporation or other specified exempt entity) fails to satisfy applicable information reporting requirements imposed by the Code, payments to such holder will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax equal to 24% of the payments. In general, the information reporting requirements (where applicable) are satisfied if the holder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification." Backup withholding should not occur if a holder purchases a Tax-Exempt Bond through a brokerage account with respect to which a Form W-9 has been provided, as generally can be expected. Any amounts withheld pursuant to backup withholding would be subject to recovery by the holder through proper refund or credit.

Taxable Bonds

General

Many factors may impact the application of federal income tax laws pertaining to the Taxable Bonds and the receipt of interest on Taxable Bonds, including the status of the beneficial owner of the Taxable Bonds as a United States holder or non-United States holder under the Code, whether Taxable Bonds are held as capital assets or in some other context and whether the status of the beneficial owner or the financial context in which it is operating represents a special tax situation, such as an S corporation, insurance company, tax-exempt organization, financial institution, regulated investment company, real estate investment trust or broker-dealer or trader in securities. Persons considering the purchase of the Taxable Bonds should consult their tax advisors concerning the application of federal income tax laws to their particular situations.

The following is a summary of certain federal income tax consequences of the ownership of Taxable Bonds held as capital assets by United States holders. The discussion below is based upon the provisions of the Code and regulations, rulings and judicial decisions as of the date of this Official Statement. Those provisions may be changed, in some cases retroactively, so as to result in federal income tax consequences different from those discussed below.

As used herein, "United States holder" means a beneficial owner of a Taxable Bond who or that, for United States federal income tax purposes, is (i) a citizen or resident of the United States, (ii) an entity taxable as a corporation created or organized in or under the laws of the United States or any political subdivision of the United States, (iii) an estate, the income of which is subject to federal income taxation regardless of its source or (iv) a trust, if it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or if it has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If a partnership, or other entity classified as a partnership for federal income tax purposes, holds Taxable Bonds, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Taxable Bonds should consult its tax advisor.

Payment of Interest

Interest on a Taxable Bond will be taxable to a United States holder as ordinary income at the times accrued or paid in accordance with the United States holder's method of accounting for federal income tax purposes.

Tax Accounting Treatment of Taxable Discount Bonds

Certain maturities of the Taxable Bonds may be issued at an initial public offering price that is less than the stated redemption price at maturity of such Taxable Bonds (the "Taxable Discount Bonds"). If the stated redemption price at maturity of Taxable Discount Bonds of a particular maturity exceeds the first price at which a substantial amount of such Bonds was sold for money (excluding sales to bond houses, brokers or similar persons acting as underwriters, placement agents or wholesalers) by more than a *de minimis* amount, the Taxable Discount Bonds will be treated as having original issue discount. A holder of Taxable Discount Bonds (whether a cash or accrual method taxpayer) is required to include in gross income as interest the amount of such original issue discount which is treated as having accrued during a taxable year with respect to such Taxable Bonds, in advance of the receipt of some or all of the related cash payments. Accrued original issue discount is added to the original cost basis of the holder in determining, for federal income tax purpose, gain or loss upon disposition (including sale, early redemption or repayment at maturity).

Original issue discount on Taxable Discount Bonds will be attributed to permissible compounding periods during the life of any Taxable Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Taxable Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Taxable Discount Bonds and must begin or end on the date of such payments. The amount of original issue discount allocable to any compounding period is equal to the excess, if any, of (a) the Taxable Discount Bond's adjusted issue price at the beginning of the compounding period multiplied by its yield to maturity, determined on the basis of compounding at the close of each compounding period and properly adjusted for the length of the compounding period, over (b) the aggregate of all qualified stated interest allocable to the compounding period. Original issue discount allocable to a final compounding period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final compounding period. Special rules apply for calculating original issue discount for an initial short compounding period. The "adjusted issue price" of a Taxable Discount Bond at the beginning of any compounding period is equal to its issue price increased by the accrued original issue discount for each prior compounding period (determined without regard to the amortization of any acquisition or bond premium, as described below) and reduced by any payments made on the Taxable Discount Bond (other than qualified stated interest) on or before the first day of the compounding period. Under these rules, a holder of a Taxable Discount Bond will have to include in income increasingly greater amounts of original issue discount in successive compounding periods. The amount of original issue discount accrued on Taxable Discount Bonds held of record by persons other than corporations and other exempt holders will be reported to the Internal Revenue Service. If a Taxable Discount Bond is sold or otherwise disposed of between compounding dates, then interest that would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the issuer, if the interest to be paid is payable at least once per year, is payable over the entire term of the Taxable Discount Bond and is payable at a single fixed rate or, subject to certain conditions, based on one or more interest indices.

Holders of Taxable Discount Bonds should note that, under applicable regulations, the yield and maturity of a Taxable Discount Bond is determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Taxable Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The prices or yields furnished by the successful bidder for the Taxable Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Taxable Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Taxable

Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Taxable Discount Bonds. In addition, prospective foreign corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Taxable Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Taxable Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Taxable Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Taxable Bond will normally result in capital gain or loss. A United States holder's initial tax basis in a Taxable Bond will be its cost. Upon the disposition of a Taxable Bond (including sale, early redemption, purchase or payment maturity), for federal income tax purposes, a United States holder will recognize capital gain or loss upon the disposition of such security in an amount equal to the difference between (a) the amount received upon such disposition (less an amount equal to any accrued qualified stated interest, which will be treated as a payment of interest) and (b) the tax basis in such Taxable Bond, determined by adding to the original cost basis in such Taxable Bond the amount of any original issue discount and any market discount previously included in such holder's income, and by subtracting any amortized premium and any cash payments on the Taxable Bond other than qualified stated interest, as more fully described above under "Tax Accounting Treatment of Taxable Discount Bonds." Such gain or loss will be long-term capital gain or loss if at the time of the sale, redemption or retirement, the Taxable Bond has been held for more than one year. Under present law, both long and short-term capital gains of corporations are taxed at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

If a United States holder acquires a Taxable Bond after its original issuance at a cost which is less than its stated redemption price at maturity (or, in the case of a Taxable Bond having original issue discount, its revised issue price) by more than a certain *de minimis* amount, such holder will be deemed to have acquired the Taxable Bond at "market discount." The amount of market discount treated as having accrued will be determined either on a ratable basis, or, if the holder so elects, on a constant interest method. Upon any subsequent disposition (including a gift, redemption or payment at maturity) of such Taxable Bond (other than in connection with certain nonrecognition transactions), the lesser of any gain on such disposition (or appreciation, in the case of a gift) or the portion of the market discount that accrued while the Taxable Bond was held by such holder will be treated as ordinary income at the time of the disposition. In lieu of including accrued market discount in income at the time of disposition, a holder may elect to include market discount in income currently. Unless a holder so elects, a holder may be required to defer deductions for a portion of such holder's interest expense with respect to any indebtedness incurred or maintained to purchase or carry such Taxable Bond until the holder disposes of the Taxable Bond. The election to include market discount in income currently, once made, is irrevocable and applies to all market discount obligations acquired on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

Acquisition Premium

A subsequent United States holder of a Taxable Bond is generally subject to rules for accruing original issue discount described above. However, if such holder's purchase price for a Taxable Bond exceeds the adjusted issue price (the sum of the issue price of the Taxable Bond and the aggregate amount of the original issue discount includable in the gross income of all holders for periods before the acquisition of the Taxable Bond by such holder, and reduced by any payments previously made on the Taxable Bond other than payments of qualified stated interest), the excess (referred to as "acquisition premium") is offset ratably against the amount of original issue discount otherwise includable in such holder's taxable income (*i.e.,* such holder may reduce the daily portion of original issue discount by a fraction, the numerator of which is the excess of such holder's purchase price for the Taxable Bond over the adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Taxable Bond after the purchase date other than qualified stated interest over the Taxable Bond's adjusted price).

Amortizable Bond Premium

If a United States holder's basis in a Taxable Bond exceeds the sum of all amounts payable on the Taxable Bond after the date on which the holder acquires it other than qualified stated interest, such excess will constitute amortizable bond premium with respect to the Taxable Bond and, in the case of a Taxable Discount Bond, such holder will not have to account for original issue discount with respect to such Taxable Bond. The holder of a Taxable Bond having amortizable bond premium generally may elect to amortize the premium over the remaining term of the Taxable Bond on a constant yield method as an offset to interest when includable in income under its regular accounting method. In the case of instruments that provide for alternative payment schedules, bond premium amortization is calculated by assuming that (a) the holder will exercise or not exercise options in a manner that maximizes its yield and (b) the issuer will exercise or not exercise options in a manner that minimizes the holder's yield (except that the issuer will be assumed to exercise call options in a manner that maximizes the holder's yield). In addition, bond premium amortization is calculated without regard to commercially reasonable sinking fund payments. If the holder does not elect to amortize bond premium, that premium will decrease the gain or increase the loss that would otherwise be recognized on disposition of the Taxable Bond. An election to amortize premium on a constant yield method will also apply to all debt obligations held or subsequently acquired by the holder on or after the first day of the first taxable year to which the election applies. The holder may not revoke the election without the consent of the Internal Revenue Service. Holders of Taxable Bonds having amortizable bond premium should consult with their own tax advisors before making this election.

Election to Use Original Discount Method with Respect to a Taxable Bond

The holder of a Taxable Bond may elect to treat all interest on the Taxable Bond as original issue discount and calculate the amount includable in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. The holder must make this election for the taxable year in which the Taxable Bond is acquired and may not revoke the election without the consent of the Internal Revenue Service. Holders of Taxable Bonds should consult with their own tax advisors about this election.

Medicare Tax

Interest income from the Taxable Bonds (including accrued original issue discount and market discount) and net gain realized on the sale or other disposition of property such as the Taxable Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates.

U.S. Federal Backup Withholding and Information Reporting

In general, information reporting requirements apply with respect to payments to certain non-corporate United States holders of interest and original issue discount on, and payments to such holder of the proceeds of the sale, exchange, redemption, retirement or other disposition of a Taxable Bond. If a United States holder of a Taxable Bond (other than a corporation or other specified exempt entity) fails to satisfy applicable information reporting requirements imposed by the Code, payments to such holder will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax equal to 24% of the payments. In general, the information reporting requirements (where applicable) are satisfied if the holder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification." Backup withholding should not occur if a holder purchases a Taxable Bond through a brokerage account with respect to which a Form W-9 has been provided, as generally can be expected. Any amounts withheld pursuant to backup withholding would be subject to recovery by the holder through proper refund or credit.

Foreign Investors

Subject to the discussion in the following paragraph, payments with respect to the Taxable Bonds to a non-United States holder that has no connection with the United States other than holding its Taxable Bonds generally will be exempt from United States income tax and will be made free of withholding tax, as long as that holder has complied

with certain tax identification and certification requirements. Non-United States holders should consult their tax advisors regarding the possible United States income tax implications of their ownership and disposition of the Taxable Bonds.

Sections 1471 through 1474 of the Code and related federal income tax guidance, collectively referred to as FATCA, generally impose United States federal withholding tax at a rate of 30% on certain types of payments to certain foreign entities, unless various information reporting and diligence requirements are satisfied. This tax generally would apply in the case of Taxable Bonds held through foreign financial institutions that do not satisfy such requirements. Generally, the 30% United States federal withholding tax under FATCA will apply to United States-source interest (such as interest and original issue discount on the Taxable Bonds) and, under current guidance, would apply to certain "pass thru" payments no earlier than the date that is two years after publication of final regulations defining the term "foreign passthru payments." Non-United States holders should consult their tax advisors regarding the possible implications of FATCA on their ownership and disposition of the Taxable Bonds.

Legislative Developments

Legislative proposals could adversely affect the market value of the Bonds. Further, if enacted into law, any such legislation could cause the interest on the Tax-Exempt Bonds to be subject, directly or indirectly, to federal income taxation, or could cause the interest on the Bonds to be subject, directly or indirectly, to State income taxation, and could otherwise alter or amend one or more of the provisions of federal or State tax law described above or their consequences, as applicable. Prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of any pending or future legislative proposals, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the respective approving opinion of McKennon Shelton & Henn LLP, Bond Counsel, which will be furnished upon delivery of the Bonds. The approving opinions of Bond Counsel to the City are expected to be in substantially the forms set forth in Appendix D attached hereto. Certain legal matters will be passed upon for the City by Ebony M. Thompson, Esquire, City Solicitor.

SALE AT COMPETITIVE BIDDING

The Bonds were offered for sale by the City at competitive sale on July 23, 2025 in accordance with the official Notices of Sale (the forms of which are attached as Appendix C-1 and Appendix C-2, respectively). The successful bidder for the Series 2025A Bonds was [_____] and the successful bidder for the Series 2025B Bonds was [_____]. The interest rates shown on the inside front cover of this Official Statement are the interest rates to the City resulting from the award of the Bonds at the competitive sale. The yields or prices shown on the inside front cover of this Official Statement are based on information supplied to the City by the successful bidders. Any other information concerning the terms of reoffering of the Bonds, if any, including yields or prices, should be obtained from the successful bidders and not from the City.

RATINGS

Moody's Investors Services, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned municipal bond ratings of "Aa2, negative outlook" and "AA, stable outlook", respectively, to the Bonds. Moody's and S&P have assigned ratings of "Aa2" and "AA", with negative outlook and stable outlook, respectively, to the outstanding general obligation bonds of the City without consideration of bond insurance or other credit enhancement. These ratings reflect only the views of Moody's and S&P. An explanation of the significance of these ratings may be obtained from Moody's and S&P. The City furnished to the rating agencies certain materials and information with respect to the Bonds and itself. Generally, the rating agencies base their ratings on such materials and information and on investigations, studies and assumptions by the ratings agencies. No assurance can be given that such ratings

will remain in effect for any given period of time or that they may not be reduced or withdrawn by Moody's and S&P, if in the judgment of such rating agencies circumstances so warrant. Any downward change in or withdrawal of such ratings could adversely affect the market price of the Bonds. The City has undertaken no responsibility after the issuance of the Bonds to ensure the maintenance of the ratings or to oppose any proposed or threatened change or withdrawal of such ratings.

CONTINUING DISCLOSURE

The City has agreed, in accordance with the provisions of Rule 15c2-12 (the "Rule") adopted by the United States Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to provide or cause to be provided to the continuing disclosure service established by the Municipal Securities Rulemaking Board (the "MSRB") known as the Electronic Municipal Market Access System (together with any successor system, "EMMA"), as designated by the SEC in accordance with the Rule, when and if available, but in any event within 245 days after the end of each fiscal year of the City, annual financial information and operating data (commencing with the fiscal year ending June 30, 2024).

The City also has agreed to provide notice to EMMA of certain events with respect to any of the Bonds in a timely manner not in excess of ten business days after the occurrence of such event. Such undertaking requires the City to provide only limited information at specified times and does not require it to disclose all information that may affect the value of the Bonds. The City may choose to make additional information available from time to time, but has no obligation to do so. For more specific information regarding the City's continuing disclosure undertaking, see Appendix E -- "Form of Continuing Disclosure Certificate."

The undertakings by the City set forth in the preceding paragraphs, and any claim made with respect to the performance by the City of these undertakings, shall be governed by, subject to, and construed according to the laws of the State. The City may be given written notice by any bondholder at the address set forth below of any claimed failure by the City to perform any such undertaking, and the City shall be given 15 days to remedy such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the City must be filed in the Circuit Court for Baltimore City, Maryland, and any party maintaining such suit or other proceeding shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Any bondholder may take steps to enforce the obligation of the City to provide continuing disclosure, but any failure by the City under its obligation will not result in an event of default under the Bonds.

Annual Disclosure for Years Ending June 30, 2020, through June 30, 2024

Under existing continuing disclosure obligations, the City is required annually to provide on EMMA (as defined herein) audited financial statements not later than 245 days after the end of the City's Fiscal Year. If such audited financial statements are not available within 245 days after the end of the City's Fiscal Year, the City must provide, not later than nine months after the end of the City's Fiscal Year, unaudited financial statements in a format similar to the audited financial statements.

2024 Audited Financial Statements. The City failed to file its ACFR for the Fiscal Year ended June 30, 2024 by March 1, 2025 but the City did file its financial operating data on February 28, 2025. The City filed its ACFR on May 19, 2025.

2023 Audited Financial Statements. The City failed to file its ACFR and financial operating data for the Fiscal Year ended June 30, 2023 by March 1, 2024. The City filed the financial operating data on May 1, 2024, and filed its ACFR on May 17, 2024.

2022 Audited Financial Statements. In accordance with its continuing disclosure obligations for the Fiscal Year ended June 30, 2021, the City filed the City's 2022 ACFR in a timely manner on February 28, 2023.

2021 Audited Financial Statements. In accordance with its continuing disclosure obligations for the Fiscal Year ended June 30, 2021, the City filed the City's 2021 ACFR in a timely manner on March 1, 2022.

2020 Audited Financial Statements. In accordance with its continuing disclosure obligations for the Fiscal Year ended June 30, 2020, the City filed its ACFR for the Fiscal Year ended June 30, 2020 in a timely manner on February 3, 2021. The City inadvertently failed to file financial operating data on February 3, 2021. This oversight was corrected on May 4, 2021 with the filing of the financial operating data.

Event Filings. The City failed to file event filings in connection with bond rating changes that occurred as a result of the upgrade of the underlying credit rating for certain of the City's bonds and changes in the ratings of bond insurers that secured certain bonds issued by the City. The City has subsequently disclosed these rating changes on EMMA.

When filing information with the EMMA system, the City inadvertently failed to index properly certain filings with each relevant outstanding debt issue. To the extent a filing was made without all of the associated CUSIP numbers, the filing was otherwise available on EMMA in connection with another City debt issue. The City has made supplemental filings with EMMA to provide information to correct these filings. The City is committed to complying with its continuing disclosure obligations and in connection with such commitment, has established written policies and procedures with respect to such obligations and provides training for City personnel responsible for carrying out the City's continuing disclosure undertakings to assure that they stay abreast of current continuing disclosure requirements.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Philadelphia, Pennsylvania (the "Municipal Advisor") serves as the municipal advisor to the City for debt management and certain other financial matters. The Municipal Advisor has provided certain services to the City in connection with the issuance of the Bonds and has assisted with the preparation of this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Municipal Advisor has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in the Official Statement.

INDEPENDENT AUDITOR

The financial statements of the City for the fiscal year ended June 30, 2024, together with the report of SB & Company, independent certified public accountants, are included in Appendix B to this Official Statement and should be read in their entirety.

LITIGATION

There is no litigation presently pending against the City in which the potential liability is to such a degree that the City's ability to levy and collect *ad valorem* taxes to pay the Bonds is threatened. See "SOURCES OF CITY REVENUE -- Income Tax" in Appendix A. See also "CITY GOVERNMENT AND ADMINISTRATION—- Descriptions of Certain Departments and Agencies - The Police Department" and " - The Department of Public Works" in Appendix A

NO-LITIGATION CERTIFICATE

At the time of original delivery of the Bonds, the City will deliver a certificate of certain officers of the City stating that there is no litigation then pending, or to their knowledge threatened, affecting the validity of the Bonds, or the power of the City to levy and collect taxes to pay debt service on the Bonds.

The execution of this Official Statement and its delivery has been approved by the Mayor and City Council of Baltimore. At the time of original delivery of the Bonds, Jennell A. Rogers, Chief, Bureau of Treasury Management, will execute and deliver a certificate to the effect that this Official Statement does not contain any

untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

MISCELLANEOUS

Financial data presented in this Official Statement which are so identified have been furnished by the City from its records and, unless otherwise stated, reflect data prepared from the City's official records, which are public documents, and which are believed to be accurate and reliable. Other data have been prepared by or furnished by sources (identified herein) which the City believes to be accurate and reliable, but the City does not guarantee the accuracy of such data. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. Any statement made in the Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of any of the Bonds. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

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The City will provide its annual financial statements and other information included in its comprehensive annual financial report to any prospective purchaser of the Bonds upon request. Any questions regarding the City's annual financial statements, this Official Statement or the Bonds should be directed to: Chief, Bureau of Treasury Management, Department of Finance, City of Baltimore, 200 Holliday Street, Room 7, Baltimore, Maryland 21202, Telephone: 410.396.4752.

MAYOR AND CITY COUNCIL OF BALTIMORE

By: _____
Brandon M. Scott,
Mayor

By: _____
Michael Mocksten (Moiseyev)
Director of Finance

By: _____
Jennell A. Rogers
Chief, Bureau of Treasury Management
Department of Finance

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APPENDIX A

CERTAIN INFORMATION REGARDING
MAYOR AND CITY COUNCIL OF BALTIMORE

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CITY GOVERNMENT AND ADMINISTRATION

Introduction

The Mayor and City Council of Baltimore (the "City") is a body corporate and politic of the State of Maryland (the "State") in which all local governmental functions are performed by the City. The City has had a charter form of government since 1797, home rule powers since 1918, and is governed by an elected Mayor, Comptroller and a City Council. The City has a total area of approximately 92 square miles and an estimated population in 2024 is 568,271, marking the first time in a decade that the City has seen an increase in population. The City is a major deep-water seaport located on the Patapsco River, a tributary of the Chesapeake Bay. It is served by Thurgood Marshall/Baltimore-Washington International Airport in adjacent Anne Arundel County. The City is almost completely surrounded by Baltimore County, a separate entity, which borders the City on the east, north, west and part of the south. Anne Arundel County also adjoins the City on its southern border.

Services provided or paid for by the City from local, State or Federal sources include police, fire and emergency services, education, various welfare programs, public works, storm water management and court and correctional services. The City is also responsible for the adoption and maintenance of building codes and the regulation of licenses and permits, the collection of certain taxes and revenues, the maintenance of public records, the conducting of elections, and the collection and disposal of refuse. There are no overlapping local governmental entities or taxing jurisdictions. Accordingly, there is no overlapping debt of the City.

On July 8, 2025 Moody's Investors Service, Inc. affirmed the City's "Aa2" general obligation rating. Additionally, on July 8, 2025, Standard & Poor's Ratings Services ("S&P") affirmed the City's "AA" general obligation rating.

The City's executive offices are located at City Hall, 100 N. Holliday Street, Baltimore, Maryland 21202, and can be reached by telephone at 410.396.3100.

History

The founding of the City dates back to 1729 when the Maryland General Assembly (the "General Assembly") authorized the construction of Baltimore town on the north side of the Patapsco River. Three land additions in 1816, 1888 and 1918 and separation in 1851 from Baltimore County brought the City to its present size. Since 1918, the City's boundaries have remained unchanged.

In 1797, the City became an incorporated city when the General Assembly granted a charter to the City of Baltimore. One hundred years later, the City appointed a commission to draft a new charter. The product of their efforts, known as the "New Charter" (also referred to herein as the "Charter"), was adopted by the General Assembly in 1898. The New Charter placed the power of appointing most of the heads of the City departments in the hands of the Mayor, subject to confirmation by the City Council.

In 1918, the Charter was amended to provide for a municipal civil service system based on merit and to provide for Home Rule. Home Rule allows the Mayor and City Council to pass all local laws affecting the City, subject to the State Constitution and public general law of the State (as defined by the State Constitution). The Charter has been revised many times since its adoption.

Organizational Structure

Under the Charter, the City's executive functions are vested in the Mayor, the Board of Estimates and an independent Comptroller. The City's legislative functions are vested in the City Council.

The Mayor is the chief executive officer of the City. The Mayor is elected for a term of four years and is eligible to succeed as Mayor without limitation as to the number of terms. If the Mayor is disabled or absent from the City, the President of the City Council acts as ex-officio Mayor. If the Mayor resigns, is permanently disqualified or dies in office, the President of the City Council becomes Mayor for the remainder of the term. The Mayor has authority to veto ordinances, has power of appointment of most department heads and municipal officers, serves on the Board of Estimates and appoints two of the other four members of the Board of Estimates.

The Board of Estimates is the highest administrative body of the City. It is composed of the President of the City Council, who serves as President of the Board of Estimates, the Mayor, the Comptroller, the City Solicitor and the Director of Public

Works. The latter two members hold their positions on the Board of Estimates through appointments by the Mayor. The Board of Estimates formulates and determines fiscal policy through its recommendation of the City's annual budget, known as the "Ordinance of Estimates."

The Board of Estimates also awards contracts for public works, supplies, materials, equipment and services, subject to certain limited exceptions, fixes the salary or wage scales of City employees in the Classified Civil Service, and adopts such rules as it deems appropriate to ensure, so far as practicable, like working conditions for employees in the several municipal agencies, including vacation and sick leave.

The Board of Finance was established by the Charter to, among other things, issue and sell certificates of indebtedness of the City, including bonds, notes and other forms of indebtedness, to determine all matters pertaining to their issuance and sale and to regulate, monitor, or advise with regard to a number of treasury functions. The Charter provides that the Board of Finance is composed of the Mayor, who serves as President of the Board of Finance, the Comptroller, and three members appointed by the Mayor. Current appointees to the Board of Finance are: Frederick W. Meier, Jr., President, Lord Baltimore Capital Corporation, Arnold Williams, Abrams, Foster, Nole & Williams, P.A. (AFNW) and Robert A. Shelton.

The Comptroller is an elected official who has, among other duties and responsibilities, the authority to appoint the City Auditor, subject to the Charter provisions relative to the Classified Civil Service. He or she also has responsibility for the Department of Real Estate, the Department of Audits, the Insurance Manager, the Municipal Telephone Service, the Municipal Post Office and the Harbormaster. The voters approved a Charter Amendment during the November 2022 election to establish the Department of Accounts Payable under the supervision of the Comptroller Office. The Comptroller serves as a member of the board of trustees of the City's three actuarially funded retirement systems and other boards, committees and commissions.

The City Administrator serves as the chief administrative officer of the City and must be a Baltimore City resident and have at least 5 years of public administration experience, as well as a thorough knowledge of accounting and budgeting. The City Administrator, whose term is coterminous with that of the Mayor, is appointed and may be removed by the Mayor. The City Administrator, supervised by the Mayor, is responsible for day-to-day operations of the City and the delivery of municipal services; supervises all agencies, agency directors and municipal offices; approves rules and regulations proposed by municipal agencies; participates in the preparation of the Ordinance of Estimates, advises the Mayor in the formation of policy and implementation of municipal services, and other duties as delegated by the Mayor or required by the City Charter and ordinances.

The City Council consists of fifteen members. There are fourteen councilman districts and one member is elected from each district. The President of the City Council is elected on a citywide basis. There is no limitation as to the number of terms that may be served by any member of the City Council. Legislation is passed by the City Council by simple majority vote, except in certain instances, which require a favorable vote of three-fourths of all members, such as a suspension of rules or an override to the Mayor's veto.

Certain Elected and Appointed Officials

ZEKE COHEN has served as Baltimore City Council President since December 2024 and previously represented the First District on the Baltimore City Council since 2016. Mr. Cohen is a former teacher and founder of a nonprofit teaching community organizing to young people. In July 2019, Mr. Cohen introduced the Elijah Cummings Healing City Act, making Baltimore the first city in the country to comprehensively legislate trauma-responsive care. The bill, which was signed into law in February 2020, and the movement that propelled it forward were created to help Baltimore heal from our enduring legacies of trauma, racism and violence. He also sponsored the Gender-Inclusive Single-User Restroom bill and the Transparency in Lobbying Act. He received Bachelor of Arts degree in Political Science from Goucher College and a Master's in Public Policy from Johns Hopkins University.

BILL HENRY is 17th Comptroller of Baltimore City. From 2007-2020 Mr. Henry served three terms on the Baltimore City Council. Prior to being elected, he was the Director of External Relations at the Patterson Park CDC where he worked on commercial development. Mr. Henry has a Bachelor's degree in Urban Studies & Public Policy from Johns Hopkins University and an MBA from Loyola University in Finance.

FAITH P. LEACH, nominated as the Chief Administrative Officer in January 2022, previously served as Deputy Mayor for Equity, Health and Human Services for the City of Baltimore where she provided strategic direction to a portfolio of agencies at the forefront of quality-of-life issues, including Immigrant Affairs, social services, recreation and parks, homeless services, library services, lifelong learning and the City's COVID-19 public health response. Previously, Ms. Leach served as Chief of Staff at the JPMorgan Chase Foundation where she oversaw the firm's commitment to invest $2B over 5 years to strengthen workforce systems, revitalize neighborhood and grow small businesses. Ms. Leach also served as the Chief of Staff to the Deputy Mayor for Greater

Economic Opportunity in Washington, DC providing oversight and direction to a cluster of government agencies with a combined budget of over $500M, focused on small business development, workforce development and equitable economic and community development. While in the DC Mayor's office, Ms. Leach led efforts to combat an uptick in community violence and developed a multi-agency approach to violence prevention and service delivery in historically underserved communities, leveraging 311 data to drive service improvements in communities with low 311 usage and high rates of violent crime. Ms. Leach also served in DC's Office of the City Administrator, supporting the District's performance management and continuous improvement program (Capstat), and developing a performance management tool for District government agencies (District Priority Goals). Ms. Leach received a Bachelor's Degree in Communication from North Carolina State University and a Master's in Public Administration from North Carolina Central University.

KHALIL ZAIED, the Director of Public Works for Baltimore City, a role he has held since his unanimous confirmation by the Baltimore City Council on June 10, 2024. He is a seasoned public servant with over 25 years of experience in engineering and public works management. Before this, Mr. Zaied served as Acting Director of the Department of Public Works (DPW) starting in March 2024, where he initiated significant upgrades to water billing for City residents and began fostering a culture of improvement and collaboration within the agency. Mr. Zaied's extensive background includes leadership roles in both the public and private sectors. He previously managed the Department of Public Works in Champaign, Illinois. He dedicated nearly 20 years to serving in key leadership roles within Baltimore City Government, including Deputy Mayor of Operations, Director of the Department of Transportation, and Director of the Department of General Services. Additionally, he worked as Vice President for Special Projects with KCI Technologies, a prominent engineering firm based in Sparks, Maryland. He served as the Deputy City Manager for Public Works and Transportation in El Paso, Texas. Mr. Zaied is a graduate of the University of Maryland-College Park with a bachelor's degree in mechanical engineering.

EBONY M. THOMPSON, City Solicitor, appointed in January 2023, previously served as the Deputy Solicitor. Ms. Thompson has worked collaboratively with City Council, Department of Housing and Community Development and the Court to tackle vacant housing and establish a new track for Baltimore City in Rem Tax Foreclosures. She has also introduced the use of Blockchain technology for recordation of land titles, land valuation, permit tracking and the use of smart contracts to simplify the process for purchasing vacant properties and incentivizing investment in Baltimore City. Additionally, Ms. Thompson assumed the role of Interim Chief of Staff where she developed internal and external relationships, collaborated with the City Council, and led and developed the legal framework for the Mayor's Squeegee Collaborative Working Action Plan. Ms. Thompson formerly worked as an Associate and Counsel at Venable LLP, in the Commercial Litigation group. Her experience includes litigation in state, federal, and bankruptcy court for individuals, national, and international companies. Ms. Thompson has earned a bachelor's degree from Brown University, Masters in Business Administration from American InterContinental University, and graduated magna cum laude from the University of Baltimore School of Law.

MICHAEL MOCKSTEN (MOISEYEV), Director of Finance, was appointed to this position in October 2022. He previously served for three and a half years as Deputy Commissioner / CFO with the NYC Administration for Children's Services, where he led a team of 300+ financial professionals to administer all aspects of that agency's $2.8 billion annual fiscal operation. Prior to that, Mr. Moiseyev spent 12 years with the NYC Office of Management and Budget in a variety of assignments, which included overseeing a $30 billion portfolio of education-related agencies, as well as founding and leading a Citywide Savings team that worked with every city agency to find efficiencies and innovations across NYC's $100 billion budget. Mr. Moiseyev specializes in supporting large local governments and has a successful track record in modernizing financial processes and improving constituent experiences when they interact with city services. He holds a Master of Public Administration degree from Baruch College, and a Bachelor of Science in Mathematics from Carnegie Mellon University.

LAURA L. LARSEN, Chief, Bureau of the Budget and Management Research became Baltimore's Budget Director in September 2022. Ms. Larsen leads the fifteen-member team in Baltimore's budget office responsible for developing and implementing the City's $3.3 billion operating budget. Prior to serving in this role, Ms. Larsen worked in Wisconsin first as the Budget Director for the City of Madison from 2015 to 2020 and most recently as the Capital Budget Director for the State of Wisconsin from 2020 to 2022. While working in Wisconsin, Ms. Larsen led efforts to incorporate performance and data into the budget planning process for both the City and State. Ms. Larsen earned her Master's degree in Public Administration from the University of Nebraska and her Bachelor's degree in Political Science from the University of Nebraska-Kearney. She currently serves on the Budget Committee for the Government Finance Officers Association.

JENNELL A. ROGERS is the Chief of the Bureau of Treasury Management, a position she has held since her appointment on March 5, 2015. Ms. Rogers earned a Bachelor of Science degree in Finance from Towson University. Prior to her appointment as Chief, she served as the Treasury Manager for the Bureau of Treasury Management. With over 35 years of accounting experience, Ms. Rogers has also worked in various public finance roles within the Baltimore City government. Additionally, she is a member of the Board of Directors for the Maryland Government Finance Administrative Officers.

Descriptions of Certain Departments and Agencies

The Charter establishes the following executive departments: Civil Service Commission, Development Commission, Board of Ethics, Department of Finance, Fire Department, Department of Health, Department of Law, Department of Legislative Reference, Department of Municipal and Zoning Appeals, Department of Human Resources, Department of Planning, Department of Public Works, Department of Recreation and Parks, Department of Transportation, and the Department of General Services. Descriptions of certain departments and other City boards, commissions, and agencies follow.

Baltimore City Public School System. In 1997, the Governor of Maryland, the Mayor of Baltimore City, the city's legislative leadership, and the State Superintendent of Schools entered into a historic accord, known as the City-State Partnership (Senate Bill 795). The accord created an independent Baltimore City public school district—Baltimore City Public Schools ("City Schools" or "BCPS")—under the direction of the Baltimore City Board of School Commissioners (the "School Board"), a 9-member body jointly appointed by the Mayor and the Governor and a student member selected by the Association of Student Congress of Baltimore City. During the 2017 Legislative session the State approved House Bill 562 that gave the authority to appoint the 9 members of the School Board to the Mayor of Baltimore. The School Board sets and oversees policy and implementation of regulations for the district. City Schools' Chief Executive Officer reports to the School Board.

The original City-State Partnership, which was in effect from 1997 through 2002, was modified and reenacted in House Bill 853 during the 2002 General Assembly. It was again modified during the General Assembly Session of 2016 in House Bill 558, wherein the appointed board became a hybrid board with an additional two members elected from the city at large in the general election in November 2022. These additional two members of the Board will be elected in the general election every four years starting in November 2022. Senate Bill 31 passed the General Assembly in the 2023 Legislative Session which expanded the voting rights of the student commissioner. The student commissioner may now vote on all matters before the Board, except for collective bargaining and personnel. The City-State Partnership has among its goals the improvement of student achievement and the establishment and maintenance of efficient management structures and practices in support of quality instruction. In support of efficient management structures and to maximize instructional services to students, City Schools has put into place effective cost containment measures, as well as budget development and accounting procedures.

In 2013, the General Assembly passed the Baltimore City Public Schools Construction and Revitalization Act of 2013 (also known as the 21st Century School Building Program) (the "Baltimore City Schools Act"), which provides the necessary governance and funding structure for the City to modernize a portion of its portfolio of school buildings through renovation or replacement over several years. The Baltimore City Schools Act allows for a Phase I investment of approximately $1.1 billion. Currently, of the twelve (12) Year 1 schools (eleven (11) buildings), two (2) opened in the summer of 2017, two (2) opened in the spring of 2018, five (5) opened in the summer of 2018, one (1) opened in the summer of 2019, one (1) opened in the summer of 2021, and one (1) opened in the summer of 2022. Of the nineteen (19) Year 2 schools (seventeen (17) buildings), one (1) opened in the summer of 2019, three (3) opened in the winter of 2019, one (1) opened in the summer of 2020, three (3) opened in the winter of 2020; six (6) opened in the summer of 2021, one (1) opened in the winter of 2021, two (2) opened in the winter of 2022, one (1) opened in the winter of 2023, and one (1) is in currently in construction. An additional school was added as a Year 3 school, and it is in construction. Phase I is being funded by a combination of State, City Schools and City contributions. The City's funding source includes proceeds from a beverage container tax, proceeds of certain gaming revenues and a portion of rent paid by the owner of the video lottery facility located in the City. The City also provides a portion of its general obligation bond proceeds for City Schools' Capital Improvement Program.

The Built to Learn Act, enacted as Chapter 20 of the Laws of Maryland of 2020, as amended (the "Built to Learn Act") provides additional funding to the school districts in Maryland to renovate or replace school buildings, similar to the Baltimore City Schools Act initiatives. The Built to Learn Act assigns the fiscal responsibility and authority of projects financed pursuant to the Built to Learn Act to the Maryland Stadium Authority ("MSA"). The Built to Learn Act authorizes the MSA to issue up to $2.2 billion in bonds and requires 21% of the bond proceeds issued under the program be allocated to City Schools. The projects financed under the Built to Learn Act must be approved by the Interagency Commission of School Construction (the "IAC"), and are subject to the IAC requirements. In addition, such projects are required to follow the state/local cost share. $23M of the Built to Learn Act funds allocated to City Schools are assigned to the City Springs Elementary/Middle School replacement project. City Schools intends to use the remainder of the Built to Learn Act funding to renovate Polytechnic HS/Western HS and City College HS.

Each spring, City Schools' Chief Executive Officer and Chief Financial Officer present a proposed budget for consideration by the Baltimore City Board of School Commissioners for the subsequent school year. The proposed budget is balanced, reflecting the district's role as a good steward of taxpayer dollars and its commitment to spend within its means, and outlines how funds will be allocated to advance the district's mission and vision in the coming year. Public comment from stakeholders is an important consideration during all phases of the Budget process.

The operating budget of the City Schools' System consists of City Schools' General Fund, Special Revenue Fund, and Enterprise Funds. The process for developing the City Schools' budget involves requests from managers detailing resources necessary to support programs and operations. Total City Schools' needs (requests) are compared to projected revenue, with the overriding goal of providing support to the schools. The balanced budget is presented to the Baltimore City Board of School Commissioners for deliberation and approval, and includes opportunities for public comment during the period of deliberation. The Baltimore City Board of School Commissioners adopts and forwards the fiscal year budget request to the City Council. See also "CERTAIN EXPENDITURES OF THE CITY—Baltimore City Public School System"

The Department of Finance. The Department of Finance was established by the Charter revision of 1964, which centralized the major financial functions of the City. The Department of Finance serves as the principal executor of mayoral fiscal and management policy, and is headed by a Director of Finance who is appointed by the Mayor, confirmed by the City Council, and holds office pursuant to Article IV, Section 6 of the Charter. The responsibilities of the Department of Finance are divided among five Bureaus and one Office: the Bureau of Budget and Management Research, the Bureau of Accounting and Payroll Services, the Bureau of Purchases, the Bureau of Treasury Management, the Bureau of Revenue Collections and the Office of Risk Management. The Director's Office coordinates the Department of Finance.

The Department of Finance is responsible for the formulation and monitoring of the City's annual budget, for providing accounting services to various governmental/quasi-government agencies, for the preparation of the City's comprehensive annual financial reports, for the preparation of bids and contracts used in the procurement of materials, supplies and equipment for the City, for the management and issuance of all City debt, for the collection of all City revenues, for the management and investment of the City's corporate cash accounts and trustee held funds and for the evaluation and administration of the City's risk management needs.

The Fire Department. The Fire Department is managed by the Chief of the Fire Department, three Assistant Chiefs, one Chief of Staff and nine Deputy Chiefs. The Assistant Chief of Operations oversees the activities of four Deputy Chiefs in fire suppression and one Deputy Chief in charge of Emergency Medical Services (EMS). The Assistant Chief of Community Risk Reduction oversees the activities of the Director of Logistics, the Deputy Chief of Communications/Planning, and the Deputy Chief/Fire Marshal. The Assistant Chief of Safety and Member Services oversees the activities of the Chief of Fire Training, Chief of Staff, the Fire Chief's Staff, the General Counsel, the Personnel Administrator, the Chief of Fiscal Services and the Public Information Officer. The Fire Department is staffed by career fire fighters and funded out of the General Fund of the City.

The Department of Health. The mission of the Baltimore City Health Department is to promote and protect the health and well-being of all Baltimoreans by leading a collaborative effort with all sectors of civil society. The Department is led by the Commissioner of Health, who is appointed by the Mayor and is subject to confirmation by the City Council. Under the Charter, the Health Department is responsible for (1) the execution of all laws for the preservation of the health of the inhabitants of Baltimore City, and to exercise those other powers and perform those other duties that are prescribed by law; (2) the establishment and implementation policy for the treatment and prevention of physical and mental illnesses, and educating the public with respect to environmental, physical, and mental health; and, (3) general care and responsible for the study and prevention of disease, epidemics, and nuisances affecting public health.

The Department of Housing and Community Development. The Department of Housing and Community Development ("DHCD") was organized in 1968 to consolidate into one department the principal functions involving housing, community and economic development and to coordinate its activities with those of the Housing Authority of Baltimore City, a federally funded agency.

The mission of DHCD is to ensure that all citizens of Baltimore have access to adequate affordable housing in safe, livable and decent neighborhoods. DHCD is committed to the continuous development and implementation of strategies and programs that promote housing opportunities and commercial activity leading to neighborhood stability and community empowerment. In pursuing its mission, DHCD works with federal, state, and local agencies, housing providers, financial institutions, and community organizations to enhance the quality of life in city neighborhoods. In addition, through the Community Services Division, DHCD provides a variety of human services to further enhance individual, family, and community wellbeing.

The functions of DHCD include managing urban renewal, building, housing and zoning codes, and administering rehabilitation loans and grants under federal and local programs. Working with the Housing Authority of Baltimore City, DHCD helps to facilitate the preservation or production of affordable and mixed income housing. In addition, DHCD works with other city agencies and groups on large-scale neighborhood improvement projects.

The Department of Law. The Department of Law is an agency of the City established pursuant to the Charter. Its function is to serve as legal advisor to the City and its departments, officers, commissions, boards and authorities, and to supervise and direct the legal business of the City. Under the Charter, the Department of Law is solely responsible for (1) preparation and trial of all suits, actions and proceedings of every kind to which the City or any municipal officer or agency is a party, (2) rendering advice and opinions in writing upon legal questions affecting the interests of the City which are submitted in writing by the Mayor, the City Council, any committee of the City Council or the head of any municipal agency and (3) the endorsement as to form and legal sufficiency of all deeds, bonds, contracts, releases and other legal instruments involving the interest of the City to be executed by the Mayor or any City official.

Responsibility for overseeing the Department of Law's functions is vested with the City Solicitor, who is appointed by the Mayor, subject to confirmation by the City Council.

The Department of Human Resources. The Department of Human Resources is the central authority on human capital matters for the City of Baltimore government. It possesses Charter responsibility for developing and recommending rules, policies, and procedure changes for the Civil Service System. The mission of the Department of Human Resources is to ensure that the City hires, trains, retains, promotes and provides Equal Employment Opportunities for the best qualified employees and individuals; develop and execute goals/objectives that align with and support Baltimore City Government's goals/objectives; provide exceptional Human Resources service delivery; and assist in promoting a high performance workforce culture anchored by transparency, integrity, accountability, collaborative partnerships, diversity, fairness, trust and mutual respect.

The Department of Human Resources is tasked with driving human capital programs that include establishing, developing and implementing employment rules; maintaining a classification and compensation system; creating, developing and/or administering examinations for classified positions; referring eligible candidates to hiring agencies; developing and managing a competitive, comprehensive benefits program;, and providing guidance on the full-spectrum of human resources affairs to the Mayor, senior leaders, elected officials, and agencies across the City.

The Department of Planning. The Department of Planning was established by the Charter to guide and coordinate the physical development of the City. The Department of Planning is headed by a nine-member Planning Commission whose members include the Director of Public Works or his designee (ex-officio), the Mayor or his designee (ex-officio), a member of the City Council (ex-officio) and six residents of the City who are appointed by the Mayor, subject to confirmation by the City Council. The Mayor designates one of the six residents as Chair. The Department of Planning and the Planning Commission are responsible for, among other things, developing the City's capital budget and six-year program; maintaining the City's master plan; reviewing proposals for subdivision of land and proposed amendments to the City's zoning ordinance.

The Police Department. The Police Department is empowered by the Public Local Laws of Maryland to enforce State Laws. The mission of the Police Department is to protect and preserve life and property, to understand and serve the needs of the City's diverse neighborhoods, and to improve the quality of life for citizens by implementing strategies to maintain order, recognize and resolve problems, and apprehend criminals in a manner consistent with the law. The Police Department strives to accomplish this by ensuring that every member of the Police Department focuses his or her efforts to reduce violent crime through proactive enforcement. To accomplish this, the following goals have been put in place: reduce violence with a focus on homicides and shootings, remove guns from the streets, reduce juvenile crime, return open spaces to law-abiding citizens, and operate with integrity and professionalism.

The Department of Public Works. The Department of Public Works was created by the Charter to foster and enhance an environmentally safe quality of life for the citizens and visitors of the City and the neighboring counties. The mission of Public Works is to support the health, environment, and economy of the City and the surrounding region. This mission is carried out through the efficient management of: solid waste services; water, wastewater and stormwater systems; energy consumption; and the prioritized investment in facilities, infrastructure and other assets. Responsibility for carrying out these functions is vested in the Director of Public Works. The Mayor appoints the Director and the Bureau Heads of the Department of Public Works, subject to confirmation by the City Council. Pursuant to a City Ordinance enacted in 1992, the Department of Public Works assumed the powers, duties and functions of the Department of Transportation. By Executive Order in 2001, some of the duties and functions were delegated to the Mayor's Office of Transportation. A Charter amendment creating the Department of Transportation was approved on November 3, 2004. A Charter amendment creating the Department of General Services was approved on November 4, 2008, and the responsibilities of this former Public Works bureau were transferred to the newly created department effective July 1, 2009.

The Department of Public Works is comprised of the Office of the Director and two bureaus: (1) Bureau of Water and Wastewater, and (2) Bureau of Solid Waste. The Office of the Director includes the following offices: Office of Asset

Management; Office of Engineering and Construction; Office of Compliance and Laboratories; Office of Strategy and Performance; Office of Fiscal Management; Office of Sustainable Energy; Office of Legislative Affairs, and the Office of the General Counsel.

Under the provision of an amendment to the City's Charter adopted in 1978, the City's wastewater system must be operated as a self-supporting utility fund. The Board of Estimates, on recommendations of the Director of Finance and the Director of Public Works, and following public notice, establishes wastewater rates to always make the utility self-sustaining. On January 21, 2022, the State of Maryland filed suit against the City (the "Complaint") alleging environmental violations from two wastewater treatment plants owned and operated by Baltimore City: the Back River Wastewater Treatment Plant ("Back River WWTP") and the Patapsco Wastewater Treatment Plant ("Patapsco WWTP"). The Complaint requested the court to require Baltimore to stop discharges of pollutants from the plants that are not authorized by a Maryland Department of the Environment ("MDE") permit and to require the City to take all steps necessary to come into permanent and consistent compliance with the applicable environmental law. It also requests the court to assess civil penalties against the City of up to $10,000 per violation per day. On March 27, 2022, pursuant to a directive of the MDE (the "Directive"), and in accordance with Section 3-109(c) of the Natural Resources Article of the Maryland Annotated Code, as amended, MDE directed Maryland Environmental Service ("MES") to take charge of the Back River WWTP from the City, including its operations, maintenance, and improvements functions in order to facilitate the corrections required by MDE listed in the Directive.

The City and MDE entered into a Consent Order and Revised Directive dated June 10, 2022 (the "Consent Order"). In order to address the updated activities and improvements necessary to bring the Back River WWTP back into full compliance, (i) MDE and the City consented to the issuance of the Consent Order; (ii) the City agreed to withdraw the Petition and the Amended Complaint; (iii) MDE agreed to withdraw the Order and the March 27, 2022 Directive (the "Directive"); and (iv) the City consented to the issuance by MDE of a Revised Directive dated June 10, 2022 (the "Revised Directive"), which clarifies that MES has not taken charge of and is not operating the Back River WWTP, but instead has and will perform activities and projects necessary to support the City in abating pollution at the Back River WWTP and making necessary improvements at the Back River WWTP in collaboration with the City.

The Consent Order was ultimately superseded by a Consent Decree, signed November 15, 2023. The final civil penalty agreed upon by the parties was: $4,750,000. $1,425,000 of this penalty will be paid to MDE in three equal installments over the course of three fiscal years. An additional $1,425,000 of this penalty will be held in abeyance and only becomes payable if the City fails to meet any of its obligations under the Consent Decree within the first two years after the effective date. The remaining $1,900,000 is payable to the Chesapeake Bay Trust to complete supplemental environment projects aimed at restoration and water quality improvements in the Patapsco and Back River Watersheds. This amount will also be paid in three equal installments over three fiscal years. The City further agreed to pay Blue Water Baltimore $400,000 in attorneys' fees and costs. The Consent Decree also includes a list of "Work to Be Performed" which details projects and improvements that the WWTPs must complete within specified timeframes.

At this time, the City is unable to provide an estimate as to the amount of costs that it may incur under the Consent Decree. As of February 15, 2025, the City has spent or encumbered an estimated $391 million for Consent Decree compliance. And, the City's current Wastewater Utility Capital Improvement Plan, includes the improvements, projects and other items to address the issues required Work to Be Performed. The sources for the current Wastewater Utility Capital Improvement Plan include a mix of wastewater revenue bonds, Water Infrastructure Finance and Innovation Act (WIFIA) debt, Maryland Water Infrastructure Financing Administration (MWIFA) debt, grants from Baltimore County and other sources. Smaller projects, repairs, and other deferred maintenance will be addressed though the existing operating and maintenance budget. At this time, the City does not anticipate that the Consent Decree will have a material adverse effect on expenditures or revenues available for debt service.

The City Charter, Article VI, Section 18 requires that the water, sanitary wastewater and stormwater utilities must be conducted as separate enterprises and must be self-sustaining. They may not be operated at a loss to any City funds.

The Department of General Services. The Department of General Services provides necessary work environment resources to City agencies so those agencies can better serve the public. The mission of the Department of General Services is the efficient operation, maintenance and improvement of City owned buildings; the effective management of the City's fleet operations, maintenance and facilities; the engineering, design, management and inspection of City funded construction projects; the monitoring and cost reduction of City-wide energy use and the developing of energy-efficiency improvements to City facilities; the issuance and enforcement of public rights-of-way permits to minimize the impacts on the public and City infrastructure; and the management of property records, public and private, for all properties located within the City limits for tax levies and other legal purposes.

A Charter amendment creating the Department of General Services was approved by the Baltimore City voters on November 4, 2008, and became effective on July 1, 2009. The department was formed by extracting certain functions of the Department of Public Works ("DPW") and modifying its structure to operate more efficiently in serving City agencies and to allow DPW to concentrate on citizen services. The Mayor appoints the Director of General Services, subject to confirmation by the City Council.

The Department of General Services ("DGS") is comprised of the Director's Office and four divisions: (1) Fleet Management, (2) Building Maintenance, (3) Design and Construction, and (4) Energy.

The Department of Recreation and Parks. The Department of Recreation and Parks is an executive department established by the Charter. The Department of Recreation and Parks' responsibilities are to establish, develop, maintain, operate, control, and provide engineering services to the City's approximately 5,700 acres of park land, which include over 300,000 trees, 25 formal flower beds, 32 historic structures, 36 picnic groves, 35 comfort stations, squares, athletic and recreational facilities, to provide outdoor concerts and to have charge and control of all monuments belonging to the City.

Public recreational facilities which the Department of Recreation and Parks operates include an ice arena, two indoor soccer pavilions, a rowing center, one skateboard park, one boxing center, four golf courses, an arboretum, a conservatory, an outdoor educational wilderness center, 18 outdoor pools, three indoor pools, 41 recreation centers, one therapeutic recreation facility to serve the physically and emotionally challenged, and a program specializing in senior citizen recreation. An extensive amateur athletics program manages leagues in soccer, football, basketball, baseball, wrestling and tennis. Management of the Department of Recreation and Parks is vested in the Director of Recreation and Parks, who is appointed by the Mayor, subject to confirmation by the City Council. A seven-member Board also appointed by the Mayor and subject to confirmation by the City Council, serves in an advisory capacity to the Director. The Director of Recreation and Parks is a member of the Mayor's Cabinet and serves on numerous committees.

The Office of the Labor Commissioner. The Office of the Labor Commissioner was established by an ordinance of the Mayor and City Council, and the powers and duties of that office are set forth in the Baltimore City Code. The Labor Commissioner, who is appointed by the Mayor and confirmed by the City Council, is charged with the administration of the Municipal Employee Relations Ordinance. The Labor Commissioner is the chief negotiator for all collective bargaining agreements. The Office of the Labor Commissioner makes determinations of questions concerning representation, administers the procedure for resolution of unfair practices, processes grievances and arbitration cases and advises the Mayor and Board of Estimates on labor relations matters. Nine employee groups represent City employees and their terms and conditions of employment are contained in nine separate negotiated Memoranda of Understanding. Additional responsibilities of the office also include providing labor relations advice and negotiating services for Baltimore Convention Center.

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BUDGETING AND FINANCIAL PROCEDURES

The City's General Fund is the principal fund of the City and is used to finance most City governmental functions. Budgetary funds established to depict and plan for operations and support provided by Parking Management and the Convention Center debt service are consolidated in the General Fund for annual financing reporting purposes. Table 1 set forth herein includes the statement of revenues, expenditures, and changes in fund balances for the General Fund for each of the fiscal years ended June 30, 2020 through June 30, 2024.

The Budget Stabilization Reserve or Rainy Day Fund serves to provide a budget defense to stabilize a post-adopted budget that has been impacted by an uncorrectable shortfall in revenues and/or an unanticipated and uncorrectable emergency expense at the discretion of the Board of Estimates. The reserve is the revenue source of last resort to avoid a budget deficit. This reserve cannot be used as a revenue source to balance a planning year budget. See "Key Budgetary Policies – Budget Stabilization Reserve Policy" below.

The City's final budget differs from the original adopted budget ordinance in that it contains carry-forward appropriations for various programs and projects, and supplemental appropriations approved after adoption, and during the Fiscal Year.

Key Budgetary Policies

Balanced Budget: The Charter requires the operating budget to be balanced. Any difference between non-property tax revenues and total expenditures are to be made up by adjusting the property tax rate or enactment of new revenue measures.

Public Hearings: The Charter mandates that both the Board of Estimates and the City Council conduct public hearings on the proposed budget.

Timely Adoption: The Charter sets forth a schedule requiring the budget to be adopted before the beginning of the Fiscal Year, July 1.

Budget Amendment: The Charter provides means for adopting supplemental appropriations funded from unanticipated revenues and/or new grants and sources that materialize during the year. The City's policy is to minimize the use of supplemental appropriations. In addition, the Charter allows for and spells out the procedures for amending the budget to transfer appropriations between programs within an agency and between agencies.

Six-Year Capital Plan: Guiding the physical development budget plan of the City is the Charter requirement for a six-year capital improvement plan, the first year comprising the capital budget year. The plan is prepared in conformance with basic capital budgeting policies, which include appropriating funds in the year in which projects are likely to begin, financing a portion of capital improvements from current revenues, and estimating the impact of capital projects on the operating budget.

Budget Monitoring and Execution: Budget analysts maintain ongoing contact with agency fiscal officers in the process of implementation and execution of the budget. Expenditure and revenue projections are developed and reviewed on a monthly basis. The Mayor, through the Department of Finance, exercises appropriate fiscal management to adjust budget policy, as necessary, to be within the limits of the current adopted plan. The City Council has the practice of reviewing budget performance at mid-year and during the fourth quarter.

Debt Policy: The City adopted a formal debt policy which sets annual borrowing limits, consolidated all financing arrangements within the Department of Finance, established refunding and refinancing policies, and set limits on key debt management ratios. The objective is to maintain the City's reputation as a locality having a conservative approach to all aspects of debt management, including debt service expenses, debt retirement schedules, and debt capacity ratios. See "DEBT OF THE CITY -- Debt Policy of the City" herein.

Budget Stabilization Reserve Policy: In November 2008, the City's Board of Estimates approved a budget stabilization reserve policy that establishes the basis for having a budget stabilization reserve as well as identifying its maintenance level, scope of coverage, circumstances under which funds shall be drawn down from the reserve, and the requirements to replenish the reserve when utilized. The policy stipulates that the reserve serves to provide a budget defense to stabilize a post-adopted budget that has been impacted by an uncorrectable shortfall in revenues and/or an unanticipated and uncorrectable emergency expense. The reserve is the revenue source of last resort to avoid a budget deficit. Under no circumstances is the reserve to be used as a revenue source to balance a planning year budget. The policy further stipulates that the reserve shall be maintained on any June 30 at a minimum level of 8% of the value of the general fund operating budget of the subsequent Fiscal Year.

"Ten-Year Plan" Initiative

On February 20, 2013, the City released Change to Grow: A Ten-Year Financial Plan for Baltimore, which called for comprehensive reforms to close a projected $745.0 million structural budget deficit through Fiscal Year 2022, make Baltimore's tax rates more competitive, increase infrastructure investment, and reduce the City's long-term pension and health care liabilities.

Implementation of the Ten-Year Plan began in Fiscal Year 2013 with two key initiatives: 20 Cents by 2020 – a program to reduce the effective property tax rate for owner-occupied properties – and health benefit changes for employees that were projected to save the City $20 million annually.

In Fiscal Year 2014, the City implemented Ten-Year Plan initiatives to further reduce the fiscal gap, including pension changes for current and future employees, a new schedule for firefighters, a revenue package, a State-mandated stormwater fee, a reduction to the real property tax rate and the discontinuation of retiree pharmacy benefits.

The Fiscal Year 2015 budget reflected the implementation of more Ten-Year Plan initiatives, including reducing workers' compensation payments, increasing parking revenues, reducing the size of the City's workforce and the City's fleet. In addition to targeted savings initiatives, the City made several investments; these include increasing the contribution to the budget stabilization reserve, increasing PAYGO capital funding, increasing general obligation debt authority, and implementing a new pay schedule for professional employees to help with recruitment and retention.

In the Fiscal Year 2016 budget, key initiatives included an additional $9 million PAYGO capital contribution, beyond the $8 million baseline, and the elimination of 280 General Fund positions. In Fiscal Year 2016, the City also negotiated a new Memorandum of Understanding with 14 non-profit institutions who will contribute a collective $6 million annually for ten years beginning in Fiscal Year 2017.

In Fiscal Year 2017, the City continued to work towards implementing cost-savings initiatives identified under the Ten-Year Plan. While the initiatives implemented through Fiscal Year 2016 had a meaningful impact on the original projected shortfall, a significant structural budget gap remained. To continue addressing this long-term challenge, the Fiscal Year 2017 adopted budget contains further cost-saving investments emphasizing blight elimination, street repaving, recreation center expansion, and information technology upgrades.

In Fiscal Year 2018 the budget contained additional initiatives to improve the efficiency of government, further reduce the property tax rate for homeowners, make much-needed infrastructure investments, and reduce the City's long-term liabilities. In Fiscal Year 2018, the City contributed $9 million beyond the $8 million baseline in PAYGO capital funding, plus $12 million of additional funding for operating and capital projects to comply with the Department of Justice consent decree for Police Department reforms. The Fiscal Year 2018 budget also transferred 54 positions out of the General Fund.

The Fiscal Year 2019 budget reflected baseline costs and unforeseen challenges that grew at a faster pace than projected revenue. The adopted budget added 162 General Fund positions including 100 sworn Police Department positions. However, cost-savings relating to personnel were also achieved, as total unfunded liabilities declined. The City also remained committed to the 20 Cents by 2020 program, further reducing the effective property tax rate by 2.6 cents. This budget dedicated $8.3 million above baseline for a total of $25.3 million in PAYGO capital funding.

During Fiscal Year 2019, the City insured its strong fiscal footing by competitively awarding a contract to Ernst and Young (EY) for the Ten-Year Plan refresh, which is expected to provide an assessment of infrastructure requirements, new savings and revenue options, and a comprehensive look at the City's overall tax policy. The City and EY have since worked together designing strategies for further changes to health care benefits, reforms for the Fire and Police pension plans for new hires, launching an employee wellness program, and building reserves to prepare for the next recession.

In Fiscal Year 2020, the budget introduced new measures in order to reduce the baseline deficit. By expanding the Taxi Tax to include ride-sharing services and levying a grocery bag surcharge to incentivize shoppers to bring their own bags, it was estimated that the City realized $4.0 million in additional revenues within the first year of implementation.

In Fiscal Year 2021, the City continued efforts to reduce the baseline deficit by downsizing the Police Mounted Unit and the Police Marine unit to an "on-call" posture. Permanent sworn personnel assigned to these units were re-deployed. In addition to these measures, the Police Department increased the rate charged for special events and secondary employment to ensure that the total charges covered the entire costs of Police officers and sergeants at these events. The initiatives led to an estimated savings of $3.3 million in the first year of implementation.

In Fiscal Year 2022, the City introduced a corporate compliance unit to enforce the collection of self-reported taxes such as parking, hotel, and beverage container taxes along with other revenue sources. One-time recoveries generated an estimated $14.5 million within the initial years of implementation. Furthermore, the City audited owner-occupied properties receiving the Targeted Homeowners Tax Credit to ensure the credit was properly granted during Fiscal Year 2022 and thereafter.

Work is underway to update the 10-Year Financial Plan outlining key initiatives to maintain structural balance in the City's budget while also making targeted investments. Through the work of the plan, the City is aiming to identify strategies that can slow expenditure growth through various reforms (i.e. staffing model changes, benefit reform, service delivery efficiencies). Through these strategies, the City is aiming for the budget to keep pace with inflation ensuring budget amounts fully reflect the cost of providing services and delivering capital projects. The updated 10-Year Financial Plan is anticipated to be completed in calendar 2025.

Federal Policy Actions

Federal policies around many issues can shift, sometimes dramatically, from one presidential administration or Congress to another. Recently, the current presidential administration has proposed significant policy shifts that involve, among other things, higher tariffs on foreign imports, reductions in the size of the federal workforce and stricter immigration policies and enhanced immigration enforcement. These policy shifts have the potential to negatively impact the City's revenue and grant receipts in the upcoming fiscal year. In the proposed budget for Fiscal Year 2026, the City's Board of Estimates evaluated these issues in the context of its economic outlook (see "Fiscal 2026 Executive Summary Board of Estimates Recommendations" pages 9-12 https://bbmr.baltimorecity.gov/sites/default/files/upload/FY2026%20Executive%20Summary.pdf). Given the high level of uncertainty around these policies, the exact impact on the City and its finances cannot be determined at this time.

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TABLE 1

SUMMARIES OF FINANCIAL OPERATIONS

Changes in Fund Balances
Budget and Actual Budgetary Basis – General Fund
(Modified Accrual Basis of Accounting)
(Expressed in Thousands)

	2024	2023	2022	2021	2020
Revenues:					
General Fund	$2,213,604	$2,230,933	$2,284,926	$2,027,386	$1,918,235
Expenditures:					
General Fund					
General Government	406,814	573,994	380,328	314,231	304,534
Public safety and regulation	824,223	762,881	811,397	795,453	799,406
Conservation of health	17,856	81,658	112,259	79,434	58,145
Social services	4,883	742	5,758	3,655	2,858
Education	417,423	336,678	282,894	304,530	288,123
Public library	27,380	31,904	24,138	22,146	24,733
Recreation and Culture	57,622	63,074	52,071	48,129	49,193
Highways and streets	123,267	189,266	129,775	121,101	118,804
Sanitation and waste removal	83,983	116,206	95,146	87,836	82,364
Public service	39,114	34,098	42,862	36,866	36,438
Economic development	66,810	66,171	62,895	69,985	68,149
Total expenditures - General Fund	$2,069,375	$2,256,672	$1,999,523	$1,883,366	$1,832,747
Excess (deficiency) of revenues over expenditures	144,229	(25,739)	285,403	144,020	85,488
Other financing sources (uses):					
Transfers, net	(52,528)	(72,621)	(17,956)	27,310	(18,829)
Net changes in fund balances	91,701	(98,360)	267,447	148,295	66,659
Fund balance beginning (as restated)	1,299,111	1,397,471	1,130,024	981,729	915,070
Fund balance ending	$1,390,812	$1,299,111	$1,397,471	$1,130,024	$981,729
Adjustments to reconcile to GAAP basis:					
Addition of encumbrances outstanding	11,349	180,694	85,801	56,327	82,200
Less: Accounts payable not recorded for budgetary purposes	(480,095)	(536,655)	(616,056)	(417,769)	(255,239)
Fund balance June 30 - GAAP Basis	$922,066	$943,150	$867,216	$768,582	$808,690

Source: City of Baltimore Comprehensive Annual Financial Reports (2020-2024) Schedule of Revenues, Expenditures, and Encumbrances, and Changes in Fund Balance - Actual Budgetary Basis - General Fund Year Ended June 30.

SUMMARIES OF FINANCIAL OPERATIONS

Summary of Fiscal Year 2024 General Fund Operation

The Fiscal Year 2024 total revenue budget equals $2.3 billion. Total year-end actuals were $2.4 billion, for a year end surplus of $77.0 million for General Fund revenues. Some of the primary deficits include Fines and Forfeits (-$2.4 million), and State Aid (-$3.2 million.). The deficits were offset by large surpluses in Real Property Tax (+$15.3 million), Income Tax (+$27.0 million), and Use of Money and Property (+$25.6 million) generated by the increased earning on investments. The year-end expenditure deficit totaled $30.9 million driven by service levels exceeding the budget amount in certain agencies, and multiyear purchasing activities recorded in Fiscal Year 2024.

On a budgetary basis, revenues for Fiscal Year 2024 totaled $2,352 million and expenditures and transfers totaled $2,306 million. The total surplus for Fiscal Year 2024, considering revenues and expenditures, totaled $46.0 million. The excess of revenues over expenditures and transfers resulted in an estimated budgetary basis June 30, 2024 fund balance of $989.2 million. Please note these are unaudited figures.

Fiscal Year 2025 Adopted Budget – General Fund and All Funds Summary

The Fiscal Year 2025 Budget submitted by the Board of Estimates to the City Council proposed total appropriations of $4,209.7 million of which $2,242.7 million was appropriated for General Fund operating purposes and $105.0 million for General Fund Pay-As-You-Go ("PAYGO") capital purposes. The General Fund also includes appropriations of two budgetary funds, the Parking Management and Convention Center Hotel Bond funds, which are merged with the General Fund for ACFR statement purposes. The proposed budget maintained the real property tax rate at $2.248 per $100 of assessed value. The Ordinance of Estimates for Fiscal Year 2025 was adopted by the City Council and signed by the Mayor on June 17, 2024.

Fiscal Year 2025 General Fund Budget Projection

Based on data as of December 2024 General Fund revenues are estimated to total $2,424.2 million, $22.6 million above the Fiscal Year 2025 Adjusted Budget of $2,401.5. The anticipated surplus is driven by income taxes, recordation and transfer taxes and lower costs associated with tax credits. These additional revenues are partially offset by deficits generated in investment earnings, the transfer from the Parking Management Fund to the General Fund, highway user revenues, natural gas, redlight and speed cameras, and telecommunication tax. Major variances are described in greater detail below.

The Bureau of the Budget Management and Research (BBMR) projects a surplus of $19.6 million from income taxes. The projection considers year-to-date receipts from the State for first quarter distributions, and three reconciliation payments from prior years. The projection reflects the larger than anticipated cash available for distribution collected by the State from withholdings and estimated payments, which resulted in the revised State's projections of income tax growth from 4.6% to 6.0% for Fiscal Year 2025. Additionally, the projection includes adjustments to the City's allocation factors, which reflects an increase of 0.2% in the percent allocation of total receipts to the City. The projection also accounts for the net impact of the increased City allocation due to higher quarterly withholding and estimated payments. Furthermore, it considers the anticipated 13.9% reduction in total receipts, attributed to non-quarterly payments such as late filings, interest, penalties, and prior year reconciliations.

Transfer Tax is projected to generate a $4.0 million surplus, while Recordation Tax is projected to yield a surplus of $4.3 million. While transactional activity has been in-line with budgeted expectations, home values of City property remain strong. Residential home sale prices have grown in value by 4.7% since July 2024. Transactions subject to Transfer Tax are up by 4.4% compared to Fiscal Year 2024, while those subject to Recordation Tax are down by 1.1%. However, data as of December 2024 indicates that the average yield per transaction subject to both taxes are up by 4.9% in Transfer tax and 5.1% in Recordation Tax compared to the previous fiscal year, which reflect the continued stability of prices of City properties.

The combined costs of tax credits, excluding the Targeted Homeowners and Homestead Tax Credits, is projected to decrease by $2.8 million, from $71.7 million at Budget to $68.9 million. This reduction is primarily attributed to the decrease in Enterprise Zone Tax Credits granted for Personal Property tax. The Fiscal Year 2025 Budget anticipated a cost of $6.2 million. However, three properties reached the expiration of their credits in Fiscal Year 2024, resulting in a $3.1 million reduction for Fiscal Year 2025. Additionally, due to lower-than-expected new CHAP tax credits, total CHAP costs for Fiscal Year 2025 Q2 are projected at $11.6 million, compared to the budgeted $12.8 million. These savings will be offset by an anticipated $2 million increase in the Brownfield Tax Credit cost. This increase is driven by two large commercial properties that began receiving the credit in Fiscal Year 2025, along with four new large commercial properties that are expected to begin receiving the credit by the end of the Fiscal Year.

Also contributing to the projected surplus is higher than anticipated revenues from legal settlement proceeds, one-time miscellaneous revenues and an increase in the overhead transfer from the utility funds to the General Fund resulting from higher than budgeted operating expenses.

Investment earnings are projected to be $6.3 million lower than the Budget. Data as of November 2024 shows a reduction of $245.0 million in the annual average cash available for investment, or a $20.4 million reduction in the monthly average cash available compared to the Budget. The Treasury Management interest rate dropped to 3.5% in November 2024, which is 0.9% lower than the anticipated 4.4% for Fiscal Year 2025. Also contributing to the deficit is the assumption that American Rescue Plan Act of 2021 (ARPA) funding will be reduced to $199.3 million by the end of the fiscal year, lowering the amount of cash available to the City for investment.

The Transfer from the Parking Management Fund to the General Fund is projected to be $4.5 million lower than the Fiscal Year 2025 Budget. The reduced transfer is the result of projected deficits in the following revenues: parking fines (-$4.6 million), parking meters (-$1.1 million), and parking penalties (-$0.6 million). Offsetting some of the deficit is projected expenditure surpluses in the Parking Enterprise Fund (+$0.9 million) and the Parking Management Fund (+1.4 million).

Highway User Revenues are projected to be $3.8 million lower compared to the Budget. This reduction in the projection is due to lower-than-expected activity during the first five months of the fiscal year, which both Fuel tax (-10.7%) and Vehicle Registration (-12.1%) showing declines compared to Fiscal Year 2024. Although the Fiscal Year 2025 Q2 projection of $230.9 million is $27.9 million higher than Fiscal Year 2024 Preliminary figures, this increase is primarily due to the increase in the Baltimore City HUR allocation of 11.0% in Fiscal Year 2025 compared to 9.5% in Fiscal Year 2024.

Additional deficits include redlight and speed camera revenues (-$2.9 million), natural gas revenues (-$1.9 million), and telecommunication tax (-$1.3 million).

The Fiscal Year 2025 General Fund second quarter projection shows expenditures expected to have a deficit of $32.6 million, from the adjusted budget, for total expenditures of $2,434 million. Total expenditures include $117.2 million in PAYGO capital funding, inclusive of adopted $105.0 million and $12.2 million in supplemental capital appropriations, which is projected be fully expended by year end. The main drivers of the variance between the adjusted budget and Fiscal Year 2025 second quarter projection are expenditures related to Fire (-$35.8 million), and Police (-$25.2 million).

Overall, the Department of Finance anticipates a net budget deficit of $10.0 million based on second quarter information for both revenues and expenditures for Fiscal Year 2025.

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SOURCES OF CITY REVENUE

Major Sources of Revenue

The major single funding source for the Fiscal Year 2025 budget is real property tax receipts, followed by income tax receipts, and highway user revenues. Table 2, which follows, details the total expected revenues and other funding sources and budget appropriations categorized by purpose in the Fiscal Year 2025 budget approved on June 17, 2024.

TABLE 2

Total Funding by Source and Budget Appropriations (Operating and Capital) Fiscal Year 2025 (in millions)

	General Fund	Capital Improvement Fund	Grant Funds (1)	Enterprise Fund (2)	Total
Source:					
Property Taxes	$1,149.2	$ -	$ -	$ -	$1,149.2
Income Taxes	466.5	-	-	-	466.5
State Highway User Revenues	234.7	-	-	-	234.7
Other Local Taxes	184.7	105.0	-	63.8	353.5
Licensee, Permits, Fines	63.7	-	-	23.7	85.83
State Grants	107.7	67.7	154.5	-	329.8
Use of Money & Property	61.1	-	-	27.3	88.4
Federal Grants	-	92.5	206.6	-	299.1
Charges for Services	46.5	-	-	635.1	681.6
Other Revenues	5.0	204.4	215.6	-	425.0
Borrowed Proceeds	-	208.5	-	-	208.5
From (To) Fund Balance	20.7	-	-	(4.4)	16.3
Transfers In (Out) (3)	(97.1)	54.5	-	(83.2)	(125.9)
Total Revenues	$2,242.7	$732.5	$576.6	$662.3	$4,214.2
Appropriations by Purpose:					
Prioritizing Our Youth	$ 511.3	$ -	$111.2	$ 0.6	$ 623.1
Clean and Healthy Communities	220.5	-	187.1	599.9	1,007.5
Equitable Neighborhood Development	181.2	-	76.4	53.5	311.2
Accountability and Transparency	183.5	-	21.6	3.7	208.9
Public Safety	962.3	-	165.5	-	1,127.8
Capital Improvements	-	732.5	-	-	732.5
Other	183.9	-	14.9	0.18	198.9
Total Appropriations	$2,242.7	$732.5	$576.7	$657.8	$4,209.7

(1) Includes Federal, State and Special grants.
(2) Includes Water, Wastewater, Parking, Conduit, Convention Center Bond, Stormwater, and Loan & Guarantee Funds. The difference between the source and appropriated amounts in the Enterprise Funds is $4.5 million. This is a result of the Convention Center Bond Fund's excess revenues being unallocated.
(3) The revenue side included capital funding in each fund, so it could be shown in Capital Improvement Fund column, reflected in Transfers In (Out) for PAYGO.

Property Taxes

Tax Levy. The City levies real and personal property taxes on all taxable property within its boundaries. The Charter directs that the Board of Estimates, after the City Council has approved the annual operating budget, enacted any new sources of revenues or new rates and determined amounts to be received from all other revenue sources, must certify to the City Council "a rate for the levy of full rate property taxes sufficient to realize the amount required to meet the difference." The City Council is required by the Charter to adopt the necessary ordinance establishing the tax rate. Provision is made under State statute for publication of notice and a public hearing if such rate is to exceed "a constant yield rate."

Under applicable law, there are no limits upon real and personal property taxes levied by the City, and the City is required by law to levy such taxes, without limitation, to provide for payment of principal and interest on its debts.

The City and State tax rates on each $100 of assessed valuation for real and personal property, subject to the full tax rate for Fiscal Years 2021-2025, were as follows on Table 3:

Table 3

Fiscal Year	City Tax Rate	State Tax Rate	Total
2025	$2.248	$0.112	$2.360
2024	$2.248	$0.112	$2.360
2023	$2.248	$0.112	$2.360
2022	$2.248	$0.112	$2.360
2021	$2.248	$0.112	$2.360

Note: The State does not impose a levy on personal property. This State tax rate only applies to real property.
Source: Bureau of Budget and Management Research, Department of Finance.

Property Assessment. The assessment of all real and tangible personal property for purposes of taxation by the City is, by State law, the sole responsibility of the State Department of Assessments and Taxation, an independent State agency. Properties are assessed uniformly throughout the State. The Department is also responsible for determining ownership and for intervening in assessment litigation.

Real properties are physically inspected and revalued, on a rotating basis, every three years. Valuations are established at market value (full cash value), subject, however, to a phase in of one-third each year of any increases in such market value with regard to any individual property. See "Credits, Abatements and Exemptions" below for a discussion of the homestead tax credit.

Tangible personal property is assessed annually at its full cash value on the date of finality (January 1) based on reports filed by property owners with the State Department of Assessments and Taxation. Under authority granted by the General Assembly, the City exempts manufacturing equipment, manufacturing inventory and commercial inventory from such assessment. Cash value reflects depreciation schedules and allowances established by the State Department of Assessments and Taxation.

Taxing Districts. The City has created four special taxing districts within specified geographic areas with the power to charge a supplemental tax on most real property located within the districts. The revenue may be used by the districts to supplement various activities including street cleaning, security services, promotional, park and recreation services and hospitality customer services provided by the City within the districts.

Credits, Abatements, and Exemptions. Current law provides that the homestead property tax credit is to be established by the governing body of each county or municipal corporation in the State. The law provides that the credit limit must be set to provide that no homeowner's taxable assessment may be increased as a result of reevaluation by more than 10% over the previous year. Counties and municipalities must establish the homestead property tax credit at a rate from 0% to 10%. State law provides that the local governing bodies may change the homestead property tax credit from year to year. The homestead property tax credit limit in the City has been 4% since Fiscal Year 1992. This credit cost peaked in Fiscal Year 2010 at $147.2 million and has been declining since then as assessments have been reduced. For Fiscal Year 2024, this credit cost was $22.6 million.

The City has enacted several real property tax credit programs to encourage home ownership, real estate and business investments. To encourage homeownership, the City offers a property tax credit for the purchase and rehabilitation of certain vacant and abandoned residential property, and home improvements that result in assessment increases and certain eligible improvements for qualified historic properties. Additionally, the City offers the Targeted Homeowners tax credit, a Mayor's program currently in its thirteenth year of implementation, which in Fiscal Year 2025 reduces by 20 cents the effective property tax rate of owner-occupied residents. The City also offers the Public Safety Officers' Tax Credit which provides a reduction of up to $2,500 of the total property tax liability of an owner-occupied full-time Police, Fire, Sheriff City and 9-1-1 Specialist resident. To encourage business investment, the City offers a property tax credit for renovation of larger historical properties meeting certain conditions, renovations to meet state-of-the-art communications and utility standards, and businesses investing in State designated enterprise zones, Federal Empowerment Zones, and "brownfield" industrial sites. In Fiscal Year 2024, the combined cost of these programs was $93.4 million excluding the Homestead tax credit.

Relief to lower-income homeowners is also provided by means of a state financed "Homeowner's Tax Credit (HTC)" which considers both family income and the property tax levied. As of February 2025, the State funded credits were provided to 5,848 homeowners within the City at a cost of $10.7 million to the State. Likewise, the City offers a Supplemental Homeowner's Tax Credit (SHTC) for residents that qualify for the HTC. Additionally, to be eligible for the SHTC the homeowner must (i) be at least 62 years old; (ii) resides in the dwelling for at least 10 years; and (iii) has a combined income of less than $40,000. As of February 2025, the City has 3,915 SHTC participants who have received a total of $1.0 million in the tax credit. The State also offers the Renters' Tax Credit, which provides relief to elderly and disabled renters to compensate them for indirect contributions towards property taxes.

Exemptions, under qualifying conditions, are granted to properties owned by governments, churches, schools, fraternal organizations, cemeteries, disabled veterans and the blind. As of June 2024, the current full cash value for these properties is estimated as $14.5 billion from 17,866 properties, totaling approximately $325.0 million of foregone Property Tax revenue for Fiscal Year 2024. These values are not included in the various charts and tables in this section.

Collections. The tax bills are calculated and rendered on or about July 1 of each year and, by law, taxes for all non-owner-occupied residential and most commercial properties are due and payable when rendered. In the 1999 session of the General Assembly, the State enacted legislation mandating a semi-annual option for payment of real property taxes on all owner-occupied residential properties, beginning with Fiscal Year 2001. In 2011, the State amended the law to make small businesses with total property taxes owed less than $100,000 eligible to participate in the semi-annual tax payment program. In the City, there were 124,131 properties eligible for the semi-annual tax payment program in Fiscal Year 2024 and the City service charge for semi-annual taxpayers was 1.169 %.Discounts for timely payment were allowed through July 31st and taxes due and not paid by September 30th become subject to interest and penalty at a combined annual rate of 12% on the State portion and 24% on the City portion of the tax.

Under State law, taxes on real property become a first lien on the real property on which they are levied from the date they become payable until paid. Taxes on personal property become a first lien on the personal property on which they are levied from the date they become payable and a lien on the real property of the owner of the personal property following recording and indexing of a notice among the judgment records of the Clerk of the Circuit Court for Baltimore City or the tax rolls of the City.

With respect to real property taxes and all other municipal liens, final bill and legal notices of eligibility for tax sale are sent to owners of record in February of the tax year (July 1 to June 30). If the taxes and liens remain unpaid on May 1st, the property is placed in the annual tax sale and the liens are sold to the highest bidder. The purchasers of liens may file suits to foreclose the owners' rights of redemption 60 days from the date of the tax sale if they apply for and are granted a "substantial repair certificate" from the City. If the City wants to acquire for development purposes any properties whose liens were not purchased by third parties at the tax sale, it can begin foreclosure six months after the tax sale for non-owner occupied properties and take title in the City's name. Foreclosure on owner occupied properties cannot commence until 9 months after tax sale.

In Fiscal Year 2022, the City implemented the Baltimore City Tax Sale Exemption Program. This program is intended to prevent low-income and legacy homeowners from going to tax sale. This program does not waive amounts due, but withheld from the tax sale auction those liens from eligible applicants who meet the following criteria: (a) they received a Final Bill and Legal Notices; (b) the assessed value of their home is $250,000 or less, and (c) the homeowner has lived in their home as a primary residence for at least 15 years, and (x) the homeowner has a total annual household earned income of less than $36,000; or (y) the homeowner is at least 65 years old and has an annual earned income of $75,000 or less; or (z) the homeowner is an adult currently receiving disability benefits from the Federal Social Security Disability Insurance Program or the Supplemental Security Income Program and has an annual earned income of $75,000 or less. The application period for this program is between February 15 and April 15 of each calendar year. The maximum annual amount in liens to be withheld from tax sale is capped at

$2.0 million for any tax year; therefore, annual applications will not be accepted if $2.0 million in liens from eligible applicants is reached.

With respect to personal property taxes, final bill and legal notices are sent regularly after 90 days on all delinquent accounts. Thereafter the City commences to file suit in either the District or Circuit Court to collect the delinquent taxes. The City's Law Department represents the City in these cases in an effort to obtain judgment or payment. If judgment without payment is obtained, the Law Department pursues collection via post-judgment remedies.

Income Tax

The City and Maryland counties have been required since 1967 under state law to impose a local income tax, commonly known as the "piggyback" income tax. The local tax is imposed on resident individuals (not corporations) and is paid in conjunction with and at the time individuals pay their state tax liability. The State imposes its individual income tax on the income of individuals as determined for federal income tax purposes with certain addition and subtraction adjustments. Local governments "piggyback" on the definition of net taxable income. Beginning in tax year 1999, the local tax rate has been set as a percentage of State net taxable income. The City tax rate as a percentage of State net taxable income is currently 3.20%.

Table 4 depicts tax receipts generated from the local income tax for Fiscal Year 2021 through Fiscal Year 2024 and the revenues budgeted for Fiscal Year 2025.

TABLE 4
INCOME TAX RECEIPTS

Fiscal Year	Receipts
2025	$466,452,000
2024	475,256,900
2023	450,166,657
2022	450,441,836
2021	410,711,792

Notes: All figures represent budgetary reporting basis incorporating GASB 33 standards Other Major Locally Imposed Taxes.
Income tax includes: Income Tax – State Collected, Fiduciary Returns and Unallocated Withholdings.
Source: Bureau of Budget and Management Research, Department of Finance.

On May 18, 2015 the United States Supreme Court issued its decision in Comptroller of the Treasury of Maryland v. Brian Wynne et ux., 135 S. Ct. 1787 (2015), a case to which the City was not a party, affirming the Maryland Court of Appeals ruling that counties (including the City) are prohibited from collecting personal income taxes from their own residents to the extent that the income was earned from sources in another state where the income is subject to tax by that state. As a result, each county (including the City) in the State will realize a reduction in income tax revenue distributions from the State. On March 28, 2021, the Comptroller determined that the liability of the City resulting from the Wynne case was $4.8 million. This corresponds to refunds and interest owed generated from tax years 2006 through 2014. The City deferred realization of approximately $4,000,000 in income tax revenue to pay for these refunds. The City's payment of refunds began in May 2021 and has continued payments in quarterly installments of $60,092.56 since then. The total balance paid has been $901,388.44 as of November 2024.The payments are being made from amounts withheld by the State from income tax distributions owed to the City until February of 2041.

Other Major Locally Imposed Taxes

The City realizes a substantial amount of General Fund revenues from other locally imposed taxes. Receipts from these sources were approximately $258.4 million in Fiscal Year 2024 and are budgeted to be approximately $239.2 million in Fiscal Year 2025.

Table 5 below details the tax rates for real and personal property taxes, income taxes and all other major locally imposed tax. Table 6 presents the revenues collected (or estimated to be collected) from other major locally imposed taxes for Fiscal Years 2021 through 2025.

TABLE 5
Tax Rate History Major Locally Imposed Taxes

Type of Tax	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
Real Property [1]	$2.248	$2.248	$2.248	$2.248	$2.248
Personal Property [1]	$5.62	$5.62	$5.62	$5.62	$5.62
Income [2]	3.2%	3.2%	3.2%	3.2%	3.2%
Energy [3]					
Gas (per therm) [4]	Note 4	Note 4	Note 4	Note 4	Note 4
Electricity (per kilowatt) [5]	Note 5	Note 5	Note 5	Note 5	Note 5
Steam (per pound) [6]	Note 6	Note 6	Note 6	Note 6	Note 6
Fuel Oil (per gallon) [7]	Note 7	Note 7	Note 7	Note 7	Note 7
Liquid Petroleum Gas (per gallon) [8]	Note 8	Note 8	Note 8	Note 8	Note 8
Telecommunications [9]					
Land line/billed line/month	$4.0	$4.0	$4.0	$4.0	$4.0
Centrex/billed line/month	$0.4	$0.4	$0.4	$0.4	$0.4
Wireless/billed line/month	$4.0	$4.0	$4.0	$4.0	$4.0
Transfer [10]	1.5%	1.5%	1.5%	1.5%	1.5%
Recordation [11]	$5.0	$5.0	$5.0	$5.0	$5.0
Parking [12]					
Daily/Hourly	20.0%	20.0%	20.0%	20.0%	20.0%
Weekly	20.0%	20.0%	20.0%	20.0%	20.0%
Monthly	20.0%	20.0%	20.0%	20.0%	20.0%
Hotel [13]	9.5%	9.5%	9.5%	9.5%	9.5%
Admissions [14]	10.0%	10.0%	10.0%	10.0%	10.0%

Source: Bureau of Budget and Management Research, Department of Finance.

(1) Per $100 of assessed value which under current state law represents phased in full cash, or market, value for real property and full cash value, subject to depreciation schedules established by the State for personal property.
(2) The tax rate is applied as a percentage of net taxable income effective calendar year 1999. The tax rate was increased from 2.51% in calendar 2001 to 3.05% in calendar 2002. Income tax rate was increased to 3.2% starting on January 1, 2011.
(3) The energy tax was restructured and the base broadened by legislation effective for deliveries of energy after July 1, 2004 billed after August 1, 2004. The tax is imposed on a per unit basis on the units of natural gas, electricity, fuel oil, liquid petroleum gas and steam delivered to defined users in the City. Different rates are established for different classes of users including commercial, manufacturing and residential users. Non-profit users under current law became subject to the tax in Fiscal Year 2006. Manufacturers were exempted under current law from the tax beginning in Fiscal Year 2007. Government users are exempt.
(4) Natural Gas Tax Fiscal Year 2025 rates per therm: : commercial, $0.135523; residential, $0.039831 ; manufacturing, $0; and non-profit, $0.107658.
(5) Electricity tax Fiscal Year 2025 rates per kilowatt; manufacturing, $0 commercial, $0.010480; residential, $0.003356 and non-profit $0.007349.
(6) Steam tax Fiscal Year 2025 rates per pound: commercial, $0.003296; residential, $0.000947; manufacturing, $0; and non-profit, $0.001950.
(7) Fuel oil tax Fiscal Year 2025 rates per gallon: commercial, $0.154888; residential, $0.055902 ; manufacturing, $0; and non-profit, $0.133680.
(8) Liquid petroleum gas tax Fiscal Year 2024 rates per pound: commercial, $0.189029; residential, $0.059875 ; manufacturing, $0; and non-profit, $0.1614374
(9) The telecommunications tax was restructured effective August 1, 2004 for Fiscal Year 2005. Changes involved base broadening to include all services, including wireless services, with billing addresses in the City. The tax is imposed on the service providers and as such, exemptions were eliminated.
(10) The percentage rate tax is imposed on the stated consideration for sale of properties not otherwise exempt. An exemption of $22,000 of consideration was provided for the transfer of residential property to owner occupants.
(11) The tax is imposed on each $500 of the stated consideration for recordation of deeds of sale and upon recordation of certain mortgages and refinancing papers.
(12) The tax is applied as a percent of the charge for daily, weekly and monthly service users.
(13) The tax is imposed on transient use of hotel, motel, and bed breakfast accommodations. By state law (Chapter 837 of 2001) 40% of the proceeds are dedicated to convention center marketing and tourism promotion.
(14) The tax is imposed on the gross receipts derived from amusement admissions charges including movies, theaters, swimming pools, ski rentals, golf, and other taxable categories.

TABLE 6
REVENUE HISTORY

Other Major Locally Imposed Taxes

Type of Tax	Fiscal 2025 Budget	Fiscal 2024 Actual	Fiscal 2023 Actual	Fiscal 2022 Actual	Fiscal 2021 Actual
Gas, Electricity, Fuel, Oil, Steam, other fuel	$51,166	$49,693	$50,429	$45,625	$42,776
Telephone	33,686	33,552	33,372	37,432	28,731
Transfer	50,533	53,030	76,209	95,536	60,610
Recordation	41,592	46,283	63,959	80835	44,645
Parking	23,020	27,349	24,414	25,872	15,821
Hotel	30,762	36,717	30,441	24,346	10,217
Admissions	8,452	11,760	10,488	8,429	1,571
Total	$239,211	$258,384	$289,312	$318,075	$204,371

Source: 2025 Executive Summary and BBMR

The City is responsible for the construction, reconstruction and maintenance of streets, highways, bridges, alleys and footways within its borders. Such responsibilities include provision of street lighting, snow removal, street cleaning, traffic police, and traffic signs and signals. Funds for such services and responsibilities are provided largely from Highway User Revenue moneys distributed by the State Department of Transportation, which include shares of the motor fuel tax, vehicle excise (titling) tax, registration fees and corporate income tax.

State law provides a formula for sharing portions of these revenues with all Maryland municipalities and counties. Actual receipts from these sources were approximately $203.0 million in Fiscal Year 2024 and are budgeted at $234.7 million in Fiscal Year 2025.

Intergovernmental Assistance

The City receives substantial amounts of both Federal and State assistance under a variety of programs and agreements. Some of the major categories of assistance are detailed in the chart below. Amounts reflected in Table 7 that follows do not include State-shared tax collections or the City's entitlement to Highway User Revenues. Revenues in the Special Revenue Fund and the Capital Projects Fund include billed receivables as of the end of the year.

The City is currently reviewing all active grants to address the deficits in the Grants Revenue Fund from the previous year. A detailed examination of all grant accounts is underway to identify the specific reasons for any contributing deficits. If it is determined that expenses exceed the awarded amounts or that certain receivables are uncollectible, a plan will be implemented to address these liabilities. As of June 30, 2024, the total accumulated deficit in the Grants Revenue Fund was $35.9 million. Excluding annual transfers through fiscal year 2024, the General Fund has absorbed approximately $46.0 million of this deficit related to prior years. To improve grant management, a centralized Grants Management Office was established within the Finance Department in fiscal year 2016. This office has collaborated with the Bureau of Accounting and Payroll Services, the Bureau of Procurement, and the Bureau of Budget Management and Research to develop policies and standard operating procedures for city-wide grant management. Additionally, the Grants Management Office plays an oversight and approval role in the grant module of Workday, the City's ERP system. The office continues to review and streamline the data uploaded to Workday to gain a comprehensive understanding of the City's grant revenue and expenditures.

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TABLE 7

State and Federal Assistance (In millions)

	State and Federal Assistance (in millions)		
	FY2024	FY2023	FY2022
General Fund:			
Federal	20.6	36.8	57.8
State	119.2	95.5	102.2
Special Revenue Fund			
Federal	22.6	24.3	15.6
Capital Project Fund			
Federal	28.6	28.0	36.1
State	49.0	50.6	116.3
Total	240.0	235.2	328.0
Total General Fund	139.8	132.3	160.0
Total Special Revenue Fund	22.6	24.3	15.6
Total Capital Project Fund	77.6	78.6	152.4
	240.0	235.2	328.0

Source: Bureau of Accounting and Payroll Services, Department of Finance.

Opioid Litigation Recovery

Baltimore City initiated legal action against various pharmaceutical manufacturers and distributors for their role in creating the opioid epidemic in Baltimore City by failing to take reasonable steps to prevent the diversion of their highly addictive prescription opioids. The City has reached settlements and jury awards totaling more than $668.5 million. The Court issued an order for a new trial unless the City accepts a remittitur from $266.4 million to $51.8 million. The City is currently exploring all of its legal options in response. The City is also awaiting a judge's ruling on whether it can recover an additional award of abatement damages. All funds recovered from these cases will go to the Baltimore City Opioid Restitution Fund.

CERTAIN EXPENDITURES OF THE CITY

Overview

City expenditures include employee compensation, employee benefits such as health, medical, dental and social security contributions, pension contributions and risk management.

Budgeted Positions

The budget plan adopted for Fiscal Year 2025 resulted in a net decrease of 99 funded positions, from all fund sources. Agencies not specifically listed accounted for the full decrease in positions between all fund types. Table 8 below shows the details for the funded and authorized full-time budgeted positions in the adopted budgets for Fiscal Years 2021 through 2025.

TABLE 8

Authorized Full-Time Budgeted Positions in City Government All Operating Funds

Funds	Fiscal 2025	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021
General					
Police	3,072	3,128	3,100	3,091	3,100
Fire	1,685	1,674	1,646	1,644	1,646
Public Works	750	758	713	729	713
Recreation & Parks	354	362	341	348	341
Other Agencies	3,885	3,996	3,587	3,591	3,556
Total General Fund	9,746	9,918	9,387	9,403	9,356
Other Funds	4,335	4,262	4,330	4,344	4,361
Grand Total	14,081	14,180	13,717	13,747	13,717

Source: Bureau of Budget and Management Research, Department of Finance.

Collective Bargaining

The Municipal Employee Relations Ordinance ("MERO") (Ordinance No. 251, adopted in 1968) establishes the basis for collective bargaining for municipal employees in the City. Excluded from the provisions of MERO are employees of the Baltimore City Public School System, certain supervisory, professional and managerial personnel employees and those employees holding positions that involve a relation of personal confidence with the persons appointing them. Managerial and professional employees covered by Ordinance No. 251 may only meet and confer regarding terms and conditions of employment.

Each of the unions with bargaining rights negotiates independently with the City on all matters relating to wages, hours and working conditions. To conform to local legislation, any agreement reached between the parties becomes a "Memorandum of Understanding" ("MOU") requiring notation by the Board of Estimates. The Board of Estimates examines each MOU for its impact on the City's operating budget and its funding requirements. Based upon its findings, the BOE either notes the MOU or recommends an alternative. Notations of such MOUs are subject to the appropriation of funds by the Mayor and the City Council. Except for the Baltimore City Fire Fighters and the Baltimore City Fire Officers, if the City and any union cannot reach agreement, the disputed issues are submitted to a three-member impasse panel. The City and the respective union each designate one member of the panel and mutually agree on a third. The role of the panel is one of mediation, fact-finding and recommendation, not binding arbitration. The impasse panel makes a recommendation to the Mayor. The Mayor may accept or reject such recommendation.

If the City does not reach agreement with the Fire Unions by March 1st, either party may request arbitration by a board of arbitration in accordance with the Charter. The board of arbitration is composed of three members, one member appointed by the Mayor and a member appointed by the certified employee organization(s) representing the Fire Fighters and/or Fire Officers. The third member is selected by the two arbitrators previously chosen and acts as chair of the board of arbitration. An arbitration hearing is conducted, and the board of arbitration must choose, in its entirety, the proposal of either the City or the Union(s). The decision of the majority of the board of arbitration is final and binding.

The American Federation of State, County and Municipal Employees ("AFSCME") Local 44 has reached a multi-year agreement for Fiscal Years 2024-2025. For both FY24 and FY25, all members will receive a 4.5% wage increase.

The AFSCME Local 2202 has reached a multi-year agreement for Fiscal Years 2024-2025. For both FY24 and FY25, all members will receive a 4.5% wage increase.

The AFSCME Local 558 has reached a multi-year agreement for Fiscal Years 2024-2025. For both FY24 and FY25, all members will receive a 4.5% wage increase.

The City Union of Baltimore ("CUB"), which includes Units I and II, contract has reached a multi-year agreement for Fiscal Years 2024-2025. For Fiscal Year 2024, all members will receive a 4% wage increase and a one-time bonus of $500.00. For Fiscal Year 2025, all members will receive a 4% wage increase.

The Managerial and Professional Society of Baltimore, Inc. has reached a multi-year agreement for Fiscal Years 2024-2025. For both FY24 and FY25, all members will receive a 3% wage increase.

The Fraternal of Police ("FOP") Units I and II have reached a one (1) year agreement for fiscal year 2025. Compensation shall be as set out in the revised Addendum B Salary Schedules. Progression within the rank of officer or flight officer shall be set out Addendum B. It is agreed that the hourly rates set forth on the Salary Schedule shall govern employees' compensation and that the annual salaries are illustrative only (based on an assume number of hours per year). Also, a one-time bonus of $5,000 shall be paid to employees who were in steps 5 through 14, inclusive, as of July 1, 2024.

The Baltimore Fire Fighters (Local 734) has reached a one (1) year agreement for fiscal year 2025. Effective July 1, 2024, the total annual salary of each employee in the bargaining unit shall be as indicated within the Wage Scale as Addendum B. The scale is constructed, generally, as follows:

a. "Hiring" on the Wage Scale is increased by 7% and is now applicable to employee with less than one (1) year of service in the Department.
b. "Step 1" on the Wage Scale (the former "Full Performance Level" reached at 18 months) is increased by 5% over the FY24 rate and is now applicable to employees with between one (1) year of service and two (2) years of service. Employees will be advanced from the Hiring Level to Step 1 upon reaching their first anniversary;
c. "Step 2: on the Wage Scale (former "Experience Level" reached at 36 months) is increased by 3% over the FY24 rate and is now applicable to employees between two (2) years of service and three (3) years of service. Employees will be advanced from Step 1 to Step 2 upon reaching their second anniversary;
d. "Step 3" on the Wage Scale (the former "Senior Level' reached at five years) is increased by 3% over the FY24 rate and is now applicable to employees with between three (3) years of service and four (4) years of service. Employees will be advance from Step 2 to Step 3 upon reached their third anniversary;
e. "Step 4" on the Wage Scale (former "Senior Level" plus a 1% longevity pay rate for employees between five and six years of service) is increased by 2% over the FY24 rate and is now applicable to employees with four years of service and five (5) years of service. Employees will be advanced from Step 3 to Step 4 upon reaching their fourth anniversary;
f. "Step 5" on the Wage Scale (one percent (1%) above "Step'4) is applicable to employees with between five (5) years of service and six (6) years of service. Employees will be advanced from Step 4 to Step 5 upon reaching their fifth anniversary;
g. Upon reaching their sixth anniversary, employees are afforded additional compensation and shall have their pay rates adjusted consistent with the existing longevities provided for in this Agreement. For the purpose of calculating longevity rates, "Maximum Level" is the newly designated Step 5.

The Baltimore Fire Officer (Local 9640 has reached a one (1) year agreement for fiscal year 2025. Effective July 1, 2024, all members of the Baltimore Fire Officers (Local 964) will receive a 7.5% wage increase. Alos, effective July 1, 2024, the hourly rates of pay for all employees shall be adjusted so that all employees of the same rank (e.g., all Lieutenants, all Captains, and all Battalion Chiefs) receive the same annual salary regardless of their regularly scheduled annual work hours. The annual salaries shall be based on Grades 338 (for Lieutenants), 341 (for Captains). And 344 (for Battalion Chiefs), as adjusted by the wage increase in Section A if this Article. Employees with ALS certification shall receive an adjustment to base salary of $3,000 more than the regular annual salary for their rank. The salaries of bargaining unit employees as adjusted in accordance with the Section, effective July 1, 2024, are set forth in Addendum B of this Agreement.

The Baltimore City Sheriff's Lodge No. 22 reached a multi-year agreement for Fiscal Years 2023-2025. Per legislation, Sheriff's Lodge No. 22 cannot bargain wages. The wage increases received by Lodge No. 22 were the same increases given to State employees.

a. Fiscal Year 2023 – Effective July 1, 2022, all employees covered by this agreement shall receive a seven percent (7%) cost of living adjustment. On January 1, 2023, all employees covered by this agreement shall receive a wage increase that corresponds to the next highest step (referred to as a "step increase") on the wage sale attached as Addendum A. If an employee is paid the highest level of the scale (Step 25) prior to January 1, the employee will not receive a step increase.
b. Fiscal Year 2024 – Effective July 1, 2023, all employees covered by this agreement shall receive a five percent (5%) cost-of-living adjustment. On January 1, 2024, all employees covered by this agreement shall receive a wage increase that corresponds to the next highest step on a wage scale to be issued by the State of Maryland for Graded State Employees adopted by the Sheriff's Office. The parties recognize that the State scale for 2024 has not yet been published. If an employee is paid the highest level of the scale (Step 25) prior to January 1, the employee will not receive a step increase.

c. Fiscal Year 2025 – Effective July 1, 2024, all employees covered by this agreement shall be a five percent (5%) cost-of-living adjustment. On January 1, 2025, all employees covered by this agreement shall receive a wage increase that corresponds to the next highest step on a wage scale to be issued by the State of Maryland for Graded State Employees adopted by the Sheriff's Office. The parties recognize that the State scale for 2025 has not yet been published. If an employee is paid the highest level of the scale (Step 25) prior to January 1, the employee will not receive a step increase.

Table 9
Union Membership

Primary Group Represented	Represented By	Number of Union Members	Status
Trades & Labor	American Federation of State, County & Municipal Employees, AFL-CIO, Council No. 67, Local #44 (AFSCME)	2,069	Multi-year agreement for FY2024-2025
Human Services Workers	AFSCME Council No. 67, Local #2202	72	Multi-year agreement for FY2024-2025
Community Health Nurses	AFSCME, Council No. 67, Local #558	59	Multi-year agreement for FY2024-2025
Clerical, Technical and Administrative	AFT, AFL-CIO, Local #800 (CUB)	2,427	Multi-year agreement for FY2024-2025
Fire Fighters below rank of Lieutenant	Baltimore Fire Fighters, IAFF, AFL-CIO, CLC Local #734	1,116	FY2025 agreement
Fire Officers of rank of Lieutenant through Battalion Chief	Baltimore Fire Fighters, IAFF, AFL-CIO, CLC Local #964	348	FY2025 agreement
Police Officers, Police Agents & Flight Officers Unit I	Fraternal Order of Police, Lodge #3 Unit I (FOP)	1,347	FY2025 agreement
Police Sergeants & Police Lieutenants, Unit II	Fraternal Order of Police, Lodge #3 Unit II (FOP)	447	FY2025 agreement
Managerial and Professional Employees	Managerial & Professional Society of Baltimore, Inc. (MAPS)	1137	Multi-year agreement for FY2024-2025
Deputy Sheriffs & Court Officers at rank of Lieutenant or below	Fraternal Order of Police Sheriff's Lodge No. 22	110	Multi-year agreement for FY2023-FY2025

Source: Office of the Labor Commissioner

Employee Compensation and Benefits

Table 10 below details the General Fund employee benefit expenditures for active employees by major category during Fiscal Years 2021 through 2023,the budgeted amounts for Fiscal Year 2025 and the Fiscal Year 2024 year-end estimate. For more detailed information concerning the City's provision of employee benefits, see the notes to the City's ACFR for the Year Ended June 30, 2024 included in Appendix B to this Official Statement.

TABLE 10
General Fund Employee Benefit Expenditures for Active Employees
(in millions)

	FY 2025 Budget	FY 2024 Estimate	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
Pension Plan Contributions	213.4	198.5	202.6	221.0	203.4
Health-Medical-Dental-Vision Care-Prescription	135.9	118.5	109.2	66.6	76.9
Social Security	24.6	33.9	32.2	29.6	29.8
Other	25.7	10.9	4.2	40.7	24.9
Total	$399.6	$361.8	$348.2	$357.9	$335.1

Source: Bureau of Budget and Management Research, Department of Finance.

Municipal Pension Plans

The City contributes to three defined benefit retirement plans, which cover those persons employed in the general administration of the City, elected officials, and fire and police officers. The three plans are administered by the Employees' Retirement Systems agencies. Additionally, the City contributes to two closed PAYGO plans, which were established for certain fire and police officers. Those plans are administered by the respective Fire and Police Departments. Professional employees of the Baltimore City Public School System and the Enoch Pratt Free Library are members of the State Retirement Systems, to which the City is not required to contribute. Descriptions of the defined benefit and PAYGO plans are as follows:

Employees' Retirement System ("ERS"). The ERS was established on January 1, 1926, to cover regular and permanent employees who are employed in the general administration service of the City and certain employees of the Baltimore City Public School System. The ERS plan provisions, which are amended periodically, currently provide for three classes of membership. Class "A" is a contributory class covering employees hired prior to July 1, 1979. On July 1, 1979, a noncontributory class of membership (Class "C") was established for employees hired on or after that date. Membership in the noncontributory class was automatic after one year of employment.

Effective July 1, 2013, Ordinance 13-144 was enacted by the Mayor and City Council introducing contributions for active ERS Class "C" members and eliminating the post retirement variable benefit increase. The Ordinance provides that effective July 1, 2013, Class "C" members will contribute 1% of pay, and employee contributions will increase each year at 1% increments capping at 5% of pay. The year-to-year 1% employee contribution increase was contingent on employees receiving at least a 2% raise in pay.

ERS Class "C" closed to new members effective June 30, 2014 under Ordinance 14-216. New employees hired or rehired after that date must elect between the hybrid option and the non-hybrid option. Employees who elect the non-hybrid option will participate in only the RSP (defined below) and contribute 5% of pay beginning after six months of hire. Employees who elect the hybrid option or did not make an election will participate in both the ERS as Class "D' members and the City's new 401 (a) retirement Savings Plan ("RSP"), a defined contribution plan. Membership in ERS Class "D" begins after one year of employment and contribute 5% of pay.

As of June 30, 2024, ERS active membership is comprised of 78% Class "C" members, 21% Class "D" members and the remaining 1% are Class "A" members.

A nine-member Board of Trustees composed of the Comptroller, the Director of Finance, two appointees of the Mayor, two appointees recommended by the President of the City Council, two employees elected by the active members and one retiree elected by the retired members, administers the ERS. Assets of the ERS are held in custody with BNY Mellon Bank. The ERS contracts with various investment management firms, which make investment decisions within guidelines established by the Board of Trustees of the ERS. The assets are fully diversified to minimize risk and enhance returns over the long term. Monitoring of investment activity is conducted with the assistance of professional investment advisors.

The City contributes to the ERS annually pursuant to an actuarial valuation, which uses the entry age normal funding cost method. The latest actuarial valuation was completed for the Fiscal Year ended June 30, 2024, when assets valued at market amounted to approximately $2.11 billion and the net pension liability was approximately $648.70 million.

Every four years, the system conducts a study of the assumed versus actual experience with respect to demographic and economic assumptions used in the preparation of the actuarial valuations. The purpose of experience study is to evaluate whether the current assumptions adequately reflect the long-term expectations of the system and if not, to provide alternative assumptions for implementation. The latest study was performed for the period July 1, 2018 through June 30, 2022. Based on the recommendations contained in the study, the system adopted changes to both demographic and economic assumptions. The demographic assumption changes adopted relate to mortality (both pre- and post-retirement), disability, service retirement as well as withdrawal; while the economic assumption changes relate to salary increases, inflation and survivor data assumptions. The next study will be conducted in Fiscal Year 2027 and will cover the period July 1, 2022, through June 30, 2026.

The system continues to implement recommendations of prior actuarial study, which gave birth to Ordinance 16-488. The ordinance provided for reduction of assumed interest rate beginning Fiscal Year ending June 30, 2019 to 7.00% (for assets covering active members) and 6.50% (for assets covering the liabilities of retired members).

Elected Officials' Retirement System ("EOS"). This plan was established in December 1983 to cover the Mayor, the Comptroller, and the President and the Members of the City Council. An elected official automatically becomes a member of the EOS upon taking the oath of office. Members contribute 5% of compensation to the system. The same Board of Trustees that administers the ERS administers the EOS. Custodianship, investment and monitoring of the assets of the EOS are managed under contracts similar to the ERS, as described above.

The City contributes to the EOS annually pursuant to an actuarial valuation that uses the entry age normal cost method. The latest actuarial valuation completed for the Fiscal Year ended June 30, 2024, when assets valued at market amounted to approximately $28.2 million and the excess of plan fiduciary net position over total pension liability is approximately $8.9 million.

As of June 30, 2024, the date of the last actuarial valuation, the EOS funded ratio was 148.1% on an actuarial value of assets basis and 146.1% on a plan fiduciary net position basis. On June 30, 2023, the funded ratio was 146.5% on an actuarial value of assets basis and 141.4% on a plan fiduciary net position basis.

For retirees who first became a member on or before December 5, 2016, the post-retirement benefit is indexed to the annual increase in the current salary authorized for the highest-paying position held by the elected official. For retirees who first became a member on or after December 6, 2016, the post-retirement benefit is 1.5% for retirees under age 65 and 2% for retirees aged 65 or older.

Fire and Police Employees' Retirement System ("F&P"). This plan was established on July 1, 1962, by City Ordinance. The F&P is a defined benefit plan that covers all uniformed officers of the Baltimore City Fire and Police Departments. The plan also covers certain Maryland Aviation Administration paramedics/firefighters and certain Maryland Transportation Authority police officers included in F&P plan coverage by State law.

An eleven-member Board of Trustees oversees the F&P. The F&P Board of Trustees is composed of four ex-officio members: the Comptroller, the Police Commissioner, the Chief of the Fire Department, and the Director of Finance; three appointees of the Mayor; two active employees: one from the Fire Department and one from the Police Department, elected by their respective active members; and two retirees: one from the Fire Department and one from the Police Department, elected by their respective retired members.

Assets of the F&P are held in custody with BNY Mellon Asset Servicing. As of June 30, 2024, net assets of the F&P totaled $3.24 billion. The F&P contracts with various investment management firms that make investment decisions within guidelines established by the F&P Board of Trustees. The assets are diversified to minimize risk and enhance returns over the long term. Monitoring and consulting of the investment activity is conducted by F&P's investment advisor, NEPC.

The F&P's funding objective is to meet benefit obligations by achieving an investment rate of return of 6.9% over the long-term and through employer and member contributions. As of June 30, 2024, the date of the F&P's last actuarial valuation, the System's funded ratio is 72.2% on an actuarial value of assets basis, compared to 71.7% at June 30, 2023. The System's Plan Fiduciary Net Position as a percentage of the Total Pension Liability at June 30, 2024 is 71.8% compared to 69.6% at June 30, 2023. Both ratios are calculated using the Entry Age Normal cost method.

For fiscal year 2025, the required contribution from the City was $164.3 million. For fiscal year 2026, the required contribution from the City is $164.5 million.

Unfunded Pension Plans. Certain Baltimore Police Department (BPD) retirees who were hired before July 1947 and their beneficiaries receive pension benefits through an unfunded pension plan which is administered by the Baltimore Police Department and paid out of the BPD annual budget. Benefits include medical and hospital coverage and PAYGO pension payments indexed to the current annual compensation authorized for the position from which the police officer retired. As of June 30, 2023, there were no retirees and 1 beneficiary receiving the benefit. The unfunded accrued liability is not calculated for this unfunded pension plan.

General. Certain financial information relating to the pension plans is also contained in the notes to the City's ACFR included as Appendix B to the Official Statement. Interested parties are encouraged to view additional information or request a copy of the respective pension fund financial statements at the following addresses:

Employees Retirement System/Elected Officials Retirement System
7 East Redwood Street, 13th Floor
Baltimore, MD 21202
443.984.3200
www.bcers.org

Fire and Police Employees' Retirement System
7 East Redwood Street, 18th Floor
Baltimore, MD 21202
410.497.7929
www.bcfpers.org

Retirement Plan after 2014. The City converted to a new form of retirement plan for employees hired on and after July 1, 2014 in an effort to control the escalating costs of the City's contributions to the ERS. Effective July 1, 2014, newly-hired Baltimore City employees, other than fire and police employees and elected officials, are subject to new retirement plan provisions. Upon employment, such new hires are required to elect between two retirement options: the non- hybrid option and the hybrid option. Employees electing the non-hybrid option will participate only in the Retirement Savings Plan (the "RSP"), a new 401(k)-style defined contribution plan. For each payroll period, non-hybrid employees receive a City contribution equal to 4% of pay and will be required to make an employee contribution equal to 5% of pay. In addition, the City matches 50% of the first 2% of deferrals a non-hybrid employee makes to the City's Deferred Compensation Plan. City contributions vest after 5 years of service (or, if earlier, at age 65, disability or death), and employee contributions vest immediately. Employees electing the hybrid option will participate in the RSP and also in the ERS. Under the RSP, hybrid employees receive a City contribution equal to 3.0% or 1.5% of pay, depending on the funded status of the ERS. Those contributions vest after 5 years of service (or, if earlier, at age 65, disability or death).

Other Post-Employment Benefits

The City provides other post-employment benefits ("OPEB") to all qualified City and Baltimore City Public School System employees (the "OPEB Plan"). The OPEB Plan is a contributory cost sharing multiple employer defined benefit plan. The OPEB Plan provides postemployment healthcare and prescription drug benefits to retirees and beneficiaries.

The City has established a trust fund (the "Trust Fund"), gained approval from the IRS for the tax exempt status for the income of the Trust Fund, and has made contributions to the Trust Fund. The City's policy is to fund benefits on a PAYGO basis plus make additional contributions comprising the federal retiree drug subsidy payments and an additional annual appropriation.

Beginning with the plan year ending June 30, 2018, the City has implemented Governmental Accounting Standards Board Statement Number 75 ("GASB 75") *"Accounting and Financial Reporting by Employers for Postemployment Benefits*

Other Than Pensions." This requires the City to account for those benefits on a full accrual basis and the net OPEB liability is reflected in the City's financial statements.

The measurement date for OPEB liability is June 30, 2024, and the valuation date is as of June 30, 2022. As of June 30, 2024, the Total OPEB Liability (TOL) was $956.4 million, the Plan Fiduciary Net Position (i.e. fair market value of the Plan assets) was $963.4 million and the Net OPEB Liability (Asset) was $(7.0) million.

Risk Management Program

In 1986, the City created by Ordinance a Committee on Insurance and Risk Management, members of which are to be persons knowledgeable in the field of risk management. The Committee has oversight and advisory responsibilities and reports to the Board of Estimates. It operates through the Office of Risk Management, which is within the Department of Finance.

The Office of Risk Management is responsible for a comprehensive program of (a) risk exposure identification, (b) risk evaluation, (c) risk control and (d) risk financing. Among its functions are the maintenance of systems to allocate insurance costs, handling of claims made and preparation of specifications for all insurance purchased by the City.

Baltimore City Public School System

The operating budget of the City Schools consists of the City Schools' General Fund, Special Revenue Fund, and Enterprise Funds. The process for developing the City Schools' budget involves requests from managers detailing resources necessary to support programs and operations. Total City Schools' needs (requests) are compared to projected revenue, with the overriding goal of providing support to the schools. The balanced budget is presented to the Baltimore City Board of School Commissioners for deliberation. Following public comment, the Baltimore City Board of School Commissioners adopts and forwards the Fiscal Year budget request to the City Board of Estimates. The Board of Estimates includes in the budget a recommended level of support which may vary from the requested level, but must at least meet the maintenance of effort requirement set forth in Section 5-202 of the Education Article of the Annotated Code of Maryland, as amended (the "MOE"). The City Council considers the recommended budget. After public hearings, the City Council votes on the budget and submits it to the Mayor for approval. The Mayor may approve the total budget or disapprove some items and approve the rest.

The City's Fiscal Year 2025 required amount for Maintenance of Efforts (MOE), which supports the BCPS, is approximately $396.9 million, this includes the cost of retiree's health care ($7.6 million). The retiree health care cost is reflected as direct City support and is appropriated in the local share program. The Fiscal Year 2025 Adopted Budget for School Crossing Guards is $6.0 million. Crossing guard costs are shared with BCPS. BCPS-related debt service is budgeted at $20.9 million.

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Table 11 shows the budgeted City support for City Schools for Fiscal Years 2025 and 2024.

TABLE 11
City Support for the Baltimore City Public School System

	Fiscal 2024 Budget	Fiscal 2025 Budget
Operating Support		
Direct Payment by the City to City Schools		
Maintenance of Effort (MOE), including Retiree Health Benefits	$405,374,928	$396,915,556
Costs of the City in Support of City Schools		
Health/School Nurse Program (General Fund portion)	$16,590,940	$19,314,414
Health/School Nurse Program (City School Funds Portion)	$3,000,000	$0
School Crossing Guards	$4,938,029	$6,042,377
Debt Service for School Construction Program	$20,932,824	$20,932,824
Subtotal	**$45,461,793**	**$46,289,615**
Operating Subtotal	**$450,836,721**	**$443,205,171**
Capital Support		
City Capital Funding for City Schools		
GO Bond Support for School Construction Projects	$19,000,000	$19,000,000
Subtotal	**$19,000,000**	**$19,000,000**
City Capital Support for 21st Century School Buildings Program		
Beverage Tax Contribution - School Construction	$12,311,000	$11,900,000
Casino Lease Contribution - School Construction	$1,400,000	$1,400,000
Table Games Aid - School Construction	$2,056,260	$1,611,000
Additional One-Time Funding Set Aside in Reserve for Future School Construction Needs (in anticipation of Built to Learn Act passage)	$0	$0
Subtotal	**$15,767,260**	**$14,911,000**
Capital Subtotal	**$34,767,260**	**$33,911,000**
Total City Support for City Schools	**$485,603,981**	**$477,116,171**

Source: Bureau of Budget and Management Research, Department of Finance.

Baltimore City Police Department

Consent Decree with the United States Department of Justice. Following the issuance of the United States Department of Justice (DOJ) report on its investigation of the Baltimore City Police Department (BPD) on August 10, 2016, the City and BPD agreed to a consent decree with DOJ. The consent decree was entered by U.S. District Court for the District of Maryland on April 7, 2017. The decree requires the City to fund a monitor for a period of 3 to 5 years at an annual budget cap of up to $1.475 million, to upgrade BPD IT infrastructure, as well as other improvements including for training, supervision and discipline of officers. Funding is expected to come from the City's General Fund as well as from state, federal and private sources. The City is required to fund the monitor until compliance is achieved, and the annual budget cap is anticipated to increase to $1.59 million per year, starting in 2023.

Additionally, the City and the BPD continue to face Gun Trace Task Force ("GTTF") litigation related to alleged police misconduct of the GTTF. There are five pending cases, plus claims for three additional cases. So far, the City has settled over 38 related cases or claims. The City is not liable for punitive damages under the Local Government Tort Claims Act and the City sets aside reserve funds for all of its potential liabilities, including those related to police misconduct.

Climate Change

The City is located in a coastal region and is affected by rising sea levels and by increased frequency and severity of storms. To plan for and adapt to the effects of rising sea levels, more frequent and destructive storms, and other consequences of climate change, the City adopted a Disaster Preparedness and Planning Project in December 2018, which was approved by the Federal Emergency Management Administration in February 2019 (the "DP3 Plan"). The DP3 Plan integrates an All Hazard Mitigation Plan, a Climate Adaptation Plan, and identifies opportunities to better prepare the City to adapt to new climate conditions. It notes that climate-related impacts are already affecting the City including heat waves, sea level rise, and flooding due to more extreme precipitation events. While those impacts are projected to affect the City's environmental, social, and economic systems more intensely than in the past, building adaptation into the DP3 Plan will allow the City to reduce risks associated with natural hazards and increase overall resiliency. Through the DP3 Plan, a Sustainability Plan, and other efforts, the City is committed to planning for, mitigating and adapting to the impacts of climate change and to maintaining its financial condition. The outcome of these efforts, however, cannot be assured. Additionally, in July, 2018 the City filed a lawsuit in the Circuit Court of Baltimore against certain fossil fuel companies to seek climate change related adaptation costs. The lawsuit is pending and the City can give no assurance as to whether it will be successful in obtaining the requested relief from the court. The Sustainability Office also supports the City's Community Rating System ("CRS") - a voluntary incentive program offered by the National Flood Insurance Program that recognizes and encourages community floodplain management activities that exceed National Flood Insurance Program requirements. Communities that certify themselves as a CRS have demonstrated that they comply with minimum to above standards for floodplain management. As an incentive, flood insurance premium rates are discounted to reflect reduced risk. Certifying Baltimore as a CRS community saves its residents money on insurance premiums. Since the CRS' coverage began in Baltimore, residents have saved a combined total of $857,000 annually.

The Sustainability Office also implements the City's Critical Area Management and Forest Conservation programs, which protect and enhance vegetated areas across the city, which helps abate the heat-island effect, improve water quality in the Chesapeake Bay, and create wildlife habitat. In regard to sea-level rise, the Office developed the City's first Nuisance Flood Plan in 2020 that intends to track the frequency, severity and location of nuisance flood events in Baltimore. Nuisance flooding, or sunny-day flooding, has become more frequent across the region, and understanding the phenomena by gathering data is important to effectively mitigate its impacts. The plan also includes an equity assessment that intends to identify the location of vulnerable populations that are impacted by nuisance flood events.

Cybersecurity

Baltimore City Information & Technology ("BCIT") has updated its Cybersecurity Incident Response Plan, held a tabletop exercise with city leadership, and is continuing to work on cyber resiliency. The City provides cybersecurity awareness training to all employees, which includes: new employee, quarterly and yearly training, regularly conducted phishing exercises and supplemental training on an as-needed basis. The City now has in place cybersecurity insurance coverage to help mitigate financial strain on the City, in the event of a future incident. BCIT, vigilant about cybersecurity, works continuously with City entities and vendors to identify and mitigate risks. The City also partners with the state and federal governments in this effort.

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DEBT OF THE CITY

Debt Policy of the City

During Fiscal Year 1990, the Mayor, the Board of Finance and the Board of Estimates approved a comprehensive debt policy (the "Debt Policy"), which was developed by a Debt Policy Committee comprised of 12 members appointed by the Mayor. The Debt Policy applies to all forms of financings for capital projects when such financings are accomplished using borrowed funds. The Debt Policy requirements apply without regard to whether such financing arrangements are considered debt within the constitutional definition of debt and therefore backed by the full faith and credit pledge of the City's taxing powers. While there are no constitutional or statutory debt limitations imposed upon the City, the Debt Policy imposes certain authorization limitations as described below. The Debt Policy is subject to review at least every five years, or at such earlier time as may be recommended by the City's Director of Finance. The Debt Policy was last reviewed in December 2023 by an independent financial consultant contracted by the City.

Under the debt structure, financing arrangements for capital projects include, but are not limited to: (i) revenue obligations, (ii) general obligation debt authorized pursuant to Section 7 of Article XI of the Maryland Constitution, (iii) loans from the State, such as those for schools, highways, economic development and sanitary sewer projects, (iv) capital leases, certificates of participation, sale/leaseback transactions, and conditional purchase agreements and (v) any additional financing methods, techniques or devices which are approved by the Director of Finance. The goal of such additional financing methods, techniques or devices is to provide the City with flexibility to utilize new methods of financing, provided that the Director of Finance has approved such methods.

The City's Debt Policy mandates that revenue obligations (including revenue bonds, revenue bond anticipation notes issued in anticipation of future revenue bond sales, and loans from the Maryland Water Infrastructure Financing Administration) shall be used to finance capital projects of the Water Utility Enterprise Fund, Wastewater Utility Enterprise Fund and Parking Enterprise Fund. Such revenue obligations are exempt from the dollar limitations described below. Additionally, the Debt Policy imposes restrictions on debt issuance for all capital projects except those covered by revenue obligations of the Water Utility, Wastewater Utility, Stormwater and Parking Enterprise Funds, and those projects covered by PAYGO financing and loans from the State for sanitary sewer projects, which are supported by user charges. Under the City's current Debt Policy, the annual budgeted amount of general obligation bonds issued will not exceed $125,000,000.

The Debt Policy provides that capital projects to be financed by dedicated or special funds, including grants and Federal or State contracts, may be appropriated in amounts estimated to be available for such projects. If such projects fulfill definite needs and are included in the six-year capital improvement program, acceptance of such dedicated or special funds will not obligate the City for capital funds in amounts which cause the City to violate the Debt Policy, and acceptance of such funding will not place an undue burden on the City for operating and/or maintaining such projects.

Overview

The City incurs debt in a variety of ways as are described below. Included within the discussion of the City's debt management policies are descriptions of obligations, which are not considered debt in the meaning of the term as set forth in the State Constitution, i.e., conditional purchase agreements.

General Obligation Debt

Authorization. The State Constitution does not permit the City to borrow money or pledge its credit, except as described below with respect to certain emergency and temporary borrowing, unless such borrowing or pledging of credit has been:

(a) authorized by an Act of the General Assembly, or by a Resolution of the members of the General Assembly representing Baltimore City, and

(b) authorized by a loan ordinance of the Mayor and the City Council of Baltimore, pursuant to the State authorization, and

(c) approved by a majority of the votes cast by the legal voters of the City at the time and place set forth in the loan ordinance.

Security. The State Constitution requires that any debt of the City or pledge of the City's credit must be discharged within forty (40) years from the time of contracting the same. All bonds issued by the City pursuant to constitutional authority are issued as general obligation bonds even though such bonds may be fully self-supporting through user charges or contractual payments. Such bonds are unconditional general obligations of the City, payable as to principal and interest from ad valorem taxes which the City is empowered and directed by law to levy without limitation as to rate or amount upon all assessable property located in the City in each year in rate and amount sufficient for the purpose until all of the bonds and interest thereon shall have been paid or provision shall have been made for such payment.

The Charter provides for the manner in which the City's annual budget shall be formulated and adopted. It prohibits the City Council from increasing any appropriation and permits the City Council to reduce proposed appropriations except "such amounts as are for the payment of interest and principal of the municipal debt."

Temporary Borrowing. Section 7 of Article XI of the State Constitution permits the City to borrow temporarily to meet cash flow deficiencies in the City treasury. The Charter restricts such temporary borrowing in anticipation of tax receipts of the current year, and requires that such borrowing be discharged prior to passage of the budget for the ensuing year. The Charter specifically prohibits the making of any temporary loans to cover any deficiency arising from a failure to realize sufficient revenues from all available sources to meet the amounts provided for appropriations in the annual budget. In the case of such deficiency, the Board of Estimates is required to effect a reduction in appropriations other than those for the payment of the principal and interest of the City's debt.

Emergency Borrowing. Section 7 of Article XI of the State Constitution permits the City to borrow for certain emergencies without authorization from the General Assembly or voter approval. Such emergency borrowing must arise from the necessity of maintaining the police or preserving the health, safety and sanitary condition of the City. The Charter provides that such emergency borrowing must be authorized by an Ordinance declaring the existence of such emergency, establishing the amount required to meet the emergency, prescribing the form and character of the loan and the terms of the securities and providing for discharge of the loan. In the City's history there have been only two uses of the emergency borrowing authority, both relating to the years 1938 and 1939. Both of the loans were fully paid by 1949.

Unfunded Debt. The City has no unfunded debt. The City has no authority under the Charter to contract an unfunded debt.

Debt Limit. The City has no constitutional or statutory debt limit. However, each loan must be authorized pursuant to the procedures described in "Authorization" above.

Overlapping Debt. There is no overlapping debt of the City. There are no local taxing jurisdictions overlapping the City. The City is not part of any county or other political subdivision of the State. The City is an independent political subdivision of the State.

Defaults or Moratoriums. There is no record of any default or moratorium, either as to principal or interest, on any of the City's bonded indebtedness.

Self-Supporting General Obligation Debt. The City historically has classified part of its general obligation debt as "self-supporting." While bonds for such purposes are issued as general obligation debt of the City, such bonds do not require support of tax levies to meet debt service on the bonds. The Debt Policy notes that distinctions between "self-supporting" and "not self-supporting" financing arrangements have been over-emphasized and recommends that in the future such designations will be made by the Director of Finance only for the purpose of informing the City's voters of those general obligation loan authorizations which the City believes will not require support from City tax revenues. The categories of debt historically classified as self-supporting are:

(a) *Water Debt*. The City's Water system is operated as a public utility and provides water service to residents of certain of the nearby counties as well as to City residents. Under the provision of a Charter amendment adopted in 1978, the City's water system must be operated as a self-supporting utility fund. The Board of Estimates, on recommendations of the Director of Finance and the Director of Public Works, and following public notice, must establish water rates to make the utility self-sustaining at all times.

(b) *Wastewater (Sanitary Sewer) Debt*. The City's Wastewater system is operated as a public utility under similar provisions and in the same manner as the water utility. The sewer utility is supported by consumer charges based upon the consumption of water. In addition, an industrial surcharge is imposed on industries discharging sewerage to the system, which contains constituents in excess of those contained in human wastes.

(c) *Stormwater Debt.* The City's Stormwater system is operated as a public utility under similar provisions and in the same manner as the water and wastewater utilities. The sewer utility is supported by stormwater charges set by the Board of Estimates, on recommendations of the Director of Finance and the Director of Public Works, following public notice.

(d) *Off-Street Parking Debt*. The City has issued general obligation bonds to finance off-street parking projects in the downtown area. Some of these projects are covered by agreements under which developers are required to make payments sufficient to meet all debt service on the bonds. In addition, projects undertaken and operated by the City or by non-profit corporations are required to be self-supporting as to both operating expenses and debt service.

(e) *Housing, Commercial and Industrial Financing Debt*. The City has obtained authorizations and voter approval to issue bonds, the proceeds of which have been used to make loans or to guarantee or insure loans to private persons, including partnerships and corporations, for home rehabilitation or the purchase of commercial or industrial properties. These programs as established provide that the borrower must repay the City for the principal and interest on the loan, plus an amount, which is sufficient to cover the fees, paid to the mortgage servicer, where applicable.

Financings with the State of Maryland and Federal Government

Purpose. The City has borrowed funds periodically from the State for school, highway, sewer and economic development purposes pursuant to specific provisions of State law, which authorize such long-term financings. Except as noted below under "Economic Development," the State laws authorizing such long-term financings provide that they are not general obligation debts of the City or the county to which the funds are advanced by the State, and the City or the county involved is not obligated to levy property taxes to repay such financings or the interest thereon. The City also has received a loan from the Federal government for the redevelopment project discussed below.

Debt Outstanding. The City's outstanding financings with the State and Federal government are listed below:

(a) *Highways*. Since Fiscal Year 1972, the City has borrowed funds from the State for highway purposes, principally in connection with financing the City's share of the Interstate Highway System and for construction or reconstruction of primary roads. The debt service applicable to such financings is withheld by the State Comptroller from distributions due the City for highway user revenues. As of June 30, 2024, the City has $64,345,000 of outstanding highway debt.

(b) *Maryland Water Quality Revolving Loan Fund*. Since November 1990, the City has participated in the Maryland Water Infrastructure Financing Administration Revolving Loan Fund. As of June 30, 2024, the unpaid principal amount of loans outstanding was $555,768,299.

(c) *Water Infrastructure Finance and Innovation Act (WIFIA) Loan*. Since December 2018, the City has participated in the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Fund, a federally funded program, administered by the U.S. Environmental Protection Agency for eligible water, wastewater, and stormwater projects. This program provides subsidized financing for large dollar-value projects. As of June 30, 2024, the unpaid principal amount of loans outstanding was $544,555,212.

(d) *Federal Economic Development Loans*. The City has borrowed funds from the federal government to provide for the development of Port Covington, Nehemiah and Sandtown/Winchester. See "DEVELOPMENT AND REDEVELOPMENT ACTIVITIES" herein. As of June 30, 2024, the unpaid principal amount owed to the Federal government was $15,496,000. The notes representing such obligations mature serially through 2043.

Revenue Bonds - City Facilities

Authority to Borrow. The general powers of the City are derived from the State Constitution, and from Public General or Public Local Laws of the State, and are set forth in Article II of the Charter. Article II of the Charter authorizes the City to borrow money to finance undertakings for the accomplishment of any of the purposes, objects and powers of the City, and in connection therewith to issue bonds, notes or other obligations. Such authorization provides that the principal of and interest on such borrowings shall be payable solely from and secured solely by a pledge of: (i) the revenues from or arising in connection with the property, facilities, developments or improvements so financed, (ii) the revenues from or arising in connection with any contracts, mortgages or other securities purchased with the borrowed funds, (iii) the contracts, mortgages or other securities purchased or otherwise acquired with the borrowed funds or (iv) any combination of the foregoing. Article II of the Charter provides that the bonds, notes or other obligations issued under such authority shall be issued pursuant to an Ordinance of the

Mayor and City Council of Baltimore, without submitting the question of such issuance to the legal voters of the City for approval or disapproval. The Charter specifically provides that any such revenue bonds, notes or other obligations shall not be general obligations of the City, shall not be a pledge of or involve the faith and credit or taxing power of the City, and shall not constitute a debt of the City within the meaning of any constitutional, statutory or charter provisions.

Pursuant to Article II of the Charter, the City also is authorized to finance the acquisition and construction of off-street parking facilities in the City, which are owned by the City, by the issuance of revenue bonds, notes and obligations. Such borrowings may be made pursuant to an Ordinance of the Mayor and City Council of Baltimore and may be secured by a pledge of the revenues derived from such facilities and a pledge of revenues collected from parking taxes, parking fees or charges, parking meter collections, parking fines or any other revenues derived from the parking of motor vehicles in the City. Any revenue bonds, notes or other obligations issued pursuant to such authorization shall not constitute a general obligation of the City, shall not involve a pledge of the faith and credit or taxing power of the City, and shall not constitute a debt of the City within the meaning of Section 7 of Article XI of the State Constitution.

For details on the City's Water, Wastewater, Parking, Convention Center, Stormwater and County Transportation Revenue Bonds, please refer to the "Notes to Basic Financial Statements" section in the ACFR.

Revenue Bonds - Conduit Financings

Authority to Borrow. In addition to the authorizations previously discussed, there are additional authorizations under which the City has issued mortgage revenue bonds, housing revenue bonds and private purpose revenue bonds.

Such "conduit" financings include:

(i) Revenue bonds issued to facilitate low and moderate cost residential mortgage financing, and to develop an owner-occupancy residential mortgage loan program in the City pursuant to Article II of the Charter.

(ii) Private purpose revenue bonds issued pursuant to the provisions of Title 14 of Article 41 of the Annotated Code of Maryland, as amended, for economic and industrial development and promotion of the health, welfare and safety of the citizens of the City through pollution control measures and encouragement of employment. Such bonds and the interest thereon are payable solely from the revenues generated from the financed facilities or the proceeds of refunding revenue obligations.

(iii) In prior years, the City also was authorized to issue private purpose revenue bonds or loans pursuant to the Maryland Industrial Development Financing Authority Act (the "MIDFA Act"). Under the MIDFA Act, the Maryland Industrial Development Financing Authority was authorized to insure, in whole or in part, the repayment of private purpose revenue bonds issued pursuant to Article 41 of the Annotated Code of Maryland, as amended, and to insure private purpose revenue bonds issued pursuant to the MIDFA Act.

Industrial Development Authority Financings

Authorization. The Industrial Development Authority of the Mayor and City Council of Baltimore (the "Industrial Development Authority") was created pursuant to the Annotated Code of Maryland, as amended and by Ordinance No. 1144 of the Mayor and City Council of Baltimore, approved July 27, 1979, as amended by Ordinance No. 808, approved November 1, 1982. A nine-member Board of Directors governs the Industrial Development Authority. Five of the directors are voting members nominated by the Mayor and approved by resolution of the City Council. The City's Director of Finance and Deputy Director of Finance are ex-officio, non-voting members of the Board, and the City Council appoints two of its members as ex- officio, non-voting directors.

The Industrial Development Authority has no debt outstanding at this time.

Conditional Purchase Agreements

Since December 1985, the City has entered into various conditional purchase agreements to construct and purchase certain facilities or real property and/or to acquire equipment for use by municipal departments or agencies of the City government. These conditional purchase agreements ("CPAs") do not constitute a debt of the City within the meaning of any constitutional, statutory or charter limitation and do not constitute a charge against the general credit or taxing power of the City. All amounts payable by the City under the CPAs, including the purchase installments, are subject to annual appropriation by the

City Council and the City Council is not obligated to make such annual appropriations. In the event that sufficient funds are not appropriated to meet the requirements of any CPA, such agreement is subject to termination at the end of the last Fiscal Year for which an appropriation is available. Upon satisfaction of the CPAs, title to the facilities, equipment or real estate financed thereunder passes to the City.

While the City Council is not obligated to make the annual appropriations required under the CPAs, it is the intention of the City to make such appropriations so that financings thereunder will be satisfactorily completed and title to the facilities will pass to the City.

Leases and Other Commitments

Real Property and Equipment Leases. The City has entered into a number of leases for rental of office facilities and equipment, some of which provide for increased rentals based upon increases in real estate taxes and common area maintenance fees. All leases are subject to annual appropriation by the City Council. The City has also entered into certain lease finance purchase agreements to finance the purchase of equipment including motor vehicles, heavy equipment and helicopters. The City's future minimum annual lease payments are indicated in "Appendix B—Notes to Basic Financial Statements, Note 15".

Waste Disposal Agreements. The City has entered into various waste disposal agreements as described below.

(a) *Bresco Facility*. The City's obligation to pay tipping fees for disposal of waste at the Bresco Facility is funded through the General Fund. The City's waste disposal contract was renewed in November 2020, for a ten-year period.

(b) *Sludge Composting Facility*. The City entered into a five-year sewage disposal agreement with the Northeast Maryland Waste Disposal Authority (the "Authority") from June 30, 2025, through June 29, 2029, with two (2) optional twelve (12) month terms. The Authority is party to an agreement with Denali Water Solutions for the composting of sludge from the City's Back River Waste Water Treatment Facility. This agreement obligates the City to deliver to the facility approximately certain guaranteed amounts of sewage sludge per year and to pay certain tipping fees. The City's tipping fees are payable from Wastewater Utility Fund revenues.

(c) *Heat Drying Sludge Disposal Facilities*. The City has entered into two heat drying sludge disposal agreements with two privately financed, owned and operated facilities at its Back River Wastewater Treatment Plant and Patapsco Wastewater Treatment Plant. Synagro Technologies owns and operates both facilities. The City agreed to two 5-year extensions at the Back River Plant on March 31, 2015, and the DPW received approval for wan amendment to the contract which extends the current contract end date from March 31, 2025, to March 31, 2029. Additionally, the amendment includes an option to extend the agreement by one or more 12-month periods, up to and including March 31, 2035. Additionally, the City agreed to two 5-year extensions at the Patapsco Plant on June 30, 2017 to process sewage sludge for heat drying and disposal to the facilities. The City's tipping fees are payable from Wastewater Utility Fund revenues.

Tax Increment Financing (TIF)

Authority to Borrow. The City's authority to issue bonds under a tax increment financing ("TIF" and "TIF Bonds," respectively) is established under Article II, Section 62 of the City Charter (the "Enabling Act"). The Enabling Act itemizes the eligible uses of TIF Bond proceeds and states that TIF Bonds shall be approved by an ordinance of the City Council. The ordinance will describe the basic terms of the TIF Bonds or will provide that such terms are to be specified in a resolution of the Board of Finance. The City may also, acting through the Board of Finance, issue bonds to refund outstanding TIF Bonds.

In most cases, the City will require that the TIF Bonds also be secured by a special tax levied in the development district, pursuant to Article II Section 62A of the City Charter. The establishment of a special taxing district ensures that if the anticipated benefit to be derived by proposed development does not occur, such that the tax increment revenues are not sufficient to pay debt service on the TIF Bonds, the City will levy a special tax on the property owners in the district (i.e., the developer) to make up any shortfall. Such a special tax requires the approval of 2/3 of the property owners, in both number and property value, within the special tax district.

Description. In general, TIF Bonds are special obligations of the City secured by the incremental increase in property taxes resulting from the proposed improvement. The City utilizes this financing option by designating within its borders a TIF district. The base property valuation (assessable base) is then established and certified, and the property taxes from that assessable base continue to be collected and used for general governmental purposes. As the assessed valuation within the district increases, the taxes derived from the increased valuation (tax increment) pay debt service on the bonds used to fund TIF project costs within

the district. When the TIF debt is repaid, the district is dissolved and the taxes collected from the increased assessed valuation flow directly to the General Fund.

A TIF functions by pledging property tax increments gained as a result of new development within the tax increment district. The City continues to collect the tax revenues that it had historically received from the TIF district, but the incremental taxes collected from the enhanced value of the real estate is used to pay debt service on the TIF Bonds.

Debt Outstanding. As of June 30, 2024, there was a total of $363,798,880 in principal amount due for special obligation bonds issued for TIF projects. See Table 12, which sets forth the debt service schedule for the City's general obligation bonds and certain other long-term financing arrangements as of June 30, 2024.

TABLE 12
Debt Service Schedule

Fiscal Year	General Obligation Bonds		Long-term Financing with Federal Government	
	Principal	Interest	Principal	Interest
2025	41,710,000	20,055,634	2,252,000	399,027
2026	41,340,000	18,142,293	1,737,000	676,286
2027	41,010,000	16,257,277	404,000	630,819
2028	40,500,000	14,375,092	424,000	607,718
2029	38,285,000	12,563,017	446,000	583,445
2030-2034	149,320,000	41,832,873	2,596,000	2,298,206
2035-2039	113,245,000	16,454,225	3,328,000	1,684,881
2040-2044	41,850,000	2,393,950	4,309,000	629,396
2045-2049				
2050-2054				
2055-2059				
Total	$507,260,000	$142,074,361	$15,496,000	$7,509,777

TABLE 12
Debt Service Schedule
(continued)

Fiscal Year	Wastewater Utility Fund Revenue Bonds		Parking Facilities Revenue Bonds		
	Principal	Interest	Principal	Interest [1]	SWAP [2]
2025	$59,476,484	$44,305,763	4,725,000	968,953	313,936
2026	66,707,534	43,327,864	5,280,000	866,796	288,392
2027	61,299,785	41,902,498	5,420,000	759,716	260,482
2028	66,765,522	40,114,089	5,680,000	646,791	231,183
2029	68,675,096	38,164,444	6,315,000	527,230	192,189
2030-2034	358,247,785	158,804,870	30,060,000	951,059	313,091
2035-2039	315,618,474	107,472,552	425,000	18,429	
2040-2044	260,129,070	64,357,443			
2045-2049	183,635,097	30,549,452			
2050-2054	112,728,226	8,193,706			
2055-2059	20,482,862	591,768			
Total	$1,573,765,935	$577,784,450	$57,905,000	$4,738,972	$1,599,272

Fiscal Year	Convention Center Headquarters Revenue Bonds		Water Utility Fund Revenue Bonds		
	Principal	Interest	Principal	Interest [1]	SWAP [2]
2025	4,560,000	12,497,000	39,188,522	39,269,093	2,604,840
2026	5,040,000	12,257,000	40,242,202	38,910,952	2,604,840
2027	5,510,000	11,993,250	41,556,119	37,947,739	2,604,840
2028	6,010,000	11,705,250	47,530,375	36,680,021	2,604,840
2029	6,600,000	11,390,000	48,971,741	35,271,697	2,604,840
2030-2034	42,305,000	51,043,125	273,692,328	150,834,809	12,479,939
2035-2039	53,990,000	39,063,000	272,701,480	102,896,245	9,287,365
2040-2044	68,910,000	23,773,500	258,979,520	58,257,349	2,784,742
2045-2049	59,295,000	4,984,875	160,341,788	22,815,114	
2050-2054			70,251,769	5,109,760	
2055-2059			24,538,547	708,941	
Total	$252,220,000	$178,707,000	1,277,994,392	$528,701,719	$37,576,247

TABLE 12
Debt Service Schedule (continued)

Fiscal Year	Conditional Purchase Agreement		Storm Water[3] Revenue Bonds		Transportation Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	30,183,660	6,037,716	1,906,422	2,621,729	7,695,000	2,284,500
2026	28,693,235	4,307,754	1,944,157	2,714,915	8,040,000	1,947,238
2027	25,518,249	3,353,152	2,862,149	2,657,447	8,350,000	1,631,875
2028	20,144,960	2,507,698	2,868,492	2,589,216	8,650,000	1,332,488
2029	15,845,899	1,807,669	2,567,303	2,518,282	6,565,000	1,049,675
2030-2034	38,762,344	3,050,371	13,981,187	13,455,584	25,045,000	2,052,038
2035-2039			16,051,635	9,347,585		
2040-2044			18,285,022	7,070,801		
2045-2049			21,075,955	4,189,462		
2050-2054			10,575,245	1,473,524		
2055-2059			7,611,810	675,854		
2060-2064			3,251,045	62,061		
Total	$159,148,348	$21,064,360	102,980,422	49,376,460	$64,345,000	$10,297,813

Special Obligation Bonds

Fiscal Year	TIF Special Obligation Bonds	
	Principal	Interest
2025	7,754,933	16,880,080
2026	8,189,947	16,530,061
2027	8,842,000	16,145,471
2028	9,849,000	15,731,085
2029	10,799,000	15,265,620
2030-2034	63,959,000	67,805,660
2035-2039	90,938,000	49,142,396
2040-2044	73,617,000	27,551,934
2045-2049	62,240,000	12,725,694
2050-2054	27,610,000	1,354,100
2055-2059		
2060-2064		
Total	$363,798,880	$239,132,101

(1)'Variable rate interest is calculated on the rate at June 30.
(2)'The swap debt service is calculated as the difference between the rate paid on the swap and the rate received on the swap on June 30.
(3) Includes Water Quality, Storm Water, County Transportation, and Revenue Bond debt.

Table 13 below shows the City's debt service ratios for the Fiscal Years ended June 30, 2020 through 2024.

TABLE 13
Net Tax-Supported Debt and Debt Service Ratios Fiscal Year Ended June 30th

	2024	2023	2022	2021	2020
General Obligation Bonds (millions)	507.3	547.0	544.7	599.9	593.3
Population (thousands)*	N/A	565.2	569.9	576.5	585.7
Assessed Value of Taxable Property (millions)	42,660.9	40,250.5	39,353.7	38,172.9	37,364.1
Estimated Actual Value of Taxable Property (millions)	47,691.8	45,091.9	44,328.6	43,646.9	42,787.9
Annual General Obligation Debt Service (millions)	61.8	83.5	78.7	74.1	66.5
General Fund Revenue (millions)	2,215.9	2,233.4	2,287.4	2,029.8	1,920.6
Ratios:					
Net Debt Per Capita	N/A	N/A	N/A	N/A	$827
General Obligation Debt as a Percentage of Assessed Value	1.19%	1.36%	1.38%	1.57%	1.59%
Net Debt as a Percentage of Estimated Actual Value	1.06%	1.21%	1.23%	1.37%	1.39%
General Obligation Debt Service as a Percentage of General Fund Revenue	2.79%	3.74%	3.44%	3.65%	3.46%

Source: City of Baltimore, Maryland Annual Comprehensive Financial Reports for Years Ended June 30, Department of Finance

*Based on Calendar year

CAPITAL IMPROVEMENT PROGRAM

Description of Program

To guide the City in making necessary physical improvements, the Charter requires that the Planning Commission annually adopt a six-year capital improvement plan. The Planning Commission begins by reviewing agency requests, giving consideration (among other things) to the City's priorities and development strategies, needs expressed by citizens, the merits of particular projects, constraints on the use of State and Federal funds, and the City's own self-imposed borrowing limitations.

The Planning Commission's recommended capital improvement program is submitted to the Board of Estimates, and then referred by the Board of Estimates to the Director of Finance and the Board of Finance for report and recommendation, as required by the Charter. The recommended program must be a balanced budget that identifies the fund source for each project. After the Board of Estimates has adopted the official six-year program, the first year of projects is proposed to the City Council as the capital budget. The City Council may delete projects or reduce amounts, but may not add to the proposed budget. The remaining five years of the capital plan are not legally binding upon the City, but adoption by the Board of Estimates indicates the serious commitment of the City to undertake specific projects with anticipated funding sources.

Projects approved by the Board of Estimates and the City Council for inclusion in the $732.4 million Capital Improvement Program for Fiscal Year 2025 will be funded using the City's General Fund; General Obligation Bonds; Revenue Loans; Federal, State and County Grants; and other sources, including private funding.

Fiscal Year 2025 Capital Improvement Budget

The six-year Capital Improvement Plan, adopted in Fiscal Year 2025, totals $3,789.4 million.

Fiscal Year 2025 appropriations from the General Fund PAYGO total $105.0 million, an increase of $58.8 million from Fiscal Year 2024, $90.0 million of which is for Highway User Revenue capital projects. The City typically operates from a baseline of $15 million for PAYGO capital projects.

Budgeted projects utilizing General Obligation Bonds totaled $80 million. This funding includes – but is not limited to $3.5 million for improvements to the Abel Wolman municipal building. $2.9 million to complete full funding for the Forest Park Library addition and renovation. $4 million for demolition and stabilization of vacant and abandoned buildings. $19 million for Baltimore City Public Schools facilities, including $1.25 million towards the expansion of the Armistead Gardens Elementary/Middle, $1.0 million for Maree G. Farring Elementary/Middle, $2.5 million toward construction of the new Furley Elementary School and $10.5 million for systems replacements, renovations, and repairs across the various buildings.

The Baltimore City School Act requires the City to contribute $20 million annually as its share of debt service for an approximately $1.1 billion capital program. The Act further requires the City to contribute proceeds from the five-cent beverage container fee (approximately $12 million), 10% of the revenues from the Video Lottery Terminal, and revenue generated from table games on an annual basis. The remainder of the City's contribution is in the form of a guaranteed tax base formula, leveraged by directly appropriating retiree health benefit funding to the Baltimore City Public Schools. For Fiscal Year 2022, the City will provide an estimated $33.9 million for school construction and modernization upgrades, a decrease of $0.9 million or 2.5% from the prior fiscal year. For a further discussion of the funding provided by the City for the BCPS, see "CERTAIN EXPENDITURES OF THE CITY -- Baltimore City Public School System" above.

Table 14 details the sources of funds and appropriations by agency for the City's Capital Improvement Program for the current budget year 2025 and the six-year program, Fiscal Years 2025 through 2030.

TABLE 14

Capital Improvement Program 2025-2030 (in thousands)

Sources of Funds	Program Fiscal 2025	Program Fiscal 2026	Program Fiscal 2027	Program Fiscal 2028	Program Fiscal 2029	Program Fiscal 2030	Six-Year Total
City Bond Funds	$80,000	$125,000	$125,000	$140,000	$140,000	$170,000	$780,000
City General Funds	15,000	15,000	15,000	15,000	15,000	15,000	$90,000
Revenue Loans	208,451	358,790	291,911	238,136	135,238	116,375	$1,348,901
Utility Funds	54,508	33,946	15,700	0	0	0	$104,154
Federal Funds	92,456	65,350	90,350	87,300	88,500	88,500	$512,456
State Funds	59,792	32,000	37,000	7,000	7,000	7,000	$149,792
General Funds (HUR Eligible)	90,000	94,100	91,000	24,700	20,600	16,400	$336,800
County Grants	115,029	100,422	33,906	122,516	41,268	25,717	$438,858
Other	17,218	4,350	2,850	1,350	1,350	1,350	$28,468
Total	**$732,454**	**$828,958**	**$702,717**	**$636,002**	**$448,956**	**$440,342**	**$3,789,429**
Appropriations by Agency							
Education	19,000	25,000	25,000	30,000	30,000	40,000	169,000
Recreation & Parks	19,050	18,250	46,500	15,000	15,000	37,600	151,400
Housing & Community Development	73,484	54,750	54,750	23,750	24,950	25,950	257,634
Public Buildings	14,950	26,300	18,450	51,130	43,500	29,925	184,255
Transportation	171,440	151,690	171,971	106,115	101,201	94,750	797,167
Public Works-Wastewater	146,300	160,516	97,228	146,200	0	4,320	554,564
Public Works- Water	173,786	207,567	207,757	205,463	173,143	137,772	1,105,489
Public Works-Other	79,292	164,335	45,411	11,923	6,112	5,000	312,073
Economic Development	5,450	3,000	3,000	1,950	1,950	1,950	17,300
All Other City Agencies & Programs	29,702	17,550	32,650	44,470	53,100	63,075	240,547
Total	**$ 732,454**	**$ 828,958**	**$ 702,717**	**$ 636,001**	**$ 448,956**	**$ 440,342**	**$ 3,789,429**

Source: Bureau of Budget and Management Research, Department of Finance.

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DEVELOPMENT AND REDEVELOPMENT ACTIVITIES

Overview

Housing development is coordinated primarily by DHCD, and to a lesser extent the City's economic development agency, the Baltimore Development Corporation ("BDC"). DHCD is primarily involved in neighborhood based housing and community development, while BDC oversees such development in its assigned geographic areas of responsibility – the Inner Harbor, Inner Harbor East, the redevelopment of the West Side of downtown, and commercial and industrial areas throughout the City.

The City's involvement in residential development can range from no direct involvement (in areas of strongest market demand), to provision of public land or buildings offered for redevelopment through a competitive process, to tax relief or abatement through negotiated payments in lieu of taxes ("PILOTs"), to direct project financing with community or economic development bond funding, or federal entitlement programs such as Community Development Block Grant ("CDBG") or HOME.

Residential and Community Development

Residential Developments. The City is experiencing a rise in new middle income housing opportunities evidenced by the new construction or substantial rehabilitation of housing units. This is reflected in the increase of new construction and scattered site rehabilitation in emerging markets of the City such as Locust Point, Canton, Fells Point, and Federal Hill, and in stable outer ring neighborhoods.

BCL Projects. Baltimore Community Lending ("BCL"), formerly known as Baltimore Community Development Financing Corporation or CDFC, was founded in 1989 to involve the private sector in public sector efforts to address the City's affordable housing needs. BCL is operated on the community development bank concept, and its primary focus is encouraging local development communities to invest in the City's neighborhoods in order to create affordable housing and other real estate opportunities, eliminate the stigma of slum and blight represented by the appearance of vacant buildings, and stimulate home ownership. BCL utilizes the resources and skills of public agencies, local bankers, developers, nonprofit housing organizations, and other interested parties in accomplishing this mission. BCL is a certified Community Development Financial Institution.

Inner Harbor Project I. BDC continues to support and facilitate the ongoing improvement of the Inner Harbor as an essential park and civic space for the City, as well as the most visited tourist area in the City. BDC is working closely with City agencies and the Waterfront Partnership to implement the vision outlined in the Inner Harbor 2.0 Master Plan, which includes improving the park and public spaces in the Harbor, adding new and diverse seasonal and permanent attractions while maintaining existing ones, and updating the visitor experience through new lighting, landscaping and activities. In 2022 BDC, in partnership with the Waterfront Partnership and the Department of Recreation and Parks, completed a $17M reconstruction of Rash Field Park, to add new recreational and gathering spaces for residents and visitors. In addition, a new water taxi terminal and museum for the USS Constellation historical ship was completed and is ready to welcome visitors and strengthen the transportation and tourism infrastructure in the Inner Harbor.

In 2024, BDC worked with the new owner of Harborplace on redevelopment plans for the private buildings and the public space that surrounds them. $7 million has already been allocated to study and improve the infrastructure and public spaces in the Inner Harbor and areas leading to it, with commitments for an additional $60 million over the next two years. This initial public investment will combine with a projected $300M in private investment to completely reinvent the private Harborplace properties into a 24-hour mixed-use environment. This investment represents a significant step forward in realizing the transformation of the Inner Harbor, now 40 years old, for the next 40 years.

Inner Harbor West. The Pratt Street Plan continues to drive development activity in the Inner Harbor West Area. City leaders undertook the Pratt Street Plan in 2006 with the following goals: to provide a comprehensive plan for Pratt Street (between Martin Luther King, Jr. Boulevard on the west and President Street on the east) that improves its aesthetic and functional design, usage, activities, and attractions; to provide additional retail amenities in the Central Business District (CBD) and Inner Harbor; to better create public spaces; and to provide an active and engaging pedestrian experience. As a result, several recommendations in the Pratt Street Plan have been implemented in the Inner Harbor West Area Including, among other things, the skybridge removal at Charles Street and Pratt Street.

There is also renewed development interest in City-owned parcels along Pratt Street and BDC is currently evaluating those parcels for future sale and development. A major renovation of the Baltimore Arena was completed, and the Arena opened to sellout crowds in April 2023. This $250 million investment, will support year-round activity in the area and encourage further redevelopment of vacant and underutilized properties, including former hotels that failed during the COVID pandemic.

Harbor East. Harbor East has become a $1.67 billion mixed use development. Replacing a landscape once characterized by derelict warehouses and factories, Harbor East is now defined by modern amenities, gleaming architecture and high-rise towers and contains over five million square feet of office, residential, hotel, retail, entertainment and parking space.

Key office tenants located in Harbor East include Franklin Templeton, Morgan Stanley, Johns Hopkins Carey School of Business, Johns Hopkins Medicine, Citi-Smith Barney, RSM McGladrey and Laureate.

Hotels located in Harbor East include The Four Seasons, Marriott Waterfront Convention Hotel, Marriott Courtyard, Hilton Homewood Suites, Hilton Garden Inn and Hyatt Place.

The Liberty, a $170 million luxury apartment building that features 282 apartments, 35 condominiums and a full-size Whole Foods Grocery on the ground floor, was completed in 2019. In the last couple years national retailers Chanel, Sephora, and Patagonia have opened locations in Harbor East, joining other national brand names in what has become the City's premier retail shopping district.

Harbor Point. Harbor Point is an approximately twenty-seven acre mixed-use development located on a waterfront site west of Fells Point and south and east of the growing Harbor East neighborhood. It is planned to include three million square feet of mixed-use development including new office space, shopping, dining, hotel and residential destinations, 3,300 structured parking spaces, and nearly 9 acres of new public parks. In 2016, the new headquarters building for energy company Exelon officially opened, complete with 443,000 square feet of office space, 40,000 square feet of ground floor retail and 103 residential apartments. Retailers West Elm, Honeygrow, Ceremony Coffee and exercise studio CorePower Yoga have all leased space in the building.

The $93 million Point Street Apartments was completed in 2018, adding 289 apartments to Harbor Point. Future phases of construction include the $116 million Wills Wharf project broke ground in 2018 and will add additional retail and office to the property, as well as a *Canopy by Hilton* hotel. That project was delivered in 2020.

The next phase of construction at Harbor Point is underway and will include a new headquarters campus for T. Rowe Price alongside a marquee public park on the Waterfront, as well as new residential building and hotel. The T. Rowe Price building and Point Park opened in early 2025.

Central Business District. The Central Business District (CBD) has seen tremendous development activity following the creation of a High Performance Market-Rate Rental Housing Tax Credit that was sponsored by BDC. Formerly vacant and low-performing office buildings have been converted into residential use, and more that 4,000 new units have been delivered since its enactment. After hundreds of apartment units were delivered in 2016, hundreds more were added in 2017, with the delivery of the Appraiser's Store Building and 2 Hopkins Plaza. In 2018, the completion of 225 N. Calvert and 300 St. Paul Place added to the market-rate apartment inventory. The construction of a new major office building at 1 Light Street, in which M&T Bank opened its regional headquarters in 2018, added additional Class A apartment and office inventory into the CBD. With relatively high office vacancies persisting north of Lombard Street, Downtown is also backfilling vacant office spaces with State of Maryland tenants that are relocating downtown as the State vacates the State Center Complex. More than 5,300 full-time equivalent employees relocated downtown at the end of 2024.

Westside Revitalization. The City's ongoing redevelopment of Westside have included improvements to Howard Street, streetscape and landscape improvements on Howard Street and façade improvements on targeted blocks. BDC is working with various City agencies to make improvements to the public space on the Westside, including reducing/eliminating illegal street vendors, reduce illegal activities in the immediate vicinity of Lexington Market, and promoting redevelopment and activities consistent with the Bromo Arts and Entertainment District.

BDC has three pending redevelopment projects, alongside four major projects that are under construction, in the pre-construction phases, or expected to break ground in 2025. Together, these represent well over $150 million of new investment in the Westside. Together, these projects comprise over 40 formerly vacant city-owned properties. These projects complement

the recently completed major redevelopment at the Historic Lexington Market and the conversion of a vacant office building into the Redwood Campus Center apartments adjacent to the University of Maryland-Baltimore. The proposed redevelopment of the former Morris Mechanic Theater remains one of the largest development opportunities in the City.

Casino. The Horseshoe Casino Baltimore opened on August 26, 2014. The casino employs over 1,700 people, 60% of City residents. The $442 million project included a 122,000-square-foot gaming area with 20,000 square feet devoted to food and beverage establishments and a 3,600-space parking garage. In addition to gaming activities, the casino has several restaurants and an entertainment area. The City owns the land and receives a percentage of gaming revenue as rent payments, and the City also receives local impact aid from the State gaming proceeds. Top Golf opened a $41 million facility in the area and construction will soon begin on streetscaping and other enhancements on Warner Street to create the entertainment district known as The Walk @ Warner.

Perkins-Somerset-Oldtown. This community development project in East Baltimore will replace the outdated Perkins Homes public housing with 629 units of new, modern housing units. In addition to these replacement units, 717 additional units will be constructed at the Perkins Homes site and at Somerset for a combined unit total of 1,346. 290 new modern housing units will be constructed at Oldtown over four phases, bringing the total number of units in these communities to 1,636. The units will serve a combination of market rate, affordable and deeply affordable housing. The development is planned to include a new K-8 public school, two new parks, improved streetscape, including pedestrian walkways and bike paths, streetlighting and signage, as well as water and sewage facilities, storm water management facilities, indoor and outdoor public recreational fields, pools, and restrooms. Additional development plans include additional market rate and affordable multi-family apartment buildings and mixed-use office and retail facilities.

Economic and Industrial Development Beyond Downtown

Since 1977, the City has sought to retain and strengthen its traditional manufacturing and industrial base by developing an inventory of office and light manufacturing sites outside the downtown area. As a result, industrial/business parks are maintained and managed, as listed below. Several projects underway involve joint development efforts whereby a private developer provides the land while the City funds infrastructure such as streets and public utilities. In this way, fewer City dollars are needed to leverage private investment. Several projects underway are Stadium Square, East Baltimore, Center West and Port Covington.

Center/West. Center/West is a mix-use redevelopment project in the Poppleton neighborhood of Southwest Baltimore. The completed first two mid-rise buildings, the Avra and Cirro, include ground floor retail and 262 market-rate, work force and affordable housing units.

Port Covington. The project is located on a 266-acre formerly underutilized industrial area featuring approximately three miles of waterfront between Interstate 95 and the Middle Branch of the Patapsco River located within two miles of downtown Baltimore, Maryland. The fully revitalized Port Covington is a $5.5 billion investment and will expand waterfront access by 2.5 miles. This project is expected to create economic development and housing opportunities with plans for over 9,500 new residences, 2.7 million square feet of office space, and 2.2 million square feet of retail, restaurant, and entertainment spaces. The development will also include space for recreation with 40 acres of public spaces, including parks and piers.

The project's current phase is guided by the infrastructure improvements to the project site, including 10 acres of roads, parks, and right of ways. All intended to increase greater access around the site and waterfront. The vertical improvements will consist of over 3.4 million square feet of residential and commercial uses. This multi-year project will create thousands of jobs, build green spaces and parks, and further enhance public access to the waterfront, provide outdoor recreation opportunities and bring significant long-term economic benefit to Baltimore City.

Major Development Programs

Industrial development initiatives include the following:

Holabird Business Park. The 220-acre spacious, campus-like setting in southeast Baltimore on the former Fort Holabird Army Base site is home to 49 companies, employing over 2,600 individuals, and generating $1.15 million in annual property tax revenue. The park is completely built out and permanent signage was installed in and around the park. BDC sold

the remaining City-owned parcel in the Holabird Business Park in 2007. The park remains active in attracting various types of owners and tenants. Some of the long-standing businesses have plans to move forward with expansion.

General Motors. The 180-acre former General Motors plant on Broening Highway has been sold to Duke Realty. Duke Realty has completed demolition of the existing plant and construction is complete on the first buildings containing 346,000 and 118,000 square feet of flex warehouse space. Construction was completed on a large, refrigerated warehouse which is expected to bring new opportunities to the Port of Baltimore. Recently, Duke attracted Amazon to the site as a tenant. Amazon's 345,000 square foot sortation center opened in October 2014 and employs approximately 325 workers. Adjacent to the sortation center is Amazon's 1-million square foot fulfillment center, which opened 2015 and currently employs approximately 3,000 people.

Park Circle Business Park. Located on approximately 40 acres in northwest Baltimore along Druid Park Drive between Liberty Heights Avenue and Reisterstown Road, the park is home to more than 40 businesses with a total of approximately 500 employees. The park has limited opportunities for sale or lease.

Fairfield Ecological Business Park. Over the last ten years, the City has invested approximately $20 million in infrastructure improvements such as roads and water/wastewater upgrades in the Fairfield industrial neighborhood. BDC has invested over $3 million in capital funding to assemble properties in a cohesive manner to offer for redevelopment. All five of the assembled properties are now owned by private entities and generate real property tax revenue. The fifth property closed in December 2014 and is being leased by the developer to AMPORTS in order to accommodate their expanded footprint for the importation of automobiles into the Port of Baltimore. Fairfield has been able to attract a number transportation and logistics related companies to Fairfield because of its proximity to the Port of Baltimore and major transportation facilities such as I-895 and I-695.

Locust Point. BDC is serving an advisory role in working group meetings with property owners and design groups regarding the future vision for the Key Highway corridor from I-95 to Federal Hill. Ayers Saint Gross completed a corridor study in March 2014 with several design recommendations. The McHenry Row development in the area has added apartments, commercial-retail and commercial-office space over the last decade, and has recently added a new hotel to the development.

Carroll Camden Industrial Park. The City adopted the Carroll/Camden Urban Renewal Plan to foster and regulate development and reinvestment in the neighborhood in 2002 and was last amended in 2012. Gaslight Square, which was the former Equitable Gas Works was redeveloped in 2006 and continues to be a target for local businesses looking for quality industrial space in southwest Baltimore. From 2017-2019 BDC successfully implemented a comprehensive façade improvement program throughout the Industrial Park to improve the public-facing facades of many of these businesses, including new paint, signage, and lighting. A large property at 1100 Wicomico has been renovated into space for high-growth technology and light industrial businesses, as it is a bright spot in the City for retaining and growing businesses in key industry sectors.

Rosemont Industrial Area. BDC acquired the former Acme industrial complex in 2005. Since then, it has sold two of the properties within the complex to an adjacent business to assist in its daily recycling operations. Currently, BDC is coordinating with the community and other City government agencies on a redevelopment strategy for the complex so that it will be an asset to the surrounding neighborhood as well as the City.

Brownfields. Brownfields are vacant or underutilized sites where the presence of contamination (or the perception of contamination) is impeding new investment. A 2007 estimate identified more than 1,000 potential brownfield sites, with a collective size of more than 2,400 acres. Redevelopment, conservatively estimated, could produce 27,000 jobs and $25 million in new annual property tax revenues.

BDC staffs the City's brownfields activities, addressing and overcoming regulatory, financing, and liability hurdles that inhibit brownfields redevelopment. BDC staff assists businesses that are considering sites affected by contamination issues, acting as an ombudsman to help overcome impediments to redevelopment. Since Baltimore's brownfields program commenced in 1996, more than 45 projects have been completed resulting in the creation or retention of over 8,000 jobs. Brownfield projects currently in the development pipeline represent at least an additional 16,000 jobs and more than $1 billion in new investment.

Hollander Ridge. BDC continues to facilitate redevelopment of the property, a former public housing site, at 6200 Pulaski Highway, as a 500,000 square foot light industrial/business park. Recent updates include the relocation of the H&S Bakery Distribution Center from 601 South Eden Street in Fells Point to 2001 62nd Street in the Business Park.

Commercial Development

Ronald McDonald House. Ronald McDonald House Charities of Maryland (RMH) has completed construction on a new building on a portion of McKim Park, and BDC executed a long-term Ground Lease and assisted with design and zoning approvals to make this possible. The new Ronald McDonald House opened in 2019 concurrent with the opening of a newly-reconstructed McKim Park to serve as a public park amenity for the surrounding neighborhood.

Hopkins Bayview Research Campus. The Hopkins Bayview Campus is undergoing a period of growth. Based on a master plan, Bayview is adding more modern medical treatment space and demolishing antiquated space. The campus attracted a National Institutes of Health laboratory facility from Bethesda and is looking to increase its federal presence within the framework of the master plan. BDC attracted a biomedical manufacturer from Montgomery County to an existing facility on the campus' northern edge along Lombard Street. The manufacturer has invested approximately $50 million in the facility and is looking to invest another $40 million within the next five years. The former PEMCO site across the street from the campus has been redeveloped into a $157 million mixed use project creating new retail, open space and residential units at a former underutilized brownfield area.

Retail Development. As a result of the City's efforts to eliminate food deserts throughout the City, over the past ten years twenty new grocery stores have opened in the City. In addition, the City's commercial corridors have seen an increase in investment and new businesses. Northwood Commons, the redevelopment of the former Northwood Shopping Center in northeast Baltimore opened in 2022 and includes a grocery store and other amenities to better serve the surrounding community and neighbor, Morgan State University.

Howard Park Urban Renewal Plan. Amended in 2006, the Howard Park Urban Renewal Plan allowed for the acquisition and relocation necessary for the development of the Shop Rite at Howard Park Supermarket. The supermarket opened in July 2014 and has been very well received by the community. The Shop Rite employs 235 full-time employees the majority of which are City residents. BDC completed block-wide Façade Improvement program in 2020 that targeted the business properties adjacent to the Shop Rite.

Lauraville Urban Renewal Plan. BDC has leased to Hamilton/Lauraville Main Street the property located at 4500 Harford Road for the redevelopment of the site as a retail business incubator, culinary business incubator, office and farmer's market. New development is also occurring along Harford Road, with the *SoHa Row* mixed-use development and multiple building rehabilitations that completed in 2019.

Washington Village Urban Renewal Plan. The 700-900 Block of Washington Boulevard properties was sold to developers. The 700 block properties are fully rehabilitated and many of the commercial units are leased. The 900 block demolition is complete and a new development is underway that will provide restaurant, job training and social service space. The rehabilitation of the historic public bathhouse at 906 Washington Blvd. into market-rate apartments has also been completed, which includes a new restaurant and market space to serve the surrounding community.

BDC is also working with the Enoch Pratt Free Library and a development team to undertake a public-private partnership to redevelop the Washington Village Library branch. The new development will include market rate residential apartments with a newly constructed library branch on the ground floor.

Charles North. The Station North Arts and Entertainment District was created by the City within the Charles North neighborhood boundaries to attract individuals, businesses and organizations that are involved in the arts. In recent years, BDC has made progress on development in the Charles North neighborhood. The former Parkway Theater, located at 3 W. North Avenue was completely renovated into a three-screen movie theater and live performance venue, which opened in 2017. Jubilee Baltimore has renovated another former theater at 10 E. North Avenue and the building is fully leased. The construction of the first new construction, market-rate apartment building in Station North was completed in 2018, as the $25 million Nelson Kohl apartments opened on Lanvale Street. This area also stands to benefit from the significant public-private partnership taking place at Penn Station, which includes a complete renovation of the historic Penn Station "Head House," upgraded rails services, and new private mixed-use development.

SELECTED DEMOGRAPHICS AND ECONOMIC INFORMATION

See the statistical section of the City's ACFR for the Fiscal Year ended June 30, 2024, contained in Appendix B to this Official Statement for information concerning the City's real property value, principal employers, and recreational and other facilities.

Taxable Retail Sales in the City

Since sales tax is not a City revenue source, the City's own source of revenues is unaffected by cyclical sales tax shifts. Taxable retail sales in the City for fiscal year 2020 through 2023 are set forth below in Table 15. Please note Fiscal Year 2024 information is not available currently. Data for the period August 2023 to December 2023 (the only available data for Fiscal Year 2024 due to a State system change) shows that the City's taxable sales accounted for 6.0% of the State's total. This represents a slight decline of 0.1% compared to the City's 6.1% share during Fiscal Year 2023.

TABLE 15
Taxable Retail Sales in the City

Fiscal Year	Total	% Change
2024	**Unavailable**	**Unavailable**
2023	$6,933,008,433	-1.8%
2022	$7,057,294,533	80.5%
2021	$3,909,899,905	-26.7%
2020	$5,333,066,461	-10.8%

Source: Revenue Accounting Division, Comptroller of Maryland.

Net Taxable Income (Baltimore City and Maryland)

The net taxable income and average tax paid per return by City and State residents are set forth below and reflect the income base and growth of the City on a per capita basis:

TABLE 16
Net Taxable Income of City and State

Calendar Year	City Amount	City % Increase	State Amount	State % Increase
2023	$13,326,022,692	3.5 %	$280,492,301,429	2.4 %
2022	12,875,196,804	1.5	273,897,764,800	13.0
2021	12,681,678,160	12.6	242,351,769,951	21.1
2020	11,266,652,013	-0.2	200,064,616,404	-0.1
2019	11,287,734,505	3.4	200,202,852,006	3.0

Source: Prepared by Bureau of the Budget and Management Research, Department of Finance based on data in the State Comptroller's annual Income Tax Summary Report.

TABLE 17
Average State Tax Paid per Taxable Return

Calendar Year	# of City Returns	Avg. Tax Paid Per City Return	City % Change	# of State Returns	Avg. Tax Paid Per State Return	State % Change
2023	193,554	$ 2,126.9	3.5 %	2,557,364	$ 4,187.2	-7.8 %
2022	193,748	2,054.9	0.8	2,552,105	4,539.7	-2.6
2021	191,746	2,038.5	17.2	2,520,759	4,659.9	21.5
2020	199,179	1,739.6	-1.0	2,493,934	3,834.2	0.9
2019	197,792	1,756.3	1.6	2,498,527	3,800.4	1.3

Source: Percent of increased average for paid per taxable return is calculated from in the State Comptroller's annual Income Tax Summary Report.

TABLE 18
Per Capita Income

	2013	2023	Increase	
US	$ 44,401	$ 69,810	57.2	%
State	51,880	75,391	45.3	
Anne Arundel County	56,776	84,019	48.0	
Baltimore City	39,910	64,357	61.3	
Baltimore County	50,262	74,738	48.7	
Carroll County	51,272	70,695	37.9	
Harford County	48,378	67,325	39.2	
Howard County	67,183	95,529	42.2	

Source: U.S. Bureau of Economic Analysis, Per capita personal income - Local Area Personal Income

EMPLOYMENT BY INDUSTRY IN BALTIMORE CITY

The State Department of Labor, Licensing and Regulation collect data on employment, by place of work, from those firms, which participate in State Unemployment Insurance Program. This data indicates that the City has a diversified employment base. Covered employment by industry within the City for calendar year 2023, the most recent calendar year for which data is available is shown in Table 19 below.

TABLE 19
EMPLOYMENT BY INDUSTRY
(Annual Average for Calendar Year 2023)

	Annual Average Employment	Total Wages	Average Weekly Wage Per Worker
Government:			
Federal	12,189	$1,261,841,847	$1,991
State	36,198	$3,058,875,792	$1,625
Local	25,501	$1,767,856,825	$1,333
Total Government	73,888	$6,088,666,752	$1,585
Private Sector:			
Goods Producing			
Natural Resources and Mining	37	$1,881,709	$978
Construction	9,600	$787,785,600	$1,578
Manufacturing	10,414	$807,959,776	$1,492
sub-total	20,051	$1,597,623,578	$1,532
Service Providing			
Trade, Transportation, & Utilities	43931	$2,677,286,933	$1,172
Information	3,985	$506,943,805	$2,446
Financial Activities	14,525	$2,375,302,300	$3,145
Professional and Business Schools	49752	$4,341,508,776	$1,678
Education and Health Services	102,407	$8,344,019,953	$1,567
Leisure and Hospitality	25,359	$936,381,075	$710
Other Services	9849	$572,827,689	$1,118
sub-total	249,808	$19,754,067,216	$1,486
Total Private Sector	269,859	$21,351,690,794	$1,509
Total Employment	**343,747**	**$27,440,357,546**	**$1,547**

Note: Annual average number of employees covered by State Unemployment Insurance Program.
Source: "Employment and Payrolls", Maryland Department of Labor, Licensing and Regulation.

Selected Employers and Employment-Greater Baltimore Area

Set forth below is a list of selected major employers in the greater Baltimore area.

Over 30,000 Employees Each

State of Maryland Government

10,000-30,000 Employees Each

City of Baltimore Government
Federal Government
The Johns Hopkins University
The Johns Hopkins Health System
University of Maryland Medical System

5,000-10,000 Employees Each

MedStar Health
University System of Maryland
LifeBridge Health

2,500-5,000 Employees Each

Mercy Health Services
St. Agnes HealthCare
Exelon/Constellation Energy/BGE
Amazon.com

Source: Comprehensive Annual Financial Report, June 30, 2022

Unemployment

The following Table 20 indicates the City's unemployment rate as compared with certain counties in the Baltimore-Washington region, the State, and the United States for the years 2020 to 2024.

TABLE 20
Average Annual Unemployment Rate

	2020	2021	2022	2023	2024
United States	8.3 %	5.4 %	3.7 %	3.5 %	4.0 %
State of Maryland	6.8	5.9	4.3	2.7	3.0
Anne Arundel	6.0	4.7	3.4	1.9	2.6
Baltimore	6.9	5.6	4.1	2.2	3.0
Baltimore City	8.8	7.6	5.6	3.2	4.1
Harford	6.1	4.8	3.6	2.0	2.8
Howard	5.4	4.3	3.2	1.7	2.5
Montgomery	6.3	5.5	3.6	1.9	2.7

Source: For State and county data, "Employment, Unemployment and Unemployment Rate by Place of Residence (LAUS)", State of Maryland, Department of Labor, Licensing and Regulation. For United States data, the Bureau of Labor Statistics.

APPENDIX B

CITY OF BALTIMORE, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

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City of Baltimore
Maryland

Annual Comprehensive Financial Report

Year Ended June 30, 2024

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City of Baltimore, Maryland

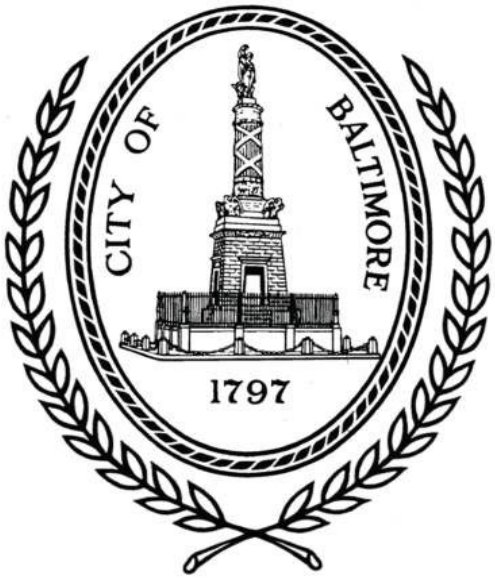
Annual Comprehensive Financial Report

Year Ended June 30, 2024

Prepared by the Department of Finance

Michael Mocksten

Chief Financial Officer



469 City Hall, 100 N. Holliday Street, Baltimore, Maryland 21202

ELECTED OFFICIALS

MAYOR
Brandon M. Scott

PRESIDENT OF THE CITY COUNCIL
Zeke Cohen

COMPTROLLER
Bill Henry

BOARD OF ESTIMATES

PRESIDENT
Zeke Cohen

MAYOR
Brandon M. Scott

COMPTROLLER
Bill Henry

DIRECTOR OF PUBLIC WORKS
Khalil Zaied

CITY SOLICITOR
Ebony Thompson

CITY COUNCIL

Zeke Cohen, President
Sharon Green Middleton, Vice-President

FIRST DISTRICT
Mark Parker

SECOND DISTRICT
Danielle McCray

THIRD DISTRICT
Ryan Dorsey

FOURTH DISTRICT
Mark Conway

FIFTH DISTRICT
Isaac "Yitzy" Schleifer

SIXTH DISTRICT
Sharon Green Middleton

SEVENTH DISTRICT
James Torrence

EIGHTH DISTRICT
Paris Gray

NINTH DISTRICT
John. T Bullock

TENTH DISTRICT
Phylicia Porter

ELEVENTH DISTRICT
Zac Blanchard

TWELFTH DISTRICT
Jermaine Jones

THIRTEENTH DISTRICT
Antonio "Tony" Glover

FOURTEENTH DISTRICT
Odette Ramos

City of Baltimore
Annual Comprehensive Financial Report
Year Ended June 30, 2024

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INTRODUCTORY SECTION

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- **Municipal Organization Chart**

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CITY OF BALTIMORE

Brandon M. Scott, Mayor

DEPARTMENT OF FINANCE

Michael Mocksten,
Chief Financial Officer
454 City Hall
Baltimore, Maryland 21202

Honorable President and Members of
The Board of Estimates
City of Baltimore, Maryland

May 9, 2025

In compliance with Article VII, Section 8, of the revised City Charter (November, 1964), submitted herewith is the Annual Comprehensive Financial Report (ACFR) of the City of Baltimore, Maryland, (the City) for the year ended June 30, 2024. The ACFR was prepared by the City's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the City; and, that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been provided.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

The City Charter established a Department of Audits under the general supervision of the City Comptroller. The Charter requires the City Auditor to "annually make a general comprehensive public report of the financial position of the City; in the discretion of the Comptroller, such report may be in the form of an opinion on the annual financial statements prepared by the Director of Finance." Additionally, the Board of Estimates awarded a contract to the nationally recognized independent certified public accounting firm, SB & Company, LLC, to perform an audit with the City Auditor of the basic financial statements of the City as of and for the year ended June 30, 2024. The audit report is contained herein. The audit was conducted in accordance with auditing standards generally accepted in the United States of America. On the basis of this examination, the independent public accountants have issued an unmodified opinion that the presentation of the basic financial statements conforms with accounting principles generally accepted in the United States. In conducting the audit, the auditors performed tests of the accounting records and such other procedures as were considered necessary in the circumstances to provide a reasonable basis for this opinion on the financial statements. The auditors also assessed the accounting principles used and significant estimates made by management, as well as evaluated the overall financial statement presentation.

The independent audit of the City's financial statements is part of a broader, federally mandated Uniform Grant Guidance "Single Audit" designed to meet the special needs of Federal grantor agencies. The Single Audit Report will be available as a separate document as of a later date.

This report includes all of the funds that we consider to be part of, controlled by or dependent on the City. Professional judgment must be used to determine whether or not a potential component unit should be included in the reporting entity. Various potential component units were evaluated to determine whether they should be reported in the City's ACFR. Three component units, the Baltimore Industrial Development Authority (blended component unit), the Baltimore City Public School System and the Baltimore Hotel Corporation (discretely presented component units), were considered to be part of the City's reporting entity when it was concluded that the City was financially accountable for these entities. The Housing Authority of Baltimore City and certain other organizations are not considered to be component units and are not included in the City's basic financial statements.

PROFILE OF THE GOVERNMENT

The Mayor and City Council of Baltimore (the City) is a body corporate and politic of the State of Maryland (the State) in which the City performs all local governmental functions. The City has had a charter form of government since 1797, home rule powers since 1918, and is governed by an elected Mayor, Comptroller and a City Council. The City has a total area of approximately 92 square miles and population of 565,239 as of 2023 per the most recent report from the US Census. The City is a major deep-water seaport located on the Patapsco River, a tributary of the Chesapeake Bay and is served by Baltimore/Washington International Thurgood Marshall Airport in adjacent Anne Arundel County. The City is surrounded by Baltimore County, a separate entity that borders the City on the east, north, west and part of the south, and Anne Arundel County that adjoins the City on its southern border.

The City provides the full range of municipal services contemplated by statute or Charter, provided or paid for by the City from Local, State, or Federal sources. These services include public safety (police and fire protection), water, wastewater and stormwater utilities, highways and streets, sanitation, health and human services, culture and recreation, education (elementary through high school, provided by a component unit, the Baltimore City Public School System), public improvements, planning and zoning, parking facilities, mortgage loan programs, industrial development, and general and administrative services. The City is also responsible for adopting and maintaining building codes and regulation of licenses and permits, collecting certain taxes and revenues, maintaining public records, and conducting elections. These activities are included in the reporting entity. There are no overlapping local governmental entities or taxing jurisdictions. Accordingly, there is no overlapping debt of the City.

Under the Charter, the City's executive functions are vested in the Mayor, the Board of Estimates, and an independent Comptroller. The City's legislative functions are vested in the City Council. The Mayor is the chief executive officer of the City. The Mayor is elected for a term of four years and is eligible to succeed him or herself without limitation as to the number of terms. If the Mayor is disabled or absent from the City, the President of the City Council acts as ex-officio Mayor. If the Mayor resigns, is permanently disqualified, or dies in office, the President of the City Council becomes Mayor for the remainder of the term. The Mayor has the authority to veto ordinances, has the power to appoint most department heads and municipal officers, serves on the Board of Estimates, and appoints two of the other four members of the Board of Estimates.

The Board of Estimates is the highest administrative body of the City. It is composed of the President of the City Council, who serves as President of the Board, the Mayor, the Comptroller, the City Solicitor and the Director of Public Works. The Board of Estimates formulates and determines City fiscal policy with its primary policy tool being the recommended annual Ordinance of Estimates, the City’s budget.

Key Budgetary Policies

Balanced Budget: The City Charter requires the operating budget to be balanced. Any difference between non-property tax revenues and total expenditures must be made up by adjusting the property tax rate or enactment of new revenue measures.

Public Hearings: The Charter mandates that both the Board of Estimates and the City Council conduct public hearings on the proposed budget.

Timely Adoption: The Charter sets forth a schedule requiring the budget to be adopted before the beginning of the fiscal year, July 1.

Budget Amendment: The Charter provides means for adopting supplemental appropriations funded from unanticipated revenues and/or new grants and sources that materialize during the year. The City’s policy is to minimize the use of supplemental appropriations. In addition, the Charter allows for and spells out the procedures for amending the budget to transfer appropriations between programs within an agency and between agencies.

Six-Year Capital Plan: Guiding the physical development budget plan of the City is the Charter requirement for a six-year capital improvement plan, the first year comprising the capital budget year. The plan is prepared in conformance with basic capital budgeting policies, which include appropriating funds in the year in which projects are likely to begin, financing a portion of capital improvements from current revenues, and estimating the impact of capital projects on the operating budget.

Budget Monitoring and Execution: Budget analysts maintain ongoing contact with agency fiscal officers in the process of implementation and execution of the budget. Expenditure and revenue projections are developed and reviewed every quarter. The Mayor, through the Department of Finance, exercises appropriate fiscal management to adjust budget policy, as necessary, to be within the limits of the current adopted plan. The City Council has the practice of reviewing budget performance at mid-year and during the fourth quarter.

Debt Policy: In 1990, the City adopted a formal debt policy which set annual borrowing limits, consolidated all financing arrangements within the Department of Finance, established refunding and refinancing policies, and set limits on key debt management ratios. The objective is to maintain the City's reputation as a locality having a conservative approach to all aspects of debt management, including debt service expenses, debt retirement schedules, and debt capacity ratios. The Debt Policy was last reviewed December 2023 by an independent financial consultant contracted by the City. After considering the consultant's recommendation, the City plans to increase $80 million to $125 million in budgeted annual general obligation debt stating in Fiscal Year 2026. The Debt Policy is subject to review at least every five years or at such earlier time as may be Adopted by the Director of Finance.

Budget Stabilization Reserve Policy: In November 2008, the City's Board of Estimates approved a budget stabilization reserve policy that established the basis for having a budget stabilization reserve as well as identifying its maintenance level, scope of coverage, circumstances under which funds shall be drawn down from the reserve, and the requirements to replenish the reserve when utilized. The policy stipulates that the reserve serves to provide a budget defense to stabilize a post-adopted budget that has been impacted by an uncorrectable shortfall in revenues and/or an unanticipated and uncorrectable emergency expense. The reserve is the revenue source of last resort to avoid a budget deficit. Under no circumstances is the reserve to be used as a revenue source to balance a planning year budget. The policy further recommends that the reserve shall be maintained on any June 30 at a minimum level of 8% of the value of the general fund operating budget of the subsequent fiscal year.

OTHER FINANCIAL INFORMATION

Retirement Plans

Professional employees of the Baltimore City Public School System and the Enoch Pratt Free Library, an agency of the City, are members of the State of Maryland Retirement System, to which the City is not required to contribute. The City contributes to four retirement plans for all other City employees and elected officials. The City also contributes to the State of Maryland Retirement System for Sheriff's Office employees.

City laws require that contributions to its three funded pension systems be based on actuarial valuations. City contributions to the Unfunded Police Department Retirement Plan (for eligible employees hired prior to January 1, 1947, all of whom are now retired) are not actuarially determined, and these benefits are paid from annual appropriations.

Temporary Investment of Cash Balances

Through the Office of the Director of Finance, the City pursues an aggressive cash management and investment program to achieve maximum financial return on available funds. Excess funds are invested on a short-, intermediate, or long-term basis depending on cash needs at the best obtainable rates. Investments are generally limited to direct or indirect obligations of the U.S. government and fully collateralized repurchase agreements. The City utilizes the practice of recording investment income in the period it is earned.

Risk Management

The City is self-insured in the area of casualty and property losses, including the uninsured portion of losses to City buildings and contents, vehicles, watercraft, boilers, machinery, workers' compensation and employers' liability, employees' health insurance, third party general liability and automobile liability losses. The Office of Risk Management, within the Department of Finance, administers the fund.

Internal Control

City management is responsible for establishing and maintaining adequate internal control over financial reporting. The City has established a comprehensive internal control framework to provide a reasonable basis for asserting that the financial statements are fairly presented. Because the cost of a control should not exceed the benefits to be derived, the City's objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

ECONOMIC PROFILE AND OUTLOOK

Baltimore City is the historic, business, education, and cultural center of Maryland, located between Washington, D.C. and New York City along the Interstate 95 corridor. The City was founded in 1729, incorporated in 1797, and became independent from Baltimore County in 1851. It is the most populous city in Maryland and the 30th most populous city in the United States.

The City is situated in one of the most populous, wealthiest and best educated population centers in the country. This provides access to a large and diversified workforce for the city, as well as expanded opportunity for residents. However, residents face various socio-economic issues and inequities that are rooted in historic policies, such as redlining and segregation. The City is working to address these realities every day by providing targeted and equitable services to residents.

Baltimore benefits from a robust inter-city transportation network that includes multiple Interstate highways, the Amtrak Northeast Regional and Acela corridors, the Baltimore-Washington International Thurgood Marshall Airport, and the Maryland Area Rail Commuter (MARC) system. In the City, residents and visitors are served by a public transportation system that features a combination of light-rail, metro-rail, and bus service administered by the Maryland Transit Administration, which saw over 52 million riders in 2023. Off land, the Port of Baltimore functions as a major import and export hub serving the inland population as the closest seaport for the Midwest region., In calendar year 2023 the port processed 11.7 million tons of general cargo, surpassing the previous record of 11.3 million tons set in 2022 (this data does not include impacts from the Francis Scott Key Bridge collapse in March 2024).

The City is home to multiple higher education institutions, such as Johns Hopkins University, University of Maryland Baltimore, Morgan State University, Coppin State University, and Maryland Institute College of Art. Johns Hopkins and University of Maryland also extend into the healthcare sector, operating medical systems that serve the greater Baltimore region alongside Mercy Medical System and LifeBridge Health. This prominent health care and knowledge-related industry presence provides Baltimore with a strong economic backbone.

Economic Outlook

Nearly five years after the onset of the COVID-19 pandemic and almost a year after the collapse of the Francis Scott Key Bridge, the City's economy demonstrates sustained recovery and encouraging stability. The real estate market remains robust, with residential property values holding steady. The number of business establishments in the City has seen a net increase, reflecting a growing economic environment. The hospitality industry continues its upward trajectory, showing consistent improvement, while the City's income taxable base indicates ongoing strengthening. Some key performances underscoring the City's resilience and recovery momentum are detailed below:

Jobs and Employment

The City's labor market continues showing signs of stability following the significant disruption caused by the COVID-19 pandemic. Between 2019 and 2022, the City's labor force contracted by nearly 22,400 individuals. However, recovery efforts have gradually strengthened its labor market. According to data from the Bureau of Labor Statistics (BLS), the City's annual average labor force increased from 272,948 in 2022 to 277,950 by October 2024, reflecting a gain of over 5,000 individuals. Between 2019 and 2021, more than 19,900 residents lost their jobs, bringing the number of employed residents to a low of 255,999—the lowest level since 2006. However, improvements in the City's economy have stimulated demand for workers, leading to significant progress. As of October 2024, over 10,600 individuals have been employed, bringing the total annual average number of employed residents to 266,612. This recovery highlights the City's ongoing efforts to rebuild its labor market.

Remarkably, the growth in the number of employed residents of recent years has outpaced the expansion of the City's labor force, allowing the City to sustain a 4.0% unemployment rate. This suggests that the City's economy is operating near full capacity, with the majority of residents who are willing and able to work are successfully employed.

The City continues to experience positive shifts in the composition of its income tax base. According to data from the State Comptroller for the 2022 calendar year—the most recent completed tax period—the City's overall income base is showing growth. Notably, the number of returns filed increased by more than 2,000, and the average net taxable income for City residents rose to $66,453, representing a 0.4% increase compared to 2021. More significantly, the data highlights a strengthening taxable base. While the number of returns filed by individuals earning less than $30,000 decreased by nearly 5,200, there was a substantial rise in higher-income brackets. Specifically, returns from filers earning between $30,000 and $60,000 grew by over 1,700, and those earning between $60,000 and $150,000 increased by 4,040. These trends highlight the City's shifting economic landscape and its expanding taxable income base despite of population declines.

Retail Activity and Offices

The Maryland Sales and Use Tax (SUT) server as a valuable indicator of local and regional economic activity. The City's economic activity, as measured by the SUT revenue generated within its boundaries, has remained relatively stable. Data for the period August 2023 to December 2023 (the only available data for Fiscal 2024 due to a State system change) shows that the City's taxable sales accounted for 6.0% of the State's total. This represents a slight decline of 0.1% compared to the City's 6.1% share during Fiscal 2023, indicating steady but modest performance in taxable economic activity.

While the City's total percentage of Sales and Use Tax (SUT) remains consistent with Fiscal Year 2023, changes in purchasing patterns within the City are evident. Monthly SUT data from August to December 2023 shows that sales from food and beverage activities increased by 3.6%, rising from 31.0% average during Fiscal Year 2022-2023 to 34.6%. Meanwhile, miscellaneous activities, which include sales occurring outside the State, grew by 1.6%, climbing from 13.0% to 14.6% during the same period. Together, these two categories accounted for nearly 50% of all activities contributing SUT revenue from the City. However, spending on utilities declined by 2.1% during the same period. The City will continue monitoring spending patterns as data from the remaining months of Fiscal Year 2024 becomes available.

Another key indicator of the City's economic stability is the growth in business establishments. According to the State Department of Labor, Licensing, and Regulation (DLLR), the number of businesses operating in the City increased by 219, from 14,272 in 2022 to 14,491 in 2023—the highest total reported since tracking began in 2010. This growth was largely driven by two industries: Education and Health Services, which added 128 establishments, and Professional and Business Services, which contributed 82 new establishments. This expansion demonstrate the City's efforts to attract and sustain businesses in high-demand sectors.

Residential Housing

Despite high mortgage rates potentially deterring some buyers from purchasing new homes, the City's real estate market remained resilient and stable throughout Fiscal 2024. While the number of residential units sold declined by 424, from 6,679 in 2023 to 6,255 in 2024 (January through October), market activity continues to reflect strong demand. Notably, the average time to close on a listed residential property has stayed below 40 days for the fourth consecutive year, with an average of 37 days as of October 2024. This is only slightly longer than the 35-day average in 2023 but significantly shorter than the pre-pandemic average of 64 days during 2015–2020. These trends underscore the City's continued appeal as an affordable and practical housing option in the region.

Furthermore, property values in the City are steadily appreciating. The average sale price of residential properties rebounded, increasing by 2.9% as of October 2024, rising from $251,142 to $258,353. This recovery highlights the increased competitiveness of the City's housing market, and its ability to regain momentum despite broader economic challenges.

Port of Baltimore

Activity at the Port of Baltimore experienced partial disruption following the collapse of the Francis Scott Key Bridge on March 26, 2024. While the social and economic consequences of this tragedy are still being assessed, the Port has since resumed full operations. The Port's strategic importance has grown significantly since the 2016 expansion of the Panama Canal, which enabled larger ships to navigate deeper and broader lanes. As one of only four Eastern U.S. ports with a 50-foot (15.2-meter) shipping channel and a 50-foot container berth, Baltimore is uniquely positioned to accommodate some of the world's largest container ships, including many previously restricted to the Pacific Coast.

Data from the Maryland Port Administration (MPA) highlights the Port of Baltimore's significant economic impact.

In 2023, the Port generated over $5.3 billion in total personal income from its MPA terminals, private terminals, and cruises. It supports 20,300 direct jobs, with nearly 273,000 jobs connected to port-related activities. The Port ranks first among U.S. ports for volume in several categories, including autos and light trucks, roll-on/roll-off heavy farm and construction machinery, imported gypsum, and imported sugar. Additionally, it ranks ninth nationally for foreign cargo handled and foreign cargo value. During 2023, the Port of Baltimore also achieved record-breaking activity in multiple areas, handling 52.3 million tons of foreign cargo, 1.3 million tons of roll-on/roll-off farm and construction machinery, 1.1 million twenty-foot equivalent containers, and 11.7 million tons of general cargo. For the 13th consecutive year, the Port also handled more cars and light trucks—847,148 units—than any other U.S. port.

Some of these improvement can be attributed to the expansion from ZIM Shipping Lines, one of the world's largest container shipping companies, which doubled its service to the Port, increasing calls from bi-weekly to weekly and expanding the size of its ships entering Maryland by 50%.

Looking ahead, the Port has begun construction on the Howard Street Tunnel, a key infrastructure project designed to enhance its container business. The expansion will allow for double-stacked container rail cars, improving access to the Port from locations along the East Coast, from Maine to Florida. Once completed, the project is expected to increase the Port's capacity by 160,000 additional containers annually and create 13,000 new construction and operational jobs.

Tourism and Travel Industries

The City's tourism and travel industries continue to recover, steadily working toward pre-COVID-19 activity levels. While many activities have fully rebounded, some have even surpassed pre-pandemic performance.

Baltimore Convention Center (BCC). In Fiscal 2021, the BCC held no events while it served as a COVID-19 field hospital, testing site, and vaccination facility. The facility continued to operate in this capacity until October 1, 2021. In Fiscal 2023, the BCC held 99 events, generating $9.9 million in revenues. However, in Fiscal 2024, the Convention Center hosted 113 events, 14 more than the prior year, and generated $10.8 million in revenues. The increase in events and revenues in Fiscal 2024 indicated the industry is nearing pre-pandemic levels of activity.

Hospitality. The City's hospitality market continues to show positive signs of recovery, gradually approaching pre-pandemic levels. According to data from the Smith Travel Report, the average number of available rooms per month decreased by 2.5%, from 283,937 in October 2023 to 276,792 in October 2024. Despite this reduction, the industry has demonstrated improvement, driven by increased demand for City accommodations. During the height of the COVID-19 pandemic in 2020, the average monthly number of available rooms plummeted from 208,262 in 2019 to just 90,941. As the economy reopened, demand steadily grew, reaching an average of 164,228 rented rooms per month by the end of 2023 and increasing further to 172,508 rented rooms per month as of October 2024.

The combined impact of reduced supply and rising demand has pushed the City's occupancy rate to 62.3%, a 3.0% increase over 2023. This marks the first time since 2019 that the occupancy rate has exceeded 60%. Additionally, the average daily rate (ADR) per hotel room averaged $175.20 for the period January-October 2024, representing a $8.40 or 5.0% increase compared to the $166.80 average during the same period of 2023. The higher ADR along with increased demand for City accommodations has contributed to increased hotel tax revenues to nearly pre-pandemic levels.

Baltimore Washington International Thurgood Marshall Airport (BWI.). During the calendar year 2019, nearly 27.0 million passengers flew in or out of BWI airport, ranking it as the 22nd busiest airport in the United States. As a result of COVID-19, the travel and airline industry experienced a massive disruption, but the industry has rebounded going into calendar year 2024. As of July 2024, there were over 27.3 million passengers throughout a 12-month period, or a 9.2% increase during the same period from the prior year. BWI Marshall serves as an integral part of the U.S. Capital Region's supply chain, accounting for 241,000 metric tons of cargo delivered to region during the same period.

Cruise Industry. Since 2009, the Port of Baltimore has had year-round cruising, averaging more than 200,000 passengers annually through 2019. Following the pause during the COVID-19 pandemic, Baltimore's passenger counts have rebounded, with all ships sailing at full capacity. In calendar 2023, more than 444,000 passengers cruised from the Port of Baltimore, which represented the third-highest total in the port's history. In May 2024, Royal Caribbean, one of the largest companies in this industry, replaced the Baltimore-based ship with enhanced fleet and offered year-round cruises from Baltimore to the Bahamas, Bermuda, the Caribbean, and New England/ Canada. In November 2024, the Port announced that Carnival Cruise Line agreed to a new five-year contract with the Port of Baltimore and that Carnival will include new travel destinations in 2025. Carnival is a long-time partner with the Port of Baltimore and their new agreement and new travel itineraries indicate positive economic outcomes for years to come. Cruise-related Port activity is estimated to generate about $70 million in business revenue and creates more than 400 jobs.

Commercial Real Estate Development

Segments of the Baltimore City commercial real estate market have been impacted by the ongoing repercussions of the COVID-19 pandemic, establishing new baselines and expectations for commercial real estate activity in the City. While shifts in corporate remote working policies have affected vacancy rates, demand for retail and industrial spaces indicate an area of strength in the market.

Office vacancy rates hit 19.6% by the second quarter of 2022, which represents the highest office vacancy rate that the City has experienced in recent years. This rate has improved to 13.7% in the third quarter of 2024. Recent announcement from major employers, like Amazon, indicating reinstatement of 5 day in-office work weeks, could have spillover effect on other employers which could positively impact office vacancy rates in the City going forward.

Vacancy rates for retail spaces have remained consistent compared to the previous calendar year. As of the third quarter of calendar year 2024, the Downtown retail vacancy rate was 6.7%, 0.2 percentage points above the 6.5% of the previous year and up 0.1 percentage points from the prior quarter's 6.6%, suggesting that this vacancy rate range can be expected for retail spaces in the future rather than returning to pre-pandemic levels.

Industrial vacancy rates have been consistent between 2023 and 2024. As of the third quarter of calendar year 2024, the citywide industrial vacancy rate was 7.2%, a slight increase of 0.2 percentage points over the prior year. In addition, industrial properties have faced significant growth in real estate market rent per square foot, reaching $9.48 in the third quarter of 2024 from $9.24 for the same period of the prior year.

TEN-YEAR FINANCIAL PLAN

On February 20, 2013, the City released Change to Grow: A Ten-Year Financial Plan for Baltimore. This was the original iteration of the City's Ten-Year Plan, and the first of its kind. The Plan calls for comprehensive reforms to close what was then a projected $745 million structural budget deficit, increase the City's tax competitiveness, accelerate infrastructure investment, and reduce the City's long-term pension and health care liabilities.

Implementation of the Ten-Year Plan began in Fiscal 2013 with two key initiatives: 20 Cents by 2020 – a program to reduce the effective property tax rate for owner-occupied properties – and health benefit changes for employees that were projected to save the City $20 million annually.

In Fiscal 2014, the City implemented Ten-Year Plan initiatives to further reduce the fiscal gap, including pension changes for current and future employees, a new schedule for firefighters, a revenue package, a State-mandated stormwater fee, a reduction to the real property tax rate and the discontinuation of retiree pharmacy benefits.

The Fiscal 2015 budget reflected the implementation of more Ten-Year Plan initiatives, including reducing workers' compensation payments, increasing parking revenues, reducing the size of the City's workforce and the City's fleet. In addition to targeted savings initiatives, the City made several investments; these include increasing the contribution to the budget stabilization reserve, increasing PAYGO capital funding, increasing general obligation debt authority, and implementing a new pay schedule for professional employees to help with recruitment and retention.

In the Fiscal 2016 budget, key initiatives included an additional $9 million PAYGO capital contribution, beyond the $8 million baseline, and the elimination of 280 General Fund positions. In Fiscal 2016, the City also negotiated a new Memorandum of Understanding with 14 non-profit institutions who will contribute a collective $6 million annually for ten years beginning in Fiscal 2017.

In Fiscal 2017, the City continued to work towards implementing cost-savings initiatives identified under the Ten-Year Plan. While the initiatives implemented through Fiscal 2016 had a meaningful impact on the original projected shortfall, a significant structural budget gap remained. To continue addressing this long-term challenge, the Fiscal 2017 adopted budget contains further cost-saving investments emphasizing blight elimination, street repaving, recreation center expansion, and information technology upgrades.

In Fiscal 2018 the budget contained additional initiatives to improve the efficiency of government, further reduce the property tax rate for homeowners, make much-needed infrastructure investments, and reduce the City's long-term liabilities. In Fiscal 2018, the City contributed $9 million beyond the $8 million baseline in PAYGO capital funding, plus $12 million of additional funding for operating and capital projects to comply with the Department of Justice consent decree for Police Department reforms. The Fiscal 2018 budget also transferred 54 positions out of the General Fund.

The Fiscal 2019 budget reflected baseline costs and unforeseen challenges that grew at a faster pace than projected revenue. The adopted budget added 162 General Fund positions including 100 sworn Police Department positions. However, cost- savings relating to personnel were also achieved, as total unfunded liabilities declined. The City also remained committed to the 20 Cents by 2020 program, further reducing the effective property tax rate by 2.6 cents. This budget dedicated $8.3 million above baseline for a total of $25.3 million in PAYGO capital funding.

During Fiscal 2019, the City insured its strong fiscal footing by competitively awarding a contract to Ernst and Young (EY) for the Ten-Year Plan refresh, which is expected to provide an assessment of infrastructure requirements, new savings and revenue options, and a comprehensive look at the City's overall tax policy. The City and EY have since worked together designing strategies for further changes to health care benefits, reforms for the Fire and Police pension plans for new hires, launching an employee wellness program, and building reserves to prepare for the next recession.

In Fiscal 2020, the budget introduced new measures in order to reduce the baseline deficit. By expanding the Taxi Tax to include ride-sharing services and levying a grocery bag surcharge to incentivize shoppers to bring their own bags, it was estimated that the City realized $4.0 million in additional revenues within the first year of implementation.

In Fiscal 2021, the City continued efforts to reduce the baseline deficit by downsizing the Police Mounted Unit and the Police Marine unit to an "on-call" posture. Permanent sworn personnel assigned to these units were re-deployed. In addition to these measures, the Police Department increased the rate charged for special events and secondary employment to ensure that the total charges covered the entire costs of Police officers and sergeants at these events. The initiatives led to an estimated savings of $3.3 million in the first year of implementation.

In Fiscal 2022, the City introduced a corporate compliance unit to enforce the collection of self-reported taxes such as parking, hotel, and beverage container taxes along with other revenue sources. One-time recoveries generated an estimated $14.5 million within the initial years of implementation. Furthermore, the City audited owner-occupied properties receiving the Targeted Homeowners Tax Credit to ensure the credit was properly granted during Fiscal 2022 and thereafter.

Work is underway to update the 10-Year Financial Plan outlining key initiatives to maintain structural balance in the City's budget while also making targeted investments. Through the work of the plan the City is aiming to identify strategies that can slow expenditure growth through various reforms (i.e. staffing model changes, benefit reform, service delivery efficiencies). Through these strategies, the City is aiming for the budget to keep pace with inflation ensuring budget amounts fully reflect the cost of providing services and delivering capital projects. The updated 10-Year Financial Plan is anticipated to be completed in calendar 2025.

HIGHLIGHTS OF THE FISCAL YEAR 2024 ADOPTED BUDGET

The Fiscal 2024 Adopted Budget represents the largest year over year investment in Baltimore's greatest asset, our young people.

The budget plan continues record investments in our youth, including an increase of $79 million in funding for schools, which represents a total fiscal year investment of more than $400 million in total operating support for Baltimore City Public Schools. The budget continues to support the development through key initiatives such as the renovation and re-opening of recreation centers and connecting 7,000 young people with summer jobs through our YouthWorks program.

The budget includes investments to combat violent crime with a focus on taking guns off the streets, revitalizing our communities with a laser focus on demolishing vacant properties, enhancing support for our older adults through increased funding for senior centers and the creation of a framework to establish a standalone office to service the needs of older adults. The budget continues to maintain a focus on equity, which is represented through increased support for minority and women owned businesses, as well as through the expansion of the Mayor's Office of Equity and Civil Rights.

This year's budget is guided by making strategic enhancements to services that drive forward the Mayor's Action Plan with a goal of bold and transformative systemic change in Baltimore. Major priorities include:

Investing in Baltimore's Youth

The Action Plan calls for increasing youth participation in the City's recreation programming by modernizing facilities and offerings. The Mayor's Fiscal 2024 capital budget includes funding for improvements at the Curtis Bay and Gardenville Recreation Centers along with expanding the Bocek Park Athletic Center gym. The Mayor's budget also includes funding to increase wages for Recreation Center staff to recruit and retain employees.

$405.5million for the City's total operating support to Baltimore City Public Schools. This marks the second year of increased contributions to meet the requirements of the Blueprint for Maryland's Future. The City's required local share for Fiscal 2024 is expected to increase by $79.4 million from Fiscal 2023 driven by the State funding formula for Schools.

The Mayor's Office of Neighborhood Safety and Engagement (MONSE) will also evaluate its school-based violence intervention program to determine a plan for expanding the program to additional schools.

Funding for the Mayor's Office of Employment Development (MOED) YouthWorks Summer Job Program to increase the hourly rate for young people participating in the program. In Fiscal 2024, the service anticipates connecting 7,000 youth with summer work experiences up from approximately 6,700 in Fiscal 2022.

Providing $1.3 million for pre and post-natal services offered by the Family League of Baltimore. This program provides residents with paraprofessional home visits designed to promote positive outcomes and improve family health. Family League, a lead partner in the Health Department's B'more for Healthy Babies initiative, a citywide strategy to reduce infant mortality, provides families and healthcare providers with resources to reduce fetal tobacco and nicotine exposure

Advancing Public Safety

The Action Plan calls for expanding and strengthening victim services and advocacy for victims of shootings and other forms of violent crime. The Mayor's budget includes funding for five additional civilian positions to expand the Victims Services Unit beyond the Western and Southern districts. These positions are being created by repurposing other long-term vacant civilian positions within BPD.

Continuing the City's Group Violence Reduction Strategy (GVRS), as a partnership between the MONSE, Baltimore Police Department (BPD), and State's Attorney's Office. The GVRS launched as a pilot in the Western district resulting in a 33.8% year-over-year decrease in both non-fatal shootings and homicides. In Fiscal 2023, the strategy expanded to the Southwestern district and will be followed by the Central and Eastern Districts in Fiscal 2024, with a goal of being citywide by mid-2024. MONSE will work to increase the number of GVRS participants to 100 in Fiscal 2024 through planned programming with GVRS partners and the planned expansion of GVRS.

Increasing resources for the Group Violence Unit in BPD's Criminal Investigation service. Under this plan, the Department will increase staffing levels for this unit by 36 from 24 to 60 full-time positions. This increase will be realized by redeploying staff from other areas of BPD. This unit will work in partnership with MONSE, the State's Attorney's Office, federal partners, and community-based organizations to make referrals and hold people committing violence accountable.

Expanding Baltimore's Community Violence Intervention (CVI) ecosystem with increased grant support for community-based organizations to provide services and outreach across the City. The CVI ecosystem includes violence intervention, hospital-based response, school-based intervention, conflict mediation, victim services, and intensive life coaching.

Revitalizing Neighborhoods

The Action Plan calls for improving the cleanliness of Baltimore neighborhoods, streets, parks, and public spaces. Mybudgetincludesfundingforupto10crewstostabilizeservicedelivery within the Department of Public Works. These positions will ensure the Department has the necessary resources to devote to street sweeping, alley cleaning, and other services that help keep our neighborhoods clean. The budget also includes the creation of 19 new positions in the Department of Recreation and Parks to focus on improving the maintenance and upkeep of facilities throughout the City's Park system.

Increased investment for strategies focused on reducing the number of vacant buildings throughout the City. The Adopted Budget increases funding for the In-Rem foreclosure process that allows the City to take ownership of vacant properties with the goal of securing entire blocks that can be redeveloped to achieve community outcomes. The budget also continues investment in the Right to Counsel program that provides critical legal services to City residents navigating the eviction process.

Centering Equity As We Grow

The Action Plan calls for increasing opportunities for small and minority-owned businesses. The Mayor's budget creates the Mayor's Office of Small and Minority Business Advocacy and Development. This Office will work to provide equitable access to contracting opportunities and capital while ensuring prompt and fair payment terms and developmental tools and resources for these firms.

Funding for additional staffing and program costs to complete a citywide equity assessment. This important work will be used to establish a baseline to develop and implement policy changes.

$2.0 million for the ongoing costs for the Police Accountability Board in the Office of Equity and Civil Rights (OECR). Baltimore's Police Accountability Board was codified by City Ordinance 22-146 adopted in June 2022. In 2023, this office was funded by a supplemental appropriation. Economic Security.

The Action Plan calls for recruiting, retaining, and developing a diverse and high-achieving workforce. The Mayor's budget includes funding to continue offering wage incentives to City positions requiring a CDL in an effort to improve recruitment and retention for these critical positions as well as investing in the ongoing implementation of the $10,000 incentive program for CDL drivers. This incentive was approved by the Board of Estimates in March 2023 and will continue to be offered into Fiscal 2025.

Increasing funding for the Community Action Partnership (CAP) centers operated by the Mayor's Office of Children and Family Success. The increase in General Fund support for this service will continue work on eviction prevention as COVID related grants for these programs expire.

Funding to maintain the current level of service at the City's homeless shelters. The City anticipates utilizing ARPA funds to purchase a hotel that will continue to operate as a non-congregate shelter and provide a pathway to permanent housing for individuals experiencing homelessness.

ACKNOWLEDGMENTS

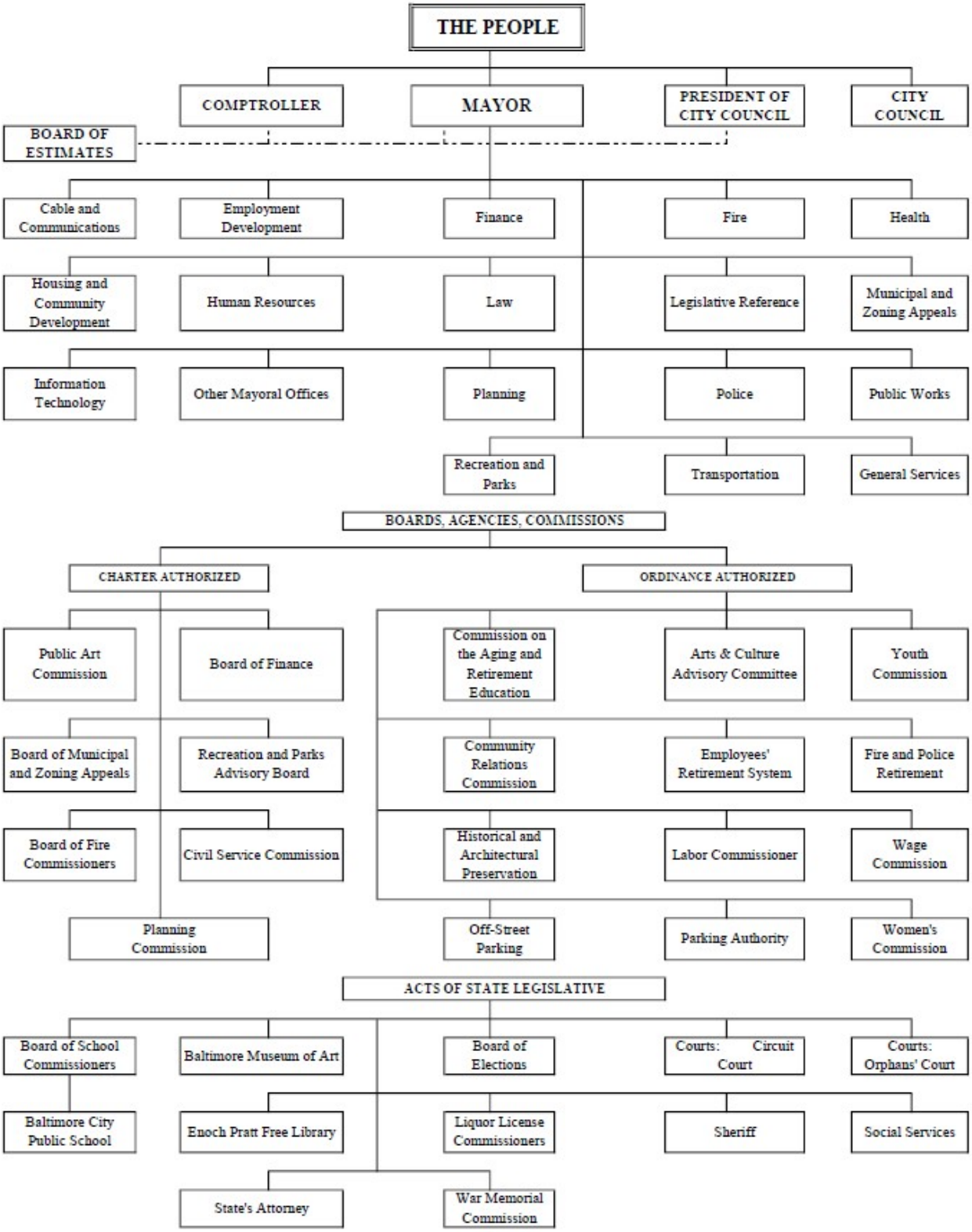
The preparation of this annual report could not have been accomplished without the efficient and dedicated services of the entire staff of the Bureau of Accounting and Payroll Services of the Department of Finance. We wish to express our appreciation to all members of the Bureau who assisted and contributed to its preparation. We are also grateful to the City's independent public accountants, SB & Company, LLC, and the City Auditor for the professional assistance and advice they provided during the course of their audit. Finally, we would like to thank the members of the Board of Estimates and the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and professional manner.

Respectfully submitted,

Brandon M. Scott
Mayor

Michael Mocksten
Chief Financial Officer

MUNICIPAL ORGANIZATION CHART



FINANCIAL SECTION

- **Report of Independent Public Accountants**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Notes to the Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Fund Statements and Schedules**

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Certified Public Accountants & Business Advisors
SBC

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS

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

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the combining statement of fiduciary net position – Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position – Pension and OPEB Trust Funds of the City of Baltimore, Maryland (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, the combining statement of fiduciary net position – Pension and OPEB Trust Funds, and the combining statement of changes in fiduciary net position – Pension and OPEB Trust Funds of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the Employees' Retirement System, the Elected Officials Retirement System, and the Fire and Police Employees' Retirement System. These funds represent 85% of the total assets, 85% of the net position, and 81% of the additions of the Pension and OPEB Trust Funds. We also did not audit the Baltimore City Public School System (School System) and Baltimore Hotel Corporation, which are both discretely presented component units. The financial statements of Baltimore City Public School System, Baltimore Hotel Corporation and certain information of the Pension and OPEB Trust Funds were audited by other auditors whose reports have been furnished to us. Our opinions, insofar as they relate to the amounts included for the Baltimore City Public School System, Baltimore Hotel Corporation and certain information of the Pension and OPEB Trust Funds, are based on the reports of the other auditors.

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 City 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 City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls 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 City'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 controls. 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 controls 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 City's internal controls. 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 City'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 controls-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 Revenues, Expenditures and Encumbrances, and Changes in Fund Balance – Budget and Actual- Budgetary Basis – General Fund and Grants Fund, Schedule of the City's Proportionate Share of Net Pension Liability: Employees' Retirement System Plan, Schedule of Employer Contributions: Employees Retirement System Plan, Schedule of the City's Proportionate Share of Net Pension Liability: Maryland State Retirement and Pension System – ERPS, Schedule of Employer Contributions: Maryland State Retirement and Pension System-ERPS, Schedule of the City's Proportionate Share of Net Pension Liability: Maryland State Retirement and Pension System – LEOPS, Schedule of Employer Contributions: Maryland State Retirement and Pension System – LEOPS, Schedule of Changes in Net Pension Liability (Assets) and Related Ratios: Fire and Police Employees' Retirement System – Single Employer Plan, Schedule of Changes in Net Pension Liability (Assets) and Related Ratios: Elected Officials' Retirement System - Single Employer Plan; Schedule of Employer Contributions – Single Employer Plans, Schedule of Changes in the Net OPEB Liability and Related Ratios – OPEB Plan; Schedule of the City's Proportionate Share of Net OPEB Liability, Schedule of Employer Contributions – OPEB Plan; and Notes to the Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors 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.

Certified Public Accountants & Business Advisors
SBC

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

Adjustments to Discretely Presented Component Unit Financial Statements Audited by Other Auditors

As part of our audit of the City's 2024 financial statements, we also audited the adjustments described in Note 21 that were applied to adjust the financial statements of the Baltimore City Public School System (the School System), a discretely presented component unit of the City, as of and for the year ended June 30, 2024, including the restatement of certain 2024 financial statements' beginning balances in the accompanying financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2024 financial statements of the School System other than with respect to the adjustments, and accordingly, we do not express an opinion or any other form of assurance on the 2024 financial statements of the School System as a whole.

Owings Mills, Maryland
May 9, 2025

SB & Company, LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the City of Baltimore's (City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by $4.5 billion (net position). This amount includes $934.5 million (restricted net position) and is net of an unrestricted deficit of $2.8 billion. During the fiscal year, the City's total net position increased by $489.3 million.

As of June 30, 2024, the City's governmental funds reported combined ending fund balances of $1.0 billion. At the close of the fiscal year, the unassigned fund balance for the general fund was $259.0 million.

The City's governmental total long-term obligations decreased by $102.3 million, during fiscal year 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

Accounting principles generally accepted in the United States of America requires the utilization of dual focus financial reporting. The purpose of this overview is to provide the reader with an introduction to the City's basic financial statements prepared under these reporting requirements.

The City's basic financial statements comprise three components:

(1) Government-wide financial statements,
(2) Fund financial statements, and
(3) Notes to the basic financial statements.

The report also contains required and other supplementary information including notes to the Required Supplementary Information in addition to the basic financial statements themselves.

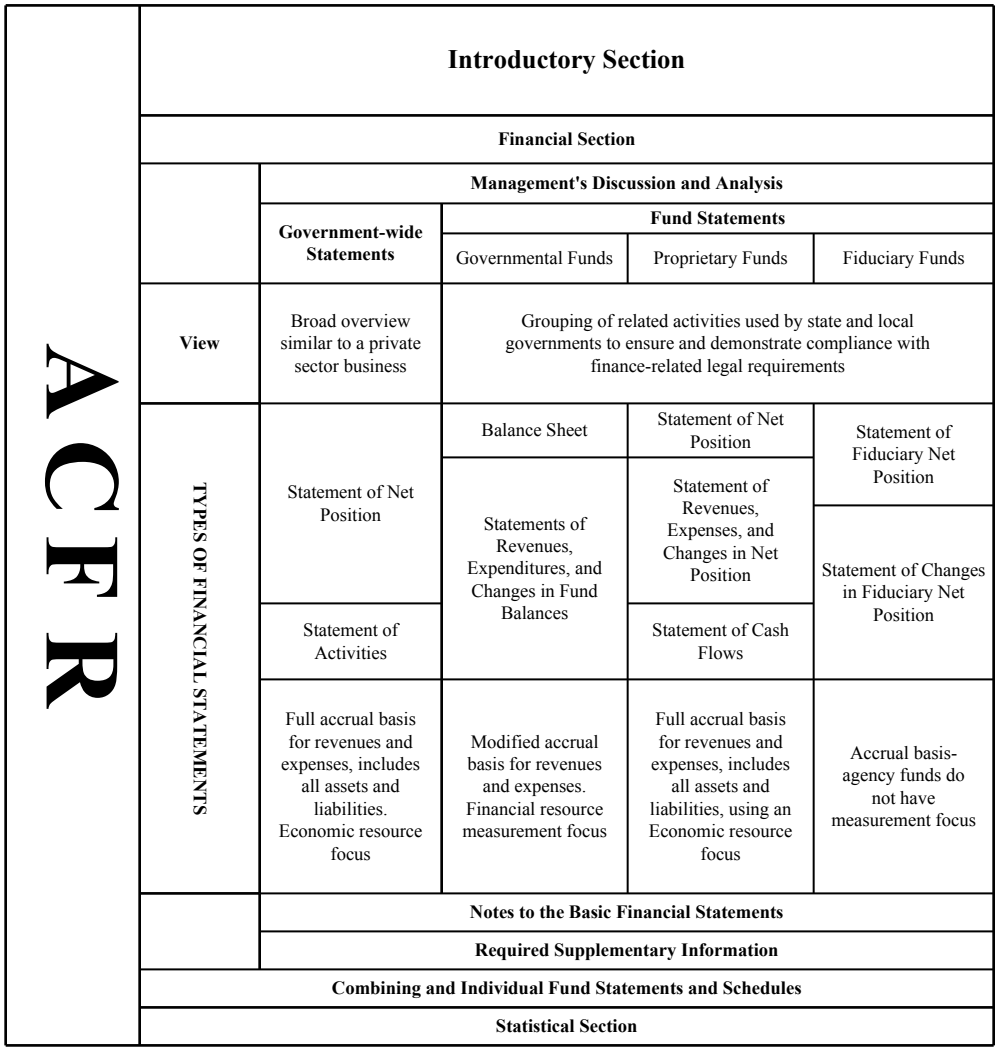
Measurement focus refers to what is measured and reported in a fund's operating statement while basis of accounting determines when a transaction or event is recognized in these funds. Under the accrual basis of accounting, most transactions are recorded when they occur, regardless of when cash is received or disbursed. Under the modified accrual basis of accounting, revenues and other financial resources are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized when the fund liability is incurred with certain exceptions.

Financial Report Layout and Structure

The total economic resources focus is intended to determine if a fund is better or worse off economically as a result of events and transactions of the period. This focus utilizes the accrual basis of accounting to record events and transactions that improve (revenues or gains) or diminish (expenses or losses) a fund's economic position. It is the focus used by businesses.

The current financial resources focus is intended to determine if there are more or less resources that can be spent in the near future as a result of events and transactions of the period. This focus utilizes the modified accrual basis of accounting to record increases (revenues or other financing sources) or decreases (expenditures and other financing uses) in a fund's spendable resources. For most state and local governments, this focus is their legally mandated accounting method and with the incorporation of encumbrances (spending commitments), the one utilized to determine adherence to budgetary requirements.

Layout and Structure of the City of Baltimore Annual Comprehensive Financial Report



Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. This section contains the Statement of Net Position and the Statement of Activities.

The Statement of Net Position is the difference between assets plus deferred outflow of resources and liabilities plus deferred liabilities inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City'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, such as, revenues pertaining to uncollected taxes and expenses pertaining to earned, but unused, vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety and regulation, conservation of health, social services, education, public library, recreation and culture, highway and streets, sanitation and waste removal, public service, economic development, and interest expenses. The business-type activities of the City include water, sewer and stormwater utilities, parking facilities and several other fees supported activities.

The government-wide financial statements include, not only the City itself (known as the primary government), but also the legally separate activities of the Baltimore City Public School System and the Baltimore Hotel Corporation. Summary financial information for these component units are reported separately from the financial information presented for the primary government itself. The Baltimore City Public School System prepared its own financial statements, which are also prepared in conformity with governmental accounting and audited. The Baltimore Hotel Corporation prepared its own financial statements in conformity with not for profit accounting and audited.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into the following three categories: governmental funds, proprietary 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, i.e., most of the City's basic services are reported in governmental funds. These statements, however, focus on: (1) how cash and other financial assets can readily be converted to available resources and (2) the balance left at year-end that are available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs. Because the focus of 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 City'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 City maintains several major governmental funds (general, grants revenue, and capital projects). 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 theses major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements as presented in supplementary information herein.

Proprietary funds

Proprietary funds are generally used to account for services for which the City charges customers -- either outside customers, or internal units or departments of the City. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service fund are charges for customer services including water, sewer, stormwater, parking fees, commercial and industrial rents, printing services, vehicle maintenance fees, telecommunication, central post office fees, energy conservation and building maintenance. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non- operating revenues and expenses. Proprietary funds provide the same type of information as shown in the government- wide financial statements.

The City maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government- wide financial statements. Enterprise funds are used to account for the operation of the City's business-type activities and include water, sewer and stormwater, utilities, and parking facilities, all of which are considered to be major funds of the City, and several other non-major fee supported activities.
- *Internal Service funds* are used to report activities that provide supplies and service for certain City programs and activities. The City uses internal service funds to account for its fleet of vehicles, printing and mail services, telecommunications services, energy conservation and building maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds

Fiduciary funds are used to report net position held in a trust or agency capacity for others. These resources cannot be used to support the City's own programs and are not reflected in the government-wide financial statements. The City's fiduciary funds are comprised of pension trust, OPEB trust and custodial funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information such as the general fund budgetary basis financial statement, the Retirement System's changes in net pension liability and investment return ratios, and the City's progress in funding its other postemployment benefits obligation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Primary Government)

The City's financial statements were prepared in conformity with the reporting model required by Governmental Accounting Standards Board Statement Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments. The report includes prior fiscal year results for the purpose of providing comparative information for the MD&A.

CITY OF BALTIMORE
Statement of Net Position-Summary
For the Fiscal Years 2024 and 2023
(Expressed in Thousands)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 2,611,255	$ 2,504,502	$ 1,575,182	$ 1,742,757	$ 4,186,437	$ 4,247,259
Capital assets, net	3,124,524	3,090,230	6,476,363	6,317,940	9,600,887	9,408,170
Total assets	5,735,779	5,594,732	8,051,545	8,060,697	13,787,324	13,655,429
Deferred outflows of resources	497,975	502,020	132,506	138,654	630,481	640,674
Total assets and deferred outflows of resources	6,233,754	6,096,752	8,184,051	8,199,351	14,417,805	14,296,103
Long-term liabilities outstanding	1,576,756	1,577,659	3,130,835	3,235,043	4,707,591	4,812,702
Other liabilities	4,526,935	4,397,133	382,797	487,998	4,885,131	4,885,131
Total liabilities	6,103,691	5,974,792	3,513,632	3,723,041	9,592,722	9,697,833
Deferred inflows of resources	300,895	567,537	23,474	43,905	324,369	611,442
Total liabilities and deferred inflows of resources	6,404,586	6,542,329	3,537,106	3,766,946	9,917,091	10,309,275
Net position:						
Net investment in capital assets	2,292,020	2,212,781	4,030,213	3,510,817	6,322,233	5,723,598
Restricted	602,363	607,148	332,127	363,595	934,490	970,743
Unrestricted	(3,065,209)	(3,265,506)	284,603	557,993	(2,780,606)	(2,707,513)
Total net position	$ (170,826)	$ (445,577)	$ 4,646,943	$ 4,432,405	$ 4,476,117	$ 3,986,828

Analysis of Statement of Net Position-Summary

Total assets and deferred outflows increased by $121.7 million in fiscal year 2024. The increase is driven by an increase in capital assets, net of $192.7 million, a decrease of $60.8 million in current and other assets, and a decrease in deferred outflows of $10.2 million. Total liabilities and deferred inflows decreased by $392.2 million in fiscal year 2024. This increase is driven by a decrease in long-term liabilities of $105.1 million, offset by a decrease of $287.1 million in deferred inflows.

As noted earlier, net position may serve as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $4.5 billion at the close of fiscal year 2024. The City's net position includes its investment of $6.3 billion in capital assets (e.g., land, buildings, and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 themselves cannot be liquidated for these liabilities. An additional portion of the City's net position, $934.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in unrestricted net position of $2.8 billion.

CITY OF BALTIMORE

Changes in Net Position

For the Fiscal Years 2024 and 2023

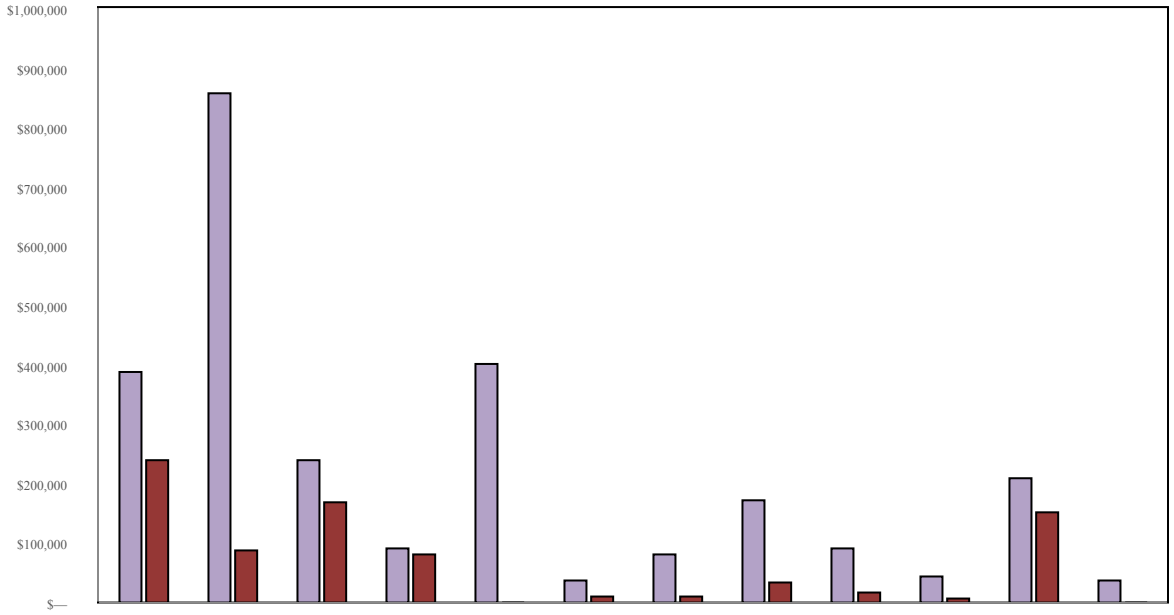
(Expressed in Thousands)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 124,437	$ 104,068	$ 719,040	$ 675,606	$ 843,477	$ 779,674
Operating grants and contributions	641,352	603,774	–	–	641,352	603,774
Capital grants and contributions	46,153	39,217	133,545	103,471	179,698	142,688
General revenues:						
Property taxes	1,095,085	1,056,930	–	–	1,095,085	1,056,930
Income taxes	476,256	455,975	–	–	476,256	455,975
State shared revenue	146,520	205,090	–	–	146,520	205,090
Transfer and recordation tax	93,746	139,357	–	–	93,746	139,357
Electric and gas tax	49,738	21,636	–	–	49,738	21,636
Telecommunications tax	33,878	30,843	–	–	33,878	30,843
Admission	10,095	8,069	–	–	10,095	8,069
Other	159,387	180,404	–	–	159,387	180,404
Total revenues	2,876,647	2,845,363	852,585	779,077	3,729,232	3,624,440
Expenses:						
General government	388,170	643,985	–	–	388,170	643,985
Public safety and regulation	857,908	884,812	–	–	857,908	884,812
Conservation of health	239,038	223,809	–	–	239,038	223,809
Social services	91,676	71,198	–	–	91,676	71,198
Education	401,899	663,354	–	–	401,899	663,354
Public library	38,415	48,600	–	–	38,415	48,600
Recreation and culture	81,458	81,437	–	–	81,458	81,437
Highways and streets	171,834	227,609	–	–	171,834	227,609
Sanitation and waste removal	91,093	120,261	–	–	91,093	120,261
Public service	42,811	32,060	–	–	42,811	32,060
Economic development	208,208	166,988	–	–	208,208	166,988
Interest	37,108	35,000	–	–	37,108	35,000
Water	–	–	204,147	226,707	204,147	226,707
Wastewater	–	–	341,573	331,684	341,573	331,684
Stormwater	–	–	22,930	20,309	22,930	20,309
Parking	–	–	11,479	13,092	11,479	13,092
Non-major proprietary	–	–	10,196	12,518	10,196	12,518
Total expenses	2,649,618	3,199,113	590,325	604,310	3,239,943	3,803,423
Increase in net assets before transfer	227,029	(353,750)	262,260	174,767	489,289	(178,983)
Transfer:						
Transfer in (out)	47,722	42,196	(47,722)	(42,196)	–	–
Change in net position	274,751	(311,554)	214,538	132,571	489,289	(178,983)
Net position - beginning	(445,577)	(134,023)	4,432,405	4,299,834	3,986,828	4,165,811
Net position - ending	$ (170,826)	$ (445,577)	$ 4,646,943	$ 4,432,405	$ 4,476,117	$ 3,986,828

Analysis of Changes in Net Position

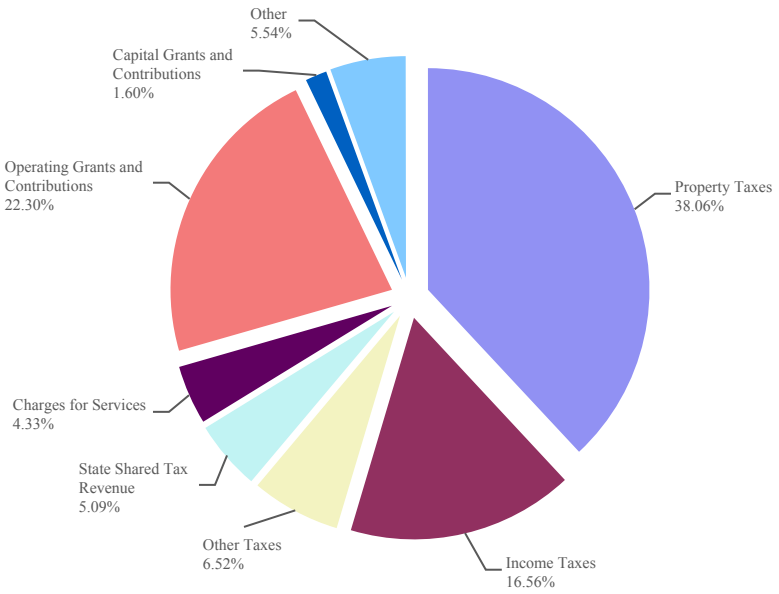
The overall increase in the City's net position amounted to $489.3 million during fiscal year 2024. This change is explained in the government and business-type activities discussion below.

Expenses and Program Revenues – Governmental Activities (expressed in thousands)



	General Government	Public Safety and Regulation	Conservation of Health	Social Service	Education	Public Library	Recreation and Culture	Highways and Streets	Sanitation and Waste Removal	Public Service	Economic Development	Interest
Expense	$388,170	$857,908	$239,038	$91,676	$401,899	$38,415	$81,458	$171,834	$91,093	$42,811	$208,208	$37,108
Program Revenue	240,747	87,977	169,162	80,661	1,099	9,187	9,260	34,917	18,331	7,261	153,340	—

Revenues By Source – Governmental Activities



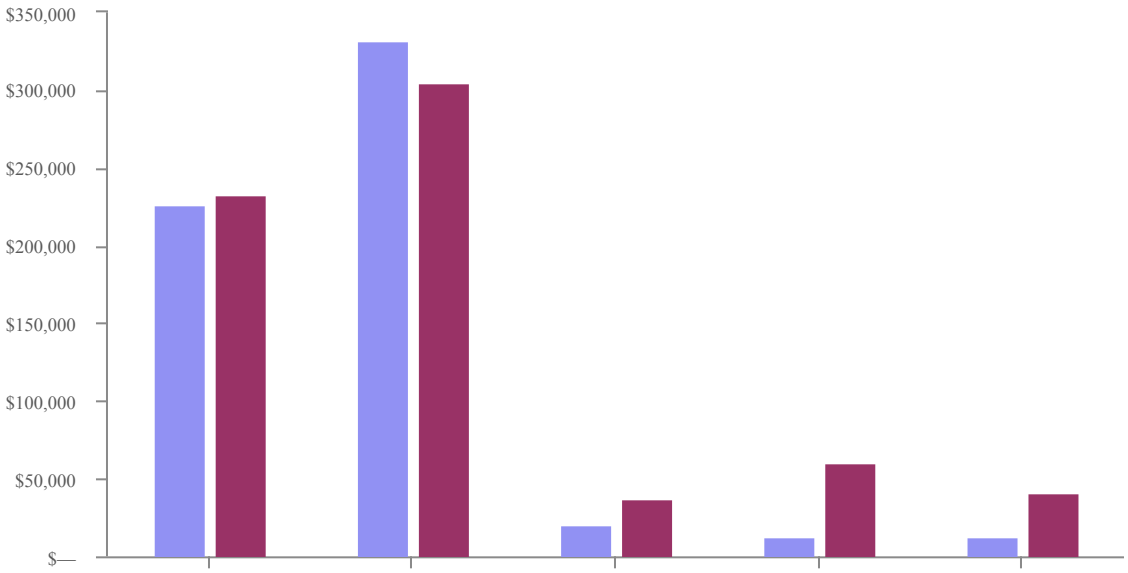
Governmental Activities

During the current fiscal year, expense related to governmental activities amounted to $2.6 billion; this is more than revenues by $227.0 million, before transfers in of $47.7 million. Total revenue of $2.9 billion is comprised of program revenues totaling $811.9 million, which is 28.2% of total revenue. Program revenues are the principal source of funding for the City's general government, health, and economic development activities. Other major activities including public safety and regulation, as well as the highways and streets program, are primarily supported by general revenues. A more detailed analysis of the governmental activities is discussed in the "Financial Analysis of the City's Funds" section.

During fiscal year 2024, governmental activities revenue increased by $31.3 million.

Governmental expenses decreased by $549.5 million during fiscal year 2024. The decrease is primarily attributable to decreases in public safety and regulation ($26.9M), general government ($255.8M), education ($261.5M), and highways and streets ($55.8M) activities.

Expenses and Program Revenues – Business-type Activities (expressed in thousands)



	Water	Wastewater	Stormwater	Parking	Non-major Proprietary
Expenses	$204,147	$341,577	$22,930	$11,479	$10,196
Charges for Services	241,101	351,670	49,001	60,201	17,067

Business-type Activities

Business-type activities are presented after adjustments to reflect the consolidation of internal service fund activities related to enterprise funds. Charges for services represent the principal revenue source for the City's business-type activities. During the current fiscal year, revenue from business-type activities totaled $852.6 million. Expenses for these activities totaled $590.3 million income earned of $262.3 million and net transfer out of $47.7 million which resulted in an increase in net position of $214.5 million.

Operating revenues increased by $43.4 million in fiscal year 2024 for business-type activities. Capital assets increased by $158.4 million in the business-type activities primarily as a result of the utilities funds' effort to build environmentally sound facilities.

The City implemented a new Water and Stormwater billing system during fiscal year 2017. Several upgrades to the software have occurred and process improvements continue to be developed. At year end, the City estimated billings to account for full year of revenue.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, an unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. Types of major governmental funds reported by the City include the general fund, grants revenue fund, and capital projects fund. Data from the remaining governmental funds are combined into a single, aggregated presentation as other non-major funds.

CITY OF BALTIMORE

Comparative Schedule of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Years 2024 and 2023

(Expressed in Thousands)

	2024	2023	Variance Amount
Revenues:			
General fund:			
Property taxes	$ 1,068,865	$ 1,111,172	$ (42,307)
Income taxes	476,256	450,067	26,189
Other local - taxes	209,525	181,121	28,404
Total local taxes	1,754,646	1,742,360	12,286
Licenses and permits	36,817	25,610	11,207
Interest, rentals, and other investment income	59,845	64,164	(4,319)
Intergovernmental grants	139,894	132,434	7,460
Other	224,745	268,854	(44,109)
Total revenues-general fund	2,215,947	2,233,422	(17,475)
Other governmental funds:			
Grants revenue fund	487,689	447,021	40,668
Capital projects fund	57,337	53,613	3,724
Other funds	73,481	80,691	(7,210)
Total revenues other governmental funds	618,507	581,325	37,182
Total revenues all governmental funds	2,834,454	2,814,747	19,707
Expenditures:			
General fund:			
General government	369,115	435,450	(66,335)
Public safety and regulation	844,838	745,296	99,542
Conservation of health	47,681	58,239	(10,558)
Social services	17,452	19,944	(2,492)
Education	417,423	336,714	80,709
Public library	30,386	30,946	(560)
Recreation and culture	67,201	63,368	3,833
Highways and streets	105,085	146,889	(41,804)
Sanitation and waste removal	101,297	109,558	(8,261)
Public service	30,067	16,025	14,042
Economic development	95,708	53,447	42,261
Debt service	96,863	108,315	(11,452)
Total expenditures - general fund	2,223,116	2,124,191	98,925
Other governmental funds:			
Grants revenue fund	534,051	475,112	58,939
Capital projects fund	184,926	177,426	7,500
Other funds	63,966	57,374	6,592
Total expenditures other governmental funds	782,943	709,912	73,031
Total expenditures all governmental funds	3,006,059	2,834,103	171,956
Excess of expenditures over revenue	(171,605)	(19,356)	(152,249)
Other financing sources:			
Transfers in	155,618	165,758	(10,140)
Transfers out	(107,896)	(123,562)	15,666
Proceeds from debt and leases	12,678	3,524	9,154
Proceeds from subscription issued (SBITA)	25,958	7,348	18,610
Capital Projects Fund:			
Premium on general obligation bonds	–	7,797	(7,797)
Face value of funding and refunding general obligation bonds	–	101,710	(101,710)
Issuance of debt	–	–	–
Total other financing sources	86,358	162,575	(76,217)
Net changes in fund balances	(85,247)	143,219	(228,466)
Fund balances - beginning	1,124,895	981,603	143,292
Fund balances - ending	$ 1,039,648	$ 1,124,822	$ (85,174)

Revenues for governmental functions overall totaled approximately $2.8 billion in the fiscal year ended June 30, 2024, which represents an increase of 0.7% from the fiscal year ended June 30, 2023. Expenditures for governmental functions, totaling $3.0 billion, increased by approximately 6.1% from the fiscal year ended June 30, 2023. In the fiscal year ended June 30, 2024, expenditures for governmental functions exceeded revenue by $171.6 million.

The General Fund is the chief operating fund of the City. Revenue in the General Fund decreased by $17.5 million as compared to fiscal year 2023. The total expenditures for the General Fund increased by $98.9 million, or 4.7%, compared to fiscal year 2023.

At the end of the current fiscal year, the unassigned fund balance of the General Fund was $259.0 million, while total fund balance was $922.1 million. The fund balance in the City's General Fund decreased by $21.1 million during the fiscal year, which was caused by a financing use of $13.9 million (net transfer out), proceeds from leases, subscription based information technology arrangements, general obligation bonds offset by expenditures exceeding revenue by $7.2 million. The Capital Fund has a restricted fund balance of $48.6 million, a decrease of $28.8 million over prior year. This increase was primarily caused by expenditures exceeding revenue by $127.6 million, offset by a financing source of $98.8 million (transfer in and general obligation bonds).

The Grants Revenue Fund is used to account for the spending of various Federal, State, and private grants and special purpose funds. Most of these grants are funded on an expenditure reimbursement basis. Should any portion of the grant's receivable be determined uncollectible, the balance may be written off against the General Fund. The Grants Revenue Fund had no fund balance as of year end. The General Fund transferred $10.6 million to the Grants Revenue Fund, to absorb the current year grant fund deficit.

Proprietary Funds

The City's business-type activities prior to allocation of internal service fund activities are comprised of the funds listed below. The non-major funds include the Conduit Fund.

(Expressed in Thousands)

	Water, Wastewater and Stormwater Utility Funds		Parking Facility Fund		Non-major Other Funds	
	2024	2023	2024	2023	2024	2023
Operating revenues	$ 641,772	$ 574,368	$ 60,201	$ 60,104	$ 17,067	$ 41,134
Operating expenses	542,012	521,183	8,238	8,278	10,197	12,407
Operating income	99,760	53,185	51,963	51,826	6,870	28,727
Non operating revenues (expenses), capital contribution, and transfers	106,840	69,872	(50,963)	(47,072)	–	(19,520)
Change in net position	$ 206,600	$ 123,057	$ 1,000	$ 4,754	$ 6,870	$ 9,207

As discussed in the Business-type activities section the Utilities fund experienced an operating revenue increase in fiscal year 2024. The decrease is attributable to catch up billings made in fiscal year 2023 that were not required in fiscal year 2024.

General Fund budgetary highlights

CITY OF BALTIMORE

Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance - Budget and Actual Budgetary Basis - General Fund

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Original Budget Positive (Negative)	Variance with Final Budget Positive (Negative)
Total revenues	$ 2,224,588	$ 2,275,849	$ 2,213,604	$ (10,984)	$ (62,245)
Expenditures and encumbrances:					
General government	444,427	445,844	406,814	37,613	39,030
Public safety and regulation	870,096	906,984	824,223	45,873	82,761
Conservation of health	80,474	85,726	17,856	62,618	67,870
Social services	3,709	3,709	4,883	(1,174)	(1,174)
Education	425,023	425,023	417,423	7,600	7,600
Public library	32,359	32,359	27,380	4,979	4,979
Recreation and culture	65,993	72,967	57,622	8,371	15,345
Highways and streets	151,360	151,360	123,267	28,093	28,093
Sanitation and waste removal	113,791	119,773	83,983	29,808	35,790
Public service	42,170	42,170	39,114	3,056	3,056
Economic development	88,907	88,907	66,810	22,097	22,097
Total expenditures and encumbrances	2,318,309	2,374,822	2,069,375	$ 248,934	$ 305,447
Excess (deficiency) of revenue over expenditures and encumbrances	(93,721)	(98,973)	144,229		
Other Financing uses:					
Transfers in	17,127	17,127	41,747		
Transfers out	(102,837)	(102,837)	(94,275)		
Total other financing uses	(85,710)	(85,710)	(52,528)		
Net changes in fund balances	(179,431)	(184,683)	91,701		
Fund balances — beginning	1,299,111	1,299,111	1,299,111		
Fund balances — ending	$ 1,119,680	$ 1,114,428	$ 1,390,812		

The City's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects, and supplemental appropriations approved after adoption, and during the fiscal year. During fiscal year 2024, supplemental appropriations totaling $56.5 million were approved for the general fund, all of which were approved from prior year surplus or from unexpected increases in revenues sources. Actual expenditures for the year were less than the original budget by $248.9 million and were $305.4 million less than adjusted appropriations. This amount was primarily related to the governmental activities: lower than budgeted costs for general government operations amounted to $39.0 million; lower than budgeted costs for public safety and regulation amounted to $82.8 million; lower than budgeted costs for conservation of health to $67.9 million; lower than budgeted costs for education amounted to $7.6 million; lower than budgeted costs for highway and streets amounted to $28.1 million; lower than budgeted costs for sanitation and waste removal amounted to $35.8 million; and lower than budgeted costs for economic development amounted to $22.1 million.

On a budgetary basis, revenues for fiscal year 2024 totaled $2.2 billion and expenditures and transfers totaled $2.1 billion. The excess of expenditures and transfers over revenues resulted in a budgetary basis fund balance as of June 30, 2024, of $1.4 billion, an increase of $91.7 million in the fund balance.

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2024, amounted to $9.6 billion (net of accumulated depreciation). Capital assets include land, buildings and improvements, machinery and equipment, park facilities, roads, streets, bridges, and library books. The total increase in the City's net capital assets for the current fiscal year was increase 2.05% (1.11% increase for governmental activities and a 2.51% increase for business-type activities) as shown in the table below.

Capital Assets, Net of Depreciation
For the Fiscal Years 2024 and 2023
(Expressed in Thousands)

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Land and other	$ 357,916	$ 358,442	$ 36,920	$ 36,920	$ 394,836	$ 395,362
Building and improvements	882,851	915,297	3,262,941	3,356,542	4,145,792	4,271,839
Equipment	118,806	80,770	144,273	149,757	263,079	230,527
Infrastructure	1,440,302	1,502,840	2,068,004	2,112,812	3,508,306	3,615,652
Library books	4,065	6,244	–	–	4,065	6,244
Construction in progress	260,514	181,307	964,225	661,909	1,224,739	843,216
Right-to-use leased	30,401	37,215	–	–	30,401	37,215
SBITA	29,669	8,115	–	–	29,669	8,115
Total	$ 3,124,524	$ 3,090,230	$ 6,476,363	$ 6,317,940	$ 9,600,887	$ 9,408,170

See Note 5 " Capital Assets" in the Notes to Basic Financial Statements for additional information.

Debt Administration

As of June 30, 2024, the City had total long-term obligations outstanding of $4.2 billion. Of this amount, $507.3 million was general obligation bonds backed by the full faith and credit of the City, $307.0 million was revenue bonds for governmental activity at the Convention Center, the Convention Center Hotel, and transportation bonds, and $3.0 billion was revenue bonds related to commercial business activity. The remainder includes revenue bonds and other obligations of City business and governmental activities.

During fiscal year 2024, the City sold $9.4 million in revenue bonds and borrowed $12.2 million in economic development loans .

The ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators of the City's debt position for management, citizens, and investors. A comparison of these indicators follows:

	FY 2024	FY 2023
Net general bonded debt (expressed in thousands)	$ 507,260	$ 547,055
Ratio of net general bonded debt to net assessed value	1.1 %	1.2 %

See note 7 "Long-term Obligations" in the Notes to the Basic Financial Statements for additional information.

As of June 30, 2024, the City had $507.3 million in authorized, outstanding property tax-supported general obligation bonds. There are an additional $561.5 million in bonds that are authorized, but unissued.

Economic Factors and Next Year's Budget and Rates

The fiscal year 2025 budget submitted by the Board of Estimates to the Baltimore City Council proposed total appropriations of $4,209,666,000 of which $2,242,700,000 were for General Fund operations and Pay-As-You-Go (PAYGO) capital. The City Council, after deliberations pursuant to Charter requirements and powers, made no reductions to the total General Fund or other fund appropriations. The property tax rates on real property and personal property remained at $2.248 and $5.62 per $100 of assessed valuation, respectively. The locally imposed and State mandated income tax rate was 3.2%. The Ordinance of Estimates was adopted by the City Council and signed by the Mayor on June 30, 2024.

Fiscal 2025 Budget – Economic Factors

Summary

The City of Baltimore's economy continued showing strength four years after the start of the COVID-19 pandemic and a year after the collapse of the Francis Scott Key Bridge. Major economic industries and markets including labor and housing remain stable, indicating signs of a healthy and resilient economy. Notably, in 2024 the City of Baltimore experienced a 0.5% increase in population and reached 568,271 residents. This is the first population increase the City has seen since 2014, reversing a decade-long trend of year-over-year declines.

The following is a review of the significant economic areas that affected the Fiscal 2025 Budget and are expected to continue influencing the City's financial outlook.

Labor Market

The City's labor market continued showing stability. The City increased by 1,380 the number of employers to reach of 15,871 as of the third quarter of 2024. This represents the higher number of establishments operating in the City in records.

As of the end of Fiscal 2024, the City's labor force reached 280,591 residents, reflecting an increase of over 4,600 individuals, or 1.7%, compared to 276,683 in June 2023. The total annual average number of employed residents as of October 2024, which accounts for seasonality, reached 266,612, an increase of 10,600 individuals compared to the same average as of October 2023. While the job market did not fully absorb this increase, more than 1,500 City residents were newly hired. As a result, the City's unemployment rate rose from 3.0% to 4.2% between the second quarters of 2023 and 2024. Nevertheless, this 4.2% rate remains significantly lower than the average unemployment rate of 7.7% experienced between 2004 and 2021.

Recent Income tax data from the State of Maryland shows continued positive trend changes in the income composition of City residents. In 2013, 32.5% of the income tax returns indicated earnings of over $50,000. By 2023, that group has grown by 34,302 or 54.0%, and now represents 50.5% of the total taxable base.

These positive trends have been reflected in the robust performance of the City's income tax. Fiscal 2024 ended with a $26.9 million surplus compared to budget estimates. As of the second quarter of Fiscal 2025, the City anticipates that this revenue source will outperform the budget by an additional $23.4 million.

Residential Real Estate

The City's housing market remains strong, with home prices rising by 4.7% citywide in Fiscal Year 2024 compared to Fiscal Year 2023. Although sale volume and transaction activity aligned with budgeted expectations, the average residential property value rose by 7.7% in the third quarter of 2024, from $245,000 in 2023 to $264,000 in 2024.

Despite the ongoing impact of interest rates, which continues disincentivizing some market activity, the City benefits from an abundant housing supply and remains the most affordable housing option in the region. These conditions have helped sustain key revenue sources, such as transfer and recordation taxes.

The Department of Finance anticipates the housing market will continue stabilizing in Fiscal 2025.

Tourism and Travel Industries

The City's tourism and travel industries continue to recover. During the period January through October 2024, the City's occupancy rate increased by 3.0 over the same period in 2023, and reached an annual average of 62.3%, representing the first time since 2019 that the City's occupancy rate exceeded the 60% mark. Also during this period, the average daily rate (ADR) per hotel room averaged $175.20, which represented a $8.40 or 5.0% increase compared to the $166.80 average during the same period of 2023.

The combination of higher ADR and increased demand for City rooms contributed to increased hotel tax revenues, which are anticipated to continue improving in Fiscal 2025.

Request for information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, go to https://finance.baltimorecity.gov/public-info/reports or contact the Director of Finance at the following address:

Room 469, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202

CITY OF BALTIMORE
Statement of Net Position
June 30, 2024
(Expressed in Thousands)

	Primary Government			Component Units	
	Governmental activities	Business-type activities	Total	Baltimore City Public School System	Baltimore Hotel Corporation
Assets and deferred outflows of resources:					
Assets:					
Cash and cash equivalents	$ 767,335	$ 842,106	$ 1,609,441	$ 608,333	$ 18,627
Investments	810,213		810,213	188,493	31,234
Property taxes receivable, net	71,761	–	71,761	–	–
Service receivable, net	–	181,572	181,572	–	–
Other receivables, net	136,951	20,526	157,477	10,968	4,060
Due from other governments	336,938	654,158	991,096	255,704	2,059
Internal balances	137,633	(137,633)	–	–	–
Due from primary government	–	–	–	72,100	–
Inventories, at cost	18,156	7,591	25,747	2,984	67
Notes and mortgages receivable, net	254,015	6,862	260,877	–	–
Other assets	39,856	–	39,856	1,106	3,498
Net pension asset	7,956	–	7,956	–	–
Net OPEB asset	4,268	–	4,268	3,529	–
Lease receivable	26,173	–	26,173	6,549	–
Capital assets being depreciated, net of accumulated depreciation	2,506,093	5,475,218	7,981,311	1,279,282	149,224
Capital assets not being depreciated	618,431	1,001,145	1,619,576	330,567	–
Total assets	5,735,779	8,051,545	13,787,324	2,759,615	208,769
Deferred outflow of resources:					
Deferred amortization on early extinguishment of debt	–	92,101	92,101	–	–
Deferred loss on bond refunding	1,048	5,616	6,664	–	–
Deferred outflows related to pension	419,153	18,330	437,483	30,305	–
Deferred outflows related to OPEB	77,774	16,459	94,233	24,547	–
Total deferred outflows of resources	497,975	132,506	630,481	54,852	–
Total assets and deferred outflows of resources	6,233,754	8,184,051	14,417,805	2,814,467	208,769
Liabilities and deferred inflows of resources:					
Liabilities:					
Accounts payable and accrued liabilities	648,088	139,922	788,010	326,828	7,216
Accrued interest payable	13,025	39,828	52,853	–	4,204
Unearned revenue	568,711	–	568,711	26,655	1,974
Notes payable	–	–	–	–	273,966
Due to other governments	–	–	–	38,571	–
Deposits subject to refund	39,296	–	39,296	–	3,898
Due within one year:					
Estimated claims in progress	91,515	–	91,515	–	–
Revenue bond payable, net	12,255	106,146	118,401	–	–
Long term debt payable	51,484	234	51,718	5,990	–
Leases	6,614	–	6,614	–	–
Financing purchase	30,125	57	30,182	1,806	–
Compensated absences	29,802	5,897	35,699	8,947	–
Due in more than one year:					
Estimated claims in progress	267,235	–	267,235	–	–
Revenue bond payable, net	262,576	3,110,072	3,372,648	–	–
Long term debt payable	933,893	2,489	936,382	2,028	–
Leases	52,744	–	52,744	–	–
Financing purchase	152,977	–	152,977	22,470	–
Compensated absences	142,114	9,962	152,076	72,387	–
Landfill closure	32,452	–	32,452	–	–
Net pension liability	1,801,017	89,888	1,890,905	120,752	–
Net OPEB liability	–	825	825		–
Other liabilities	967,820	–	967,820	105,767	–
Derivative instrument liability	(52)	8,312	8,260	–	–
Total liabilities	6,103,691	3,513,632	9,617,323	732,201	291,258
Deferred inflows of resources:					
Deferred inflows related to pension	25,894	2,017	27,911	3,430	–
Deferred inflows related to OPEB	199,587	20,649	220,236	123,494	–
Deferred inflow for service concession arrangement	49,241	–	49,241	–	–
Deferred inflow for lease	26,173	–	26,173	6,558	–
Deferred inflow related to interest rate swaps	–	808	808	–	–
Total deferred inflows of resources	300,895	23,474	324,369	133,482	–
Total liabilities and deferred inflows of resources	6,404,586	3,537,106	9,941,692	865,683	291,258
Net position:					
Net investment in capital assets	2,292,020	4,030,213	6,322,233	1,551,655	–
Restricted for:					
Construction	48,593	–	48,593	323,332	–
Debt Service	252,220	332,127	584,347	–	–
Sanitation	88,646	–	88,646	–	–
Leases	139,562	–	139,562	–	–
Pension	7,956	–	7,956	–	–
Education and housing	65,386	–	65,386	–	–
Unrestricted (deficits)	(3,065,209)	284,603	(2,780,606)	73,798	(82,489)
Total net position	$ (170,826)	$ 4,646,943	$ 4,476,117	$ 1,948,785	$ (82,489)

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

CITY OF BALTIMORE

Statement of Activities

For the Year Ended June 30, 2024

(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Baltimore City Public School System	Component Units: Baltimore Hotel Corporation
Primary Government:									
Governmental activities:									
General government	$ 388,170	$ 50,833	$ 189,914	$ –	$ (147,423)	$ –	$ (147,423)	$ –	$ –
Public safety and regulation	857,908	16,626	71,351	–	(769,931)	–	(769,931)	–	–
Conservation of health	239,038	2,230	166,932	–	(69,876)	–	(69,876)	–	–
Social services	91,676	–	80,661	–	(11,015)	–	(11,015)	–	–
Education	401,899	–	1,099	–	(400,800)	–	(400,800)	–	–
Public library	38,415	107	9,080	–	(29,228)	–	(29,228)	–	–
Recreation and culture	81,458	92	9,168	–	(72,198)	–	(72,198)	–	–
Highways and streets	171,834	28,984	5,933	–	(136,917)	–	(136,917)	–	–
Sanitation and waste removal	91,093	18,286	45	–	(72,762)	–	(72,762)	–	–
Public service	42,811	–	7,261	–	(35,550)	–	(35,550)	–	–
Economic development	208,208	7,279	99,908	46,153	(54,868)	–	(54,868)	–	–
Interest	37,108	–	–	–	(37,108)	–	(37,108)	–	–
Total governmental activities	2,649,618	124,437	641,352	46,153	(1,837,676)	–	(1,837,676)	–	–
Business-type activities:									
Water	204,147	241,101	–	52,948	–	89,902	89,902	–	–
Wastewater	341,573	351,670	–	67,912	–	78,009	78,009	–	–
Stormwater	22,930	49,001	–	12,685	–	38,756	38,756	–	–
Parking	11,479	60,201	–	–	–	48,722	48,722	–	–
Non-major proprietary	10,196	17,067	–	–	–	6,871	6,871	–	–
Total business-type activities	590,325	719,040	–	133,545	–	262,260	262,260	–	–
Total primary government	$ 3,239,943	$ 843,477	$ 641,352	$ 179,698	(1,837,676)	262,260	(1,575,416)	–	–
Component units:									
Baltimore City Public School System	$ 2,144,743	$ 2	$ 541,519	$ 150,517	–	–	–	(1,452,705)	–
Baltimore Hotel Corporation	64,793	64,925	–	–	–	–	–	–	132
General revenues:									
Property taxes					1,095,085	–	1,095,085	–	–
Income taxes					476,256	–	476,256	–	–
Transfer and recordation tax					93,746	–	93,746	–	–
Electric and gas tax					49,738	–	49,738	–	–
Telecommunications tax					33,878	–	33,878	–	–
Admission tax					10,095	–	10,095	–	–
Other local taxes					40,968	–	40,968	–	–
State shared tax revenues					146,520	–	146,520	–	–
State, federal, and city grants					–	–	–	1,480,320	–
Unrestricted investment income					66,089	–	66,089	45,255	–
Miscellaneous					52,330	–	52,330	95,172	18,125
Transfers					47,722	(47,722)	–	–	–
Total general revenues and transfers					2,112,427	(47,722)	2,064,705	1,620,747	18,125
Changes in net position					274,751	214,538	489,289	168,042	18,257
Net position -- beginning					(445,577)	4,432,405	3,986,828	1,780,743	(100,746)
Net position -- ending					$ (170,826)	$ 4,646,943	$ 4,476,117	$ 1,948,785	$ (82,489)

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

CITY OF BALTIMORE
Balance Sheet - Governmental Funds
June 30, 2024
(Expressed in Thousands)

	General Fund	Grants Revenue Fund	Capital Projects Fund	Non-major Funds	Total
Assets:					
Cash and cash equivalents	$ 354,463	$ 124,781	$ 5,059	$ 94,033	$ 578,336
Investments	750,982	–	46,332	12,899	810,213
Property taxes receivable, net	71,761	–	–	–	71,761
Other receivables, net	59,848	–	20,441	56,661	136,951
Due from other governments	43,860	289,708	2,358	1,012	336,938
Due from other funds	286,564	115,625	32,192	–	434,381
Notes and mortgages receivable, net	254,015	–	–	–	254,015
Inventories, at cost	3,894	–	–	–	3,894
Other assets	37,481	4	–	–	37,485
Total assets	$ 1,862,868	$ 530,118	$ 106,382	$ 164,605	$ 2,663,974
Liabilities, deferred inflows of resources and fund balances (deficits):					
Liabilities :					
Accounts payable and accrued liabilities	$ 538,032	$ 27,663	$ 47,684	$ 7,260	$ 620,639
Retainages payable	735	106	9,959	–	10,800
Estimated liability for claims in progress	91,515	–	–	–	91,515
Due to other funds	149,214	–	–	48,582	197,796
Deposits subject to refund	39,296	–	–	–	39,296
Unearned revenue	26,444	538,274	146	3,847	568,711
Total liabilities	845,236	566,043	57,789	59,689	1,528,757
Deferred inflows of resources:					
Unavailable property taxes	69,395	–	–	–	69,395
Leases	26,173	–	–	–	26,173
Total deferred inflows of resources	95,568	–	–	–	95,568
Total liabilities and deferred inflows of resources	940,804	566,043	57,789	59,689	1,624,325
Fund balances:					
Nonspendable	6,292	–	–	–	6,292
Restricted	340,866	–	48,593	65,386	454,845
Assigned	315,884	–	–	39,530	355,414
Unassigned	259,021	(35,924)	–	–	223,097
Total fund balances	922,063	(35,924)	48,593	104,916	1,039,648
Total liabilities and fund balances	$ 1,862,867	$ 530,119	$ 106,382	$ 164,605	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	3,031,200
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds	539,335
Internal service funds are used by management to charge the cost of fleet management, energy conservation, mailing, communications, printing, building maintenance, and risk management to individual funds. Some of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	52,338
Unavailable revenue is not due and payable in the current period and, therefore, is not reported in the funds	69,395
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(4,902,742)
Net position of governmental activities	$ (170,826)

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

CITY OF BALTIMORE

Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) - Governmental Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	General Fund	Grants Revenue Fund	Capital Projects Fund	Non-major Funds	Total
Revenues:					
Taxes -- local	$ 1,754,646	$ –	$ –	$ 18,901	$ 1,773,547
State shared revenue	128,289	–	–	18,231	146,520
Licenses and Permits	36,817	–	–	–	36,817
Fines and forfeitures	29,882	–	–	–	29,882
Interest and other investment income	59,845	4,374	10	741	64,970
Intergovernmental grants	139,894	408,099	46,136	21,383	615,512
Other grants	3,589	68,388	17	–	71,994
Charges for services	57,574	163	70	–	57,807
Miscellaneous	5,411	6,665	11,104	14,225	37,405
Total revenues	2,215,947	487,689	57,337	73,481	2,834,454
Expenditures:					
Current:					
General government	369,115	61,529	–	22,534	453,178
Public safety and regulation	844,838	87,460	–	2,397	934,695
Conservation of health	47,681	192,503	–	–	240,184
Social services	17,452	74,576	–	131	92,159
Education	417,423	37	–	15,367	432,827
Public library	30,386	10,837	–	–	41,223
Recreation and culture	67,201	10,513	–	1,840	79,554
Highways and streets	105,085	6,433	–	–	111,518
Sanitation and waste removal	101,297	93	–	535	101,925
Public service	30,067	14,230	–	–	44,297
Economic development	95,708	75,840	22,120	21,162	214,830
Debt service:					
Principal	58,149	–	–	–	58,149
Interest	38,714	–	–	–	38,714
Capital outlay	–	–	162,806	–	162,806
Total expenditures	2,223,116	534,051	184,926	63,966	3,006,059
Excess (deficiency) of revenues under expenditures	(7,169)	(46,362)	(127,589)	9,515	(171,605)
Other financing sources (uses):					
Capital contributions					
Transfers in	41,747	10,557	103,314	–	155,618
Transfers out	(94,275)	–	(4,582)	(9,039)	(107,896)
Proceeds from leases	438	–	–	–	438
Proceeds from subscriptions issued (SBITA)	25,958	–	–	–	25,958
Proceeds from debt issuance	12,240	–	–	–	12,240
Face value of general obligation bonds	(26)	–	26	–	–
Total other financing all uses	(13,918)	10,557	98,758	(9,039)	86,358
Net changes in fund balance	(21,087)	(35,805)	(28,831)	476	(85,247)
Fund balances -- beginning	943,150	(119)	77,424	104,440	1,124,895
Fund balances -- ending	$ 922,063	$ (35,924)	$ 48,593	$ 104,916	$ 1,039,648

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

CITY OF BALTIMORE

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2024

(Expressed in Thousands)

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

Net changes in fund balance -- total governmental funds	$	(85,247)
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 expense. This is the amount by which depreciation exceeded capital outlays in the current year		29,228
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		42,264
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 governmental funds		115,758
The net effect of the expenses for recording the City's pension liability from employment retirement plans are not reported as expenditures in governmental funds		157,449
The net income of some activities of internal service funds is reported with governmental activities		15,299
Changes in net position of governmental activities	$	274,751

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

CITY OF BALTIMORE

Statement of Net Position - Proprietary Funds

June 30, 2024

(Expressed in Thousands)

	Enterprise Funds						
	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund	Parking Facilities Fund	Non-major Funds	Total	Internal Service Funds
Assets and deferred outflows of resources:							
Current assets:							
Cash and cash equivalents	$ 62,680	$ 25,871	$ 54,016	$ 10,273	$ –	$ 152,840	$ 49,438
Accounts receivable, net:							
Service billings	65,777	106,483	9,312	–	–	181,572	–
Other	1,761	1,862	237	495	16,171	20,526	823
Due from other funds	–	–	–	–	–	–	1,396
Due from other governments	29,875	61,580	–	–	–	91,455	–
Inventories	6,865	249	477	–	–	7,591	14,262
Restricted assets:							
Cash and cash equivalents	54,913	77,671	4,195	7,428	–	144,207	–
Notes and mortgages receivable	–	–	–	3,268	–	3,268	–
Total current assets	221,871	273,716	68,237	21,464	16,171	601,459	65,919
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	162,746	303,792	54,706	16,216	7,599	545,059	139,562
Due from other governments	254,420	265,501	42,782	–	–	562,703	–
Notes and mortgages receivable	–	–	–	3,594	–	3,594	–
Capital assets, net of accumulated depreciation	1,779,350	3,175,272	253,518	59,730	207,348	5,475,218	92,529
Capital assets not being depreciated	338,459	522,574	94,144	20,101	25,867	1,001,145	794
Total noncurrent assets	2,534,975	4,267,139	445,150	99,641	240,814	7,587,719	232,885
Total assets	2,756,846	4,540,855	513,387	121,105	256,985	8,189,178	298,804
Deferred outflows of resources							
Deferred amortization on early extinguishment of debt	51,099	38,171	–	2,831	–	92,101	–
Deferred loss on bond refunding	–	–	–	5,616	–	5,616	–
Deferred outflows related to pension	8,375	7,976	1,401	–	578	18,330	–
Deferred outflows related to OPEB	7,557	7,086	1,421	–	395	16,459	–
Total deferred outflows of resources	67,031	53,233	2,822	8,447	973	132,506	–
Total assets and deferred outflows of resources	2,823,877	4,594,088	516,209	129,552	257,958	8,321,684	298,804
Liabilities and deferred inflows of resources:							
Current liabilities:							
Accounts payable and accrued liabilities	13,866	18,138	1,960	3,773	1,467	39,204	17,682
Accrued interest payable	15,723	18,195	929	4,981	–	39,828	–
Due to other funds	–	75,600	–	–	41,882	117,482	120,500
Compensated absences	2,612	2,671	449	–	165	5,897	924
Other liabilities	–	–	–	–	–	–	–
Accounts payable from restricted assets	28,658	62,099	9,714	57	190	100,718	–
Financed purchases	–	57	–	–	–	57	22,765
Revenue bonds payable	38,914	59,476	3,031	4,725	–	106,146	–
General long-term debt payable	–	–	234	–	–	234	–
Total current liabilities	99,773	236,236	16,317	13,536	43,704	409,566	161,871
Noncurrent liabilities:							
Financed purchases	–	–	–	–	–	–	102,968
Revenue bonds payable, net	1,341,929	1,599,728	115,770	52,645	–	3,110,072	–
Derivative instrument liability	3,503	–	–	4,809	–	8,312	–
Compensated absences	4,917	3,950	770	–	325	9,962	1,778
General long-term debt payable	–	–	2,489	–	–	2,489	–
Net pension liability	40,634	38,697	7,752	–	2,805	89,888	–
Net OPEB liability	32	94	30	–	669	825	–
Total noncurrent liabilities	1,391,015	1,642,469	126,811	57,454	3,799	3,221,548	104,746
Total liabilities	1,490,788	1,878,705	143,128	70,990	47,503	3,631,114	266,617
Deferred inflows of resources:							
Deferred inflows related pension	912	868	174	–	63	2,017	–
Deferred inflows related OPEB	9,178	8,814	1,526	–	1,131	20,649	–
Deferred inflows related to interest rate swaps	–	–	–	808	–	808	–
Total deferred inflows of resources	10,090	9,682	1,700	808	1,194	23,474	–
Total liabilities and deferred inflows of resources	1,500,878	1,888,387	144,828	71,798	48,697	3,654,588	266,617
Net position:							
Net investment in capital assets	910,898	2,347,886	283,394	30,780	457,255	4,030,213	(35,690)
Restricted for:							
Debt service	198,318	107,284	10,309	16,216	–	332,127	–
Unrestricted (deficit)	213,780	250,530	77,677	10,760	(247,993)	304,754	67,877
Total net position	$ 1,322,996	$ 2,705,700	$ 371,380	$ 57,756	$ 209,262	4,667,094	$ 32,187
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds						(20,151)	
Net position of business-type activities						$ 4,646,943	

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

CITY OF BALTIMORE

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Enterprise Funds						Internal Service Funds
	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund	Parking Facilities Fund	Non-major Funds	Total	
Operating revenues:							
Charges for sales, services, and fees	$ 241,101	$ 351,670	$ 49,001	$ 60,201	$ 17,067	$ 719,040	$ 185,028
Total operating revenues	241,101	351,670	49,001	60,201	17,067	719,040	185,028
Operating expenses:							
Salaries and wages	55,045	61,388	11,055	30	3,227	130,745	21,508
Other personnel costs	12,637	14,162	2,539	5	1,070	30,413	11,268
Contractual services and other	66,656	121,903	9,023	5,928	2,584	206,094	107,190
Materials and supplies	8,687	26,440	1,987	–	127	37,241	2,885
Minor equipment	2,282	3,515	276	–	61	6,134	6,574
Depreciation	51,044	87,664	5,709	2,275	3,128	149,820	16,429
Total operating expenses	196,351	315,072	30,589	8,238	10,197	560,447	165,854
Operating income	44,750	36,598	18,412	51,963	6,870	158,593	19,174
Nonoperating revenues (expenses):							
Loss on sale of assets	–	–	–	–	–	–	(411)
Interest income	18,923	21,845	8,402	878	–	50,048	
Interest expense	(26,745)	(48,383)	(747)	(4,119)	–	(79,994)	(3,592)
Total nonoperating expenses, net	(7,822)	(26,538)	7,655	(3,241)	–	(29,946)	(4,003)
Income/(loss) before capital contributions (distributions) and transfers	36,928	10,060	26,067	48,722	6,870	128,647	15,171
Capital contributions (distributions)	52,948	67,912	12,685	–	–	133,545	–
Transfers out	–	–	–	(47,722)	–	(47,722)	–
Changes in net position	89,876	77,972	38,752	1,000	6,870	214,470	15,171
Total net position - beginning	1,233,120	2,627,728	332,628	56,756	202,392	4,452,624	17,016
Total net position - ending	$ 1,322,996	$ 2,705,700	$ 371,380	$ 57,756	$ 209,262	4,667,094	$ 32,187
Adjustment to reflect the consolidation of internal service actives related to enterprise funds						(20,151)	
Net position of business-type activities						$ 4,646,943	

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

CITY OF BALTIMORE

Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position of Proprietary Funds to the Statement of Activities

For the Year Ended June 30, 2024

(Expressed in Thousands)

Amounts reported for business-type activities in the statement of activities are different because:

Net change in fund balance -- total proprietary funds	$	214,470
The net expense of some activities of internal service funds is reported with business-type activities		73
Change in net position of business-type activities	$	214,543

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

CITY OF BALTIMORE
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2024
(Expressed in Thousands)

	Enterprise Funds						
	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund	Parking Facilities Fund	Non-major Funds	Total	Internal Service Funds
Cash flows from operating activities:							
Receipts from customers	$ 252,551	$ 345,537	$ 47,485	$ 61,989	$ 15,258	$ 722,820	$ 257,773
Payments to employees	(83,122)	(15,187)	(15,879)	(35)	(5,920)	(120,143)	(25,208)
Payments to suppliers	(90,762)	(169,680)	(8,939)	(7,203)	(2,818)	(279,402)	(128,431)
Net cash provided by operating activities	78,667	160,670	22,667	54,751	6,520	323,275	104,134
Cash flows from noncapital financing activities:							
Transfers out	–	–	–	(47,722)	–	(47,722)	–
Net cash (used) by noncapital financing activities	–	–	–	(47,722)	–	(47,722)	–
Cash flows from capital and related financing activities:							
Mortgages receivable principal payments	–	–	–	1,635	–	1,635	–
Principal paid on revenue bonds	(33,767)	(64,795)	(3,546)	(4,559)	–	(106,667)	–
Principal paid on State water quality loans	1,087	–	–	–	–	1,087	–
Principal paid on general long-term debt	–	–	(222)	–	–	(222)	–
Interest received	18,923	21,845	8,402	878	–	50,048	–
Interest paid	(30,671)	(37,333)	(498)	(3,602)	–	(72,104)	(3,592)
Acquisition and construction of capital assets	(117,456)	(216,991)	(34,348)	(2,889)	(6,519)	(378,203)	(33,065)
Finance purchases payments	–	(136)	–	–	–	(136)	7,942
Capital contributions (distribution) received	13,156	99,193	12,376	–	–	124,725	–
Net cash (used) provided by capital and related financing activities	(148,728)	(198,217)	(17,836)	(8,537)	(6,519)	(379,837)	(28,715)
Net increase (decrease) in cash and cash equivalents	(70,061)	(37,547)	4,831	(1,508)	1	(104,284)	75,419
Cash and cash equivalents, beginning of year	350,398	444,880	108,085	35,427	7,599	946,389	113,582
Cash and cash equivalents, end of year	$ 280,337	$ 407,333	$ 112,916	$ 33,919	$ 7,600	$ 842,105	$ 189,001
Reconciliation of operating income to net cash provided by operating activities:							
Operating income/(loss)	$ 44,750	$ 36,598	$ 18,412	$ 51,963	$ 6,870	$ 158,593	$ 19,174
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation expense	51,044	87,664	5,709	2,275	3,128	149,820	16,429
Effect of changes in non cash operating assets and liabilities:							
Accounts receivables	11,314	(6,133)	(1,516)	1,788	(1,809)	3,644	94
Inventories	(3,716)	(13)	1,550	–	–	(2,179)	(1,600)
Deferred outflows - pension	(4,061)	(3,849)	(614)	–	(236)	(8,760)	–
Deferred outflows - OPEB	4,045	3,704	675	–	242	8,666	–
Accounts payable and accrued liabilities	(9,504)	(17,629)	833	(1,275)	(46)	(27,621)	(10,182)
Compensated absences	1,668	624	187	–	(66)	2,413	(108)
Due (from) other funds	–	75,600	–	–	–	75,600	80,327
Deferred inflows - pension	(751)	(723)	(129)	–	(69)	(1,672)	–
Deferred inflows - OPEB	(8,756)	(8,018)	(1,462)	–	(523)	(18,759)	–
Pension liability - current period	(5,777)	(5,700)	(713)	–	(876)	(13,066)	–
OPEB liability	(1,589)	(1,455)	(265)	–	(95)	(3,404)	–
Total adjustments	33,917	124,072	4,255	2,788	(350)	164,682	84,960
Net cash provided by operating activities	$ 78,667	$ 160,670	$ 22,667	$ 54,751	$ 6,520	$ 323,275	$ 104,134
Noncash activity from capital and related financing activities:							
Acquisition and construction of capital assets financed by debt	(24,183)	(33,227)	1,082	(43)	–	(56,371)	–
Total noncash activity from capital and related financing activities	$ (24,183)	$ (33,227)	$ 1,082	$ (43)	$ –	$ (56,371)	$ –

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

CITY OF BALTIMORE
Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2024
(Expressed In Thousands)

	Pension/OPEB Trust Funds
Assets:	
Cash and cash equivalents	$ 95,564
Investments:	
Stocks	3,141,173
Bonds	1,022,283
Real estate	617,782
Private equity and hedge fund	1,464,542
Securities lending collateral	62,509
Accounts receivable, net:	
Forward foreign contracts	12,712
Other assets	55,179
Total assets	6,471,744
Liabilities:	
Obligations under securities lending program	62,509
Forward foreign contracts	12,712
Accounts payable	52,009
Pension benefits payable	15
Total liabilities	127,245
Net position:	
Net position restricted for pensions	5,381,139
Net position restricted for OPEB	963,360
Net position restricted for pension and OPEB	$ 6,344,499

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

CITY OF BALTIMORE

Statement of Changes in Fiduciary Net Position - Fiduciary Funds

For the Year Ended June 30, 2024

(Expressed In Thousands)

	Pension/OPEB Trust Funds
Additions:	
Contributions:	
Employer	$ 297,621
Employee	96,724
Total contributions	394,345
Investment income:	
Net appreciation/(depreciation) in fair value of investments	422,309
Securities lending income, net	409
Interest and dividend income	119,748
Total investment loss	542,466
Less: investment expense	28,398
Net investment income/(loss)	514,068
Total additions (deductions)	908,413
Deductions:	
Retirement benefits	450,047
Health benefits	90,727
Death benefits	2,188
Administrative expenses	11,400
Other	22,739
Total deductions	577,101
Changes in net position	331,312
Net position restricted for pensions and OPEB - beginning of the year	6,013,187
Net position restricted for pensions and OPEB - end of year	$ 6,344,499

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

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CITY OF BALTIMORE
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1. Summary of Significant Accounting Policies

A. REPORTING ENTITY

The City of Baltimore (City) was incorporated under the laws of the State of Maryland in 1797 and operates under an elected Mayor-Council form of government. As required by accounting principles generally accepted in the United States for governmental entities (GAAP), the accompanying financial statements present the City and its component units, entities, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Units

The Baltimore City Public School System (BCPSS) is responsible for elementary and secondary education within the City's jurisdiction. The BCPSS receives significant funding from the City and is a financial burden to the City. The City is also required to pay certain benefits to its employees. However, the BCPSS is legally separate from the City since it has the authority and responsibility for all its system functions and the Governor of the State of Maryland appoints a majority of its nine member board. The City, however, approves the BCPSS annual budget. The City adjusted the financial results of the BCPSS to record the net pension liability attributable to BCPSS employees that participate in the Employees' Retirement System of the City of Baltimore (ERS) and the net other postemployment liability (OPEB) which are detailed in Note 20. Complete financial statements for BCPSS may be obtained from the Chief Financial Officer, Baltimore City Public School System, 200 East North Avenue, Baltimore, Maryland 21202.

The Baltimore Hotel Corporation (BHC) was incorporated on October 14, 2005 as a nonprofit non-stock corporation and is wholly owned by the City. BHC is financially accountable to the City. The BHC assists the Mayor and City Council of Baltimore on enhancing the economic development in the City by operating a downtown convention center headquarters hotel and parking structure. The City has pledged certain site-specific occupancy tax revenue to pay shortfalls in hotel operating revenues and is responsible for operating deficits.

Complete financial statements for BHC for the year ended December 31, 2024 may be obtained from the Chief Financial Officer, Baltimore City, 469 City Hall, 100 N. Holliday St., Baltimore, Maryland 21202.

Related Organizations

There are other governmental entities that provide services within the City of Baltimore. While the City is responsible for appointing the board members of these entities, the City's accountability for these organizations does not extend beyond making appointments. The City's basic financial statements do not reflect the operations of the:

- Baltimore City Foundation
- Lexington Market
- Visit Baltimore, Inc.
- Baltimore Community Lending
- City of Baltimore Development Corporation
- Special Benefits Taxing Districts
- Neighborhood Impact Investment Fund
- Live Baltimore Home Center
- Healthcare Access Maryland
- Royal Farms Arena – SMG
- Family League of Baltimore City, Inc.
- Hippodrome Foundation
- Community Media of Baltimore City, Inc.

In addition, the Housing Authority of Baltimore City (HABC) is considered a related organization. The HABC is a separate legal entity and is governed by a Commission of five citizens with staggered terms appointed by the Mayor. The Commission establishes the operating policies of the HABC, which was implemented under the direction of an Executive Director appointed by the Commission. The HABC develops, maintains, and manages low-rent housing and administers housing assistance payment programs primarily for the citizenry's benefit and not that of the primary government. These activities are subsidized by the U. S. Department of Housing and Urban Development and other grantors. Consequently, the primary government is not able to exert influence over or to impose a burden relationship upon the HABC. This organization is not financially accountable to the City and maintains its own separate accounting systems.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Basis of Presentation

Government-wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund service provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been eliminated for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net position (the amount by which assets and deferred outflows exceed liabilities and deferred inflows) are reported on the Statement of Net Position in three components:

- Net investment in capital assets - the total amount of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds and other debt that are related to the acquisition or construction of those assets.

- Restricted - for amounts when constraints placed on the net position are either externally imposed, or are imposed by constitutional provisions or enabling legislation; and

- Unrestricted - the total net position which does not fit the two preceding categories.

When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted assets first with unrestricted resources utilized as needed.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Grants Revenue Fund. This fund accounts for revenues derived from governmental grants and other revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Capital Projects Fund. The proceeds of general obligation bond issues, State construction loans, governmental and other grants, and revenues from other sources appropriated for capital improvements, acquisitions and related programs are accounted for in this fund, except for those accounted for in the proprietary fund types. Although not required to disclose this fund as a major fund per GASB34, management has opted to disclose the Capital Projects Funds as a major fund due to its importance in the financial statements.

The City also reports non-major governmental funds which are classified as Special Revenue Funds and Permanent Funds.

The City reports the following major and non-major enterprise funds:

Water Utility Fund. This fund accounts for the operation, maintenance, and development of the City's water supply system.

Wastewater Utility Fund. This fund accounts for the operation, maintenance, and development of the City's sewerage system.

Stormwater Utility Fund. This fund accounts for the operation, maintenance, and development of the City's Stormwater system and infrastructure.

Parking Facilities Fund. This fund accounts for the operation, maintenance, and development of the City-owned offstreet parking facilities.

Although not required to report the Stormwater Utility Fund and the Parking Facilities Fund as major enterprise funds per GASB 34, management has opted to disclose these funds separately.

Conduit Fund. This fund accounts for the operation, maintenance, and development of the City's conduit infrastructure. This fund is non-major fund.

The City reports the following other fund types:

Internal Service Funds. These funds account for mobile equipment, reproduction and printing, municipal post office, municipal telephone exchange, municipal communications, energy conservation, building maintenance and hardware and software replacement, which provided goods and services to other departments on a cost-reimbursement basis.

Fiduciary Funds. These funds account for assets and activities when a government unit is functioning either as a trustee or an agent of another party, transactions related to assets held by the City in a trustee capacity or as an agent for individuals, private organizations and other governments. The fiduciary funds include the following:

Pension Trust Funds. These funds account for the receipt, investment and distribution of retirement contributions made for the benefit of police officers, firefighters, elected officials and other City employees.

Other Postemployment Benefits Trust Fund. This fund accounts for the receipt, investment and distribution of retiree health and life insurance benefits.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses recorded at the time liabilities are incurred, regardless of when the related cash flows take place. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end, except for grant and entitlement revenues which have a 90 day availability period. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases are reported as other financing sources.

Under the terms of the grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general fund revenues.

C. ASSETS, LIABILITIES, AND EQUITY

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, as well as short-term investments with a maturity date within three months of the date acquired by the City.

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the City for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value as of June 30, 2024, based on market prices. The individual funds' portions of the pool's fair value are presented as "Cash and Cash Equivalents." Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund. The City does not invest any portion of its cash in derivative investments.

Receivables and Payables

All property tax receivables are shown net of an allowance for uncollectibles.

Mortgage receivables reported in governmental fund and government-wide financial statements, and notes receivable reported in proprietary fund statements consist of loans that are generally not expected or scheduled to be collected in the subsequent year.

Unbilled water and wastewater user charges are estimated and accrued at year-end.

Inventories

Inventories are valued at cost using the moving average method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost, except for intangible right to use assets, which are discussed in Note 15. Donated capital assets, donated works of art, and similar items are recorded at acquisition value. Infrastructure assets acquired prior to July 1, 2001 are reported at estimated historical cost using deflated replacement cost. Infrastructure assets, such as streets, highways, bridges, sidewalks, street lighting, traffic poles and signals, and storm sewers are required to be capitalized under GAAP. Capitalization thresholds are: $50,000 for buildings, improvements and infrastructure; and $10,000 for equipment, with the exception of vehicles which has a $5,000 threshold. Library books are capitalized as a collection based on total purchases. Donated capital assets, such as works of art, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Infrastructure	25-80
Buildings	50
Building improvements	20-50
Equipment	2-25
Library books	5
Mobile Equipment	5-10

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual sick, vacation, and personal leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Payments made to terminated employees for accumulated leave are charged as expenditures/expenses, primarily in the General Fund, Special Revenue Funds, and Proprietary Funds, when paid.

Estimated Liability for Claims in Process

The liability for claims in process represents estimates for all personal injury, workers' compensation, unemployment, property damage, and medical claims as of June 30, 2024. This liability, which includes estimates for known and incurred but not reported claims, is based upon an actuarial valuation of the City's claim payment history discounted at a rate of 3.0%, for all claims except medical, for which claims are not discounted.

Property Tax and Property Tax Calendar

The City levies an annual tax for the fiscal year beginning July 1 and ending June 30, on real and personal property located in the City, due and payable each July 1 (lien date), based on assessed values as of the previous January 1. These assessed values are established by the State of Maryland Department of Assessments and Taxation at various rates of estimated market value. A discount of 1/2% is allowed for payments made in July. Unpaid property taxes are considered in arrears on October 1, and penalty and interest of 2% is assessed each month. Real property subject to tax liens is sold at public auction in May in instances where the taxes have remained delinquent since the preceding October 1.

The City is responsible for the assessment, collection, and apportionment of property taxes. The City levies an annual tax for the fiscal year ending June 30, due and payable each July 1, based on assessed values as of the previous January 1.

State law requires that all real property be reassessed every three years, and further provides that the amount of any increase over previous established market values be phased in over a three-year period. To accomplish the triennial assessment requirement, approximately one-third of all real property is reviewed annually. The City Council, effective with the fiscal year beginning July 1, 1991, enacted a 104% homestead tax credit program which will protect homeowners from increases in assessments that are greater than 4% in any one year. The assessed value of real property in Baltimore City for fiscal year 2024 was $40,329,000,000 which was approximately 89.0% of the estimated market value.

The tax rate in Baltimore City for real property taxes for fiscal year 2024 was $2.25 per $100 of assessed value. Pursuant to State Law, the personal property tax and tax rate applied to operating property of public utilities is 2.5 times the real property rate or $5.62 per $100 of assessed value. Current collections were 96.70% of the total tax levy.

As of June 30, 2024, the City had property taxes receivable of $71,760,527, net of an allowance for uncollectible accounts of $20,381,000.

Gains and Losses on Early Extinguishment of Debt from Refundings

Gains and losses on the early extinguishment of debt from refundings are amortized over the shorter of the life of the new or old debt.

Sick, Vacation and Personal Leave

Employees earn one day of sick leave for each completed month of service, and there is no limitation on the number of sick days that employees can accumulate. A portion of unused sick leave earned annually during each twelve-month base period may be converted to cash at a maximum of three days, computed on an attendance formula. Upon retirement with pension benefits, or termination of employment after completion of twenty or more years of service without pension benefits, employees receive one day’s pay for every four sick days accumulated and unused at the date of separation; under any other conditions of separation, unused sick leave is forfeited.

Employees earn vacation leave for each completed month of service and can accumulate a maximum of 45 days. Police officers earn vacation leave for each completed month of service and can accumulate a maximum of 125 days. Vacation leave balances can either be taken through time off or carried until paid at termination or retirement. Four personal leave days are granted for usage only on the fiscal year starting July 1st, and expire on June 30th of the same fiscal year.

The City accrues for all salary-related items in the government-wide and proprietary fund types in the fund financial statements for which they are liable to make a payment directly and incrementally associated with payments made for compensated absences on termination or retirement. The City includes its share of social security and Medicare payments made on behalf of the employees in the accrual for sick, vacation and personal leave pay.

The Baltimore City Public School System's employees are granted sick, vacation and personal leave in varying amounts based on length of service and bargaining unit. A limited number of sick, vacation and personal leave days may be carried forward from year to year and upon retirement with pension benefits or separation of employment with twenty years of service, employees are paid accumulated sick, vacation and personal leave days at appropriate formula and rates. The unpaid vested sick, vacation and personal leave days have been reported as vested compensated absences.

Restricted Assets

The proceeds of the Water Utility Fund, Wastewater Utility Fund, Stormwater Utility Fund, Parking Facilities Fund, and Non-major Funds revenue bonds and Federal and State grants, and restricted accounts receivable are restricted for the purpose of the construction of water, sewer, stormwater, and parking facilities.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until the future period. As of June 30, 2024, the City recognized unamortized losses on early extinguishments of debt, refunding, pension and OPEB activity, and interest rate swaps as deferred outflows of resources in the government-wide statement of net position and the proprietary funds statement of net position.

A deferred inflow of resources represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. As of June 30, 2024, the City recognized deferred inflows of resources in the governmental funds for property taxes, income taxes, other prepaid taxes and notes receivables. Additionally, the City recognized deferred inflows of resources in the government-wide statement of net position for pension and OPEB.

Fund Balance

The City classifies its fund balance into the following categories:

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in spendable form such as inventories, prepaid amounts, long-term portions of loans and notes receivable and activities that are legally or contractually required to remain intact such as principal balance in a permanent fund.

- Restricted fund balance has constraints placed upon the use of the resources either by external creditors, grantors, contributors or imposed by law through a constitutional provision or enabling legislation.

- Assigned fund balance includes amounts that are constrained by the City to be used for specific purposes but are neither restricted nor committed for which the City has a stated intended use as established by the Board of Estimates. The Board of Estimates has delegated the authority to assign amounts for a specific purpose to the City's Director of Finance. These are resources where the constraints/restrictions are less binding than that for committed funds. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed.

- Unassigned fund balance is the residual amount of the general fund not included in the four categories described above. The general fund is the only positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for the specific purpose exceed the amounts restricted, committed or assigned to those purposes, negative unassigned fund balance may be reported.

The Board of Estimates is required to take formal action before funds can be committed for a specific purpose. Formal action of the Board of Estimates is also required before committed funds can be rescinded or modified. The City's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Nonspendable fund balance

Long Term Assets - This portion of fund balance represents those long-term assets that are not available for appropriation and expenditure.

Inventory - This portion of fund balance represents amounts not available for appropriation or expenditure because the underlying asset (inventory) is not an available resource for appropriation or expenditure.

Permanent Fund – This portion of fund balance represents amounts for which the City is legally or contractually required to maintain intact.

Restricted fund balance

Landfill closure and development – This portion of fund balance has been set aside to fund the cost of future landfill development and closure cost as required by federal regulation.

Debt Service – This portion of the fund balance represents the amounts needed to service future debt payments.

Assigned fund balance

Encumbrances – This portion of fund balance represents approved contracts for which the City has completed the procurement process and the Board of Estimates has approved the contract.

Requisitions – This portion of fund balance is set aside by the Director of Finance to fund various non-lapsing transactions which have not completed the procurement process at year end.

Subsequent years' expenditures - This portion of fund balance represents the amount to finance certain non-recurring policy initiatives and other expenditures included in the Fiscal year 2024 budget.

Unassigned fund balance

Budget stabilization reserve - The City of Baltimore's budget stabilization reserve (reserve) was established by resolution of the Board of Estimates for the purpose of providing a budget defense to stabilize a post-adopted City budget that has been impacted by an uncorrectable shortfall in budgeted revenues and/or unanticipated and uncorrectable emergency expenses, for the sole purpose of avoiding a budget deficit. The Board of Estimates in determining to use the reserve would first need to acknowledge that all reasonable efforts had been made in controlling expenses, and secondly, the City's unreserved fund balance had been exhausted. The reserve under no circumstances can be used as a revenue source to balance a planning year budget. The Board of Estimates determines the amount of annual funding for the reserve. The resolution requires that reserves be maintained on any June 30th at a minimum level of 8% of the value of the general fund's operating budget of the subsequent year. Whenever funds are drawn from the reserve, a Board of Estimates approved reserve replenishment plan must be established and must specify a timetable for full restoration of the reserve not to exceed five years.

Interfund Transactions

The City has three types of transactions among funds:

Statutory transfers - Legally required transfers that are reported when incurred as "Transfers in" by the recipient fund and as "Transfers out" by the disbursing fund.

Transfers of Expenditures (Reimbursements) - Reimbursement of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Interfund payments - Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and as expenditures or expenses of the disbursing fund.

Uses of Estimates

The preparation of financial statements in accordance 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 disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These financial statements and notes are rounded and as such there may be rounding differences between the financial statements and footnotes.

D. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD PRONOUNCEMENTS

In fiscal year 2024, the City adopted portions of Governmental Accounting Standards Board Statement No. 96, "*Subscription-Based Information Technology Arrangements*." The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments).

In fiscal year 2024, the City early adopted Governmental Accounting Standards Board (GASB) "*Accounting Changes and Error Corrections*." The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information. This adoption had no material impact on the fiscal year 2024 statements.

The City will be required to adopt the following GASB pronouncements:

GASB Statement No. 101

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City is required to adopt GASB No. 101 for its fiscal year 2025 financial statements.

GASB Statement No. 102

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosure". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The City is required to adopt GASB No. 102 for its fiscal year 2025 financial statements.

GASB Statement No. 103

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The City is required to adopt GASB No. 103 for its fiscal year 2026 financial statements.

GASB Statement No. 104

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets". The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The City is required to adopt GASB No. 104 for its fiscal year 2026 financial statements

2. Reconciliation of Government-wide and Fund Financial Statements

A summary reconciliation of the difference between total fund balances as reflected on the governmental funds balance sheet and the net position for governmental activities as shown on the government-wide statement of net position is presented on the face of the governmental funds balance sheets. The asset and liability elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and accrual basis of accounting.

A summary reconciliation of the difference between net changes in fund balance as reflected on the governmental funds statement of revenues, expenditures, and changes in fund balances and changes in net position for governmental activities as shown on the government-wide statement of activities is presented in an accompanying schedule to the governmental funds statement of revenues, expenditures, and changes in fund balances. The revenues and expense elements which comprise the reconciliation difference stem from governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and accrual basis of accounting.

A summary reconciliation of the difference between total net position as reflected on the proprietary funds statement of net position and the net position for business-type activities as shown on the government-wide statement of net position is presented on the face of the proprietary funds statement of net position. The asset element which comprises the reconciliation difference stems from the allocation of internal service fund balance to the business-type activities on the government-wide statement of net position.

A summary reconciliation of the difference between net changes in net position as reflected on the proprietary funds statement of revenues, expenses and changes in net position and changes in net position for business activities as shown on the government-wide statement of activities is presented on the face of the proprietary funds statement of net position. The expense element, which comprises the reconciliation difference, stems from the allocation of internal service funds deficit to the business-type activities on the government-wide statement of activities.

Explanation of differences between the governmental fund balance sheet and the government-wide statement of net position (amount expressed in thousands):		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:		
Capital assets	$	2,413,563
Less accumulated depreciation		617,637
Total	$	3,031,200
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds:		
Net pension asset	$	7,956
Net OPEB asset		4,268
Other assets		29,136
Deferred loss on bond refundings		1,048
Deferred outflow of resources (pension)		419,153
Deferred outflow of resources (OPEB)		77,774
Total	$	539,335
Internal Service funds are used by management to charge the cost of fleet management, mailing, communications, printing energy conservation and building maintenance to individual funds. Some assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	$	52,338
Deferred revenue is not due and payable in the current period, and therefore, is not reported in the funds	$	69,395
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accounts payable	$	–
Accrued interest payable		(13,025)
Long-term bonds		(985,377)
Revenue bonds		(274,831)
Finance purchase		(57,407)
Leases		(59,320)
Compensated absences and other		(169,536)
Estimated claims in progress		(267,235)
Landfill closure liability		(32,452)
Net pension liability		(1,801,017)
Other liabilities		(967,820)
Deferred inflow of resources (pension)		(25,894)
Deferred inflow of resources (service concession arrangement)		(49,241)
Deferred inflow of resources (OPEB)		(199,587)
Total	$	(4,902,742)

Explanation of differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities (amount expressed in thousands):		
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 expense:		
Capital outlay	$	159,880
Finance purchase and lease		30,450
Depreciation		(161,102)
Total	$	29,228
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Service concession agreement	$	1,119
Interest revenue related to entity-wide debt		14,925
Revenues not received for several months after the fiscal year end are not considered as available revenues in the governmental funds		26,220
Total	$	42,264
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:		
Debt service principal	$	58,149
Debt service interest (financed purchase, GO bonds, and accrued interest)		2,896
Claims liability		—
Landfill closure liability		4,146
Compensated absences		(831)
Miscellaneous other liability		(1,105)
Changes in net OPEB liability, deferred inflow and outflow		56,363
SBITA		(3,860)
Total	$	115,758
The net effect of the expenses for recording the City's pension liability from employee retirement plans are not reported as expenditures in the governmental funds	$	157,449
The net income of some activities of internal service funds is reported with governmental activities:		
Internal service funds net expenses attributed to governmental activities	$	15,299

3. Deposits and Investments

A. SUMMARY OF DEPOSIT AND INVESTMENT BALANCES

The following is a reconciliation of the City's deposit and investment balances as of June 30, 2024 (expressed in thousands):

	Government-wide Statements of Net Position	Fiduciary Funds Statement of Net Position Total	Total
Cash and cash equivalents	$ 780,614	$ 95,564	$ 876,178
Investments	810,213	6,245,780	7,055,993
Restricted cash and cash equivalents	828,828	–	828,828
Total	$ 2,419,655	$ 6,341,344	$ 8,760,999

B. CASH DEPOSITS

As of June 30, 2024, the carrying amount of the City's general fund disbursement bank account was $336,845,000. and the respective bank balances totaled $361,391,000. All of the City's cash deposits are either insured through the Federal Depository Insurance Corporation or collateralized by securities held in the name of the City, by the City's agent.

As of June 30, 2024, BCPSS and BHC had demand deposits with carrying values of $29,600,000 and $16,286,000, respectively.

C. INVESTMENTS

Primary Government

For other than pension funds, BCPSS and BHC, the City is authorized by State Law to invest in direct or indirect obligations of the United States Government, repurchase agreements that are secured by direct or indirect obligations of the United States Government, certificate of deposit, commercial paper with highest letter and numerical rating, mutual funds registered with the Securities and Exchange Commission and the Maryland Local Government Investment Pool. The City's investment policy limits the percentage of certain types of securities with the exception of obligations for which the United States Government has pledged its full faith and credit. For investments held by the City in trust and/or to secure certain debt obligations, the City complies with the terms of the trust agreements. The City's Board of Finance has formally adopted the above policies and reviews and approves all securities transactions.

Investments are reported at fair value, except that investments with maturities of less than one year from purchase date are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at the current exchange rates. Real estate holdings are valued based on current appraisals. Leveling disclosures for the investments are included in a table on the following page.

This primary government's investments as of June 30, 2024, are presented below. All investments are presented by investment type, and debt securities are presented by maturity (expressed in thousands):

		Investment Maturities (In Months)		
Investment Type	Fair Value	Less Than 6	6 to 12	Greater Than 12
Debt Securities:				
U.S. Treasury	$ 739,143	$ –	$ 339,041	$ 400,102
U.S. Agencies	11,741	–	–	11,741
Money market mutual funds	190,332	190,332	–	–
	941,216	$ 190,332	$ 339,041	$ 411,843
Other investments:				
Equity mutual funds	12,997			
	954,213			
Less: cash equivalents	144,000			
Total investments	$ 810,213			

Investments and Valuation - The City categorizes its investments using the fair value measurements identified in 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 asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level l measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

		Investment Levels		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Treasury	$ 739,142	$ 739,142	$ –	$ –
U.S. Agencies	11,741	11,741	–	–
Money market mutual funds	190,333	190,333	–	–
	941,216	$ 941,216	$ –	$ –
Other investments:				
Equity mutual funds	12,997			
	954,213			
Less: cash equivalents	144,000			
Total investments	$ 810,213			

Level l - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

Interest rate risk—Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of investment.

The City limits its interest rate risk in accordance with the City's Board of Finance policy by maintaining a minimum of 20 percent of the City's investments in funds in liquid investments to include United States Government securities, overnight repurchase agreements, and the Maryland Local Government Investment Pool, and by limiting the par value of the portfolio invested for a period greater than one year at or below $100 million.

The Maryland Local Government Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company but maintains a policy to operate in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940.

Credit risk of debt securities—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The City Board of Finance limits City investments to only the highest rated investments in the categories discussed above. The City's rated debt investments as of June 30, 2024, were rated by a nationally recognized statistical rating agency and are presented below using the Moody's rating scale (expressed in thousands):

		Quality Ratings		
Investment Type	Fair Value	Aaa-AA+	A1-P1	Not Rated
Debt Securities:				
U.S. Treasury	$ 739,143	$ 739,143	$ –	$ –
U.S. Agencies	11,741	11,741	–	–
Money market mutual funds	190,332	190,332	–	–
Total debt securities	$ 941,216	$ 941,216	$ –	$ –

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 City has not adopted a formal policy on the concentration of credit risk.

Retirement Systems

The City's three Retirement Systems (Systems or System) are authorized by the Baltimore City Code to make investments in accordance with the guidelines and limitations set forth in the Code. The Board of Trustees of each system accomplishes the daily management of the investments through an external investment advisor, who acts as a fiduciary for each system, and through external investment managers. The Board of Trustees for each system invests the assets of the system using the "prudent person standard", which allows the Board to consider the probable safety of investments, avoid speculative investments, and invest as people of prudence, discretion, and intelligence would in a similar situation. The Boards of Trustees have adopted an investment policy and guidelines for each system to formally document their investment objectives and responsibilities. Leveling tables as required by generally accepted accounting principles (GAAP) are available in the separately issued statements for the Systems.

The invested assets of the retirement systems as of June 30, 2024, are as follows (expressed in thousands):

	Carrying Value			
Investment Type	Employees' Retirement System	Elected Officials' Retirement System	Fire and Police Employees' Retirement System	Total
Debt Securities:				
U.S. Treasury notes and bonds	$ 19,604	$ –	$ 71,307	$ 90,911
U.S. Government agency bonds	–	–	29,583	29,583
Corporate bonds	69,049	5,961	99,042	174,052
Commingled fixed income fund	207,742	–	269,517	477,259
U.S. Quasi and Foreign Government	56,756	–	–	56,756
Total debt securities	353,151	5,961	469,449	828,561
Other:				
Domestic equities	526,178	9,627	436,288	972,093
Mutual funds	42,487	364	31,985	74,836
International equities	292,580	5,545	442,664	740,789
Defensive equities	140,448	3,659	–	144,107
Dynamic US equity fund	–	–	701	701
Hedge funds	–	–	207,658	207,658
Commingled equity fund	–	–	599,988	599,988
Private equity funds	521,368	–	568,593	1,089,961
Private energy funds	–	–	182,333	182,333
Real estate	242,684	3,012	305,159	550,855
Total other	1,765,745	22,207	2,775,369	4,563,321
Total investments	2,118,896	28,168	3,244,818	5,391,882
Less: Cash and cash equivalents	42,487	364	31,985	74,836
Total net investment	$ 2,076,409	$ 27,804	$ 3,212,833	$ 5,317,046

Foreign Currency Risk Exposure – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The Fire and Police Employee's Retirement System's Board of Trustees has adopted a policy that the external managers demonstrate sensitivity to currency risk. The foreign currency exposure of the Fire and Police Employee's Retirement System may be hedged back to the U.S. dollar using forward foreign exchange contracts. From 0% to 100% of the foreign currency exposure of the portfolio may be hedged. Cross-hedging to currencies other than the U.S. dollar may reach 25% of the total portfolio. Currency speculation is not permitted.

The Employees' Retirement Systems Board of Trustees has not adopted a formal policy to limit foreign currency risk.

The foreign currency risk for each system as of June 30, 2024 is presented on the following table expressed in thousands):

Currency	Employees' Retirement System	Fire and Police Employees' Retirement System	Total
Euro Currency Unit	$ 36,289	$ 125,309	$ 161,598
Australian Dollar	3,307	1,946	5,253
Brazil Real	3,149	1,441	4,590
British Pound Sterling	–	83,134	83,134
Canadian Dollar	6,724	14,733	21,457
Chinese Yuan Renminbi	1,103	–	1,103
Danish Krone	2,486	7,500	9,986
Hong Kong Dollar	5,265	5,398	10,663
Indonesian Rupian	346	2,559	2,905
Israeli Shekel	184	–	184
Japanese Yen	17,206	57,233	74,439
Mexican Peso	883	2,235	3,118
New Taiwan Dollar	3,822	4,133	7,955
New Zealand Dollar	36	–	36
Norwegian Krone	153	319	472
Polish Zloty	511	–	511
Pound Sterling	12,039	–	12,039
Russian Ruble	206	–	206
Singapore Dollar	567	3,957	4,524
South African Comm Rand	132	1,074	1,206
South Korean Won	5,587	5,982	11,569
Swedish Krona	1,679	13,014	14,693
Swiss Franc	5,079	19,914	24,993
Thailand Baht	183	562	745
UAE Dirham	1,039	–	1,039
Total Foreign Currency	$ 107,975	$ 350,443	$ 458,418

Interest rate risk – The Fire and Police Employee's Retirement System Board of Trustees uses the Option Adjusted Duration as a measure of interest rate sensitivity for bonds. Duration is a measure of the approximate sensitivity of a bond's value to interest rate changes. The Fire and Police Employees' Retirement System Board of Trustees' fixed income interest rate policy states that the effective duration of a portfolio may not exceed 120% of the effective duration of the underlying Bloomberg Barclay's U.S. Aggregate Bond Index.

Both the Employees' Retirement System and the Elected Officials' Retirement System have selected the duration method to disclose the debt securities exposure to changes in interest rates. However, both plans have not adopted a formal policy to limit interest rate risk.

Credit Risk – The Boards of Trustees of the City's three retirement systems have not adopted a formal policy to limit credit risk.

The credit rating and duration of investments as of June 30, 2024, were as follows (expressed in thousands):

Asset Type	Duration	Carrying Value	AAA thru A	BBB thru B	CCC thru C	Not Rated
Employees' Retirement System:						
U.S. Treasury notes and bonds	8.54	$ 19,604	$ 19,604	$ –	$ –	$ –
Emerging market bond CIT-Class B	6.63	46,953	7,043	34,745	4,695	470
US Quasi and Foreign government	5.68	56,756	51,061	–	–	5,695
Corporate bonds	6.00	69,050	31,991	23,367	–	13,692
Bank loan fund	0.34	94,179	–	79,987	7,063	7,129
MCM Lehman aggregate bond index	6.07	66,610	58,485	8,125	–	–
Total debt securities		$ 353,152	$ 168,184	$ 146,224	$ 11,758	$ 26,986
Elected Officials' Retirement System:						
Aggregate bond index fund	6.07	$ 2,768	$ 2,768	$ –	$ –	$ –
US Senior loan fund	0.35	2,264	2,264	–	–	–
Core Plus bond fund	5.90	929	929	–	–	–
Total debt securities		$ 5,961	$ 5,961	$ –	$ –	$ –
Fire and Police Employees' Retirement System:						
U.S. Treasury notes and bonds	7.42	$ 71,307	$ 71,307	$ –	$ –	$ –
U.S. Government agency bonds	4.92	29,583	29,583	–	–	–
Bloomberg U.S. Aggregate index	6.07	73,764	73,764	–	–	–
NHIT agency mbs trust	6.16	28,374	28,374	–	–	–
Corporate bonds	4.31	99,041	28,868	51,602	–	18,571
Emerging market debt fund	4.40	67,770	–	67,770	–	–
MCM TIPS	6.51	95,328	95,328	–	–	–
Senior floating rate fund	0.09	4,281	–	4,281	–	–
Total debt securities		$ 469,448	$ 327,224	$ 123,653	$ –	$ 18,571

The City's Retirement Systems have entered into a Securities Lending Authorization Agreement with BNY Mellon Bank (the Custodian) authorizing them to lend its available securities. All individual securities which are readily marketable and which are not restricted due to an outstanding short option are eligible for loan at the discretion of the custodian bank. The investment manager may lend securities held in custody of commingled funds if authorized in a manager's contract with the Retirement Systems.

Collateral received in exchange for securities loaned is collected in an escrow account for the Retirement Systems' benefit for the duration of the loan. At no time do the Retirement Systems lose custody of either the security or the collateral. Collateral in exchange for the principal lent may be in the form of cash, or securities issued or guaranteed by the U.S. government, or its agencies or instrumentalities. The minimum levels of collateral are set at 102% of the market value of domestic securities loaned, including all accrued income, and 105% of the market value of international securities loaned, including all accrued income. If the market value of the collateral falls below 100% of the loaned securities, additional collateral is deposited to adjust up to the appropriate minimum level of collateral. All collateral amounts are adjusted to market daily. The City's Retirement Systems do not have the right to sell or pledge securities received as collateral without borrower default.

As of June 30, 2024, the Retirement Systems had no credit risk exposure to borrowers because the amounts they owed borrowers exceeded the amounts the borrowers owed the Retirement Systems. The market value of securities on loan as of June 30, 2024, was $170,701,000, and the market value of the collateral received for those securities on loan was $181,418,000 which included collateral received in cash in the amount of $62,509,000. The Retirement Systems did not impose any restrictions during the fiscal year on the amount of loans the custodian made on their behalf. The terms of the Securities Lending Authorization Agreement require that the custodian indemnify the retirement systems against: (1) the failure to demand adequate and appropriate collateral from a borrower as and when required pursuant hereto; (2) the failure to comply with the investment guidelines in connection with the investment and reinvestment of cash collateral; (3) the failure to obtain and perfect a security interest or rights equivalent thereto in and to the collateral; or (4) the failure to make a reasoned determination of the creditworthiness of any borrower. There were no such failures by any borrowers during the fiscal year. Moreover, there were no losses during the fiscal year resulting from default of the borrowers or the custodian.

Substantially all securities loans can be terminated on demand either by the custodian or by the borrower, although generally the average term of these loans is one week. Cash collateral is invested in the custodian's short-term investment pool. The short-term investment pool guidelines specify that a minimum of 20% of the invested cash collateral is to be available each business day and the dollar-weighted average maturity of holding must not exceed 90 days.

Other Postemployment Benefits Fund

The City's Other Postemployment Benefits Trust Fund (OPEB Trust Fund) is authorized by the Baltimore City Code to make investments in accordance with the guidelines and limitations set forth in the code. The Baltimore City Director of Finance was made Trustee of the Trust and, under a Memorandum of Understanding between the Director of Finance and the Board of Trustees of the Employees' Retirement System (Board), the Board is charged with administration of the Trust and investment of its assets. As part of its responsibility, the Board has adopted investment policies and guidelines, which formally document its investment objectives and responsibilities.

The investment assets of the OPEB Trust Fund as of June 30, 2024, are as follows (expressed in thousands):

		Investment Maturities (In Months)	
Investment Type	Fair Value	Less than 6	Greater than 12
Cash and cash equivalents	$ 20,728	$ 20,728	$ –
U.S. Treasury obligations	16,026	16,026	–
U.S. Government agencies	12,898	–	12,898
Corporate bonds	27,697	–	27,697
Subtotal	77,349	$ 36,754	$ 40,595
Real estate	66,927		
Stocks	683,496		
Total investments	827,772		
Less: cash and cash equivalents	20,728		
Total net investments	$ 807,044		

The OPEB Trust Fund categorized their 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 asset and given the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable imputes (Level 3 measurements).

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active; and model derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Instruments that are measured at fair value using the net asset value per share (or its equivalent) as practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The table on the following page shows the fair value leveling on the investments for the OPEB Trust Fund (amounts expressed in thousands).

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt Securities classified in Level 1 and Level 2 are valued using a bid evaluation, mid evaluation, last trade or official close. Mid evaluations are when a bid and ask evaluation are both present. Last trade is the most recent trade price of a security at market close time. Official close is the closing price as defined by the exchange.

Investment by fair value level	Base Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
U.S. Treasury notes and bonds	$ 16,026	$ 16,026	$ –	
U.S. Government agency bonds	12,898	–	12,898	
Corporate bonds	27,697	–	27,697	
Total debt securities at fair value level	56,621	16,026	$ 40,595	
Equity securities				
Domestic equities	158,446	158,446		
International equities	27,048	27,048		
Total equity securities at fair value level	185,494	$ 185,494		
Total investments by fair value level	242,115			
Investments measured at the net asset value (NAV)				
Commingled fixed income	113,756			
Domestic equities	176,284			
Defensive equities	99,288			
International equities	166,675			
Real estate	66,927			
Private equities	79,100			
Total investments measured at the NAV	702,030			
Total net investments	$ 944,145			

The valuation method for investments measured at the Net Asset Value (NAV) per share, or equivalent, is presented in the table below (expressed in thousands):

Investment Measured at the Net Asset Value (NAV)	Base Annual	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Commingled fixed income	$ 113,756	$ –	Daily, weekly & monthly	0 - 30 days	(a)
Domestic equities	176,284	–	Daily, weekly & monthly	0 - 30 days	(b)
Defensive equities	99,288	–	Daily, weekly & monthly	0 - 30 days	(c)
International equities	166,675	–	Quarterly	0 - 30 days	(d)
Real estate	66,927	38,300	Quarterly	90-100 days	(e)
Private equities	79,100	–	Not eligible	N/A	(f)
Total investments measured at the NAV	$ 702,030	$ 38,300			

(a) Commingled fixed income investment is in two mutual funds. One seeks to provide a high level of current income, consistent with preservation of capital by investing at least 80% of its net assets in adjustable-rate senior loans; while the second one actively tracks the performance of an index.

(b) Domestic Equity investments is in funds that seek long-term capital appreciation by invest ing at least 80% of its net assets, plus any borrowings for investment purposes, in equity securities of large capitalizat ion companies. Such large cap companies are those with total market capitalizations of $5 billion or more at the time of purchase.

(c) International equity investments are in both managed funds and direct investments. Investment in managed funds are in securities where rigorous dividend discount analysis is used to identify value in terms of long term flow of income as well as in funds which employs strategies that seeks to outperform the MSCI World index (half-hedged) while maintaining a similar level of market risk over the long term. The direct investment is focused on protection in a down market while performing a rigorous fundamental analysis by assessing compet it ive framework, scrutinizing financials, analyzing business environment and evaluating management .

(d) Defensive equity investment is in a fund that seek long-term growth of capital. The fund employs a strategy of writing collateralized put options on the S&P 500 Index. The collateral generally consists of short duration, high quality fixed income posit ions with a focus on U.S. Treasuries.

(e) Real estate investment is in a core real estate fund. The investment style is based on strategies and tactics that are designed to take advantage of barrier and rotational market dynamics.

(f) The System's private equity investments are with 9 managers, invested in Diversified, Venture Capital, Distressed Debt , Buyouts, International and Special Situations strategies. These investments are considered illiquid as redemptions are restricted over the life of the investment .

Interest Rate and Credit Risk—The Board has not adopted a formal policy to limit interest rate and credit risk.

Bonds held by the OPEB Trust Fund have ratings from AA1 to AA2.

Baltimore City Public School System

The BCPSS, through the office of the Chief Financial Officer, pursues a cash management and investment program to achieve the maximum financial return on available funds. Depending on the projected cash needs of the BCPSS, excess funds may be invested on a short, intermediate or long-term basis at the best obtainable rates. Investments are generally in direct or indirect obligations of the U.S. Government and are fully collateralized.

The BCPSS is authorized by State law to invest in direct or indirect obligations of the U.S. Government, repurchase agreements and related mutual funds. The BCPSS's investments as of June 30, 2024, are presented below. All investments are presented by investment type (expressed in thousands):

Investment Type	Fair Value	Investment Maturities (In Months)			Max. allowed per Investment Policy
		Less than 3	3 to 12	Percent	
Money market funds	$ 180,461	$ 180,461		23.6 %	100.0 %
Commercial paper	32,796	32,796		4.3 %	5.0 %
Fixed income	626	626		0.1 %	100.0 %
Equity funds	565	565		0.1 %	100.0 %
U.S. Government agencies	214,788	99,796	$ 114,992	28.0 %	100.0 %
U.S. Treasury obligations	336,951	263,451	73,500	44.0 %	100.0 %
Total invested funds	766,187	$ 577,695	$ 188,492	100.1 %	
Less: cash equivalents	577,695				
Total net investments	$ 188,492 (a)				

(a) Cash equivalents excludes $30,638,000 which is not invested.

Investments and Valuation - BCPSS categorizes its investments using the fair value measurements identified in 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 asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level l measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level l - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Transactions are recorded on the trade date, realized gains and losses are determined using the identified cost method. Any change in net unrealized gain or loss from the preceding period is reported in the statement of revenues, expenses and changes in net position. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis. Following is a description of the valuation methodologies used for assets measured at fair value.

BCPSS investments are comprised of money market funds, fixed income securities, commercial paper and U.S. government securities and are valued at their Fair Value (FVs) or amortized cost.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique.

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are value using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

City Schools had the following recurring fair value measurements as of June 30, 2024:

	Level 1	Level 2	Level 3	Balance June 30, 2024
Investments by fair value level:				
Debt Securities:				
Equity Funds	$ 565	$ –	$ –	$ 565
US Government Obligations	–	214,788	–	214,788
US Treasury Obligations	–	336,951	–	336,951
Total Debt Securities	565	551,739	–	552,304
Equity Securities:				
Fixed Income	626	–	–	626
Commercial Paper	–	32,796	–	32,796
Total Equity Securities	626	32,796	–	33,422
Total Investment by fair value level	$ 1,191	$ 584,535	$ –	585,726
Investments carried at amortized cost:				
Deposits (reported as cash and cash equivalents)				
Money Market Mutual Funds				180,461
Total Investments at amortized cost				180,461
Total Investments				$ 766,187

Investment Ratings - Ratings apply to all Money Market funds, Checking, Commercial Paper, and U.S. Government Agencies (expressed in thousands):

Moody	Percent	Fair Value	S&P	Percent	Fair Value
AAA	18.3 %	$ 139,995	AAA	– %	$ –
Aaa	–	–	AA+	6.5	50,001
P-1	4.3	32,796	A-1+	2.9	21,912
Not rated	77.4	593,396	A-1	1.4	10,884
	100.0 %	$ 766,187	Not rated	89.2	683,390
				100.0 %	$ 766,187

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of investments. The BCPSS limits its interest rate risk in accordance with their policy by maintaining a minimum of 20% of the BCPSS's investment in funds in liquid investments which include U.S. Government Securities and Money Market Mutual Funds.

Credit Risk—Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

As stated above, the BCPSS limits investments to highly rated investments in the categories discussed above.

Cash and cash equivalents include Money Market deposits and other types of investments.

Baltimore Hotel Corporation

The Baltimore Hotel Corporation (BHC) pursues a cash management and investment program to achieve the maximum financial return on available funds. Investments consist of private debt obligations and money market funds with varying maturity dates. Certain portions of the investments are used to fund operating activities of the entity and other portions are used for debt repayment. These investments are stated at market value. Additional disclosures required by GASB 74 are available in the separately issued BHC financial statements.

The BHC has no formal policy for limiting risk associated with these investments. The City of Baltimore Department of Finance directs the selection of investment funds. At year-end, BHC held investments in the amount of $31,234,124 consisting of repurchase agreements with various financial institutions and government money market funds.

4. Receivables, net

Receivable at year-end of the City's major individual governmental funds, enterprise funds, and non-major and other funds (including internal service and fiduciary funds) were as follows (expressed in thousands):

Receivables	General Fund	Grants Revenue Fund	Capital Projects Fund	Enterprise Funds	Non-major Governmental Funds	Total
Property taxes	$ 71,761	$ –	$ –	$ –	$ –	$ 71,761
Service billings	–	–	–	181,572	–	181,572
Due from other governments	43,860	289,708	2,358	654,158	1,012	991,096
Notes and mortgages receivable	254,015	–	–	6,862	–	260,877
Other receivable, net	59,848	–	20,441	21,349	56,661	158,299
Total	$ 429,484	$ 289,708	$ 22,799	$ 863,941	$ 57,673	$ 1,663,605

Unavailable property taxes include prepaid property taxes. Service billings are reported net of an allowance for doubtful accounts of $232,122,000 Bad debt expense for fiscal year 2024 was $2,706,000.

Adjustments unrelated to consumption that resulted in reductions to income on Water, Wastewater, and Stormwater Utility Fund customer accounts were recorded in the Water Utility Fund.

5. Capital Assets

Capital assets activities for the year ended June 30, 2024, were as follows (expressed in thousands):

Governmental Activities Capital Assets:

Class	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	$ 248,215	$ –	$ –	$ 248,215
Other	110,227	74	600	109,701
Construction in progress	181,307	96,321	17,114	260,514
Total capital assets, not being depreciated	539,749	96,395	17,714	618,430
Capital assets, being depreciated				
Building and improvements	2,397,912	657	400	2,398,169
Equipment	495,886	61,824	13,037	544,673
Infrastructure	3,248,965	15,612	–	3,264,577
Library books	13,091	29,538	5,140	37,489
Right-to-use leased building	53,186	3,327	7,838	48,675
SBITA	9,366	25,796	–	35,162
Total capital assets, being depreciated	6,218,406	136,754	26,415	6,328,745
Less: accumulated depreciation for:				
Building and improvements	1,482,615	35,490	2,787	1,515,318
Equipment	415,116	23,102	12,351	425,867
Infrastructure	1,746,125	78,150	–	1,824,275
Library books	6,847	26,577	–	33,424
Right-to-use leased building	15,971	9,970	7,667	18,274
SBITA	1,251	4,242	–	5,493
Total accumulated depreciation	3,667,925	177,531	22,805	3,822,651
Total capital assets, being depreciated, net	2,550,481	(40,777)	3,610	2,506,094
Governmental activities capital assets, net	$ 3,090,230	$ 55,618	$ 21,324	$ 3,124,524

Business-type Activities Capital Assets:

Class	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	$ 36,920	$ –	$ –	$ 36,920
Construction in progress	661,909	309,160	6,844	964,225
Total capital assets, not being depreciated	698,829	309,160	6,844	1,001,145
Capital assets, being depreciated				
Building and improvements	4,937,225	–	–	4,937,225
Equipment	310,599	6,633	2,736	314,496
Infrastructure	2,527,987	9	971	2,527,025
Total capital assets, being depreciated	7,775,811	6,642	3,707	7,778,746
Less: accumulated depreciation for:				
Building and improvements	1,580,683	93,601		1,674,284
Equipment	160,842	12,087	2,706	170,223
Infrastructure	415,175	44,132	286	459,021
Total accumulated depreciation	2,156,700	149,820	2,992	2,303,528
Total capital assets, being depreciated, net	5,619,111	(143,178)	715	5,475,218
Business-type activities capital assets, net	$ 6,317,940	$ 165,982	$ 7,559	$ 6,476,363

Depreciation expense was charged to functions/programs of the City for the fiscal year ended June 30, 2024 (expressed in thousands):

Governmental activities	
General government	$ 27,389
Public safety and regulation	6,586
Conservation of health	641
Education	11,243
Public library	29,550
Recreation and parks	7,854
Highways and streets	73,054
Sanitation and waste removal	1,983
Public service	2,563
Economic development	239
Internal service funds	16,429
Total	$ 177,531

Business-type activities:	
Water	$ 51,044
Wastewater	87,664
Stormwater	5,709
Parking	2,275
Conduits	3,128
Total	$ 149,820

As of June 30, 2024, the outstanding commitments relating to capital projects of the City of Baltimore amounted to approximately $30,865,000 for governmental activities and $101,761,000 for business-type activities.

In July 2018, the City entered into a lease agreement with Maryland Economic Development Corporation (MEDCO) to lease three parking garages terminating at the earlier of the 50th anniversary of closing or the date on which the MEDCO Parking Facilities Revenue Bonds Series 2018 bonds (MEDCO Bonds) are fully repaid. The lease requires MEDCO to operate the three parking garages in a first-class manner and to adopt, operate, and maintain the facilities in accordance with City operating standards and a long-term capital plan. In exchange, MEDCO made an initial rent payment of $55,955,000 and annually, MEDCO shall pay to the City of Baltimore rent in the amount of a distributable portion of the Surplus Fund, as defined in the trust indenture. In accordance with generally accepted accounting principles (GAAP), the arrangement between MEDCO and the City of Baltimore qualifies as a service concession arrangement. In the Statement of Net Position under governmental activities, $49,241,000 is reflected as a deferred inflow of resources (initial rent payment of $55,955,000 less $5,595,000 recognized as revenue). The parking garages are continuing to be depreciated and are reflected in the above governmental activities capital asset table.

6. Interfund Balances and Activity

A. BALANCE DUE TO/FROM OTHER FUNDS

Balances due to/from other funds as of June 30, 2024, were as follows (expressed in thousands):

Fund	Interfund Receivable	Interfund Payable
General	$ 286,564	$ 149,214
Grants revenue	115,625	–
Capital projects	32,192	–
Proprietary	–	75,600
Non-major proprietary	–	41,882
Non-major governmental	–	48,582
Internal service	1,396	120,500
Totals	$ 435,778	$ 435,778

The Interfund balances are primarily the result of the City's policy not to reflect cash deficits in its individual funds. Also, as of June 30, 2024, certain transactions between funds had not been completed.

B. TRANSFERS TO/FROM OTHER FUNDS

Transfers to/from other funds as of June 30, 2024, were as follows (expressed in thousands):

Fund	General	Capital Projects	Non-major Governmental	Parking	Total Transfer To
General	$ –	$ –	$ –	$ 41,747	$ 41,747
Grants revenues	–	4,582	–	5,975	10,557
Capital projects	94,275	–	9,039	–	103,314
Total transfers from	$ 94,275	$ 4,582	$ 9,039	$ 47,722	$ 155,618

Transfers were primarily to the General Fund to provide funds for debt service and to transfer excess revenue from the Proprietary Funds to the General Fund.

C. DEFICITS

The following funds had a deficit fund balance/net position as of June 30, 2024, (expressed in thousands):

Internal service funds:	
Municipal Communication	$ (1,759)
Reproduction and Printing	(3,928)
Municipal Post Office	(351)
Building Maintenance	(13,105)

Grants Revenue Fund	(35,924)

Deficits in the above funds are temporary and are not expected to continue. They should be eliminated in the future periods.

7. Long-term Obligations

A. LONG-TERM OBLIGATION ACTIVITY

The City does not have a debt limit; however, the Constitution of Maryland requires a three-step procedure for the creation of debt:

- Act of the General Assembly of Maryland or resolution of the majority of Baltimore City delegates
- Ordinance of the Mayor and City Council
- Ratification by the voters of Baltimore City

Changes in long-term obligations for the year ended June 30, 2024, are as follows (expressed in thousands):

	June 30, 2023	New Debt Issued	Debt Retired	June 30, 2024	Due Within One Year
GOVERNMENTAL ACTIVITIES(a)					
General Obligation Bonds:					
Highways	$ 320	$ –	$ 65	$ 255	$ 67
Health	714	–	120	594	127
Public safety	918	–	140	778	147
Off-street parking	126	–	51	75	54
Recreation and parks	46,709	–	2,600	44,109	2,640
Public buildings and facilities	113,801	–	6,644	107,157	6,968
School	162,477	–	13,992	148,485	14,677
Urban renewal	218,669	–	15,858	202,811	16,601
Unallocated	376	–	103	273	196
Total general obligation bonds	544,110	–	39,573	504,537	41,477
Special Obligation Bonds					
Special Obligation Bonds	368,807	–	5,008	363,799	7,755
Long-term financing with the Federal Government:					
Federal economic development loans	4,584	12,240	1,328	15,496	2,252
Total Governmental Activities	$ 917,501	$ 12,240	$ 45,909	$ 883,832	$ 51,484
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds:					
Stormwater	$ 2,945	$ –	$ 222	$ 2,723	$ 234
Total Business-Type Activities	$ 2,945	$ –	$ 222	$ 2,723	$ 234
COMPONENT UNIT - BALTIMORE CITY PUBLIC SCHOOL SYSTEM					
Bonds:					
Schools	$ 20,344	$ –	$ 12,326	$ 8,018	$ 5,990

(a) Included in the Statement of Net Position for Governmental Activities is a remaining unamortized premium of $(101,545,000)

Compensated Absences

Compensated absences as of June 30, 2024, totaled $171,916,000 for governmental activities and $15,859,000 for business- type activities, of which $29,802,000 and $5,897,000, respectively, were due within one year. For the Baltimore City Public School System, compensated absences and early retirement incentive plan amounts totaled $81,333,000.

Changes in compensated absences during fiscal year 2024, are as follows (expressed in thousands):

	Governmental Activities	Business-type Activities	Total
Balance, June 30, 2023	$ 170,817	$ 13,446	$ 184,263
Leave earned	30,901	8,310	39,211
Leave used	(29,802)	(5,897)	(35,699)
Balance, June 30, 2024	$ 171,916	$ 15,859	$ 187,775
Due in one year	$ 29,802	$ 5,897	$ 35,699

Parking Facilities Fund Revenue Sharing Agreement

The Parking Facilities Fund entered into two revenues sharing arrangements with the State of Maryland in 2001 and 2003 for the development of two parking garages. In exchange for a $9,000,000 investment from the State, the City agreed to share 5% interest annually on the investment, payable to the State when the garages began to generate positive cash flow. In fiscal year 2024, the Parking Facilities Fund reflected $450,000 of interest expense accrued.

B. DEBT SERVICE REQUIREMENTS

Debt service requirements on long-term debt as of June 30, 2024, are as follows (expressed in thousands):

	Governmental Activities						
	General Obligation Bonds			Long-Term Financing with Federal Government		Special Obligation Bonds	
Fiscal Year	Principal	Interest	Interest Rate Swap Net(a)	Principal	Interest	Principal	Interest
2025	$ 41,477	$ 19,951	$ –	$ 2,252	$ 399	$ 7,755	$ 16,880
2026	41,166	18,046	–	1,737	676	8,190	16,530
2027	40,872	16,167	–	404	631	8,842	16,145
2028	40,356	14,291	–	424	608	9,849	15,731
2029	38,135	12,484	–	446	583	10,799	15,266
2030-2034	148,475	41,538	–	2,596	2,298	63,959	67,806
2035-2039	112,349	16,346	–	3,328	1,685	90,938	49,142
2040-2044	41,707	2,389	–	4,309	629	73,617	27,552
2045-2049	–	–	–	–	–	62,240	12,726
2050-2053	–	–	–	–	–	27,610	1,354
Totals	$ 504,537	$ 141,212	$ –	$ 15,496	$ 7,509	$ 363,799	$ 239,132

(a) Interest Rate Swap Net payments represent estimated additional interest payable to counterparties for additional interest resulting from swap agreements. The additional payments were computed using rates as of June 30, 2024, assuming current interest rates remain the same for the remaining term of the swap. As rates vary, variable rate bond interest payments and net swap payments will vary.

	Business-type Activities	
	General Obligation Bonds	
Fiscal Year	Principal	Interest
2025	$ 234	$ 105
2026	174	96
2027	138	90
2028	144	84
2029	150	79
2030-2034	845	295
2035-2039	896	108
2040-2044	142	5
Totals	$ 2,723	$ 862

A summary of general obligation bonds outstanding and bond anticipation notes outstanding, and bonds authorized but unissued (expressed in thousands) as of June 30, 2024, are as follows:

	Outstanding			Authorized But Unissued
Purpose	Due Dates	Interest Rates	Amount	Amount
Fire, police, and public protection	2018 to 2035	1.0% to 5.0%	$ 778	$ 6
Off-street parking	2018 to 2026	1.0% to 5.0%	75	345
Recreation and parks	2018 to 2035	1.0% to 6.0%	44,109	5,440
Public buildings and facilities	2018 to 2035	1.0% to 5.0%	107,157	220,534
Schools	2018 to 2035	1.0% to 5.0%	148,485	141,804
Urban renewal and development	2018 to 2035	1.0% to 6.0%	202,811	169,314
Highways	2018 to 2026	1.0% to 5.0%	255	22
Finance			–	20,000
Health	2018 to 2032	1.0% to 5.0%	594	4,071
Stormwater	2018 to 2026	0.0% to 5.0%	2,723	–
Unallocated	2018 to 2026	1.0% to 5.0%	273	–
Totals			$ 507,260	$ 561,536

Baltimore City Public School System (BCPSS) Bonds

BCPSS has issued the City Schools Qualified School Construction Bonds Series 2009 (the Series 2009 Construction Bonds) in the amount of $50,800,000, maturing through the year ending June 30, 2025. The net proceeds of Series 2009 Construction Bonds were used to fund various capital improvements to existing schools within BCPSS.

As BCPSS enters into capital project contracts with one or more contractors, funds are to be drawn from the Series 2009 Construction Bonds escrow account to fund capital expenditures. The interest rates on the bonds include a Tax Credit rate of 5.90% and an interest rate of 1.25%, and interest is payable quarterly on March 15, June 15, September 15, and December 15 of each year. Principal sinking fund payment started on December 15, 2014. As of June 30, 2024, the outstanding balance of the Series 2009 Construction Bonds is $8,300,000.

In January 2011, BCPSS issued the City Schools Qualified School Construction Bonds Series 2011 in the amount of $60,825,000, maturing through the year ending June 30, 2026. The net proceeds of the Series 2011 Bonds were used to fund various capital improvements to existing schools within BCPSS.

As BCPSS enters into capital project contracts with one or more contractors, funds are drawn from the Series 2011 Bonds escrow account to fund capital expenditures. The interest rates on the Bonds is 5.69% and interest is payable semi-annually on June 15 and December 15 of each year. As of June 30, 2024, the outstanding balance on the Series 2011 Bonds is $12,000,000.

Future minimum bond payments are as follows at fiscal year ending June 30, 2024 (expressed in thousands):

Fiscal Year	Principal	Interest	Total
2025	$ 5,990	$ 3,674	$ 9,664
2026	2,028	1,731	3,759
Totals	$ 8,018	$ 5,405	$ 13,423

8. Revenue Bonds

Water, Wastewater and Stormwater Revenue Bonds

The City has issued revenue bonds, the proceeds of which were used to provide funds for capital improvements to Water, Wastewater and Stormwater facilities. Assets with a carrying value of $315,911,000 as of June 30, 2024, and revenues of the Water, Wastewater, and Stormwater Funds are pledged as collateral for the bonds. Bonds outstanding as of June 30, 2024 consist of (expressed in thousands):

	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund
Serial bonds series, 2003-B maturing in annual installments from $38,626 to $73,094 through February 1, 2031, with interest rate at 0.40%, payable semiannually	$ 473	$ –	$ –
Serial bonds series, 2004-A maturing in annual installments from $187,960 to $218,042 through February 1, 2032, with interest rate at 0.40%, payable semiannually	1,696	–	–
Serial bonds series, 2006-A maturing in annual installments from $495,000 to $1,548,000 through February 1, 2025, with interest rate at 0.40%, payable semiannually	–	$ 495	–
Serial bonds series, 2006-B maturing in annual installments from $185,000 to $361,000 through February 1, 2026, with interest rate at 0.40%, payable semiannually	–	546	–
Serial bonds series, 2007-A maturing in annual installments from $75,198 to $78,574 through February 1, 2035, with interest rate at 0.40%, payable semiannually	778	–	–
Serial bonds series, 2007-A maturing in annual installments from $1,704,000 to $2,174,000 through February 1, 2026, with interest rate at 0.40%, payable semiannually	–	3,879	–
Serial bonds series, 2007-B maturing in annual installments from $156,000 to $161,000 through February 1, 2027, with interest rate at 0.40%, payable semiannually	–	482	–
Serial bonds series, 2009-A maturing in annual installments of $426,167 through February 1, 2029, with an interest rate at 0.00%	–	2,131	–
Serial bonds series, 2009-B maturing in annual installments of $91,149 through February 1, 2030, with an interest rate at 0.00%	–	464	–
Serial bonds series, 2009-B maturing in annual installments of $586,172 from February 1, 2025 through February 1, 2043, with an interest rate at 0.00%	11,137	–	–
Serial bonds series, 2009-E maturing in annual installments of $157,842 through February 1, 2032, with an interest rate at 0.00%	–	1,263	–
Serial bonds series, 2011-B maturing in annual installments of $140,980 to $172,023 through February 1, 2043, with interest rates of 1.00%	2,993	–	–
Serial bonds series, 2011-B maturing in annual installments of $178,688 to $203,363 through February 1, 2033, with interest rates of 1.00%	–	1,759	–
Serial bonds series 2012 maturing in annual installments from $207,900 to $256,850 through October 1, 2027, with interest rates of 2.00% to 5.00%, payable semiannually	–	–	992
Serial bonds series, 2013-A maturing in annual installments of $1,634,802 to $1,798,836 through February 1, 2034, with interest rate at 0.80%, payable semiannually	–	11,591	–
Serial bonds series, 2013-C maturing in annual installments of $1,570,000 to $2,540,000 through July 1, 2032, with interest rates from 3.00% to 5.00%, payable semiannually	19,300	–	–
Serial bonds series, 2013-E maturing in annual installments of $2,225,000 to $3,030,000 through July 1, 2026, with interest rates from 3.00% to 5.00%, payable semiannually	–	8,530	–
Serial bonds series, 2014-A maturing in annual installments of $2,144,262 to $2,464,774 through February 1, 2035, with interest rates at 1.00% payable semiannually	–	22,161	–
Serial bonds series, 2014-A maturing in annual installments of $2,110,000 to $3,785,000 through July 1, 2034, with interest rates from 2.00% to 5.00% payable semiannually	33,020	–	–

	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund
Term bond series 2014-A with interest at 5.00%, payable semiannually, due July 1, 2037	12,535	–	–
Term bond series 2014-A with interest at 5.00%, payable semiannually, due July 1, 2039	9,430	–	–
Term bond series 2014-A with interest at 5.00%, payable semiannually, due July 1, 2044	28,040	–	–
Serial bonds series, 2014-B maturing in annual installments of $1,160,000 to $4,825,000 through July 1, 2034 with interest rates of 5.00% payable semiannually	25,085	–	–
Term bond series 2014-B with interest at 5.00%, payable semiannually, due July 1, 2037	7,065	–	–
Serial bonds series, 2014-C maturing in annual installments of $830,000 to $3,905,000 through July 1, 2034 with interest rates from 3.00% to 5.00% payable semiannually	23,055	–	–
Term bond series 2014-C with interest at 5.00%, payable semiannually, due July 1, 2039	6,225	–	–
Serial bonds series, 2014-C maturing in annual installments of $1,630,000 to $3,350,000 through July 1,2034 with interest rates from 2.00% to 5.00%, payable semiannually	–	29,225	–
Term bond series 2014-C with interest at 5.00%, payable semiannually, due July 1, 2039	–	19,445	–
Term bond series 2014-C with interest at 5.00%, payable semiannually, due July 1, 2044	–	24,815	–
Serial bonds series, 2014-D maturing in annual installments of $4,060,000 to $10,835,000 through July 1, 2034 with interest rates from 3.00% to 5.00%, payable semiannually	–	83,525	–
Serial bonds series, 2014-E maturing in annual installments of $175,000 to $3,935,000 through July 1, 2032 with interest rates from 2.00% to 5.00%, payable semiannually	–	21,615	–
Serial bonds series, 2015-A maturing in annual installments of $990,000 to $1,122,000 from through February 1, 2035, with interest rates of 0.90%, payable semiannually	–	11,754	–
Serial bonds series, 2015-B maturing in annual installments of $3,396,653 to $3,920,216 through February 1, 2037, with interest rates of 0.90%, payable semiannually	–	48,323	–
Serial bonds series, 2016-A maturing in annual installments of $753,999 to $903,935 through February 1, 2047 through with interest rates of 0.70%, payable semiannually	–	17,746	–
Serial bonds series 2016 maturing in annual installments from $447,055 to $662,235 through April 1, 2031, with interest rates of 2.75% to 5.00%, payable semiannually	–	–	4,258
Serial bonds series 2017-A maturing in annual installments from $3,070,000 to $6,080,000 through July 1, 2036, with interest rates of 5.00%, payable semiannually	59,960	–	–
Term bond series 2017-A with interest at 5.00%, payable semiannually, due July 1, 2041	35,270	–	–
Term bond series 2017-A with interest at 5.00%, payable semiannually, due July 1, 2046	45,010	–	–
Serial bonds series 2017-B maturing in annual installments from $1,250,000 to $1,680,000 through July 1, 2028, with interest rates of 5.00%, payable semiannually	7,630	–	–
Serial bonds series 2017-C maturing in annual installments from $820,000 to $2,825,000 through July 1, 2038, with interest rates of 5.00%, payable semiannually	22,840	–	–
Serial bonds series 2017-D maturing in annual installments from $170,000 to $5,800,000 through July 1, 2035, with interest rates of 5.00%, payable semiannually	34,465	–	–
Serial bonds series 2017-E maturing in annual installments from $2,474,024 to $3,092,422 through February 1, 2050, with interest rates of 0.80%, payable semiannually	73,494	–	–
Serial bonds series 2017-A maturing in annual installments from $1,895,000 to $6,415,000 through July 1, 2036, with interest rates of 5.00%, payable semiannually	–	38,850	–
Term bond series 2017-A with interest at 5.00%, payable semiannually, due July 1, 2041	–	22,845	–
Term bond series 2017-A with interest at 5.00%, payable semiannually, due July 1, 2046	–	29,165	–
Serial bonds series 2017-B maturing in annual installments from $750,000 to $10,500,000 through July 1, 2036, with interest rates of 5.00%, payable semiannually	–	65,240	–
Term bond series 2017-B with interest at 5.00%, payable semiannually, due July 1, 2039	–	17,595	–
Serial bonds series 2017-C maturing in annual installments from $795,000 to $6,835,000 through July 1, 2036, with interest rates of 5.00%, payable semiannually	–	50,825	–
Serial bonds series 2017-D maturing in annual installments from $139,520 to $175,375 through February 1, 2040, with interest rates of 0.80%, payable semiannually	–	3,794	–
Serial bonds series 2018-A maturing in annual installments from $4,613,248 to $5,812,490 through February 1, 2051, with interest rates of 0.80%, payable semiannually	–	141,767	–
Serial bonds series 2018 maturing in annual installments from $280,772 to $513,317 through April 1, 2034, with interest rates of 3.5% to 5.00%, payable semiannually	–	–	4,278
Serial bonds series 2018-C maturing in annual installments from $521,314 to $606,526 through February 1, 2040, with interest rates of 0.80%, payable semiannually	–	9,148	–
Serial bonds series 2018-D maturing in annual installments from $4,329,075 to $9,862,630 through July 1, 2053, with interest rates of 2.88%, payable semiannually	–	200,020	–
Serial bonds series 2019-A maturing in annual installments from $2,470,000 to $8,310,000 through July 1, 2050, with interest rates of 4.00% to 5.00%, payable semiannually	66,225	–	–

	Water Utility Fund	Wastewater Utility Fund	Stormwater Utility Fund
Term bond series 2019-A with interest at 4.00%, payable semiannually, due July 1, 2044	31,615	–	–
Term bond series 2019-A with interest at 4.00%, payable semiannually, due July 1, 2049	38,465	–	–
Serial bonds series 2019-A maturing in annual installments from $1,685,000 to $3,755,000 through July 1, 2039, with interest rates of 4.00% to 5.00%, payable semiannually	–	44,310	–
Term bond series 2019-A with interest at 4.00%, payable semiannually, due July 1, 2044	–	21,150	–
Term bond series 2019-A with interest at 5.00%, payable semiannually, due July 1, 2049	–	26,255	–
Serial bonds series 2019-A maturing in annual installments from $760,000 to $1,710,000 through July 1, 2029, with interest rates of 3.00% to 5.00%, payable semiannually	–	–	20,200
Term bond series 2019-A with interest at 4.00%, payable semiannually, due July 1, 2044	–	–	9,635
Term bond series 2019-A with interest at 5.00%, payable semiannually, due July 1, 2049	–	–	11,965
Serial bonds series 2019-B maturing in annual installments from $165,000 to $3,465,000 through July 1, 2038, with interest rates of 3.00% to 4.00%, payable semiannually	14,710	–	–
Term bond series 2019-B with interest at 4.00%, payable semiannually, due July 1, 2033	995	–	–
Serial bonds series 2019-B maturing in annual installments from $38,013 to $41,583 through February 1, 2040, with interest rates of 0.50%, payable semiannually	–	641	–
Serial bonds series 2019-B maturing in annual installments from $298,079 to $344,466 through February 1, 2050, with interest rates of 0.50%, payable semiannually	–	–	8,421
Serial bonds series 2019-C maturing in annual installments from $110,000 to $2,855,000 through July 1, 2038, with interest rates of 3.00% to 4.00%, payable semiannually	9,090	–	–
Term bond series 2019-C with interest at 4.00%, payable semiannually, due July 1, 2034	765	–	–
Serial bonds series 2019-C maturing in annual installments from $415,000 to $461,790 through February 1, 2040, with interest rates of 0.50%, payable semiannually	–	7,119	–
Serial bonds series 2020-A maturing in annual installments from $2,990,000 to $13,995,000 through July 1, 2034, with interest rates of 0.373% to 2.225%, payable semiannually	–	129,565	–
Term bond series 2020-A with interest at 2.814%, payable semiannually, due July 1, 2040	–	83,275	–
Term bond series 2020-A with interest at 2.864%, payable semiannually, due July 1, 2043	–	32,015	–
Serial bonds series 2020-A maturing in annual installments from $1,790,000 to $4,190,000 through July 1, 2040, with interest rates of 4.00% to 5.00%, payable semiannually	50,810	–	–
Term bond series 2020-A with interest at 4.00%, payable semiannually, due July 1, 2045	23,605	–	–
Term bond series 2020-A with interest at 5.00, payable semiannually, due July 1, 2050	29,290	–	–
Serial bonds series 2020-B maturing in annual installments from $4,465,000 to $15,720,000 through July 1, 2034, with interest rates of 0.393% to 2.225%, payable semiannually	160,765	–	–
Term bond series 2020-B with interest at 2.814%, payable semiannually, due July 1, 2040	91,345	–	–
Term bond series 2020-B with interest at 2.864%, payable semiannually, due July 1, 2043	40,420	–	–
Serial bonds series 2021-A maturing in annual installments from $1,000 to $2,954,518 through February 1, 2051, with interest rates of 0.40%, payable semiannually	–	75,774	–
Serial bonds series 2021-A maturing in annual installments from $1,000 to $2,199,631 through February 1, 2052, with interest rates of 0.40%, payable semiannually	58,389	–	–
Serial bonds series 2021-A maturing in annual installments from $300,148 to $336,987 through February 1, 2051, with interest rates of 0.40%, payable semiannually	–	–	8,643
Serial bonds series 2021-B maturing in annual installments from $865,243 to $1,640,819 through July 1, 2060, with interest rates of 0.40%, payable semiannually	–	–	42,461
Serial bonds series 2021-C maturing in annual installments from $917,887 to $991,294 through February 1, 2041, with interest rates of 0.40%, payable semiannually	–	16,325	–
Serial bonds series 2021-C maturing in annual installments from $4,815,100 to $8,334,749 through July 1, 2056, with interest rates of 1.91%, payable semiannually	192,610	–	–
Serial bonds series 2021-E maturing in annual installments from $1,000 to $183,148 through February 1, 2042, with interest rates of 0.40%, payable semiannually	–	3,187	–
Serial bonds series 2021-G maturing in annual installments from $4,019,269 to $6,957,198 through July 1, 2056, with interest rates of 1.91%, payable semiannually		160,775	
Serial bonds series 2022A maturing in annual installments from $371,000 to $478,000 through July 1, 2026, with interest rates of 0.00%, payable semiannually	–	–	1,656
Serial bonds series 2022A maturing in annual installments from $1,035,000 to $5,390,000 through July 1, 2052, with interest rates of 5.00%, payable semiannually	–	84,375	–
Serial bonds series 2024A maturing in annual installments from $274,180 to $355,533 through February 1, 2054, with interest rates of 0.90%, payable semiannually	9,395	–	–
	1,277,995	1,573,764	112,509
Unamortized bond premiums	102,849	85,438	6.305
	$ 1,380,844	$ 1,659,202	$ 112,515.305

Fixed Rate Water Utility Revenue Bonds

On May 17, 2024, the City entered into two Water loan agreement with the Maryland Water Infrastructure Finance Administration (WFIA) Revolving Loan Fund totaling $12,526,000 of which $3,132,000 is forgivable if the City complies with the terms of the agreement. The rate of interest on the loan is set at 0.90%. Interest is due February 1st and August 1st, and mature February 1, 2054.

Variable Rate Parking Facilities Revenue Bonds

The City has issued revenue bonds, the proceeds of which were used to finance construction of parking facilities and refinance existing debt of the Parking Facilities Fund. Assets with a carrying value of $16,215,593 as of June 30, 2024, and revenues of the Parking Facilities Fund are pledged as collateral for the bonds. Bonds outstanding as of June 30, 2024, consist of (expressed in thousands):

Variable rate demand bonds series 2008, payable monthly, due July 1, 2032	$	52,170
Parking Refunding Series 2018 (refunded 2005, 2010), payable semi-annually, due July 1, 2035		5,735
Total(a)	$	57,905

(a) Included in the Parking Fund Statement of Net Position is an unamortized portion of bond discount of $535,000.

The City had $52,170,000 of Series 2008 refunding taxable variable rate demand revenue bonds outstanding as of June 30, 2024. The Series 2008 Bonds are subject to redemption prior to maturity at any time, at a redemption price of 100% of the principal amount plus interest accrued to the redemption date. The Series 2008 Bonds annual principal amounts starting on July 1, 2024 through July 1, 2032 range from $3,740,000 to $7,965,000.

The bonds bear interest at a variable rate that is reset by the Remarketing Agent on a weekly basis. Initially, the Remarketing Agent will use a “Dutch Auction” to set the weekly rate that will be used to remarket the bonds. Under the terms of the indenture, the City at its options may change the bond rate to a monthly or long-term rate at any time until maturity upon notification of the bondholders.

In conjunction with the bonds, TD Bank, N.A. issued an irrevocable letter of credit with a current value in the amount of $53,263,426 in favor of the City and Manufacturers and Traders Trust Company as Tender Agent. The agreement expires November 30, 2027. The existing Agreement permits the fiscal agent to draw certain amounts to pay the principal portion and related accrued interest on the bonds tendered for purchase and not remarketed. The interest rate on draws made under this agreement is a defined base rate plus, up to an additional 2.00% depending on the terms of the draw. The City is required to pay the letter of credit fee throughout the effectiveness of the Agreement equal to 0.22% per annum of the average daily amount of the available commitment. During fiscal year 2024, the City made no draws under the letter of credit and there were no amounts drawn against the letter of credit outstanding at June 30, 2024.

County Transportation Revenue Bonds

The City has entered into agreements with the State of Maryland to borrow County Transportation Revenue Bonds with $64,345,000 outstanding. The proceeds from these bonds will be used to fund certain highway improvements and stormwater projects throughout the City. These bonds are secured by a pledge of the City’s share of the highway user revenues.

Convention Center Hotel Revenue Bonds

The City has pledged a portion of its hotel occupancy tax as security for revenue bonds, the proceeds of which were used to refinance the construction of the City's Convention Center Headquarters Hotel. The City's hotel occupancy tax is one of several pledged revenue sources the City used to issue $268,755,000 Convention Center Hotel Refunding Bonds. Following the net operating income and the property tax increment for the Hotel, the site specific occupancy tax is pledged to pay principal and interest payments on the bonds. If these sources are insufficient, a portion of the citywide occupancy tax is also pledged up to 25% of maximum annual debt service. The Hotel opened August 22, 2008. Total principal and interest remaining to be paid on these bonds is $430,927,000. For the current year, principal and interest payments were $16,762,250.

Bonds outstanding as of June 30, 2024, consist of (expressed in thousands):

Serial bond series 2017, maturing in installments from $2,500,000 to $10,775,000 through September 2036, with interest rates ranging from 3.0% to 5.00% payable semiannually	$ 100,830
Term bonds series 2017 with interest at 5.00% due September 1, 2039	35,655
Term bonds series 2017 with interest at 5.00% due September 1, 2042	41,280
Term bonds series 2017 with interest at 5.00% due September 1, 2046	74,455
Totals	$ 252,220

(a) Include in the Baltimore Hotel Corporation Statement of Net Position is an unamortized premium of $21,852,000

Changes in revenue bond obligations for the year ending June 30, 2024, are as follows (expressed in thousands):

	June 30, 2023	New Debt Issues	Debt Retired	June 30, 2024	Due within One Year
Governmental Activities(a)					
Convention Center Hotel	$ 256,270	$ –	$ 4,050	$ 252,220	$ 4,560
Transportation	65,292	–	10,474	54,818	7,695
Total Governmental Activities	$ 321,562	$ –	$ 14,524	$ 307,038	$ 12,255
Business - Type Activities(b)					
Water	$ 1,306,073	$ 9,395	$ 37,473	$ 1,277,995	$ 39,188
Wastewater	1,633,221	–	59,455	1,573,766	59,476
Stormwater	115,582	–	3,074	112,508	3,032
Parking Facilities	62,485	–	4,580	57,905	4,725
Total Business-Type Activities	$ 3,117,361	$ 9,395	$ 104,582	$ 3,022,174	$ 106,421

(a) Included in the Statement of Net Position for Governmental Activities is a remaining unamortized portion of bond change to discount of $32,207,000.

(b) Included in the Statement of Net Position for Business-Type Activities is a remaining unamortized portion of bond premium of $194,046,000.

Principal maturities and interest of revenue bonds, shown at gross, are as follows (expressed in thousands):

	Governmental Activities			
	Hotel Revenue Bonds		Transportation Revenue Bonds	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 4,560	$ 12,497	$ 7,695	$ 2,285
2026	5,040	12,257	8,040	1,947
2027	5,510	11,993	8,350	1,632
2028	6,010	11,705	8,650	1,332
2029	6,600	11,390	6,565	1,050
2030 - 2034	42,305	51,043	15,518	2,052
2035 - 2039	53,990	39,063	–	–
2040 - 2044	68,910	23,774	–	–
2045 - 2049	59,295	4,985	–	–
Totals	$ 252,220	$ 178,707	$ 54,818	$ 10,298

	Business-type Activities											
	Water Utility			Wastewater Utility		Stormwater Utility		Parking Facilities				
Fiscal Year	Principal	Interest	Swap Interest Rate Net(a)	Principal	Interest	Principal	Interest	Principal	Interest	Swap Interest Rate Net(a)		
2025	$ 39,189	$39,269	$ 2,605	$ 59,476	$ 44,306	$ 3,032	$ 2,958	$ 4,725	$ 969	$ 314		
2026	40,242	38,911	2,605	66,708	43,328	3,122	3,001	5,280	867	288		
2027	41,556	37,948	2,605	61,300	41,902	4,086	2,896	5,420	760	260		
2028	47,530	36,680	2,605	66766	40,114	4,136	2,784	5,680	647	231		
2029	48,972	35,272	2,605	68,675	38,164	3,616	2,671	6,315	527	192		
2030 - 2034	273,692	150,835	12,480	358,248	158,805	17,667	13,742	30,060	951	313		
2035 - 2039	272,701	102,896	9,287	315,618	107,473	16,053	9,348	425	18	–		
2040 - 2044	258,980	58,257	2,785	260,129	64,357	18,285	7,071	–	–	–		
2045 - 2049	160,342	22,815	–	183,635	30,549	21,076	4,189	–	–	–		
2050 - 2054	70,252	5,110	–	112,728	8,194	10,575	1,474	–	–	–		
2055 - 2059	24,539	709	–	20,483	592	7,612	676	–	–	–		
2060 - 2064	–	–	–	–	–	3,251	62	–	–	–		
Totals	$ 1,277,994	$528,702	$ 37,576	$ 1,573,766	$ 577,784	$ 112,509	$ 50,872	$ 57,905	$ 4,739	$ 1,599		

(a) Interest Rate Swap Net payments represent estimated payments for additional interest resulting from swap agreements to counterparties. The additional payments were computed using rates as of June 30, 2024, assuming current interest rates remain the same for their term. As rates vary, variable rate bond interest payments and net swap payments will vary.

9. Pledged Revenue

The Water, Wastewater and Stormwater Utility Funds

The Water, Wastewater and Stormwater Utility Funds have pledged future customer revenue to repay $1,277,994,000, $1,573,766,000, and $112,509,000 of revenue bond debt, respectively. Proceeds from these revenue bonds were used to build and improve various aspects of the City's Water, Wastewater and Stormwater Utility systems. The bonds are payable solely from the revenues of the Water and Wastewater Utility Funds and are payable through 2054. Payments for the Stormwater Utility Fund's bonds have been made with General Funds and subsequently reimbursed from Stormwater Utility Fund revenues. Annual principal and interest payments on these revenue bonds are expected to require 50.0% of pledged revenues. Total principal and interest remaining to be paid on the revenue bonds for the Water, Wastewater and Stormwater Utility Funds are $1,844,271,000, $2,151,550,000, and $152,396,000, respectively. Principal and interest paid for the current year and pledged revenue for the Water Utility Fund were $75,326,000 and $95,794,000, respectively. Principal and interest paid for the current year and pledged revenue for the Wastewater Utility Fund were $100,738,000 and $124,272,000 respectively. Principal and interest paid for the current year and pledged revenues for the Stormwater Utility Fund were $5,464,024 and $24,121,000, respectively.

The Parking Facility Fund

The Parking Facility Fund has pledged future revenue from parking fees and fines to repay $57,905,000 of revenue bond debt. Proceeds from these revenue bonds were used to construct various garages throughout the City. The bonds are payable solely from the pledged revenue and are payable through 2040. Annual principal and interest payments are expected to require 14.0% of pledged revenue. Total principal and interest remaining to be paid on these revenue bonds is $64,243,000. For the current year, principal and interest payments and current pledged revenues were $7,616,000 and $54,238,000, respectively.

Tax Increment Revenue Pledges

The City has pledged a portion of future property tax revenues to repay $57,905,000 in incremental property taxes bonds issued to finance various development projects. The pledged revenue is limited to the incremental taxes on the projects financed by the bond. Should the incremental taxes fail to generate sufficient revenue to pay the required principal and interest, the City has established special taxing districts to generate additional taxes sufficient to pay principal and interest on the bonds. Total principal and interest remaining to be paid on these bonds is $602,931,000. For the current year, principal and interest payments and current pledged revenues were $21,735,000 and $28,826,000, respectively.

Baltimore Hotel Corporation

The City has pledged a portion of its hotel occupancy tax as security for revenue bonds, the proceeds of which were used to refinance the construction of the City's Convention Center Headquarters Hotel. The City's hotel occupancy tax is one of several pledged revenue sources the City used to issue $268,755,000 Convention Center Hotel Refunding Bonds. Following the net operating income and the property tax increment for the Hotel, the site-specific occupancy tax is pledged to pay principal and interest payments on the bonds. If these sources are insufficient, a portion of the citywide occupancy tax is also pledged up to 25% of maximum annual debt service. The Hotel opened August 22, 2008. Total principal and interest remaining to be paid on these bonds is $430,927,000. For the current year, principal and interest payments were $16,762,000.

10. Prior-Year Defeasance of Debt

Primary Government

In prior years, the City defeased certain revenue bonds and other obligations by placing the proceeds of new debt issues in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the City's financial statements. As of June 30, 2024, $14,665,000 of debt outstanding is considered defeased.

11. Interest Rate Swaps

Objectives of the swaps. The City has entered into swaps for three reasons: first, the majority of its swaps have been used to create synthetic fixed rate financing (by issuing floating-rate bonds and swapping them to fixed) as a way to provide lower-cost fixed rate financing to meet the City's capital needs. Second, the City has used swaps from fixed to floating to help the City manage its balance sheet for an appropriate mix of fixed and floating rate exposure. And, third, the City has used basis swaps to amend the floating rate on certain of its existing synthetic fixed rate swaps in order to provide a better hedge on the underlying floating rate bonds.

Terms, fair value and credit risk. The terms, fair values and credit rating of the outstanding swaps as of June 30, 2024, were as follows. The notional amounts of the swaps match the principal amount of the associated debt. The City's swap agreements contain scheduled reductions to outstanding notional amounts that are designed to track the scheduled or anticipated reductions in the associated "bonds payable" category.

Hedged Derivative Instruments

At June 30, 2024, the City had

deferred liabilities for various hedged derivative instruments with the total fair values of these instruments in the amounts $1,230,360 business-type activities, respectively. The notional amounts for these hedged derivative instruments at June 30, 2024, was $51,700,000, for business-type activities, respectively. During fiscal year 2024, the fair values of these instruments decreased by $422,646, for business-type activities. All hedges are cash flow hedges.

The following schedule provides a detailed analysis of derivative instruments held as of June 30, 2024:

MAYOR AND CITY COUNCIL OF BALTIMORE
SWAP PROFILE as of June 30, 2024

Outstanding Bonds	Effective Date	Termination Date	Interest Rate Paid by City	Interest Rate Received	Notional Amount	Fair Value	Counterparty Credit Rating
Hedged Derivative Instruments - Business-type Activities							
Parking Revenue Bonds Series							
Floating to Fixed Swaps							
2008 Bonds	6/19/2002	7/1/2032	6.098%	1M LIBOR	$ 50,000,000	$ 1,214,052	A+/A2
2008 Bonds	6/19/2002	7/1/2025	5.915%	1M LIBOR	1,700,000	16,308	A+/A2
Total Parking Facilities Fund					51,700,000	1,230,360	
Total Business-type Activities					$ 51,700,000	$ 1,230,360	

Credit risk — As of June 30, 2024, the City is not exposed to credit risk on any of the outstanding swaps because the swaps have negative fair value. All fair values were calculated using the mark-to-market or par value method. However, should interest rates change and the fair values of the swaps become positive, the City would be exposed to credit risk in the amount of the derivatives' fair value. The swap agreements contain varying collateral agreements with counterparties. In general, these agreements require full collateralization of the fair value of the swap should the counterparty's credit rating fall below Baa as issued by Moody's or BBB as issued by Standard and Poor's. Collateral on all swaps may be in the form of cash or U.S. government securities held by the City. The City's two swaps are held with a counterparty rated A+/Aa3.

Basis risk — The City's variable rate bonds consisted of only remarketed variable rate demand bonds (VRDBs). The City has adhered to the ISDA 2020 IBOR Fallbacks Protocol. For those swaps associated with the VRDBs, the City receives a floating rate based on the Secured Overnight Financing Rate (SOFR) after LIBOR ceased to be representative after June 30, 2024. For one of the swaps, the City will receive a percent of SOFR or a percent of SOFR plus a basis point spread, each rate was chosen to closely approximate the City's tax-exempt variable rate bond payments. Because these swaps are SOFR-based, there is an additional degree of basis risk. The City receives the SOFR rate, which approximates the City's taxable variable rate bond payments. As of June 30, 2024, LIBOR for the prior 52-weeks ranged from 5.21% to 5.57%, whereas the City's taxable market ranged from 5.08% to 5.35%.

Interest rate risk - For those swaps for which the City pays a floating rate and receives fixed rate payments, the City is exposed to interest rate risk. As floating rates increase, the City's expected savings could decrease. The City would, however, benefit from offsetting increases in its earnings on short-term investments, whose return would be expected to go up in a higher interest rate environment.

Investment Derivative Instruments

The fair value balance and notional amounts of derivative instruments outstanding are classified by type, and the changes in fair value of such derivative instruments for the year ended June 30, 2024, are as follows:

Investment Derivative Instruments

	Changes in Fair Value		Fair Value at June 30, 2024		
	Classification	Amount	Classification	Amount	Notional
Business-Type Activities					
Water Utility Fund					
Floating to Floating	Investment Revenue	$ (549,389)	Debt	$ (3,503,748)	$ (71,455,000)

Credit Risk – At June 30, 2024, the government is not exposed to credit risk on the interest rate swaps, because they are in a negative fair value or liability position. However, if interest rates change and the fair values become positive, the City would have exposure to credit risk. The counter party rating for the Water Utility Fund was AA-/Aa2. The change in the fair value of investment swaps in the amount of a loss of $549,389 is netted and reported within the investment revenue classification.

Interest rate risk - For those swaps for which the City pays a floating rate, the City is exposed to interest rate risk. As floating rates increase, the City's expected savings could decrease. The City would, however, benefit from offsetting increases in its earnings on short-term investments, whose return would be expected to go up in a higher interest rate environment.

Fiduciary Fund Types

Forward Currency Contracts

The City's Retirement Systems entered into forward currency contracts to manage exposure to fluctuations in foreign currency exchange rates on portfolio holdings. They also entered into forward exchange contracts to settle future obligations. A forward exchange contract is a commitment to purchase (payable) or sell (receivable) a foreign currency at a future date at a negotiated forward rate. Risk associated with such contracts includes movement in the value of a foreign currency relative to the U.S. dollar. Unrealized gains or losses on forward currency contracts are the difference between the contract and the closing market value of such contract and is included in the statement of changes in fiduciary net position as net appreciation/depreciation in the fair value of investments.

The table below summarizes the market value of foreign currency contracts as of June 30, 2024.

Currency	Forward Foreign Contracts Cost Currency Receivable (a)	Forward Foreign Contracts Cost Payable (b)	Forward Foreign Contracts Fair Value Receivable (c)	Forward Foreign Contracts Fair Value Payable (d)	Unrealized Net Gain/(Loss) (c-a) + (b-d)
Brazilian Real	$ 96	$ 96	$ 96	$ 97	$ (1)
Canadian Dollar	58,936	58,941	58,934	58,939	–
Danish Krone	154,750	154,750	154,750	154,955	(205)
Euro Currency Unit	6,042,732	5,988,256	6,042,698	5,958,625	29,597
Hong Kong Dollar	4,309	4,309	4,309	4,314	(5)
Japanese Yen	1,515,589	5,668,589	1,514,169	1,513,228	4,153,941
Pound Sterling	1,448,201	1,443,360	1,448,201	1,423,708	19,652
Singapore Dollar	1	1	1	1	–
South African Rand	1,645	1,645	1,645	1,645	–
South Korean Won	3,278	3,278	3,278	3,308	(30)
Swedish Krona	220,303	220,303	220,222	220,354	(132)
Swiss Franc	107,188	107,188	107,134	107,188	(54)
U.S. Dollar	3,155,261	3,160,750	3,155,261	3,155,261	5,489
Total	$ 12,712,289	$ 16,811,466	$ 12,710,698	$ 12,601,623	$ 4,208,252

12. Pension Plans

All City employees, other than the professional employees of the Enoch Pratt Free Library and the Baltimore City Public School System (BCPSS), who are members of the Maryland State Retirement and Pension Systems to which the City and the BCPSS make no contributions, are covered under one of the following Public Employees Retirement Systems (PERS) or the Maryland State Retirement and Pension System:

The City contributes to two single-employer defined benefit pension plans, the Fire and Police Employees' Retirement System (F&P Plan), established July 1, 1962 and the Elected Officials' Retirement System (EOS Plan), established December 5, 1983. The City also contributes to two cost-sharing multiple employers defined benefit plan, the Employees' Retirement System (ERS Plan), established January 1, 1926 and the Maryland State Retirement and Pension System (the State System). The F&P Plan, the EOS Plan, and the ERS Plan (the City Plans) are each managed by a Board of Trustees in accordance with Article 22 of the Baltimore City Code. Plan benefits provisions may be amended only by the City Council. The City Plans are considered part of the City's reporting entity and their financial statements are included in the City's basic financial statements as pension trust funds. The City Plans and the State System issue separate financial statements which may be obtained from the following websites:

For Employees' Retirement System and Elected Officials' Retirement System: www.bcers.org
For Fire and Police Employees' Retirement System: www.bcfpers.org
For the Maryland State Retirement and Pension System: www.sra.state.md.us

The financial statements for the City Plans and the State System are prepared using the accrual basis of accounting. Employer and member contributions are recognized in the period that the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

A. PLAN DESCRIPTIONS-SINGLE EMPLOYER PLANS

Fire & Police Employees' Retirement System

The F&P Plan covers all uniformed personnel of the Baltimore City Fire and Police Departments. The F&P Plan is included in the City's financial report as a pension trust fund.

As of June 30, 2023, the measurement date, the F&P membership consisted of:

Retirees and beneficiaries currently receiving benefits	6,487
Active plan members	3,482
Total	9,969

The F&P Plan provides normal service retirement benefits, as well as death and disability benefits. Membership in the F&P Plan is mandatory upon employment. The F&P Retirement System does not have a vested benefit plan; however, members have vested rights to their contributions and interest.

F&P members were required to contribute 10% of their regular compensation through payroll deduction. The employer contributions are determined through an actuarial valuation. According to plan provisions, contribution requirements of the plan members and the City are established and may be amended by the Mayor and City Council. The valuation method is stipulated in the plan provisions. An expense load of 1.5% is included in the annual employer contribution requirement to cover administrative costs.

Members are eligible for a normal service retirement if they acquire 25 or more service credit years with at least 15 years of services credit as an F&P contributing member regardless of age, or if the member is age 55 and acquires 15 or more years of service credit as an F&P contributing member. Normal service retirement benefits are calculated at 2.5% of the average final compensation for the first 20 years plus 2% of the average final compensation for each year over 20 years of service. Members are eligible for early service retirement which is a reduced retirement benefit. To be eligible for early retirement, members must acquire 20 years of service credit with at least 10 years of service credit as an F&P contributing member regardless of age or attain age 50 with at least 10 years of service credit as an F&P contributing member.

Members are also eligible for a deferred retirement option program, DROP and DROP 2. Members with more than 20 years of service on or before December 31, 2009 can elect to participate in DROP at any time. A member's DROP participation period can be for one to three years. If a member retires during the DROP participation period, the benefit shall equal:

1. The retirement benefit that would have been paid had the member retired at the time he/she began his/her DROP participation, plus

2. A lump sum equal to the member's DROP account. This equals the accumulation of the annuity payments the member would have received had the member retired, plus the member contributions paid during the members DROP participation period, plus interest at 8.25%.

Members with more than 20 years of service on or after January 1, 2010 can elect to participate in DROP 2. On July 1, 2010, this requirement was changed to members with more than 25 years of service for non-grandfathered members. A member's DROP 2 participation period can be for one to three years. If a member retires during the DROP participation period, the benefit shall equal:

1. The retirement benefit that would have been paid had the member retired at the time the member began his/her DROP 2 participation, plus

2. A lump sum equal to the member's DROP 2 account. This equals the accumulation of the annuity payments the member would have received had the member retired, plus the member contributions paid during the members DROP 2 participation period, plus interest at 5.50% for grandfathered members and 3.0% for non-grandfathered participants.

Post-retirement benefit increases are provided to retirees and beneficiaries based on age, type of retirement and having received benefits for two or more years as of each June 30 eligibility determination date.

Elected Officials' Retirement System

The EOS Plan covers the Mayor, the Comptroller, and the President and all members of the City Council. The EOS Plan is included in the City's financial report as a pension trust fund.

As of June 30, 2023, the measurement date, the EOS Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	31
Active plan members	17
Total	48

The EOS Plan provides retirement benefits as well as death and disability benefits and the reduction of benefits is precluded by the City Code. Membership in the EOS Plan is mandatory upon taking the oath of office, unless the elected official is already a member of the Employees' Retirement System of the City of Baltimore.

EOS plan members were required to contribute 5% of their regular contribution through payroll deduction. The City's annual employer contribution is determined through an actuarial valuation. Baltimore City Code grants the authority to establish and amend the contributions of the active plan members to the Mayor and City Council of Baltimore. Administrative costs of the EOS Plan are paid from investment earnings.

Members are eligible to retire after the earlier of acquiring at least 16 years of service credit or attaining age 50 with at least 12 years of service credit. A member shall be entitled to receive a maximum service retirement allowance which shall consist of:

1. An annuity which shall be the actuarial equivalent of accumulated contributions at the time of retirement,

2. A pension, in addition to the annuity, which together shall be equal to 2.5% of the current annual earnable compensation applicable to the office multiplied by the number of years of membership credit.

Post-retirement benefit increases are indexed to future increases in the compensation for the position held by the elected official prior to retirement.

B. PLAN DESCRIPTIONS-MULTIPLE EMPLOYER PLANS

Employees Retirement System

ERS is a cost sharing multiple plan that covers City employees and the Baltimore City Public School System employees with the exception of those required to join the Maryland State Retirement System, or the two other Baltimore City retirement systems, the Fire and Police Employees' Retirement System and the Elected Officials' Retirement System. The ERS Plan is included in the City's financial report as a pension trust fund.

As of June 30, 2023, the measurement date, the ERS Plan membership consisted of:

Active plan members	7,534
Retirees and beneficiaries currently receiving benefits	9,185
Inactive plan members eligible to but not yet receiving benefits	1,192
Total	17,911

The ERS Plan provides service retirement benefits as well as death and disability benefits. Only the Mayor and City Council may amend the ERS Plan Provisions. The reduction of benefits is precluded by the City Code.

The ERS Plan is divided into three Classes: A, C and D for amendment of membership and benefit changes of the ERS Plan Provisions.

Class "A" has 4 members. The "A" contributory class consists of all members hired prior to July 1, 1979 who did not elect to transfer to Class C, the non-contributory class. Membership was mandatory on the member's second anniversary of employment. However, the member could voluntarily enroll within the first two years of employment.

Class "C" is composed of 4,369 members of the ERS membership and consists of all employees hired on or after July 1, 1979 who automatically become members on the first anniversary of employment, and all members hired prior to July 1, 1979 who elected to transfer from the Class "A" contributory class.

Effective July 1, 2013, Ordinance 13-144 was enacted by the Mayor and City Council introducing contributions for active ERS Plan non-contributory members and eliminating the post retirement variable benefit increase. The Ordinance provides that effective July 1, 2013, members will contribute 1% of pay, to continue each year at 1% increments provided that 2% compensation is received for each year of contribution until employee contribution reach 5% of compensation.

The ERS defined benefit class "C" was closed to new members on June 30, 2014 to establish the City of Baltimore's Retirement Saving Plan (RSP). The RSP consist of a 401a contributory non-hybrid and a hybrid contributory defined benefit "D" Plan. The RSP is not a separate plan, but is a separate class of the existing ERS plan, if the employee chooses to belong to the hybrid defined benefit "D" plan. The waiting period of entry for the contributory non-hybrid plan is 180 days. The hybrid contributory defined benefit plan waiting period is one year. Employees hired as of July 1, 2014 have 150 days of employment to select between the two plans. Employees who do not select a plan after 150 days of employment will automatically default into the hybrid contributory defined benefit "D" plan. Class "D" has 3,191 members. The mandatory contribution to each of the plan's is 5%. Members have an option in both plans to contribute to the City of Baltimore's 457 Deferred Compensation plan and will receive a 50% match on the first two percent of their contributions.

The contributions required by the ERS Plan provisions for each membership class are as follows:

Membership classes	Percentage of compensation
A	4.0%
C	5.0%
D	5.0%

Members of Classes A and B are eligible to retire at age 60 with 5 years of service or 30 years of membership service, regardless of age. Members of Classes C and D are eligible to retire at age 65 with 5 years of service or 30 years of service, regardless of age. Early retirement is allowed at age 55 with 5 years of service payable at age 65 or reduced for payment before age 65. Benefits for service retirement are paid as follows:

Classes A and B – The sum of:

1. An annuity of the actuarial equivalent of a members accumulated contributions; and,

2. A pension, which together with the annuity shall equal 1.935% (Class A) or 1.785% (Class B) of average final compensation times years of service.

Class C:

A pension of (1) 1.6% of average final compensation times years of service up to 30 years, plus (2) .25% of average final compensation in excess of covered compensation, times years of service up to 30 years, plus (3) 1.85% of average final compensation, times years of service in excess of 30 years.

Class D:

A pension of 1.00% of average final compensation, times years of service. If the member retires at or after age 62 with at least 20 years of service the member receives an enhanced benefit of 1.10% of average final compensation times years of service.

Maryland State Retirement and Pension System

Certain City employees are covered by the Maryland State Retirement and Pension System, primarily employees of the Sheriff's Office. The State system is comprised of the Teachers' Retirement and Pension Systems, Employees' Retirement and Pension System (ERPS), and Law Enforcement Officers' Pension System (LEOPS). The City employees currently participate in the Employees' Retirement and Pension System, and the Law Enforcement Officers' Pension System, with the majority participating in the LEOPS Plan. The State System was established by the State Personnel and Pension 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. The State Plans are administered by the State Retirement Agency. Responsibility for the System's administration and operation is vested in a 15- member Board of Trustees.

Membership in the LEOPS is a condition of employment of the Baltimore City Sheriff's Department. LEOPS consists of two separate components a retirement plan (closed to new members January 1, 2005) and a pension plan. Members contribute either 5%, 6% or 7% of annual earnable compensation, depending on whether the member elected to receive limited or unlimited COLA's or whether the member is subject to pension or retirement plan provisions. The City's total required contributions during the year ended June 30, 2024 was $3,652,000.

LEOPS members are eligible for full service retirement allowances upon attaining age 50 or upon accumulating 25 years of eligibility service. For members subject to retirement plan provisions, full service retirement allowances equal 2.3% of average final compensation (AFC) for the first 30 years of creditable service, plus 1.0% of AFC for each additional year. For members subject to the pension system provisions who became members of LEOPS on or before June 30, 2011, full service pension allowances equal 2.0% of AFC for the three highest consecutive years as an employee. For members subject to pension system provisions on or after July 1, 2011, full service pension allowances equal 2.0% of AFC for the five highest consecutive years as an employee. LEOPS members are not eligible for early service retirement allowances, but are eligible for disability and death benefits if certain conditions are met.

LEOPS members are eligible to participate in a Deferred Retirement Option Program (DROP). To participate, the LEOPS members must have at least 25 years of creditable service, but less than 30 years. Depending on the entry date of the member into DROP, the retirement allowance is placed into an account earning either 6% or 4% interest.

As of June 30, 2024, the City reported a liability of $30,199,000 for its proportionate share of the net pension liability of the State System. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate of the net pension liability was based on actual employer contributions billed to participating government units for the year ending June 30, 2023. The contributions were increased to adjust for differences between actuarial determined contributions and actual contributions by the State of Maryland. As of June 30, 2024, the City's proportionate share was .1510%.

C. NET PENSION LIABILITY (ASSET)

The measurement date for the City Plans and the State System is June 30, 2023. Measurements are based on the fair value of assets as of June 30, 2023. The following schedules are the net pension liability (NPL) or the net pension asset (NPA) and the sensitivity of the NPL or NPA to the discount rate. Contributions made after the measurement date of the net pension liability but before the end of the reporting period will reduce the net pension liability in the subsequent fiscal year, rather then the current fiscal year. The General Fund contributions have been used in the current and prior years to liquidate pension liabilities.

The component of the net pension liability (asset) of the City Plans is as follows:

	Fire and Police Employees' Retirement System	Elected Officials' Retirement System	Employees Retirement System
Total pension liability	$ 4,420,497	$ 18,781	$ 2,669,719
Less: plan fiduciary net position	3,074,858	26,737	2,033,897
Net pension liability (asset)	$ 1,345,639	$ (7,956)	$ 635,822
Plan fiduciary net position as a percentage of total pension liability (asset)	69.6 %	142.4 %	76.2 %

The actuarial assumptions and the current year contributions for the City Plans are:

(Expressed in Thousands)

	Fire and Police Employees' Retirement System	Elected Officials' Retirement System	Employees' Retirement System
Contributions required	$ 154,766		$ 94,788
% of Contribution made	100.0 %	N/A	100.0 %
Covered payroll	318,719		458,638
Actuarial assumptions:			
Investment rate of return:			
Pre-retirement	7.0 %	6.8 %	7.5 %
Post retirement	7.0 %	6.8 %	6.5 %
Projected salary increases	2.8 %	2.5 %	1.5 %
Includes inflation rate at	2.8 %	2.5 %	1.5 %
Cost-of-living adjustment	2.8 %	2.5 %	1.5 - 2.0%
Mortality	RP-2014 Blue Collar Mortality Table using the RPEC_2014 Model	RP 2000 Health Mortality with projections using 50% of Scale AA projected 15 years with a 2 year set forward for males and females	RP 2000 Health Mortality with projections using 50% of Scale AA projected 15 years with a 2 year set forward for males and females
Last Experience Study Covered	July 1, 2015 - June 30, 2018	July 1, 2010 - June 30, 2014	July 1, 2014 - June 30, 2018

The actuarial assumptions and the current year contributions for the State System are:

(Expressed in Thousands)

	Maryland State Retirement and Pension System
Contributions made	$ 3,652
Actuarial assumptions:	
Investment rate of return:	6.8 %
Projected salary increases	2.75% to 9.25%, including inflation
Inflation rate	2.25% general, 2.75% wage
Mortality	Public Sector 2010 Mortality Tables with generational mortality projections using scale MP-2018, calibrated to MSRPS experience
Last Experience Study Covered	2014 - 2018

D. EXPECTED RETURNS, DISCOUNT RATE AND DEFERRED INFLOWS/OUTFLOWS

The long-term expected rate of return on pension plan investments for the City Plans and the State System was determined using a building block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate or return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rate of return for each major asset class included in the City Plans' target asset allocation are summarized in the following table:

Long-Term Expected Real Rate of Return/Target Allocation

Asset Class	Fire and Police Employees' Retirement System	Elected Officials' Retirement System	Employees' Retirement System
U.S. equities	5.59.%/23.5%	6.9%/34%	6.9%/22%
International equities	7.23%/23.5%	7.5%/21%	7.5%/15%
Private equities	10.23%/11.0%		11.1%/15%
Fixed income	3.07%/12.0%	4.80%22%	4.8%/18%
Real estate	5.60%/11.0%	6.50%/10%	6.5%/15%
Hedge funds	4.15%/5.0%		
Energy MLP	7.61%/5.0%		
Private energy	7.00%/7.0%		
Cash	0.73%/2.0%		
Defensive Equities		6.30%/13	6.3%/7%
Risk Premia			6.6%/4%

The F&P Plan - The projection of the cash flows used to determine the discount rate assumed that plan member contributions and employer contributions will continue to be made at the rates specified in the City Code and the written contribution policy. Based on these assumptions, the Fire and Police Plan retirement contribution was projected to be available to make all projected future benefit payments for current members until the last payment for the current covered population is made as of the June 30, 2023 measurement date. The discount rate used to determine the total pension liability as of June 30, 2023 is 7.25%.

The EOS Plan - The projection of the cash flows used to determine discount rate assumed that plan member contributions will continue to be made at the rates specified in the City Code. Employer contributions were assumed to be made in accordance with the contributions policy in effect for July 1, 2016 actuarial valuation. As of June 30, 2023, the plan is fully funded and the amortization of the surplus is greater than the normal costs resulting in a required contribution amount of zero. The discount rate as of June 30, 2023, 6.75%, is the assumed long-term expected rate of return on EOS investments.

The ERS Plan - The projection of the cash flows used to determine discount rate assumed that plan member contributions will continue to be made at the rates specified in the City Code. Expected member contributions for FYE 2018 were 5% of pay remaining at 5% of pay for FYE 2020 will continue to remain annually at 5% of compensation thereafter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for the July 1, 2016 actuarial valuation. Based on these assumptions, the ERS Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current members until the last payment for the current covered population is made as of the June 30, 2018 measurement date. The discount rate as of June 30, 2023 is 7.00% for active and terminated vested participants and 6.50% for in-pay participants. The assumed long-term expected rate of return on ERS investments is 7.00%.

The major asset classes included in the State System's target asset allocation and returns are summarized in the following table:

Asset Class	Maryland State Retirement and Pension System
Public equity	6.9%/34%
Private equities	8.6%/16%
Rate sensitive	2.6%/20%
Credit opportunity	5.6%/9%
Real assets	5.4%/15%
Absolute return	4.4%/6.0%

The State System -The projection of cash flows used to determine discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The discount rate as of June 30, 2023, 6.80%, is the expected long-term rate of return on State System investments.

The sensitivity of the net pension liability (asset) presents the net pension liability (asset) of the City Plans and the State System calculated using the current discount rates as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 - percentage-point lower or 1-percentage-point higher than the current rate.

Sensitivity of the pension liability (asset) to changes in the discount rate:

(Expressed in Thousands)

Fire and Police Employees' Retirement System	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net pension liability	$ 1,860,518	$ 1,345,639	$ 916
Plan fiduciary net position as a percentage of total pension liability	62.3 %	69.6 %	77.0 %

(Expressed in Thousands)

Elected Officials' Retirement System	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension (asset)	$ (6,067)	$ (7,956)	$ (9,623)
Plan fiduciary net position as a percentage of total pension (asset)	28.6 %	142.4 %	154.5 %

(Expressed in Thousands)

Employees' Retirement System (City of Baltimore Portion)	1% Decrease 6.00% Active Part. 5.50% Retired Part.	Current Discount Rate 7.00% Active Part. 6.50% Retired Part.	1% Increase 8.00% Active Part. 7.50% Retired Part.
Net pension liability	$ 750,165	$ 515,069	$ 315,509
Plan fiduciary net position as a percentage of total pension liability	68.7 %	76.2 %	83.9 %

(Expressed in Thousands)

Maryland State Retirement and Pension System	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
LEOPS	$ 34,305	$ 23,135	$ 13,866
ERPS	10,474	7,064	4,234

(Expressed in Thousands)

Total City Plans and State (exclude Baltimore City Public School Portion)	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 2,655,463	$ 1,890,905	$ 1,249,900

(Expressed in Thousands)

Employees' Retirement System (Baltimore City Public Schools Portion)	1% Decrease 6.00% Active Part. 5.50% Retired Part.	Current Discount Rate 7.00% Active Part. 6.50% Retired Part.	1% Increase 8.00% Active Part. 7.50% Retired Part.
Net pension liability	$ 175,867	$ 120,753	$ 73,967
Plan fiduciary net position as a percentage of total pension liability	68.7 %	76.2 %	83.9 %

Deferred Inflows and Deferred Outflows- The reported deferred outflows/inflows of resources associated with the City Plans and the State System is as follows:

(Expressed in Thousands)

Fire and Police Employees' Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 24,391	$ 11,246
Assumption change	38,323	–
Differences between actual and projected earnings	96,808	–
Total	$ 323,793	$ 11,246

(Expressed in Thousands)

Elected Officials' Retirement System	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 949	$ –
Assumption change	–	1
Differences between actual and projected earnings	878	–
Total	$ 1,827	$ 1

(Expressed in Thousands)

Maryland State Retirement and Pension System	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,652	$ –
Differences between actual and expected experience	1	–
Assumption change	1,527	199
Differences between actual and projected earnings	7	19
Total	$ 5,187	$ 218

(Expressed in Thousands)

Employees' Retirement System (City of Baltimore Portion)	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 79,347	$ –
Differences between actual and expected experience	21,688	11,555
Assumption change	4,907	–
Differences between actual and projected earnings		–

Total	$ 106,676	$ 16,446

(Expressed in Thousands)

Total City Plans and State (exclude Baltimore City Public School Portion)	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 247,270	
Differences between actual and expected experience	47,029	22,801
Assumption change	44,757	200
Differences between actual and projected earnings	97,693	19
Total	$ 437,483	$ 27,911

(Expressed in Thousands)

Employees' Retirement System (Baltimore City Public Schools Portion)	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 19,125	
Differences between actual and expected experience	5,138	2,709
Assumption change	1,147	
Differences between actual and projected earnings	4,895	721
Total	$ 30,305	$ 3,430

A summary of the net deferred outflows/(inflows) of resources to be recognized in pension expense in future years for the City Plans and the State System is presented below:

(Expressed in Thousands)

Pension expense amounts for years ended June 30:	Fire and Police Employees' Retirement System	Elected Officials' Retirement System	Employees' Retirement System (City of Baltimore Portion)	Employees' Retirement System (Baltimore City Public Schools Portion)
2025	$ 51,978	$ 494	$ 6,134	$ 1,439
2026	2,873	207	(10,329)	(2,422)
2027	97,701	1,088	48,337	11,332
2028	(4,276)	37	2,991	701
Total	$ 148,276	$ 1,826	$ 47,133	$ 11,050

(Expressed in Thousands)

Pension expense amounts for years ended June 30:	Maryland State Retirement and Pension System
2025	$ 432
2026	916
2027	(26)
2028	(4)
Total	$ 1,318

In addition to the amounts disclosed above $3,652,000 in deferred outflows of resources related to contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

E. PENSION EXPENSE AND CHANGES IN NET PENSION LIABILITY (ASSET)

Pension expense (income) includes charges in the net pension liability (asset), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The components of pension expense for the City Plans are as follow:

(Expressed in Thousands)

	Fire and Police Employees' Retirement System	Elected Officials' Retirement System	Employees' Retirement System (City of Baltimore Portion)	Total City Plans (City of Baltimore Portion)	Employees' Retirement System (Baltimore City Public Schools Portion)
Pension expense (income)	$ 200,465	$ 445	$ 49,377	$ 250,287	$ 11,576

The schedule of the changes in net pension liability (asset) and related ratios for the City Plans for the year ended June 30, 2024 is as follows:

(Expressed in Thousands)

	Fire and Police Employees' Retirement System	Elected Officials' Retirement System
Total pension liability		
Interest (included interest on service cost)	$ 292,790	$ 1,238
Service cost	71,416	319
Changes in assumptions	23,334	(1)
Differences between expected and actual experience	36,587	485
Benefit payments, including refunds of member contribution	(285,243)	(1,533)
Net change in total pension liability	138,884	508
Total pension liability - beginning	4,281,613	18,781
Total pension liability - ending	$ 4,420,497	$ 19,288
Plan fiduciary net position:		
Net investment income	$ 223,197	$ 2,055
Contributions - employer	154,766	–
Contributions - member	31,306	80
Benefit payments, including refunds of member contribution	(285,243)	(1,533)
Administrative expense	(5,252)	(60)
Net change in plan fiduciary net position	118,774	542
Plan fiduciary net position - beginning	2,956,084	26,737
Plan fiduciary net position - ending	3,074,858	27,279
Net pension liability (asset) - ending	$ 1,345,639	$ (7,991)
Plan fiduciary net position as a percentage of the total pension liability	69.6 %	141.4 %
Covered payroll	$ 318,719	$ 1,583
Net pension liability (asset) as a percentage of covered employee payroll	422.2 %	(504.9)%

F. ALLOCATION OF PLANS

ERS balances have been allocated between the government activities, business-type activities (Enterprise funds), and discretely presented component units as follows:

(Expressed in Thousands)

Employee Retirement System	Enterprise Funds						Component Unit
	Employees' Retirement System	Governmental Activities	Water	Wastewater	Stormwater	Non-major Proprietary Fund	Baltimore City Public Schools
Net pension liability (asset), end of year	$ 635,820	$ 425,180	$ 40,634	$ 38,697	$ 7,752	$ 2,805	$ 120,752

The total of all retirement plan balances for City (City Plans and State Plans) are shown below:

(Expressed in Thousands)

City Plans and State of Maryland	Fire and Police Employees' Retirement System	Elected Officials' Retirement System	Employees' Retirement System (City of Baltimore Portion	Maryland State Retirement System (LEOP/ERPS)	Primary Government Total
Net pension liability (asset), end of year	$ 1,345,639	$ (7,956)	$ 515,069	$ 30,199	$ 1,882,951

G. THE MARYLAND STATE RETIREMENT AND PENSION SYSTEMS – BCPSS

The BCPSS employees, who are not covered under the City's ERS, are members of the Maryland State Retirement and Pension System.

Under Maryland law, the Baltimore City Public School System (BCPSS) is not required to make any contributions to the State Systems. City Schools and covered members are required by State statute to contribute to the System. Members of the Teachers' Pension System are required to contribute 7% annually. Members of the Teachers' Retirement System are required to contribute 5-7% annually, depending on the retirement option selected. The contribution requirements of the System members, as well as the State and participating governmental employers are established and may be amended by City Schools of Trustees for the System. Contributions are deducted from participant's salary and wage payments and are remitted to the State on a regular, periodic basis.

The State of Maryland pays, on behalf of the BCPSS, the employer's share of retirement and pension costs to the State Systems for teachers and related positions. During the fiscal year ended June 30, 2024, the State paid $61.5 million in such costs. This amount has been recorded by the BCPSS as both revenue and expenditure in the General Fund in the accompanying Statement of Activities. The Special Funding arrangement between BCPSS and the State is disclosed in the BCPSS's financial statements.

The State also makes contributions on behalf of the Enoch Pratt Free Library employees. The State's contribution for the fiscal year ended June 30, 2024, was $2,343,000. This amount has also been recognized as both revenue and expenditure in the accompanying Statement of Activities.

H. DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan in accordance with the Internal Revenue Code (IRC) Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees or other beneficiaries until termination, retirement, death, or unforeseeable emergency.

The City has no administrative involvement and does not perform the investing function. The City has no fiduciary accountability for the plan and, accordingly, the plan assets and related liabilities to plan participants are not included in the basic financial statements.

13. Other Postemployment Benefits

A. PLAN DESCRIPTION

The City of Baltimore provides other postemployment benefits (OPEB) to all qualified City and BCPSS employees. The Plan is a contributory cost sharing multiple employer defined benefit plan. The benefit and contribution provisions of the Plan are established and may be amended by the City. The Plan provides postemployment healthcare and prescription drug benefits to retirees and their beneficiaries. Retirees may choose from two health plan options and four levels of coverage.

The following schedule outlines the eligibility requirements to participants in the Plan by employee group:

Post Retirement Medical Benefit Eligibility Requirement(a)

Employee Group	Requirement
Maryland State Retirement and Pension Systems	If hired before January 1, 1980: Age 60 or 30 years of service
	If hired on or after January 1, 1980: Based on age at retirement and years of service
Fire and Police Employees' Retirement System	If hired before July 1, 2003: Age 50 with at least 10 years of service or 20 years of service
	If hired after July 1, 2003: Age 55 with at least 15 years of service or 25 years of service
Employees' Retirement System & Elected Officials' Retirement System	If hired before July 1, 1979: Age 60 with at least 5 years of service or any age with 30 years of service
	If hired after July 1, 1979: Age 55 with at least 5 years of service or any age with 30 years of service

(a) All employees are eligible for disability benefits depending on years of service and reasons for disability.

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

The number of participants in the Plan as of July 1, 2023 per actuary report was as follows:

Number of Participants

	City	Baltimore City Public School	Total
Active employees	16,062	4,962	21,024
Inactive employees or beneficiaries currently receiving benefits	10,115	3,125	13,240
Inactive employees entitled to but not yet receiving benefits	832	257	1,089
Totals	27,009	8,344	35,353

B. SIGNIFICANT ACCOUNTING POLICIES OF THE OPEB TRUST FUND

Basis of Accounting - The financial statements for the OPEB Trust Fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments - Plan investments are reported at fair value. Securities traded on national and international exchanges are valued at the last reported sale price at the current exchange rates.

C. FINANCIAL RESULTS

The OPEB Trust Fund does not issue a stand-alone financial report and is not separately audited. Instead, the financial results are published as part of the City's annual comprehensive financial report (ACFR). The financial results for the year ended June 30, 2024, are presented below:

OPEB Trust Funds
Statement of Fiduciary Net Position
June 30, 2024
(Expressed In Thousands)

	OPEB Trust Fund
Assets:	
Cash and cash equivalents	$ 20,728
Investments:	
Stocks	683,496
Bonds	193,722
Real estate	66,927
Other assets	1,619
Total assets	966,492
Liabilities:	
Accounts payable	3,132
Total liabilities	3,132
Net position:	
Net position restricted for OPEB	$ 963,360

OPEB Trust Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024
(Expressed In Thousands)

	OPEB Trust Fund
Additions:	
Contributions:	
Employer	$ 53,278
Employee	43,440
Total contributions	96,718
Investment income:	
Net appreciation in fair value of investments	69,260
Interest and dividend income	15,336
Total investment income	84,596
Less: investment expense	4,380
Net investment income	80,216
Total additions	176,934
Deductions:	
Health benefits	90,727
Total deductions	90,727
Changes in net position	86,207
Net position restricted for OPEB - beginning of the year	877,153
Net position restricted for OPEB - end of the year	$ 963,360

D. FUNDING POLICY

The City's policy is to fund benefits on a pay-as-you-go basis plus make additional contributions comprising the federal retiree drug subsidy payments and an additional annual appropriation. Retirees are required to contribute at various rates ranging from approximately $154 to $2,920 on a monthly basis, depending on the health plan and level of coverage elected and whether Medicare supplemental coverage is present. In addition, retirees contribute 20% toward the prescription plan coverage. Administrative costs of the Plan are covered by the City. The General Fund contributions have been used in the current and prior years to liquidate pension liabilities.

E. ACTUARIAL METHOD AND ASSUMPTIONS

Data was obtained from an actuarial valuation prepared by an independent actuary made as of June 30, 2022, using census data and recent health care costs information which was provided by the City.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and 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 used is the Entry-Age Normal (EAN). Under the EAN cost method, the actuary develops a "normal cost" that can be expected to fund projected benefits at retirement for a new entrant into the plan. The normal cost of benefits are calculated as a level percentage of covered payroll. The unfunded actuarial liability is being amortized over 30 years on a level dollar basis.

The discount rate is based on the rate of return expected to be earned by the assets used to pay to benefits if the plan is appropriately funded. The liability discount rate is based on the actuary's review of the current and historical commitment the City has shown to fully fund the plan, and our determination that current assets plus future contributions will be sufficient to cover all future benefit payments. The plan will not incur a "depletion point". The discount rate used is 7.00%.

Assets are valued at fair value. Past service costs are calculated using the level dollar method with a closed amortization period of 30 years. The valuation also assumes a 5.10% healthcare trend for fiscal year 2023, reduced by decrements to a rate of 4.14% in 2076. Salary increases were not considered as OPEB benefits and OPEB benefits are not based on pay.

Inflation	2.7 %
Salary increases, including wage inflation	2.75% - 3.40%
Discount rate	
Prior measurement date	7.0 %
Measurement date	7.0 %
Current measurement date	7.0 %
Long-term expected asset return at prior measurement date	7.0 %
Long-term expected asset return at current measurement date	7.0 %
Long-term expected asset return at current measurement date	7.0 %
Health care cost trends	Actual premium increases to 2024, decreasing gradually to an ultimate rate of 4.14% by 2076

F. NET OPEB LIABILITY (NOL) AND DISCOUNT RATE

The City accounts for OPEB benefits on a full accrual basis and the net OPEB liability is reflected in the City's financial statements.

The measurement date for OPEB liability is June 30, 2024, and the valuation date is as of June 30, 2023. The Total OPEB Liability (TOL), the Plan Fiduciary Net Position (i.e. fair value of the Plan assets), and the Net OPEB Liability (NOL) as of June 30, 2024, is as follows:

(Expressed in Thousands)

	City Portion	BCPSS Portion	Total
Total OPEB liability	$ 472,295	$ 484,093	$ 956,388
Less: plan fiduciary net position	475,738	487,622	963,360
Net OPEB liability(asset)	$ (3,443)	$ (3,529)	$ (6,972)
Plan fiduciary net position as a percentage of the total OPEB liability	100.7 %	100.7 %	100.7 %

Changes in the discount and healthcare trend rate affect the measurement of the TOL. Because the trend rates do not affect the measurement of assets, the percentage change in the NOL can be very significant for a relatively small change in the trend rates. The table below show the sensitivity of the NOL to the discount rate and trend.

(Expressed in Thousands)

Health Care Cost Trend Rates	1% Increase (8.00%)	Current Discount Rate (7.00%)	1% Decrease (6.00%)
1% decrease	$ –	$ (130,659)	$ –
Current	(113,598)	(6,972)	122
1% increase	–	147,157	–

(Expressed in Thousands)

Health Care Cost Trend Rates (City Portion)	1% Increase (8.00%)	Current Discount Rate (7.00%)	1% Decrease (6.00%)
1% decrease	$ –	$ (64,524)	$ –
Current	(56,098)	(3,443)	60
1% increase	–	72,671	–

(Expressed in Thousands)

Health Care Cost Trend Rates (BCPSS Portion)	1% Increase (8.00%)	Current Discount Rate (7.00%)	1% Decrease (6.00%)
1% decrease	$ –	$ (66,135)	$ –
Current	(57,500)	(3,529)	62
1% increase	–	74,486	–

G. DEFERRED INFLOWS AND OUTFLOWS

The reported deferred outflows/inflows of resources associated with the plan are as follows:

(Expressed in Thousands)

OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 13,194	$ 180,771
Change in assumptions or other	19,758	93,597
Net difference between projected and actual earnings on OPEB plan investments	16,466	–
Total	$ 49,418	$ 274,368

(Expressed in Thousands)

OPEB (City of Baltimore Portion)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 10,080	$ 139,704
Change in assumptions or other inputs	(1,220)	79,918
Net difference between projected and actual earnings on OPEB plan investments	16,276	–
Change in proportionate share	69,097	614
Total	$ 94,233	$ 220,236

(Expressed in Thousands)

OPEB (Baltimore City Public School Portion)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 3,114	$ 41,067
Change in assumptions or other inputs	20,976	13,677
Net difference between projected and actual earnings on OPEB plan investments	191	–
Change in proportionate share	266	68,750
Total	$ 24,547	$ 123,494

The net deferred outflows/inflows of resources to be recognized in OPEB expense in future years is presented below:

(Expressed in Thousands)

Net deferred outflows and inflows for years ended June 30:	City Portion	Baltimore City Public Schools Portion	Total
2025	$ (61,780)	$ (48,514)	$ (110,294)
2026	(39,838)	(31,283)	(71,121)
2027	(17,957)	(14,101)	(32,058)
2028	(7,906)	(6,209)	(14,115)
2029	1,478	1,160	2,638
Total	$ (126,003)	$ (98,947)	$ (224,950)

H. OPEB EXPENSE

The OPEB expense includes changes in the total OPEB liability and projected earnings on plan investment and is presented as follows:

(Expressed in Thousands)

	City Portion	Baltimore City Public School Portion	Total
Service Cost	$ 20,348	$ 6,286	$ 26,634
Interest on Total OPEB Liability and Service Cost	48,212	14,893	63,105
Projected Earnings on OPEB Plan Investments	(47,067)	(14,540)	(61,607)
Difference Between Expected and Actual Experience in the Total OPEB Liability	(79,803)	(24,652)	(104,455)
Changes of Assumptions or Other Inputs	6,848	2,116	8,964
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	7,566	2,337	9,903
OPEB expense June 30, 2024	$ (43,896)	$ (13,560)	$ (57,456)

I. COMPONENT ALLOCATION

OPEB balances have been allocated between the governmental activities, the business-type activities (Enterprise Funds), and the discretely presented component unit as follows:

(Expressed in Thousands)

			Enterprise Funds				Component Unit
	Total OPEB	Governmental Activities	Water	Wastewater	Stormwater	Non-major Proprietary Fund	Baltimore City Public Schools
Net OPEB Liability, Beginning of Year	$ 20,949	$ 13,659	$ 1,621	$ 1,549	$ 295	$ 764	$ 3,061
OPEB Expense	(57,456)	(36,892)	(3,269)	(2,994)	(546)	(195)	(13,560)
Employer Contributions	(53,277)	(34,209)	(3,032)	(2,776)	(506)	(181)	(12,573)
Deferred Outflows/(Inflows)	82,812	53,174	4,712	4,315	787	281	19,543
Net OPEB Liability, End of Year	$ (6,972)	$ (4,268)	$ 32	$ 94	$ 30	$ 669	$ (3,529)

14. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; civil rights violations; and natural disasters. The City's risk financing techniques include a combination of risk retention through self-insurance and risk transfer through the purchase of commercial insurance. The risk management program services all claims for risk of loss, including general liability, property and casualty, workers' compensation, unemployment compensation, automobile physical damage and bodily injury, and sundry other risks. The City has included the accounting for violations of a person's civil rights. The civil rights liability is recorded within the General Fund. Commercial insurance coverage is provided for each property damage claim in excess of $500,000 with a cap of $550,000,000. Settled claims have not exceeded this commercial coverage in any of the past three years. The City also provides medical insurance coverage for all employees and retirees. Employees are required to pay a percentage of the annual cost of the medical plans and the remaining costs are paid by the internal service program.

All funds of the City and the Baltimore City Public School System participate and make payments to the risk management program based on actuarial estimates and historical cost information of the amounts needed to pay prior and current year claims. As of June 30, 2024, the City has determined that the range of potential claims liability for the program to be between $358,750,000 and $510,366,000. Liabilities include an amount for claims that have been incurred but not reported (IBNR). This liability, which has been discounted at 3.0% as of June 30, 2024 does not include the effects of inflation, incremental or other allocated or unallocated claim adjustment expenses, salvage, or subrogation, as such factors are not considered material.

Changes in the Risk Management Program claims liability in fiscal years 2024 and 2023 were (amounts expressed in thousands):

	2024	2023
Unpaid claims, beginning	$ 417,908	$ 372,164
Claims incurred	298,237	373,351
Claims paid	(357,395)	(327,607)
Unpaid claims, ending	$ 358,750	$ 417,908

The City estimates that $91,515,000 of the estimated claims liability is due within one year.

15. Leases

Primary Government Lessor-Lease

The City has entered into various lease agreements as lessor to lease buildings and office space. Leases have terms of 1 to 30 years. The City has included all leases except those for which call for nominal lease payments. As the interest rate implicit in these leases are not readily determinable, the City utilizes its incremental borrowing rate to discount the lease payments.

As of June 30, 2024, future minimum lease payments for leases where the City is the lessor are as follows (amounts expressed in thousands):

Fiscal Year	Principal	Interest	Total
2025	$ 541	$ 1,209	$ 1,750
2026	566	1,184	1,750
2027	592	1,158	1,750
2028	619	1,131	1,750
2029	648	1,102	1,750
2030-2034	3,717	5,033	8,750
2035-2039	4,659	4,091	8,750
2040-2044	5,839	2,911	8,750
2045-2049	7,319	1,431	8,750
2050-2053	1,673	77	1,750
Total	$ 26,173	$ 19,327	$ 45,500

Lessee-Lease

The City has entered into various lease agreement as lessee primarily for office space. Leases have initial term for 1 to 15 years with an average length of 4 years, and contains one or more renewals at the City's option, most commonly for 5-year periods and others at one or three-years. The City has generally included these renewal periods in the lease term when it is reasonably certain that the City will exercise the renewal option. The City leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. 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. For office space leases that include variable payments, those include payments for the City's proportionate share of the building's property taxes, insurance, and common area maintenance. The City's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the City's leases is not readily determinable, the City utilizes its incremental borrowing rate to discount the lease payments.

On September 1, 2023, the City entered into a 48 month lease as Lessee for the use of 217 East Redwood Street. An initial lease liability was recorded in the amount of $413,685. As of 06/30/2024, the value of the lease liability is $328,188, and the value of the short-term lease liability is $102,930. The City is required to make monthly fixed payments of $8,726. The lease has an interest rate of 0.6320%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of June 30, 2024 of $413,685 with accumulated amortization of $86,184 is included with Buildings on the Lease Class activities table found below.

As of June 30, 2024, future minimum lease payments for leases where the City is the lessee are as follows (amounts expressed in thousands):

	As of Fiscal Year-end	
Asset Class	Lease Asset Value	Accumulated Amortization
Building	$ 48,675	$ 18,274
Total Leases	$ 48,675	$ 18,274

	Governmental Activities			Business-type Activities		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2025	$ 6,073	$ 1,296	$ 7,369	$ –	$ –	$ –
2026	5,575	1,081	6,656	–	–	–
2027	4,665	880	5,545	–	–	–
2028	3,990	693	4,683	–	–	–
2029	3,663	518	4,181	–	–	–
2030-2034	8,163	1,103	9,266	–	–	–
2035-2039	923	105	1,028	–	–	–
2040-2044	127	5	132	–	–	–
2045-2049	4	1	5	–	–	–
2050-2053	2	(1)	1	–	–	–
Total	$ 33,185	$ 5,681	$ 38,866	$ –	$ –	$ –

	Governmental Activities
Balance, June 30, 2023	$ 39,500
Lease Payments	(6,753)
New Leases	438
Balance, June 30, 2024	$ 33,185
Due in one year	$ 6,614

Lessee – Finance purchase

The City entered into two lease agreements with Bank of America Public Capital Corp. to purchase motor vehicles and heavy equipment for the Department of General Services. The City is required to make semi-annual payments. One agreement was with a 5-year term and an interest rate of 4.493%, and the other agreement was a 10-year term and an interest rate of 4.6212%. The semiannual payments for these agreements are $642,000 and $1,060,000 respectively. The City also entered into a lease agreement with Bank of America Public Capital Corp. for helicopters. This agreement was a 10-year term and an interest rate of 2.41%, and semi-annual payments of $1,020,000. As of June 30, 2024, the total finance purchase liability is $159,146,000.

Future minimum lease payments as of June 30, 2024, are as follows (expressed in thousands):

		Business-type Activities		
Fiscal Year	Governmental Fund	Enterprise Fund	Internal Service Fund	Total
2025	$ 7,969	$ 59	$ 28,195	$ 36,223
2026	8,006	–	24,995	33,001
2027	6,688	–	22,183	28,871
2028	9,052	–	13,600	22,652
2029	5,847	–	11,807	17,654
2030-2034	11,714	–	30,099	41,813
Total minimum lease payments	49,276	59	130,879	180,214
Less: computed interest	(4,865)	(1)	(16,202)	(21,068)
Present value minimum lease payments	$ 44,411	$ 58	$ 114,677	$ 159,146

		Business-type Activities		
	Governmental Activities	Enterprise Fund	Internal Service Fund	Total
Balance, June 30, 2023	$ 39,469	$ 193	$ 117,791	$ 157,453
Lease Payments	–	(135)	(38,058)	(38,193)
New Leases	4,942	–	34,944	39,886
Balance, June 30, 2024	44,411	58	114,677	159,146
Due in one year	$ 6,795	$ 57	$ 23,330	$ 30,182

The following is a schedule of leased property under leases by major class as of June 30, 2024 (expressed in thousands):

Classes of Right of Use Assets	Governmental Activities	Business-type Activities: Enterprise Fund	Business-type Activities: Internal Service Fund	Total
Buildings	$ 193,620	$ –	$ –	$ 193,620
Equipment	270,740	3,187	271,536	545,463
Total	$ 464,360	$ 3,187	$ 271,536	$ 739,083

Amortization of assets recorded under financed purchases is included in depreciation expense.

Baltimore City Public School System (BCPSS)

Lessee

BCPSS has entered into a 30 year lease with the Baltimore Design School for rental space in October of 2011. During the year which ended June 30, 2024, rent and lease expenditures equaled $782,000 made from the General Fund. An interest rate of 4% was applied. BCPSS has entered into a 15 year lease with St. Marks Evangelical Lutheran Church of Baltimore City for parking spaces in June of 2012. During the year which ended June 30, 2024, rent and lease expenditures equaled $78,000 made from the General Fund. An interest rate of 4% was applied. BCPSS has entered into a 5 year lease with The Shrine of the Sacred Heart Roman Catholic Congregation, Inc for rental space in October of 2010. During the year which ended June 30, 2024, rent and lease expenditures equaled $196,000 made from the General Fund. An interest rate of 4% was applied. BCPSS has entered into a 3 years lease with Marco Technologies LLC to provide office equipment and a 3 year vehicle lease with Enterprise Fleet Management for Fiscal Year 2021. During the year which ended June 30, 2024, rent and lease expenditures equaled $319,000. An interest rate of 4% was applied. BCPSS has entered into a 6 years lease with Transformation Center for rental space. During the year which ended June 30, 2024, rent and lease expenditure equaled $99,000 made from the General Fund. An interest rate of 4% was applied.

Future minimum lease payments under lease agreements as of June 30, 2024, are as follow (expressed in thousands):

	Total Lease Receivable		
Fiscal Year	Principal	Interest	Total
2025	$ 1,808	$ 929	$ 2,737
2026	1,147	871	2,018
2027	1,046	827	1,873
2028	1,047	786	1,833
2029	965	746	1,711
2030-2034	5,388	3,112	8,500
2035-2039	6,579	1,921	8,500
2040-2044	6,295	505	6,800
	$ 24,275	$ 9,697	$ 33,972

Right-to-use assets through outstanding leased are shown below, by underlying asset class, as of June 30, 2024 (expressed in thousands):

Classes of Property		
Buildings	$	26,563
Equipment		3,391
Total	$	29,954

Lessor

BCPSS, acting as lessor, leases telecom under long-term, non-cancelable lease agreements, at an interest rate of 4%. The leases expire at various dates thought 2043 and provide renewal options ranging from three months to six years. During the year ended June 30, 2024, BCPSS recognized $486,000 and $139,000, in lease revenue and interest revenue, respectively, pursuant to these contracts. BCPSS, acting as lessor, lease charter school under long-term, non-cancelable lease agreements, at an interest rate of 4%. The leases expire at various dates through 2026 and provide renewal option from three months to six years. During the year ended June 30, 2024, BCPSS recognized $1.2 million and $67,000, in lease revenue and interest revenue, respectively, pursuant to these contracts.

Future minimum lease payments under lease agreements as of June 30, 2024, are as follow (expressed in thousands):

	Total Lease Receivable		
Fiscal Year	Principal	Interest	Total
2025	$ 1,917	$ 186	$ 2,103
2026	887	151	1,038
2027	520	130	650
2028	554	109	663
2029	457	88	545
2030-2034	1,344	241	1,585
2035-2039	869	51	920
2040-2044	–	–	–
	$ 6,548	$ 956	$ 7,504

A leases receivable of $6.5 million and deferred inflow of $6.6 million are presented in the BCPSS Statements.

16. Subscription Based Information Technology Arrangements (SBITA)

The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On July 1, 2023, the City entered into a 30 month subscription for the use of AGS Prime System. An initial subscription liability was recorded in the amount of $146,812. As of June 30 ,2024, the value of the subscription liability is $84,744, and the value of the short-term subscription liability is $59,611. The City is required to make annual fixed payments of $62,069. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 3, 2024 of $146,812 with accumulated amortization of $58,725 is included with Software on the Subscription Class activities table found below

On October 16, 2023, the City entered into a 60 month subscription for the use of FirstWatch - Tiburon CAD. An initial subscription liability was recorded in the amount of $217,088. As of June 30, 2024, the value of the subscription liability is $170,623, and the value of the short-term subscription liability is $40,474. The City is required to make annual fixed payments of $46,465. The subscription has an interest rate of 3.5113%. The value of the right to use asset as of June 30, 2024 of $217,088 with accumulated amortization of $30,754 is included with Software on the Subscription Class activities table found below.

On March 20, 2024, the City entered into a 33 month subscription for the use of REVENUE SOLUTION, INC. An initial subscription liability was recorded in the amount of $11,789,054. As of June 30,2024, the value of the subscription liability is $11,224,184, and the value of the short-term subscription liability is $222,645. The City is required to make monthly fixed payments of $564,870. The subscription has an interest rate of 3.0490%. The value of the right to use asset as of June 30, 2024 of $11,789,054 with accumulated amortization of $1,239,016 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 12 months.

On July 1, 2023, the City entered into a 36 month subscription for the use of Dynamic Workforce Solutions, LLC. An initial subscription liability was recorded in the amount of $7,493. As of June 30, 2024, the value of the subscription liability is $3,593, and the value of the short-term subscription liability is $0. The City is required to make monthly fixed payments of $3,900. The subscription has an interest rate of 2.8480%. The value of the right to use asset as of June 30, 2024 of $7,493 with accumulated amortization of $2,498 is included with Software on the Subscription Class activities table found below.

On September 6, 2023, the City entered into a 48 month subscription for the use of BENCHMARK ANLYTICS (PO-017238). An initial subscription liability was recorded in the amount of $3,160,125. As of June 30, 2024, the value of the subscription liability is $2,336,511, and the value of the short-term subscription liability is $757,071. The City is required to make annual fixed payments of $823,615. The subscription has an interest rate of 2.8480%. The value of the right to use asset as of June 30, 2024 of $3,160,125 with accumulated amortization of $862,384 is included with Software on the Subscription Class activities table found below. The Vendor has 2 extension option(s), each for 12 months.

On July 1, 2023, the City entered into a 36 month subscription for the use of QLESS, INC (PO-022669). An initial subscription liability was recorded in the amount of $114,630. As of June 30, 2024, the value of the subscription liability is $56,609, and the value of the short-term subscription liability is $28,043. The City is required to make annual fixed payments of $29,100. The subscription has an interest rate of 1.8680%. The value of the right to use asset as of June 30, 2024 of $114,630 with accumulated amortization of $54,949 is included with Software on the Subscription Class activities table found below.

On April 10, 2024, the City entered into a 120 month subscription for the use of APPLIED TECHNOLOGY SERVICES, INC (PO-022303). An initial subscription liability was recorded in the amount of $10,523,140. As of June 30, 2024, the value of the subscription liability is $9,360,808, and the value of the short-term subscription liability is $948,718. The City is required to make annual fixed payments of $1,162,332. The subscription has an interest rate of 2.2820%. The value of the right to use asset as of June 30, 2024 of $10,523,140 with accumulated amortization of $262,997 is included with Software on the Subscription Class activities table found below. The Vendor has 1 extension option(s), each for 60 months.

	As of Fiscal Year-end	
Asset Class	Subscription Asset Value	Accumulated Amortization
SBITA	$ 35,162	$ 5,493
Total Subscriptions	$ 35,162	$ 5,493

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payment	Total Payment
2025	$ 4,942	$ 879	$ 5,821
2026	9,363	566	9,929
2027	5,594	315	5,909
2028	2,046	215	2,261
2029	2,057	157	2,214
2030-2031	4,396	254	4,650
	$ 28,398	$ 2,386	$ 30,784

	Governmental Activities
Balance, June 30, 2023	$ 6,300
Lease Payments	(3,860)
New Leases	25,958
Balance, June 30, 2024	$ 28,398
Due in one year	$ 4,942

17. Landfill Closure and Postclosure Care Costs

State and federal laws and regulations require that the City place a final cover on its landfill site and perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty years after closure. In addition to operating expenses related to current activities of the landfill site, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is $32,452,000 as of June 30, 2024, which is based on 86.28% usage (filled capacity) of the landfill. This is a decrease in the liability of $4,146,000, and a increase in the usage of -0.33%, since June 30, 2023. It is estimated that an additional $5,161,000 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (the year 2025). The estimated total current cost of the landfill closure and postclosure care, $37,612,000, is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2024. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in the landfill laws and regulations. The City does not expect to pay any closure and postclosure care costs during fiscal year 2024.

	Governmental Activities
Balance June 30, 2023	$ 36,598
Decrease in Estimate	(4,146)
Balance June 30, 2024	$ 32,452
Due in one year	$ –

In addition, the City is required by State and Federal laws and regulations to make annual contributions to finance closure and postclosure care. The City is in compliance with these requirements, and as of June 30, 2024, cash and cash equivalents of $32,538,000 were held in the City's General Fund. In addition, the General Fund's fund balance was appropriately reserved. It is anticipated that future inflation costs will be financed from earnings on investments held by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in closure and postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

18. Notes and Mortgages Receivable

Notes and mortgages receivable as of June 30, 2024, consist of the following:

A. The General Fund has notes receivable of $254,229,833.15 net of a $1,000,000 allowance for losses. A note receivable from the Baltimore Hotel Corporation for $252,220,000 bears interest at rates ranging from 3% to 5% and mature over 30 years. A portion of this note receivable totaling $247,660,000 is scheduled to be collected in 2026 through 2046. The other portion of the notes receivable unrelated to the Baltimore Hotel Corporation is for notes totaling $602,000 net of a $1,000,000 allowance for losses. These notes bear interest rates ranging from 1.0% to 12.0% over 30 years.

B. The Parking Facilities Fund has mortgages receivable of $6,862,000 collateralized by real property. These notes bear interest at rates ranging from 6.1% to 6.9% and mature over 30 years. A portion of this note receivable totaling $3,594,132 is scheduled to be collected in 2025 through 2036.

19. Fund Balance

The composition of the fund balances of the governmental funds for fiscal year ended June 30, 2024, are as follows (amounts expressed in thousands):

	General (a)	Grants Revenue	Capital Projects	Other Funds	Governmental Funds
Fund Balances					
Nonspendable:					
Reserved for other assets	$ 6,292	$ –	$ –	$ –	$ 6,292
Restricted:					
General government	–	–	48,593	46,622	95,215
Education	–			18,764	18,764
Sanitation and waste removal	88,646				88,646
Debt service	252,220				252,220
Total restricted	340,866	–	48,593	65,386	454,845
Assigned to:					
General government	254,665		–	25,571	280,236
Public safety and regulation	26,941				26,941
Education	30,000			5,465	35,465
Recreation and culture	327				327
Highways and streets	1,142				1,142
Public service	1,759				1,759
Economic development	1,050			8,494	9,544
Total assigned (b)	315,884	–	–	39,530	355,414
Unassigned	259,021	(35,924)	–	–	223,097
Total fund balances	$ 922,063	$ (35,924)	$ 48,593	$ 104,916	$ 1,039,648

(a) General fund unassigned fund balance includes $359,022 or the budget stabilization reserve.

(b) The assigned fund balance include encumbrances as follows: General Fund $4,587, Capital Projects $–, and Other Funds $29,809.

20. Commitments and Contingencies

The City is party to legal proceedings which normally occur in governmental operations. The City provides for the estimated losses on certain outstanding claims as discussed in Note 14. The City has determined, in consultation with outside counsel that certain claims are in too early of a stage to make a reasonable assessment of the City's liability. The City vigorously contests such claims as a matter of policy and will fully assert all available remedies, including the $400,000 ceiling per individual claim. It is the opinion of City management, in consultation with outside legal counsel, that any additional liability for remaining litigation will not be material to the City's financial position or results of operations.

The City has received Federal and State grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantors' requirements. Any disallowance as a result of these audits become a liability of the City. As of June 30, 2024, the City estimates that no material liabilities will result from such audits.

The Northeast Maryland Waste Disposal Authority Act was enacted by the Maryland General Assembly to assist in the provision of waste disposal facilities for the Northeast Maryland area, including the facilities for the disposal of wastewater treatment residue. The City agreed to perform the obligations of the Authority. The current agreement, approved in March 2008, provided that the Authority and Mayor and City Council of Baltimore "the City" entered into a service agreement, through June 30, 2013, with Veolia Water North America-Central, LLC, a Delaware limited liability company, which now owns and operates the facility. The agreement has now been extended through June 30, 2024. The agreement allows the Wastewater Utility to deliver up to approximately 2,167 wet tons of sewerage sludge per month and to pay a tipping fee comparable to alternative methods of sludge disposal currently being used by the Wastewater Utility. The debt service on variable rate bonds has been satisfied and is no longer a component of the tipping fee. The Wastewater Utility's current tipping fee expense per wet ton for delivering sewerage sludge was $112.55 and $54.80 up to the guaranteed and excess tonnage amounts, respectively. Payments under the agreement in fiscal year 2024 were $3.2 million. The maximum commitment by the City is 26,004 wet tons per year.

The Wastewater Utility also has an agreement with Synagro-Baltimore, LLC, a wholly owned subsidiary of Synagro Technologies for processing biosolids at the City's Back River and Patapsco Wastewater Treatment Plants. Under the agreements, the Wastewater Utility delivers approximately 3,000 dry tons of biosolids per year at each facility and pays base and service tipping fees. The debt service on the bonds is a component of the tipping fees. The base tipping fee at the Patapsco Wastewater Treatment Plant terminated in fiscal year 2017 with the completion of debt service payment. The average service tipping fees were $415.21 and $487.65 per ton for the Back River and Patapsco Wastewater Treatment Plants, respectively. Payments under the agreements in fiscal year 2024 were $45.6 million. The agreements extend to 2025 for the Back River and 2027 for the Patapsco Wastewater Treatment Plants.

In 2002, the City entered into a Consent Decree to rehabilitate its sanitary sewer system and address sanitary sewer overflows (SSOs). The 2002 Consent Decree expired on January 1, 2016. On October 6, 2017, the U.S. District Court approved a Modified Consent Decree (MCD). The Modified Consent Decree supersedes the 2002 Consent Decree and provides a revised schedule to address SSOs through a hybrid level of protection. The Modified Consent Decree is one of many that the U.S. Department of Justice has negotiated with major cities with aging sewer infrastructure. These efforts are ambitious, and the costs are estimated at $2.0 billion (as of October 1, 2021), which is comprised of the following components: $1.5 billion in costs and encumbrances incurred through October 1, 2021 and $540 million in projected costs for completion of Phase I and II projects through December 31, 2030 (capital only).

The MCD is composed of two (2) phases. Phase I provides environmental benefits and constructs the Headworks Project at the Back River Wastewater Treatment Plant. Phase I is mostly complete. After the completion of the Headworks project in January 2021, the sewer system experienced a 67% reduction in volume of SSOs as compared to the year prior. Phase II projects will build on the Phase I performance results and achieve the MCD mandated Levels of Protection against SSOs through additional system rehabilitation and increases hydraulic capacity. The City will continue to address sewage building backups and sanitary discharges of unknown origin (SDUOs), while performing proactive maintenance throughout the sanitary sewer system. Collectively, the MCD extends the deadline to address SSOs to December 31, 2030. A close-out report is due by July 31, 2033.

During the course of normal business activity there are billing disputes with other governmental entities. The City has recorded adequate reserves for these disputed amounts.

21. Adjustments for Discretely Presented Component Units

As of and for the year ended June 30, 2024, the BCPSS did not record its proportionate share of the pension liability and related amounts related to its participation in the City's cost sharing retirement plan. The BCPSS also did not record its proportionate share of net OPEB liability and related amounts related to its participation in the City's other post- employment benefits (OPEB). For June 30, 2024, the City made adjustments to the BCPSS financials statements to correct the BCPSS's financial statements. As such, the City has included the BCPSS's financials, after adjustments, in the accompanying financials statements. The auditors for the City have audited the adjustments made to the BCPSS financial statements as listed below. The adjustments to the BCPSS financial statements were to include the BCPSS proportionate share of the net pension liability for those employees in the Employees' Retirement System of the City of Baltimore (ERS) and the BCPSS proportionate share of the net OPEB liability for employees eligible for other postemployment benefits as of June 30, 2024 and related deferred outflows, deferred inflows and expense.

The adjustments recorded are listed below:

(Expressed in Thousands)

	As reported by BCPSS	Adjustments for recordation of Net Pension Liability	Adjustments for recordation of Net OPEB Liability	Restated per City's Financial Statements
Deferred outflows	$ –	$ 30,305	$ 24,547	$ 54,852
Net pension liability	–	120,752	–	120,752
Deferred inflows	–	3,430	123,494	126,924
Expenses	(6,590)	65,087	26,133	84,630
Net position, as restated, June 30, 2024	2,138,078	(93,876)	(95,418)	1,948,784

22. Tax Abatement

As of June 30, 2024, the City approves Tax Abatements and Payment In Lieu of Taxes (PILOT) for the purpose of encouraging economic development and to provide better residential housing for the disabled and senior citizens:

- The economic development program provides PILOTs to businesses, landowners and developers to substitute payment for annual real estate taxes with negotiated payment called PILOTs for a specific period of time. PILOTs are granted on qualifying projects which would not otherwise be undertaken without the City's support. The program is administered under the authority of the Property Tax Article of the State Annotated Code Title 7 Property Taxes Subtitle 5 Exemptions. Abatements are obtained by application to the Baltimore Development Corporation (BDC) with final approval by the City's Board of Estimates.

- The disabled and senior residential housing program provides PILOTs to developers and not-for profit organizations who provide housing for disabled and senior citizens to replace their annual real estate taxes with a negotiated payment for a specific period of time. PILOTs are granted on qualifying projects which would not otherwise be undertaken without the City's support. The program is administered under the authority of the Property Tax Article of the State Annotated Code Title 7 Property Taxes Subtitle 5 Exemptions. Abatements are obtain by application directly to the City's Department of Housing. Final approval rests with the City's Board of Estimates.

Additionally, the State of Maryland makes PILOT payments to the City for various port facilities that are operated by the State. The amount below reflects the amount of tax revenues that were reduced in the current fiscal year.

(Expressed in Thousands)

Tax Abatement Program	Amount of Taxes Abated
Economic development	
Market based housing	$ 1,414
Business development	12,919
Garages	376
Affordable housing	13,679
State of Maryland Port Authority	2,414
Total	$ 30,802

Required Supplementary Information

See Report of Independent Public Accountants

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CITY OF BALTIMORE

Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances – Budget and Actual – Budgetary Basis(1), (2), (3) - General Fund

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes - local	$ 1,752,683	$ 1,770,583	$ 1,754,646	$ (15,937)
State shared revenue	193,444	193,444	128,289	(65,155)
Licenses and permits	28,849	28,849	36,817	7,968
Fines and forfeitures	33,111	33,111	29,882	(3,229)
Interest and other investment income	45,730	79,091	59,845	(19,246)
Intergovernmental grants	117,680	117,680	137,551	19,871
Other grants	3,001	3,001	3,589	588
Charges for services	44,243	44,243	57,574	13,331
Miscellaneous	5,847	5,847	5,411	(436)
Total revenues	2,224,588	2,275,849	2,213,604	(62,245)
Expenditures and encumbrances:				
Baltimore City Public School System	412,875	412,875	405,375	7,500
Board of Liquor License Commissioners	3,070	3,321	3,238	83
City Council	9,858	9,858	8,155	1,703
Civil Service Commission	12,538	12,538	12,053	485
Comptroller	11,671	11,671	9,883	1,788
Courts	24,133	24,133	20,378	3,755
Department of Finance	39,664	39,664	30,307	9,357
Department of Fire	263,602	296,964	255,705	41,259
Department of General Services	17,221	17,221	11,809	5,412
Department of Health	80,474	85,726	17,856	67,870
Department of Housing and Community Development	88,645	88,645	66,794	21,851
Department of Law	13,600	13,600	12,664	936
Department of Legislative Reference	2,126	2,126	1,693	433
Department of Municipal and Zoning Appeals	619	619	489	130
Department of Planning	10,787	10,787	2,309	8,478
Department of Police	572,388	575,663	524,745	50,918
Department of Public Works	144,827	150,809	124,518	26,291
Department of Recreation and Parks	58,372	65,346	49,561	15,785
Department of Transportation	151,360	151,360	123,267	28,093
Enoch Pratt Free Library	32,359	32,359	27,380	4,979
Mayoralty	283,006	283,006	281,112	1,894
Office of Civil Rights	6,617	6,617	5,957	660
Office of Financial Review	847	847	776	71
Office of Sheriff	25,850	25,850	29,657	(3,807)
Office of State's Attorney	43,684	43,684	35,468	8,216
Supervisor of Elections	8,116	9,533	8,226	1,307
Total expenditures and encumbrances	2,318,309	2,374,822	2,069,375	305,447
Excess of revenues over expenditures and encumbrances	(93,721)	(98,973)	144,229	(367,692)
Other financing sources (uses):				
Transfers in	17,127	17,127	41,747	24,620
Transfers out	(102,837)	(102,837)	(94,275)	8,562
Total other financing sources (uses)	(85,710)	(85,710)	(52,528)	33,182
Net changes in fund balances	(179,431)	(184,683)	91,701	276,384
Fund balances - beginning	1,299,111	1,299,111	1,299,111	–
Fund balances - ending	$ 1,119,680	$ 1,114,428	1,390,812	$ 276,384
Adjustments to reconcile to GAAP basis:				
Residual Equity Transfer In				
Addition of encumbrances outstanding			11,349	
Less: Accounts payable not recorded for budgetary purposes and other GAAP adjustments			(480,095)	
Fund balance - June 30, 2024 (GAAP basis)			$ 922,066	

(a) Annual budgets are adopted for the General Fund and all Special Revenue Funds, except for Grants Revenue, Community Development Block Grant Funds and the Scholarship Fund, on a basis consistent with Generally Accepted Accounting Principles, except for certain miscellaneous general expenditures which are not budgeted and encumbrances which are recognized as expenditures for budgetary purposes.

(b) The budget of the City is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes: (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflow) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter prohibits expending funds for which there is no legal appropriation.

(c) This schedule does not include a non-budgetary revenue and expense item in the amount of $2,343,000 which was paid by the Maryland State Retirement System on behalf of the City of Baltimore for certain employees of the Enoch Pratt Free Library.

CITY OF BALTIMORE

Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balances – Budget and Actual – Budgetary Basis(1), (2), Grants Fund

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental grants	$ 528,508	$ 528,508	$ 408,099	$ (120,409)
Other grants	210,651	210,651	68,388	(142,263)
Total revenues	739,159	739,159	476,487	(262,672)
Expenditures and encumbrances:				
Comptroller	693	693	(948)	1,641
Courts	11,741	11,741	4,394	7,347
Department of Finance	454	454	257	197
Department of Fire	91,709	91,709	76,351	15,358
Department of General Services	3,033	3,033	422	2,611
Department of Health	252,868	252,868	23,351	229,517
Department of Housing and Community Development	198,451	198,451	61,570	136,881
Department of Law	–	–	(15)	15
Department of Planning	11,239	11,239	590	10,649
Department of Police	103,859	103,859	30,901	72,958
Department of Public Works	9,581	9,581	16,068	(6,487)
Department of Recreation and Parks	20,945	20,945	8,919	12,026
Department of Transportation	49,395	49,395	4,162	45,233
Enoch Pratt Free Library	14,395	14,395	10,819	3,576
Mayoralty	126,759	126,759	126,709	50
Office of Civil Rights	179	179	18	161
Office of Sheriff	3,097	3,097	39	3,058
Office of State's Attorney	16,313	16,313	5,545	10,768
Supervisor of Elections			1,138	(1,138)
Total expenditures and encumbrances	914,711	914,711	370,290	544,421
Excess of revenues over expenditures and encumbrances	(175,552)	(175,552)	106,197	281,749
Other financing sources (uses):				
Transfers in	–	–	10,557	10,557
Transfers out	(15,767)	(15,767)	–	15,767
Total other financing sources (uses)	(15,767)	(15,767)	10,557	26,324
Net changes in fund balances	(191,319)	(191,319)	116,754	308,073
Fund balances - beginning	(71,021)	(71,021)	(71,021)	–
Fund balances - ending	$ (262,340)	$ (262,340)	45,733	$ 308,073
Adjustments to reconcile to GAAP basis:				
Residual Equity Transfer In				
Addition of encumbrances outstanding				
Less: Accounts payable not recorded for budgetary purposes and other GAAP adjustments			(81,657)	
Fund balance - June 30, 2024 (GAAP basis)			$ (35,924)	

(a) Annual budgets are adopted for the General Fund and Grants Revenue Fund on a basis consistent with Generally Accepted Accounting Principles, except for certain miscellaneous general expenditures which are not budgeted and encumbrances which are recognized as expenditures for budgetary purposes.

(b) The budget of the City is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes: (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflow) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter prohibits expending funds for which there is no legal appropriation.

CITY OF BALTIMORE

Schedule of the City's Proportionate Share of Net Pension Liability - Employees' Retirement System Plan

For the Year Ended June 30, 2024

(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023
City's share of the net pension liability	85.19 %	80.03 %	81.56 %	72.51 %	86.99 %	77.81 %	81.75 %	81.84 %	81.01 %
City's proportionate share of the net pension liability	$ 614,236	$ 644,079	$ 597,470	$ 565,892	$ 626,594	$ 705,725	$ 398,214	$ 512,491	$ 515,070
City's covered payroll	347,656	319,693	318,999	304,333	341,037	365,095	340,218	359,541	371,542
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	176.68%	201.47%	187.30 %	185.95 %	183.73 %	193.30 %	117.05 %	142.54 %	138.63 %
Plan fiduciary net position as a percentage of the total pension liability	68.00%	65.17%	65.17 %	71.11 %	69.80 %	66.57 %	66.57 %	75.90 %	76.20 %

The reporting date is June 30, 2024 and the measurement date is June 30, 2023. Covered payroll is as of the measurement date.

CITY OF BALTIMORE

Schedule of Employer Contributions - Employees' Retirement System Plan

For the Year Ended June 30, 2024

(Expressed in Thousands)

Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	$ 77,088	$ 60,712	$ 68,895	$ 63,481	$ 73,025	$ 78,177	$ 67,658	$ 71,084	$ 80,727	$ 79,908
Contribution in relation to the actuarially determined contribution	82,780	61,704	68,904	63,481	73,025	78,177	67,658	71,084	80,727	79,908
Contribution deficiency (excess)	$ (5,692)	$ (992)	$ (9)	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Covered payroll	$ 347,656	$ 319,693	$ 318,999	$ 304,333	$ 341,037	$ 365,095	$ 340,218	$ 372,142	$ 359,546	$ 371,542
Contribution as a percentage of covered payroll	23.81 %	19.30 %	21.60 %	20.86 %	21.41 %	21.41 %	19.89 %	19.10 %	22.45 %	21.51 %

Covered payroll is an of The Employees' Retirement System Plan fiscal year end.

CITY OF BALTIMORE

Schedule of the City's Proportionate Share of Net Pension Liability - Maryland State Retirement and Pension System-ERPS

For the Year Ended June 30, 2024

(Expressed in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023
City's share of the net pension liability	0.02 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %	0.03 %
City's proportionate share of the net pension liability	$ 5,894	$ 7,001	$ 6,935	$ 6,939	$ 7,322	$ 4,906	$ 6,480	$ 7,064
City's covered payroll	850	1,400	1,423	1,486	1,394	1,407	1,456	1,643
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	693.41 %	500.07 %	487.35 %	466.96 %	525.25 %	348.69 %	445.05 %	429.95 %
Plan fiduciary net position as a percentage of the total pension liability	62.97 %	66.71 %	68.36 %	67.98 %	66.29 %	76.76 %	71.75 %	71.75 %

Note: The reporting date is June 30, 2024 and the measurement date is June 30, 2023.

CITY OF BALTIMORE

Schedule of Employer Contributions - Maryland State Retirement and Pension System-ERPS

For the Year Ended June 30, 2024

(Expressed in Thousands)

Description	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 486	$ 659	$ 659	$ 691	$ 695	$ 721	$ 739	$ 748
Contribution in relation to the actuarially determined contribution	486	659	659	691	695	721	739	748
Contribution deficiency (excess)	–	–	–	–	–	–	–	–
Covered payroll	$ 850	$ 1,400	$ 1,423	$ 1,486	$ 1,394	$ 1,407	$ 1,456	$ 1,643
Contribution as a percentage of covered payroll	57.18 %	47.07 %	46.31 %	46.50 %	49.86 %	51.24 %	50.76 %	45.53 %

Note: 2024 data is not available.

CITY OF BALTIMORE

Schedule of the City's Proportionate Share of Net Pension Liability - Maryland State Retirement and Pension System-LEOPS

For the Year Ended June 30, 2024

(Expressed in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023
City's share of the net pension liability	0.13 %	0.13 %	0.14 %	0.13 %	0.12 %	0.13 %	0.12 %	0.10 %
City's proportionate share of the net pension liability	$ 30,244	$ 28,519	$ 28,528	$ 26,032	$ 27,837	$ 20,060	$ 23,737	$ 23,135
City's covered payroll	214	220	232	228	234	259	256	242
City's proportionate share of the net pension liability as a percentage of its covered employee payroll	14132.71 %	12963.18 %	12296.55 %	11417.54 %	11896.15 %	7745.17 %	9272.27 %	9559.92 %
Plan fiduciary net position as a percentage of the total pension liability	58.88 %	62.80 %	63.82 %	64.79 %	63.60 %	63.60 %	67.74 %	68.74 %

Note: The reporting date is June 30, 2024 and the measurement date is June 30, 2023.

CITY OF BALTIMORE

Schedule of Employer Contributions - Maryland State Retirement and Pension System-LEOPS

For the Year Ended June 30, 2024

(Expressed in Thousands)

Description	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 2,497	$ 2,497	$ 2,711	$ 2,592	$ 2,641	$ 2,946	$ 2,708	$ 2,450
Contribution in relation to the actuarially determined contribution	2,497	2,497	2,711	2,592	2,641	2,946	2,708	2,450
Covered payroll	214	220	232	228	234	259	256	242
Contribution as a percentage of covered payroll	1166.82 %	1135.00 %	1168.53 %	1136.84 %	1128.63 %	1137.45 %	1057.81 %	1012.40 %

Note: 2024 data is not available.

CITY OF BALTIMORE

Schedule of Changes in Net Pension Liability (Assets) and Related Ratios - Fire and Police Employees' Retirement System - Single Employer Plan - Pension Trust Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Interest (includes interest on service cost)	$ 248,633	$ 256,066	$ 260,001	$ 296,220	$ 275,197	$ 277,540	$ 283,201	$ 290,606	$ 288,798	$ 292,790
Service cost	65,548	66,199	70,730	70,987	70,244	69,279	68,969	71,089	73,380	71,416
Change in assumption	–	35,494	–	–	86,384	–	–	45,988	22,540	23,334
Differences between expected and actual experience	1,396	28,065	11,353	(17,476)	(20,544)	(9,039)	13,551	(18,539)	(13,223)	36,587
Benefit payments, including refunds of member contributions	(219,808)	(223,359)	(237,195)	(245,080)	(246,971)	(255,996)	(262,905)	(268,604)	(279,639)	(285,243)
Net change in total pension liability	95,769	162,465	104,889	104,651	164,310	81,784	102,816	120,540	91,856	138,884
Total pension liability - beginning	3,252,533	3,348,302	3,510,767	3,615,656	3,720,307	3,884,617	3,966,401	4,069,217	4,189,757	4,281,613
Total pension liability - ending	$ 3,348,302	$ 3,510,767	$ 3,615,656	$ 3,720,307	$ 3,884,617	$ 3,966,401	$ 4,069,217	$ 4,189,757	$ 4,281,613	$ 4,420,497
Plan fiduciary net position:										
Net investment income	$ 312,131	$ 53,526	$ 2,982	$ 291,978	$ 211,668	$ 148,059	$ (15,075)	$ 774,160	$ (280,107)	$ 223,197
Contribution - employer	113,004	118,190	120,279	129,689	137,738	141,325	146,795	151,088	161,379	154,766
Contribution - member	28,058	30,130	30,339	29,902	31,285	30,711	31,353	31,657	30,735	31,306
Benefit payments, including refunds of member contributions	(219,808)	(223,359)	(237,195)	(245,080)	(246,970)	(255,996)	(262,905)	(268,604)	(279,639)	(285,243)
Administrative expense	(3,786)	(4,281)	(4,377)	(4,328)	(4,984)	(5,144)	(4,967)	(4,928)	(5,115)	(5,252)
Net change in plan fiduciary net position	229,599	(25,794)	(87,972)	202,161	128,737	58,955	(104,799)	683,373	(372,747)	118,774
Plan fiduciary net position - beginning	2,244,571	2,474,170	2,448,376	2,360,404	2,562,565	2,691,302	2,750,257	2,645,458	3,328,831	2,956,084
Plan fiduciary net position - ending	2,474,170	2,448,376	2,360,404	2,562,565	2,691,302	2,750,257	2,645,458	3,328,831	2,956,084	3,074,858
Net position liability (asset) - ending	$ 874,132	$ 1,062,391	$ 1,255,252	$ 1,157,742	$ 1,193,315	$ 1,216,144	$ 1,423,759	$ 860,926	$ 1,325,529	$ 1,345,639
Plan fiduciary net position as a percentage of the total pension liability	73.89 %	69.74 %	65.28 %	68.88 %	69.28 %	69.34 %	65.01 %	79.45 %	69.04 %	69.56 %
Covered payroll	$ 290,581	$ 320,408	$ 298,779	$ 296,357	$ 323,351	$ 322,382	$ 326,640	$ 330,600	$ 318,060	$ 318,719
Net pension liability (asset) as a percentage of covered employee payroll	300.82 %	331.57 %	420.13 %	390.66 %	369.05 %	377.24 %	435.88 %	260.41 %	416.75 %	422.20 %

The reporting date is June 30, 2024 and the measurement date is June 30, 2023.

CITY OF BALTIMORE

Schedule of Changes in Net Pension Liability (Assets) and Related Ratios - Elected Officials' Retirement System - Single Employer Plan - Pension Trust Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Interest (includes interest on service cost)	$ 1,177	$ 1,219	$ 983	$ 965	$ 1,023	$ 1,045	$ 1,130	$ 1,140	$ 1,220	$ 1,238
Service cost	399	410	260	250	221	243	297	290	292	319
Changes of benefit terms	–	–	–	–	(64)	–	–	–	–	–
Change in assumption	–	(3,523)	315	–	–	841	–	–	–	(1)
Differences between expected and actual experience	(256)	(440)	(474)	662	245	776	80	1,015	259	485
Benefit payments, including refunds of member contributions	(725)	(765)	(763)	(933)	(1,110)	(1,165)	(1,125)	(1,306)	(1,512)	(1,533)
Net change in total pension liability	595	(3,099)	321	944	315	1,740	382	1,139	259	508
Total pension liability - beginning	16,185	16,780	13,681	14,002	14,946	15,261	17,001	17,383	18,522	18,781
Total pension liability - ending	$ 16,780	$ 13,681	$ 14,002	$ 14,946	$ 15,261	$ 17,001	$ 17,383	$ 18,522	$ 18,781	$ 19,289
Plan fiduciary net position:										
Net investment income	$ 3,508	$ 629	$ 45	$ 3,116	$ 2,309	$ 1,056	$ 294	$ 7,086	$ (2,944)	$ 2,055
Contribution - employer	307	85	–	–	–	–	–	–	–	–
Contribution - member	56	61	62	90	69	70	76	77	76	80
Benefit payments, including refunds of member contributions	(725)	(765)	(763)	(934)	(1,110)	(1,165)	(1,125)	(1,306)	(1,512)	(1,533)
Administrative expense	(32)	(33)	(35)	(55)	(37)	(36)	(37)	(34)	(35)	(60)
Net change in plan fiduciary net position	3,114	(23)	(691)	2,217	1,231	(75)	(792)	5,823	(4,415)	542
Plan fiduciary net position - beginning	20,349	23,463	23,440	22,749	24,966	26,197	26,122	25,330	31,153	26,737
Plan fiduciary net position - ending	$ 23,463	$ 23,440	$ 22,749	$ 24,966	$ 26,197	$ 26,122	$ 25,330	$ 31,153	$ 26,738	$ 27,279
Net position liability (asset) - ending	$ (6,683)	$ (9,759)	$ (8,747)	$ (10,020)	$ (10,936)	$ (9,121)	$ (7,947)	$ (12,631)	$ (7,957)	$ (7,990)
Plan fiduciary net position as a percentage of the total pension liability	139.83 %	171.33 %	162.47 %	167.04 %	171.66 %	153.65 %	145.72 %	168.19 %	142.37 %	141.42 %
Covered payroll	$ 1,267	$ 1,298	$ 1,334	$ 1,297	$ 1,399	$ 1,363	$ 1,470	$ 1,470	$ 1,544	$ 1,583
Net pension liability (asset) as a percentage of covered employee payroll	(527.47)%	(751.85)%	(655.70)%	(772.55)%	(781.70)%	(669.19)%	(540.61)%	(859.25)%	(515.35)%	(504.74)%

The reporting date is June 30, 2024 and the measurement date is June 30, 2023.

CITY OF BALTIMORE

Schedule of Employer Contributions-Single Employer Plans - Ten-Year Trend Information

Pension Trust Funds

(Expressed in Thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire and Police Employees' Retirement System:										
Actuarially determined contribution	$ 119,020	$ 121,115	$ 129,689	$ 137,738	$ 141,326	$ 146,795	$ 151,088	$ 161,380	$ 154,766	$ 155,861
Contribution in relation to the actuarially determined contribution	119,020	121,115	129,689	137,738	141,326	146,795	151,088	161,380	154,766	155,861
Covered payroll	322,667	300,855	296,357	323,351	322,382	326,640	330,600	318,060	318,719	319,730
Contribution as a percentage of covered payroll	36.89 %	40.26 %	43.76 %	42.60 %	43.84 %	44.94 %	45.70 %	50.74 %	48.56 %	48.75 %
Elected Officials' Retirement System:										
Actuarially determined contribution	$ 85	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	
Contribution in relation to the actuarially determined contribution	85	–	–	–	–	–	–	–	–	
Covered payroll	1,299	1,334	1,297	1,399	1,363	1,470	1,431	1,544	1,583	1,622
Contribution as a percentage of covered payroll	6.54 %	— %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Source is individual Retirement Systems' stand-alone audit reports.

CITY OF BALTIMORE

Schedule of Changes in the Net OPEB Liability and Related Ratios - Ten-Year Trend Information - OPEB Fund

(Expressed in Thousands)

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost at end of year	$ 29,652	$ 30,838	$ 29,956	$ 52,654	$ 51,945	$ 32,225	$ 24,031	$ 26,634
Interest	93,367	94,514	100,281	149,945	150,398	99,388	65,353	63,105
Changes of benefit term	–	–	563,734	–	(455,349)	(455,348)	–	–
Difference between expected and actual experience	–	–	(210,824)	(103,175)	(112,063)	(108,649)	(107,844)	15,833
Changes of assumption or other inputs	–	30,644	304,959	–	(280,793)	–	29,636	–
Benefits payments	(106,880)	(106,352)	(97,821)	(104,936)	(79,092)	(46,643)	(44,574)	(47,286)
Net changes in Total OPEB Liability	16,139	49,644	690,285	(5,512)	(724,954)	(479,027)	(33,398)	58,286
Total OPEB Liability - beginning	1,384,925	1,401,064	1,450,708	2,140,993	2,135,481	1,410,527	931,500	898,102
Total OPEB Liability - ending (a)	$ 1,401,064	$ 1,450,708	$ 2,140,993	$ 2,135,481	$ 1,410,527	$ 931,500	$ 898,102	$ 956,388
Plan Fiduciary Net Position								
Contribution - Employer	$ 138,931	$ 145,466	$ 124,579	$ 121,951	$ 121,020	$ 62,588	$ 54,095	$ 53,278
Net investment income	46,166	32,933	33,133	866	157,969	(70,869)	56,281	80,216
Benefit payments	(106,880)	(106,352)	(97,821)	(104,936)	(79,092)	(46,643)	(44,574)	(47,286)
Net change in Plan Fiduciary Net Position	78,217	72,047	59,891	17,881	199,897	(54,924)	65,802	86,208
Plan Fiduciary Net Position - beginning	438,342	516,559	588,606	648,497	666,378	866,275	811,351	877,153
Plan Fiduciary Net Position - ending (b)	516,559	588,606	648,497	666,378	866,275	811,351	877,153	963,361
Net OPEB liability - ending (a) - (b)	$ 884,505	$ 862,102	$ 1,492,496	$ 1,469,103	$ 544,252	$ 120,149	$ 20,949	$ (6,973)

Note: This is the eighth year of presentation per GASB 74. This will build into a 10 year schedule.

	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability	$1,401,064	$1,450,708	$2,140,993	$2,135,481	$1,410,527	$ 931,500	$ 898,102	$ 956,388
Plan fiduciary net position	516,559	588,606	648,497	666,378	866,275	811,351	877,153	963,361
Net OPEB liability	884,505	862,102	1,492,496	1,469,103	544,252	120,149	20,949	(6,973)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	36.87 %	40.57 %	30.29 %	31.21 %	61.41 %	87.10 %	97.67 %	100.73 %
Covered payroll	1,464,035	1,345,680	1,196,671	1,352,753	1,467,615	1,410,294	1,410,294	1,908,639
Net OPEB liability as a percentage of covered payroll	60.42 %	64.06 %	124.72 %	108.60 %	37.08 %	8.52 %	1.49 %	(0.37)%
Average money weighted rate of return	10.50 %	6.40 %	5.80 %	0.60 %	21.40 %	-8.00 %	6.90 %	9.00 %

Note: This is the eighth year of presentation per GASB 74. This will build into a 10 year schedule.

CITY OF BALTIMORE

Schedule of the City's Proportionate Share of Net OPEB Liability - Ten-Year Trend Information - OPEB Fund

(Expressed in Thousands)

	2017	2018	2019	2020	2021	2022	2023	2024
City's share of the net OPEB liability	71.40 %	71.30 %	84.50 %	84.80 %	98.80 %	85.40 %	85.40 %	49.40 %
City's proportionate share of the net OPEB liability	$ 625,170	$ 614,351	$1,260,559	$1,245,666	$ 537,868	$ 102,595	$ 17,889	$ (3,443)
City's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	42.70 %	64.10 %	124.70 %	92.10 %	36.60 %	7.30 %	1.30 %	(0.20)%
Plan fiduciary net position as a percentage of the total OPEB liability	36.90 %	40.60 %	30.30 %	31.20 %	61.40 %	87.10 %	97.70 %	100.70 %

Note: This is the eighth year of presentation per GASB 74. This will build into a 10 year schedule.

CITY OF BALTIMORE

Schedule of Employer Contributions - Ten-Year Trend Information - OPEB Fund

(Expressed in Thousands)

	2019	2020	2021	2022	2023	2024
Actuarial determined contribution	$ 175,567	$ 182,546	$ 181,645	$ 80,595	$ 36,373	$ 30,392
Contributions in relations to the actuarial determined contributions	124,579	121,951	121,020	62,588	54,095	53,278
Contribution deficiency (excess)	$ 50,988	$ 60,595	$ 60,625	$ 18,007	$ (17,722)	$ (22,886)
Covered payroll	1,196,671	1,352,753	1,467,615	1,410,294	1,410,294	1,908,639
Contributions as a percentage of covered payroll	10.41 %	9.02 %	8.25 %	4.44 %	3.84 %	2.79 %

Note: This is the sixth year of presentation, per GASB 74. This will build into a 10 year schedule.

Prior to 2019 this information was not available.

1. Budgetary Data

Annual budgets are legally adopted for the General Fund and the Grants Fund with corresponding fundings from the General Fund for special revenue funds, on a basis consistent with Generally Accepted Accounting Principles, except for certain miscellaneous general expenditures which are not budgeted and encumbrances which are recognized as expenditures for budgetary purposes.

The budget of the City is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues. The budget includes: (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated resources (inflows) and amounts available for appropriation, and (3) the estimated charges to appropriations. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter prohibits expending funds for which there is no legal appropriation. The budget is prepared on a cash basis with the exception of certain normal and routine monthly accruals related to payroll.

The following procedures establish the budgetary data reflected in the financial statements:

Original Budget

(1) City agencies submit their anticipated annual budget needs to the Department of Finance during December.

(2) From December through March, the Mayor and the Department of Finance analyze, review, and refine the budget submittals.

(3) In April, the Director of Finance sends its recommended budget plan to the Board of Estimates. The Board then holds hearings and the recommended budget is amended as necessary. Citizens have the opportunity to offer input before the Board votes on the budget.

(4) In May, a majority vote of the Board of Estimates approves the total budget and sends it to the City Council. The Board of Estimates must submit the proposed budget for the next fiscal year to the City Council at least 45 days before the beginning of said fiscal year. The Board of Estimates prepares a proposed Ordinance of Estimates to be submitted to the City Council. The Ordinance of Estimates is the legal authority for the enactment of the budget.

(5) The City Council then holds hearings on the proposed Ordinance of Estimates, with additional citizen input before it votes in June. The City Council shall adopt the budget at least five days before the beginning of the fiscal year. The City Council then sends the approved Ordinance of Estimates to the Mayor.

(6) The Mayor then either approves the total Ordinance of Estimates, or disapproves some items and approves the rest of the Ordinance of Estimates.

Final Budget

The final budgetary data presented in the basic financial statements reflects the following changes to the original budget:

(1) Appropriations for a particular program, purpose, activity, or project may, upon the recommendation of the head of the municipal agency concerned and the Director of Finance, and with the approval of the Board of Estimates, be carried over to the subsequent fiscal year to carry out the initial appropriation objectives. All appropriations not carried over lapse at the end of the fiscal year in which they were made. In addition, funds encumbered for contracts, purchase orders, approved requisitions or other actual commitments, as well as funds dedicated to grant programs and capital improvements are carried out over the ensuing fiscal year until utilized or cancelled.

(2) The adopted budget is prepared and appropriated on an agency, program, activity, and object of expenditure basis by fund. Purchase orders which result in an operating or capital overrun are not released until additional appropriations are made available. Expenditures for each adopted operating budget may not legally exceed appropriations at the agency level. Administratively, the Department of Finance has the authority to move appropriations between activities of the same program within the same agency. The Board of Estimates has the authority to transfer appropriations between programs within the same agency. Only the City Council can transfer appropriations between agencies.

(3) The City Charter permits further appropriations for programs included in the original Ordinance of Estimates made necessary by material changes in circumstances and additional appropriations for new programs or grant awards which could not reasonably be anticipated when formulating the original Ordinance of Estimates. These changes require supplemental appropriation ordinances. During fiscal year 2024, a supplemental appropriation ordinance was required for the general fund in the amount of $56,500,000.

Budgetary data, as revised, is presented as required supplementary information for the general fund and the motor vehicle fund.

2. Schedule of the City's Proportionate Share of Net Pension Liability, Schedule of Employer Contributions, Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

The City Plans are considered part of the City's reporting entity and their financial statements are included in the City's basic financial statements as pension trust funds. Each plan issues a publicly available financial report that includes financial statements and the required supplementary information for that plan. The State System Plans are included in the City's basic financial statements in governmental activities and these plans also issue a publicly available financial report. Financial statements for the City Plans and the State System may be obtained from the following websites:

For Employees' Retirement System and Elected Officials' Retirement System: www.bcers.org
For Fire and Police Employees' Retirement System: www.bcfpers.org
For the Maryland State Retirement and Pension System: www.sra.state.md.us

3. Schedule of the City's Proportionate Share of the Net OPEB Liability and Schedule of Changes in Net OPEB Liability

The City of Baltimore provides other postemployment benefits (OPEB) to all qualified City and BCPSS employees. The OPEB Trust Fund does not issue separate financial statements but is included in the City's financial statements as a fiduciary trust fund.

Combining and Individual Fund Statement and Schedules

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Non-major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Development Block Grant, Special Racetrack Funds, School Construction, Baltimore Casino, State Video Lottery Terminal Funds, Table Games Fund, Affordable Housing Trust Fund and Children and Youth Fund - These funds account for revenues derived from certain State shared taxes, governmental grants and other revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Scholarship Fund - This fund accounts for the contributions received and related interest income. The fund can be used to provide scholarships to City residents.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for the purposes that fund and support the reporting government's programs.

Enoch Pratt Free Library Fund - This fund accounts for principal trust amounts received and the related interest income. The interest portion of the trust can be used for the operations of the Enoch Pratt Free Library.

Memorial Fund - This fund accounts for the principal trust amounts received and the related interest income. The interest portion of the trust can be used by the City for memorials.

CITY OF BALTIMORE
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2024
(Expressed in Thousands)

	Special Revenue Funds									Permanent Funds			
	Community Development Block Grant Fund	School Construction Fund	Baltimore Casino Fund	State Video Lottery Terminal Fund	Scholarship Fund	Table Game Fund	Affordable Housing Trust Fund	Children and Youth Fund	Total	Enoch Pratt Free Library Fund	Memorial Fund	Total	Total Non-major Governmental Funds
Assets:													
Cash and cash equivalents	$ —	$ 575	$ 4,119	$ 7,328	$ 6,379	$ 3,784	$ 47,801	$ 22,724	$ 92,710	$ 438	$ 885	$ 1,323	$ 94,033
Investments	–	–	–	–	640	–	–	–	640	2,410	9,849	12,259	12,899
Other receivables, net	55,972	650	–	–	–	–	–	–	56,626	15	20	35	56,661
Due from other governments	–	150	712	–	–	150	–	–	1,012	–	–	–	1,012
Total assets	55,972	1,375	4,831	7,328	7,023	3,934	47,801	22,724	150,988	2,863	10,754	13,617	164,605
Liabilities, deferred inflows of resources and fund balances:													
Liabilities:													
Accounts payable and accrued liabilities	682	–	79	178	–	40	1,179	5,102	7,260	–	–	–	7,260
Due to other funds	48,582	–	–	–	–	–	–	–	48,582	–	–	–	48,582
Unearned revenue	3,847	–	–	–	–	–	–	–	3,847	–	–	–	3,847
Total liabilities	53,111	–	79	178	–	40	1,179	5,102	59,689	–	–	–	59,689
Total liabilities and deferred inflows of resources	53,111	–	79	178	–	40	1,179	5,102	59,689	–	–	–	59,689
Fund balances:													
Restricted	–	–	–	–	–	–	46,622	18,764	65,386	–	–	–	65,386
Assigned	2,861	1,375	4,752	7,150	7,023	3,894	–	(1,142)	25,913	2,863	10,754	13,617	39,530
Total fund balances	2,861	1,375	4,752	7,150	7,023	3,894	46,622	17,622	91,299	2,863	10,754	13,617	104,916
Total liabilities and fund balances	$ 55,972	$ 1,375	$ 4,831	$ 7,328	$ 7,023	$ 3,934	$ 47,801	$ 22,724	$150,988	$ 2,863	$ 10,754	$ 13,617	$ 164,605

CITY OF BALTIMORE

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Non-major Governmental Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Special Revenue Funds									Permanent Funds			
	Community Development Block Grant Fund	School Construction Fund	Baltimore Casino Fund	State Video Lottery Terminal Fund	Scholarship Fund	Table Game Fund	Affordable Housing Trust Fund	Children and Youth Fund	Total	Enoch Pratt Free Library Fund	Memorial Fund	Total	Total Non-major Governmental Funds
Revenues:													
Taxes - local	$ –	$ 10,451	$ –	$ –	$ –	$ –	$ 8,450	$ –	$ 18,901	$ –	$ –	$ –	$ 18,901
State shared revenue	–	2,994	9,225	4,585	–	1,427	–	–	18,231	–	–	–	18,231
Interest and other investment income	–	–	–	–	262	–	–	–	262	113	366	479	741
Intergovernmental grants	21,383	–	–	–	–	–	–	–	21,383	–	–	–	21,383
Miscellaneous	–	–	–	–	–	–	–	14,225	14,225	–	–	–	14,225
Total revenues	21,383	13,445	9,225	4,585	262	1,427	8,450	14,225	73,002	113	366	479	73,481
Expenditures:													
Current:													
General government	5,501	14,704	940	1,199	7	–	–	–	22,351	–	183	183	22,534
Public safety and regulation		–	732	35	–	–	1,630	–	2,397	–	–	–	2,397
Social services		–	131	–	–	–	–	–	131	–	–	–	131
Education		–	–	–	–	–	–	15,367	15,367	–	–	–	15,367
Recreation and culture		–	30	–	–	1,810	–	–	1,840	–	–	–	1,840
Sanitation and waste removal		–	535	–	–	–	–	–	535	–	–	–	535
Economic development	13,299	–	928	264	–	–	6,671	–	21,162	–	–	–	21,162
Total expenditures	18,800	14,704	3,296	1,498	7	1,810	8,301	15,367	63,783	–	183	183	63,966
Excess (deficiency) of revenues over (under) expenditures	2,583	(1,259)	5,929	3,087	255	(383)	149	(1,142)	9,219	113	183	296	9,515
Other financing sources (uses):													
Transfers out	–	–	(5,000)	(4,039)	–	–	–	–	(9,039)	–	–	–	(9,039)
Total other financing sources (uses)	–	–	(5,000)	(4,039)	–	–	–	–	(9,039)	–	–	–	(9,039)
Net change in fund balances	2,583	(1,259)	929	(952)	255	(383)	149	(1,142)	180	113	183	296	476
Fund balances - beginning	278	2,634	3,823	8,102	6,768	4,277	46,473	18,764	91,119	2,750	10,571	13,321	104,440

Fund balances - ending	$ 2,861	$ 1,375	$ 4,752	$ 7,150	$ 7,023	$ 3,894	$ 46,622	$ 17,622	$ 91,299	$ 2,863	$ 10,754	$ 13,617	$ 104,916

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Non-major Proprietary Fund

Enterprise Fund

Enterprise funds are used to account for the operating of various City activities that are provided to the public on a cost reimbursement basis.

Conduit Fund - This fund accounts for the rental, operation, maintenance and development of the City's Conduits.

CITY OF BALTIMORE

Combining Statement of Net Position - Non-major Proprietary Fund

June 30, 2024

(Expressed in Thousands)

	Conduit Fund
Assets:	
Current assets:	
Accounts receivable, net:	
Other	$ 16,171
Total current assets	16,171
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	7,599
Capital assets, net of accumulated depreciation	207,348
Capital assets not being depreciated	25,867
Total noncurrent assets	240,814
Total assets	256,985
Deferred outflows of resources	
Deferred outflows related to pension	578
Deferred outflows related to OPEB	395
Total deferred outflows of resources	973
Total assets and deferred outflows of resources	257,958
Liabilities and deferred inflows of resources:	
Current liabilities:	
Accounts payable and accrued liabilities	1,467
Due to other funds	41,882
Compensated absences	165
Current liabilities payable from restricted assets:	
Accounts payable from restricted assets	190
Total current liabilities	43,704
Noncurrent liabilities:	
Net pension liability	2,805
Net OPEB liability	669
Compensated absences	325
Total noncurrent liabilities	3,799
Total liabilities	47,503
Deferred inflows of resources:	
Deferred inflows related pension	63
Deferred inflows related OPEB	1,131
Total deferred inflows of resources	1,194
Total liabilities and deferred inflows of resources	48,697
Net position:	
Net investment in capital assets	457,255
Unrestricted (deficit)	(247,993)
Total net position	$ 209,262

CITY OF BALTIMORE

Combining Statement of Revenues, Expenses,and Changes in Net Position - Non-major Proprietary Fund

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Conduit Fund
Operating revenues:	
Rents, fees, and other income	$ 17,067
Total operating revenues	17,067
Operating expenses:	
Salaries and wages	3,227
Other personnel costs	1,070
Contractual services	2,584
Materials and supplies	127
Minor equipment	61
Depreciation	3,128
Total operating expenses	10,197
Income before capital contributions and transfers	6,870
Capital contributions (distributions)	–
Changes in net position	6,870
Total net position - beginning	202,392
Total net position - ending	$ 209,262

CITY OF BALTIMORE

Combining Statement of Cash Flows - Non-major Proprietary Fund

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Conduit Fund
Cash flows from operating activities:	
Receipts from customers	$ 15,258
Payments to employees	(5,920)
Payments to suppliers	(2,818)
Net cash provided by operating activities	6,520
Cash flow from capital and related financing activities:	
Acquisition and construction of capital assets	(6,519)
Capital contributions (reduction)	–
Net cash provided by capital and related financing activities	(6,519)
Net increase (decrease) in cash and cash equivalents	1
Cash and cash equivalents, beginning of year	7,599
Cash and cash equivalents, end of year	7,600
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	6,870
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,128
Accounts receivable	(1,809)
Other assets	–
Deferred outflows - pension	(236)
Deferred outflows - OPEB	242
Accounts payable and accrued liabilities	(46)
Compensated absences	(66)
Other liabilities	–
Other noncurrent liabilities	–
Pension liability - current period	(876)
OPEB liability - current period	(95)
Deferred inflows - pension	(69)
Deferred inflows - OPEB	(523)
Total adjustments	(350)
Net cash provided by operating activities	$ 6,520

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, and to other governmental units, on a cost reimbursement basis.

Municipal Communication Fund - This fund accounts for the repair and maintenance of the City's radios.

Mobile Equipment Fund - This fund accounts for the service, repair, operation, and replacement of the City's equipment fleet.

Reproduction and Printing Fund - This fund accounts for the operation of the City's printing shop.

Municipal Post Office Fund - This fund accounts for the operations of the City's internal post office facility.

Municipal Telephone Exchange Fund - This fund accounts for the administration and operations of the City's telephone exchange.

Building Maintenance Fund - This fund accounts for repairs and maintenance in City-owned buildings.

Hardware and Software Replacement Fund - This fund accounts for the cost of maintaining the City's software licensing agreements and hardware refreshes.

CITY OF BALTIMORE

Combining Statement of Fund Net Position - Internal Service Funds

June 30, 2024

(Expressed in Thousands)

	Municipal Communication Fund	Mobile Equipment Fund	Reproduction and Printing Fund	Municipal Post Office Fund	Municipal Telephone Exchange Fund	Building Maintenance Fund	Hardware and Software Replacement Fund	Total
Assets:								
Current assets:								
Cash and cash equivalents	$ 2,901	$ 37,315	$ –	$ –	$ 4,729	$ –	$ 4,493	$ 49,438
Accounts receivables, net:								
Other	67	137	99	–	(10)	530	–	823
Due from other funds	–	–	–	–	1,396	–	–	1,396
Inventories	–	12,028	769	1,465	–	–	–	14,262
Total current assets	2,968	49,480	868	1,465	6,115	530	4,493	65,919
Noncurrent assets:								
Restricted cash	698	138,864	–	–	–	–	–	139,562
Capital assets, net of accumulated depreciation	918	91,435	–	119	57	–	–	92,529
Capital assets not being depreciated	–	794	–	–	–	–	–	794
Total noncurrent assets	1,616	231,093	–	119	57	–	–	232,885
Total assets	4,584	280,573	868	1,584	6,172	530	4,493	298,804
Liabilities:								
Current liabilities:								
Accounts payable and accrued liabilities	402	12,104	318	390	1,013	3,210	245	17,682
Due to other funds	–	104,760	4,373	1,489	–	9,878	–	120,500
Financed purchases	1,923	20,842	–	–	–	–	–	22,765
Compensated absences	7	601	45	24	51	196	–	924
Total current liabilities	2,332	138,307	4,736	1,903	1,064	13,284	245	161,871
Noncurrent liabilities:								
Financed purchases	3,972	98,996	–	–	–	–	–	102,968
Compensated absences	39	980	60	33	315	351	–	1,778
Total noncurrent liabilities	4,011	99,976	60	33	315	351	–	104,746
Total liabilities	6,343	238,283	4,796	1,936	1,379	13,635	245	266,617
Net position:								
Net investment in capital assets	–	(35,690)	–	–	–	–	–	(35,690)
Unrestricted (deficit)	(1,759)	77,979	(3,928)	(351)	4,793	(13,105)	4,248	67,877
Total net position	$ (1,759)	$ 42,289	$ (3,928)	$ (351)	$ 4,793	$ (13,105)	$ 4,248	$ 32,187

CITY OF BALTIMORE

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Municipal Communication Fund	Mobile Equipment Fund	Reproduction and Printing Fund	Municipal Post Office Fund	Municipal Telephone Exchange Fund	Building Maintenance Fund	Hardware and Software Replacement Fund	Total
Operating revenues:								
Changes for sales, services and fees	$ 6,734	$ 82,047	$ 4,016	$ 4,801	$ 12,005	$ 68,709	$ 6,716	$ 185,028
Operating expenses:								
Salaries and wages	550	13,455	772	419	1,280	5,032	–	21,508
Other personnel costs	154	7,552	310	178	508	2,566	–	11,268
Contractual services	3,551	26,121	3,023	3,261	8,436	62,125	673	107,190
Materials and supplies	16	1,711	201	183	1	773	–	2,885
Minor equipment	21	415	16	6	12	61	6,043	6,574
Depreciation	1,836	14,572	–	19	2	–	–	16,429
Total operating expenses	6,128	63,826	4,322	4,066	10,239	70,557	6,716	165,854
Operating income (loss)	606	18,221	(306)	735	1,766	(1,848)	–	19,174
Nonoperating revenues:								
Interest expense	–	(3,504)	–	–	(88)	–	–	(3,592)
Loss on sale of equipment	–	(411)	–	–	–	–	–	(411)
Total nonoperating revenues, net	–	(3,915)	–	–	(88)	–	–	(4,003)
Change in net position	606	14,306	(306)	735	1,678	(1,848)	–	15,171
Total net position - beginning	(2,364)	27,982	(3,623)	(1,085)	3,115	(11,257)	4,248	17,016
Total net position - ending	$ (1,758)	$ 42,288	$ (3,929)	$ (350)	$ 4,793	$ (13,105)	$ 4,248	$ 32,187

CITY OF BALTIMORE

Combining Statement of Cash Flows - Internal Services Funds

For the Year Ended June 30, 2024

(Expressed in Thousands)

	Municipal Communication Fund	Mobile Equipment Fund	Reproduction and Printing Fund	Municipal Post Office Fund	Municipal Telephone Exchange Fund	Building Maintenance Fund	Hardware and Software Replacement Fund	Total
Cash flows from operating activities:								
Receipts from customers	$ 6,667	$ 154,919	$ 4,116	$ 4,801	$ 12,032	$ 68,522	$ 6,716	$ 257,773
Payments to employees	(726)	(20,963)	(753)	(455)	(1,770)	(541)	–	(25,208)
Payments to suppliers	(3,562)	(32,662)	(3,363)	(4,225)	(9,231)	(67,981)	(7,407)	(128,431)
Net cash provided (used) by operating activities	2,379	101,294	–	121	1,031	–	(691)	104,134
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	1	(32,888)	–	(119)	(59)	–	–	(33,065)
Financed purchases payment	(1,882)	9,824	–	–	–	–	–	7,942
Interest paid	–	(3,504)	–	–	(88)	–	–	(3,592)
Net cash (used) by capital and related financing activities	(1,881)	(26,568)	–	(119)	(147)	–	–	(28,715)
Net increase (decrease) in cash and cash equivalents	498	74,726	–	2	884	–	(691)	75,419
Cash and cash equivalents, beginning of year	3,101	101,452	–	–	3,845	–	5,184	113,582
Cash and cash equivalents, end of year	$ 3,599	$ 176,178	$ –	$ 2	$ 4,729	$ –	$ 4,493	$ 189,001
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	$ 606	$ 18,221	$ (306)	$ 735	$ 1,766	$ (1,848)	$ –	$ 19,174
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	1,836	14,572	–	19	2	–	–	16,429
Changes in noncash operating assets and liabilities:								
Accounts receivable	(67)	221	100	–	27	(187)	–	94
Inventories	–	(1,138)	37	(499)	–	–	–	(1,600)
Accounts payable and accrued liabilities	26	(3,277)	(160)	(276)	(782)	(5,022)	(691)	(10,182)
Compensated Absences	(22)	44	(6)	(6)	18	(136)	–	(108)
Due to other funds	–	72,651	335	148	–	7,193	–	80,327
Other liabilities	–	–	–	–	–	–	–	–
Total adjustments	1,773	83,073	306	(614)	(735)	1,848	(691)	84,960
Net cash provided (used) by operating activities	2,379	101,294	–	121	1,031	–	(691)	104,134
Noncash activity from capital and related financing activities:								
New financed purchases	–	–	–	–	–	–	–	–
Total noncash activity from capital and related financing activities	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –

Fiduciary Funds

Fiduciary funds include the following funds, which account for assets held by the City as a trustee or as an agent for individuals.

Pension Trust Funds – These funds account for the receipt, investment, and distribution of retirement contributions made for the benefit of police officers, firefighters, elected officials, and other City employees.

OPEB Trust Fund – This fund accounts for the receipts of City and retiree contributions into the OPEB Trust Fund and payment of all retiree related health and life insurance benefits.

CITY OF BALTIMORE

Combining Statement of Fiduciary Net Position - Pension and OPEB Trust Funds

June 30, 2024

(Expressed In Thousands)

	Employees' Retirement System	Elected Officials' Retirement System	Fire and Police Employees' Retirement System	OPEB Trust Fund	Total
Assets:					
Cash and cash equivalents	$ 42,487	$ 364	$ 31,985	$ 20,728	$ 95,564
Investments:					
Stocks	959,205	18,831	1,479,641	683,496	3,141,173
Bonds	353,152	5,961	469,448	193,722	1,022,283
Real estate	242,684	3,012	305,159	66,927	617,782
Private equity and hedge fund	505,957	–	958,585	–	1,464,542
Securities lending collateral	48,324	–	14,185	–	62,509
Forward foreign contracts	9,801	–	2,911	–	12,712
Other assets	39,263	–	14,297	1,619	55,179
Total assets	2,200,873	28,168	3,276,211	966,492	6,471,744
Liabilities:					
Obligations under securities lending program	48,324	–	14,185	–	62,509
Forward foreign contracts	9,801	–	2,911	–	12,712
Accounts payable	31,286	–	17,591	3,132	52,009
Pension benefits payable		15		–	15
Total liabilities	89,411	15	34,687	3,132	127,245
Net position:					
Net position restricted for pensions	2,111,462	28,153	3,241,524	–	5,381,139
Net position restricted for OPEB	$ –	$ –	$ –	$ 963,360	$ 963,360

CITY OF BALTIMORE

Combining Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds

For the Year Ended June 30, 2024

(Expressed In Thousands)

	Employees' Retirement System	Elected Officials' Retirement System	Fire and Police Employees' Retirement System	OPEB Trust Fund	Total
Additions:					
Contributions:					
Employer	$ 89,288	$ –	$ 155,055	$ 53,278	$ 297,621
Employee	22,006	89	31,189	43,440	96,724
Total contributions	111,294	89	186,244	96,718	394,345
Investment income:					
Net appreciation fair value of investments	117,207	1,834	234,008	69,260	422,309
Securities lending income, net	193		216		409
Interest and dividend income	31,849	568	71,995	15,336	119,748
Total investment income	149,249	2,402	306,219	84,596	542,466
Less: investment expense	82	57	23,879	4,380	28,398
Net investment income	149,167	2,345	282,340	80,216	514,068
Total additions	260,461	2,434	468,584	176,934	908,413
Deductions:					
Retirement benefits	174,652	1,523	273,872	–	450,047
Health benefits	–	–	–	90,727	90,727
Death benefits	1,177	–	1,011	–	2,188
Administrative expenses	5,316	37	6,047	–	11,400
Other	1,751	–	20,988	–	22,739
Total deductions	182,896	1,560	301,918	90,727	577,101
Changes in net position	77,565	874	166,666	86,207	331,312
Net position restricted for pensions and OPEB - beginning of the year	2,033,897	27,279	3,074,858	877,153	6,013,187
Net position restricted for pensions and OPEB - end of the year	$ 2,111,462	$ 28,153	$ 3,241,524	$ 963,360	$ 6,344,499

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STATISTICAL SECTION

See Report of Independent Public Accountants

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CITY OF BALTIMORE
Statistical Section
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Source: Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year.

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Financial Trends

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CITY OF BALTIMORE

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Expressed in Thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	$ 2,520,873	$ 2,464,962	$ 2,528,116	$ 2,574,640	$ 2,520,881	$ 2,628,359	$ 2,561,824	$ 2,619,065	$ 2,212,781	$ 2,292,020
Restricted	15,946	24,669	400,063	483,623	527,293	533,780	548,492	548,272	607,148	602,363
Unrestricted	(1,759,089)	(1,662,259)	(1,951,655)	(2,771,072)	(3,416,173)	(3,838,247)	(3,756,368)	(3,301,360)	(3,265,506)	(3,065,209)
Total governmental activities net position	$ 777,730	$ 827,372	$ 976,524	$ 287,191	$ (367,999)	$ (676,108)	$ (646,052)	$ (134,023)	$ (445,577)	$ (170,826)
Business-type activities										
Net investment in capital assets	$ 2,379,232	$ 2,386,644	$ 2,981,404	$ 3,383,394	$ 3,345,821	$ 3,475,643	$ 3,554,754	$ 3,393,693	$ 3,510,817	$ 4,030,213
Restricted	157,613	165,076	162,084	161,308	181,109	184,072	257,759	292,386	363,595	332,127
Unrestricted	136,251	413,302	85,565	(92,013)	176,933	237,107	369,574	613,755	557,993	284,603
Total business-type activities net position	$ 2,673,096	$ 2,965,022	$ 3,229,053	$ 3,452,689	$ 3,703,863	$ 3,896,822	$ 4,182,087	$ 4,299,834	$ 4,432,405	$ 4,646,943
Primary government										
Net investment in capital assets	$ 4,900,105	$ 4,851,606	$ 5,509,520	$ 5,958,034	$ 5,866,702	$ 6,104,002	$ 6,116,578	$ 6,012,758	$ 5,723,598	$ 6,322,233
Restricted	173,559	189,745	562,147	644,931	708,402	717,852	806,251	840,658	970,743	934,490
Unrestricted	(1,622,838)	(1,248,957)	(1,866,090)	(2,863,085)	(3,239,240)	(3,601,140)	(3,386,794)	(2,687,605)	(2,707,513)	(2,780,606)
Total primary government net position	$ 3,450,826	$ 3,792,394	$ 4,205,577	$ 3,739,880	$ 3,335,864	$ 3,220,714	$ 3,536,035	$ 4,165,811	$ 3,986,828	$ 4,476,117

CITY OF BALTIMORE

Changes in Net Position - Governmental Funds

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Expressed in Thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Government activities:										
General government	$ 294,987	$ 303,696	$ 249,415	$ 404,025	$ 524,515	$ 400,893	$ 469,895	$ 680,482	$ 643,986	$ 388,170
Public safety and regulation	692,155	744,940	764,040	781,830	1,228,602	929,667	540,675	495,295	884,812	857,908
Conservation of health	112,575	116,592	119,811	134,743	169,216	153,361	238,343	102,496	222,744	239,038
Social services	102,809	109,591	120,630	95,107	103,384	96,066	109,391	46,078	72,263	91,676
Education	302,568	299,699	278,881	383,934	494,735	556,361	445,278	415,151	663,354	401,899
Public library	35,063	34,150	34,531	35,189	46,150	43,288	44,795	47,844	48,600	38,415
Recreation and culture	51,367	53,657	58,124	59,049	68,491	70,023	50,955	57,420	81,437	81,458
Highways and streets	185,601	192,487	169,147	165,800	181,100	171,571	171,578	109,502	227,609	171,834
Sanitation and waste removal	67,445	70,823	76,638	81,877	98,499	88,140	93,298	96,363	120,261	91,093
Public service	51,041	49,475	53,188	50,052	103,340	59,833	64,306	749	32,060	42,811
Economic development	141,772	126,430	133,594	131,347	188,852	148,659	200,302	133,416	166,988	208,208
Interest	41,078	30,518	28,857	77,530	52,787	57,496	43,994	25,705	34,999	37,108
Total governmental activities expenses	2,078,461	2,132,058	2,086,856	2,400,483	3,259,671	2,775,358	2,472,810	2,210,501	3,199,113	2,649,618
Business-type Activities:										
Water	160,208	170,637	167,667	147,289	158,089	202,211	193,828	197,622	226,707	204,147
Waste water	182,769	193,563	193,055	207,730	237,396	276,754	272,330	275,487	331,684	341,573
Stormwater	15,747	19,365	21,521	26,175	25,299	27,206	24,515	39,556	20,309	22,930
Parking	19,183	18,125	27,939	17,797	24,038	15,145	20,808	7,693	13,092	11,479
Non-major proprietary	11,607	12,148	13,703	10,087	11,142	11,577	14,377	22,717	12,518	10,196
Total business-type activities expenses	389,514	413,838	423,885	409,078	455,964	532,893	525,858	543,075	604,310	590,325
Total governmental activities expenses	$ 2,467,975	$ 2,545,896	$ 2,510,741	$ 2,809,561	$ 3,715,635	$ 3,308,251	$ 2,998,668	$ 2,753,576	$ 3,803,423	$ 3,239,943
Program Revenues										
Governmental activities:										
Charges for services (a)	$ 107,482	$ 103,190	$ 103,151	$ 111,154	$ 122,790	$ 119,799	$ 106,621	$ 103,576	$ 104,068	$ 124,437
Operating grants and contributions	318,266	347,636	344,684	324,457	365,771	378,546	471,637	453,220	603,774	641,352
Capital grants and contributions	54,788	25,284	83,501	41,095	67,257	151,510	69,483	43,478	39,217	46,153
Total governmental activities revenue	480,536	476,110	531,336	476,706	555,818	649,855	647,741	600,274	747,059	811,942
Business-type activities:										
Charges for services:										
Water	176,439	160,865	163,563	178,367	175,492	216,396	243,563	278,280	232,752	241,101
Waste water	216,428	229,300	235,133	258,386	276,844	270,764	289,812	278,131	304,453	351,670
Stormwater	25,971	27,807	29,309	28,552	28,540	30,943	31,462	37,882	37,163	49,001
Parking	85,634	87,145	88,454	85,257	76,801	69,697	38,693	56,537	60,104	60,201
Non-major proprietary	13,916	37,505	11,744	28,639	34,627	35,986	36,712	36,807	41,134	17,067
Capital Grants and Contributions	201,880	259,288	217,959	169,154	161,469	162,602	195,057	16,230	103,471	133,545
Total Business-type Activities Revenue	720,268	801,910	746,162	748,355	753,773	786,388	835,299	703,867	779,077	852,585
Total Primary Government Revenues	1,200,804	1,278,020	1,277,498	1,225,061	1,309,591	1,436,243	1,483,040	1,304,141	1,526,136	1,664,527
Net (Expense)/Revenue										
Government Activities	(1,597,925)	(1,655,948)	(1,555,520)	(1,923,777)	(2,703,853)	(2,125,503)	(1,825,069)	(1,610,227)	(2,452,054)	(1,837,676)
Business-type Activities	330,754	388,072	322,277	339,277	297,809	253,495	309,441	160,792	174,767	262,260
Total Primary Government Net Expenses	$(1,267,171)	$(1,267,876)	$(1,233,243)	$(1,584,500)	$(2,406,044)	$(1,872,008)	$(1,515,628)	$(1,449,435)	$(2,277,287)	$(1,575,416)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes	$ 816,199	$ 852,114	$ 853,197	$ 886,417	$ 909,254	$ 882,332	$ 977,299	$ 1,034,569	$ 1,056,930	$ 1,095,085
Income taxes	300,014	346,727	335,923	346,797	440,144	396,540	410,712	449,876	455,975	476,256
Other local taxes	193,595	242,426	240,278	187,754	263,381	175,770	209,918	353,372	281,966	228,425
State shared revenues	147,608	153,195	159,022	170,240	166,082	163,417	155,527	190,226	205,090	146,520
Unrestricted investment Income	19,431	34,782	21,634	28,296	48,730	34,734	16,598	24,739	66,839	66,089
Miscellaneous	88,734	33,073	32,523	124,395	161,944	94,212	60,895	26,429	31,504	52,330
Transfers	61,495	100,737	62,095	59,295	59,128	56,482	24,176	43,045	42,196	47,722
Total Governmental Activities	1,627,076	1,763,054	1,704,672	1,803,194	2,048,663	1,803,487	1,855,125	2,122,256	2,140,500	2,112,427
Business-type Activities:										
Unrestricted investment Income	5,809	4,591	3,849	5,535	12,493	9,853	–	–	–	–
Transfers	(61,495)	(100,737)	(62,095)	(59,295)	(59,128)	(56,482)	(24,176)	(43,045)	(42,196)	(47,722)
Total Business-type activities	(55,686)	(96,146)	(58,246)	(53,760)	(46,635)	(46,629)	(24,176)	(43,045)	(42,196)	(47,722)
Total primary government	1,571,390	1,666,908	1,646,426	1,749,434	2,002,028	1,756,858	1,830,949	2,079,211	2,098,304	2,064,705
Change in Net Position										
Governmental activities	29,151	107,106	149,152	(120,583)	(655,190)	(322,016)	30,056	512,029	(311,554)	274,751
Business-type activities	275,068	291,926	264,031	285,517	251,174	206,866	285,265	117,747	132,571	214,538
Total primary government	$ 304,219	$ 399,032	$ 413,183	$ 164,934	$ (404,016)	$ (115,150)	$ 315,321	$ 629,776	$ (178,983)	$ 489,289

(a) Changes for services include charges for various City services such as rental of recreational facilities, solid waste disposal fees, port and stadium security services, impound lot fees and library video rental.

CITY OF BALTIMORE

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrued Basis of Accounting)

(Expressed in Thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	$ 5,519	$ 297,255	$ 2,260	$ 2,210	$ 3,028	$ 3,179	$ 2,051	$ 1,726	$ 6,007	$ 6,292
Restricted	–	–	380,996	423,673	431,094	428,824	433,047	378,302	333,536	340,866
Assigned	174,647	244,257	197,220	221,658	257,252	237,026	180,620	329,917	282,695	315,884
Unassigned	112,642	134,300	134,327	163,604	145,945	139,661	152,864	157,271	320,912	259,021
Total General Fund	$ 292,808	$ 675,812	$ 714,803	$ 811,145	$ 837,319	$ 808,690	$ 768,582	$ 867,216	$ 943,150	$ 922,063
All Other Governmental Funds										
Restricted										
Grants revenue fund	$ –	$ –	$ –	$ 2,449	$ 21,606	$ –	$ –	$ –	$ –	$ –
Capital projects fund	2,190	10,743	5,081	8,448	31,000	10,689	7,558	27,847	78,287	48,593
Other non-major funds	13,756	13,926	13,986	14,688	18,057	42,537	40,316	68,819	85,219	65,386
Assigned										
Capital projects fund	–	–	–	5,064	56,946	98,777	86,406	–	–	–
Other non-major funds	58,095	10,068	11,234	8,794	16,929	16,644	19,038	17,721	19,113	39,530
Unassigned										
Grants revenue fund	(77,836)	(36,799)	(13,584)	–	–	–	–	–	(84)	(35,924)
Capital projects fund	(7,576)	(14,628)	(8,966)	–	–	–	–	–	(863)	–
Other non-major funds	(12,399)	–	–	(1,819)	–	(1,432)	–	–	–	–
Total all other Governmental Funds	$ (23,770)	$ (16,690)	$ 7,751	$ 37,624	$ 144,538	$ 167,215	$ 153,318	$ 114,387	$ 181,672	$ 117,585

CITY OF BALTIMORE

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Expressed in Thousands)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue:										
General fund:										
Taxes - local	$ 1,284,515	$ 1,426,286	$ 1,410,593	$ 1,406,403	$ 1,535,001	$ 1,490,708	$ 1,568,679	$ 1,820,590	$ 1,742,360	$ 1,754,646
State shared revenue	137,714	142,213	140,451	146,174	146,085	148,910	141,732	175,035	187,042	128,289
Licenses and permits	41,584	48,829	44,450	41,043	38,880	34,042	31,702	27,391	25,610	36,817
Fines and forfeitures	15,325	8,365	7,192	27,085	34,939	36,093	35,484	33,314	35,336	29,882
Interest rentals and other investment income	17,181	33,991	21,082	27,071	46,140	32,027	13,834	21,808	64,164	59,845
Intergovernmental grants	–	–	–	–	–	–	–	–	132,434	139,894
Federal grants	275	217	480	79	–	16,719	85,039	57,888	–	–
State grants	105,059	104,585	105,705	104,644	98,528	107,973	107,204	101,891	–	–
Other grants	26	26	26	27	26	–	–	–	–	3,589
Charges for services	50,573	45,996	51,509	43,026	48,971	49,664	39,435	42,871	43,122	57,574
Miscellaneous	5,730	459	7,300	–	8,560	4,492	6,693	6,636	3,354	5,411
Total revenues - general fund	1,657,982	1,810,967	1,788,788	1,795,552	1,957,130	1,920,628	2,029,802	2,287,424	2,233,422	2,215,947
Other governmental funds:										
Grants revenue fund	223,148	222,291	226,145	233,957	242,604	236,726	268,121	281,944	447,021	487,689
Capital projects fund	66,983	45,370	105,487	62,019	149,195	167,792	81,726	57,369	53,613	57,337
Other funds	41,327	40,792	47,068	56,090	64,161	66,619	56,737	74,300	80,691	73,481
Total revenues - other governmental funds	331,458	308,453	378,700	352,066	455,960	471,137	406,584	413,613	581,325	618,507
Total revenues all government funds	1,989,440	2,119,420	2,167,488	2,147,618	2,413,090	2,391,765	2,436,386	2,701,037	2,814,747	2,834,454
Expenditures:										
General fund:										
General government	258,028	281,616	249,579	155,606	267,831	259,968	415,463	433,325	435,450	369,115
Public safety and regulation	679,202	702,632	730,093	766,230	831,453	799,401	810,793	867,723	745,296	844,838
Conservation of health	20,887	19,663	21,882	38,648	36,077	37,785	132,450	63,706	58,239	47,681
Social services	64,249	73,851	86,353	59,899	68,539	56,519	65,812	5,778	19,944	17,452
Education	265,939	269,937	276,324	293,355	289,410	288,912	304,669	282,743	336,714	417,423
Public library	24,942	24,856	24,812	24,505	26,784	27,886	24,794	27,282	30,946	30,386
Recreation and culture	39,349	41,884	44,392	43,845	45,574	51,897	51,558	50,672	63,368	67,201
Highways and streets	113,452	125,440	96,537	99,848	102,468	99,702	107,305	147,151	146,889	105,085
Sanitation and waste removal	64,422	72,642	72,380	75,384	78,238	81,719	94,402	95,638	109,558	101,297
Public service	43,895	42,947	44,769	42,579	44,863	49,689	51,149	29,676	16,025	30,067
Economic development	49,069	39,499	34,276	41,634	52,998	63,843	50,473	73,146	53,447	95,708
Debt service-Principal	–	42,956	60,646	51,466	60,922	66,913	55,403	61,575	67,878	58,149
Debt service-Interest	–	24,786	37,042	43,247	44,425	56,683	47,399	32,419	40,437	38,714
Other bonds cost	–	2,033	6,318	–	–	–	–	–	–	–
Total expenditures - general fund	1,623,434	1,764,742	1,785,403	1,736,246	1,949,582	1,940,917	2,211,670	2,170,834	2,124,191	2,223,116
Other government funds:										
Grants revenue fund	223,964	238,344	218,716	221,811	242,441	273,949	293,820	329,217	475,112	534,051
Capital projects fund	172,688	173,201	154,671	186,541	241,506	258,800	153,872	161,181	177,426	184,926
Debt service fund:										
Principal	38,912	–	–	–	–	–	–	–	–	–
Interest	31,005	–	–	–	–	–	–	–	–	–
Other bond costs	6,135	–	–	–	–	–	–	–	–	–
Other funds	31,107	29,565	34,101	41,857	37,119	41,958	56,757	41,074	57,374	63,966
Total expenditures - other government funds	503,811	441,110	407,488	450,209	521,066	574,707	504,449	531,472	709,912	782,943
Total expenditures all governmental funds	2,127,245	2,205,852	2,192,891	2,186,455	2,470,648	2,515,624	2,716,119	2,702,306	2,834,103	3,006,059
Excess (deficiency) of revenues over expenditures	(137,805)	(86,432)	(25,403)	(38,837)	(57,558)	(123,859)	(279,733)	(1,269)	(19,356)	(171,605)
Other financing sources (uses):										
Transfers net	61,495	100,038	60,289	57,703	64,777	57,882	24,176	43,045	42,196	47,722
Leases	–	8,978	–	29,618	–	–	–	–	–	–
Issuance of debt	–	–	–	–	–	–	–	17,927	–	–
Proceeds from leases	–	–	–	–	–	–	–	–	3,524	438
Proceeds from subscriptions issued (SBITA)	–	–	–	–	–	–	–	–	7,348	25,958
Refunding leases	–	–	–	(4,563)	–	–	–	–	–	–
Face value of bonds and loans	64,249	92,317	1,907	225,155	121,406	43,560	55,843	–	–	–
Refunding of bonds	–	–	(377,111)	(133,560)	3,675	(36,720)	–	–	7,797	–
Transportation revenue bonds	9,609	(13,833)	–	14,924	(8,004)	47,209	137,485	–	–	–
Swap termination	–	–	–	–	–	–	–	–	–	–
Premium (discount) on sale of bonds	1,606	3,220	–	35,923	–	5,976	8,224	–	101,710	–
Proceeds from bond issuances	–	–	403,750	–	8,792	–	–	–	–	–
Capital contributions	–	–	–	–	–	–	–	–	–	–
Payoff of bond anticipation note	–	–	–	(60,148)	–	–	–	–	–	–
Total other financing sources	136,959	190,720	88,835	165,052	190,646	117,907	225,728	60,972	162,575	74,118
Net changes in fund balances	$ (846)	$ 104,288	$ 63,432	$ 126,215	$ 133,088	$ (5,952)	$ (54,005)	$ 59,703	$ 143,219	$ (97,487)
Debt service as a percentage of noncapital expenditures	3.5 %	3.3 %	4.7 %	4.6 %	4.5 %	5.4 %	4.0 %	3.6 %	3.9 %	

Revenue Capacity

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CITY OF BALTIMORE

Property Tax Levies and Collections

Last Ten Fiscal Years

(Expressed in Thousands)

Fiscal Year	Total Tax Levy	Collected within due Fiscal Year of the Levy	Percent of Levy Collected	Collections in Subsequent Years	Total Tax Collection	Percent of Total Tax Collections to Tax Levy
2015	$ 778,380	$ 762,772	98.0 %	$ 12,061	$ 772,040	96.0 %
2016	804,391	760,686	94.6 %	3,278	808,328	95.0 %
2017	851,099	808,328	95.0 %	33,196	841,524	98.9 %
2018	892,079	865,223	97.0 %	11,095	876,318	98.2 %
2019	901,885	870,822	96.6 %	2,388	873,210	96.8 %
2020	924,357	887,452	96.0 %	19,491	906,943	98.1 %
2021	934,187	906,201	97.0 %	13,273	919,474	97.0 %
2022	957,351	933,828	97.5 %	–	933,828	97.5 %
2023	979,383	946,088	96.6 %	–	946,088	96.6 %
2024	1,037,637	1,003,731	96.7 %	–	1,003,731	96.7 %

CITY OF BALTIMORE

Assessed and Estimate Actual Value of Taxable Property

Last Ten Fiscal Years

(Expressed in Thousands)

	Real Property		Personal Property		Total			
Fiscal Year	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Estimate Actual Value	Ratio of Total Assessed Value to Total Estimate Actual Value %	Total Direct Tax Rate
2015	$ 29,063,381	$ 33,749,836	$ 1,895,006	$ 1,895,006	$ 30,958,387	$ 35,644,842	86.9 %	2.360
2016	31,577,756	35,782,497	2,011,722	2,011,722	33,589,478	37,794,219	88.9 %	2.360
2017	32,550,695	37,113,758	2,123,826	2,123,826	34,674,521	39,237,584	88.4 %	2.360
2018	33,909,100	38,844,708	2,241,053	2,309,659	36,150,153	41,154,367	87.8 %	2.360
2019	34,346,269	39,649,866	2,261,405	2,381,099	36,607,674	42,030,965	87.1 %	2.360
2020	35,108,831	40,412,995	2,255,234	2,374,928	37,364,065	42,787,923	87.3 %	2.360
2021	35,937,626	41,359,937	2,235,339	2,287,050	38,172,965	43,646,987	87.5 %	2.360
2022	37,198,306	42,126,603	2,155,394	2,202,000	39,353,700	44,328,603	88.8 %	2.360
2023	38,039,602	42,848,675	2,210,906	2,243,263	40,250,508	45,091,938	89.3 %	2.360
2024	40,329,326	45,338,027	2,331,553	2,353,782	42,660,879	47,691,809	89.5 %	2.360

Note:

Assessed values are established by the Maryland State Department of Assessments and Taxation on July 1 of each year. Each real property's assessment is reevaluated every three years. Tax rates are for each $100 of assessed value. The Baltimore City real property tax rate is $2.248 and the Maryland State real property tax rate is $0.112, for a total of $2.360.

Source: Baltimore City Department of Finance

CITY OF BALTIMORE

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years (a)

Fiscal Year	City Tax Rate	State Rate (b)	Tax Total (c)
2015	$ 2.248	$ 0.112	$ 2.360
2016	2.248	0.112	2.360
2017	2.248	0.112	2.360
2018	2.248	0.112	2.360
2019	2.248	0.112	2.360
2020	2.248	0.112	2.360
2021	2.248	0.112	2.360
2022	2.248	0.112	2.360
2023	2.248	0.112	2.360
2024	2.248	0.112	2.360

Notes:

(a) Tax rates are for each $100 of assessed valuation

(b) The State tax rate is shown for information purpose only, since the City acts in the role of collector and does not report this portion of the property tax as revenue.

(c) The City has no special assessments.

Source: Baltimore City Department of Finance

CITY OF BALTIMORE

Principal Property Taxpayer

Current Year and Nine Years Ago

(Expressed in Thousands)

	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
BGE (Baltimore Gas & Electric Company)	$ 1,241,377	1	2.9 %	$ 728,868	1	2.3 %
SSA Baltimore Holdings LLC	269,068	2	0.6 %	128,897	9	0.4 %
CSX Transportation	254,846	3	0.6 %	191,246	4	0.6 %
Harbor Point Parcel 2 Holdings	177,109	4	0.4 %			
Baltimore Hotel Corporation	173,508	5	0.4 %	163,991	6	0.5 %
Harbor East Limited - Parcel D	141,013	6	0.3 %	259,624	3	0.8 %
Under Armour, Inc	136,999	7	0.3 %			
MCB Rotunda Owner, LLC	128,352	8	0.3 %			
414 Light Street LLC	123,650	9	0.3 %			
Verizon MD	120,518	10	0.3 %	155,200	8	0.5 %
CBAC Borrower, LLC				276,552	2	0.9 %
100 Pratt St Ventures LLC				179,955	5	0.6 %
Baltimore Center Associates				159,016	7	0.5 %
Harbor East Limited-Parcel B				120,928	10	0.4 %
Total	$ 2,766,440		6.4 %	$ 2,364,277		7.5 %

Debt Capacity

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CITY OF BALTIMORE

Ratios of Outstanding Debt by Type, Primary Government

Last Ten Fiscal Years

(Expressed in Thousands)

	Governmental Activities						Business-type Activities					
Fiscal Year	General Obligation Bonds	Special Obligation Bonds	Long-term Financing with Federal Government	Long-term Financing with Federal of Maryland	Revenue Bonds	Lease	Financed Purchased	General Obligation Bonds	Revenue Bonds	Financed Purchased	Total Primary Government	Percentage of Personal Income (b) %	Per Capita (a)
2015	$ 553,761	$ 147,218	$ 30,357	$ 662	$ 391,894	$ –	$ 161,477	$ 3,018	$ 1,920,369	$ 1,840	$ 3,210,596	11.5 %	$ 4.87
2016	575,793	145,990	27,132	230	394,224	–	160,368	3,602	1,864,330	1,427	3,173,096	11.5 %	5.16
2017	527,049	199,876	23,792	—	358,666	–	144,969	3,291	2,127,319	1,087	3,386,049	10.8 %	5.16
2018	526,557	198,176	20,320	–	359,235	–	160,006	3,589	2,204,360	826	3,473,069	11.3 %	5.54
2019	572,887	196,203	16,707	–	378,975	–	150,608	4,656	2,626,638	644	3,947,318	11.2 %	5.76
2020	589,054	204,193	13,919	–	358,518	–	157,210	4,275	2,578,004	543	3,905,716	12.5 %	6.65
2021	596,189	338,246	11,018	–	344,306	–	149,781	3,795	2,825,454	437	4,269,226	12.3 %	6.67
2022	541,478	334,405	7,995	–	329,053	42,844	163,671	3,283	3,137,861	320	4,560,910	N/A	N/A
2023	544,110	368,807	4,584	–	321,562	45,800	157,260	2,945	3,117,361	193	4,562,622	N/A	N/A
2024	507,027	363,799	15,496	–	307,038	33,185	159,088	2,723	3,022,174	58	4,410,588	N/A	N/A

(a) Per capita calculation utilize calendar year figures provided by U.S. Department of Commerce, Census Bureau, in thousands.

(b) Personal Income data from the Bureau of Economic Analysis, U.S. Department of Commerce.

N/A Information not available

CITY OF BALTIMORE

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Expressed in Thousands)

Fiscal Year	General Obligation Bonds	Cash Available for Debt Service Activities (b)	Net General Bonded Debt	Percentage of Actual Taxable Value of Property %	Per Capita (a)
2015	$ 556,779	$ 51,130	$ 505,649	1.4 %	$ 0.81
2016	579,395	62,486	516,909	1.2 %	0.84
2017	469,340	53,552	415,788	1.1 %	0.68
2018	530,146	111,525	418,621	1.0 %	0.69
2019	577,543	116,468	461,075	1.1 %	0.76
2020	593,329	109,142	484,187	1.1 %	0.83
2021	599,984	–	599,984	1.4 %	N/A
2022	544,760	–	544,760	1.2 %	N/A
2023	547,055	–	547,055	1.2 %	N/A
2024	509,750	–	509,750	1.1 %	N/A

(a) Per capita calculation utilize calendar year figures provided by U.S. Department of Commerce, Census Bureau, in thousands

(b) Externally restricted for repayment of principal on debt; through fiscal year 2015, debt service was accounted for in a separate Debt Service Fund; as of fiscal year 2016, debt service is included in the General Fund. Effective with the fiscal year 2021, the Debt Service Fund is not accounted for separately and is now part of the General Fund.

N/A Information not available

CITY OF BALTIMORE

Direct and Overlapping Governmental Activities Debt

June 30, 2024

The City of Baltimore has no Overlapping Debt.

CITY OF BALTIMORE

Legal Debt Margin Information

June 30, 2024

The City has no Legal Debt Margin.

CITY OF BALTIMORE

Pledged Revenue Coverage

June 30, 2024

(Expressed in Thousands)

	Water Revenue Bonds						Wastewater Revenue Bonds					
				Debt Service						Debt Service		
Fiscal Year	Water Utility Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Wastewater Utility Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2015	$ 176,439	$ 114,341	$ 62,098	$ 12,250	$ 27,894	154.7	$ 216,428	$ 122,937	$ 93,491	$ 24,951	$ 33,151	160.9
2016	160,865	112,771	48,094	15,880	33,432	97.5	229,300	126,379	102,921	31,485	39,359	145.3
2017	163,563	117,547	46,016	17,298	33,627	90.4	235,133	130,532	104,601	33,886	37,475	146.6
2018	178,367	93,837	84,530	18,441	38,044	149.7	258,386	141,648	116,738	40,251	38,934	147.4
2019	185,132	99,376	85,756	21,058	39,047	142.7	267,204	157,518	109,686	40,805	41,063	134.0
2020	216,396	137,014	79,382	21,058	39,047	132.1	270,764	163,142	107,622	40,805	41,063	131.5
2021	243,563	107,329	136,234	28,018	40,915	197.6	289,812	151,068	138,744	45,196	38,240	166.3
2022	278,280	99,503	178,777	28,181	40,418	260.6	278,131	162,374	115,757	51,722	38,178	128.8
2023	232,752	136,899	95,853	35,434	39,233	128.4	304,453	222,804	81,649	55,083	38,804	87.0
2024	259,084	144,966	114,118	37,473	37,854	151.5	383,427	227,315	156,112	59,455	41,282	155.0

	Stormwater Revenue Bonds						Parking Revenue Bonds					
				Debt Service						Debt Service		
Fiscal Year	Stormwater Utility Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Parking Utility Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2015	$ 25,971	$ 10,632	$ 15,339	$ 441	$ 441	1739.1	$ 85,634	$ 7,133	$ 78,501	$ 9,800	$ 8,753	423.1
2016	27,807	14,641	13,166	616	140	1741.5	87,145	6,662	80,483	10,350	8,217	433.5
2017	29,309	16,799	12,510	1,771	1,037	445.5	88,454	10,159	78,295	10,960	7,669	420.3
2018	28,552	19,733	8,819	1,312	533	478.0	85,257	9,015	76,242	11,490	6,992	412.5
2019	28,540	17,454	11,086	1,059	500	711.1	76,801	8,117	68,684	12,270	5,716	381.9
2020	30,943	17,825	13,118	1,059	500	841.4	69,697	6,821	62,876	12,270	5,716	349.6
2021	31,462	19,396	12,066	2,471	2,571	239.3	38,693	6,416	32,277	4,775	4,202	359.6
2022	37,882	17,744	20,138	2,821	2,530	376.3	56,537	4,096	52,441	4,325	3,926	635.6
2023	37,163	19,802	17,361	2,985	2,453	319.3	60,104	6,003	54,101	5,055	3,827	609.1
2024	41,757	25,428	16,329	3,074	2,390	298.8	58,101	5,963	52,138	4,580	3,036	684.6

	Convention Center Revenue Bonds				
			Debt Service		
Fiscal Year	Convention Center Revenues	Net Available Revenue	Principal	Interest	Coverage
2015	$ 5,968	$ 5,968	$ 3,435	$ 1,118	1.3
2016	4,517	4,517	3,625	924	1.0
2017	4,120	4,120	3,825	729	0.9
2018	4,580	4,580	4,015	533	1.0
2019	4,220	4,220	4,220	327	0.9
2020	4,425	4,425	4,225	110	1.0
2021	–	–	–	–	—
2022 (a)	–	–	–	–	–
2023 (a)	–	–	–	–	–
2024 (a)	–	–	–	–	–

Note: Details regarding the City's outstanding debt can be found in note number 8 in the notes to the financial statements

Operating expenses do not include interest, depreciation or amortization expenses

(a) Convention Center Revenue Bond Series 1998 was paid off in 2020. The Bond Series 2017A for the Convention Center is presented in the ACFR but the revenue is reported in Baltimore Hotel Corporation financial statements.

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Demographic and Economic Information

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CITY OF BALTIMORE
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (a)	Personal Income (a) (thousands of dollars)	Per Capita Personal Income (b)	Total Employment (c)	Unemployment Rate (c)
2015	621,849	$ 28,753,031	$ 46,238	271,363	7.4
2016	614,664	29,338,098	47,730	270,515	6.4
2017	611,648	30,073,681	49,168	271,837	5.9
2018	602,495	30,942,036	51,357	273,304	5.5
2019	593,490	31,679,263	53,378	275,911	4.9
2020	585,708	31,707,954	54,136	256,482	8.5
2021	576,498	33,757,152	58,556	256,302	7.0
2022	569,107	34,085,639	59,893	262,081	4.3
2023	565,239	36,377,022	64,357	271,413	2.3
2024	N/A	N/A	N/A	267,870	3.8

Source:

(a) U.S. Census Bureau.

(b) U.S. Bureau of Economic Analysis.Per capita personal income is calculated based on the personal income divided by the estimated population.

(c) US Bureau of Labor Statistics, annualized average. For current year, the most recent month (September 2024) is represented.

N/A Information not available.

CITY OF BALTIMORE
Principal Employers
Current Year and Nine Years Ago

Employer	2024 (a) Employees	Rank	Percentage of Total City Employment	2015 (d) Employees	Rank	Percentage of Total City Employment
Government (b)						
State	35,986	1	10.6 %	35,157	1	10.6 %
Other Government authority (City School etc)	25,299	2	7.4 %	24,294	2	7.3 %
Federal	12,260	3	3.6 %	9,885	3	3.0 %
Subtotal Government	73,545		21.6 %	69,336		20.8 %
Ten Largest Private Sector Employers (c)						
Johns Hopkins Hospital and Health System	20,845	1	6.1 %	19,340	2	5.8 %
Johns Hopkins University	18,600	2	5.5 %	25,000	1	7.5 %
University of Maryland Medical System	11,450	3	3.4 %	9,830	3	3.0 %
Mercy Health Services	9,530	4	2.8 %	4,028	7	1.2 %
University System of Maryland	8,965	5	2.6 %	9,111	4	2.7 %
MedStar Health	6,175	6	1.8 %	6,176	5	1.9 %
LifeBridge Health - Sinai	5,315	7	1.6 %	5,316	6	1.6 %
Amazon.com	4,500	8	1.3 %	–		— %
Exelon / Constellation Energy / BGE	3,000	9	0.9 %	2,952	9	0.9 %
Kennedy Krieger Institute	2,600	10	0.8 %	2,417	10	0.7 %
St Agnes HealthCare	–	0	– %	3,267	8	1.0 %
Subtotal Ten Largest Private Sector Employer	90,980		26.8 %	87,437		26.3 %
Total Government and Ten Largest Private Sector Employers	164,525		48.4 %	156,773		47.1 %

Source:

(a) For the government and private sectors: Maryland Dept of Commerce.

(b) Data only available for the first quarter of 2024, Baltimore City Employment Table.

(c) Data from table, Brief Economic Facts reports latest available 2023-2024 (Baltimore City)

(d) For 2015, City of Baltimore Comprehensive Annual Financial Report for Fiscal Year 2015.

(e) Quarterly Average Employment; Total Employment Table

Operating Information

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CITY OF BALTIMORE

Full Time Equivalent Employees by Function

Last Ten Fiscal Years

Function/program	Full-time equivalent Employees at June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	1,700	1,577	1,785	1,858	1,934	1,949	1,940	1,862	1,812	3,122
Public safety and regulation										4,920
Police	3,444	3,259	3,125	3,243	3,235	3,241	3,193	3,197	3,211	—
Fire	1,699	1,639	1,731	1,733	1,733	1,733	1,734	1,732	1,745	—
Other	700	813	735	751	757	758	767	766	761	—
Conservation of health	890	842	800	784	820	814	913	909	905	3,066
Public library	391	389	389	437	450	450	455	454	451	463
Recreation and parks	310	327	310	311	312	314	372	380	424	440
Highways and streets	1,428	1,024	1,079	1,074	1,070	1,070	1,020	1,127	1,147	605
Sanitation and waste removal										801
Water	717	899	810	846	847	847	850	844	894	—
Wastewater	797	694	761	750	751	751	751	743	743	—
Solid waste	802	995	880	866	864	864	838	859	858	—
Other	504	487	423	438	440	441	437	431	433	—
Public service	65	73	65	65	68	68	69	65	64	152
Social services	—	—	—	—	—	—	—	—	—	70
Economic development	559	426	382	383	389	394	378	378	414	541
	14,006	13,444	13,275	13,539	13,670	13,694	13,717	13,747	13,862	14,180

Source: Baltimore City Bureau of Budget and Management Research.

Note: Fiscal year 2024 shows a revised representation of Full Time equivalent employees by governmental function.

CITY OF BALTIMORE
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Arrests(a)	33,462	25,339	24,453	25,841	49,163	16,690	12,620	11,925	13,159	8,129
Fire										
Fire Suppression Units Dispatched	143,889	147,249	163,872	163,959	166,977	154,107	165,320	178,580	175,763	173,469
Structural Fires	2,541	2,377	2,760	2,841	2,898	2,746	3,371	2,151	2,437	2,291
EMS Transports	92,094	97,502	100,894	100,009	100,043	88,910	87,612	82,203	86,352	88,870
Inspections	N/A	24,339	16,505	29,296	18,126	19,818	18,507	16,083	14,030	14,467
Solid Waste										
Refuse Collected (tons)	155,624	149,582	153,793	159,204	125,383	144,402	158,547	154,876	143,316	143,242
Recyclables Collected (tons)	28,979	28,253	29,512	29,632	22,003	26,000	15,800	22,159	21,941	25,078
Water/Wastewater										
Number of Accounts	426,642	407,000	420,681	427,040	427,773	427,422	427,674	425,965	427,512	219,454
Average Daily Water Production (MGD)	223	193	190	183	194	194	191	184	209	200
Average Daily Sewage Treatment (MGD)	199	205	180	176	232	186	184	176	183	192
Transportation (DOT)										
Miles Streets Resurfaced/Reconstructed	122	122	61	109	109	96	76	17	21	26
Potholes Repaired	126,771	122,985	12,466	93,270	118,513	14,040	62,616	90,121	91,271	106,303
Traffic Citations Issued(b)	88	140	83	6	12	12	12	—	—	816,967
Parking Citations Issued	380,239	405,721	256,551	310,655	326,361	223,611	186,811	337,264	311,446	233,720
Traffic Signals Repaired	4,450	4,328	4,771	5,582	4,918	3,383	4,150	1,858	4,678	5,148
Street Lights Repaired	24,254	21,311	20,139	22,558	2,758	1,163	1,076	1,238	1,357	2,486
Housing										
Number of inspections (housing and code enforcement)	254,646	196,698	224,727	261,588	271,385	211,192	220,481	190,280	149,662	148,711
Number of permits issued	27,060	30,183	40,718	39,964	35,389	39,529	39,042	42,803	40,615	41,923
Property Management Service Requests Completed(c)	78,824	44,452	39,645	82,546	79,093	68,865	55,013	65,001	73,906	70,011
Recreation and Parks										
Enrollment at Recreation Centers	144,077	158,483	148,300	162,230	14,893	23,954	10,990	20,413	21,728	25,001
Permits Issued for Park Facilities	1,894	1,935	1,711	1,929	1,681	988	608	1,555	843	17,630
Library										
Volumes in Collection (millions)	2.3	2.2	2.2	2.2	2.3	2.4	2.4	2.4	2.5	2.5
Volumes Borrowed (millions)	1.3	1.2	1.1	1.3	1.7	1.8	1.0	1.7	1.9	2.4

N/A Data not available.

(a) Yearly arrests are based on calendar year data, not fiscal year.

(b) In prior years, traffic citations issued were DOT Officers - written citations. From 2021, and subsequent years, traffic citations issued are DOT automatic camera citations (Red Light and Speed Cameras Citations).

(c) Property Management represents primarily cleaning and boarding of vacant properties.

Source: Baltimore City Department of Finance

CITY OF BALTIMORE
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police/Sheriff										
Buildings	16	16	16	16	16	16	16	16	16	16
Marked Patrol Units	576	480	620	680	680	591	560	555	517	594
Other vehicles	309	510	538	594	575	555	608	541	331	618
Fire Stations										
Buildings	62	62	62	62	62	61	54	53	53	53
Fire/EMS Apparatus (Tankers/Ladders/ Medics) (Fleet)	138	155	146	115	117	149	157	170	147	155
Other vehicles	228	224	218	241	240	220	219	222	215	245
Recreation and Parks										
Buildings	210	210	210	210	210	211	211	211	212	206
Acreage	5,827	4,874	4,874	4,874	4,874	5,617	5,027	5,018	5,022	5,026
Vehicles	120	121	142	129	128	137	139	141	138	147
Equipment	151	145	137	104	156	131	126	129	125	131
Public Works (Transportation Solid Waste and General Services)										
Buildings	119	119	119	121	121	126	128	127	128	123
Vehicles	987	981	1,055	943	965	1,109	1,143	1,132	1,018	1,103
Equipment	537	534	570	372	499	448	438	439	437	444
Streets (miles)	2,000	2,000	2,000	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Water/Wastewater/Stormwater										
Treatment plants	5	5	5	5	5	5	5	5	5	5
Other Buildings	221	221	221	221	221	225	195	194	103	105
Vehicles	636	594	481	688	667	716	714	752	635	619
Equipment	481	466	605	259	331	283	276	276	257	268
Water Mains (Miles)	3,669	3,692	3,748	3,748	3,884	3,718	3,723	3,957	4,002	4,003
Water Treatment capacity (MGD)	360	360	360	360	360	360	360	360	360	360
Sanitary sewers (miles)	1,361	1,380	1,398	1,398	1,416	1,370	1,417	1,471	1,472	1,453
Storm sewers (miles)	1,108	1,108	1,180	1,180	1,213	1,112	1,197	1,203	1,204	1,204
Wastewater Treatment capacity (MGD)	253	253	253	253	253	253	253	253	253	253
Libraries										
Buildings	24	24	24	24	24	24	24	24	24	24
Vehicles	17	16	14	17	17	17	17	17	18	18
Other-General Government										
Buildings	132(a)	132	132	132(a)	132	133	133	133	133	127
Vehicles	175	532	1,643	316	221	223	221	231	215	245
Equipment	14	76	191	49	13	12	10	10	10	10

(a) The total number of buildings excludes residential properties under the ownership of the Mayor and City Council.

N/A Data not available.

Source: Baltimore City Department of Finance.

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OFFICIAL NOTICE OF SALE

$30,785,000*
MAYOR AND CITY COUNCIL OF BALTIMORE
(City of Baltimore, Maryland)
General Obligation Bonds
Consolidated Public Improvement Bonds, Series 2025A (Tax-Exempt)

NOTICE IS HEREBY GIVEN that electronic bids will be received on the date and up to the time specified below:

SALE DATE: **Wednesday, July 23, 2025**

SALE TIME: **From 11:30 a.m. to 11:45 a.m. Local Baltimore, Maryland Time**

ELECTRONIC BIDS: Must be submitted through PFM Financial Advisors, LLC's PFMauction website as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

Notice is hereby given that electronic bids only for the purchase of all, but not less than all, of the Consolidated Public Improvement Bonds, Series 2025A (Tax-Exempt) (the "Bonds") issued by the City of Baltimore, Maryland (the "City") will be received by the Board of Finance (the "Board of Finance") of the City. The Bonds are more particularly described in the Preliminary Official Statement dated July 16, 2025 relating to the Bonds (the "POS") available for viewing in electronic format on the PFMauction website. The PFMauction website address is www.PFMauction.com. All bidders must review the POS and certify that they have done so prior to participating in the bidding.

All bids must be submitted in their entirety on PFM Financial Advisors LLC's ("PFM") PFMauction website ("PFMauction") prior to 11:45 a.m., Local Baltimore, Maryland time on July 23, 2025, unless otherwise extended by the two-minute rule described herein (see "Bidding Details"). The auction will begin at 11:30 a.m., Local Baltimore, Maryland time on July 23, 2025.

To bid via the PFMauction website, bidders must (1) have completed the registration form on either the PFMauction website or Grant Street Group website (parent of MuniAuction, herein referred to as "MuniAuction"), (2) have requested and received admission to the City's auction, as described under "Registration and Admission to Bid" below, and (3) have an established industry reputation for underwriting new issuances of municipal bonds. The use of PFMauction shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

Consideration of the bids and the award will be made by the City on the Sale Date as set forth herein. The City also reserves the right to make certain adjustments to the aggregate principal amount and the principal amounts of each maturity of the Bonds being offered, to eliminate maturities, to change the terms of the Bonds, to postpone the sale of the Bonds to a later date, or to cancel the sale of the Bonds as further described herein. See "Adjustment of Amounts and Maturities" and "Change or Cancellation of Sale Date and/or Date of Delivery and/or Other Revised Terms."

*Preliminary, subject to change.

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Bidding Parameters Table*

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	Unlimited
Anticipated Date of Delivery:	August 6, 2025	Min. Aggregate Bid Price:	100%
Interest Payment Dates:	October 15 and April 15		
First Interest Payment Date:	October 15, 2025	Max. Reoffering Price (each maturity):	Unlimited
Coupon Multiples:	1/8, 1/20 or 1/100 of 1%	Min. Reoffering Price (each maturity):	98.5%
Maximum Coupon:	N/A		
Minimum Coupon:	N/A		
Maximum TIC:	N/A		
Maximum Difference Between Coupons:	4%		
No Zero Coupon may be specified			
PRINCIPAL		**PROCEDURAL**	
Optional Redemption:	Bonds maturing on and after October 15, 2036 are callable on October 15, 2035 and thereafter at par	Sale Date: Sale Time:	July 23, 2025 11:30 a.m. – 11:45 a.m., Local Baltimore, Maryland Time
Post-bid Principal Increases Each Maturity: Aggregate:	 Unlimited 15%	Bid Submission:	Electronic bids through PFMauction.com only
Post-bid Principal Reductions Each Maturity: Aggregate:	 Unlimited 15%	Special Considerations:	Two Minute Rule (See "Bidding Details #2 herein)
Term Bonds:	Two or more consecutive annual principal maturities may be designated as a term bond that matures on the maturity date of the last annual principal payment of the sequence.	All or None?	Yes
		Bid Award Method:	Lowest True Interest Cost (as defined herein)
		Bid Confirmation:	Notification from the City
		Awarding of Bid:	On the Sale Date by the City
		Good Faith Deposit:	$307,850, as more fully described herein. See "Good Faith Deposit."

* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

Bond Amortization Schedule*

The Bonds will be issued in serial or term bond form as designated by the successful bidder for the Bonds in its proposal, as described below. The principal of the Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$30,785,000* Consolidated Public Improvement Bonds, Series 2025A (Tax-Exempt)

Maturity Date (Oct. 15)	Amount Maturing*	Maturity Date (Oct. 15)	Amount Maturing*
2026	$920,000	2036	$1,515,000
2027	965,000	2037	1,590,000
2028	1,015,000	2038	1,675,000
2029	1,065,000	2039	1,760,000
2030	1,120,000	2040	1,850,000
2031	1,180,000	2041	1,945,000
2032	1,240,000	2042	2,045,000
2033	1,305,000	2043	2,150,000
2034	1,370,000	2044	2,260,000
2035	1,440,000	2045	2,375,000

*Preliminary, subject to change.

THE BONDS

Security

The Bonds shall constitute general obligations of the City, for which the full faith and credit of the City are pledged. The Bonds are payable as to principal and interest from ad valorem taxes which the City is empowered, obligated and directed by law to levy, without limitation, upon all assessable property within the corporate boundaries of the City, in each year in rate and amount sufficient for such purpose until all of the Bonds and the interest thereon shall have been paid or provision shall have been made for such payment.

Use of Proceeds

The proceeds of the Bonds will be used to finance and refinance certain capital projects of the City and to pay the costs of issuance of the Bonds, as described in the Preliminary Official Statement, as approved by voters of the City and by either resolutions of the City Delegation to the General Assembly or the Acts of the General Assembly.

Description of the Bonds

General. The Bonds will be dated as of the Date of Delivery ("Dated Date"), expected to be on or about August 6, 2025 and will be in fully registered form in denominations of $5,000 each or any integral multiple thereof.

Interest on the Bonds will accrue from the Dated Date, and will be payable October 15, 2025 and semiannually thereafter on each October 15 and April 15 until maturity or earlier redemption. The Bonds will mature on October 15 of each year as specified in the Bond Amortization Schedule above, subject to adjustment as described herein.

Term Bond Option. Bidders may designate in their proposal two or more consecutive annual principal maturities as a term bond that matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal maturity designated for inclusion in such term bond. There is no limitation on the number of term bonds in the Bonds.

Form of Bonds. The Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the Bonds in principal amount equal to the aggregate principal amount of such maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), as registered owner of the Bonds and each such

bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the bonds purchased. The winning bidder, as a condition to delivery of the Bonds, must consent that the bond certificates representing each maturity will be deposited with DTC.

So long as the Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the Bonds will be the City or any other Bond Registrar and Paying Agent designated by the City. All payments of the principal of and interest on the Bonds shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Optional Redemption

The Bonds maturing on or before October 15, 2035 are not subject to optional redemption prior to their fixed maturity dates. The Bonds maturing on or after October 15, 2036, are subject to redemption prior to maturity, at the option of the City, at any time on or after October 15, 2035, in whole or in part, at the principal amount thereof (without premium), plus accrued interest on such principal amount to the date of redemption.

ADJUSTMENT OF AMOUNTS AND MATURITIES

Prior to the Sale Date, the City may adjust the preliminary aggregate principal amount of the Bonds and the preliminary principal amount and maturity of each serial installment of the Bonds as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Principal Amount", and collectively the "Preliminary Amounts"). **ANY SUCH REVISIONS MADE PRIOR TO THE OPENING OF THE BIDS** (the "Aggregate Principal Amount" and the "Principal Amount", and collectively the "Amounts") **WILL BE PUBLISHED ON PFMAUCTION NOT LATER THAN 4:00 P.M., LOCAL BALTIMORE, MARYLAND TIME, ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE SALE DATE FOR THE BONDS.**

In the event that no such revisions are made prior to the opening of the bids, the Preliminary Amounts will constitute the Amounts. Bidders shall submit bids based on the Amounts, and the Amounts will be used to compare bids and select a winning bidder.

After the opening of the bids, the City may further adjust the Amounts of the Bonds. Changes to be made will be communicated to the successful bidder not later than three (3) hours after the bids have been received and opened and in no case will such changes reduce or increase the Aggregate Principal Amount of the Bonds by more than 15 percent. The dollar amount bid for principal by the successful bidder will be adjusted proportionally to reflect any reduction or increase in the Aggregate Principal Amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes within these limits.

THE "UNDERWRITER'S DISCOUNT" SHALL BE DEFINED AS THE DIFFERENCE BETWEEN THE PURCHASE PRICE OF THE BONDS SUBMITTED BY THE BIDDER AND THE PRICE AT WHICH THE BONDS WILL BE ISSUED TO THE PUBLIC, CALCULATED FROM INFORMATION PROVIDED BY THE BIDDER, DIVIDED BY THE PAR AMOUNT OF THE BONDS BID. THE DOLLAR AMOUNT BID BY THE SUCCESSFUL BIDDER WILL BE ADJUSTED TO REFLECT ANY ADJUSTMENTS IN THE AGGREGATE PRINCIPAL AMOUNT AND PRINCIPAL AMOUNTS OF THE BONDS. SUCH ADJUSTED BID PRICE WILL REFLECT CHANGES IN THE DOLLAR AMOUNT OF THE UNDERWRITER'S DISCOUNT AND ORIGINAL ISSUE DISCOUNT/PREMIUM, IF ANY, BUT WILL NOT CHANGE THE UNDERWRITER'S DISCOUNT, PER $1,000 OF PAR AMOUNT OF THE BONDS FROM THE UNDERWRITER'S DISCOUNT THAT WOULD HAVE BEEN RECEIVED BASED ON THE PURCHASE PRICE IN THE WINNING BID AND THE INITIAL PUBLIC OFFERING PRICES.

CHANGE OR CANCELLATION OF SALE DATE AND/OR DATE OF DELIVERY AND/OR OTHER TERMS

The City may cancel or postpone the sale of the Bonds prior to the Sale Date. Notice of a cancellation or postponement will be announced on PFMauction. Notice of any new date and time of sale will be announced at least 24 hours prior to the time bids are to be submitted and will specify changes in the principal amount or other features, if any.
The City may change the scheduled delivery date, the dates of the semiannual interest payments and annual principal payments, or the optional redemption date or revise any other terms for the Bonds by notice given in the same manner as that set forth above.

PRELIMINARY OFFICIAL STATEMENT; CONTINUING DISCLOSURE

THE CITY HAS DEEMED THE PRELIMINARY OFFICIAL STATEMENT TO BE FINAL AS OF ITS DATE FOR PURPOSES OF RULE 15C2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("RULE 15C2-12"), EXCEPT FOR THE OMISSION OF CERTAIN INFORMATION PERMITTED TO BE OMITTED BY SAID RULE. AS SOON AS PRACTICABLE AFTER THE SALE DATE, THE CITY WILL PUBLISH A COMPLETE FINAL OFFICIAL STATEMENT (THE "OFFICIAL STATEMENT") THAT WILL CONTAIN THIS INFORMATION. THE CITY AGREES TO DELIVER TO THE SUCCESSFUL BIDDER FOR ITS RECEIPT NO LATER THAN SEVEN BUSINESS DAYS AFTER THE SALE DATE SUCH QUANTITIES OF THE OFFICIAL STATEMENT AS THE SUCCESSFUL BIDDER SHALL REQUEST, PROVIDED, THAT THE CITY SHALL DELIVER UP TO 25 COPIES OF SUCH OFFICIAL STATEMENT WITHOUT CHARGE TO THE SUCCESSFUL BIDDER.

THE CITY HAS MADE CERTAIN COVENANTS FOR THE BENEFIT OF THE HOLDERS FROM TIME TO TIME OF THE BONDS TO PROVIDE CERTAIN CONTINUING DISCLOSURE, IN ORDER TO ASSIST BIDDERS FOR THE BONDS IN COMPLYING WITH RULE 15C2-12(B)(5). SUCH COVENANTS ARE DESCRIBED IN THE PRELIMINARY OFFICIAL STATEMENT.

ELECTRONIC BIDDING

Registration and Admission to Bid

To bid by PFMauction, bidders must first visit the PFMauction website where, if they have never registered with either PFMauction or MuniAuction, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only FINRA registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with MuniAuction may call MuniAuction at (412) 391-5555 for their ID Number or password.

If any provisions of this Official Notice of Sale shall conflict with information provided by MuniAuction as approved provider of electronic bidding services, this Notice of Sale, as it may amended by the City as described within, shall control.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

1) All bids must be submitted on the PFMauction website at www.PFMauction.com. No telephone, telefax, telegraph or personal delivery bids will be accepted.

2) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by PFMauction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

3) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.

4) The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

5) During bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader," "Cover," "3rd," etc.).

6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

7) During bidding, a bidder will be able to see what issue price methodology is being utilized at the current time (see "Establishment of Issue Price" herein). In the event 2 or less bidders have submitted bids at any point during the

auction, the issue price methodology displayed will say "Hold the Price". Once 3 or more bidders have submitted bids, the issue price methodology will be automatically updated to say "Competitive Sale Exemption". All bidders, regardless of position or if they have previously submitted bids, will be able to see this issue price methodology information. See "Notification of Competitive Sale Exemption During Auction" herein for more details.

Rules of PFMauction

The "Rules" of PFMauction can be viewed on the PFMauction website and are incorporated herein by reference. Bidders must comply with the Rules of PFMauction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of PFMauction and this Official Notice of Sale, this Official Notice of Sale shall control.

1) A Bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.

2) Neither the City, PFM nor MuniAuction (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with PFMauction, slowness in transmission of bids, or other technical problems.

3) If for any reason Bidder is disconnected from Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon Bidder, unless the City exercises its right to reject bids, as set forth herein.

4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including Amendments, if any) related to each auction.

6) Neither the City, PFM nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in Official Notice of Sale, Amendments, or Preliminary Official Statement as they appear on PFMauction.

7) Only Bidders who request and receive admission to an auction may submit bids. PFM and the Auction Administrator reserve the right to deny access to PFMauction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

8) Neither the City, PFM nor Auction Administrator is responsible for protecting the confidentiality of a Bidder's PFMauction password.

9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost the first confirmed bid received by PFMauction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest.

10) Bidders must compare their final bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Pages they must report them to PFMauction within 15 minutes after the bidding time period ends. Regardless of the final results reported by PFMauction, bonds are definitively awarded to winning bidders only upon official award by the City. If, for any reason, the City fails to: i) award bonds to the winner reported by PFMauction, or ii) deliver bonds to winning bidders at settlement, neither the City, PFM nor the Auction Administrator will be liable for damages.

Definitions

"Bid":	any confirmed purchase offer received by PFMauction on or before the auction deadline.
"Bidder":	any underwriting firm registered with either PFMauction or MuniAuction and approved for participation in auctions that has an established industry reputation for underwriting new issuances of municipal bonds

"Winning Bid":	any purchase offer made by a Bidder by clicking the "Submit Bid" button and received by PFMauction which, at the end of the bidding time period, results in the lowest True Interest Cost in the auction and which is accepted to the City.
"True Interest Cost":	calculation described in the Notice of Sale related to each auction which serves as basis for awarding bonds to Winning Bidders.

Minority Business Enterprise Participation

THE CITY STRONGLY ENCOURAGES EACH BIDDER FOR THE BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE BONDS. THE SUCCESSFUL BIDDER WILL BE REQUESTED TO PROVIDE A LIST OF SYNDICATE MEMBERS WHICH IDENTIFIES THE MINORITY BUSINESS ENTERPRISE MEMBERS AND INDICATES THEIR PERCENTAGES OF PARTICIPATION.

Right of Rejection

The City expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

PRELIMINARY AWARD

As promptly as reasonably practicable after the bids are received and reviewed, but not later than **12:30 p.m.** local Baltimore, Maryland time on the Sale Date (unless bids have been postponed), the City will notify the apparently successful bidder of the Preliminary Award of the Bonds. The successful bidder shall make a bona fide public offering of all of the Bonds and shall represent to the City that such offering is in compliance with all applicable securities laws of the jurisdictions in which such Bonds are offered. **Within 30 minutes after being notified of the Preliminary Award of the Bonds, the successful bidder shall advise the City in writing (via e-mail transmission) to Trina Smith or Joseph Breen at breenj@pfm.com or smithtr@pfm.com, respectively, of such reoffering prices of the Bonds (the "Reoffering Prices").**

The apparent successful bidder will also be required to wire to the City a Good Faith Deposit as further described herein. Timely notification of the Final Award is subject to the City's receipt of the Good Faith Deposit.

AWARD OF BID

Award of Bid

The City expects to make its award of the Bonds to the winning bidder on the Sale Date. It is anticipated that all bids will be reviewed by the City at the time stated above and will be acted on following the opening, tabulation and verification of the bids received. The decision by the City as to the award of the Bonds will be final. Bids may not be withdrawn prior to the award.

All bids shall be for cash on delivery and shall be based on an offering to pay not less than 100% of the par value of the Bonds. Each bidder shall indicate in its bid the rate of interest to be paid on the Bonds of each maturity. All bids for Bonds of any maturity must be greater than or equal to 98.5%. Each rate of interest shall be a multiple of 1/8, 1/20 or 1/100 of one percent, but all Bonds of any one maturity must bear interest at the same rate. Any rate named may be repeated. The difference between the maximum and minimum interest rates may not be greater than 4%. A zero rate may not be named.

The Bonds will be awarded by the City on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost ("TIC") to the City. The lowest TIC will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the Date of Delivery of the Bonds and to the aggregate amount bid for the Bonds. If two or more responsible bidders have made bids resulting in the same lowest TIC to the City, the Bonds shall be awarded by lot to one of these bidders.

Good Faith Deposit

A Good Faith Deposit in the amount of $307,850 is required only of the winning bidder for the Bonds. The winning bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds as instructed by the City's Financial Advisor, PFM Financial Advisors LLC. The winning bidder shall submit the Good Faith Deposit not later than 2:00 p.m. (local Baltimore, Maryland time) on the Sale Date. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the City with the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the City the sum of $307,850 as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the Good Faith Deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

ISSUE PRICE DETERMINATION

The City expects and intends that the bid for the Bonds will satisfy the federal tax requirements for a qualified competitive sale of bonds, including, among other things, receipt of bids for the Bonds from at least three underwriters, who have established industry reputations for underwriting new issuances of municipal bonds (a "Qualified Competitive Bid"). The City will advise the successful bidder as promptly as possible after the bids are opened whether the bid constitutes a Qualified Competitive Bid, or, in the alternative, a bid that fails to satisfy such requirements (a "Nonqualified Competitive Bid").

If the successful bid is a Qualified Competitive Bid, as promptly as possible after the bids are opened, the City will notify the winning bidder, and such bidder, upon such notice, shall advise the City of the reasonably expected initial offering price to the public of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the City information to establish the reasonably expected initial offering price for each maturity of the Bonds for federal income tax purposes by completing a certificate acceptable to Bond Counsel, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix G-1 to the Preliminary Official Statement, with appropriate completions, amendments and attachments.

If the successful bid is a Nonqualified Competitive Bid, as promptly as possible after the bids are opened, the City will notify the winning bidder, and such bidder, upon such notice, shall advise the City of the initial sale price or initial offering price to the public, as applicable, of each maturity of the Bonds. In addition, the winning bidder shall be required to provide to the City information and assurances to establish the initial sale price or the initial offering price to the public, as applicable, for each maturity of the Bonds for federal income tax purposes by completing a certification acceptable to Bond Counsel, on or before the date of issuance of the Bonds, substantially in the form set forth in Appendix G-2 to the Preliminary Official Statement, with appropriate completions, omissions and attachments. **It is noted that procedures for a Nonqualified Competitive Bid may require the winning bidder and, if applicable, other underwriters of the Bonds, to hold the initial offering prices for certain maturities of the Bonds for up to 5 business days after the sale date, as further specified in the form of such certification.**

DELIVERY AND PAYMENT

Delivery of the Bonds will be made by the City to DTC in book-entry only form, on or about the anticipated Date of Delivery, or on or about such other date as may be agreed on by the City and the successful bidder.

At the time of delivery of the Bonds, payment of the amount due for the Bonds must be made by the successful bidder to the order of the City in immediately available federal funds or other funds immediately available to the City, or by such other means

as may be acceptable to the City. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the successful bidder.

CUSIP Numbers; Expenses of the Bidder

It is anticipated that CUSIP numbers will be assigned to each of the Bonds, but neither the failure to type or print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. The Financial Advisor will be responsible for applying for and obtaining, subject to the CUSIP Service Bureau policy and procedures, CUSIP numbers for the Bonds. The successful bidder will be obligated to pay the fee of the CUSIP Service Bureau for assigning the CUSIP numbers to the Bonds. All expenses of typing or printing CUSIP numbers on the Bonds will be paid for by the City.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Bonds.

TAX STATUS, LEGAL OPINIONS, CLOSING DOCUMENTS AND NO LITIGATION

The approving legal opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel, will be furnished without cost to purchaser of the Bonds. A summary description of the tax treatment of the Bonds is contained in the Preliminary Official Statement under the heading "Tax Matters." The proposed form of legal opinion of bond counsel with respect to the Bonds is included in Appendix D to the Preliminary Official Statement.

Delivery of the Bonds will be accompanied by the customary closing documents, including a no-litigation certificate effective as of the date of delivery of the Bonds stating that there is no litigation pending affecting the validity of the Bonds. Simultaneous with or before delivery and payment of the Bonds, the purchaser shall be furnished a certificate or certificates of the appropriate City officials to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Prices provided by the purchaser and information regarding DTC and DTC's book-entry system, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds, did not and does not contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the statements therein, in light of circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the Bonds, there has been no material adverse change in the financial position or revenues of the City, except as may have been disclosed in or contemplated by the Official Statement.

ADDITIONAL INFORMATION

This Official Notice of Sale is not a summary of the terms of the Bonds. Reference is made to the Preliminary Official Statement for a further description of the Bonds and the City. Prospective investors or bidders for the Bonds must read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. The Preliminary Official Statement is deemed final by the City as of its date for purposes of the Rule but is subject to revision, amendment and completion in a final Official Statement. Additional information concerning the matters discussed in this Official Notice of Sale and copies of the Preliminary Official Statement may be obtained online or by request from Jennell A. Rogers, the City's Chief, at (410) 396-4750 or from Trina Smith or Jospeh Breen at, respectively, smithtr@pfm.com or (215) 557-1430, or breenj@pfm.com or (215) 557-1216.

Brandon M. Scott
Mayor

Michael Mocksten (Moiseyev)
Director of Finance

Jennell A. Rogers
Chief, Bureau of Treasury Management

OFFICIAL NOTICE OF SALE

$70,550,000*
MAYOR AND CITY COUNCIL OF BALTIMORE
(City of Baltimore, Maryland)
General Obligation Bonds
Consolidated Public Improvement Bonds, Series 2025B (Taxable)

NOTICE IS HEREBY GIVEN that electronic bids will be received on the date and up to the time specified below:

SALE DATE: **Wednesday, July 23, 2025**

SALE TIME: **From 12:00 p.m. to 12:15 p.m. Local Baltimore, Maryland Time**

ELECTRONIC BIDS: Must be submitted through PFM Financial Advisors, LLC's PFMauction website as described below. **No other form of bid or provider of electronic bidding services will be accepted.**

Notice is hereby given that electronic bids only for the purchase of all, but not less than all, of the Consolidated Public Improvement Bonds, Series 2025B (Taxable) (the "Bonds") issued by the City of Baltimore, Maryland (the "City") will be received by the Board of Finance (the "Board of Finance") of the City. The Bonds are more particularly described in the Preliminary Official Statement dated July 16, 2025 relating to the Bonds (the "POS") available for viewing in electronic format on the PFMauction website. The PFMauction website address is www.PFMauction.com. All bidders must review the POS and certify that they have done so prior to participating in the bidding.

All bids must be submitted in their entirety on PFM Financial Advisors LLC's ("PFM") PFMauction website ("PFMauction") prior to 12:15 p.m., Local Baltimore, Maryland time on July 23, 2025, unless otherwise extended by the two-minute rule described herein (see "Bidding Details"). The auction will begin at 12:00 p.m., Local Baltimore, Maryland time on July 23, 2025.

To bid via the PFMauction website, bidders must (1) have completed the registration form on either the PFMauction website or Grant Street Group website (parent of MuniAuction, herein referred to as "MuniAuction"), (2) have requested and received admission to the City's auction, as described under "Registration and Admission to Bid" below, and (3) have an established industry reputation for underwriting new issuances of municipal bonds. The use of PFMauction shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto.

Consideration of the bids and the award will be made by the City on the Sale Date as set forth herein. The City also reserves the right to make certain adjustments to the aggregate principal amount and the principal amounts of each maturity of the Bonds being offered, to eliminate maturities, to change the terms of the Bonds, to postpone the sale of the Bonds to a later date, or to cancel the sale of the Bonds as further described herein. See "Adjustment of Amounts and Maturities" and "Change or Cancellation of Sale Date and/or Date of Delivery and/or Other Revised Terms."

*Preliminary, subject to change.

Contact Information

CITY OF BALTIMORE (ISSUER)
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PFM FINANCIAL ADVISORS LLC (FINANCIAL ADVISOR)
Trina Smith, *Director*
Joseph Breen *Senior Managing Consultant*
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Philadelphia, PA 19103
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Email: smithtr@pfm.com
breenj@pfm.com

MCKENNON SHELTON & HENN LLP (BOND COUNSEL)
Paul D. Shelton, *Partner*
Jennifer Caggino, Associate
401 East Pratt Street, Suite 2600
Baltimore, MD 21202
Phone: (410) 843-3500
Email: paul.shelton@mshllp.com
jennifer.caggino@mshllp.com

Bidding Parameters Table*

INTEREST		**PRICING**	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	Unlimited
Anticipated Date of Delivery:	August 6, 2025	Min. Aggregate Bid Price:	100%
Interest Payment Dates:	October 15 and April 15		
First Interest Payment Date:	October 15, 2025	Max. Reoffering Price (each maturity):	Unlimited
Coupon Multiples:	1/8, 1/20 or 1/100 of 1%	Min. Reoffering Price (each maturity):	98.5%
Maximum Coupon:	N/A		
Minimum Coupon:	N/A		
Maximum TIC:	N/A		
Maximum Difference Between Coupons:	4%		
No Zero Coupon may be specified			
PRINCIPAL		**PROCEDURAL**	
Optional Redemption:	Bonds maturing on and after October 15, 2036 are callable on October 15, 2035 and thereafter at par	Sale Date: Sale Time:	July 23, 2025 12:00 p.m. – 12:15 p.m., Local Baltimore, Maryland Time
Post-bid Principal Increases Each Maturity: Aggregate:	 Unlimited 15%	Bid Submission:	Electronic bids through PFMauction.com only
Post-bid Principal Reductions Each Maturity: Aggregate:	 Unlimited 15%	Special Considerations:	Two Minute Rule (See "Bidding Details #2 herein)
Term Bonds:	Two or more consecutive annual principal maturities may be designated as a term bond that matures on the maturity date of the last annual principal payment of the sequence.	All or None?	Yes
		Bid Award Method:	Lowest True Interest Cost (as defined herein)
		Bid Confirmation:	Notification from the City
		Awarding of Bid:	On the Sale Date by the City
		Good Faith Deposit:	$705,500, as more fully described herein. See "Good Faith Deposit."

* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

Bond Amortization Schedule*

The Bonds will be issued in serial or term bond form as designated by the successful bidder for the Bonds in its proposal, as described below. The principal of the Bonds shall be payable in installments on the dates in the following years and in the following amounts:

$70,550,000* Consolidated Public Improvement Bonds, Series 2025B (Taxable)

Maturity Date (Oct. 15)	Amount Maturing*	Maturity Date (Oct. 15)	Amount Maturing*
2026	$2,185,000	2036	$3,420,000
2027	2,280,000	2037	3,595,000
2028	2,375,000	2038	3,785,000
2029	2,475,000	2039	3,990,000
2030	2,585,000	2040	4,205,000
2031	2,700,000	2041	4,435,000
2032	2,825,000	2042	4,685,000
2033	2,960,000	2043	4,945,000
2034	3,100,000	2044	5,225,000
2035	3,255,000	2045	5,525,000

*Preliminary, subject to change.

THE BONDS

Security

The Bonds shall constitute general obligations of the City, for which the full faith and credit of the City are pledged. The Bonds are payable as to principal and interest from ad valorem taxes which the City is empowered, obligated and directed by law to levy, without limitation, upon all assessable property within the corporate boundaries of the City, in each year in rate and amount sufficient for such purpose until all of the Bonds and the interest thereon shall have been paid or provision shall have been made for such payment.

Use of Proceeds

The proceeds of the Bonds will be used to finance and refinance certain capital projects of the City and to pay the costs of issuance of the Bonds, as described in the Preliminary Official Statement, as approved by voters of the City and by either resolutions of the City Delegation to the General Assembly or the Acts of the General Assembly.

Description of the Bonds

General. The Bonds will be dated as of the Date of Delivery ("Dated Date"), expected to be on or about August 6, 2025, and will be in fully registered form in denominations of $5,000 each or any integral multiple thereof.

Interest on the Bonds will accrue from the Dated Date, and will be payable October 15, 2025 and semiannually thereafter on each April 15 and October 15 until maturity or earlier redemption. The Bonds will mature on October 15 of each year as specified in the Bond Amortization Schedule above, subject to adjustment as described herein.

Term Bond Option. Bidders may designate in their proposal two or more consecutive annual principal maturities as a term bond that matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal maturity designated for inclusion in such term bond. There is no limitation on the number of term bonds in the Bonds.

Form of Bonds. The Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the Bonds in principal amount equal to the aggregate principal amount of such maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), as registered owner of the Bonds and each such

bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the bonds purchased. The winning bidder, as a condition to delivery of the Bonds, must consent that the bond certificates representing each maturity will be deposited with DTC.

So long as the Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the Bonds will be the City or any other Bond Registrar and Paying Agent designated by the City. All payments of the principal of and interest on the Bonds shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Optional Redemption

The Bonds maturing on or before October 15, 2035 are not subject to optional redemption prior to their fixed maturity dates. The Bonds maturing on or after October 15, 2036, are subject to redemption prior to maturity, at the option of the City, at any time on or after October 15, 2035, in whole or in part, at the principal amount thereof (without premium), plus accrued interest on such principal amount to the date of redemption.

ADJUSTMENT OF AMOUNTS AND MATURITIES

Prior to the Sale Date, the City may adjust the preliminary aggregate principal amount of the Bonds and the preliminary principal amount and maturity of each serial installment of the Bonds as set forth in this Official Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Principal Amount", and collectively the "Preliminary Amounts"). **ANY SUCH REVISIONS MADE PRIOR TO THE OPENING OF THE BIDS** (the "Aggregate Principal Amount" and the "Principal Amount", and collectively the "Amounts") **WILL BE PUBLISHED ON PFMAUCTION NOT LATER THAN 4:00 P.M., LOCAL BALTIMORE, MARYLAND TIME, ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE SALE DATE FOR THE BONDS.**

In the event that no such revisions are made prior to the opening of the bids, the Preliminary Amounts will constitute the Amounts. Bidders shall submit bids based on the Amounts, and the Amounts will be used to compare bids and select a winning bidder.

After the opening of the bids, the City may further adjust the Amounts of the Bonds. Changes to be made will be communicated to the successful bidder not later than three (3) hours after the bids have been received and opened and in no case will such changes reduce or increase the Aggregate Principal Amount of the Bonds by more than 15 percent. The dollar amount bid for principal by the successful bidder will be adjusted proportionally to reflect any reduction or increase in the Aggregate Principal Amount of the Bonds, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes within these limits.

The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the Aggregate Principal Amount and Principal Amounts of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the Underwriter's Discount and original issue discount/premium, if any, but will not change the Underwriter's Discount, per $1,000 of par amount of the Bonds from the Underwriter's Discount that would have been received based on the purchase price in the winning bid and the initial public offering prices.

CHANGE OR CANCELLATION OF SALE DATE AND/OR DATE OF DELIVERY AND/OR OTHER TERMS

The City may cancel or postpone the sale of the Bonds prior to the Sale Date. Notice of a cancellation or postponement will be announced on PFMauction. Notice of any new date and time of sale will be announced at least 24 hours prior to the time bids are to be submitted and will specify changes in the principal amount or other features, if any.

The City may change the scheduled delivery date, the dates of the semiannual interest payments and annual principal payments, or the optional redemption date or revise any other terms for the Bonds by notice given in the same manner as that set forth above.

PRELIMINARY OFFICIAL STATEMENT; CONTINUING DISCLOSURE

The City has deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain information permitted to be omitted by said Rule. As soon as practicable after the Sale Date, the City will publish a complete final Official Statement (the "Official Statement") that will contain this information. The City agrees to deliver to the successful bidder for its receipt no later than seven business days after the Sale Date such quantities of the Official Statement as the successful bidder shall request, provided, that the City shall deliver up to 25 copies of such Official Statement without charge to the successful bidder.

The City has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in complying with Rule 15c2-12(b)(5). Such covenants are described in the Preliminary Official Statement.

ELECTRONIC BIDDING

Registration and Admission to Bid

To bid by PFMauction, bidders must first visit the PFMauction website where, if they have never registered with either PFMauction or MuniAuction, they can register and then request admission to bid on the Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only FINRA registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with MuniAuction may call MuniAuction at (412) 391-5555 for their ID Number or password.

If any provisions of this Official Notice of Sale shall conflict with information provided by MuniAuction as approved provider of electronic bidding services, this Notice of Sale, as it may amended by the City as described within, shall control.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds:

1) All bids must be submitted on the PFMauction website at www.PFMauction.com. No telephone, telefax, telegraph or personal delivery bids will be accepted.

2) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by PFMauction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

3) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid, the prior bid will remain valid.

4) The last bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

5) During bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader," "Cover," "3rd," etc.).

6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of PFMauction

The "Rules" of PFMauction can be viewed on the PFMauction website and are incorporated herein by reference. Bidders must comply with the Rules of PFMauction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of PFMauction and this Official Notice of Sale, this Official Notice of Sale shall control.

1) A Bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in the Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the City.

2) Neither the City, PFM nor MuniAuction (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with PFMauction, slowness in transmission of bids, or other technical problems.

3) If for any reason Bidder is disconnected from Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon Bidder, unless the City exercises its right to reject bids, as set forth herein.

4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including Amendments, if any) related to each auction.

6) Neither the City, PFM nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in Official Notice of Sale, Amendments, or Preliminary Official Statement as they appear on PFMauction.

7) Only Bidders who request and receive admission to an auction may submit bids. PFM and the Auction Administrator reserve the right to deny access to PFMauction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

8) Neither the City, PFM nor Auction Administrator is responsible for protecting the confidentiality of a Bidder's PFMauction password.

9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost the first confirmed bid received by PFMauction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest.

10) Bidders must compare their final bids to those shown on the Observation Pages immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Pages they must report them to PFMauction within 15 minutes after the bidding time period ends. Regardless of the final results reported by PFMauction, bonds are definitively awarded to winning bidders only upon official award by the City. If, for any reason, the City fails to: i) award bonds to the winner reported by PFMauction, or ii) deliver bonds to winning bidders at settlement, neither the City, PFM nor the Auction Administrator will be liable for damages.

Definitions

"Bid":	any confirmed purchase offer received by PFMauction on or before the auction deadline.
"Bidder":	any underwriting firm registered with either PFMauction or MuniAuction and approved for participation in auctions that has an established industry reputation for underwriting new issuances of municipal bonds

"Winning Bid": any purchase offer made by a Bidder by clicking the "Submit Bid" button and received by PFMauction which, at the end of the bidding time period, results in the lowest True Interest Cost in the auction and which is accepted to the City.

"True Interest Cost": calculation described in the Notice of Sale related to each auction which serves as basis for awarding bonds to Winning Bidders.

Minority Business Enterprise Participation

THE CITY STRONGLY ENCOURAGES EACH BIDDER FOR THE BONDS TO MAKE A GOOD FAITH EFFORT TO INCLUDE MINORITY BUSINESS ENTERPRISES IN THE SYNDICATE PURCHASING THE BONDS. THE SUCCESSFUL BIDDER WILL BE REQUESTED TO PROVIDE A LIST OF SYNDICATE MEMBERS WHICH IDENTIFIES THE MINORITY BUSINESS ENTERPRISE MEMBERS AND INDICATES THEIR PERCENTAGES OF PARTICIPATION.

Right of Rejection

The City expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

PRELIMINARY AWARD

As promptly as reasonably practicable after the bids are received and reviewed, but not later than **1:15 p.m.** local Baltimore, Maryland time on the Sale Date (unless bids have been postponed), the City will notify the apparently successful bidder of the Preliminary Award of the Bonds. The successful bidder shall make a bona fide public offering of all of the Bonds and shall represent to the City that such offering is in compliance with all applicable securities laws of the jurisdictions in which such Bonds are offered. **Within 30 minutes after being notified of the Preliminary Award of the Bonds, the successful bidder shall advise the City in writing (via e-mail transmission) to Trina Smith or Joseph Breen at breenj@pfm.com or smithtr@pfm.com, respectively, of such reoffering prices of the Bonds (the "Reoffering Prices").**

The apparent successful bidder will also be required to wire to the City a Good Faith Deposit as further described herein. Timely notification of the Final Award is subject to the City's receipt of the Good Faith Deposit.

AWARD OF BID

Award of Bid

The City expects to make its award of the Bonds to the winning bidder on the Sale Date. It is anticipated that all bids will be reviewed by the City at the time stated above and will be acted on following the opening, tabulation and verification of the bids received. The decision by the City as to the award of the Bonds will be final. Bids may not be withdrawn prior to the award.

All bids shall be for cash on delivery and shall be based on an offering to pay not less than 100% of the par value of the Bonds. Each bidder shall indicate in its bid the rate of interest to be paid on the Bonds of each maturity. All bids for Bonds of any maturity must be greater than or equal to 98.5%. Each rate of interest shall be a multiple of 1/8, 1/20 or 1/100 of one percent, but all Bonds of any one maturity must bear interest at the same rate. Any rate named may be repeated. The difference between the maximum and minimum interest rates may not be greater than 4%. A zero rate may not be named.

The Bonds will be awarded by the City on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost ("TIC") to the City. The lowest TIC will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the Date of Delivery of the Bonds and to the aggregate amount bid for the Bonds. If two or more responsible bidders have made bids resulting in the same lowest TIC to the City, the Bonds shall be awarded by lot to one of these bidders.

Good Faith Deposit

A Good Faith Deposit in the amount of $705,500 is required only of the winning bidder for the Bonds. The winning bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds as instructed by the City's Financial Advisor, PFM Financial Advisors LLC. The winning bidder shall submit the Good Faith Deposit not later than 2:00 p.m. (local Baltimore, Maryland time) on the Sale Date. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the City with the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the City the sum of $705,500 as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the Good Faith Deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

DELIVERY AND PAYMENT

Delivery of the Bonds will be made by the City to DTC in book-entry only form, on or about the anticipated Date of Delivery, or on or about such other date as may be agreed on by the City and the successful bidder.

At the time of delivery of the Bonds, payment of the amount due for the Bonds must be made by the successful bidder to the order of the City in immediately available federal funds or other funds immediately available to the City, or by such other means as may be acceptable to the City. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the successful bidder.

CUSIP Numbers; Expenses of the Bidder

It is anticipated that CUSIP numbers will be assigned to each of the Bonds, but neither the failure to type or print such numbers on any of the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. The Financial Advisor will be responsible for applying for and obtaining, subject to the CUSIP Service Bureau policy and procedures, CUSIP numbers for the Bonds. The successful bidder will be obligated to pay the fee of the CUSIP Service Bureau for assigning the CUSIP numbers to the Bonds. All expenses of typing or printing CUSIP numbers on the Bonds will be paid for by the City.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Bonds.

TAX STATUS, LEGAL OPINIONS, CLOSING DOCUMENTS AND NO LITIGATION

The approving legal opinion of McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel, will be furnished without cost to purchaser of the Bonds. A summary description of the tax treatment of the Bonds is contained in the Preliminary Official Statement under the heading "Tax Matters." The proposed form of legal opinion of bond counsel with respect to the Bonds is included in Appendix D to the Preliminary Official Statement.

Delivery of the Bonds will be accompanied by the customary closing documents, including a no-litigation certificate effective as of the date of delivery of the Bonds stating that there is no litigation pending affecting the validity of the Bonds. Simultaneous with or before delivery and payment of the Bonds, the purchaser shall be furnished a certificate or certificates of the appropriate City officials to the effect that, to the best of their knowledge and belief, the Official Statement (and any amendment or

supplement thereto) (except for the Reoffering Prices provided by the purchaser and information regarding DTC and DTC's book-entry system, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds, did not and does not contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the statements therein, in light of circumstances under which they were made, not misleading, and that between the date of sale and the date of delivery of the Bonds, there has been no material adverse change in the financial position or revenues of the City, except as may have been disclosed in or contemplated by the Official Statement.

ADDITIONAL INFORMATION

This Official Notice of Sale is not a summary of the terms of the Bonds. Reference is made to the Preliminary Official Statement for a further description of the Bonds and the City. Prospective investors or bidders for the Bonds must read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. The Preliminary Official Statement is deemed final by the City as of its date for purposes of the Rule but is subject to revision, amendment and completion in a final Official Statement. Additional information concerning the matters discussed in this Official Notice of Sale and copies of the Preliminary Official Statement may be obtained online or by request from Jennell A. Rogers, the City's Chief, at (410) 396-4750 or from Trina Smith or Jospeh Breen at, respectively, smithtr@pfm.com or (215) 557-1430, or breenj@pfm.com or (215) 557-1216..

Brandon M. Scott
Mayor

Michael Mocksten (Moiseyev)
Director of Finance

Jennell A. Rogers
Chief, Bureau of Treasury Management

APPENDIX D

FORM OF BOND COUNSEL OPINION
SERIES 2025A BONDS

[Closing Date]

Mayor and City Council of Baltimore
Baltimore, Maryland

Mayor and Members of the City Council:

We have examined a record of proceedings relating to the issuance by the Mayor and City Council of Baltimore (the "City") of $[_____] general obligation bonds designated "Consolidated Public Improvement Bonds, Series 2025A (Tax-Exempt)" (the "Bonds").

The Bonds are dated as of the date of their issue, with interest commencing on October 15, 2025, and payable semiannually thereafter on each April 15 and October 15 until maturity or prior redemption; are in fully registered form in the denomination of $5,000 each or any integral multiple thereof and are issued under the authority of: (i) Section 7 of Article XI of the Constitution of Maryland; (ii) Section 33 of Article II of the Charter of the City (the "Charter"); (iii) Section 19 of Article VII of the Charter; (iv) a Resolution of the Board of Finance of the City adopted on June 23, 2025 (the "Resolution"); and (v) Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Volume, as amended) (the "Consolidating Act"). The debt to be incurred by the issuance of the Bonds was (i) authorized by certain City Ordinances (collectively, the "Authorizing Ordinances") which were approved by the City Council and Mayor of the City, (ii) either (a) presented to and approved by a majority of the members of the General Assembly of the State of Maryland (the "General Assembly") representing the City or (b) authorized by an Act of the General Assembly (the "General Assembly Resolutions") and (iii) submitted to the legal voters of the City and approved by a majority of the votes cast. The Bonds mature, subject to prior redemption, in annual serial installments on October 15 in each of the years 2026 to 2045, inclusive, and bear interest as set forth in the Bonds. The description and terms of the Bonds are contained in the Bonds and the Resolution.

In rendering this opinion, we have relied without investigation on the City's Tax and Section 148 Certificate dated this date made on behalf of the City by officers thereof with respect to certain material facts within the knowledge of the City relevant to the tax-exempt status of interest on the Bonds. With respect to the first executed and authenticated Bond, which we have examined, and Bonds similarly executed and authenticated and identical thereto in form except for numbers, denominations, interest rates and maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The City is a validly created and existing body politic and corporate of the State of Maryland (the "State"), possessing authority under the Constitution of Maryland, the Charter, the Consolidating Act, the General Assembly Resolutions, the Authorizing Ordinances and the Resolution to issue the Bonds.

(b) The Bonds are valid and legally binding general obligations of the City to which its full faith and credit and taxing power are pledged, and for the payment of which the City is empowered and directed to levy ad valorem taxes upon real and tangible personal property and certain intangible personal property subject to assessment for City taxation.

(c) To provide for the payment of the principal of and interest on the Bonds, the City is empowered and obligated to levy such ad valorem taxes in rate and amount sufficient for that purpose in each Fiscal Year in which provision must be made for the payment of such principal and interest.

(d) Interest on the Bonds and profit realized from the sale and exchange of the Bonds shall be exempt from State income taxation; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) Assuming compliance with certain covenants referred to herein, interest on the Bonds will be excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Bonds, including restrictions that must be complied with throughout the term of the Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds

of the Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Bonds; and (iii) other requirements applicable to the use of the proceeds of the Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The City has covenanted to regulate the investment of the proceeds of the Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Bonds. It is our opinion that, assuming compliance with such covenants, the interest on the Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals, as an enumerated item of tax preference or other specific adjustment. Interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. Interest income on the Bonds will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

We express no opinion with respect to any other federal or state tax consequences under the present law or any proposed legislation resulting from the receipt of interest on, or the acquisition or disposal of the Bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

FORM OF BOND COUNSEL OPINION
SERIES 2025B BONDS

[Closing Date]

Mayor and City Council of Baltimore
Baltimore, Maryland

Mayor and Members of the City Council:

We have examined a record of proceedings relating to the issuance by the Mayor and City Council of Baltimore (the "City") of $[_____] general obligation bonds designated "Consolidated Public Improvement Bonds, Series 2025B (Taxable)" (the "Bonds").

The Bonds are dated as of the date of their issue, with interest commencing on October 15, 2025, and payable semiannually thereafter on each April 15 and October 15 until maturity or prior redemption; are in fully registered form in the denomination of $5,000 each or any integral multiple thereof and are issued under the authority of: (i) Section 7 of Article XI of the Constitution of Maryland; (ii) Section 33 of Article II of the Charter of the City (the "Charter"); (iii) Section 19 of Article VII of the Charter; (iv) a Resolution of the Board of Finance of the City adopted on June 23, 2025 (the "Resolution"); and (v) Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Volume, as amended) (the "Consolidating Act"). The debt to be incurred by the issuance of the Bonds was (i) authorized by certain City Ordinances (collectively, the "Authorizing Ordinances") which were approved by the City Council and Mayor of the City, (ii) either (a) presented to and approved by a majority of the members of the General Assembly of the State of Maryland (the "General Assembly") representing the City or (b) authorized by an Act of the General Assembly (the "General Assembly Resolutions") and (iii) submitted to the legal voters of the City and approved by a majority of the votes cast. The Bonds mature, subject to prior redemption, in annual serial installments on October 15 in each of the years 2026 to 2045, inclusive and bear interest as set forth in the Bonds. The description and terms of the Bonds are contained in the Bonds and the Resolution.

With respect to the first executed and authenticated Bond, which we have examined, and Bonds similarly executed and authenticated and identical thereto in form except for numbers, denominations, interest rates and maturities, and under existing statutes, regulations and decisions, we are of the opinion that:

(a) The City is a validly created and existing body politic and corporate of the State of Maryland (the "State"), possessing authority under the Constitution of Maryland, the Charter, the Consolidating Act, the General Assembly Resolutions, the Authorizing Ordinances and the Resolution to issue the Bonds.

(b) The Bonds are valid and legally binding general obligations of the City to which its full faith and credit and taxing power are pledged, and for the payment of which the City is empowered and directed to levy ad valorem taxes upon real and tangible personal property and certain intangible personal property subject to assessment for City taxation.

(c) To provide for the payment of the principal of and interest on the Bonds, the City is empowered and obligated to levy such ad valorem taxes in rate and amount sufficient for that purpose in each Fiscal Year in which provision must be made for the payment of such principal and interest.

(d) Interest on the Bonds and profit realized from the sale and exchange of the Bonds will be exempt from State income taxation; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Bonds, their transfer or the interest thereon.

(e) Interest on the Bonds will be includable in gross income for federal income tax purposes.

We express no opinion with respect to any other federal or state tax consequences under the present law or any proposed legislation resulting from the receipt of interest on, or the acquisition or disposal of the Bonds.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$[_____]
MAYOR AND CITY COUNCIL OF BALTIMORE
(City of Baltimore, Maryland)
General Obligation Bonds

$[_____]	**$[_____]**
Consolidated Public Improvement Bonds	**Consolidated Public Improvement Bonds**
Series 2025A	**Series 2025B**
(Tax-Exempt)	**(Taxable)**

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by Mayor and City Council of Baltimore (the "City") in connection with the issuance of its $[_____] general obligation bonds designated Consolidated Public Improvement Bonds, Series 2025A (Tax-Exempt) and $[_____] general obligation bonds designated Consolidated Public Improvement Bonds, Series 2025B (Taxable), (collectively, the "Series 2025 Bonds"). The Series 2025 Bonds are being issued under the authority of Section 7 of Article XI of the Constitution of Maryland, as amended, Article II, Section 33 of the Charter of the City, as amended (the "Charter"), Article VII, Section 21 of the Charter, certain Acts of the General Assembly of Maryland or Resolutions of the Baltimore City Delegation to the General Assembly of Maryland, Ordinances of the Mayor and City Council of Baltimore (collectively, the "Enabling Acts"), Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume, as amended), and a Resolution of the Board of Finance of the City adopted on June 23, 2025 (the "Resolution"). The City, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City and for the benefit of the registered owners or the Beneficial Owners of the Series 2025 Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5) (the "Rule").

SECTION 2. Definitions. In addition to the definitions set forth above, which apply to any such capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2025 Bonds (including persons holding Series 2025 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2025 Bonds for federal income tax purposes.

"Dissemination Agent" shall mean an individual or entity designated in writing by the City to act in such a role on the City's behalf and who has filed with the City a written acceptance of such designation.

"EMMA" shall mean the continuing disclosure service established by the MSRB known as the Electronic Municipal Market Access System. For more information on EMMA, see www.emma.msrb.org.

"Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. If the definition of "financial obligation" in the Rule is amended, the same amendment shall be deemed to be made to the definition of Financial Obligation in this Agreement, without further action by the City.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)1 of the Securities Exchange Act of 1934, as amended.

"Participating Underwriters" shall mean any of the original underwriters of the Series 2025 Bonds required to comply with the Rule.

"State" shall mean the State of Maryland.

SECTION 3. Provision of Annual Financial Information and Operating Data.

(a) The City shall provide annually, not later than 245 days after the end of the City's fiscal year, commencing with the fiscal year ending June 30, 2024, to EMMA, financial information and operating data of the type set forth on Exhibit A to this Disclosure Certificate, such financial information and operating data to be updated as of the end of the preceding fiscal year.

(b) The City shall provide annually, not later than 245 days after the end of the City's fiscal year, commencing with the fiscal year ending June 30, 2024, to EMMA, the audited financial statements of the City for the preceding fiscal year, if prepared and available by such date. If such audited financial statements are not available on or before such date, the City promptly shall provide such audited financial statements, when and if available. In the event that such audited financial statements are not prepared and available within 245 days after the end of the City's fiscal year, the City shall provide, not later than nine months after the end of the City's fiscal year, unaudited financial statements in a format similar to the audited financial statements contained in the final Official Statement relating to the Series 2025 Bonds.

(c) The presentation of any financial statements provided in accordance with subsections (a) and (b) above shall be made in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board.

(d) If any of the financial information or operating data to be provided annually pursuant to subsections (a) or (b) above can no longer be generated because the operations to which it related have been materially changed or discontinued, the City shall include a statement to such effect in the financial information or operating data to be provided annually pursuant to subsections (a) or (b) above, as applicable.

(e) Any or all of the information to be provided pursuant to subsections (a) or (b) above may be set forth in a document or set of documents, or may be included by specific reference to documents previously provided to EMMA, or filed with the SEC. If the document is an official statement, it must be available from EMMA. The City shall identify clearly each other document so included by specific reference.

(f) If the City is unable to provide to EMMA, any financial information or operating data required by subsections (a) or (b) above by the date specified in subsections (a) or (b) above, as applicable, the City shall provide, in a timely manner, a notice of such failure to EMMA.

(g) If the fiscal year of the City changes, the City shall provide notice of such change to EMMA prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year, as changed.

SECTION 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the City shall provide notice of the occurrence of any of the following events with respect to the Series 2025 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025A Bonds, or other material events affecting the tax-exempt status of the Series 2025A Bonds;

(7) modifications to rights of bondholders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the obligated person;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee, or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, in a timely manner and not in excess of ten (10) business days after the occurrence of such event, file a notice of such occurrence with EMMA.

SECTION 5. Termination of Obligations. The City's obligations under this Disclosure Certificate shall terminate upon the prior redemption or payment in full of all the Series 2025 Bonds. In addition, the City may terminate its obligations under this Disclosure Certificate in any other circumstance permitted by the Rule or SEC interpretations of the Rule. If any such termination occurs prior to the scheduled final maturity of the Series 2025 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 4(a).

SECTION 6. Amendment.

(a) Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, provided that the following conditions are satisfied:

(1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City, or type of business conducted;

(2) this Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2025 Bonds, after taking into account any amendments or SEC interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment does not materially impair the interests of the registered owners or the Beneficial Owners of the Series 2025 Bonds, as determined by nationally recognized bond counsel selected by the City.

(b) In the event this Disclosure Certificate is amended pursuant to subsection (a) above with respect to the financial information or operating data to be provided annually in accordance with Section 3(a) or (b), the financial information and operating data provided by the City in accordance with Section 3(a) or (b), as applicable, that contains the amended financial information or operating data shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data being provided.

(c) If an amendment is made to this Disclosure Certificate regarding the accounting principles to be followed in preparing financial statements, the financial information provided pursuant to Section 3(a) or (b), as applicable, for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison also shall be quantitative. The City shall provide to EMMA a notice of the change in the accounting principles.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any financial information or operating data provided annually pursuant to Section 3 or any notice of the occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any financial information or operating data provided annually pursuant to Section 3 or any notice of the occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future information or operating data provided annually pursuant to Section 3 or any notice of the occurrence of a Listed Event.

SECTION 8. Failure to Comply. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any registered owner or Beneficial Owner of the Series 2025 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A failure to comply with the provisions of this Disclosure Certificate shall not be deemed an event of default under the Enabling Acts, the Resolution or the Series 2025 Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

The City shall be given written notice at the address set forth below of any claimed failure by the City to perform any such undertaking, and the City shall be given 15 days to remedy such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the City must be filed in the Circuit Court for Baltimore City, Maryland, and any party maintaining such suit or other proceeding shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action.

Baltimore City Law Department
City Hall, Room 100
100 Holliday Street
Baltimore, Maryland 21202
Attention: City Solicitor

SECTION 9. Limitation of Forum. This Disclosure Certificate, and any claim made with respect to the performance by the City of its obligations hereunder, shall be governed by, subject to, and construed in accordance with the laws of the State. Any suit or other proceeding seeking redress with regard to any claimed failure by the City to comply with this Disclosure Certificate must be filed in the Circuit Court for Baltimore City, Maryland, and any party maintaining such suit or other proceeding shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action.

SECTION 10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

SECTION 11. Performance of Obligations. Notwithstanding anything to the contrary contained in this Disclosure Certificate, the City's obligations as set forth in this Disclosure Certificate shall be undertaken and performed in accordance with the Rule, SEC interpretations of the Rule as published or provided from time to time, and applicable federal securities laws.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City and the registered owners and Beneficial Owners from time to time of the Series 2025 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, this Continuing Disclosure Certificate has been executed on behalf of the City by its duly authorized signatory as of the date set forth below.

MAYOR AND CITY COUNCIL OF BALTIMORE

By:_____
Jennell A. Rogers
Chief, Bureau of Treasury Management

Dated: _____, 2025

EXHIBIT A

Financial Information and Operating Data
to be Provided Annually Pursuant to Section 3(a)

Appendix A -- "Certain Information Regarding Mayor and City Council of Baltimore" and Appendix B - "City of Baltimore Annual Comprehensive Financial Report Year Ended June 30, 2024" of the Official Statement for MAYOR AND CITY COUNCIL OF BALTIMORE $[_____] CONSOLIDATED PUBLIC IMPROVEMENT BONDS, SERIES 2025A (TAX-EXEMPT) and $[_____] CONSOLIDATED PUBLIC IMPROVEMENT BONDS, SERIES 2025B (TAXABLE).

APPENDIX F

DESCRIPTION OF THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix has been obtained from sources that the Mayor and City Council of Baltimore (the "City") believes to be reliable, but the City does not take any responsibility for the accuracy thereof. Capitalized terms used in this Appendix and not defined herein shall have the meaning set forth in the Official Statement unless the context requires otherwise.

The Depository Trust Company

The Depository Trust Company ("DTC" or, together with any successor securities depository for the Bonds, the "Securities Depository"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds in principal amount equal to the aggregate principal amount of the Bonds of such maturity and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of United States and non-United States equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both United States and non-United States securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Ownership of Bonds

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. *Beneficial Owners will not receive certificates representing their ownership interests in the Bonds except in the event that use of the book-entry only system for the Bonds is discontinued under the circumstances described below under "Discontinuance of Book-Entry Only System."*

To facilitate subsequent transfers, all Bonds deposited by Direct and Indirect Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the Bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The City and the Bond Registrar will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal or redemption price of and interest on, and the purchase price of, the Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the bondholders. Neither the City nor the Bond Registrar will have any responsibility or obligation to Direct or Indirect Participants or Beneficial Owners with respect to payments or notices to Direct or Indirect Participants or Beneficial Owners.

Payments on and Redemption or Purchase of Bonds

So long as the Bonds are held by DTC under a book-entry system, principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding information from the Paying Agent on the applicable payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

So long as the Bonds are held by DTC under a book-entry only system, the Bond Registrar will send any notice of redemption or purchase with respect to the Bonds only to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption or purchase of the Bonds or of any other action premised on such notice. If fewer than all of the Bonds of any one maturity are selected for redemption or purchase, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed or purchased, except as otherwise directed by the City.

Neither the City nor the Paying Agent can give any assurances that DTC or the Direct or Indirect Participants will distribute payments of the principal or redemption price of and interest on or the purchase price of, the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption, purchase or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuance of Book-Entry Only System

DTC may discontinue its services as a securities depository for the Bonds at any time by giving reasonable notice to the City, or the City may discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor securities depository is not obtained, the Bonds are required to be printed and delivered in fully certificated form to the Participants shown on the records of DTC provided to the Bond Registrar or, to the extent requested by any Participant, to the Beneficial Owners of the Bonds shown on the records of such Participant provided to the Bond Registrar.

Registration and Exchange of Bonds

So long as the Bonds are maintained under a book-entry system, transfers of ownership interests in the Bonds will be made as described above under "Book-Entry Only System." If the book-entry only system is discontinued, any Bond may be exchanged for an equal aggregate principal amount of Bonds maturing on the same date and bearing interest at the same rate of other authorized denominations, and the transfer of any Bond may be registered, upon presentation and surrender of such Bond at the designated office of the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative. The City and the Bond Registrar may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith. Neither the City or the Bond Registrar shall be required to register the transfer of any Bond or make any such exchange of any Bond (1) during the 15 days preceding the date of mailing of any notice of redemption of Bonds of the same maturity or (2) after a notice of redemption of such Bond or any portion thereof has been.

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[FORM OF ISSUE PRICE CERTIFICATE FOR
QUALIFIED COMPETITIVE BID]

$_____
Mayor and City Council of Baltimore
(City of Baltimore, Maryland)
General Obligation Bonds
Consolidated Public Improvement Project Bonds, Series 2025A (Tax-Exempt)

The undersigned, on behalf of [NAME OF WINNING BIDDER] ("[SHORT FORM NAME OF WINNING BIDDER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT FORM NAME OF WINNING BIDDER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for each Maturity of the Bonds used by [SHORT FORM NAME OF WINNING BIDDER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT FORM NAME OF WINNING BIDDER] to purchase the Bonds.

(b) [SHORT FORM NAME OF WINNING BIDDER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT FORM NAME OF WINNING BIDDER] constituted a firm bid to purchase the Bonds.

2. ***Defined Terms***.

(a) *Issuer* means Mayor and City Council of Baltimore.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is [_____], [_____], 2025.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP, as Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that Bond Counsel may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER]

By: _____
Title:_____

Dated: _____, 2025

SCHEDULE A
Expected Initial Offering Prices of the Bonds

[Insert]

SCHEDULE B
Copy of Bid

[Insert]

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[FORM OF ISSUE PRICE CERTIFICATE FOR
NONQUALIFIED COMPETITIVE BID]

$_____
Mayor and City Council of Baltimore
(City of Baltimore, Maryland)
General Obligation Bonds
Consolidated Public Improvement Project Bonds, Series 2025A (Tax-Exempt)

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF WINNING BIDDER] ("[SHORT FORM NAME OF WINNING BIDDER]"), on behalf of itself and [NAMES OF MEMBERS OF THE UNDERWRITING SYNDICATE] (together, the "Underwriting Syndicate"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***Sale of the General Rule Maturities***. As of the date of this Certificate, for each Maturity of the General Rule Maturities, the first price at which 10% of such Maturity was sold by [SHORT FORM NAME OF WINNING BIDDER] [THE UNDERWRITING SYNDICATE] to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT FORM NAME OF WINNING BIDDER] [THE MEMBERS OF THE UNDERWRITING SYNDICATE] offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Notice of Sale and bid award, the [SHORT FORM NAME OF WINNING BIDDER] [MEMBERS OF THE UNDERWRITING SYNDICATE] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, neither a broker-dealer who is a party to a retail distribution agreement with an Underwriter (as defined below), nor a dealer who is a member of a selling group with an Underwriter has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms***.

(a) *General Rule Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "*Hold-the-Offering-Price Maturities*."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which [SHORT FORM DATE OF WINNING BIDDER] [the participants within the Underwriting

Syndicate] [has] [have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Mayor and City Council of Baltimore.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [_____], [____], 2025.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax and Section 148 Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP, as Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that Bond Counsel may give to the Issuer from time to time relating to the Bonds.

[NAME OF WINNING BIDDER]

By: _____
Title: _____

Dated: _____, 2025

SCHEDULE A

Sale Prices of the General Rule Maturities

[Insert]

Initial Offering Prices of the Hold-The-Offering-Price Maturities

[Insert]

SCHEDULE B

Pricing Wire or Equivalent Communication

[See Attached]

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CITY OF BALTIMORE