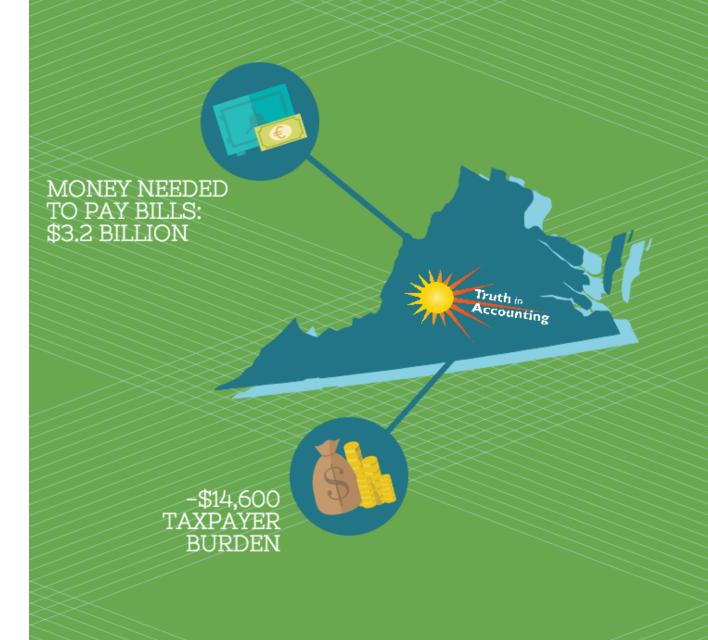
Financial state of the city

BALTIMORE



THE FINANCIAL STATE OF BALTIMORE

The city's bills exceed its assets	
Assets	\$10,002,140,000
Minus: Capital assets	-\$7,597,705,000
Restricted assets	-\$209,024,000
Assets available to pay bills	\$2,195,411,000
Minus: Bills	-\$5,378,998,000
Money needed to pay bills	-\$3,183,587,000
Each taxpayer's share of this debt	-\$14,600

Baltimore has \$10 billion in assets, but most of these assets are not available to pay \$5.4 billion of bills.

The \$7.6 billion of capital assets, such as roads, buildings, and land should not be sold to pay bills. The use of \$209 million of the assets is restricted by law or contract.

That leaves \$2.2 billion of the city's assets available to pay \$5.4 billion of bills as they come due.

The -\$3.2 billion shortfall represents compensation and other costs incurred in prior years that should have been paid in those years. Instead these costs have been shifted to future taxpayers.

Each Taxpayer's Share of Baltimore's Debt: -\$14,600



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

www.TruthInAccounting.org

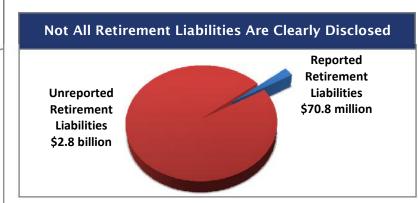
www.StateDataLab.org

The bills Baltimore has accumulated	
Bonds	\$812,326,000
Other liabilities	\$4,039,167,000
Minus: Debt related to capital assets	(\$2,390,623,000)
Unfunded pension benefits	\$1,585,028,000
Unfunded retiree health care benefits	\$1,333,100,000
Bills	\$5,378,998,000

The city has accumulated bonds of \$812.3 million and other liabilities of \$4 billion. The calculation of assets available to pay bills does not include capital assets, so \$2.4 billion of related debt is removed from the calculation of city bills.

Unfunded employees' retirement benefits represent 54% of city bills. These unfunded liabilities have accumulated because city employees have been promised \$1.6 billion of pension benefits and \$1.3 billion of retirees' health care benefits, but the city has not adequately funded them.

Unless these pension and retiree health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.



A detailed study of Baltimore's actuaries' schedules found retirement benefits totaling \$2.9 billion have been promised, but not funded. A review of the city's balance sheet determined only \$70.8 million of these liabilities are reported. This means the city does not report \$2.8 billion of retirement liabilities on its balance sheet.

Data is derived from the city of Baltimore's June 30, 2014 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

*As of December 1, 2016, the city still has not released their 2015 Comprehensive Annual Financial Report.

Number of taxpayers is based on an estimation of the city's population with a federal tax liability.