MARYLAND FOOD CENTER AUTHORITY
(A COMPONENT UNIT OF THE STATE OF MARYLAND)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maryland Food Center Authority
Jessup, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maryland Food Center Authority (the Authority), a component unit of the State of Maryland, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective July 1, 2021, the Authority adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Authority'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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Board of Directors
Maryland Food Center Authority

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedule of revenues, expenses and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 GAAS. In our opinion, the combining schedule of revenues, expenses and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
November 22, 2022

Our discussion and analysis of the Maryland Food Center Authority's (the Authority or MFCA) financial performance provides an overview of the Authority's financial activities as of and for the years ended June 30, 2022 and 2021. Please read this management's discussion and analysis in conjunction with the Authority's basic financial statements, which begin on page 10.

Using this Annual Report

This report consists of a series of proprietary fund financial statements. The Statement of Net Position; Statement of Revenue, Expenses and Change in Net Position; and Statement of Cash Flows provide information about the activities of the Authority as a whole and begin on page 12.

The Proprietary Fund Financial Statements

One of the most important questions asked about the Authority's finances is, "Is the Authority as a whole, better or worse, as a result of the year's activities?" The Statement of Net Position; Statement of Revenue, Expenses and Change in Net Position; and Statement of Cash Flows report information about the Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

You can think of the Authority's net position – the difference between its assets, deferred outflows, liabilities, and deferred inflows – as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net position is one indicator of whether its financial health is improving or deteriorating. The Authority's activities are all business-type activities.

- Business-type activities – The Authority collects rent and entrance fees from tenants and customers to cover all or most of the cost of certain services it provides. The activities at the Maryland Food Center Authority tenanted facilities, including the Maryland Wholesale Produce Market and the Maryland Market Center, and other MFCA developed facilities are reported here along with capital improvement projects and administrative services.

You should consider other non-financial factors, such as the restrictive covenants attached to all businesses in the Maryland Food Center, the location of Maryland Food Center to other major food distribution facilities, and interest of food businesses looking to move into the Maryland Food Center in your assessment of the Authority's health.

CONDENSED FINANCIAL INFORMATION

Statements of Net Position

The following table provides comparative data as of June 30, 2022 and 2021:

	2022	2021	Increase (Decrease)
ASSETS AND DEFERRED OUTFLOWS			
Current Assets	$ 7,788,361	$ 6,384,529	$ 1,403,832
Current Receivables	981,810	818,231	163,579
Current Lease Receivables	2,371,492	-	2,371,492
Noncurrent Lease Receivables	21,756,334	-	21,756,334
Net Capital Assets	23,822,559	26,069,937	(2,247,378)
Deferred Outflows Related to Pension	777,993	992,547	(214,554)
Total Assets and Deferred Outflows	57,498,549	34,265,244	23,233,305
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
LIABILITIES			
Current Liabilities	676,251	546,427	129,824
Noncurrent Liabilities	2,137,626	2,859,356	(721,730)
Deferred Inflows Related to Pension and Lease Receivables	19,996,585	146,059	19,850,526
Total Liabilities and Deferred Inflows	22,810,462	3,551,842	19,258,620
NET POSITION			
Net Investment in Capital Assets	23,822,559	26,069,937	(2,247,378)
Unrestricted	10,865,528	4,643,465	6,222,063
Total Net Position	$ 34,688,087	$ 30,713,402	$ 3,974,685

The increase in current assets, as of June 30, 2022, is mainly attributable to a total increase in cash and cash equivalents of $1,399,986.

The increase in current lease receivable, noncurrent lease receivables, and deferred inflows and lease receivables is due to the implementation of GASB 87.

The decrease in net capital assets is mainly attributable to a decrease of $1,616,386 in fixed assets due to the Authority recognizing a finance sale for one lease agreement. As a result, the related capital assets and accumulated depreciation was removed and presented as a lease investment on the Statement of Net Position. The capital assets also decreased due to depreciation expense of $1,166,997, in excess of asset additions of $497,335, or a net decrease of $669,662.

The decrease in noncurrent liabilities is mainly due to the Authority's proportionate share of the State of Maryland net pension liability.

CONDENSED FINANCIAL INFORMATION (CONTINUED)

Statements of Revenue, Expenses and Change in Net Position

The following table provides comparative data for the years ended June 30, 2022 and 2021:

	2022	2021	Increase (Decrease)
Rental Revenue and Lease Interest	$ 3,887,070	$ 2,928,376	$ 958,694
Service Expense Reimbursement Revenue	1,823,967	1,813,071	10,896
Total Operating Revenue	5,711,037	4,741,447	969,590
Operating Expenses	2,701,491	2,901,528	(200,037)
Service Reimbursement Expenses	1,823,967	1,813,071	10,896
Total Operating Expenses	4,525,458	4,714,599	(189,141)
Operating Income	1,185,579	26,848	1,158,731
Nonoperating Revenue	2,789,106	-	2,789,106
Change in Net Position	$ 3,974,685	$ 26,848	$ (1,630,375)
Total Revenue	$ 8,500,143	$ 4,741,447	$ 3,758,696
Total Expenses	4,525,458	4,714,599	(189,141)
Total Change in Net Position	$ 3,974,685	$ 26,848	$ 3,947,837

During the year ended June 30, 2022, rental revenue and lease interest increased by $949,760 due to newly executed leases and the implementation of GASB 87.

Operating Expenses decreased by $200,037. This decrease is primarily attributable to the 100% occupancy of all Authority facilities since the Authority is no longer responsible to contribute the proportionate share of operating expenses for vacant units, and these expenses are now paid by new tenants.

Nonoperating Revenue increased by $2,789,106. This increase is the result of the Authority earning interest on Authority funds held in the General Fund, which previously were exempt from interest earnings. As well as the Authority recognizing a finance sale of assets.

The overall financial position of the Authority is improved during the year ended June 30, 2022.

The Maryland seafood industry in recent years has consolidated, while at the same time new food safety standards have affected the suitability of MFCA facilities for certain seafood companies. In FY 2017, the MFCA experienced an occupancy rate of 36% in the building formerly known as the Maryland Wholesale Seafood Market. As a result, the MFCA crafted a comprehensive redevelopment plan for this site.

CONDENSED FINANCIAL INFORMATION (CONTINUED)

Statements of Revenue, Expenses and Change in Net Position (Continued)

The Maryland Wholesale Seafood Market was constructed in 1984 and had been fully occupied until 2017. The facility had experienced significant wear due to excessive water used in the seafood industry. Much of the seafood tenant space was returned to the MFCA in a state of disrepair which exceeded the value of held security deposits. Also, the building's original design in 1984 was not designed with subsequent users in mind and catered to individual tenant specifications resulting in space much too large to accommodate small-size food companies.

These vacancies provided an opportunity for the MFCA to address today's demand for space in the seafood industry, look to the future of wholesale food distribution in general, and the concept for the Maryland Market Center grew out of these challenges.

The three primary challenges of leasing the vacant space at the Maryland Market Center was the odor from existing seafood companies' operations throughout the market, the condition of the vacant space, and the overall appearance of the exterior of the building.

Part of the MFCA comprehensive redevelopment plan requires the relocation of all existing seafood companies to one end of the building to consolidate the seafood activity. In order to move the existing seafood tenants, the MFCA commenced a major renovation of previously vacant units, in what is now referred to as the Seafood Section of the Maryland Market Center. As of June 30, 2020, this project was 100% complete and all seafood companies have been relocated to the Seafood Section of the Maryland Market Center. A total of twelve Units were renovated in the Seafood Section of the Maryland Market Center and all twelve units are now occupied.

Of these twelve renovated Units in the Seafood Section of the Maryland Market Center, the MFCA designated and designed two Units as the new Maintenance Shop for the Maryland Market Center. Once the renovation was complete, the Maryland Market Center maintenance staff vacated the existing Maintenance Garage located inside the Maryland Market Center and moved into the newly renovated Maintenance Shop. The vacant Maintenance Garage was then leased to a truck repair company.

During Fiscal Year 2020, the MFCA moved forward with the next phase of the redevelopment plans and renovated vacant units in what is now referred to as the Non-Seafood Section of the Maryland Market Center. This project is now complete and a total of six Units were renovated. All six of the renovated units are now occupied.

During Fiscal Year 2021 and FY 2022, the comprehensive redevelopment plan describes an update to the façade of the existing building which will give the facility a more-modern appearance. Due to the COVID-19 pandemic, this project continues to be on hold.

The MMC occupancy rate as of June 30, 2022 is 100%.

BUDGETARY HIGHLIGHTS

The Authority does not budget for revenue. The Authority had a positive variance of $938,748 from comparing actual to budgeted expenses for the year ended June 30, 2022.

	Year Ended June 30, 2022			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance
Operating Expenses:				
Salaries, Wages, and Related Costs	$ 2,318,791	$ 2,458,236	$ 2,307,758	$ 150,478
Depreciation	1,483,693	1,487,695	1,166,997	320,698
Contractual Services	601,780	581,780	405,907	175,873
Taxes	280,000	310,000	304,832	5,168
Vehicle Operation	154,160	149,310	63,232	86,078
Fuel and Utilities	118,500	118,500	95,017	23,483
Technical and Special Fees	86,713	91,096	62,756	28,340
Travel	66,550	44,550	5,274	39,276
Supplies and Materials	67,500	68,000	32,966	35,034
Equipment Charges	42,350	66,750	13,262	53,488
Communication	49,035	49,035	37,648	11,387
Fixed Charges	39,254	39,254	29,809	9,445
Total Operating Expenses	5,308,326	5,464,206	$ 4,525,458	$ 938,748
Capital Depreciation Budget	(1,263,531)	(1,312,533)		
Capital Depreciation Expense FY 22	(80,730)	(80,730)		
Total Budget	$ 3,964,065	$ 4,070,943		

The positive variance for Salaries, Wages, and Related Costs is due to a lower-than-expected state-mandated pension expense adjustment.

The positive variance for Depreciation is due to deferred capital improvement projects from the current year to a subsequent year.

The positive variance for Contractual Services is due to the Maryland Market Center's 100% occupancy rate. When the Market is 100% occupied, the Authority is no longer required to contribute its proportionate share of the Market's expenses related to the vacant units. The positive variance is also due to less snow removal costs as a result of a mild winter weather.

The positive variance for Vehicle Operations is a result of lower-than-expected fuel prices and the Authority's fleet of maintenance vehicles required less than expected repairs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, and 2021, the Authority had capital assets of $48,361,367 and $49,714,217, net of accumulated depreciation of $24,538,808 and $23,644,280, for net capital assets of $23,822,559 and $26,069,937, respectively. This represents a decrease of $2,247,378 as of June 30, 2022, from the prior year. The decrease is due to deletion of $1,850,185 in capital assets, of which $1,563,465 is attributable to a finance sale, net of $310,622 of accumulated depreciation.

The Authority had no major additions (greater than $50,00) to capital assets during the year ended June 30, 2022.

As of June 30, 2022, the Authority had no long-term debt outstanding.

ECONOMIC FACTORS

Maryland Market Center (MMC), formerly known as Maryland Wholesale Seafood Market

The MMC leases expire on June 30, 2022, or June 30, 2023, depending on the lease term selected by the tenant at lease inception. The leases which expired on June 30, 2022, include a five-year renewal option which extends the leases until June 30, 2027. The MMC occupancy rate as of June 30, 2022 is 100%.

Maryland Wholesale Produce Market (MWPM)

The MWPM leases expire on June 30, 2022, or June 30, 2023, depending on the lease term selected by the tenant at lease inception. The leases which expired on June 30, 2022, include a five-year renewal option which extends the leases until June 30, 2027. MWPM occupancy rate is 100% as of June 30, 2022.

Truck Parking Lot

All spaces in the Truck Parking Lot are rented through February 28, 2023. The lease contains two renewal periods of two years each with an end date of February 28, 2027.

Anaerobic Digester

In the first quarter of calendar year 2018, the MFCA Board of Directors and the Maryland Board of Public Works approved a ten-year ground lease, with two additional ten-year option periods, between the Authority and BTS Biogas, LLC. (assigned to MORF I Inc, on April 29, 2020) to construct an anaerobic digester on 5.5 acres of the Authority's land located on Oceano Avenue. The anaerobic digester uses microbes to convert compostable waste into energy.

The terms of the ground lease require monthly payments of $11,044 per month, or $132,528 per year, which began April 1, 2019. The ground lease ends March 27, 2028, and there are two, additional, ten-year renewal options which may be exercised.

The anaerobic digester project enjoys the full support from Maryland Governor, Larry Hogan, Maryland Comptroller, Peter Franchot, former Maryland Treasurer, Nancy Kopp, and multiple state and local governmental units.

ECONOMIC FACTORS (CONTINUED)

Maryland Market Center Ground Leases

On November 1, 2019, the Maryland Food Center Authority entered a Ground Lease for a portion of the land located in the Maryland Market Center. This Ground Lease was approved by the MFCA Board of Directors and the Maryland Board of Public Works.

The terms of the ground 75-year lease require monthly payments of $17,917 per month, or $215,000 per year which started November 1, 2018. The ground lease contains a buy-out option after twenty years which the Authority reasonably expects to be exercised so this lease is now presented as a finance sale lease.

On January 19, 2021, the Maryland Food Center Authority entered into a Ground Lease for a portion of the land located in the Maryland Market Center. This Ground Lease was approved by the MFCA Board of Directors and the Maryland Board of Public Works.

The terms of the ground lease require monthly payments of $0 for the first six months, $18,750 for August 2021 to January 2022, and $37,500 per month thereafter, or $450,000 per year, and ends January 31, 2096. The ground lease contains a buy-out option after twenty years; however, the Authority does not reasonably expect the buy-out to be exercised at this time.

Maryland Market Center Maintenance Garage

During the renovation of the Seafood Section of the Maryland Market Center, two Units were designated as the future location for the MFCA Maintenance Shop. Once the renovation was complete, the existing Maryland Market Center Maintenance Garage was vacant. The Maintenance Garage was leased on May 18, 2020, for $19,200 per year and ends on June 30, 2027. Due to the demand for space, two units designated as the MFCA Maintenance Shop were leased to new tenants during fiscal year 22, and the Maryland Market Center Maintenance Shop was consolidated into the Maryland Wholesale Produce Market Maintenance Shop.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the users of these financial statements with a general overview of the Authority's finances. If you have questions about this report or need additional financial information, please contact the Authority's Senior Director of Real Estate & Finance at 7801 Oceano Avenue, Jessup, Maryland 20794.

MARYLAND FOOD CENTER AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS AND DEFERRED OUTFLOWS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 7,784,037
Accounts Receivable	981,810
Lease Receivable - Current Portion	2,358,162
Accounts Receivable - Finance Sale- Current Portion	13,330
Prepaid Expenses	4,324
Total Current Assets	11,141,663
NONCURRENT ASSETS	
Lease Receivable	17,339,380
Accrued Interest - Lease Receivable	178,542
Accounts Receivable - Finance Sale	4,238,412
Nondepreciable Capital Assets	6,277,303
Depreciable Capital Assets, Net of Accumulated Depreciation	17,545,256
Total Capital Assets	23,822,559
Total Noncurrent Assets	45,578,893
DEFERRED OUTFLOWS RELATED TO PENSION	777,993
Total Assets and Deferred Outflows	57,498,549

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION

CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	199,074
Accrued Payroll and Related Taxes	94,667
Unearned Revenue	140,543
Accrued Compensated Absences, Current Portion	231,467
Accrued Workers' Compensation, Current Portion	10,500
Total Current Liabilities	676,251
NONCURRENT LIABILITIES	
Accrued Compensated Absences	57,867
Accrued Workers' Compensation	97,500
Tenant Deposits	218,677
Net Pension Liability	1,763,582
Total Noncurrent Liabilities	2,137,626
Total Liabilities	2,813,877
DEFERRED INFLOWS	
Pensions	693,413
Lease Receivable	19,303,172
Total Deferred Inflows	19,996,585
Total Liabilities and Deferred Inflows	22,810,462
NET POSITION	
Net Investment Capital Assets	23,822,559
Unrestricted	10,865,528
Total Net Position	$ 34,688,087

See accompanying Notes to Financial Statements.

MARYLAND FOOD CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

OPERATING REVENUES	
Rental Revenue and Charges for Services	$ 4,399,148
Finance Sale Rent Revenue	37,460
Lease Interest Revenue	923,924
Finance Sale Interest Revenue	185,407
Other Income	165,098
Total Operating Revenues	5,711,037
OPERATING EXPENSES	
Salaries, Wages, and Related Costs	2,307,758
Depreciation	1,166,997
Contractual Services	405,907
Taxes	304,832
Fuel and Utilities	95,017
Vehicle Operation	63,232
Technical and Special Fees	62,756
Fixed Charges	29,809
Communication	37,648
Supplies and Materials	32,966
Equipment Charges	13,262
Travel	5,274
Total Operating Expenses	4,525,458
OPERATING INCOME	1,185,579
NONOPERATING REVENUES	
Gain on Disposal of Capital Assets	8,160
Gain on Finance Sale	2,703,797
Interest Income	77,149
Total Nonoperating Revenues	2,789,106
Change in Net Position	3,974,685
Net Position - Beginning of Year	30,713,402
NET POSITION - END OF YEAR	$ 34,688,087

See accompanying Notes to Financial Statements.

MARYLAND FOOD CENTER AUTHORITY
STATEMENT OF CASH FLOW
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	$ 6,063,809
Payments to Suppliers	(2,055,726)
Payments to Employees and Related	(2,233,710)
Net Cash Provided (Used) by Operating Activities	1,774,373
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	77,149
Net Cash Provided by Investing Activities	77,149
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(497,335)
Proceeds from the Sale of Capital Assets	45,799
Net Cash Provided (Used) by Capital and Related Financing Activities	(451,536)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,399,986
Cash and Cash Equivalents - Beginning of Year	6,384,051
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 7,784,037

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	$ 1,185,579
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Effects of Non-Cash items	
Depreciation Expense	1,166,997
Effects of Changes in Operating Assets, Deferred Outflows, Liabilities and Deferred Inflows:	
Discount on Lease Receivable	(580,779)
Accounts Receivable	(163,579)
Prepaid Expenses	(3,846)
Deferred Outflows	214,554
Accounts Payable	21,746
Tenant Deposits	6,600
Accrued Payroll and Related Taxes	6,403
Unearned Revenue	91,370
Accrued Compensated Absences	11,718
Accrued Workers' Compensation	43,000
Deferred Inflows	547,354
Net Pension Liability	(772,744)
Net Cash Provided by Operating Activities	$ 1,774,373

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Maryland Food Center Authority (the "Authority" or "MFCA"), an instrumentality and component unit of the State of Maryland, was created as a body corporate and politic of the State of Maryland by the Greater Baltimore Consolidated Wholesale Food Market Authority Act, effective June 1, 1967, under Chapter 145 of the 1967 Laws of Maryland. The Authority has statewide jurisdiction to promote the welfare of Marylanders by undertaking real estate development and management activities that facilitate wholesale food industry activity in the public interest. The Authority is involved with planning and developing regional food industry facilities, including a 400-acre specialized industrial park known as the Maryland Food Center in Jessup, Maryland. The Authority owns and manages property at the Maryland Food Center, including the Maryland Wholesale Produce Market and the Maryland Market Center, formerly known as Maryland Wholesale Seafood Market. The Authority's wholesale markets provide a commercial arena for competing businesses to deliver vital food services throughout the region, under the management of a publicly accountable state agency. The Authority also owns, and redeveloped, the Rock Hall Clam House in Rock Hall, Maryland, which it leases to local watermen and waterman-related industries. The executive board of the Authority is comprised of 12 members, including the State Comptroller, the Secretary of Agriculture, the Secretary of General Services, the Director of Agricultural Extension for the State of Maryland who is Dean of the College of Agriculture and Natural Resources at the University of Maryland, and private citizens appointed by the Governor.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Authority's financial statements are reported on the accrual basis of accounting and the economic resources measurement focus as specified by the Governmental Accounting Standards Board requirements for an enterprise fund.

Cash and Cash Equivalents

The Authority considers all cash on deposit with the State of Maryland's treasury to be cash equivalents as well as all highly liquid investments with original maturities of three months or less at the time of purchase.

Capital Assets and Depreciation

Capital expenditures greater than $1,000, with an estimated useful life greater than one year, are capitalized. Capital assets are recorded at historical cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation (Continued)

Depreciation of capital assets is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Building	15 to 50 Years
Capital Improvements	10 to 40 Years
Equipment	5 to 10 Years

Revenue and Expenses

Operating revenue consists primarily of rent and entrance fees. Revenue is recognized as earned. Rent received in advance of recognition is recorded as unearned revenue.

Operating expenses consist are primarily of costs that are incurred to maintain normal operations.

Non-Operating revenue and expenses are not derived from operations and include interest income and gain and loss on sale of assets.

Compensated Absences

Authority employees are granted annual leave in varying amounts depending on tenure. Employees may carry over up to 75 days of annual leave at the end of the calendar year and will be compensated for unused leave when employees leave the Authority's service. However, an employee whose employment is terminated for unlawful behavior or for gross misconduct may forfeit all unused annual leave and all compensation for unused annual leave. Employees earn 15 days of sick leave per year.

The estimated liability for vested vacation is recorded as a liability and charged to expense.

Accounts Receivable

Accounts receivable are uncollateralized obligations which generally require payment within 30 days from the invoice date. As of June 30, 2022, the Authority considered all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded.

Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, the Authority reports a liability of its proportionate share of the net pension liability of the Maryland State Employees’ Retirement System on the basis reported by the system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Deferred Outflows of Resources

The Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

The Authority recognized deferred inflows related to its net pension liability and lease receivables; a deferred outflow is reported related to its net pension liability.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No.87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use of an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right to use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Authority adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash on Hand

As of June 30, 2022, petty cash on-hand totaled $3,000, and gate receipts not yet deposited totaled $560, for total cash on hand of $3,560.

Deposits

As of June 30, 2022, the carrying amount of the Authority’s deposits was $7,780,477 and the bank balance was $7,624,667. The deposits of the Authority were not exposed to custodial credit risk as of June 30, 2022, because the Authority’s deposits are pooled with the state’s funds under the custody of the state treasurer. Collateral must be at least 102% of the book value and must be delivered to the state treasurer’s custodian for safekeeping.

NOTE 4 CAPITAL ASSETS AND DEPRECIATION

A summary of changes in capital assets is as follows:

	Balance June 30, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Nondepreciable Capital Assets					
Land	$ 1,354,998	$ -	$ (126,310)	$ -	$ 1,228,688
Land Held for Development	2,227,404	-	-	-	2,227,404
Construction in Progress	2,340,976	480,235	-	-	2,821,211
Total Nondepreciable Capital Assets	5,923,378	480,235	(126,310)	-	6,277,303
Depreciable Capital Assets					
Buildings and Improvements:					
Henry Hein Building and Other	1,031,011	-	(37,300)	-	993,711
Wholesale Produce Market	20,616,527	14,167	(1,526,165)	-	19,104,529
Maryland Market Center	14,607,118	-	-	-	14,607,118
Storm Water Management Pond	208,847	-	-	-	208,847
Truck Wash	1,140,587	-	-		1,140,587
Cross Dock	2,512,479	-	-	-	2,512,479
Rock Hall Clam House	1,168,055	-	-	-	1,168,055
Total Buildings and Improvements	41,284,624	14,167	(1,563,465)	-	39,735,326
Equipment - Administrative	418,453	2,933	(13,127)	-	408,259
Equipment - Produce and Seafood	2,087,762	-	(147,283)	-	1,940,479
Total Depreciable Capital Assets	43,790,839	17,100	(1,723,875)	-	42,084,064
Accumulated Depreciation					
Buildings and Improvements	(21,538,511)	(1,051,538)	113,609	-	(22,476,440)
Equipment - Administrative	(310,598)	(23,957)	13,127	-	(321,428)
Equipment - Produce and Seafood	(1,795,171)	(91,502)	145,733	-	(1,740,940)
Total Accumulated Depreciation	(23,644,280)	(1,166,997)	272,469	-	(24,538,808)
Total Capital Assets, Net	$ 26,069,937	$ (669,662)	$ (1,577,716)	$ -	$ 23,822,559

The Authority owns approximately 14 acres which may be used for future development that is consistent with the Authority’s mission. This land is recorded at cost and is included in land held for development.

NOTE 5 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2022 are as follows:

	Balance Ending June 30, 2021	Additions	Reductions	Balance Ending June 30, 2022	Amounts Due Within One Year
Compensated Absences	$ 277,616	$ 99,060	$ 87,342	$ 289,334	$ 231,467
Workers' Compensation	65,000	71,854	28,854	108,000	10,500
Net Pension Liability	2,536,326	-	772,744	1,763,582	-
Total	$ 2,878,942	$ 170,914	$ 888,940	$ 2,160,916	$ 241,967

NOTE 6 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to workers; and natural disasters. The MFCA is self-insured for general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities, and certain employee health benefits. All funds, agencies, and authorities of the state participate in the Self-Insurance Program (the Program). The Program allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency, or public authority, based on a percentage of each organization's estimated current-year payroll or based on an average loss experienced by each organization. This charge considers recent trends in actual claims experience of the State of Maryland (the State) as a whole and makes provisions for catastrophic losses. For all insurance coverage except workers' compensation, the Authority has no liability for additional claims as of June 30, 2022. As of June 30, 2022, the State allocated a liability for workers' compensation claims to the Authority.

The program creates a total risk and cost sharing pool for all participants. In the event that the risk pool falls into a deficit that cannot be satisfied by transfers from the risk pool's capital and surplus accounts, the risk pool shall determine a method to fund the deficit. The Program could assess an additional premium to each participant, including the Authority. The Authority's management believes that an additional premium to fund a deficit would not be material. The Authority's premiums for fiscal years 2022 and 2021, were $28,263, and $22,186, respectively.

The following is the detail of Authority's activity for workers' compensation liability for the fiscal years ended June 30, 2022 and 2021:

	2022	2021
Beginning of year liability	$ 65,000	$ 65,000
Claims	71,854	2,601
Claim Payments	(28,854)	(2,601)
End of year liability	$ 108,000	$ 65,000

A more complete description of the MFCA's risk management program can be found in the State's Annual Comprehensive Financial Report (ACFR). The ACFR may be obtained by writing to the State Comptroller, P.O. Box 466, Annapolis, Maryland 21404-0466.

NOTE 7 LEASES- LESSOR

The Authority owns the Maryland Wholesale Produce Market, the Maryland Market Center, a parking lot (for tractor trailer parking) and Rock Hall Clam House. The Authority, acting as lessor, leases segregated units to area food or food-related businesses under long-term, non-cancellable lease agreements.

The leases expire at various dates through 2096 and provide renewal options ranging from 2 to 10 years. During the year ended June 30, 2022, The Authority recognized $4,399,148 and $923,924 in lease revenue and interest revenue, respectively, pursuant to these contracts.

The future minimum lease payments to be received under the lease agreements are as follows:

	Lease Payments		
Fiscal Year(s)	Principal	Interest	Total
2023	$ 2,102,464	$ 894,154	$ 2,996,618
2024	1,406,124	805,416	2,211,540
2025	1,474,388	737,152	2,211,540
2026	1,555,416	665,498	2,220,914
2027	1,606,537	589,789	2,196,326
2028-2032	(271,297)	2,766,661	2,495,364
2033-2037	(332,624)	2,848,391	2,515,767
2038-2042	(280,093)	2,921,648	2,641,555
2043-2047	(206,435)	2,980,068	2,773,633
2028-2052	(105,646)	3,017,961	2,912,315
2053-2057	29,902	3,028,029	3,057,931
2058-2062	209,897	3,000,930	3,210,827
2063-2067	446,637	2,924,732	3,371,369
2068-2072	755,730	2,784,207	3,539,937
2073-2077	1,156,981	2,559,953	3,716,934
2078-2082	1,675,514	2,227,267	3,902,781
2083-2087	2,343,198	1,754,722	4,097,920
2088-2092	3,200,450	1,102,366	4,302,816
2093-2097	2,930,399	262,243	3,192,642
Total minimum lease payments	$ 19,697,542	$ 37,871,187	$ 57,568,729

NOTE 8 RETIREMENT PLAN

Certain employees of the Authority are provided with pensions through the Employees' Retirement System of the State of Maryland (ERS), a cost-sharing multiemployer defined benefit pension plan administered by the Maryland State Retirement and Pension System (MSRPS). The State Personnel and Pensions Article of the Annotated Code of Maryland (the Article) grants the authority to establish and amend the benefit terms of ERS to the MSRPS Board of Trustees. MSRPS prepares a separate Annual Comprehensive Financial Report (ACFR), which is publicly available and can be obtained at www.sra.state.md.us/Agency/Downloads/CAFR/.

Benefits Provided

Funding Policy

The Authority's required contribution is based upon a percentage of covered payroll based on the State's allocation of its annual cost. The entry age normal cost method is the actuarial cost method used. Both the Authority and covered employees are required by State statute to contribute to the ERS. The employees contribute 7% of compensation, as defined, based on the participant's plan. The Authority made its required contribution during the fiscal year ended June 30, 2022 of $294,679.

A member of the Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's AFC multiplied by the number of years of accumulated creditable service.

An individual, who is a member of the Employees' Retirement System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62 with specified years of eligibility service or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of the Employees' Retirement System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from the Employees' Retirement System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Employees' Retirement System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the Employees' Retirement System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Employees' Retirement System.

NOTE 8 RETIREMENT PLAN (CONTINUED)

Benefits Provided (Continued)

Funding Policy (Continued)

Exceptions to these benefit formulas apply to members of the Employees' Retirement System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for these members equals 0.8% of the member's AFC up to the social security integration level (SSIL), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from service.

Early Service Retirement

A member of the Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of creditable service, whichever is less. The maximum reduction for the Employees' Retirement System member is 30%.

An individual, who is a member of the Employees' Retirement System on or before June 30, 2011, may retire with reduced benefits upon attaining age 55 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Employees' Retirement System is 42%. An individual who becomes a member of the Employees' Retirement System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Employees' Retirement System is 30%.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after five years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating five years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

Contributions

The Article sets contribution requirements of the active employees, and the participating governmental units are established and may be amended by the MSRPS Board. Employees are required to contribute 7% of their annual pay. The Authority's contractually required contribution rate for ERS for the year ended June 30, 2022 was $294,679, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

NOTE 8 RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2022, the Authority reported a liability of $1,763,582 for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the ERS net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating government units, actuarially determined.

As of June 30, 2022, the Authority's proportion for ERS was 0.011% compared to 0.012% percent as of June 30, 2021.

For the year ended June 30, 2022, the Authority recognized pension expense of $283,842. As of June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	$ -	$ 122,257
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	303,916	35,085
Net Difference Between Actual and Expected Experience	-	535,736
Change in Proportion and Difference Between Contributions and Proportionate Share of Contributions	179,398	335
Contributions made Subsequent to the Measurement Date	294,679	-
Total	$ 777,993	$ 693,413

As of June 30, 2022, $294,679 was reported as deferred outflow of resources related to the Authority's contributions subsequent to the measurement date that will be recognized as a reduction of the Authority's net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2023	$ 84,068
2024	(54,873)
2025	(112,347)
2026	(153,741)
2027	26,794
Total	$ (210,099)

NOTE 8 RETIREMENT PLAN (CONTINUED)

Information Included in the MSRPS Financial Statements

The key assumptions used to perform the June 30, 2021, pension liability calculation was as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	In the 2020 Actuarial Valuation, 2.65% General, 3.10% Wage.
Salary Increase	In the 2020 Actuarial Valuation, 3.10% to 9.10%.
Discount Rate	7.40% in 2020
Investment Rate of Return	In the 2020 and 2019 Actuarial Valuation, 7.40% and 7.50%, Respectively.
Mortality	RP-2014 Mortality Tables with Generational Mortality Projections Using Scale MP-2014, Calibrated to MSRPS Experience.

Actuarial assumptions, long-term expected rate of return on pension plan investments, discount rate, and pension plan fiduciary net position are available at www.sra.state.md.us/Agency/Downloads/ACFR/.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Authority's proportionate share of the ERS net pension liability calculated using the discount rate of 7.40% is $1,763,582. Additionally, the Authority's proportionate share of the ERS net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (6.40%) is $2,596,339 or 1-percentage-point higher (8.40%) is $635,311.

Members of the State Retirement and Pension System of Maryland (the State System) and their dependents are provided postemployment health care benefits through the State Employee and Retiree Health and Welfare Benefits Program (the Plan), which is administered by the Secretary of the Department of Budget and Management. The Plan is a single-employer, cost sharing defined benefit healthcare plan established by the State Personnel and Pensions Article, Section 2-501 through 2-516 of the Annotated Code of Maryland. The Plan is self-insured to provide medical, hospitalization, prescription drug, and dental insurance benefits to eligible state employees, retirees and their dependents. The State does not distinguish employees by employer/State agency. Instead, the State allocates the postemployment health care costs to all participating employers.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

The Authority's employees are members of the State Employee and Retiree Health and Welfare Benefits Program (the Plan). For members hired before July 1, 2011, members may enroll and participate in the health benefits options if the retiree ended State service with at least 10 years of creditable service within five years before the age at which a vested retirement allowance would begin or if the retiree ended State service with at least 16 years of creditable service or to retire directly from State service with at least five years of creditable service.

For members hired on or after July 1, 2011, they are required to have completed at least 25 years of creditable service, retired directly from State service with at least 10 years of creditable service, or ended State service with at least 10 years of creditable service within five years before the age at which a vested retirement allowance normally would begin.

Funding Policy

The contribution requirements of Plan members are established by the Secretary. The State subsidizes approximately 50% to 85% of covered medical, dental, prescription, and hospitalization costs, depending on the type of insurance plan. Costs for the postretirement benefits are for State retirees and primarily funded by the State. The State does not distinguish employees by employer/State agency. The State did not allocate postemployment health care costs to participating employers and as a result did not require a contribution from the Authority. As such, the State has elected to maintain the entire net OPEB liability as a liability of the general fund of the State and has not allocated any balances to State entities including the Authority.

A separate actuarial valuation is not performed by the Authority. The Authority's only obligation to the Plan is its required annual contribution. The Authority contributed $113,957 to the retirees' postemployment benefits for the fiscal year ended June 30, 2022, which was based on the retiree's current health insurance premiums. As of June 30, 2022, the state of Maryland did not allocate the net postemployment liability and, as such, the Authority is not required to record a liability.

Fiscal Years Ended	Actual Contributions	Required Contributions	Percentage of Required
2022	113,957	113,957	100%
2021	105,592	105,592	100%
2020	99,537	99,537	100%
2019	97,534	97,534	100%
2018	77,464	77,464	100%
2017	110,952	110,952	100%
2016	103,911	103,911	100%
2015	74,786	74,786	100%

Financial information for the State of Plan is included in the State of Maryland ACFR, which can be obtained from the Comptroller of Maryland, Louis L. Goldstein Treasury Building, Annapolis, Maryland 21404. The report can also be found at the following link:

https://marylandtaxes.gov/forms/CAFR/ACFR2021.pdfPlan Description

NOTE 10 DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code 457. The Plan is offered through the State. The Plan, available to all State employees, permits them to defer a portion of their salary until future years. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan is accounted for by the State of Maryland. Investments are managed by the Plan's third-party administrator under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. A more complete description of the State's deferred compensation plans may be found in the State's ACFR.

REQUIRED SUPPLEMENTARY INFORMATION

MARYLAND FOOD CENTER AUTHORITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	2021	2020	2019	2018	2017	2016	2015
The Authority's Proportion of the ERS Net Pension Liability	0.011%	0.012%	0.012%	0.012%	0.009%	0.009%	0.008%
The Authority's Proportionate Share of the ERS Net Pension Liability	$ 1,763,582	$ 1,763,582	$ 2,240,654	$ 2,290,570	$ 1,913,294	$ 2,024,355	$ 1,628,063
Authority's Covered-Employee Payroll	$ 1,389,938	$ 1,347,857	$ 1,226,943	$ 1,130,893	$ 1,089,873	$ 1,119,467	$ 1,089,000
Authority's Proportionate Share of the Net Pension Liability (Assets) as a Percentage of its Covered-Employee Payroll	126.88%	130.84%	182.62%	186.69%	166.55%	179.00%	149.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.29%	66.29%	67.98%	69.38%	65.79%	65.79%	68.78%

This schedule is presented to illustrate the requirement to show information for 10 years; however, information prior to June 30, 2015 is not available.

SCHEDULE OF PENSION CONTRIBUTIONS

	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution (ERS)	$ 294,679	$ 224,062	$ 224,062	$ 232,972	$ 217,241	$ 215,601	$ 180,839
Contributions in Related to the Contractually Required Contribution	(294,679)	(224,062)	(224,062)	(232,972)	(217,241)	(215,601)	(180,839)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered-Employee Payroll	$ 1,396,510	$ 1,389,938	$ 1,347,857	$ 1,226,943	$ 1,148,799	$ 1,130,893	$ 1,089,873
Contributions as a Percentage of Covered-Employee Payroll	21.10%	16.12%	16.62%	18.99%	18.91%	19.06%	16.59%

This schedule is presented to illustrate the requirement to show information for 10 years; however, information prior to June 30, 2015 is not available.

SUPPLEMENTARY INFORMATION

MARYLAND FOOD CENTER AUTHORITY
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Administrative Operating Accounts	Wholesale Produce Market Operating Accounts	Maryland Market Center Operating Accounts	Capital Improvements	Total
OPERATING REVENUE					
Rental Revenue					
and Charges for Services	$ 2,576,020	$ 890,440	$ 472,850	$ -	$ 3,939,310
Lease Interest Revenue	923,924	-	-	-	923,924
Finance Sale Revenue	37,460	-	-	-	37,460
Finance Sale Interest Revenue	185,407	-	-	-	185,407
Entrance Fees	-	336,369	119,714	-	456,083
Registration	-	50	15	-	65
Railroad	-	3,690	-	-	3,690
Miscellaneous	84,359	-	-	-	84,359
Other Income	79,900	437	402	-	80,739
Total Operating Revenue	3,887,070	1,230,986	592,981	-	5,711,037
OPERATING EXPENSES					
Salaries, Wages, and Related					
Costs	1,059,109	845,937	402,712	-	2,307,758
Depreciation	85,112	56,470	27,520	997,895	1,166,997
Contractual Services	90,281	150,354	84,542	80,730	405,907
Taxes	304,832	-	-	-	304,832
Fuel and Utilities	24,461	56,723	13,833	-	95,017
Vehicle Operation	1,404	43,964	17,864	-	63,232
Technical and Special Fees	18,115	24,013	20,628	-	62,756
Fixed Charges	10,237	14,296	5,276	-	29,809
Communication	15,940	12,413	9,295	-	37,648
Supplies and Materials	6,834	18,844	7,288	-	32,966
Equipment Charges	1,911	7,525	3,826	-	13,262
Travel	4,630	447	197	-	5,274
Total Operating Expenses	1,622,866	1,230,986	592,981	1,078,625	4,525,458
Operating Income (Loss)	2,264,204	-	-	(1,078,625)	1,185,579
NONOPERATING INCOME & (EXPENSE)					
Gain on Disposal of Capital Assets	8,160	-	-	-	8,160
Gain on Finance Sale	2,703,797	-	-	-	2,703,797
Interest	77,149	-	-	-	77,149
Total Nonoperating Expenses	2,789,106	-	-	-	2,789,106
NET INCOME (LOSS)	$ 5,053,310	$ -	$ -	$ (1,078,625)	$ 3,974,685