



Maryland Stadium Authority 2023 Financial and Annual Review



**CAMDEN YARDS
SPORTS COMPLEX**





MARYLAND STADIUM AUTHORITY

Our mission is to plan, finance, build and manage sports and entertainment facilities in Maryland; to provide enjoyment, enrichment, education, and business opportunities for citizens; and to develop partnerships with local governments, universities, private enterprise and the community.

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1986**



Wes Moore
Governor

Michael J. Frenz
Executive Director

Members

.....
Craig A. Thompson
Chairman

Leonard J. Attman
Joseph C. Bryce
William H. Cole, IV
Lee Coplan
Artis G.

Hampshire-Cowan
Maggie McIntosh
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Letter from the Executive Director:

The 2023 calendar year marked another successful year for the Maryland Stadium Authority, as we continue to make a positive impact on communities across the state of Maryland. The MSA has grown significantly over the past three decades - leading projects that improve the quality of life for every Maryland resident. Our projects include construction and renovations of local schools, government offices, conference buildings, athletic venues, and convention centers - all with a determined focus on fulfilling our mission.

As we move forward into the new year, we pause and reflect on 2023 with a confident outlook for 2024. Some of our accomplishments over the past year include:

- Welcoming our new Chairman, Craig A. Thompson. Chairman Thompson has a lifelong commitment to the State of Maryland, having been born and raised in Baltimore City, and having been educated in Baltimore City Public Schools and the University of Maryland. He has spent his career dedicating himself to the same mission followed by the MSA: increasing economic opportunities and improving the quality of life for Marylanders. Welcome, Chairman Thompson.
- Our Board of Directors welcomed several new Board members, each of whom brings a wealth of experience and knowledge to the MSA, and all of whom are eager to build upon the proud legacy of the MSA.
- The MSA entered into a new lease with the Baltimore Orioles to continue playing at Oriole Park at Camden Yards, while also announcing the reimagining of M&T Bank Stadium - led by the Baltimore Ravens.
- Our Diversity Equity and Inclusion (DEI) department has developed comprehensive goals and initiatives aimed at enhancing employee education, fostering a workforce that reflects the diverse demographics of our state, and expanding our networking efforts statewide to advocate for opportunities within Maryland's historically black colleges and universities (HBCUs) and Minority Business Enterprise (MBE) programs, respectively. We have bolstered these efforts through external networking and engagement in conjunction **with other state agencies and the Governor's office.**

- The MSA team continues to work on important projects including the Department of Legislative Services Building in Annapolis, the new ballpark in Hagerstown, school renovation and construction in Baltimore City and throughout the state, and through our perennial maintenance of projects both in the works and those completed.
- The sports tourism division of the MSA – the Maryland Sports Commission – has also been successful in their mission to make Maryland a premier destination for sporting events, from the amateur to the professional levels. Through the marketing collective, TEAM Maryland, the Maryland Sports Commission is able to partner with destination marketing organizations from around the state to help promote, recruit, and retain major sport tourism events. The Maryland Sports Commission also allocates grant funding for events through the Maryland Sports Youth and Amateur Sports Grant & Michael Erin Busch Fund.

These are just a few of the many highlights our organization accomplished in 2023, and we will continue to build upon that success in 2024. Our accolades and accomplishments are the result of the continuing dedication of the entire MSA team. We all take pride in the strong reputation of MSA and our important contributions to the state of Maryland and its residents.

All the best,

Michael J. Frenz,
Executive Director
Maryland Stadium Authority



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2023 FINANCIAL REVIEW

MARYLAND STADIUM AUTHORITY
(A COMPONENT UNIT OF THE STATE OF MARYLAND)
Financial Statements Together with **the Independent Auditor's** Report
For the Year Ended June 30, 2023.

An annual detailed report of the activities and financial status of the Authority to the Governor, and, in accordance with § 2-1257 of the State Government Article, the General Assembly; Reports required by Economic Development Article § 10-625(a)(1) (MSAR # 14902)



INDEPENDENT AUDITORS' REPORT

Board of Directors
Maryland Stadium Authority
Baltimore, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maryland Stadium Authority, a component unit of the State of Maryland, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Maryland Stadium 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 respective financial position of the Maryland Stadium Authority, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Maryland Stadium 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 opinions.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Maryland Stadium 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 Maryland Stadium 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability and contributions and schedule of contributions other post-employment benefits 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

Board of Directors
Maryland Stadium Authority

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 opinions on the financial statements that collectively comprise the Maryland Stadium Authority's basic financial statements. The combining schedule of contributions from primary government and combining schedule of revenue, 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 contributions from primary government and combining schedule of revenue, expenses and changes in net position are 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 March 7, 2024, on our consideration of the Maryland Stadium 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 Maryland Stadium 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 Maryland Stadium Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
March 7, 2024

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Overview of the Financial Statements and Financial Analysis

The Maryland Stadium Authority (the Authority), a component unit of the State of Maryland (the State), is honored to present the fiscal year 2023 financial statements. The Authority's responsibilities include operation of the baseball and football stadiums, the B&O Warehouse, and Camden Station located at the Camden Yards Sports Complex, oversight of several convention centers, assistance with the replacement and renovation of Baltimore City Public Schools, assistance in the financing of public school construction throughout the State of Maryland, and management of construction projects throughout the State.

The discussion and analysis of the Authority provides an overview of the Authority's financial activities as of fiscal year ended June 30, 2023. The intent of the management's discussion and analysis is to present the Authority's financial performance compared to the prior year. The readers should review the financial statements and notes to the basic financial statements to enhance their understanding of the Authority's financial performance.

The basic financial statements contain two components: the basic financial statements (Statement of Net Position; Statement of Revenue, Expenses, and Changes in Net Position; and Statement of Cash Flows) and the notes to the basic financial statements.

Statement of Net Position

The Authority's Statement of Net Position presents the assets and deferred outflows, liabilities and deferred inflows, and the net position of the Authority as of June 30, 2023. The Statement of Net Position provides the reader with a financial picture of the Authority's assets (current and noncurrent) and deferred outflows, liabilities (current and noncurrent) and deferred inflows, and net position (assets and deferred outflows minus liabilities and deferred inflows) or the financial position of the Authority at the end of the fiscal year.

From the information presented, the user of the Statement of Net Position is able to determine the assets available for the continuing operations of the Authority. The user is also able to determine what cash and cash equivalents are available and the amounts owed to and by the Authority. The purpose of the Statement of Net Position is to show the user what is available for the future needs of the Authority.

The net position is divided into three categories. The first category, "net investment in capital assets," reflects the Authority's investment in furniture, equipment, facility rights, and right to use asset, net of debt depreciation and amortization. The second category is net assets restricted for a specific purpose. The Authority restriction for debt service represents funds held by the Authority with the purpose of paying debt service on the outstanding bonds. Restriction for projects represents funds available for projects under contract with external entities. The final category, "unrestricted," is available funds held by the State's Comptroller's Office.

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Statement of Net Position (continued)

Below is a comparison of the Statements of Net Position as of June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>
ASSETS AND DEFERRED OUTFLOWS		
Current assets	\$ 1,181,697,901	\$ 1,390,322,785
Capital assets, Net	52,394,625	50,330,245
Other noncurrent assets	65,680,975	74,330,068
Deferred outflows	<u>13,549,352</u>	<u>10,011,195</u>
Total Assets and Deferred Outflows	<u><u>1,313,322,853</u></u>	<u><u>1,524,994,293</u></u>
LIABILITIES AND DEFERRED INFLOWS		
Current liabilities	177,959,577	181,326,309
Noncurrent liabilities	2,264,388,550	2,254,200,563
Deferred inflows	<u>16,866,908</u>	<u>22,495,232</u>
Total Liabilities and Deferred Inflows	<u><u>2,459,215,035</u></u>	<u><u>2,458,022,104</u></u>
NET POSITION		
Net investment in capital assets	15,352,222	5,776,961
Restricted for debt service	240,016,768	538,826,431
Restricted for Projects	763,313,089	700,863,201
Unrestricted	<u>(2,164,574,261)</u>	<u>(2,178,494,404)</u>
Total Net Deficit	<u><u>\$ (1,145,892,182)</u></u>	<u><u>\$ (933,027,811)</u></u>

During the fiscal year 2023, total assets and deferred outflows for the Authority decreased from the prior year by approximately \$211.7 million, mainly due to:

ASSETS

Current assets decreased approximately \$208.7 million. The changes from the prior year were mainly due to the following:

- An increase of \$26.4 million in cash and cash equivalents, primarily related to contributions for the Built to Learn, Racing and Community Development, and Major Sport and Entertainment Grant programs.
- A total decrease of \$236.8 million in restricted investments, due to the following; a decrease of \$201.8 million from the Series 2021 and Series 2022A bonds which were used for construction costs related to the Built to Learn program; a decrease of \$79.2 million from the Series 2016, Series 2018A, Series 2020A, Series 2020B and Series 2020C bonds which were used for construction costs related to Baltimore City Public Schools and a refunding of certain maturities of Series 2016 and Series 2018A; a decrease of \$13.6 million from the Series 2022A bonds which were used for construction costs related to the

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Statement of Net Position (continued)
ASSETS (continued)

Hagerstown Multi-Use Sports and Events Facility; a decrease of \$9.0 million for the Series 2019A and Series 2019B bonds which were used for improvements at the Camden Yards Sports Complex; a \$1.0 million decrease for the Series 2019C bonds which were used for construction costs related to the expansion of the Ocean City Convention Center; and an increase of \$67.8 million from the Series 2022C bonds which were issued for construction costs related to the Baltimore City Schools construction program.

- An increase of \$1.4 million in amounts due from primary government related to admissions taxes (collected by the Comptroller's office) due to the increase in attendance at baseball, football, and other stadium events.
- A decrease of \$0.7 million due to the combined change in notes receivable and interest receivable.

Net capital assets increased by approximately \$2.1 million, mainly due to the following:

- An increase of \$2.1 million in facility rights as a result of capital improvements to the Camden Yards Sports Complex of \$6.8 million, the Ocean City Convention Center of \$0.9 million, and a decrease of \$5.6 million for depreciation and disposals.

Non-current assets decreased by approximately \$8.6 million, mainly due to the following:

- An increase of \$1.4 million in non-current lease receivables due to a new tenant lease agreement at the Warehouse.
- A decrease of \$10.0 million in non-current contract receivables with an \$10.5 million reduction from the use of funds from Series 2019A and Series 2019B for the Camden Yards Sports Complex, a \$0.5 million reduction from the use of funds from Series 2019C for the Ocean City Convention Center expansion, a \$1.4 million reduction from principal payments related to Series 2014 for the Montgomery County Conference Center, and a \$1.8 million increase from the use of funds from Series 2022A for the Hagerstown Multi-Use Sports and Events Facility project.

Deferred outflows increased by approximately \$3.5 million, mainly due to the following:

- An increase of \$4.7 million in deferred outflows related to pension for MSA's share of the State pension liability.
- A decrease of \$1.2 million in deferred outflows related to swap agreements related to changes in valuation of swap agreement in the Series 2007 bonds.

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Statement of Net Position (continued)

LIABILITIES

Total liabilities and deferred inflows as of June 30, 2023, increased approximately \$1.2 million, mainly due to:

- 1) Accounts payable, accrued expenses and project advances decreased by \$7.6 million as a result of:
 - A decrease of \$4.0 million for project advances related to the Racing and Community Development program;
 - A decrease of \$0.9 million related to the operating deficits for the Baltimore City and Ocean City Convention Centers; and
 - A decrease of \$2.7 million for construction expenditures related to Baltimore City Public Schools and operations.
- 2) Deferred inflows related to pension decreased by \$6.6 million with net pension liability increasing by \$5.0 million.
- 3) An increase in lease payables of \$8.9 million as a result of new debt from the Series 2022C Baltimore City School construction bonds and the maturity of the Master Energy Lease.
- 4) An increase in interest payable of \$1.4 million.
- 5) The swap liability decreased by \$1.1 million as a result of the change in the fair market values of derivatives and the maturity of the Series 2007 bonds.
- 6) Finally, deferred inflows related to lease receivables increased by \$1.2 million from a new lease receivable entered into during the fiscal year.

MARYLAND STADIUM AUTHORITY
Management’s Discussion and Analysis
June 30, 2023

Summary Statement of Revenue, Expenses, and Changes in Net Position

Below is a comparison of the Summary Statements of Revenue, Expenses, and Changes in Net Position for the years ended June 30, 2023, and 2022:

	<u>2023</u>	<u>2022</u>
Operating revenue	\$ 48,601,528	\$ 50,567,770
Operating expenses	<u>61,385,241</u>	<u>52,795,795</u>
Operating loss	(12,783,713)	(2,228,025)
Non operating expenses	<u>(236,890,855)</u>	<u>(154,142,801)</u>
Loss before contributions	(249,674,568)	(156,370,826)
Contributions from primary and local governments and other sources	<u>36,810,197</u>	<u>28,665,049</u>
Decrease in net position	(212,864,371)	(127,705,777)
Net position at beginning of year	<u>(933,027,811)</u>	<u>(805,322,034)</u>
Net Position at End of Year	<u>\$ (1,145,892,182)</u>	<u>\$ (933,027,811)</u>

The changes in net position are based on the activity that is presented on the Statement of Revenue, Expenses, and Changes in Net Position.

The Statement of Revenue, Expenses, and Changes in Net Position presents the revenue and expenses for the Authority during fiscal year 2023. The revenue and expenses are presented in operating and non-operating categories.

At the end of fiscal year 2023, the Statement of Revenue, Expenses, and Changes in Net Position disclosed a \$212.9 million decrease to net position. The following information explains the decrease in net position.

OPERATING REVENUE

Total operating revenue for the year was \$48.6 million, a large percentage of which relates to the operation of the stadiums.

Operating revenue for fiscal year 2023 decreased by approximately \$2.0 million over revenue in fiscal year 2022, mainly due to:

- An increase in Baltimore Orioles’ rent of \$2.0 million.
- An increase in admission taxes of \$3.1 million from baseball, football, concerts, and the Hippodrome Performing Arts Center.
- A decrease of \$0.5 million in warehouse and stadium rents.
- An increase of \$0.2 million from parking and commissions for catered events.

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Statement of Revenue, Expenses, and Changes in Net Position (continued)
Operating Revenue (continued)

- A decrease of \$6.8 million in project fees mainly due to:
 - a decrease of \$8.5 million related to the construction of the Ocean City Convention Center,
 - an increase of \$2.4 million related to the construction of the Hagerstown Multi-Use Sports and Events Facility,
 - a decrease of \$1.2 million in reimbursements for costs related to a concert, project work, and utility chargebacks, collectively,
 - an increase of \$0.8 million in funding for the Baltimore City Demolition and Stabilization program, and
 - a decrease of \$0.3 million in funding for Racing and Community Development.

Camden Yards Revenue

Operating revenue generated at the Camden Yards Sports Complex for fiscal year 2023 totaled \$37.5 million. The Baltimore Orioles' rent is based upon a percentage of revenue stream formula, and the Baltimore Ravens pay 100% of the operating and maintenance expenses of the football stadium. This accounts for approximately \$17.4 million of the revenue for fiscal year 2023.

The teams are required to pay a 10% ticket charge to the State of which the Authority receives 8% and Baltimore City receives 2%. The revenue from the admission taxes for both teams was approximately \$13.5 million. Also included in admission taxes is a two-dollar (\$2) ticket charge for the Hippodrome Performing Arts Center for a total of \$13.9 million.

Located at the Camden Yards Sports Complex are the B&O Warehouse and Camden Station that were renovated for office and museum space. There currently are tenants renting more than 220,000 square feet that, combined with several cellular antenna sites, generate approximately \$3.2 million for fiscal year 2023.

Miscellaneous operating revenue from the Camden Yards Sports Complex include parking receipts from non-game days, other non-professional events, catering commissions, trademark revenue, utility revenues, construction management fees for other construction projects not part of the Camden Yards Sports Complex, contributions to the Orioles Improvements Fund, contributions to Maryland's Sports Commission, contributions from the Maryland Department of Housing and Community Development (DHCD) for the demolition program and adjustments to capital assets, which totaled approximately \$3.5 million for fiscal year 2023.

The remaining operating revenue not derived from Camden yards was approximately \$11.2 million. The revenue is due from:

- \$0.6 million of the total \$13.9 million in admission taxes, was from the two-dollar (\$2) ticket charge for the Hippodrome Performing Arts Center.
- \$10.6 million in project fees comprised of \$0.3 million from the Ocean City Convention Center, \$6.8 million from the Baltimore City Demolition and Stabilization project, \$0.9 million from Baltimore City Public Schools, \$0.2 million from Racing and Community Development and \$2.4 million from the Hagerstown Multi-Use Sports and Events Facility project.

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Statement of Revenue, Expenses, and Changes in Net Position (continued)

OPERATING EXPENSES

Net operating expenses increased by \$8.6 million for fiscal year 2023, due to the following:

- Salaries and wages increased \$1.1 million in fiscal year 2023. This was due to vacant positions being filled, a cost-of-living increase, salary increases, and higher benefit costs due to increasing salaries.
- Utilities were higher in fiscal year 2023 by 0.3 million.
- Contractual services increased by \$8.4 million due to:
 - an increase of \$10.1 million in services related to the Hagerstown Multi-Use Sports and Events Facility,
 - an increase of \$3.1 million in grants paid to major sports and entertainment events in Maryland,
 - an increase of \$1.0 million in services related to the Racing and Community Development program,
 - an increase of \$0.7 million for demolition and stabilization programs for Baltimore City,
 - An increase of \$0.3 million in services related to the Baltimore City Public Schools construction program,
 - a decrease of \$2.4 million in services related to capital projects at M&T Bank Stadium and the Warehouse,
 - an increase of \$0.8 million in security services,
 - an increase of \$0.3 million in janitorial services,
 - an increase of \$0.3 million in HVAC repairs and maintenance,
 - an increase of \$0.2 million in audio/video repair and maintenance, and
 - a decrease of \$6.0 million in pension expense.
- Parking expenses decreased by \$0.8 million due to the end of a rental agreement for off-site parking for stadium events in fiscal year 2023.
- Depreciation expense decreased by \$0.4 million in fiscal year 2023. Additional improvements are fully depreciated.

NON-OPERATING REVENUE AND EXPENSES

Non-operating expenses increased by \$82.7 million in fiscal year 2023, due to the following:

- The State's share of the operating deficit for the Baltimore Convention and Ocean City Convention Centers increased by \$1.6 million.
- Contributions for Baltimore City Public Schools construction increased by \$9.9 million, while contributions for Built to Learn decreased by \$50.0 million.
- Expenses related to architects, engineering, construction management and project management services for Baltimore City Public Schools construction decreased by \$69.1 million.
- Expenses related to architects, engineering, construction management and project management services for Built to Learn construction increased by \$223.7 million.

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

Statement of Revenue, Expenses, and Changes in Net Position (continued)
Non-Operating Revenue and Expenses (continued)

- Investment income and Investment gains and losses decreased by \$49.4 million.
- Interest expense increased by \$16.0 million primarily related to the Series 2020A, 2020B, 2020C, and 2022C bonds for Baltimore City Public Schools, the Series 2021 and 2022A bonds for Built to Learn, and the Series 2022A bonds for the Hagerstown Multi-Use Sports and Events Facility bonds.

CONTRIBUTIONS FROM PRIMARY GOVERNMENTS

The Authority also received appropriations from the State to be used for several purposes. For the fiscal year an appropriation was issued for the outstanding contract receivables due from the State. The money received from the State in conjunction with \$1.0 million (annual contribution) from Baltimore City was used to pay debt service on the outstanding bonds issued by the Authority.

The Authority also has a contractual obligation to pay one-half of the operating deficit of the Ocean City Convention Center and two-thirds of the operating deficit of the Baltimore City Convention Center. Further, the Authority is required to contribute annually to an improvement fund for the Ocean City and Baltimore City Convention Centers in the amount of \$50,000 and \$200,000, respectively.

In 2023, the total contributions for fiscal year 2023 from the State of Maryland was approximately \$36.8 million.

MARYLAND STADIUM AUTHORITY
Management’s Discussion and Analysis
June 30, 2023

Statement of Cash Flows

The last statement presented is the Statement of Cash Flows. The statement presents detailed information about the activities involving cash, and the statement is broken down into five parts. The first part of the statement relates to the operating cash flows and shows the net cash used for operations the Camden Yards Sports Complex; the second relates to the cash flows resulting from noncapital financing activities; the third relates to cash flow from capital and related financing activities; the fourth relates to the cash flows from investing activities; and the fifth reconciles the net cash used to the operating loss on the Statement of Revenue, Expenses, and Changes in Net Position.

Below is a comparison of the Statements of Cash Flows for the years ended June 30, 2023, and 2022:

	2023	2022
Cash flows from:		
Operating activities	\$ (27,705,848)	\$ 4,076,493
Noncapital financing activities	(225,625,711)	617,236,776
Capital and related financing activities	(4,520,419)	(15,645,964)
Investing activities	284,232,365	(595,157,467)
Net increase in cash and cash equivalents	26,380,387	10,509,838
Cash and cash equivalents, beginning of year	123,235,114	112,725,275
Cash and Cash Equivalents, End of Year	\$ 149,615,501	\$ 123,235,114

The drivers of the change in cash flow activities have been explained in other sections.

Capital Assets

The Authority had \$8.0 million in additions to capital assets in 2023, due to capitalized costs of construction related to the Series 2019A Maryland Stadium Authority Sports Lease Revenue bonds and the Series 2019C Ocean City Convention Center bonds.

Long Term Debt Administration

The Authority had an increase in debt during 2023 of \$66.1 million, net related premium and discount of \$14.3 million, due to the issuance of the Series 2022C Baltimore City Public Schools Construction and Revitalization Program bonds. Long term debt was reduced by \$49.8 million in principal payments, net premium and discount of \$17.2 million.

Economic Outlook

In January 2023, the Maryland Stadium Authority and the Baltimore Ravens entered into a fifteen-year lease under which the Ravens will continue to pay for operations and maintenance costs at M&T Bank stadium. With the new lease agreement, the Maryland Stadium Authority is authorized to issue additional debt to fund improvements at M&T Bank Stadium in accordance with HB896 (2020). In July 2023, MSA issued \$225.7 million in Series 2023A Revenue Bonds (Football Stadium Issue) and \$192.5 million in Series 2023B-1 & Series 2023B-2 Revenue Bonds (Football Stadium Issue) to fund these improvements.

MARYLAND STADIUM AUTHORITY
Management's Discussion and Analysis
June 30, 2023

The Authority is not aware of any facts, decisions or conditions that will have a significant impact on the financial conditions during the fiscal year beyond those unforeseen situations that will have the same global effect on virtually all types of business operations.

The Authority has the support of the Maryland General Assembly for its current activities.

Net Position

The Authority has a net deficit of \$1.1 billion in fiscal year 2023, an increase in deficit of \$212.9 million from fiscal year 2022. The increase in net deficit is primarily a result of incurring debt related to construction for Baltimore City Public Schools, Built to Learn, and the Hagerstown Multi-Use Sports and Events Facility. As the Authority incurs construction costs for the Baltimore City Public Schools and Built to Learn programs, these costs are recognized as non-operating expenses (see Note 2). Baltimore City and the State are obligated to provide the Authority with funding to support this debt.

MARYLAND STADIUM AUTHORITY

Statement of Net Position June 30, 2023

ASSETS AND DEFERRED OUTFLOWS

Current Assets

Cash and cash equivalents	\$	149,615,501
Restricted investments		1,003,090,176
Accounts receivable, net		7,064,297
Due from primary government		6,415,354
Interest receivable		389,842
Lease receivable, current portion		2,572,731
Contracts receivable, current portion		12,550,000
Total Current Assets		<u>1,181,697,901</u>

Noncurrent Assets

Prepaid expenses and other assets		264,348
Lease receivable, net of current portion		13,117,496
Contracts receivable, net of current portion		52,299,131
Capital assets:		
Furniture and equipment, net		546,380
Leased assets, net		17,037
Facility rights, net		51,831,208
Net capital assets		<u>52,394,625</u>
Total Noncurrent Assets		<u>118,075,600</u>

Deferred Outflows

Deferred outflows related to swap agreements		537,870
Deferred outflows related to pension		13,011,482
Total Deferred Outflows		<u>13,549,352</u>
Total Assets and Deferred Outflows	\$	<u>1,313,322,853</u>

The accompanying notes are an integral part of this financial statement

MARYLAND STADIUM AUTHORITY

Statement of Net Position June 30, 2023

LIABILITIES AND DEFERRED INFLOWS

Current Liabilities

Accounts payable and accrued expenses	\$	18,363,921
Project advances		104,539,849
Interest payable		12,214,569
Lease liability, current portion		6,238
Bonds payable and contract purchase agreements, current portion		42,835,000
Total Current Liabilities		<u>177,959,577</u>

Noncurrent Liabilities

Accrued expenses, net of current portion		1,976,754
Revenue, Contract bonds payable and contract purchase agreements, net		146,925,243
Bonds payable on Baltimore City Public Schools construction, net of current		1,409,099,705
Bonds payable on Built to Learn construction, net of current		686,776,691
Net lease liability		11,238
Net pension liability		18,651,793
Interest rate swap liability		947,126
Total Noncurrent Liabilities		<u>2,264,388,550</u>

Deferred Inflows

Deferred inflows related to swap advance amortization		272,605
Deferred inflows related to pension		1,916,006
Deferred inflows related to lease receivable		14,678,297
Total Deferred Inflows		<u>16,866,908</u>
Total Liabilities and Deferred Inflows		<u>2,459,215,035</u>

NET POSITION

Net Position

Net investment in capital assets		15,352,222
Restricted for debt service		240,016,768
Restricted for construction projects		763,313,089
Unrestricted		(2,164,574,261)
Total Net Deficit	\$	<u>(1,145,892,182)</u>

The accompanying notes are an integral part of this financial statement

MARYLAND STADIUM AUTHORITY

Statement of Revenue, Expenses and Changes in Net Position For the Year Ended June 30, 2023

Operating Revenue

Baltimore Orioles' rent	\$ 6,714,159
Admission taxes	13,958,576
Baltimore Ravens' contributions	10,722,371
Warehouse rents	3,223,212
Catering commissions	485,922
Parking revenue	1,480,826
Capital project fees	12,016,462
Total Operating Revenue	<u>48,601,528</u>

Operating Expenses

Salaries and wages	15,450,018
Telephone and postage	102,119
Travel	131,213
Utilities	5,438,672
Vehicle expense	45,980
Contractual services	32,642,623
Parking	544,557
Supplies and materials	593,867
Depreciation and amortization	5,800,650
Fixed charges	146,176
Miscellaneous	489,363
Total Operating Expenses	<u>61,385,241</u>

Operating Loss (12,783,713)

Non Operating (Expenses) Revenue

Contributions to others for operating deficit and capital improvements	(12,242,424)
Contributions for Baltimore City Public Schools construction	55,700,000
Contributions for Built to Learn construction	60,000,000
Expenses related to Baltimore City Public Schools	(75,069,256)
Expenses related to Built to Learn	(227,186,391)
Investment Income and Investment gains or loss	48,072,325
Interest expense	(86,165,109)
Total Non Operating Expenses	<u>(236,890,855)</u>

Loss before contributions (249,674,568)

Contributions from Primary Governments 36,810,197

Change in net assets	(212,864,371)
Total net assets, beginning of year	(933,027,811)
Total Net Deficit, End of Year	<u>\$ (1,145,892,182)</u>

The accompanying notes are an integral part of this financial statement.

MARYLAND STADIUM AUTHORITY

Statement of Cash Flows For the Year Ended June 30, 2023

Cash Flows from Operating Activities

Receipts from Camden Yards	\$ 58,343,453
Payments to employees and related disbursements	(26,011,310)
Payments to suppliers	(60,037,990)
Net Cash Used in Operating Activities	<u>(27,705,848)</u>

Cash Flows from Noncapital Financing Activities

Contributions from primary governments	36,810,197
Contribution for Convention Center operating deficit and capital improvements	(13,130,398)
Contributions for Baltimore City Public Schools construction	55,700,000
Contributions for Built to Learn construction	60,000,000
Baltimore City Public Schools construction expenditures	(77,806,982)
Built to Learn construction expenditures	(227,186,391)
Project advances	15,630,534
Principal paid on bonds payable and capital leases	(57,133,183)
Proceeds from debt issuance	66,050,400
Interest payments	(84,559,888)
Net Cash Used in Noncapital Financing Activities	<u>(225,625,711)</u>

Cash Flows from Capital and Related Financing Activities

Purchases of capital and right to use assets	(2,259,430)
Proceeds from Contract leases receivable	(2,260,989)
Net Cash Used in Capital and Related Financing Activities	<u>(4,520,419)</u>

Cash Flows from Investing Activities

Purchases of investments	235,490,732
Investment Income and Investment gains or loss	48,741,633
Net Cash Provided by Investing Activities	<u>284,232,365</u>

Net increase in cash and cash equivalents	26,380,387
Cash and cash equivalents, beginning of year	123,235,114
Cash and Cash Equivalents, End of Year	<u>\$ 149,615,501</u>

Adjustments to Reconcile Net Operating Loss to Cash Flows from Operating Activities

Operating loss	\$ (12,783,713)
Adjustments to reconcile operating loss to net cash flow from operating activities:	
Depreciation and amortization	5,800,650
Effects of changes in non-cash operating assets and deferred outflows and liabilities and deferred inflows:	
Net change in current and non-current assets and deferred outflows	8,309,897
Changes in due from primary government	1,432,028
Net change in current and non-current liabilities and deferred inflows	(30,464,710)
Net Cash Used in Operating Activities	<u>\$ (27,705,848)</u>

The accompanying notes are an integral part of this financial statement.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

1. NATURE OF OPERATIONS

The Maryland Stadium Authority (the Authority) was established by legislation and enacted by the State of Maryland (the State), effective July 1, 1986, (Annotated Code 1957, Sections 13-701 through 13-722 of the Financial Institutions Article), to select a site and develop financing alternatives for stadium facilities in the Baltimore Metropolitan area. Effective July 1, 1987, the law was amended (Chapter 123, 1987 Laws of Maryland) to enable the construction of new facilities, including baseball and football stadiums, in the Camden Yards area of Baltimore City (the City). The amendment also established that the Authority is an independent unit in the Executive Branch of the State government.

During the 2009 General Assembly session, the General Assembly moved the Authority from the Financial Institutions Article to the newly created Economic Development Article, Sections 10-601 to 10-658.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Authority is a component unit of the State. The Authority is governed by a Board, consisting of the following 11 members: seven members appointed by the Governor with consent of the Senate; one member appointed by the President of the Senate; one member appointed by the Speaker of the House of Delegates; one member appointed by the Mayor of Baltimore City with consent of the Senate; and one member appointed by the County Executive of Prince George's County with consent of the Senate.

Measurement Focus and Basis of Accounting

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.

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash Equivalents

The Authority considers all cash on deposit with the Treasury or financial institutions to be cash equivalents as well as all highly liquid investments with an original maturity of three months or less.

Investments

Investments are stated at fair value. Shares of money market mutual funds are valued at quoted market prices, which represent the net fair value of shares held by the Authority as of year-end.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments (continued)

Mandatory segregations of investments are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Capital Assets

Furniture and equipment are stated at cost and depreciated using the straight-line method over three to ten years. The capitalization threshold for all individual capital assets is \$1,000.

All facility rights assets are capitalized at cost and amortized using the straight-line basis over the life of the related contracts.

Right to use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Contract Receivable

Under the terms of the Master Agreement, principal and interest payments on the Authority's lease revenue bonds are paid by the State when due. The Authority has established a contract receivable equal to the future principal payments, less any unspent proceeds, on its outstanding debt.

Project Advances

The Authority manages studies and projects for various state universities and local jurisdictions. Project advances are received to pay for expenses incurred or to be incurred in the near future. Unexpended advances are not the property of the Authority and are recorded as liabilities. As of June 30, 2023, project advances of \$104.5 million relate to Baltimore City Public School construction (\$32.1 million), DHCD for the State in the Baltimore City Demolition and Stabilization program (\$4.6 million), Racing and Community Development program (\$67.0 million), Hagerstown Multi-Use Stadium and Other Event Facility (\$0.9 million), and local jurisdictions funding of feasibility and market studies (\$0.1 million).

Operating Revenue

Operating revenue is the revenue generated from the Authority's primary business activities. The Authority's operating revenue is generated from operating the sports stadiums.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-operating Revenue and Expenses

Non-operating revenue consists of investment income on accounts held by the Maryland State Treasurer and the trustees of the outstanding bonds, amortization of bond premiums, deposit of funds for the construction and revitalization of Baltimore City Public Schools, and contributions for the Built to Learn school construction program.

Non-operating expenses consist of payments to the Baltimore City and the Ocean City Convention Centers for the State's share of the operating deficiencies and funding to the capital improvement account, interest expense on all outstanding bonds and expenditures from bond proceeds for Baltimore City Public Schools construction and revitalization and the Built to Learn school construction program.

Net Pension Liability

Certain employees of the Authority are members of the Maryland State Retirement and Pension System (the System). Employees are members of the Employees' Retirement System of the State of Maryland (ERS). The ERS is part of the State of Maryland Retirement and Pension System which is considered a multiple employer cost sharing plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of ERS and additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. 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.

Deferred Inflow and Deferred Outflow 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 assets 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 assets.

The Authority had deferred outflows of resources related to net pension liability of \$13.0 million, and deferred inflows of resources related to net pension liability of \$1.9 million. (Note 15)

The Authority had a deferred outflows of resources related to the fair value of the interest rate swap in the amount of \$0.5 million, and a deferred inflows of resources related to the amortization of the cash advance for the swap agreement in the amount of \$0.3 million. (Note 12)

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflow and Deferred Outflow of Resources (continued)

The Authority had a deferred inflow of resources related to the right-to-use lease receivable in the amount of \$14.7 million. (Note 14)

Use of Restricted Assets

When an expense is incurred, the Authority first applies resources available from the applicable restricted assets before applying resources from unrestricted assets. The Authority's assets are restricted in accordance with Sections 10-651, 10-652, 10-653, 10-654, 10-655, 10-656, and 10-657 of the Economic Development Article of the Annotated Code of Maryland.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

The Authority's policy to permit employees to accumulate earned but unsaved vacation and sick leave. A liability for accumulated sick leave is accrued only to the extent that the leave will result in cash payments at termination. A liability for these amounts is reported in the statement of net position.

New Pronouncements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Authority adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption.

Net Position

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (continued)

Restricted Net Position – Is reported when there are limitations imposed on use either through enabling legislation or through external restrictions imposed by creditors, grants, laws or regulations of other governments.

Unrestricted Net Position – Is the amount of net position that does not meet the definition of the two preceding categories.

3. CASH AND INVESTMENTS

As of June 30, 2023, the Authority had cash on deposit in an internal pooled cash account with the Maryland State Treasurer (the Treasurer) in the amount of \$149,278,204. The Treasurer maintains these and other Maryland State agency funds on a pooled basis in accordance with the Annotated Code of the State of Maryland. The State Treasurer's Office invests pooled cash balances daily. The investment consisted of direct purchases of securities or repurchase agreements.

The carrying value and bank balance of other deposits as of June 30, 2023, was \$337,297, which was fully covered by Federal depository insurance.

As of June 30, 2023, the Authority had a balance of \$1,002,690,570 in funds held by trustees for various bond series. The Bank of New York held \$1,531,030, M&T Bank held \$66,816,308, and Zions Bank held \$934,343,232. As of June 30, 2023, \$770,601,413 of these funds were invested in various money market mutual fund accounts which mature in less than a year. As of June 30, 2023, \$220,955,019 of these funds were invested in U. S. Treasury Notes and Bonds and U. S. Treasury Zero Coupon Bonds with maturities greater than one year. The money market funds used by M&T Bank, Bank of New York, and Zions Bank are rated AAA by Moody's and AAA by S&P.

The Authority classifies its fair value measurements within the hierarchy as established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The investments of the funds into money market accounts are Level 1 inputs and its fair value are quoted prices for identical assets in the active markets.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

3. CASH AND INVESTMENTS (continued)

As of June 30, 2023, M&T Bank had the following investments and maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Money Market (level 1)	\$ 66,816,308	\$ 66,816,308	\$ -	\$ -

As of June 30, 2023, the Bank of New York held the following investments and maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Money Market (level 1)	\$ 1,531,030	\$ 1,531,030	\$ -	\$ -

As of June 30, 2023, the Zions Bank held the following investments and maturities:

<u>Investment Type</u>	<u>Value</u>	<u>Investment Maturities in Years</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Money Market (level 1)	\$ 702,254,075	\$ 702,254,075	\$ -	\$ -
U.S. Treasury Notes (level 1)	\$ 93,240	\$ 93,240	\$ -	\$ -
U.S. Treasury Zero Coupons Bonds (level 1)	\$ 231,995,917	\$ 11,040,898	\$ 220,955,019	\$ -

The Authority is restricted by the trust indenture for each bond issuance as to the type of investments that can be utilized.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changes in interest rates.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

3. CASH AND INVESTMENTS (continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent, but not in the Authority's name.

None of the Authority's restricted investments are exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

The Authority is not exposed to any material amount of foreign currency risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in the securities of a single issuer.

4. ACCOUNTS RECEIVABLE

Accounts receivable and due from primary government as of June 30, 2023, consisted of the following:

Baltimore Orioles	\$3,491,559
Baltimore Ravens	1,376,795
Admissions & Amusement Tax	6,415,354
Other	<u>2,218,076</u>
Subtotal	13,501,784
Less: Allowance for bad debts	<u>(22,133)</u>
Total	<u>\$13,479,651</u>

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

5. NOTES RECEIVABLE

Under the Baltimore Orioles' lease, the Baltimore Orioles shall reimburse the Authority for amounts advanced to equip, furnish and renovate private suites in Oriole Park at Camden Yards. Private suite construction costs are repayable over a 30-year period plus additional furnishing and renovation costs over a five-year period, with annual interest of 5.0%. The maturity date of the note was February 1, 2023. As of June 30, 2023, the receivable balance was \$0 and interest income was \$2,632.

6. CONTRACT RECEIVABLE

As of June 30, 2023, the contract receivable consisted of the following:

Total minimum lease payments to be received	\$ 217,625,446
Less: unearned interest income ranging from 2% to 6.25%	<u>75,605,446</u>
Principal balance on outstanding debt	142,020,000
Less: liquid assets to be used in construction	<u>(77,170,869)</u>
Total	<u>\$ 64,849,131</u>

Future minimum contract payments to be received as of June 30, 2023, were as follows:

For the Years Ending June 30,

2024	\$ 19,029,598
2025	17,693,320
2026	16,688,402
2027	8,755,149
2028	8,758,395
2029-2033	43,793,920
2034-2038	43,784,126
2039-2043	25,396,536
2044-2048	18,734,250
2049-2052	<u>14,991,750</u>
Total	<u>\$ 217,625,446</u>

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

CONTRACT RECEIVABLE (continued)

Contract receivable activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Principal Addition/(Reduction)	Ending Balance
Camden Yards	\$ 51,303,281	\$ (8,729,147)	\$ 42,574,134
Ocean City Convention Center	19,468,438	(461,779)	19,006,659
Montgomery County	2,894,798	(1,414,761)	1,480,037
Hagerstown	-	1,788,301	1,788,301
Contract Receivable	\$ 73,666,517	\$ (8,817,386)	\$ 64,849,131

7. CAPITAL ASSETS

Furniture and equipment and intangible assets (facility rights and leases) activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets:				
Furniture and equipment	\$ 20,718,042	\$ 198,990	\$ -	\$ 20,917,032
Less: accumulated depreciation	20,192,684	178,211	-	20,370,895
Capital Assets, Net	525,358	20,779	-	546,137
Lease Assets:				
Lease Assets	39,999	-	4,663	35,336
Less: accumulated depreciation	14,462	8,258	4,663	18,057
Lease Assets, Net	25,537	(8,258)	-	17,279
Intangible Assets:				
Facility rights	340,614,051	7,799,504	139,238	348,274,317
Less: accumulated depreciation	290,834,700	5,608,409	-	296,443,109
Intangible Assets, Net	49,779,351	2,191,095	139,238	51,831,208
Total Capital Assets, Net	\$ 50,330,246	\$ 2,203,616	\$ 139,238	\$ 52,394,625

The facility rights relate to the Authority's rights in various facilities that the Authority constructed or renovated. These rights are intangibles and are being amortized over the terms of agreements with the respective facilities. The loss on disposal of capital assets is recorded as miscellaneous expenses on the accompanying statement of revenue, expenses, and changes in net position.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENTS

Bonds payable and contract purchase agreements as of June 30, 2023, consisted of the following:

Lease revenue bonds payable:

2004 Series: Issued \$8,730,000 in February 2004 at 3.0% to 5.21% per annum, due in varying installments through December 15, 2024	\$ 1,525,000
2007 Series: Issued \$73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	17,265,000
Series 2012: Issued \$12,940,000 in November 2012 at 4.00% to 5.00% per annum, due in varying installments through June 15, 2024	1,485,000
Series 2019A: Issued \$20,595,000 in May 2019 at 4% to 5% per annum, due in varying installments through March 1, 2026	9,965,000
Series 2019B: Issued \$34,405,000 in May 2019 at 3.021% to 3.709% per annum, due in varying installments through March 1, 2039	34,405,000
Series 2019C: Issued \$20,915,000 in October 2020 at 1.200% to 2.460% per annum, due in varying installments through December 15, 2039	20,160,000
Series 2022A: Issued \$57,555,000 in March 2022 at 4% to 5% per annum, due in varying installments through June 1, 2052	57,215,000
Lease revenue bonds payable	<u>142,020,000</u>

Revenue bonds payable:

2013 Series: Issued \$8,635,000 in December 2013 at 2.90% annum, due in varying installments through December 15, 2023	970,000
2014 Series: Issued \$9,585,000 in December 2014 at 2.78% annum, due in varying installments through December 15, 2024	2,140,000
Subtotal lease revenue bonds and revenue bonds payable	<u>145,130,000</u>

Plus, unamortized premium (includes unamortized premiums related to series of 2004, 2019A, 2019C, and 2022A revenue bonds payable of \$7, \$400,659, \$2,619,491, and \$11,328,630, respectively, as of June 30, 2023)

14,348,787

Less unamortized discount (includes unamortized discount relating to the 1996 revenue bonds payable of \$3,544, respectively, as of June 30, 2023)

(3,544)

Net Bonds Payable and Contract Purchase Agreements

159,475,243

Current portion

12,550,000

Bonds payable and contract purchase agreement, net of current

146,925,243

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENTS (continued)

Baltimore City Revenue bonds payable:

Revenue bonds payable on Baltimore City Public Schools construction:

2016 Series: Issued \$320,000,000 in May 2016 at 5% annum, due in varying installments through May 1, 2046 280,630,000

2018A Series: Issued \$426,440,000 in January 2018 at 5% annum, due in varying installments through May 1, 2047 383,550,000

2020A Series: Issued \$194,035,000 in July 2020 at 5% annum, due in varying installments starting May 1, 2047 through May 1, 2050 194,035,000

Series 2020B: Issued \$33,995,000 in July 2020 at 5% annum, due in two installments, May 1, 2046, and May 1, 2047 33,870,000

Series 2020C: Issued \$296,265,000 in July 2020 at various rates between 0.801% and 2.955% due in varying installments through May 1, 2046 278,825,000

Series 2022C: Issued \$296,265,000 in July 2020 at various rates between 4.95% and 5.03%, due in varying installments starting May 1, 2051 through May 1, 2055 66,050,400

Subtotal of Baltimore City Public Schools Revenue Bonds 1,236,960,400

Plus, unamortized premium (includes unamortized premiums related to series of 2016, 2018A, 2020A, and 2020B revenue bonds payable of \$37,631,028, \$51,161,876, \$88,516,442 and \$14,314,959, respectively, as of June 30, 2023) 191,624,305

Net Bond Payable and Contract Purchase Agreements 1,428,584,705

Current portion 19,485,000

Bonds payable on Baltimore City Public Schools construction, net current 1,409,099,705

Built to Learn Revenue bonds payable:

Revenue bonds payable on Built to Learn construction:

2021 Series: Issued \$256,955,000 in October 2021 at 2.75% to 5% annum, due in varying installments through June 1, 2051 252,525,000

2022A Series: Issues \$373,070,000 in February 2022 at 3% to 5% annum, due in varying installments through June 1, 2052 370,070,000

Subtotal of Built to Learn Revenue Bonds 622,595,000

Plus, unamortized premium (includes unamortized premiums related to series of 2021 and 2022A revenue bonds payable of \$32,668,658 and \$42,535,153, respectively, as of June 30, 2023) 75,203,811

Less unamortized discount (includes unamortized discount relating to the 2022A revenue bonds payable of \$222,120, respectively, as of June 30, 2023) (222,120)

Net Bond Payable and Contract Purchase agreement 697,576,691

Current portion 10,800,000

Bonds payable on Built to Learn construction, net current 686,776,691

Total Net Bonds Payable and Contract Purchase agreement \$ 2,285,636,639

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENTS (continued)

On March 2, 2004, the Authority issued taxable Camden Station Lease Revenue Bonds, Series 2004 to renovate Camden Station located at the Camden Yards Sports Complex. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease Agreement. Interest is payable semiannually at rates varying from 3.0% to 5.21% per annum. The bonds mature in varying amounts through December 15, 2024.

On February 1, 2007, the Authority issued the Tax-Exempt Sports Facilities Lease Revenue Refunding Bonds Football Stadium Issue, Series 2007 to retire the Series 1996 Bonds. The Series 1996 Bonds were used to finance the construction of the football stadium at the Camden Yards Sports Complex. The interest rate for the Series 2007 Bonds is calculated weekly by the remarketing agent.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to Oriole Park at Camden Yards and the B&O Warehouse. The energy upgrades and enhancements cost approximately \$6.0 million. The Authority is financing the costs under the State's Energy Performance Contract Lease-Purchase Agreement over 12 years. Interest is payable semiannually at the rate of 6.11% per annum. This financing matured on July 1, 2022.

In November 2009, the Authority entered into a contract with Pepco Energy Services to provide energy upgrades and enhancements to M&T Bank Stadium. The energy upgrades and enhancements cost approximately \$2.4 million. The Authority is financing costs under the State's Energy Performance Contract Lease-Purchase Agreement over 12 years. Interest is payable semiannually at the rate of 4.09% per annum. This financing matured on July 1, 2022.

On November 8, 2012, the Authority issued the Montgomery County Conference Center Lease Revenue Refunding Bonds, Series 2012 of \$12.9 million. The proceeds plus bond premium of \$2.9 million were used to refund the outstanding balance of the Series 2003 with interest, \$15.6 million, and \$0.2 million for issuance costs. Interest is payable semiannually at the rate of 4.0% to 5.0% per annum. This resulted in a present value savings at the interest rate of 1.62% of \$2.5 million. The bond will mature June 16, 2024.

On December 15, 2013, the Authority issued the Series 2013 Taxable Revenue and Refunding Bonds of \$8.6 million. The proceeds of \$8.5 million were used to refund the outstanding balance of the Series 2010 and the balance of \$0.1 million was used for issuance costs and debt service reserves. Interest is payable semiannually at the rate of 2.90% per annum. There were no savings related to this refunding. The bonds will mature December 15, 2023.

On December 10, 2014, the Authority issued the Series 2014 Taxable Revenue and Refunding Bonds of \$9.5 million. The proceeds of \$9.5 million along with \$0.5 million in the Series 2011 debt service reserve account were used to refund the outstanding balance of the Series 2011 of \$10.0 million and the balance of \$0.1 million was used for issuance costs. Interest is payable semiannually at the rate of 2.78% per annum. There were no savings related to this refunding. The bonds will mature December 15, 2024.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENTS (continued)

For the Taxable Revenue Bonds Series 2013 and 2014, principal and interest are payable primarily from lottery proceeds received by the Authority.

On May 5, 2016, the Authority issued the Series 2016 Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2016 of \$320.0 million. The proceeds of the \$320.0 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2046.

On February 7, 2018, the Authority issued the Series 2018A Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2018A of \$426.4 million. The proceeds of the \$426.4 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2047.

On May 7, 2019, the Authority issued the Series 2019A Maryland Stadium Authority Sports Lease Revenue Bonds, Tax-Exempt, Series 2019A of \$20,595,000. The proceeds will be used for issuance costs and various construction projects for M&T Bank Stadium. Interest is semiannually at the rate of 4% to 5% per annum. This bond will mature on March 1, 2026.

On May 7, 2019, the Authority issued the Series 2019B Maryland Stadium Authority Sports Lease Revenue Bonds, Taxable, Series 2019B of \$30,405,000. The proceeds will be used for issuance costs and various construction projects at the B&O Warehouse at the Camden Yards Sports Complex. The first seven years is interest only with principal payments beginning March 1, 2027. Interest is semiannually at the rate of 3.021% to 3.481% per annum. This bond will mature on March 1, 2039.

On October 31, 2019, the Authority issued the Series 2019C Maryland Stadium Authority Ocean City Convention Facility Expansion Lease Revenue Bonds, Tax-Exempt, Series 2019C of \$20,915,000. The proceeds will be used for issuance costs, capitalized interest, and to fund a portion of the expansion of the Ocean City Convention Center located in Ocean City, Maryland. The two years is interest only and will be funded with the capitalized interest. Interest is semiannually at the rate of 3% to 5% per annum. This bond will mature on December 15, 2039.

On July 21, 2020, the Authority issued the Series 2020A Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2020A of \$194.0 million. The proceeds of the \$194.0 million will be used for issuance costs and construction costs for the BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2050.

On July 21, 2020, the Authority issued the Series 2020B Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2020B of \$34.0 million. The proceeds of the \$34.0 million will be used for

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENTS (continued)

issuance costs and construction cost related to Northwood Elementary School under BCPS. Interest is payable semiannually at the rate of 5.00% per annum. This bond will mature May 2047.

On July 21, 2020, the Authority issued the Series 2020C Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Refunding Revenue Bonds, Series 2020C (Federally Taxable) of \$296.3 million. The proceeds will be used to refund certain maturities in the amount of \$183.3 million of the Series 2016 and Series 2018A bonds. There were no savings related to this refunding. Proceeds related to the refunding of the Series 2016 and Series 2018 are deposited in an escrow account held by Zions Bank.

On October 19, 2021, the Authority issued the Series 2021 Maryland Stadium Authority Built to Learn Revenue Bonds, Series 2021 of \$257.0 million. The proceeds will be used for issuance costs, capitalized interest and construction costs related to the Built to Learn statewide public schools program. Interest is payable semiannually at varying rates from 2.75% to 5% per annum. This bond will mature June 1, 2051.

On March 2, 2022, the Maryland Stadium Authority issued series 2022A Maryland Stadium Authority Hagerstown Multi-Use Stadium and Events Facility Lease Revenue Bonds, Series 2022A of \$57.6 million. The proceeds will be used for issuance costs and construction costs related to the Hagerstown Multi-Use Stadium and Events Facility located in Hagerstown, Maryland. Interest is payable semiannually at varying rates from 4% to 5% per annum. This bond will mature June 1, 2052.

On February 23, 2022, the Authority issued the Series 2022A Maryland Stadium Authority Built to Learn Revenue Bonds, Series 2022A of \$373.1 million. The proceeds will be used for issuance costs, capitalized interest and construction costs related to the Built to Learn statewide public schools program. Interest is payable semiannually at varying rates from 4.0% to 5% per annum. This bond will mature June 1, 2052.

On July 14, 2022, the Authority issued the Series 2022C Maryland Stadium Authority Baltimore City Public Schools (BCPS) Construction and Revitalization Program Revenue Bonds, Series 2022C (Capital Appreciation Bonds) of \$66.1 million. The proceeds will be used to finance and refinance a portion of the costs of the renovation and replacement of the Frederick Douglas Building project under the Program. Interest is payable semiannually at varying rates from 4.95% to 5.03% per annum. This bond will mature May 1, 2055.

Bonds payable balance includes total bond premium and discount of \$298,230,308 as of ended June 30, 2023.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

Pledge Revenue for Debt Payment

Baltimore City Revenue funds: Series 2016, 2018A, 2020A, 2020B, 2020C, 2022C

Baltimore City Schools established a construction financing fund (the financing fund) to pay the debt service on the bonds, debt service reserves, reasonable charges and expenses related to the bonds, including reasonable charges and expenses related to the Authority's administration of the financing fund. Funds deposited into the financing fund are pledged by to secure the Bonds. Under the 2013 Act, at least \$60,000,000 is to be deposited into the financing fund annually (commencing fiscal year 2017) to support the Bonds issued by the Authority to implement the program, until the bonds are no longer outstanding and unpaid. Deposits to the financing fund are made by or on behalf of the School Board, the City, and the State from the sources summarizes in the bond agreement.

The sources of deposit to the financing fund: City of Baltimore (minimum of \$20,000,000 annually from beverage container tax receipts, 10% of the casino rent, 25% of table game proceeds, and State intercept of City Income taxes), Baltimore City Board of School Commissioners (minimum of \$5,000,000 annually from revenues due to shifted recurring retire health costs and up to \$10,000,000 annually from the general state school fund) and the State of Maryland- State Lottery revenues (up to \$20,000,000 annually). The financing fund may not revert or be credited to the general fund, or any special fund of the State, the City, the School Board, or the Lottery Agency.

Built to Learn Revenue Funds: Series 2021, 2022A

Built to Learn established a construction financing fund (the financing fund) to pay the debt service on the bonds, debt service reserves, reasonable charges and expenses related to the bonds, including reasonable charges and expenses related to the Authority's administration of the financing fund. Funds deposited into the financing fund are pledged by to secure the Bonds. Under the 2021 Act, at least \$60.0 million, and increasing to \$125.0 million, from the State of Maryland's Education Trust Fund is to be deposited into the financing fund annually (commencing fiscal year 2023) to support the Bonds issued by the Authority to implement the program, until the bonds are no longer outstanding and unpaid.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

8. BONDS PAYABLE AND CONTRACT PURCHASE AGREEMENT (continued)

Debt service requirements as of June 30, 2023, were as follows:

For the Years Ending June 30,	Principal Maturities	Interest	Total
2024	\$ 44,860,000	\$ 84,228,923	\$ 129,088,923
2025	44,395,000	82,376,536	126,771,536
2026	44,525,000	80,138,389	124,663,389
2027	38,710,000	78,017,584	116,727,584
2028	40,455,000	76,276,488	116,731,488
2029-2033	231,745,000	351,924,231	583,669,231
2034-2038	335,535,000	292,341,635	627,876,635
2039-2043	406,245,000	217,233,686	623,478,686
2044-2048	494,200,000	124,557,477	618,757,477
2049-2055	324,015,400	257,069,400	581,084,800
Total	\$ 2,004,685,400	\$ 1,644,164,349	\$ 3,648,849,749

Principal maturities are net of total premium and discount of \$280,951,239.

9. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 1,465,627	\$ 313,247	\$ -	\$ 1,778,874	\$ 107,561
Workers' compensation	356,000	110,062	109,921	356,141	50,700
Revenue bonds and capital lease payable, net	171,390,047	-	15,082,004	159,475,243	12,550,000
Contract Purchase Agreements	476,576	-	476,576	-	-
Bonds payable on BCPS construction, net	1,395,320,563	66,050,400	31,431,368	1,428,584,705	19,485,000
Bonds payable on BTL construction, net	709,624,699	-	1,757,262	697,576,691	10,800,000
Interest rate swap liability	2,039,445	-	1,092,319	947,126	-
Lease Liability	25,815	-	8,339	17,476	6,238
Total	\$ 2,280,698,772	\$ 66,473,709	\$ 49,957,789	\$ 2,288,736,256	\$ 42,999,499

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

10. LEASE LIABILITY

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On June 1, 2022, Maryland Stadium Authority entered into a 60-month lease as Lessee for the use of Canon. An initial lease liability was recorded in the amount of \$28,672. As of June 30, 2023, the value of the lease liability is \$13,759. Maryland Stadium Authority is required to make monthly fixed payments of \$400.00. Additionally, there are monthly other reasonably certain payments of \$98. The lease has an interest rate of 1.6500%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023, of \$17,434 with accumulated amortization of \$3,777 is included with Equipment on the Lease Class activities table found below.

On October 20, 2022, Maryland Stadium Authority entered into a 60-month lease as Lessee for the use of United Business Tech - Facilities. An initial lease liability was recorded in the amount of \$11,431. As of June 30, 2023, the value of the lease liability is \$1,017. Maryland Stadium Authority is required to make monthly fixed payments of \$255. The lease has an interest rate of 1.6500%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023, of \$9,932 with accumulated amortization of \$9,021 is included with Equipment on the Lease Class activities table found below.

On December 27, 2018, Maryland Stadium Authority entered into a 60-month lease as Lessee for the use of United Business Tech - BCPS. An initial lease liability was recorded in the amount of \$20,207. As of June 30, 2023, the value of the lease liability is \$2,700. Maryland Stadium Authority is required to make monthly fixed payments of \$270. Additionally, there are monthly other reasonably certain payments of \$118. The lease has an interest rate of 1.6500%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of June 30, 2023, of \$7,916 with accumulated amortization of \$5,291 is included with Equipment on the Lease Class activities table found below.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

10. LEASE LIABILITY (continued)

	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability				
Equipment				
Canon	\$ 17,131	\$ -	\$ 3,373	\$ 13,759
United Business Tech - Facilities	4,033	-	3,016	1,017
United Business Tech - BCPS	4,464	-	1,764	2,701
United Business Tech – 3 rd Fl	187	-	187	-
Total Lease Liability	<u>\$ 25,815</u>	<u>\$ -</u>	<u>\$ 8,339</u>	<u>\$ 17,476</u>

Lease payment requirements as of
June 30, 2023:

For the Years Ending June 30,	Principal Payments	Interest Payments	Total Payments
2024	\$ 6,238	\$ 236	\$ 6,474
2025	4,394	149	4,543
2026	3,544	86	3,630
2027	3,300	27	3,327
	<u>\$ 17,476</u>	<u>\$ 498</u>	<u>\$ 17,974</u>

11. CONTRIBUTIONS FROM STATE AND MUNICIPAL SOURCES

Contributions from the primary government represent payments received from the State under the Master Lease and other agreements to fund debt service, operating deficits, and certain development costs for various Authority projects. The total of these contributions for fiscal year 2023 was approximately \$36.8 million. The Authority used \$4.6 million of contribution to assist with offsetting the reduction in revenues from the baseball and football teams.

Baltimore City made an annual contribution of \$1.0 million per the Annotated Code establishing the Authority. The City funds are invested with the State Treasurer for the purpose of retiring the Authority's debt incurred to construct Oriole Park at Camden Yards.

12. VALUATION OF INTEREST RATE SWAP AGREEMENT

Objective of the Interest Rate Swap. The Authority entered into two interest rate swaps for the purpose of hedging or fixing its interest expense associated with the Authority's Series 2007 bond issuances.

The Authority received \$3,313,500, on June 10, 1998, pursuant to the above swap agreements as premiums on the swap agreements. The swap premiums were used toward the cost of constructing the football stadium.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

The table below sets forth a summary of changes in fair value for the year ended

Terms. The notional amounts of the swaps match the principal amounts of the associated bond issues. The Authority's swap agreements contain scheduled reductions to the outstanding notional amounts that match the scheduled principal reduction in the associated debt. The terms, including the fair values and credit ratings on the swap counter parties as of June 30, 2023, are as follows:

Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Value As of June 30, 2023	Swap Termination Date	Counter-party Rating
Series 2007	\$22,405,000	12/05/08	5.69% to 5.80%	SIFMA*	(\$947,126)	3/1/2026	A2 /A+/A

* When Barclays Bank PLC became the replacement swap provider, the variable rate that the Authority receives changed from the rate paid on the associated tax-exempt variable rate bond issue to a rate based on changes on the SIFMA index.

The table below sets forth a summary of changes in the fair market value as of June 30, 2023.

	Change in Fair Value		Fair Value as of June 30, 2022	
	Classification	Fair Value	Classification	Amount
Fair value hedge				
Pay fixed interest rate swap	Change in fair market value of swaps	\$1,092,319	Swap valuation liability	\$(947,126)

Credit Risk. As of June 30, 2023, the Authority was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates change and the value of the swaps become positive, the Authority would be exposed to credit risk in the amount equal to the swaps' fair value. Barclays Bank PLC, the counterparty to the swaps was rated A+ by Standard and Poor's, A2 by Moody's investors Service and A by Fitch as of June 30, 2023. If the Authority's ratings for debt secured by the master lease with the State fall below BBB+ or Baa1 by S&P and Moody's or are suspended, the fair value of the swaps will be fully collateralized by the Authority with cash or securities.

Collateral would be posted with an independent third-party custodian. The Authority was rated AA+ by Standard and Poor's, Aa2 by Moody's Investors Service and AA by Fitch as of June 30, 2023.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

Basis Risk. Basis risk is the risk that the interest rate paid by the Authority on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable Counterparty. The swaps both hedge tax-exempt risk, and therefore as of June 30, 2023, with regard to tax-exempt interest risk, they are not exposed to basis risk since the Authority receives a variable rate based on the Securities Industry and Financial Markets Association (SIFMA) Swap Index to offset the variable rate the Authority pays on its bonds.

Termination Risk. The swap agreements provide for certain events that could cause the counterparties or the Authority to terminate the swaps. The swaps may be terminated by the counterparties or the Authority if the other party fails to perform under the terms of the swap agreements. If the swaps are terminated, the Authority would no longer have synthetic fixed rate obligations. Also, if at the time of termination of one of its swaps, the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swaps' fair value.

The net swap payments are as follow as of June 30, 2023:

Variable – Rate Bonds (1)

For the Years Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2024	\$ 5,435,000	\$ 8,633	\$ 1,289,844	\$ 6,733,477
2025	5,750,000	5,915	994,678	6,750,593
2026	6,080,000	3,040	349,338	6,432,378
Total	\$ 17,265,000	\$ 17,588	\$ 2,633,860	\$ 19,916,448

Includes principal due on the bonds, interest due on the bonds and net swap payments (fixed rate interest paid less variable rate interest received based on the outstanding notional amount of the swap) on the football swap agreements and related bonds.

- (1) As of June 30, 2017, the Authority's tax-exempt variable rate for debt service requirements bonds for the Series 2007 Bonds was 0.05%. SIFMA was 0.06%.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

13. 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 and illness of employees; and natural disasters. The Authority participates in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities and certain employee health benefits.

The State allocates the cost of providing claims servicing and claim payments by charging a "premium" to the Authority based on a percentage of the Authority's estimated current year payroll or based on the average loss experienced by the Authority. This charge considers recent trends in actual claims experienced by the State as a whole and makes provisions for catastrophic losses.

There have been no significant reductions in insurance coverage from the prior year. Additionally, settlements have not exceeded insurance coverage for the past two fiscal years.

	2023	2022
Beginning of year liability	\$ 356,000	\$ 270,000
Claims	110,062	195,921
Claim Payments	(109,921)	(109,921)
End of year liability	\$ 356,141	\$ 356,000

14. LEASE RECEIVABLE

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Maryland Stadium is responsible to leasing space with the B&O Warehouse and Camden Station. These two assets do not show on the Statement of Net Position because they are assets of the State of Maryland.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

On December 1, 2021, Maryland Stadium Authority entered into a 127-month lease as Lessor for the use of office space by the Office of Legislative Affairs. A lease receivable was recorded as of July 1, 2022, in the amount of \$3,212,018. As of June 30, 2023, the value of the lease receivable is \$2,968,735. The lessee is required to make monthly fixed payments of \$26,518. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$2,841,343, and Maryland Stadium Authority recognized lease revenue of \$315,705 during the fiscal year. The lessee has 1 extension option for 60 months.

On August 1, 2016, Maryland Stadium Authority entered into a 36-month lease as Lessor for the use of office space by Edward's Lifescience. A lease receivable was recorded as of July 1, 2022, in the amount of \$186,054. As of June 30, 2023, the value of the lease receivable is \$14,463. The lessee is required to make monthly fixed payments of \$13,520. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$12,558, and Maryland Stadium Authority recognized lease revenue of \$150,696 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On April 1, 2017, Maryland Stadium Authority entered into a 120-month lease as Lessor for the use of office space by University of Maryland Faculty Physicians. A lease receivable was recorded as of July 1, 2022, in the amount of \$4,170,722. As of June 30, 2023, the value of the lease receivable is \$3,806,748. The lessee is required to make monthly fixed payments of \$36,620. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$3,466,673, and Maryland Stadium Authority recognized lease revenue of \$447,313 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On February 1, 2020, Maryland Stadium Authority entered into a 60-month lease as Lessor for the use of office space by Lawrence Law, LLC. A lease receivable was recorded as of July 1, 2022, in the amount of \$697,174. As of June 30, 2023, the value of the lease receivable is \$628,244. The lessee is required to make monthly fixed payments of \$7,866. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$506,197, and Maryland Stadium Authority recognized lease revenue of \$74,992, during the fiscal year. The lessee has 1 extension option for 60 months.

On November 1, 2022, Maryland Stadium Authority entered into a 24-month lease as Lessor for the use of office space by RegelTec, Inc. A lease receivable was recorded as of November 1, 2022, in the amount of \$119,790. As of June 30, 2023, the value of the lease receivable is \$80,450. The lessee is required to make monthly fixed payments of \$4,918. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$79,860, and Maryland Stadium Authority recognized lease revenue of \$39,930 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

On October 1, 2013, Maryland Stadium Authority entered into an 84-month lease as Lessor for the use of office space by Baltimore City Public Schools. A lease receivable was recorded as of July 1, 2022, in the amount of \$679,782. As of June 30, 2023, the value of the lease receivable is \$380,768. The lessee is required to make monthly fixed payments of \$25,665. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$372,046, and Maryland Stadium Authority recognized lease revenue of \$297,637 during the fiscal year. The lessee has 1 extension option each for 60 months which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On January 1, 2009, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by AboveNet. A lease receivable was recorded as of July 1, 2022, in the amount of \$4,699. As of June 30, 2023, the value of the lease receivable is \$1,579. The lessee is required to make monthly fixed payments of \$265. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$1,556, and Maryland Stadium Authority recognized lease revenue of \$3,112 during the fiscal year. The lessee has 3 extension option(s), each for 60 months, which were exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On August 1, 2018, Maryland Stadium Authority entered into a 85-month lease as Lessor for the installation of telecommunications equipment by AT&T Corp. - License Agreement Oriole Park. A lease receivable was recorded as of July 1, 2022, in the amount of \$35,922. As of June 30, 2023, the value of the lease receivable is \$29,869. The lessee is required to make monthly fixed payments of \$550. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$27,554, and Maryland Stadium Authority recognized lease revenue of \$6,748 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On May 1, 1997, Maryland Stadium Authority entered into a 104-month lease as Lessor for the installation of telecommunications equipment by AT&T Wireless PCS - Old Cingular Lease. A lease receivable was recorded as of July 1, 2022, in the amount of \$770,267. As of June 30, 2023, the value of the lease receivable is \$674,288. The lessee is required to make monthly fixed payments of \$8,997. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$556,953, and Maryland Stadium Authority recognized lease revenue of \$98,286 during the fiscal year. The lessee has 3 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On November 1, 2013, Maryland Stadium Authority entered into a 100-month lease as Lessor for the installation of telecommunications equipment by AT&T Lease Site 4182. A lease receivable was recorded as of July 1, 2022, in the amount of \$653,099. As of June 30, 2023, the value of the lease receivable is \$567,180. The lessee is required to make monthly fixed payments of \$8,004.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$466,781, and Maryland Stadium Authority recognized lease revenue of \$86,619 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

On November 26, 2014, Maryland Stadium Authority entered into a 62-month lease as Lessor for the installation of telecommunications equipment by Beers Enterprises. A lease receivable was recorded as of July 1, 2022, in the amount of \$4,039.74. As of June 30, 2023, the value of the lease receivable is \$2,036. The lessee is required to make annual fixed payments of \$2,070. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$1,177, and Maryland Stadium Authority recognized lease revenue of \$1,598 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

In 1995, Maryland Stadium Authority entered into a 201-month lease as Lessor for the use of space under the north warehouse parking lot by Chilled Water Agreement. A lease receivable was recorded as of July 1, 2022, in the amount of \$257,657. As of June 30, 2023, the value of the lease receivable is \$242,099. The lessee is required to make monthly fixed payments of \$1,641. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$220,738, and Maryland Stadium Authority recognized lease revenue of \$16,054 during the fiscal year. The lessee has 2 extension option(s), each for 120 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On February 7, 2014, Maryland Stadium Authority entered into a 103-month lease as Lessor for the use of office space by MLB Advance Media. A lease receivable was recorded as of July 1, 2022, in the amount of \$37,854. As of June 30, 2023, the value of the lease receivable is \$32,438. The lessee is required to make monthly fixed payments of \$500.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$27,690, and Maryland Stadium Authority recognized lease revenue of \$4,950 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On January 1, 2017, Maryland Stadium Authority entered into a 120-month lease as Lessor for the use of office space by Snowden Lane Partners. A lease receivable was recorded as of July 1, 2022, in the amount of \$622,197. As of June 30, 2023, the value of the lease receivable is \$494,678. The lessee is required to make monthly fixed payments of \$10,302. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$456,233, and Maryland Stadium Authority recognized lease revenue of \$133,532 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On March 15, 2015, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Networks LLC. A lease receivable was recorded as of July 1, 2022, in the amount of \$379,480. As of June 30, 2023, the value of the lease receivable is \$336,699. The lessee is required to make monthly fixed payments of \$4,060. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$317,791, and Maryland Stadium Authority recognized lease revenue of \$48,600 during the fiscal year. The lessee has 2 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

On December 1, 2014, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Network LLC - Lighttower. A lease receivable was recorded as of July 1, 2022, in the amount of \$72,689. As of June 30, 2023, the value of the lease receivable is \$64,164. The lessee is required to make monthly fixed payments of \$805. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$60,949.89, and Maryland Stadium Authority recognized lease revenue of \$9,499 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On December 1, 2014, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Network LLC - Lighttower OPACY. A lease receivable was recorded as of July 1, 2022, in the amount of \$16,043. As of June 30, 2023, the value of the lease receivable is \$13,973. The lessee is required to make annual fixed payments of \$2,070. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of June 30, 2023, was \$13,753, and Maryland Stadium Authority recognized lease revenue of \$2,143 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On December 1, 2014, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Harborlite Network LLC. A lease receivable was recorded as of July 1, 2022, in the amount of \$11,414. As of June 30, 2023, the value of the lease receivable is \$10,219. The lessee is required to make annual fixed payments of \$1,380. The lease has an interest rate of 1.6200%. The value of the deferred inflow of resources as of June 30, 2023, was \$9,544, and Maryland Stadium Authority recognized lease revenue of \$1,432 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On June 1, 2017, Maryland Stadium Authority entered into a 60-month lease as Lessor for the use of office space by Level 3 - M & T Bank. A lease receivable was recorded as of July 1, 2022, in the amount of \$135,238. As of June 30, 2023, the value of the lease receivable is \$109,870. The lessee is required to make annual fixed payments of \$24,000.00. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$103,686, and Maryland Stadium Authority recognized lease revenue of \$25,922 during the fiscal year. The lessee has 2 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On March 21, 2003, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by T-Mobile - Sprint. A lease receivable was recorded as of July 1, 2022, in the amount of \$226,725. As of June 30, 2023, the value of the lease receivable is \$164,795. The lessee is required to make monthly fixed payments of \$4,725. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$157,827, and Maryland Stadium Authority recognized lease revenue of \$61,758 during

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

the fiscal year. The lessee has 2 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On May 1, 2022, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by T-Mobile. A lease receivable was recorded as of July 1, 2022, in the amount of \$226,725. As of June 30, 2023, the value of the lease receivable is \$218,015. The lessee is required to make monthly fixed payments of \$6,251. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$210,016, and Maryland Stadium Authority recognized lease revenue of \$81,297 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On January 1, 1993, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Verizon. A lease receivable was recorded as of July 1, 2022, in the amount of \$154,589. As of June 30, 2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$12,252. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$0, and Maryland Stadium Authority recognized lease revenue of \$147,843 during the fiscal year. The lessee has 4 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On September 1, 2011, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Verizon - DAS. A lease receivable was recorded as of July 1, 2022, in the amount of \$546,845. As of June 30, 2023, the value of the lease receivable is \$424,479. The lessee is required to make monthly fixed payments of \$8,795. Additionally, there are monthly other reasonably certain payments of \$1,309. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$398,941, and Maryland Stadium Authority recognized lease revenue of \$125,981 during the fiscal year. The lessee has 3 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On September 1, 2011, Maryland Stadium Authority entered into a 60-month lease as Lessor for the installation of telecommunications equipment by Verizon - Macro. A lease receivable was recorded as of July 1, 2022, in the amount of \$483,702. As of June 30, 2023, the value of the lease receivable is \$416,657. The lessee is required to make monthly fixed payments of \$6,210. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$384,843, and Maryland Stadium Authority recognized lease revenue of \$76,840 during the fiscal year. The lessee has 1 extension option(s), each for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On October 1, 2019, Maryland Stadium Authority entered into a 51-month lease as Lessor for the use of office space by Baltimore Orioles. A lease receivable was recorded as of July 1, 2022, in the amount of \$614,832. As of June 30, 2023, the value of the lease receivable is \$92,145. The lessee is required to make monthly fixed payments of \$12,860. The lease has an interest rate of

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

1.6500%. The value of the deferred inflow of resources as of June 30, 2022, was \$87,833, and Maryland Stadium Authority recognized lease revenue of \$175,666 during the fiscal year.

On November 1, 2018, Maryland Stadium Authority entered into a 60-month lease as Lessor for the use of office space by Pennoni Associates Inc. A lease receivable was recorded as of July 1, 2022, in the amount of \$232,844. As of June 30, 2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$19,742. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$0, and Maryland Stadium Authority recognized lease revenue of \$222,631 during the fiscal year. The lessee has 1 extension option for 60 months, which was exercised. The disclosed monthly payment or interest rate reflect the current lease agreement.

On June 1, 2023, Maryland Stadium Authority entered into a 71-month lease as Lessor for the use of office space by Pennoni Associates, Inc. A lease receivable was recorded as of June 1, 2023, in the amount of \$1,497,374. As of June 30, 2023, the value of the lease receivable is \$1,477,790. The lessee is required to make monthly fixed payments of \$19,583. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$1,476,284, and Maryland Stadium Authority recognized revenue of \$21,090 during the fiscal year. The lessee has 1 extension option for 60 months.

On May 1, 2021, Maryland Stadium Authority entered into a 24-month lease as Lessor for the use of office space by The Moore Law Group, LLC. A lease receivable was recorded as of July 1, 2022, in the amount of \$32,994. As of June 30, 2023, the value of the lease receivable is \$17,690. The lessee is required to make monthly fixed payments of \$1,648. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$15,391, and Maryland Stadium Authority recognized lease revenue of \$18,469 during the fiscal year. The lessee has 2 extension option(s), each for 12 months.

On April 1, 2021, Maryland Stadium Authority entered into a 36-month lease as Lessor for the use of office space by Washington Vascular Specialist of Baltimore LLC. A lease receivable was recorded as of July 1, 2022, in the amount of \$167,251. As of June 30, 2023, the value of the lease receivable is \$73,192. The lessee is required to make monthly fixed payments of \$7,155. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$64,431, and Maryland Stadium Authority recognized lease revenue of \$85,908 during the fiscal year. The lessee has 3 extension option(s), each for 12 months.

On June 1, 2023, Maryland Stadium Authority entered into a 24-month lease as Lessor for the use of office space by Exit 10 Advertising. A lease receivable was recorded as of July 1, 2022, in the amount of \$136,422. As of June 30, 2023, the value of the lease receivable is \$130,822. The lessee is required to make monthly fixed payments of \$5,600. The lease has an interest rate of 1.6500%. The value of the deferred inflow of resources as of June 30, 2023, was \$130,738, and Maryland Stadium Authority recognized lease revenue of \$5,684 during the fiscal year. The lessee has 3 extension option(s), each for 12 months. The lessee had a termination period of 3 months as of the lease commencement.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

On April 1, 2023, Maryland Stadium Authority entered into a 120-month lease as Lessor for the use of office space by the Interagency Commission on School Construction (IAC). A lease receivable was recorded as of July 1, 2022, in the amount of \$2,265,549. As of June 30, 2023, the value of the lease receivable is \$2,216,143. The lessee is required to make monthly fixed payments of \$16,469. The lease has an interest rate of 0.0000%. The value of the deferred inflow of resources as of June 30, 2023, was \$2,208,910, and Maryland Stadium Authority recognized lease revenue of \$56,639 during the fiscal year. The lessee has 2 extension option(s), each for 120 months.

The lease receivable balance as of June 30, 2023:

Lease Receivable	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Office of Legislative Affairs	\$ 3,212,018	\$ -	\$ 243,283	\$ 2,968,735
Edward's Lifescience	186,054	-	171,592	14,463
University of Maryland Faculty Physicians	4,170,722	-	363,974	3,806,748
Lawrence Law, LLC	697,174	-	68,930	628,244
RegelTec, Inc.	14,711	119,790	54,051	80,450
Baltimore City Public Schools	679,782	-	299,014	380,768
AboveNet	4,699	-	3,120	1,579
AT&T Corp. - License Agreement Oriole Park	35,922	-	6,053	29,869
AT&T Wireless PCS - Old Cingular Lease	770,267	-	95,979	674,288
AT&T Lease Site 4182	653,099	-	85,920	567,180
Beers Enterprises	4,040	-	2,003	2,036
Chilled Water Agreement	257,657	-	15,558	242,099
MLB Advance Media	37,854	-	5,416	32,438
Snowden Lane Partners	622,197	-	127,519	494,678
Harborlite Networks LLC	379,480	-	42,781	336,699
Harborlite Network LLC - Lighttower	72,689	-	8,525	64,164
Harborlite Network LLC - Lighttower OPACY	16,043	-	2,070	13,973
Harborlite Network LLC	11,414	-	1,195	10,219
Level 3 - M & T Bank	135,238	-	25,369	109,870
T-Mobile - Sprint	226,725	-	61,931	164,795
T-Mobile	299,946	-	81,931	218,015
Verizon - DAS	546,845	-	122,366	424,479
Verizon - Macro	483,702	-	67,044	416,657
Baltimore Orioles	274,173	-	182,027	92,145
Pennonni Associates Inc.	232,844	1,497,374	252,427	1,477,790
The Moore Law Group, LLC	32,994	-	15,304	17,690
Washington Vascular Specialist of Baltimore LLC	167,251	-	94,060	73,192
Exit 10 Advertising	-	136,422	5,600	130,822
Interagency Commission on School Construction (IAC)	-	2,265,549	49,406	2,216,143
Total Lease Receivable	\$ 14,225,539	\$ 4,019,135	\$ 2,554,448	\$ 15,690,227

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

14. LEASE RECEIVABLE (continued)

Lease income for the year ended June 30, 2023, was \$3,223,212.

For the Years Ending June 30,	Principal Payments	Interest Payments	Total Payments
2024	\$ 2,586,415	\$ 178,810	\$ 2,765,225
2025	2,202,709	148,251	2,350,960
2026	2,104,179	121,289	2,225,467
2027	1,884,068	95,827	1,979,895
2028	1,824,634	73,411	1,898,045
2029–2033	5,013,473	107,153	5,120,626
2034–2038	74,749	2,283	77,032
	<u>\$ 15,690,227</u>	<u>\$ 727,026</u>	<u>\$ 16,417,253</u>

15. RETIREMENT PLANS

Maryland State Retirement and Pension System

Certain employees of the Authority are provided with pensions through the Employees' Retirement System of the State of Maryland (ERS), a cost-sharing, multiple-employer 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. The

System prepares a separate Annual Comprehensive Financial Report, which is publicly available that can be obtained at www.sra.maryland.gov/annual-financial-reports/.

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 System. The employees contribute from 2% to 5% of compensation, as defined, depending on the participant's plan. The Authority made its required contribution during fiscal years ended June 30, 2023, and 2022, of \$2,649,288 and \$2,189,364, respectively.

Benefits Provided

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 average final compensation (AFC) multiplied by the number of years of accumulated creditable service.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Benefits Provided (continued)

An individual who is a member of the Employees' Pension 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' Pension 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' Pension 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' Pension 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' Pension 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' Pension System.

Exceptions to these benefit formulas apply to members of the Employees' Pension 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%.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

Early Service Retirement (continued)

An individual who is a member of either the Employees' Pension 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' Pension System is 42%. An individual who becomes a member of the Employees' Pension 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' Pension System is 30%.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 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 5 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, 2023, was \$2,649,288, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to ERS from the Authority totaled \$2,649,288 for the year ended June 30, 2023.

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

As of June 30, 2023, the Authority reported a liability of approximately \$18.6 million for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

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

The Authority's proportion of the ERS net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2023, the Authority's proportion for ERS was 0.1000 percent, which was unchanged from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the Authority recognized pension expense for ERS of approximately \$2.7 million. As of June 30, 2023, 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
Differences between expected and actual experience	\$ -	\$ 1,618,893
Changes in assumptions	2,165,891	409,185
Change in proportion	1,263,096	102,666
Net difference between projected and actual earnings on pension plan investments	1,223,583	-
Changes in proportionate share of contributions	5,709,623	(214,737)
Contributions subsequent to the measurement date	2,649,288	-
Total	<u>\$ 13,011,482</u>	<u>\$ 1,916,007</u>

The \$2,649,288 reported as deferred outflows of resources related to ERS resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the ERS net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued)

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

Amortization of pension expense

<u>Years Ending June 30,</u>	<u>Amount</u>
2024	\$ 3,584,806
2025	3,496,997
2026	2,418,742
2027	2,284,868
2028	492,788
Thereafter	(3,832,015)
Total	<u>\$ 8,446,186</u>

Information included in the MSRPS financial statements

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.maryland.gov/annual-financial-reports.

The key assumptions used to perform the June 30, 2023; pension liability calculation was as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.25% general, 2.75% wage
Salary Increase	2.75% to 11.25%, including inflation
Discount Rate	6.80%
Investment Rate of Return	6.80%
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvements based on the MP-2018 fully generational mortality improvements scale.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

15. RETIREMENT PLANS (continued)

Maryland State Retirement and Pension System (continued) *Information included in the MSRPS financial statements (continued)*

The economic and demographic actuarial assumptions used in the June 30, 2022, valuation were adopted by the System's Board of Trustees based upon review of the System's experience study for the period 2014-2018, after completion of the June 30, 2018 valuations. Assumptions from the experience study including investment return, inflation, COLA increases, mortality rates, retirement rates, withdrawal rates, disability rates and rates of salary increase were adopted by the Board for the first use in the actuarial valuation as of June 30, 2019. As a result, an investment return assumption of 6.80% and an inflation assumption of 2.25%-11.25% were used in the June 30, 2022, valuation.

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (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-range expected rate of return by weighing the expected future real rates by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s).

For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.00%
Private Equity	16%	8.40%
Rate Sensitive	21%	1.20%
Credit Opportunity	8%	4.90%
Real Assets	15%	5.20%
Absolute Return	6%	3.50%
Total	100%	

The above was the System's Board of Trustees adopted asset allocation policy and best estimate of geometric real rates for each major asset class as of June 30, 2022.

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of the pension plan expense was -2.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

MARYLAND STADIUM AUTHORITY

**Notes to the Financial Statements
June 30, 2023**

**15. RETIREMENT PLANS (continued)
Maryland State Retirement and Pension System (continued)**

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

Discount rate. The single discount rate used to measure the total pension liability was 6.80%. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Authority’s proportionate share of the ERS net pension liability calculated using the discount rate of 6.80 percent is \$18,651,793. 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 (5.80 percent) or 1-percentage-point higher (7.80 percent) is as follows:

1% Decrease	Discount Rate	1% Higher
5.80%	6.80%	7.80%
<hr/>	<hr/>	<hr/>
\$ 28,617,786	\$ 18,651,793	\$ 10,382,329

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Members of the State Retirement and Pension System of Maryland (the State System) and their dependents are provided post-employment health care benefits through the State Employee and Retiree Health and Welfare Benefits Program (the “Plan”), which is administered by 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 post-employment health care costs to all participating employers.

A separate actuarial valuation is not performed by the Authority. The Authority’s only obligation to the Plan is its required annual contribution.

For the year ended June 30, 2023, the State has elected to maintain the entire net other postretirement benefit liability as a liability of the general fund of the State and has not allocated any balances to State entities including the Authority.

Plan Description

The Authority’s employees are members of the Plan. 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.

For employees hired after 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 25 years of creditable service. For employees hired before July 1, 2011, they may participate in the Plan upon retirement if they retired directly from State service with at least five years of credited service.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

16. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Funding Policy

The State is required by law to provide funding each year for the Plan for the State's share of the pay-as-you-go amount necessary to provide current benefits to active and retired employees and their dependents. Funds may also be separately appropriated in the State's budget for transfer to the OPEB Trust.

The Secretary of the Department of Budget and Management establishes the required contributions of members. The State subsidizes approximately 50% to 85% of covered medical, dental, prescription and hospitalization costs depending on the type of insurance plan. The State assesses a surcharge for post-employment health care benefits, which is based on health care insurance charges for current employees. Costs for post-retirement benefits are for State of Maryland retirees. For the year June 30, 2023, the Authority contributed \$1,008,422 for postemployment health care costs.

Former Authority employees who are receiving retirement benefits may participate in the State's health care insurance plans. These plans, which provide insurance coverage for medical, dental and hospital costs, are funded currently by the payment of premiums to the carriers and, under State policy, are contributory. Substantially, all employees become eligible for these benefits when they retire with pension benefits.

Financial information for the Plan is included in the State of Maryland Annual Comprehensive Financial Report, which can be obtained at <https://marylandtaxes.gov/forms/CAFR/ACFR2022.pdf>.

17. BALTIMORE CITY PUBLIC SCHOOLS

In April 2013, the Baltimore City Public Schools Construction and Revitalization Act of 2013 (the "BCPS Act") was passed. The General Assembly authorized the Authority to issue up to \$1.1 billion in debt as limited obligations of the Authority solely payable from and secured by the Baltimore City Public School Construction Financing Fund (the "Financing Fund") established under the BCPS Act. The bonds issued under the BCPS Act will not constitute a debt, liability, or pledge of the faith and credit of the taxing power of the State, the Authority or any other governmental unit.

Under the BCPS Act, the Authority will receive \$60 million annually to support up to \$1.1 billion in bonds. This funding is comprised of \$20 million annually from each of three (3) entities: The State, the City of Baltimore (the "City"), and Baltimore City Board of School Commissioners (the "BCBSC"). Sources of revenue include a portion of State Lottery revenue, a portion of state education aid currently committed to Baltimore City Public Schools and certain identified taxes and other revenue collected by or payable to the City. These revenues will be received as long as there is debt outstanding related to the BCPS Act.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements

June 30, 2023

17. BALTIMORE CITY PUBLIC SCHOOLS (continued)

Each year, this revenue will appear on the Statement of Revenue, Expenses, and Changes in Net Position as non-operating revenue related to Baltimore City Public Schools. The expenditures paid from each bond series is recorded as non-operating expenses related to Baltimore City Public Schools for the fiscal year. The net difference between the non-operating revenue related to Baltimore City Public Schools and non-operating expenses related to Baltimore City Public Schools will carry to unrestricted net position. In the early years of the program, expenditures for construction will be at a much higher rate than the revenue received. Expenditures are projected to be spent over an eight (8) year period as the revenue will be collected for at least thirty (30) years. This created a large negative balance in unrestricted net position. As the non-operating revenue related to Baltimore City Public schools are received, the negative balance for unrestricted net position will slowly reduce over time.

18. BUILT TO LEARN

In 2020, the Maryland General Assembly passed the Built to Learn Act of 2020 authorizing the Maryland Stadium Authority to issue up to \$2.2 billion in debt for the construction of public school facilities throughout the State as limited obligations of the Authority solely payable from and secured by the Supplemental Public School Construction Financing Fund established under the Built to Learn Act. The bonds issued under the Built to Learn Act will not constitute a debt, liability, or pledge of the faith and credit of the taxing power of the State, the Authority or any other governmental unit

Under the Built to Learn Act, the Authority will receive \$30 million in fiscal year 2022, \$60 million in fiscal year 2023, \$125 million in fiscal year 2024, and \$127 million in fiscal year 2025 and each fiscal year thereafter to support up to \$2.2 billion in bonds. Funding is deposited into the Supplemental Public School Construction Financing Fund by the Comptroller from money in the Education Trust Fund. These revenues will be received as long as there is debt outstanding related to the Built to Learn Act.

Each year, this revenue will appear on the Statement of Revenue, Expenses, and Changes in Net Position as non-operating revenue related to Built to Learn. The expenditures paid from each bond series is recorded as non-operating expenses related to the Built to Learn program for the fiscal year. The net difference between the non- operating revenue related to Built to Learn and non-operating expenses related to Built to Learn will carry to unrestricted net position. In the early years of the program, expenditures for construction will be at a much higher rate than the revenue received. Expenditures are projected to be spent over an eight (8) year period as the revenue will be collected for at least thirty (30) years. This created a large negative balance in unrestricted net position. As the non-operating revenue related to Built to Learn is received, the negative balance for unrestricted net position will slowly reduce over time.

MARYLAND STADIUM AUTHORITY

Notes to the Financial Statements June 30, 2023

19. LITIGATION

In the normal course of operations, certain claims have been brought against the Authority, which are in various stages of resolution. Management is not aware of any litigation for which the ultimate resolution of the claims will have a material adverse effect on the Authority's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

MARYLAND STADIUM AUTHORITY

Required Supplementary Information June 30, 2023

Schedule of Proportionate Share of Net Pension Liability - State of Maryland Employee's Retirement and Pension System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
The Authority's proportion of the ERS net Pension liability	0.10%	0.10%	0.09%	0.09%
The Authority's proportionate of the ERS net Pension liability	<u>\$18,651,793</u>	<u>\$13,705,104</u>	<u>\$19,207,995</u>	<u>\$17,038,443</u>
Authority's cover employee payroll	\$10,588,522	\$10,436,636	\$9,224,868	\$8,694,564
Contributions as a percentage of the covered-employee payroll	176%	131%	208%	196%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Authority's proportion of the ERS net Pension liability	0.06%	0.06%	0.05%	0.05%
The Authority's proportionate of the ERS net Pension liability	<u>\$14,869,651</u>	<u>\$12,873,208</u>	<u>\$12,098,335</u>	<u>\$10,003,890</u>
Authority's cover employee payroll	\$8,694,564	\$7,450,095	\$6,521,455	\$6,212,028
Contributions as a percentage of the covered-employee payroll	171%	173%	186%	161%

Schedule of Contributions – State of Maryland Employee's Retirement and Pension System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions (ERS)	\$2,649,288	\$2,189,364	\$2,203,330	\$1,975,261
Contributions in relation to the contractually required contribution	<u>\$2,649,288</u>	<u>\$2,189,364</u>	<u>\$2,203,330</u>	<u>\$1,975,261</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Authority's covered employee payroll	\$12,682,871	\$10,588,522	\$10,436,636	\$10,249,806
Contributions as a percentage of covered-employee payroll	20.89%	20.68%	21.11%	19.27%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions (ERS)	\$1,756,168	\$1,651,950	\$1,450,627	\$1,080,764
Contributions in relation to the contractually required contribution	<u>1,756,168</u>	<u>1,651,950</u>	<u>1,450,627</u>	<u>1,080,764</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Authority's covered employee payroll	\$9,224,868	\$8,694,564	\$7,450,095	\$6,521,455
Contributions as a percentage of covered-employee payroll	19.04%	19.00%	19.47%	16.57%
	<u>2015</u>			
Contractually required contributions (ERS)	\$1,014,618			
Contributions in relation to the contractually required contribution	<u>1,014,618</u>			
Contribution deficiency (excess)	<u>\$0</u>			
Authority's covered employee payroll	\$6,212,028			
Contributions as a percentage of covered-employee payroll	16.33%			

See accompanying notes to the schedule

MARYLAND STADIUM AUTHORITY

Required Supplementary Information June 30, 2023

Schedule of Contributions – Other Post-Employee Benefits (OPEB)- State of Maryland

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contributions (ERS)	\$1,008,422	\$787,804	\$672,332	\$678,415
Contributions in relation to the contractually required contribution	1,008,422	787,804	672,332	678,415
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Contractually required contributions (ERS)	\$664,706	\$517,664	\$614,504	
Contributions in relation to the contractually required contribution	664,706	517,664	614,504	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

This schedule is presented to illustrate the requirement to show information for 10 years. However, information prior to June 30, 2017, is not available.

See accompanying notes to the schedule

MARYLAND STADIUM AUTHORITY

**Required Supplementary Information
June 30, 2023**

**Notes to the Schedule of Proportionate Share of Net Pension Liability and Schedule of
Contributions State of Maryland Employee's Retirement and Pension System**

NOTE 1 - CHANGES IN BENEFIT TERMS

There were no benefit changes during the years 2015 through 2023

NOTE 2 - CHANGES IN ASSUMPTIONS

Inflation assumptions changed as follows:

6/30/2021 2.60%
6/30/2020 2.60%
6/30/2019 2.60%
6/30/2018 2.60%
6/30/2017 2.65%
6/30/2016 2.70%
6/30/2015 2.70%

Investment return assumption changed as follows:

6/30/2021 6.80%
6/30/2020 7.40%
6/30/2019 7.40%
6/30/2018 7.50%
6/30/2017 7.50%
6/30/2016 7.55%
6/30/2015 7.65%

Notes to the Schedule of Contributions Other Post-Employment Benefits State of Maryland

Valuation date: Actuarially determined contributions amounts are calculated as of June 30 prior to the end of the fiscal year in which contributions are reported

Methods and assumptions use to determined contributions rates:

Actuarial cost method	Entry Age Actuarial Cost method
Amortization method	Level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value of asset

SUPPLEMENTARY INFORMATION

MARYLAND STADIUM AUTHORITY

Schedule of Contributions For the Year Ended June 30, 2023

Contributions from Primary Government for Construction Projects

The Authority receives Lottery and General Funds from the State of Maryland to be used in accordance with Economic Development Article, Sections 10-601 to 10-655. Listed below are the funds received for fiscal year 2023 and how they were used.

	<u>Camden Yards</u>	<u>Baltimore City Convention Center</u>	<u>Ocean City Convention Center</u>	<u>Montgomery County Conference Center</u>
Source				
Lottery	\$ 14,637,225	\$ -	\$ -	\$ -
General Funds	-	11,966,652	2,750,447	1,554,750
Total	<u>14,637,225</u>	<u>11,966,652</u>	<u>2,750,447</u>	<u>1,554,750</u>
Use				
Contract Receivable	11,291,576	-	-	1,410,000
Interest	3,345,649	-	-	144,750
Operating Deficits	-	11,966,652	2,750,447	-
Total	<u>14,637,225</u>	<u>11,966,652</u>	<u>2,750,447</u>	<u>1,554,750</u>
Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Contributions for Baltimore City Public Schools Construction Projects

The Authority receives Lottery and other contributions from the City of Baltimore and Baltimore City Public Schools Board of Commissioners to be used in accordance with Economic Development Article, Sections 10-656 to 10-657. Listed below were the funds received for fiscal year 2023.

	<u>State of Maryland</u>	<u>Baltimore City</u>	<u>Baltimore City Public Schools</u>	<u>Total</u>
Source				
Lottery	\$ 20,000,000	\$ -	\$ -	\$ 20,000,000
Beverage Container Tax, 50% of the 5% of table games proceeds, 10% of the participation rent from the VLT	-	15,700,000	-	15,700,000
Shifted retirees health insurance	-	6,666,667	-	6,666,667
General State Education Fund	-	-	13,333,333	13,333,333
Total	<u>\$ 20,000,000</u>	<u>\$ 22,366,667</u>	<u>\$ 13,333,333</u>	<u>\$ 55,700,000</u>

MARYLAND STADIUM AUTHORITY

Combining Schedule of Revenue, Expenses, and Changes in Net Position For the Year Ended June 30, 2023 (continued)

Below illustrates the financial activities for each project the Authority is responsible for:

	Total	Camden Yards	Baltimore City Convention Center	Ocean City Convention Center
Operating Revenue				
Baltimore Orioles' rent	\$ 6,714,159	\$ 6,714,159	\$ -	\$ -
Admission Taxes	13,958,576	13,537,800	-	-
Baltimore Ravens' contributions	10,722,371	10,722,371	-	-
Warehouse rents	3,223,212	3,223,212	-	-
Catering commissions	485,922	485,922	-	-
Parking revenue	1,480,826	1,480,826	-	-
Capital project fees	12,016,462	1,366,761	-	293,221
Total Operating Revenue	48,601,528	37,531,051	-	293,221
Operating Expenses				
Salaries and wages	15,450,018	14,538,054	-	-
Telephone and postage	102,119	102,119	-	-
Travel	131,213	127,782	-	-
Utilities	5,438,672	5,438,672	-	-
Vehicle expense	45,980	45,980	-	-
Contractual services	32,642,623	9,600,934	-	-
Parking	544,557	544,557	-	-
Supplies and materials	593,867	593,867	-	-
Depreciation and amortization	5,800,650	5,301,303	-	496,569
Fixed charges	146,176	143,676	-	1,000
Miscellaneous	489,366	489,366	-	-
Total Operating Expenses	61,385,241	36,926,310	-	497,569
Operating Loss	(12,783,713)	604,741	-	(204,348)
Non Operating (Expenses) Revenue				
Contributions to others for operating deficit and capital improvements	(12,242,424)	-	(10,391,269)	(1,851,155)
Contributions for BCPS construction	55,700,000	-	-	-
Contributions for BTL construction	60,000,000	-	-	-
Expenses related to BCPS	(75,069,256)	-	-	-
Expenses related to BTL	(227,186,391)	-	-	-
Investment income and other	48,072,325	1,126,692	-	359,710
Interest expense	(86,165,109)	4,671,593	-	(889,358)
Total Non Operating Expenses	(236,890,855)	5,798,285	(10,391,269)	(2,380,803)
Loss before contributions	(249,674,568)	6,403,026	(10,391,269)	(2,585,151)
Contributions from Primary Governments	36,810,197	7,292,225	11,966,652	2,750,447
Change in net assets	\$ (212,864,371)	\$ 13,695,251	\$ 1,575,383	\$ 165,296

MARYLAND STADIUM AUTHORITY

Combining Schedule of Revenue, Expenses, and Changes in Net Position For the Year Ended June 30, 2023 (continued)

	Montgomery County Conference Center	Hippodrome Performing Arts Center	Baltimore City Public Schools	Baltimore City Demolition and Stabilization
Operating Revenue				
Baltimore Orioles' rent	\$ -	\$ -	\$ -	\$ -
Admission Taxes	-	420,776	-	-
Baltimore Ravens' contributions	-	-	-	-
Warehouse rents	-	-	-	-
Catering commissions	-	-	-	-
Parking revenue	-	-	-	-
Capital project fees	(4,761)	-	931,756	6,805,467
Total Operating Revenue	(4,761)	420,776	931,756	6,805,467
Operating Expenses				
Salaries and wages	-	-	162	385,406
Telephone and postage	-	-	-	-
Travel	-	-	-	-
Utilities	-	-	-	-
Vehicle expense	-	-	-	-
Contractual services	-	325,000	255,737	6,419,761
Parking	-	-	-	-
Supplies and materials	-	-	-	-
Depreciation and amortization	-	-	-	-
Fixed charges	1,500	-	-	-
Miscellaneous	-	-	-	-
Total Operating Expenses	1,500	325,000	255,899	6,805,167
Operating Loss	(6,261)	95,776	675,857	300
Non Operating (Expenses) Revenue				
Contributions to others for operating deficit and capital improvements	-	-	-	-
Contributions for BCPS construction	-	-	55,700,000	-
Contributions for BTL construction	-	-	-	-
Expenses related to BCPS	-	-	(75,069,256)	-
Expenses related to BTL	-	-	-	-
Investment income and other	143,164	(39)	17,289,601	-
Interest expense	(140,313)	39	(52,320,195)	-
Total Non Operating Expenses	2,851	-	(54,399,850)	-
Loss before contributions	(3,410)	95,776	(53,723,993)	300
Contributions from Primary Governments	144,748	-	-	-
Change in net assets	\$ 141,338	\$ 95,776	\$ (53,723,993)	\$ 300

MARYLAND STADIUM AUTHORITY

Combining Schedule of Revenue, Expenses, and Changes in Net Position For the Year Ended June 30, 2023 (continued)

	Racing and Community Development	Miccal Erin Busch Youth And Amateur Grant Program	Built To Learn	Hagerstown Multi-Use Stadium and Event Facility	Major Sports and Entertainment Grant Program
Operating Revenue					
Baltimore Orioles' rent	\$ -	\$ -	\$ -	\$ -	\$ -
Admission Taxes	-	-	-	-	-
Baltimore Ravens' contributions	-	-	-	-	-
Warehouse rents	-	-	-	-	-
Catering commissions	-	-	-	-	-
Parking revenue	-	-	-	-	-
Capital project fees	192,109	3,608	-	2,428,301	-
Total Operating Revenue	192,109	3,608	-	2,428,301	-
Operating Expenses					
Salaries and wages	191,593	-	-	334,803	-
Telephone and postage	-	-	-	-	-
Travel	49	-	-	3,382	-
Utilities	-	-	-	-	-
Vehicle expense	-	-	-	-	-
Contractual services	1,454,483	810,550	-	10,645,242	3,130,916
Parking	-	-	-	-	-
Supplies and materials	-	-	-	-	-
Depreciation and amortization	-	-	2,778	-	-
Fixed charges	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Operating Expenses	1,646,125	810,550	2,778	10,983,427	3,130,916
Operating Loss	(1,454,016)	(806,942)	(2,778)	(8,555,126)	(3,130,916)
Non Operating (Expenses) Revenue					
Contributions to others for operating deficit and capital improvements	-	-	-	-	-
Contributions for BCPS construction	-	-	-	-	-
Contributions for BTL construction	-	-	60,000,000	-	-
Expenses related to BCPS	-	-	-	-	-
Expenses related to BTL	-	-	(227,186,391)	-	-
Investment income and other	1,683,500	37,042	24,772,542	2,660,113	-
Interest expense	-	-	(36,011,811)	(1,475,064)	-
Total Non Operating Expenses	1,683,500	37,042	(178,425,660)	1,185,049	-
Loss before contributions	229,484	(769,900)	(178,428,438)	(7,370,077)	(3,130,916)
Contributions from Primary Governments	-	1,000,000	-	3,656,125	10,000,000
Change in net assets	\$ 229,484	\$ 230,100	\$ (178,428,438)	\$ (3,713,952)	\$ 6,869,084



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2023 ANNUAL REVIEW

MARYLAND STADIUM AUTHORITY

(A COMPONENT UNIT OF THE STATE OF MARYLAND)

An annual detailed report (January 2023 – January 2024) of the activities and financial status of the Authority to the Governor, and, in accordance with § 2-1257 of the State Government Article, the General Assembly; Reports required by Economic Development Article § 10-625(a)(1) (MSAR # 14902)

MARYLAND STADIUM AUTHORITY

MISSION

- To plan, finance, build and manage sports and entertainment facilities in Maryland.
- Provide enjoyment, enrichment, education, and business opportunities for citizens.
- Develop partnerships with local governments, universities, private enterprise and the community.

OUR PRIORITIES

- Safety and Security
- Fiduciary Responsibility (Financial and Property Management)
- On-time and On-Budget Project Management
- Diversity of Stadium Events

WHAT WE DO

- Operate and maintain Camden Yards Sports Complex real estate assets on behalf of the State of Maryland
- Oversee feasibility studies and projects for local municipalities or state agencies upon request
- Oversee 21st Century Schools Program
- Oversee Project C.O.R.E.
- Oversee Pimlico and Laurel Racing Facilities Redevelopment
- Oversee Built to Learn Act 2020 Program
- Oversee Hagerstown Multi-Use Sports and Events Facility
- Oversee development and financing of the Blue Line Corridor
- Promote the use of sports-related facilities across Maryland to foster economic development through the Maryland Sports Commission
 - Administer the Michael Erin Busch Sports Fund Youth and Amateur Sports Grants Program
 - Administer the Major Sport and Entertainment Events Program

HOW WE ARE FUNDED

- Self-funded through stadium operations
- General funds: Debt service and operating deficiencies for Baltimore City and Ocean City Conventions Center, Hippodrome Theatre, Montgomery County Conference Center, Hagerstown Multi-Use Sports and Events Facility

- Baltimore City Public Schools: \$60 million annually for life of the bonds
- Project C.O.R.E.: Funded by MD Dept. Housing & Community Development
- Stadium debt: Up to \$90 million from Maryland Lottery
- Built to Learn: \$125 million from Education Trust Fund
- Racing & Community Development Act: \$17 million from Maryland Lottery
- Michael Erin Busch Sports Fund Youth and Amateur Sports Grants Program: \$1 million from Maryland Lottery, \$500,000 admission & amusement tax
- Major Sport and Entertainment Events Program: \$10 million from Maryland Lottery

ADMINISTRATION

The Maryland Stadium Authority (MSA) continues to work with the Baltimore Orioles and Ravens to ensure that the stadiums remain best-in-class facilities in terms of safety, amenities, and fan experience. To that end, 2022 legislation, HB 896 Maryland Stadium Authority - Increase of Bond Authorization - Camden Yards, increasing bond authorization at the Camden Yards Sports Complex to \$1.2 billion successfully created a significant incentive for the teams in 2023 to renew or extend their leases, and provided the opportunity to expand the economic impact of games and other year-round activities at upgraded stadiums.

NEW STADIUM LEASE AGREEMENT FOR M&T BANK STADIUM BETWEEN MARYLAND STADIUM AUTHORITY AND BALTIMORE RAVENS

In January 2023, the Maryland Board of Public Works (BPW) unanimously approved a new stadium lease agreement between the MSA and the Baltimore **Ravens that extends the team's commitment to remain in Baltimore and support investment in M&T Bank Stadium through the end of the 2037 NFL season, with two five-year options to extend.**

Fans should be delighted to know that the new stadium lease agreement with the **Baltimore Ravens at M&T Bank Stadium continues MSA's strong** partnership with the team. While fundamentally the same as the agreement previously in place, this agreement offers greater protections to the MSA, additional revenue opportunities to the team that are in line with current stadium trends.

In December, MSA was extremely pleased with the Ravens announcement of our

collaborative multi-year renovation (2024-2026) project that utilizes an estimated \$430 million of the \$600 million of state funds allotted for improvements to enhance M&T Bank Stadium and ensure the facility, which is in its 25th season, remains a world-class NFL and entertainment venue. To maximize year-round use, substantial developments on the exterior plaza areas expands pre- and post-game entertainment, includes a concert venue and flagship retail store, with fan experience and infrastructure improvements on every level of the facility.

NEW LONG-TERM AGREEMENT AT ORIOLE PARK AT CAMDEN YARDS BETWEEN THE MARYLAND STADIUM AUTHORITY AND THE BALTIMORE ORIOLES

In December 2023, BPW unanimously approved a long-term agreement between the MSA and the Baltimore Orioles that keeps the team in Baltimore well into the future and spurs economic growth. The agreement includes a thirty-year extension to existing lease terms, with an option to pursue development rights at the Camden Yards Sports Complex.

In the coming years, the MSA and the Orioles will work together to advance a ground lease and a development plan for areas around the ballpark, both subject to approval by the Legislative Policy Committee and the Board of Public Works. If a ground lease is signed and receives State approval within four years, the 30-year lease extension may be converted to a new Facility Use Agreement with approval by Major League Baseball and the Board of Public Works. If a ground lease is not approved within four years, the Orioles have options to: a) maintain the 30-year lease on existing terms; b) change the length to 15 years total on existing terms, with four options to extend for five years each; or c) maintain the 30-year lease and convert to the new lease terms outlined in the new Facility Use Agreement.

CAPITAL PROJECTS & PLANNING

RENOVATION PROJECTS AT M&T BANK STADIUM

As mentioned in this report, the year kicked off with the unanimous approval by BPW of a long-term lease that reaffirmed the **Baltimore Ravens' strong** commitment to Maryland and unlocked funds from state legislation to invest in stadium improvements and inspire redevelopment in the City of Baltimore.

Throughout the year, the MSA and the Baltimore Ravens collaborated on game changing upgrades to M&T Bank Stadium. In 2023, at nearly every Board of Directors meetings, the agendas included approval items for these once in a generation renovation projects at M&T Bank Stadium such as the comprehensive financing plan, the recommendation to award a contract to Gensler Architecture, Design & Planning, P.C. to provide architectural /engineering design services, a recommendation to award a professional services contract to the Gilbane Building Company to provide pre-construction management services, plus M&T Bank Stadium Improvements Guaranteed Maximum Price (GMP) construction packages #1, #2 and #3.

To promote opportunities for diverse and local businesses to participate in these **projects, MSA's Procurement, Compliance, Minority Business Enterprise (MBE)** and Small Business Reserve (SBR) teams hosted outreach, contractor information sessions, and networking events at M&T Bank Stadium.

Renovation projects already underway include Suite Balcony Heaters, Elevator/Escalator Modernization, M&T Bank Sign Replacement, Miller Lite Beer Hall, Blackwing Suites and Press Relocation. Future projects will include the Service Level - Premium Clubs, West Endzone Suites, Concourse Improvements and Plaza Improvements. **Together with the Ravens, the MSA's Capital Projects** and Planning team are excited to manage these projects that will expand the year-round use and extend the life of the stadium for many years to come.

DIVERSITY, EQUITY, & INCLUSION

Our Diversity Equity and Inclusion (DEI) department has developed comprehensive goals and initiatives aimed at enhancing employee education, fostering a workforce that reflects the diverse demographics of our state, and expanding our networking efforts statewide to advocate for opportunities within Maryland's historically black colleges and universities (HBCUs) and Minority Business Enterprise (MBE) programs, respectively. We have bolstered these efforts through external networking and engagement in **conjunction with other state agencies and the Governor's office.**

FACILITIES

The MSA operates and lovingly maintains the award-winning Camden Yards Sports Complex (CYSC), which includes the Warehouse, Oriole Park at Camden Yards, M&T Bank Stadium and historic Camden Station, on behalf of the state in partnership with the Baltimore Orioles and the Baltimore Ravens.

The CYSC was a game changer for stadium construction with co-located baseball and football facilities with shared amenities in an urban destination with a transit hub.

Maryland's world-class sports facilities inspired a generation of urban revitalization and historic preservation across the nation and continue to serve as catalysts for economic development for our state.

SPECIAL EVENTS

POST SEASON PLAY

In 2023, after an exciting 101-61 regular season, the No. 1 seed Baltimore Orioles captured the American League East title and Camden Yards hosted two sold-out American League Division Series games on Saturday, October 7 and Sunday, October 8, 2023.

After an outstanding 2023 regular season with the most wins (11) in the league, the American Football Conference (AFC) North Champions Baltimore Ravens hosted a divisional playoff game on January 20, 2024 and a conference championship game on January 28, 2024 before sold-out crowds at M&T Bank Stadium.

BILLY JOEL & STEVIE NICKS CONCERT

On Saturday, October 7, 2023, Billy Joel and Stevie Nicks performed an unforgettable evening of live music M&T Bank Stadium. The spectacular one-night show marked the first time the two music legends shared the same stage in Maryland.

LOCAL EVENTS

In addition to National Football League (NFL) and Major League Baseball (MLB) games and a major concert, in 2023 the MSA with the professional teams hosted approximately 131 local events at the CYSC such as social occasions, business meetings, scholastic functions, group tours, festivals and family friendly fundraising events for nonprofits. A sample of new and returning local events are below:

- 9/11 National Fallen Firefighter Foundation Stair Climb
- Baltimore Police Department Unity Bike Tour
- Baltimore Running Festival / Half Marathon & 5K
- Baltimore Station Stars, Stripes, and Chow Chili Cook Off
- Donate Life Family Fun Run by the Infinite Legacy
- Erin Levitas Foundation Stroll & Roll 5K
- Hyundai Anti-Theft Software Upgrade Weekend Mobile Clinic
- Making Strides Against Breast Cancer 5K
- Salvation Army Fun Run and Shield Build - Red Kettle Kickoff

In addition to events, throughout the year, the CYSC is illuminated in team colors, for holidays, memorials and awareness days.

INTERNAL AUDIT

The **Internal Audit** staff reports functionally to the MSA's Board of Directors and administratively to the Executive Director. Internal Audit performs various financial compliance audits, construction closeout reviews, and revenue verification procedures that are identified in a risk-based assessment and internal audit plan. It also reviews **external audit reports, meets with the Board's Audit Committee and oversees MSA's** compliance with state policies and internal controls.

LEASING

The Warehouse at Camden Yards is one of the most recognizable landmarks in Baltimore. Its exposed brick walls, wooden beams and front row ballpark views have attracted discerning tenants who appreciate leasing modern workspace in an architectural gem. In an effort to obtain 100% occupancy and continue to offer workspace that is a win-win for tenants and their clients, the MSA recently completed the \$42 million Warehouse Improvement Project which included public lobby renovations, new elevators, a new canopy on the east side of the building, lighting for exterior signage, façade lighting, signage upgrades, and HVAC upgrades.

STADIUM PARTNERS

- Aramark
- Brick & Whistle
- SP+

WAREHOUSE AT CAMDEN YARDS TENANTS

- Baltimore Orioles
- Exit 10
- Interagency Commission on School Construction (IAC)
- Lawrence Law LLC
- Maryland Sports Commission
- The Moore Law Group
- Office of Legislative Audits (OLA)
- Pennoni
- ReGelTec
- Snowden Lane/ Snowden Capital Advisors
- The Sports & Entertainment Corporation of Maryland
- University of Maryland Orthopedics
- Washington Vascular Specialists

PROCUREMENT

Throughout 2023, MSA was pleased with the implementation of the online Procurement Portal that enables MSA to exclusively accept and evaluate bids and proposals electronically, as well as seamlessly communicate project information with interested vendors. The Portal provides MSA and its vendors with an easy to use, cost effective and transparent procurement tool to be utilized in conjunction with eMaryland Marketplace Advantage (eMMA) that will further enhance the modernization of the procurement functions at MSA.

PUBLIC SAFETY & SECURITY

While the safety and security of all who visit and work at the Camden Yards Sports Complex is our highest priority, MSA does not release specifics regarding recent investments, staffing, deployment strategies or security measures implemented in and around the complex. MSA constantly monitors local and national events, as well as international threats, and uses any incidents as an opportunity to reassess our security plans, and work closely with our federal, state and local law enforcement partners to keep our fans, tenants, contractors and employees safe.

EMERGENCY PREPAREDNESS

MSA works with federal, state and local first responders and private sector partner stakeholders to test emergency preparedness at the Camden Yards Sports Complex (CYSC). Scenarios are used to evaluate response coordination plans, aid agreements and information sharing between public safety agencies and stadium partners during a potential crisis at the CYSC. Throughout the year emergency preparedness materials, workshops and webinars are offered to CYSC employees, stadium partners and tenants.

As part of our commitment to safety and security, the teams and MSA make our facilities available to our federal, state and local law enforcement partners for approved training and testing purposes. It's important to note that there have been no significant security incidents nor changes to the threat or the risk environment impacting the CYSC.

MSA PARTICIPATED IN SECURITY TECHNOLOGY DEMONSTRATION EXERCISE

On September 7 – 10, 2023, the MSA participated in a technology demonstration exercise involving the Defense Advanced Research Projects Agency (DARPA) and the Maryland State Police (MDSP) conducted at the Camden Yards Sports Complex (CYSC) including during the Baltimore Ravens home opener at M&T Bank Stadium.

DARPA serves as the central research and development organization of the Department of Defense, focused on making pivotal investments in breakthrough technologies for national security. The passive sensors that were stationed at several locations on the CYSC as well as in specially outfitted MDSP police vehicles were **part of DARPA's SIGMA+ program, which has developed highly sensitive detectors and advanced analytics to detect minute traces of various substances related to weapons of mass destruction (WMD) threats.** The SIGMA+ network of sensors can detect chemical, biological, radiological, nuclear and high-yield explosive (CBRNE) threats across a major metropolitan city and its surrounding region. SIGMA+ sensors like those tested at CYSC have been tested and demonstrated in other major U.S. metropolitan areas where SIGMA+ capabilities are now in operational use to protect citizens.

CISA, BALTIMORE RAVENS, MSA, FIRST RESPONDERS AND LAW ENFORCEMENT PARTNERS FULL SCALE SECURITY EXERCISE

On December 6, 2023, Baltimore Ravens, MSA, and Cybersecurity and Infrastructure Security Agency (CISA), together with first responders and law enforcement partners, conducted a six-hour Full-Scale Exercise (FSE) to test response plans, procedures and public messaging around hypothetical security incidents at M&T Bank Stadium.

The FSE provided the 485 participants of 33 organizations the opportunity to practice and identify areas for improvement in their response plans, as well as to cultivate or enhance relationships among private sector and local, state, and federal stakeholders in Maryland. The FSE was a culmination of over two years of planning, which included table-top exercises, with the goal of testing interagency response and communication plans at M&T Bank Stadium.

Throughout the year, CISA works with government and industry partners, including sports leagues, teams, stadiums and arenas, and other large venues around the country to develop and exercise response plans for all of the potential **threats in today's environment. CISA participates in approximately 100 cyber and physical exercises a year**, and the agency has staff strategically located throughout the United States to advise businesses, schools, and other organizations of all sizes on ways to enhance their security and resilience.

MSA wishes to express our gratitude to the following stadium partners for their participation in the FSE: Baltimore City Department of Transportation, Baltimore City Fire Department, Baltimore City Office of Emergency Management, Baltimore Police Department, Baltimore City School Police, the Baltimore Ravens, Maryland Coordination and Analysis Center, Maryland Department of Emergency Management, Maryland Department of Transportation, Maryland Transit Administration and Maryland Transportation **Authority (MDTA) Police, Maryland Governor's Office of Homeland Security,** Maryland Institute for Emergency Medical Services Systems, Maryland Department of State Police, SP +, Medstar Health, the Federal Bureau of Investigation, and CISA.

CAMDEN YARDS SPORTS COMPLEX IS A NO DRONE ZONE

While MSA does not generally release specifics about its security related investments and deployment strategies, drones are an emerging technology posing increasing challenges for venue security nationwide. In advance of the

2021 sports seasons, MSA installed new drone detecting and deterring technologies plus signage reminding fans that the Camden Yards Sports Complex is a No Drone Zone.

Federal Aviation Authority (FAA) Temporary Flight Restrictions (TFR) restricts drones from flying within a 3 mile radius of the stadium beginning one hour before the scheduled game time until one hour after the game concludes. The stoppage of play while a drone is above the seating bowl of a stadium is a National Football League (NFL) security requirement.

On November 16, 2023, when the drone violated the TFR, MSA Public Safety and Security with the Maryland State Police (MSP) responded to the location of the pilot/operator who was directed to immediately land the drone. MSA and MSP identified and interviewed the pilot/operator who was unaware of the restrictions and did not have a TFR waiver to operate the drone in stadium airspace during the game. The information collected is forwarded to the FAA's Law Enforcement Assistance Program (LEAP) who determine appropriate enforcement action.

In many instances the drone pilot/operators are fans, hobbyists, or amateur photographers looking to capture footage of the venue, game, or favorite player. They are often unaware of the FAA imposed flight restrictions in place around professional sporting events and do not fully appreciate the potential safety risks involved, or the amount of public safety resources that get diverted to respond to their actions.

The most effective approach to addressing these types of violations, is by preventing them in the first place through ongoing education and increasing awareness that the Camden Yards Sports Complex is a no drone zone.



CAPITAL PROJECTS DEVELOPMENT GROUP



CAPITAL PROJECTS DEVELOPMENT GROUP

MSA's mission has expanded and evolved over the past 37 years to include numerous highly visible and successful economic and feasibility studies, construction projects, and programs. To date, MSA has completed \$4 billion of projects across the state that were delivered on-time and on-budget. MSA is actively involved in \$5 billion of projects. MSA does not advocate for these projects and studies, MSA follows the mission as assigned by **the legislature and executive branch. MSA's studies provide information, not recommendations**, to local and state officials to assist in the decision making process about investment and benefits for their communities and constituents.

SCHOOL CONSTRUCTION PROGRAMS

21ST CENTURY SCHOOL BUILDINGS PROGRAM

The 21st Century School Buildings Program (Program) is a partnership between the MSA, Baltimore City Public Schools (City Schools), the City of Baltimore, and the Interagency Commission on Public School Construction (IAC). The MSA is the Program partner that finances, procures, and builds future- focused, adaptable, sustainable and high-quality schools in communities throughout the City of Baltimore. MSA was authorized to issue up to \$1.1 billion for the 21st Century Schools program in Baltimore.

In 2023, progress on the Program continued in an extremely successful manner by the MSA and City Schools, who are jointly responsible for the effective delivery of this complex program.

The original goal of the Program was to deliver a projected 23 to 28 replacement and/or renovated schools by 2020. Due to efficient project management and innovative financial transactions on the bond issuances, the renovation of the Frederick Douglass Building was added to the Program in 2022. We now anticipate that this program will deliver 29 school buildings. The Program achieved substantial completion in 2021, with two additional buildings completed in 2022, one building completed in 2023, and two buildings forecasted for completion in 2026 due to swing space, programmatic conflicts, and the addition of the Frederick Douglass project to the Program.

It is important to note that five of the replacement or substantially renovated school buildings were designed to contain more than one school program.

Therefore, while the Program will now deliver 29 new or renovated school buildings, the buildings have the capacity to house 34 schools overall. Concurrent with this mission is the planned reduction by City Schools of 26 school facilities from the inventory in order to right-size the portfolio, thereby increasing District-wide utilization by the end of the Program.

To year end 2023, 27 school buildings, designed to serve 31 schools have been completed, with two currently in the design phase. Regarding local hiring, 1,528 positions in Baltimore City have been filled with local candidates to date. This achievement far exceeds the 440-position commitment originally anticipated from our construction contracts. From a procurement perspective, a total of \$1.18 billion has been contracted to date, with \$388 million of MBE contracts equating to 32.77 percent Minority Business Enterprise (MBE) participation.

Together, with our Program partners, MSA contributes to the education of **Baltimore's children, the employment of its citizens**, while creating opportunities for local businesses and inspiring neighborhood revitalization.

SUMMER 2017

Fort Worthington Elementary / Middle School
Frederick Elementary School

SPRING 2018

Dorothy I Height Elementary / Middle School
Wildwood Elementary / Middle School

SUMMER 2018

Forest Park High School
Arundel Elementary School
Historic Cherry Hill Elementary / Middle School
Pimlico Elementary Middle School
Robert Poole Building
(Academy for College and Career Exploration & Independence School)

SUMMER 2019

Arlington Elementary School
Fairmont Harford Building
(The REACH! Partnership School at Lake Clifton Park)

WINTER 2020

Bay-Brook Elementary / Middle School
John Ruhrah Elementary / Middle School
Calvin M. Rodwell Elementary / Middle School

SUMMER 2020

Mary E. Rodman Elementary School

WINTER (January) 2021

Walter P. Carter Elementary / Middle School
Lois T. Murray Elementary / Middle School
Medfield Heights Elementary School

SUMMER 2021

Harford Heights Building
(Harford Heights Elementary School & Sharp-Leadenhall Elementary School)
Billie Holiday Elementary School
Robert W. Coleman Elementary School
Katherine Johnson Global Academy
Govans Elementary School
Patterson Building
(Patterson High School & Claremont Middle/High School)

WINTER (December) 2021

Northwood Elementary School

WINTER (December) 2022

Highlandtown Elementary / Middle School
Montebello Elementary / Middle School

WINTER 2023

Cross Country Elementary / Middle School

IN PROGRESS

Commodore John Rogers Elementary / Middle School
Frederick Douglass High School/ Joseph C. Brisco Academy

BUILT TO LEARN ACT

The Built to Learn Act (“BTL”) authorized the MSA to issue up to \$2.2 billion in debt for the construction of public school facilities throughout the state. Program projects are submitted by Local Education Agencies (“LEAs”) to the Interagency Commission on School Construction (“IAC”) for approval, and funds are allocated to counties based on statutory percentages with a matching requirement.

Currently, the IAC has identified \$3.627 billion in projected BTL projects, of which \$1.595 billion is estimated to be funded by MSA. Debt service for the program is supported by the Educational Trust Fund. MSA’s role on individual school projects will vary from an administrative oversight of LEA managed projects to direct MSA contractual management and project administration.

To date, the MSA Board of Directors has approved agreements for 32 projects valued at \$1.864 billion between the MSA and the following LEAs: Anne Arundel, Baltimore County, Caroline, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Talbot, and Wicomico counties.

PROJECTS

BALTIMORE CONVENTION CENTER CAPITAL INFRASTRUCTURE IMPROVEMENTS AND DESIGN STUDY

In September 2023, the Maryland Stadium Authority (MSA) Board of Directors approved a request from the Executive Director of the Baltimore Convention Center (“BCC”) for MSA to assist with immediate capital infrastructure improvements and design work required for the future modernization of the BCC through the use of supplemental funding appropriated by the state and assigned to the MSA by House Bill 200 (2023) in the amount of \$25,700,000.

In March 2024, the MSA Board of Directors approved the Memorandum of Understanding (MOU) between the Mayor and City Council of Baltimore (the “City”) and the MSA, for the MSA to assist the City with immediate capital infrastructure improvements to the bcc as well as planning and design work required for the future modernization of the BCC in Baltimore, MD. The agreement, which formalizes MSA’s relationship and expected role on the project,

has been reviewed and approved by the **City's** legal counsel for execution by the mayor and City Council.

DEPARTMENT OF LEGISLATIVE SERVICES ANNAPOLIS STATE GOVERNMENT COMPLEX

In March 2019, the MSA Board of Directors approved a request from the President of the Senate and Speaker of the House to manage all aspects, including procurement of professional services and all phases of planning and design, of the renovation and/or replacement of the Department of Legislative Services (DLS) building and connected underground tunnels located in the Annapolis State Government Complex.

The highly visible project is located on Lawyers Mall between Government House, the official residence of the Governor, the State House and nearby Senate and House offices. The original building space and configuration could no longer support the growing staff needs in addition to the challenges of maintaining facility equipment and infrastructure that was beyond its useful life. Demolition of the DLS building structure to grade was completed in October 2022 with demolition to building foundations completed by March 2023.

In September 2024, MSA's project partner, the Whiting-Turner Contracting Company, hosted a topping out ceremony. In building construction, a topping out is traditionally held when the last beam (or its equivalent) is ceremonially placed atop a structure during its construction. We were delighted that State leadership joined us for the momentous occasion.

MSA has hosted virtual meetings with updates and published community **newsletters to keep neighbors and visitors informed. MSA's work takes place** during normal business hours.

The MSA looks forward to the DLS Annapolis State Government Complex project's substantial completion in December 2024.

HAGERSTOWN MULTI-USE SPORTS AND EVENTS FACILITY

In October 2021, with the enactment of the Economic Development –Maryland Stadium Authority – Hagerstown Multi–Use Sports and Events Facility legislation, the MSA is authorized to issue up to \$59.5 million in bonds to finance

the acquisition, design, construction and related expenses to construct the **facility. Then Maryland Governor Hogan’s supplemental budget also provided \$8.5 million dollars towards this effort, while the General Assembly designated another \$1.5 million in the fy2023 Capital Budget for the project.**

In October 2022, Governor Hogan along with project stakeholders broke ground on a new Multi-Use and Sports Facility in the heart of downtown Hagerstown. The stadium—a project long sought by local leaders—will serve as the home of a new professional baseball team in the Atlantic League as well as other sports, cultural, and community events. City, county, and state officials, along with ownership group Downtown Baseball LLC, see the facility as a catalyst for downtown revitalization, as well as further economic development and tourism for Washington County and western Maryland.

In July 2023, state legislation that allows MSA to borrow up to \$200 million for investments into minor league stadiums and other sports entertainment facilities in Maryland was amended to include the Hagerstown project and raised the limit to \$220 million. The change allocated an additional \$20 million to address inflationary pressures being faced on the project.

Also in July, Downtown Baseball LLC announced the team name selection, the **Flying Boxcars, from the numerous submissions in the community’s ‘Name the Team’ contest. This unique name reflects Hagerstown’s aviation history as the home of the famous “Flying Boxcar” manufactured by Fairchild between 1944 and 1955.**

In October, nearly a year to the day of the groundbreaking, MSA's Hagerstown Multi-Use Sports and Events Facility project partner, Turner Construction Company Construction, hosted a topping out ceremony. In building construction, a topping out is traditionally held when the last beam (or its equivalent) is ceremonially placed atop a structure during its construction. We are delighted that local leaders and the team ownership group joined us and even signed the beam. Additional significant project milestones were the installation of stadium lights, scoreboard, and Meritus Park marquee sign.

Upon MSA’s completion of the design and subsequent construction process, the facility will be owned and operated by the Hagerstown Multi-Use Sports and Events Facility, Inc.

The club's first ever homestand is anticipated to start in May of 2024, when the Flying Boxcars open the doors and welcome fans to the brand-new facility.

MiLB HB897 SPORTS AND ENTERTAINMENT FACILITIES AND EVENTS

Minor League Baseball (MiLB) HB 897 (2022) functions like a grant through the MSA, as it authorizes MSA to issue up to \$200 million to fund the development and /or renovations of sports entertainment facilities across the state including minor league ballparks where renovations will be necessary in order to maintain affiliations with major league teams and continue to play in our state. Proceeds allocated from the Maryland state lottery, up to \$25 million annually, will be used to pay debt service on the bonds issued to finance the various projects.

As of August 2023, the following municipalities have memorandums of agreement with the MSA to provide preliminary design, technical and financial assistance as needed through the MiLB 897 program to address improvements required to ensure that the following minor league ballparks and teams meet the recently adopted Professional Development League (PDL) standards.

- Wicomico County - Preliminary Design Services - Arthur W. Perdue Stadium, Wicomico, MD - Home of the Delmarva Shorebirds
- Maryland-National Capital Park and Planning Commission - Preliminary Design Services - **Prince George's Stadium, Bowie, MD** - Home of the Bowie Baysox
- City of Frederick - Preliminary Design Services - Nymeo Field at Harry Grove Stadium, Frederick, MD - Home of the Frederick Keys and tentatively the Spire City Ghost Hounds
- Charles County Commissioners - Preliminary Design Services Regency Furniture Stadium - Waldorf, MD – Home of the Southern Maryland Blue Crabs
- City of Aberdeen - Preliminary Design Services Leidos Field at Ripken Stadium - Aberdeen, MD – Home of the Aberdeen Ironbirds

Of note, this new fund also may be utilized by other sports entertainment venues such as equestrian centers, multi-use sports complexes, venues for youth and amateur sports tournaments. Recreational facilities are eligible for funding if an economic and feasibility study demonstrates positive economic impact to the state of Maryland.

PRINCE GEORGE'S COUNTY BLUE LINE CORRIDOR SPORTS AND ENTERTAINMENT FACILITIES

During the 2022 legislative session, the General Assembly authorized MSA to issue \$400 million in bonds to finance the planning, design, and construction of **certain Prince George's County Blue Line Corridor sports and public assembly facilities**. In April 2022, the MSA Board of Directors approved a request by the **Prince George's County Executive MSA's assistance with respect to the feasibility, design, development, and construction of proposed sports and public assembly facilities to include the following:**

- Central Library, Cultural Center and Magnet Charter School
- Basketball / Volleyball Fieldhouse
- Central Avenue Market Hall
- Wayne K. Curry Civic Plaza
- FedEx Field (stadium demolition)

In December 2022, the MSA successfully negotiated and its Board of Directors approved a Memorandum of Understanding (MOU) which will dictate roles and responsibilities of both parties. In January 2023, the Maryland Board of Public Works (BPW) approved the MOU that formally begins the process to issue up to \$400 million in bonds for economic development along the Prince George's County Blue Line Corridor. Of note, with the exception of the stadium demolition **at FedEx Field, Prince George's County anticipates that all other proposed facilities would be constructed on land owned by the county and/or of public and quasi-public partners, all of whom were partners in creating the Blue Line Corridor vision.**

In April 2023, the MSA Board of Directors approved a request from Prince **George's County for MSA to manage a market and economic study for a proposed indoor fieldhouse**. In October 2023, after the successful completion of the procurement process, BPW approved the MSA awarding a design-build services contract for the Wayne K. Curry Civic Plaza.

PROJECT C.O.R.E.

Project C.O.R.E., or Creating Opportunities for Revitalization and Equity, is a City-State partnership to demolish, deconstruct or stabilize vacant and derelict buildings in Baltimore and replace them with green space, residential or

commercial use projects, parks and other redevelopment that serves the needs of the community.

Operating under an MOU with the Maryland Department of Housing and Community Development and the Baltimore City Department of Housing and Community Development, MSA has agreed to oversee the demolition of vacant structures throughout the city of Baltimore. Through the end of 2023, MSA received 1,288 active notices to proceed with demolition and has completed then turned over 1,239 properties to the City of Baltimore. The remainder are either in demolition or hazardous materials remediation. The state has dedicated \$75 million to this program, with the city of Baltimore providing \$18.5 million.

REDEVELOPMENT OF PIMLICO RACE COURSE AND LAUREL PARK RACING FACILITIES

With the enactment of the Racing and Community Development Act of 2020, the MSA was authorized to finance up to \$375 million for the planning, design, and construction of the Pimlico and Laurel Park Racing Facilities. Previously, MSA managed the Pimlico Race Course studies that examined the present conditions of Pimlico, and envisioned an ideal venue for the Preakness Stakes with year-round non-racing use of the facility for the benefit of the community. Presently, the MSA is awaiting the reaction to the Maryland Thoroughbred Racetrack Operating Authority report of January 2024 to provide further direction on the redevelopment of the racing facilities.

STUDIES

COPPIN STATE UNIVERSITY PROPOSED PUBLIC SAFETY BUILDING

In April 2022, the MSA Board of Directors approved a recommendation to award an architectural/engineering services contract to Manns Woodward Studios, Inc. to provide preliminary design for a public safety building to be located on the campus of Coppin State University. The Governor and General Assembly have identified this project as a priority for the city of Baltimore, and to that end allocated \$450 thousand from the fiscal year 2021 capital budget to pay for this preliminary design study.

In August 2023, the MSA published its preliminary design report with supporting appendices related to a proposed new public safety building at CSU.

FROSTBURG STATE UNIVERSITY REGIONAL RECREATION CENTER MARKET AND ECONOMIC STUDY

In May 2023, the Maryland Stadium Authority (MSA) Board of Directors approved a request from the President of Frostburg State University (FSU) for the MSA to manage a market and economic study related to the potential development of the I-68 Regional Recreation Center at FSU in Frostburg. The study included preliminary due diligence, market assessment, an economic impact analysis, plus ongoing business planning and advisory services. The study **was performed by MSA's on-call market, economic, and business consultant, Crossroads Consulting Services, LLC.** FSU fully funded the \$68,300 cost of the study.

HISTORIC ST. MARY'S CITY FORT MARKET AND ECONOMIC STUDY

In May 2021, the MSA Board approved a request by Historic St. Mary's City Commission (HSMCC) for the use of the MSA's on-call market, economic, and business consultant, Crossroads Consulting Services LLC to perform the study. The study intended to provide objective, research-based information to assist **Historic St. Mary's City while making decisions regarding potential economic and fiscal benefits associated with the recent discovery of the St. Mary's Fort.** The total cost of the study was \$188,840 and fully funded by HSMCC.

In March 2023, the MSA published the market assessment and economic impact **analysis related to the recently discovered St. Mary's Fort in Historic St. Mary's City** as requested.

MLS NEXT PRO PROPOSED NEW MULTI-USE SOCCER STADIUM

In May 2022, business and advisory services were requested by the Maryland Secretary of Commerce related to a proposed multi-use soccer stadium to be located in the Baltimore metropolitan area. The \$50,000 study, equally funded by MSA and DC United, included market and economic analysis, as well as site analysis. The stadium will be operated by DC United and will house an MLS Next Pro team as part of a new league. The study kicked-off in October 2022.

In December 2023, the MSA presented the report that Crossroads Consulting Services, LLC, in association with Populous, completed with the market, site fit

and economic impact analysis related to a proposed new multi-use soccer stadium in Baltimore Metro area.

STUDIES IN PROGRESS

STUDY	BUDGET
Anne Arundel County Proposed Arts and Conference Center Market and Economic Study	\$67,100 funded by Arts Council of Anne Arundel County and Visit Annapolis and Anne Arundel County
MLS NEXT Pro Proposed New Multi-Use Soccer Stadium, Phase 2 Preliminary Design	\$450,000 funded by DC United: \$225,000, Maryland Department of Commerce: \$100,000, City of Baltimore: \$100,000, MSA: \$25,000
Ocean City Convention Center Space Master Plan and Parking Demand Study	\$57,500 funded by the Town of Ocean City
Frostburg State University (FSU) – I-68 Regional Recreation Complex Planning and Design Services	\$5 million funded by FSU through the \$5 million provided by the Governor’s Supplemental Budget for this next phase of the project which is important to the region
St. Mary’s County Potential Sports Complex, Phase 2 - Preliminary Design	\$125,000 funded by St. Mary’s County



CAMDEN YARDS SPORTS COMPLEX



Photos from top to bottom: In January 2023, MSA and Baltimore Ravens leadership meets with Governor Hogan after the new stadium lease agreement for M&T Bank Stadium receives unanimous and final approval from the Board of Public Works. In December 2023, MSA and the Baltimore Ravens announce our collaborative multi-year renovation project that utilizes an estimated \$430 million of the \$600 million of state funds allotted for improvements to enhance M&T Bank Stadium.





CAMDEN YARDS SPORTS COMPLEX



On December 18, at an emergency meeting at the Warehouse at Camden Yards, the Board of Public Works unanimously approved a long-term agreement between MSA and the Baltimore Orioles which includes a thirty-year extension to existing lease terms, with an option to pursue development rights at the Camden Yards Sports Complex.



CAPITAL PROJECTS DEVELOPMENT GROUP



Photos top to bottom: MSA project team, Turner Construction Company, project partners and stakeholders including Downtown Baseball ownership group gather for topping out ceremony for the new Hagerstown Multi-Use Sports and Events Facility





CAPITAL PROJECTS DEVELOPMENT GROUP



Photos top to bottom: MSA leadership and project team, Whiting Turner Construction Company, project partners and stakeholders including state leadership gather for topping out ceremony for the Department of Legislative Services Annapolis State Government Complex





MSA COMMUNITY OUTREACH

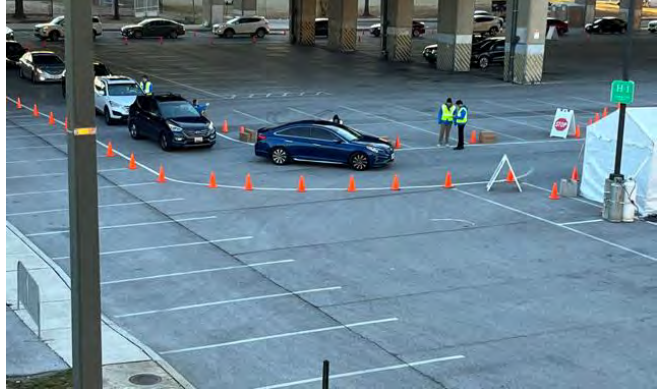


Photos top to bottom: MSA at the Maryland Minority Business Counts: Elevate & Engage event at Coppin State University; MSA at the Maryland Association of Counties Summer Conference, MSA hosting MBE nextworking nights in our suite at the ballpark.





COMMUNITY OUTREACH



Photos: In addition to games and a concert, the MSA and teams hosted approximately 131 local events like the Baltimore Station's Stars, Stripes, and Chow Chili Cook Off annual fundraiser; the Hyundai Anti-Theft Software Upgrade Weekend Mobile Clinic; Salvation Army Fun Run and Shield Build - Red Kettle Kickoff; and student tours.





21ST CENTURY SCHOOL BUILDINGS PROGRAM



Photos top to bottom: State, City of Baltimore leadership and Program partners at ribbon-cutting for Cross Country Elementary / Middle School; MSA Chair Thompson





21ST CENTURY SCHOOL BUILDINGS PROGRAM



Photos from top to bottom: Exterior of newest 21st Century School Building at ribbon-cutting; MSA leadership and Cross Country Middle / Elementary School project team





MARYLAND SPORTS COMMISSION

MISSION:

To enhance Maryland's economy, image and quality of life through the attraction, promotion, retention and development of regional, national and international sporting events

MARYLAND SPORTS COMMISSION

The Maryland Sports Commission continues to assert itself as a premier destination in the sports tourism industry. With an unprecedented amount of events from 2022 to 2023, aided by a grant and fund program that is one-of-a-kind in the sports tourism space, the Maryland Sports Commission is a leading force in recruiting and retaining world-class events in the national and international communities.

Much of this success is credited to the efforts by Maryland Sports Commission to **traverse the country in an effort to identify opportunities to grow Maryland's economy** for the betterment of its citizens and residents through the impact of new money entering the state.

The Maryland Sports Commission is especially pleased with the distribution of the Maryland Sports Youth & Amateur Sports Grant and Michael Erin Busch Fund FY 2023, \$2.33 million dollars in investment into sport tourism recruitment for communities across Maryland

Some of the major milestones accomplished by the Maryland Sports Commission include, but are not limited to:

NOVEMBER 2022

- Return of Bay Bridge Run; Navy vs. Notre Dame at M&T Bank Stadium
- Terry Hasseltine named Maryland Tourism Person of the Year by the Maryland Tourism Coalition

DECEMBER 2022

- Maryland Sports traveled to the U.S. Sports Congress in Richmond, VA; - **Maryland Sports served as “Tech Tuesday” professional development Sponsor**
- Maryland Sports partnered with Stevenson University & Visit Annapolis to present Stagg Bowl: NCAA Division III Football National Championship at Navy Marine Corps Stadium
- Maryland Sports Commission continued to serve as a sponsor of the Military Bowl Sponsorship Duke vs. UCF at Navy Marine Corps Memorial Stadium - through the Maryland Sports Grant and Fund

JANUARY 2023

- Maryland Sports builds on investment in Next Collegiate Lacrosse, sponsored by Next Level Sports and Entertainment - providing grant funding to increase access and opportunities for HBCU lacrosse
- Maryland Sports partners with Corrigan Sports Enterprises as TV Broadcast partner for Ocean City Running Festival

FEBRUARY

- IAA Returns to CFG Bank Arena in Baltimore; Maryland Sports partners with TEAM Maryland partner, Visit Baltimore, in presenting partnership

MARCH

- Maryland Sports Spelling Bee - Virtual Event. Champion, Ayesha Syed of Baltimore County, advances to 6th Round of the Scripps National Bee - the furthest a Maryland Sports Bee Champion has advanced

APRIL

- Howard University Lady Bison Invitational Golf Tournament at Baltimore Country Club
- Maryland Sports sponsored the 5th Annual Social Justice Alliance Symposium, a partnership between Bowie State University and the University of Maryland honoring the legacy of 1st Lt. Richard Collins, III. Speakers included: Olympic Gold Medalist & Entrepreneur Dominique Dawes, former NBA player & Social Justice Advocate Etan Thomas, Professor & ESPN analyst Kevin Blackstone, WNBA Star Marissa Coleman, UMD Terps volleyball standout & pro volleyball player Rainelle Jones, Bowie State University President Dr. Aminta Breaux, UM Terps Director of Athletics Damon Evans, UM Terps Football Coach Mike Locksley, Bowie State University VP for Intercollegiate Athletics Clyde Doughty Jr., **Bowie State University Women's Basketball Coach Shadae Swan, UMD Asst. VP of Engagement Dr. James McShay, and Bowie State University student & former track athlete Zion Tyler.**

MAY

- Maryland Sports sponsors and attends annual Sports ETA Symposium in Kansas City - **Maryland Sports Commission named finalist for "Sports Commission of the Year: Population 500,000 and above"**

- Maryland Sports Commission partners with Visit Annapolis & Anne Arundel County on the 2023 Santa Maria Cup; female competitors from five different nations and the US race J/22s on the Severn River - hosted by Eastport Yacht Club
- **2023 NCAA Division III National Men's Volleyball Championship hosted by Stevenson University in Owings Mills - Grant recipient**

JUNE

- Maryland Sports, TEAM Maryland & The Collective Best host NCAA Breakfast with Maryland-based colleges and universities Athletic Directors at The Warehouse at Camden Yards in an effort to pursue major NCAA Championships and events for the state

JULY

- Maryland Sports partners with Premier League Summer Series match - Aston Villa vs Brentford & Chelsea vs Fulham at FedEx Field in Landover
- August 2023:
- Maryland Sports Commission attends 2023 MACo Conference in Ocean City; Terry Hasseltine hosts TEAM Maryland information session during conference breakout session
- **U.S. Women's Match Racing Championship hosted by Annapolis Yacht Club;** partnered with TEAM Maryland member Visit Annapolis & Anne Arundel County

SEPTEMBER

- Maryland Sports partners with TEAM Maryland partner Visit Baltimore to host 78th NACIVT Volleyball Tournament sponsored by the CCBA at the Baltimore Convention Center. More than 150 teams from across the U.S. and Canada - 5,000+ total visitors
- USA Pickleball Mid-Atlantic Diamond Amateur Regional at The Courts at Harmon Field - **partnered with TEAM Maryland's Wicomico County through Grant Program**
- Maryland Sports attends 2023 S.P.O.R.T.S Relationship Conference in South Bend, Indiana on the campus of the University of Notre Dame

OCTOBER

- Maryland Sports and TEAM Maryland attend 2023 TEAMS Conference and Expo in West Palm Beach, Florida

- Baltimore Running Festival Returns to Baltimore City
- Inaugural Ocean City Running Festival - Corrigan Sports Enterprises
- Visit Annapolis & Anne Arundel County in partnership with USA BMX & Chesapeake BMX announce a multi-year partnership to host the East Coast Nationals in Severn for 2024, 2026 & 2028

NOVEMBER

- Maryland Sports Commission sponsor for 2023 Maryland Tourism & Travel Summit in Owings Mills
- Maryland Sports Commission partners with Maryland Interscholastic Cycling League (MICL) on the Inaugural NICA Eastern Regional Festival and Championship, held at the Fair Hill Natural Resources Management Area.

DECEMBER

- Maryland Sports Commission attends 2023 US Sports Congress Conference in Lake Charles, LA. Maryland Sports Sponsors Tech Tuesday event
- 2023 Military Bowl presents Virginia Tech vs Tulane at Navy Marine Corps Stadium in Annapolis
- Maryland Sports Commission and Visit Annapolis & Anne Arundel County **hosted the Ireland National Women's Softball team in December for winter training** at the API Athletic Complex in Gambrills. This is a partnership between the Maryland Sports Commission and the Ireland National Softball Team as an extension of the 2023 European Softball Championships hosted in Ireland in the summer of 2023.

THE SPORT AND ENTERTAINMENT CORPORATION OF MARYLAND

The year saw continued growth from the Sport and Entertainment Corporation of Maryland (Sport Corp.), the non-profit arm of the Maryland Sports Commission. The Sport Corp owns and operates the Maryland Cycling Classic and Maryland 5 Star at Fair Hill. It will also be responsible for organizing and executing the AAU Junior Olympic Games in 2028 & 2032 in Baltimore, Maryland. The year showed that the Sport Corp. is headed in the direction of being a major force on the national and international sports tourism industry, as it relates to growth and successful operation of high profile sporting competition.

MARYLAND CYCLING CLASSIC SUPPORTED BY UNITEDHEALTHCARE

The second annual Maryland Cycling Classic presented by UnitedHealthcare, **America's top one-day** international pro cycling race sanctioned by the Union Cycliste Internationale (UCI) and USA Cycling, was held September 3, 2023 in **Baltimore, Md. The race featured some of the world's best cyclists including Tour de France participants, National Champions, World Champions, and Olympians** from over 20 countries. The Maryland Cycling Classic presented by UnitedHealthcare was part of a four-day weekend community celebration of health and wellness featuring participatory events, an interactive festival, local food and drinks, along with other family-friendly activities. The race is endorsed by Maryland and Baltimore Civic Leaders, while owned and operated by Sport and Entertainment Corporation of Maryland. The event is managed and marketed by industry leaders Medalist Sports and KOM Sports Marketing.

With an estimated more than 50,000 fans spread across the entirety of the 120-plus mile course, the second edition of the Maryland Cycling Classic exceeded organizers expectations as it related to attendance and execution of the entirety of **the event. Nearly a week's worth** of ancillary community events culminated with an exciting finish to the 2023 Maryland Cycling Classic Supported by UnitedHealthcare, with professional cyclist Mattias Skelmoose of Denmark taking home the Blue Jersey.

New partnerships with local media outlet, *The Baltimore Times*, saw a state-of-the-art interactive exposition on the life and legacy of Major Taylor, the first black professional cyclist in the history of the sport. Along with a night of

champions event that focused on the impact of black cyclists on the sport at the Reginald F. Lewis Museum in Baltimore, event organizers hosted successful community events and initiatives such as: Bike Jam and Team Introductions, as well as school and community visits around Baltimore City and Baltimore County.

The Maryland Cycling Classic also saw a live broadcast of the event - in its entirety - via Maryland Public Television (MPT). This relationship is one that grew through the Sport Corp. as MPT was the official television broadcast partner of the MARS Maryland 5 Star at Fair Hill in Cecil County presented by Brown Advisory.

MARS MARYLAND 5 STAR AT FAIR HILL PRESENTED BY BROWN ADVISORY

The third edition of the MARS Maryland 5 Star at Fair Hill presented by Brown Advisory took place the week of October 19, 2023 in Cecil County, Maryland at the prestigious Fair Hill Special Event Zone.

Hailed as an equestrian triathlon featuring an international field of riders and their horses with four days of Eventing competition featuring Dressage (Thursday-Friday), Cross-Country (Saturday), and Show Jumping (Sunday) took place, along with an outstanding array of special events, entertainment and attractions throughout the weekend geared towards the entire family.

All of the excitement in Elkton, Maryland, part of Cecil County, is a location where visitors can discover the fall beauty, small town charm, award-winning restaurants and so much more that the county has to offer.

One of the more popular packages for fans was the tailgating packages during the exhilarating Cross-Country phase held on Saturday of the event. Guests also enjoyed a rope-side hospitality tent with plenty of comfortable covered seating in the Sawmill Waterfront Club on Saturday as well. Presented by Quarry View Building Group, the Sawmill Waterfront Club providing an exclusive experience with stunning views of Fair Hill.

For an enhanced experience, guests made the most of their time at the Maryland 5 Star at Fair Hill with a Johnnie Walker VIP Hospitality Tier 1. This included access to a gorgeous, glass-enclosed hospitality tent overlooking the Main Arena, delicious food and an open bar with signature cocktails.

Additionally, guests had a covered, reserved seat with premium views of the competition located directly off of the indoor VIP hospitality tent for easy access back and forth. Guests watching the action had the opportunity to interact with athletes via the press conference area that will be part of Tier 1 as well.

Throughout the weekend, guests enjoyed an array of fantastic special events and entertainment attractions for the entire family. Guests 21 years and older were invited to experience the Local Beer, Wine & Spirits Expo by Bog Turtle Brewery & Elk River Brewing Company on Saturday, October 21 as both featured a custom beer, designed just for the event. The Fresh Food Fest held in partnership with Upper Shore Regional Council served up fresh, locally sourced food on Sunday, along with a selection of delicious food trucks throughout the venue.

New this year was the Kids' Zone, packed with fun and engaging activities for the Maryland 5 Star's youngest fans. Kids of all ages were welcome to join in the Hill Side Area to find their way through the hay maze, meet and learn about some of the most famous horses of all-time at the Hall of Champions and more. Amid the excitement of the Show Jumping phase on Sunday of the event, an adorable pack of corgis took the field for the Maryland Corgi Cup presented by Major League Eventing, in pursuit of the coveted title: Fastest Corgi in Maryland.

Also for 2023, the introduction of MD5Star Radio powered by Brown Advisory. Fans had the opportunity for the first time to purchase a radio (earpiece) in advance of and during the event (based upon availability) and listen to all of the same commentary from the live broadcasts and stream throughout the competition.

In addition to the CCI5* action, guests were able to watch the very best in competition with champions being crowned during three of the four days of competition with the USEF CCI3 Star-Long National Championship taking place each morning during event week, along with the USEA East Coast Nationals for Young Event Horses, ages 4 and 5 on Thursday and Friday. Adding to the **excitement was the fact that this year's event served as an Olympic Qualifying Event and U.S. Selection Trial for the Paris Olympics in 2024.**

FOOTBALL FOR PEACE

Football for Peace: A Baltimore-Maryland 2026 World Cup Legacy Program, announced in September the launch of an incredible, first-of-its-kind partnership

between Football for Peace, American University (AU), and the Maryland Sports Commission the creation of the first FfP Peace Center.

American University's School of International Service (SIS) and Football for Peace (FfP), an international sports diplomacy non-government organization headquartered in London, UK, with the support of the Maryland Sports Commission, launched the first Football for Peace Center in the United States. The Peace Center will address pressing social and environmental challenges in the U.S. and around the world, focusing on youth empowerment, water prosperity, and societal advocacy.

The FfP Peace Center will serve as a platform for community service, global campaigns, advocacy, and youth engagement for marginalized communities in the Washington, D.C., Maryland, and Virginia area, as well as for AU students, alumni, and partners, uniquely leveraging the power and popularity of both **soccer and American football. As one of the new Center's initiatives, SIS faculty and students will share their expertise in water politics and justice to support Football for Peace's Rehydrate the Earth campaign, which will be formally launched later ahead of World Water Day 2024. The campaign is the world's first global football-led water campaign.**

The agreement between AU SIS and FfP was celebrated during a special event on the AU campus that focused on the impact of sports diplomacy and featured prominent speakers, including Brenda Abdelall, Assistant Secretary, U.S. Department of Homeland Security; George Atallah, assistant executive director of external affairs for the NFL Players Association; Terry Hasseltine, of the Maryland Sports Commission; Josh Norman, NFL former Washington Commanders' top cornerback; Oguchi Onyewu, former US Men's soccer national team Captain and Vice President of Sporting, United States Soccer Federation; tennis star Francis Tiafoe; and Brenden Varma, Deputy Director, UN Information Center..



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THE SPORT & ENTERTAINMENT CORPORATION



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With Gratitude for Your Service to MSA
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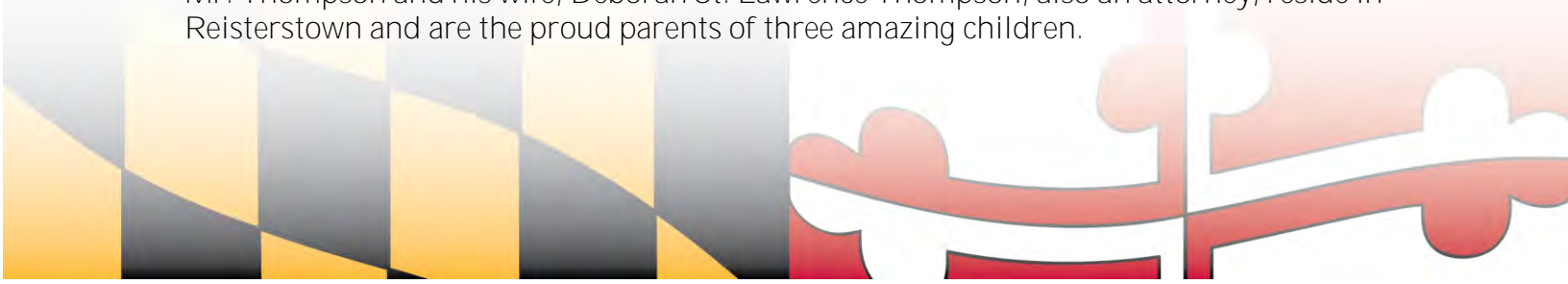
MARYLAND STADIUM AUTHORITY ***CHAIRMAN CRAIG A. THOMPSON***



Mr. Thompson is a well-known and experienced trial attorney and partner at Venable LLP **and serves on the firm's board. Through his litigation practice he has represented clients** in state and federal courts across the country. He has also negotiated the resolution of numerous matters, developing an approach to the profession that is both assertive and respectful. Mr. Thompson has been involved in the Maryland community for years and is currently the Chair of the Board of Trustees of the University of Maryland College Park Foundation. He has also served on the boards of the University of Maryland Children's Hospital, McDonogh School and the Baltimore Leadership School for Young Women. He earned two B.A. degrees from the University of Maryland College Park and a J.D. from the University of Maryland Carey School of Law.

Mr. Thompson is a native of Baltimore City and a graduate of Maryland public schools. An only child raised by a single mother, he graduated from the University of Maryland and earned two Bachelor of Arts Degrees: one in Political Science, and a second Degree in African-American Studies. He is also a 1995 graduate of the University of Maryland School of Law.

Mr. Thompson and his wife, Deborah St. Lawrence Thompson, also an attorney, reside in Reisterstown and are the proud parents of three amazing children.





**Our mission is to
plan, finance, build
and manage sports and
entertainment facilities in
Maryland; to provide enjoyment,
enrichment, education, and business
opportunities for citizens; and to
develop partnerships with local
governments, universities,
private enterprise and the
community.**

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CAMDEN YARDS
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