



2020 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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Letter from the Chairman & Executive Director

Despite the challenging environment of the COVID-19 pandemic, the Maryland Stadium Authority (MSA), continued to deliver upon our promise of on time, on budget project and feasibility study completion.

Historically, by working with state, city and county partners, MSA's construction and study activities improve the quality of life of Marylanders and those who visit our state. This year, by teaming up with local, national and international non-profit organizations, MSA also helped provide nourishing meals to Marylanders in need and a safe, socially distanced place to vote during the General Election.

It was a proud moment for everyone at MSA when Governor Larry Hogan announced that an additional \$60 million is available for school construction due to efficient project and fiscal management of the 21st Century School Buildings Program, the \$1.1 billion partnership with Baltimore City Public Schools. Thus far, MSA has delivered 15 modernized school buildings on time and approximately 5% under budget. The pre-pandemic ribbon-cutting community celebrations brought much joy to those in attendance. For now, the virtual ribbon-cutting ceremonies are livestreamed and enjoyed remotely and safely.

By working in partnership with the Orioles and Ravens, Oriole Park at Camden Yards and M&T Bank Stadium remain world-class facilities in Major League Baseball and the National Football League. MSA understands and appreciates public interest in the lease between MSA and the Orioles, due to expire at the end of 2021, and the future of the beloved ballpark. MSA, together with the Orioles, promises to keep fans informed of ongoing discussions or negotiations, as appropriate.

With an increase in volume and variety, MSA continues to work with municipal governments throughout Maryland on complex studies and highly visible construction projects that promote economic development, infrastructure improvement, and tourism. Most notably these include the third and final expansion of the Roland E. Powell Convention Center with MSA's longtime partners in the Town of Ocean City and the Fair Hill Improvement Zone for Maryland's Department of Natural Resources in anticipation of hosting the premier Maryland 5 Star at Fair Hill three-day equestrian eventing competition.

With the enactment of the Racing and Community Development Act of 2020, MSA's management of the Redevelopment of Pimlico Race Course and Laurel Park is on track for this highly complex, multi-step, multi-jurisdiction, multi-year project. Previously, MSA managed the Pimlico Race Course studies that examined the present conditions of Pimlico, then envisioned an ideal venue for the Preakness Stakes with year-round non-racing use of the facility for the benefit

of the community.

MSA, through its Maryland Sports Commission division, continues its efforts with the Baltimore-Maryland 2026 World Cup Host Committee, inaugural Maryland Cycling Classic and Maryland 5 Star equine event at Fair Hill. Event planners and venue owners across the state were appreciative of the Return to Play Resource Center developed by Maryland Sports.

Throughout the year, as we do every year, MSA worked on continuous improvements to our operations that included improvements to the Warehouse at Camden Yards which we operate as commercial real estate, as well as improvements in security, facilities management, procurement, information technology, and administration.

As a nation, we are confronting social injustice during an already challenging time. Together, with compassion and civility, MSA continues to cultivate a culture of diversity and inclusion. To that end, MSA announced a new Equal Employment Opportunity Officer to lead a new employee taskforce and serve as the new Minority Business Enterprise (MBE) Liaison to advocate for MBEs actively working on contracts within the agency.

In keeping with the agency's philosophy of service, MSA's employees enthusiastically support numerous non-profit organizations through the Maryland Charity Campaign. During 2020, MSA's employees generously donated 134% of the agency's fundraising goal. Also, many MSA employees volunteered in "Day to Serve" projects benefiting the environment and honoring veterans.

Whenever the MSA is asked to take on projects and studies our response is "we're here to serve". It is our sincere pleasure to serve the citizens of Maryland as we plan, finance, build and manage innovative educational and entertainment facilities for the benefit of present and future generations.

Thank you,



Thomas Kelso
Chairman of the Board



Micheal Frenz
Executive Director



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Report on the Financial Statements

We have audited the accompanying statement of net position of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of and for the year ended June 30, 2020, and the related statement of revenue, expenses and change in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2020, 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.

Emphasis of Matter - Correction of an Accounting Error

As described in Note 7 to the financial statements, the Authority corrected an accounting error related to long term liability - swap agreements. Our opinion is not modified with respect to this matter. The correction of the error resulted in a restatement of beginning net position.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining schedule of revenue, expenses and change in net position is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedule of contributions from primary government and the combining schedule of revenue, expenses, and changes in net position are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of revenue, expenses and change in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The combining schedule of contributions from primary government and the combining schedule of revenue, expenses, and changes in net position have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland

October 30, 2020



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 2020 financial statements with fiscal year 2019, for comparative purposes. 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 in the construction of replacement and renovation of Baltimore City Public Schools, and construction management for various projects throughout the State.

There are three financial statements presented for the reader: The Statement of Net Position; the Statement of Revenue, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

STATEMENT OF NET POSITION

The Authority's Statement of Net Position presents the assets, liabilities, and the net position of the Authority as of June 30, 2020. The Statement of Net Position provides the reader with a financial picture of the Authority's assets and (current and noncurrent) deferred outflows, liabilities and (current and noncurrent) 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 four categories. The first category, "net investment in capital assets," reflects the Authority's investment in furniture, equipment and facility rights, net of debt. The second category, "restricted for debt service," represents funds held by the Authority with the restricted purpose of paying debt service on the outstanding bonds. The third category, "restricted for capital assets," is funds available for use on specific projects only. The final category, "unrestricted," is available funds held by the State's Comptroller's Office less the liability related to the interest rate swaps.

Financial Report

Below is a comparison of the Statements of Net Position as of June 30, 2020 and 2019:

	2020	As of June 30, 2019
ASSETS AND DEFERRED OUTFLOWS		
Current assets	\$ 398,084,692	\$ 597,355,233
Capital assets, Net	41,651,138	46,434,585
Other noncurrent assets and deferred outflows	51,451,902	52,624,166
TOTAL ASSETS AND DEFERRED OUTFLOWS	491,187,732	696,413,984
LIABILITIES AND DEFERRED INFLOWS		
Current liabilities	120,050,554	140,540,006
Noncurrent liabilities and deferred inflows	948,891,840	955,202,060
TOTAL LIABILITIES AND DEFERRED INFLOWS	1,068,942,394	1,095,742,066
NET POSITION		
Net investment in capital assets	(34,003,915)	(11,370,225)
Restricted for debt service	25,802,250	2,361,268
Unrestricted	(569,552,997)	(380,319,125)
TOTAL NET POSITION	\$(577,754,662)	\$(389,328,082)

During the fiscal year 2020, total assets and deferred outflows for the Authority decreased from the prior year by approximately \$212.1 million, mainly due to: 1) cash, cash equivalents and restricted investments decrease by approximately \$194.3 million as a result of a decrease of \$11.3 million related to the operations at the Camden Yards Sports Complex and the administration of the Baltimore City public schools program, a decrease of \$7.7 million related to the demolishing and stabilization of vacant homes in Baltimore City, a decrease in project advances of \$7.7 million, a decrease of \$178.4 million in restricted



STATEMENT OF NET POSITION *CONTINUED*

investments from the Series 2016 and Series 2018A bond which were used for construction costs related to Baltimore City Public Schools, a decrease in \$13.9 million in restricted investments for the Series 2019A and Series 2019B used for various capital projects at the Camden Yards Sports Complex, and an increase of \$24.7 million in restricted investments for the Series 2019C bonds which will be used for expansion of the Ocean City Convention Center; 2) capital leases receivable decreased by approximately \$8.9 million with a reduction of \$22.8 million for the 2020 principal payment received and an increase of \$13.9 million from the use of funds from the Series 2019A and 2019B bonds related to the Camden Yards Sports Complex; and 3) intangible assets decreased by \$14.8 million as a result of capital improvements to the Camden yards Sports Complex of \$3.0 million, and a decrease of \$17.8 million for depreciation and disposals.

The decrease in net accounts receivable and due from primary government of approximately \$4.1 million is the result of the following: a decrease in the Baltimore Orioles' rent and reimbursement of \$3.4 million and a decrease in admissions taxes of \$1.7 million. These decreases are attributable to the coronavirus that delayed the season and playing games without fans in the stadium. Notes receivable, prepaid expenses and interest receivable decreased by \$1.4 million. Finally, deferred outflows increased by \$1.3 million.

Total liabilities and deferred inflows as of June 30, 2020, decreased by approximately \$28.0 million. Accounts payable, accrued expenses and project advances decreased by \$8.5 million as a result of a \$7.4 million decrease from the State's Department of Housing and Community Development's (DHCD) project advances, a decrease of \$1.1 million from Montgomery County for project advances, a decrease of \$6.9 million for project advances, an increase of \$6.1 million related to the operating deficits for the Baltimore City and Ocean City Convention Centers, an increase of \$0.9 million for construction expenditures related to Baltimore City Public Schools, \$0.3 million decrease in operations. There was a decrease in the equipment, financing, revenue bonds and lease revenue bonds of approximately \$20.7 million as a result of new debt and bond premium, the Series 2019C, totaling \$24.7 million, there was \$37.9 million used to make payments towards the outstanding principal on the bonds, and \$7.5 million in amortization of bond premiums and discounts. Unearned revenue decreased \$0.2 million from recognition of prepaid rent received from a warehouse tenant. Deferred inflows related to pension decreased \$0.1 million with net pension liability increasing by \$2.2 million. There was a decrease in interest payable of \$0.3 million. Finally, for fiscal year 2020, the derivative liability decreased by \$0.4 million as a result of the change in the fair market values of derivatives and the maturity of the Series 2007 bonds.



STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

Below is a comparison of the Statements of Revenue, Expenses, and Changes in Net Position for the years ended June 30, 2020 and 2019:

	For the Years Ended June 30,	
	2020	2019
Operating revenue	\$ 49,142,289	\$ 45,705,380
Operating expenses	72,047,078	64,732,189
Operating loss	(22,904,789)	(19,026,809)
Non operating expenses	(180,746,259)	(161,311,419)
Loss before contributions	(203,651,047)	(180,338,228)
Contributions from primary and local governments and other sources	9,201,367	10,823,649
Decrease in net position	(194,449,680)	(169,514,579)
Net position at beginning of year	(383,304,982)	(219,813,503)
NET POSITION AT END OF YEAR	\$ (577,754,662)	\$ (389,328,082)

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 2020. The revenue and expenses are presented in operating and non-operating categories.

The statement required a restatement of beginning net position for the swap agreement. Due to the Authority's accounting for the changes in fair value of the agreement, beginning net position was increased \$6,023,100. The Authority did not restate prior year financial statements.

At the end of fiscal year 2020, the Statement of Revenue, Expenses, and Changes in Net Position disclosed a \$194.4 million decrease to net position. The following information explains the decrease in net position.

Operating revenue generated at the Camden Yards Sports Complex for fiscal year 2020 totaled \$49.1 million. A large percentage of the revenue received by the Authority relates to the operation of the stadiums. 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 \$14.1 million of the revenue for fiscal year 2020.

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION CONTINUED

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 \$9.3 million. Also included in admission taxes is a two dollar (\$2) ticket charge for the Hippodrome Performing Arts Center for \$0.6 million for a total of \$9.9 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 \$4.0 million a year.

Miscellaneous 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, contribution from the DHCD for the demolition program and adjustments to capital assets, which totaled approximately \$21.1 million for fiscal year 2020.

Overall, operating revenue for fiscal year 2020 increased by approximately \$3.4 million from revenue in fiscal year 2019 due to the a decline in Baltimore Orioles' rent of \$3.7 million, this is mainly from the baseball season being delayed until after the end of the fiscal year because of the coronavirus, an increase in Baltimore Ravens' contribution of \$1.5 million from higher operating costs and special project reimbursement, an increase in admission taxes of \$0.8 million because of a concert at Oriole Park and one Baltimore Ravens playoff game, an increase of \$4.6 million in funding for the Baltimore City Demolition and Stabilization program, and a \$0.2 million increase in warehouse rents.

Net operating expenses increased by \$7.3 million for fiscal year 2020. Explanations for the changes in fiscal year 2020 were as follows:

- ▶ Salaries and wages decreased \$0.5 million in fiscal year 2020. There were some positions that were vacant throughout the year.
- ▶ Utilities were lower in 2020 by \$0.5 million. This is primarily due to of the Camden Yards Sports Complex has been dark from the middle of March 2020 because of the coronavirus. The B&O Warehouse occupancy is around 85% but most of the tenants elected to have their employees telework. Also, the start of the baseball season was delayed resulting in over 40 games being canceled during the fiscal year.
- ▶ Contractual services increased by \$7.5 million from a decrease in engineers and consultants of \$0.4 million, a decrease in janitorial services of \$0.8

million, there was an increase of \$4.5 million for costs related to the demolition of vacant homes in Baltimore City, a decrease in building repairs and maintenance plus special projects of \$0.3 million, an increase of \$0.1 million related to legal services, an increase of \$3.7 million related to the leasehold improvements at the Ocean City Convention Center expansion, a \$0.1 million decline in grant funding related to Maryland's Sports Commission, finally a decline of \$0.8 million in audio visual repairs and maintenance.

- ▶ Depreciation expense increased by \$1.2 million in fiscal year 2020.
- ▶ Parking expenses declined by \$0.2 million because most tenants in the B&O Warehouse elected to have their employees' telework because of the coronavirus.

Non-operating expenses increased by \$19.4 million in fiscal year 2020. There was an increase in interest expense of \$0.6 million primarily related to the Series 2019C bonds. The State's share of the operating deficit for the Baltimore Convention and Ocean City Convention Centers increased by \$2.9 million as a result primarily from events canceling because of the coronavirus. The change in the liability due related to the fair value of the hedge decreased by \$0.3 million. There was an increase in overall architects, engineering, construction management and project management expenses related to Baltimore City Public Schools of \$10.4 million.

Non-operating revenue increased by \$5.6 million for fiscal year 2020. Investment income increased by \$5.0 million from the investing of the Series 2018A bond proceeds which, generated additional investment income, for fiscal year 2020. Finally, there was a \$0.6 million increase in contributions from the State of Maryland, Baltimore City and Baltimore City Board of School Commissioners on the Baltimore City Public School construction project.

The Authority also received appropriations from the State to be used for several purposes. An appropriation was made for the outstanding capital lease receivables due from the State. The money received from the State along with \$1.0 million received yearly from Baltimore City is used to pay the 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. The total of these contributions for fiscal year 2020 was approximately \$9.2 million



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 to operate 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, 2020 and 2019:

	For the Years Ended June 30,	
	2020	2019
Cash flows from:		
Operating activities	\$(14,226,114)	\$(7,920,401)
Noncapital financing activities	(216,002,622)	(134,726,354)
Capital and related financing activities	19,723,298	18,428,197
Investing activities	185,124,620	137,280,767
Net increase in cash and cash equivalents	(25,380,818)	13,062,209
Cash and cash equivalents, beginning of year	117,686,570	104,624,361
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 92,305,752	\$ 117,686,570

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Authority had \$16.7 million of additions to capital assets in 2020. The Authority had an increase in debt during 2020 of \$20.9 million due to the issuance of the Series 2019C bonds and a reduction to debt by \$37.9 million in principal payments.

ECONOMIC OUTLOOK

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.

The coronavirus has had a negative impact on the revenues generated at the Camden Yards Sports Complex. In fiscal year 2020, the baseball revenues took a significant drop because of the delay in the start of the season and the decision to play games without fans. There were some tickets sold in fiscal year 2020 for baseball in which the Authority received the admission tax money and because of that, those funds collected for ticket sales by the Baltimore Orioles will be applied to future games. Also the Baltimore Ravens have sold season tickets in fiscal year 2020 for the upcoming fiscal year 2020 season. At this time, it appears the games will be played without fans, but if fans are allowed to attend, it will be for a very limited number of games. For fiscal year 2021, the Authority is projecting a substantial decline in admission tax receipts and Baltimore Orioles' rent. The Authority will continue to monitor revenue and closely watch expenditures to the best of its ability.

NET POSITION

The Authority has a negative net position of \$577.0 million as a result of incurring debt related to construction for Baltimore City. As the Authority incurs the construction costs for Baltimore City, the cost is expensed as non-operating expense (see Note 2). Baltimore City and the State are obligated to provide the Authority with funding to fund this debt.



Statement of Net Position ~ For Year Ended June 30, 2020

ASSETS AND DEFERRED OUTFLOWS					
Current Assets					
Cash and cash equivalents	\$92,305,752		Interest payable		6,819,770
Restricted investments	274,888,444		Unearned revenue		38,712
Accounts receivable, net	5,181,886		Bonds payable and capital leases, current portion		26,471,092
Due from primary government	2,294,892		TOTAL CURRENT LIABILITIES		120,050,554
Interest receivable	107,297		Noncurrent Liabilities		
Note receivable, current portion	456,420		Accrued expenses, net of current portion		1,753,579
Capital leases receivable, current portion	22,850,000		Bonds payable and capital leases, net		121,656,453
TOTAL CURRENT ASSETS	398,084,692		Bonds payable on Baltimore City Public Schools construction, net of current		799,893,235
Noncurrent Assets			Net Pension Liability		17,038,443
Prepaid expenses and other assets	195,360		Interest rate swap liability		6,465,084
Note receivable, net of current portion	569,556		TOTAL NONCURRENT LIABILITIES		946,806,794
Capital leases receivable, net of current portion	36,661,824		Deferred inflows related to advance funds		681,860
Capital assets:			Deferred inflows related to pension		1,403,186
Furniture and equipment, net	416,155		TOTAL LIABILITIES AND DEFERRED INFLOWS		1,068,942,394
Intangible assets, net	41,234,983		NET POSITION		
Net capital assets	41,651,138		Net Position		
TOTAL NONCURRENT ASSETS	79,077,879		Invested in capital assets		(34,003,915)
Deferred outflows related to swap agreement	6,465,084		Restricted for debt service		25,802,250
Deferred outflows related to pension	7,560,077		Unrestricted (See Note 16)		(569,552,997)
TOTAL ASSETS AND DEFERRED OUTFLOWS	491,187,732		TOTAL NET POSITION		(\$577,754,662)
LIABILITIES AND DEFERRED INFLOWS					
Current Liabilities					
Accounts payable and accrued expenses	48,052,034				
Project advances	38,668,946				

The accompanying notes are an integral part of this financial statement



Statement of Revenue, Expenses & Change in Net Position ~ For Year Ended June 30, 2020

Operating Revenue					
Baltimore Orioles' rent	\$2,844,578			Contributions to others for operating deficit and capital improvements	(9,743,479)
Baltimore Ravens' contributions	9,884,038			Contributions from Baltimore City Public Schools construction	65,786,784
Admission taxes	11,329,027			Expenses related to Baltimore City Public Schools	(210,625,037)
Warehouse rents	3,977,094			Investment income and other	14,929,352
Catering commissions	308,300			Change in fair market value of swaps	84,594
Parking revenue	1,941,362			Interest expense	(41,093,879)
Miscellaneous sales	18,857,890			TOTAL NON OPERATING EXPENSES	(180,746,259)
TOTAL OPERATING REVENUE	49,142,289				
Operating Expenses				Loss before contributions	(203,651,048)
Salaries and wages	12,465,392			Contributions from Primary Governments	9,201,368
Telephone and postage	105,338				
Travel	100,069			Change in net assets	(194,449,680)
Utilities	3,944,495			Total net assets, beginning of year	(389,328,082)
Vehicle expense	22,473			Restatement - Swap Agreement	6,023,100
Contractual services	35,120,572			TOTAL NET ASSET, BEGINNING OF YEAR, RESTARTED	\$ (383,304,982)
Parking	1,232,649			TOTAL NET ASSET, END OF YEAR	\$ (577,754,662)
Supplies and materials	578,192				
Depreciation and amortization	17,915,352				
Fixed charges	175,669				
Miscellaneous	386,877				
TOTAL OPERATING EXPENSES	72,047,078				
Operating Loss	(22,904,789)				
Non Operating (Expenses) Revenue					

The accompanying notes are an integral part of this financial statement



Statement of Cash Flows ~ For Year Ended June 30, 2020

Cash Flows from Operating Activities	
Receipts from Camden Yards	\$ 53,118,378
Payments to employees and related disbursements	(11,333,511)
Payments to suppliers	(56,010,981)
Net Cash From Operating Activities	<u>(14,226,114)</u>

Cash Flows from Noncapital Financing Activities	
Contributions to/from primary governments	9,201,368
Convention Center operating deficit and capital improvements	(3,675,973)
Contributions for Baltimore City Public Schools construction	65,786,784
Baltimore City Public Schools construction expenditures	(209,761,206)
Project advances	(15,354,432)
Principal paid on bonds payable and capital leases	(37,865,006)
Proceeds from debt issuance	24,675,535
Interest payments	(49,009,692)
Net Cash from Noncapital Financing Activities	<u>(216,002,622)</u>

Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets	(3,126,702)
Proceeds from capital leases receivable	22,850,000
Net Cash from Capital and Related Financing Activities	<u>19,723,298</u>

Cash Flows from Investing Activities	
Purchases of investments	168,878,648
Interest and gains on investments	15,490,901
Proceeds from note receivable	755,070
Net Cash from Investing Activities	<u>185,124,620</u>

Net increase in cash and cash equivalents	(25,380,818)
Cash and cash equivalents, beginning of year	117,686,570
Cash and Cash Equivalents, End of Year	<u>\$92,305,752</u>

Adjustments to Reconcile Net Operating Loss to Cash Flows from Operating Activities	
Operating loss	\$(22,904,789)
Adjustments to reconcile operating loss to net cash flow from operating activities:	
Depreciation and amortization	17,915,352
Effects of changes in non-cash operating assets and liabilities:	
Accounts receivables	4,150,876
Due from primary government	(1,656,008)
Capital lease Receivable, net	(6,641,813)
Prepaid expenses	29,081
Deferred Outflows	(8,203,853)
Accounts payable and other accrued expenses, net	(303,555)
Unearned Revenue	174,786
Deferred Inflows	1,045,017
Net pension liability	2,168,792
Net Cash from Operating Activities	<u>\$(14,226,114)</u>

The accompanying notes are an integral part of this financial statement



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 of Maryland. The Authority is governed by a Board, six members of which are appointed by the Governor of the State of Maryland and one member being appointed by the Mayor of Baltimore City with the consent of the Maryland State Senate.

Measurement Focus and Basis of Accounting

The accompanying financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting. 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 original maturities 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 value of shares held by the Authority as of year-end.

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 capital assets is \$1,000.

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

Capital Leases Receivable

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

Project Advances

The Authority is overseeing studies and projects for various state universities and local jurisdictions. Advances are received to pay for expenses incurred or to be incurred. Unexpended advances are not the property of the Authority and are recorded as liabilities. The liability of \$38.7 million relates to Baltimore City Public School construction (\$32.1 million), Montgomery County Conference Center parking garage (\$0.5 million), DHCD for the State in the Baltimore City Demolition and Stabilization program (\$2.6 million), Department of Natural Resources for the renovation of Fair Hill Special Event Zone (\$2.7 million), and local jurisdictions funding of feasibility and market studies (\$0.8 million) as of June 30, 2020.

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, changes in the market of the Series 2007 swap which increases or reduces the liability to the Authority and deposit of funds for the construction and revitalization of Baltimore City Public Schools.

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 process for Baltimore City Public Schools construction and revitalization.



(2) Summary of Significant Accounting Policies continued

Net Pension Liability

Certain employees of the Authority are members of the Maryland State Retirement and Pension 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 single 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.

As of June 30, 2020, the Authority had deferred outflows related to pension of \$7.6 million and deferred inflows related to pension of \$1.4 million. Pension expense for fiscal year 2020 was \$2.7 million.

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.

New Pronouncements

Upcoming GASB pronouncements that may have a material effect on the Authority's financial statements:

- Statement No. 83, "Certain Asset Retirement Obligations;"
- Statement No. 84, "Fiduciary Activities;"
- Statement No. 87, "Leases;"
- Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements;"
- Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

The Authority will continue to analyze the effects of these pronouncements on its financial statements.

3 DEPOSITS AND INVESTMENTS

As of June 30, 2020, the Authority had cash on deposit in an internal pooled cash account with the Maryland State Treasurer (the Treasurer). 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 total of the cash accounts was \$92.1, as of June 30, 2020.

The carrying value and bank balance of other deposits as of June 30, 2020, was \$188,166, which was fully covered by Federal depository insurance.

As of June 30, 2020, the Authority had a balance of \$274,888,444 in funds held by trustees for various bond series. The Bank of New York held \$1,477,094, M&T Bank held \$60,825,650, Zions Bank held \$212,527,039, and Wells Fargo NA held \$58,661. As of June 30, 2020, \$274.9 million of these funds were invested in various money market mutual fund accounts which mature in less than a year. The money market funds used by M&T Bank, Bank of New York, Zions Bank, and Wells Fargo NA 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.



(3) DEPOSITS AND INVESTMENTS continued

As of June 30, 2020, M&T Bank had the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
Money Market (Level 1)	\$ 60,825,649	\$ 60,825,649	-	-	-	-

As of June 30, 2020, the Bank of New York held the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
Money Market (Level 1)	\$ 1,477,095	\$ 1,477,095	-	-	-	-

As of June 30, 2020, the Zions Bank held the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
Money Market (Level 1)	\$ 212,527,039	\$ 212,527,039	-	-	-	-

As of June 30, 2020, the Wells Fargo NA held the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years)				
		Less than 1	1-5	6-10	11-15	More than 15
Money Market (Level 1)	\$ 58,661	\$ 58,661	-	-	-	-

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.

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 as of June 30, 2020, consisted of the following:

Baltimore Orioles	\$ 61,881
Baltimore Ravens	2,996,798
Other	2,165,836
Total	5,224,515
Less: Allowance for bad debts	(42,629)
TOTAL	\$ 5,181,886



5 NOTE RECEIVABLE

Under the Orioles' lease, the 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%. Interest income for the year ended June 30, 2020, was \$63,482.

Future note receivable payments to be received as of June 30, 2020, were as follows:

For the Years Ending June 30,	
2021	456,420
2022	456,420
2023	113,136
TOTAL	\$1,025,976

6 CAPITAL LEASES RECEIVABLE

As of June 30, 2020, the capital leases receivable consisted of the following:

Total minimum lease payments to be received	\$156,428,815
Less: unearned interest income ranging from 2% to 6.25%	38,603,815
Principal balance on outstanding debt	117,825,000
Less: liquid assets to be used in construction	(58,313,176)
TOTAL	\$ 59,511,824

Future minimum lease payments to be received as of June 30, 2020, were as follows:

For the Years Ending June 30,	
2021	\$16,099,112
2022	16,112,251
2023	15,274,407
2024	15,283,848
2025	13,944,320
2026-2030	32,976,098
2030-2035	25,053,030
2036-2040	21,685,749
TOTAL	\$ 156,428,815

Capital leases receivable activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Principal Reduction	Ending Balance
Capital lease receivable			
Camden Yards	\$ 57,198,572	\$ 6,197,074	\$ 51,001,498
Montgomery County	6,737,532	1,218,545	5,518,987
Hippodrome	4,466,339	1,475,000	2,991,339
Capital Lease Receivable	\$68,402,443	\$8,890,619	\$ 59,511,824

7 CAPITAL ASSETS

Furniture and equipment and intangible assets activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital Assets:				
Furniture and equipment	\$ 20,191,271	\$ 172,132	\$ -	\$ 20,363,403
Less: accumulated depreciation	19,820,942	126,306		19,947,248
Capital Assets, Net	\$ 370,329	\$ 45,826	\$ -	\$ 416,155
Intangible Assets:				
Facility rights	\$ 313,685,035	\$ 16,740,381	\$ 13,785,811	\$ 316,639,605
Less: accumulated depreciation	257,620,779	17,783,843	-	275,404,622
Intangible Assets, Net	\$ 56,064,256	\$ (1,043,462)	\$ 13,785,811	\$ 41,234,983

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.



8 BONDS PAYABLE AND CAPITAL LEASES

Bonds payable and capital leases as of June 30, 2020, 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	\$ 3,480,000
2007 Series: Issued \$73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	31,860,000
Series 2012: Issued \$14,050,000 in August 2012 at 0.65% to 2.50% per annum, due in varying installments through June 15, 2022	3,050,000
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	5,520,000
Series 2019A: Issued \$20,595,000 in May 2019 at 4% to 5% per annum, due in varying installments through March 1, 2026	18,595,000
Series 2019B: Issued \$34,405,000 in May 2019 at 3.021% to 3.481% per annum, due in varying installments through March 1, 2039	34,405,000
Series 2019C: Issued \$20,915,000 in October 2020 at 3.00% to 5.00% per annum, due in varying installments through December 15, 2039	20,915,000

Lease revenue bonds payable	117,825,000
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REVENUE BONDS PAYABLE:

2013 Series: Issued \$8,635,000 in December 2013 at 2.90% annum, due in varying installments through December 15, 2023	3,730,000
2014 Series: Issued \$9,585,000 in December 2014 at 2.78% annum, due in varying installments through December 15, 2024	5,130,000

CAPITAL LEASES:

2010 Master energy performance contract lease-purchase agreement in January 2011 at 4.09% rate, due in varying installments through July 1, 2022	619,556
2010 Master energy performance contract lease-purchase agreement in January 2011 at 6.11% rate, due in varying installments through July 1, 2022	1,637,953

Subtotal	128,942,509
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MEA Loan, 1.0%, due in varying installments through July 2021	200,000
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Subtotal lease revenue bond, revenue bonds payable and capital leases	\$129,142,509
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Plus unamortized premium (includes unamortized premiums related to series of 2003, 2004, 2011B, 2012, 2019A and 2019C revenue bonds payable of \$134, \$18, \$0, \$446,806, \$2,080,439 and \$3,579,448, respectively, as of June 30, 2020)	6,106,845
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Less unamortized discount (includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of \$0 and \$16,809, respectively, as of June 30, 2020)	(16,809)
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Net Bonds Payable and Capital Leases	135,232,545
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Current portion	13,576,092
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Bonds payable and capital leases, net of current	121,656,453
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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	299,075,000
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2018A Series: Issued \$426,440,000 in January 2018 at 5% annum, due in varying installments through May 1, 2047	405,750,000
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Subtotal of Baltimore City Public Schools Revenue Bonds	704,825,000
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Plus unamortized premium (includes unamortized premiums related to series of 2016 and 2018A revenue bonds payable of \$49,007,277 and \$65,474,268, respectively, as of June 30, 2019)	107,963,235
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Net Bond Payable and Capital Leases	812,788,235
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Current portion	12,895,000
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Bonds payable on Baltimore City Public Schools construction, net current	799,893,235
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TOTAL NET BONDS PAYABLE AND CAPITAL LEASE	\$948,020,780
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▶ On March 2, 2004, the Authority issued taxable Camden Station Lease Revenue Bonds, Series 2004 to renovate Camden Station located at Camden Yards. Principal and interest are payable primarily from the basic rent to be paid by the State of Maryland 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 using the 30 Day USD LIBOR.



(8) BONDS PAYABLE AND CAPITAL LEASES continued

- ▶ 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 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 is set to mature 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 is set to mature on July 1, 2022.
- ▶ The Authority and the Baltimore Ravens agreed to purchase and install \$9.6 million worth of new audio and video equipment; \$5.6 million came from the Baltimore Ravens and \$4.0 million from the Authority. The Authority's share was financed under the State's Master Equipment Lease-Purchase Program in April 2012 and amortized over 10 years. Interest is payable semiannually at the rate of 5.35% per annum. During fiscal year 2017, the Baltimore Ravens decided to replace the audio and visual equipment with new state-of-the-art equipment fully funded by the Baltimore Ravens. As a result of this, the Authority was required to payoff the outstanding debt at that time, approximately \$1.5 million.
- ▶ On March 16, 2011, the Authority issued the Ocean City Convention Center Expansion Lease Revenue Refunding Bond, Series 2011 in the amount of \$6.6 million. Proceeds were used to refund the outstanding balance of the Series 1995, \$6.5 million, along with \$125,000 for closing costs. Interest was payable semiannually at the rate of 2.25% per annum. The bond matured December 15, 2016. The approximate difference in the Series 1995 and Series 2011 debt service payment was \$0.4 million. This resulted in a present value savings at an interest rate of 2.25% of \$0.4 million.
- ▶ On December 21, 2011, the Authority issued the Sports Facilities Lease Revenue Refunding Bonds (Baseball Stadium Issue) Series 2011A (Federally Taxable) and the Sports Facilities Lease Revenue Refunding Bonds (Baseball Stadium Issue), Series 2011B (Alternative Minimum Tax) of \$31.4 million and \$62.9 million respectively. The proceeds plus bond premium of \$7.7 million were used to refund the outstanding balance of the Series 1998A, \$11.0 million, the outstanding balance of the Series 1999, \$70.6 million, the termination fee to terminate the Interest Rate Swap Agreement with AIG Financial Corporation, \$19.7 million and issuance costs of \$0.7 million. The approximate difference in the Series 1998A and the Series 1999 compared with the Series 2011A and Series 2011B is \$1.9 million. This resulted in a present value savings at the interest rate of 2.09% of \$1.7 million.
- ▶ On July 26, 2012, the Authority issued the Hippodrome Performing Arts Center Taxable Lease Revenue Refunding Bonds, Series 2012 of \$14.0 million. The proceeds of \$13.8 were used to refund the outstanding balance of the Series 2002 and \$0.2 million for issuance costs. Interest is payable semiannually at the rate of 0.65% to 2.50% per annum. This resulted in a present value savings at the interest rate of 2.02% of \$2.9 million.
- ▶ 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.
- ▶ 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 reverse 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.
- ▶ 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 2016A 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.



(8) BONDS PAYABLE AND CAPITAL LEASES continued

- ▶ On May 7, 2019, the Authority issued the Series 2019B Maryland Stadium Authority Sports Lease Revenue Bonds, Taxable, Series 2019A of \$30,405,000. The proceeds will be used for issuance costs and various construction projects at the Warehouse at Camden Yards. 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.

Debt service requirements subsequent to June 30, 2020, were as follows:

FOR THE YEARS ENDING JUNE 30,	PRINCIPAL MATURITIES	INTEREST	TOTAL
2021	\$ 26,471,092	\$ 40,935,379	\$ 67,406,471
2022	27,729,841	39,683,567	67,413,408
2023	27,671,576	38,309,524	65,981,100
2024	28,565,000	36,935,576	65,500,576
2025	27,445,000	35,732,151	63,177,151
2026-2030	114,390,000	159,253,598	273,643,598
2031-2035	135,314,000	130,405,780	265,719,780
2036-2040	167,860,000	94,498,000	262,358,000
2041-2045	189,020,000	51,649,500	240,669,500
2046-2047	89,500,000	6,767,000	96,267,000
TOTAL	\$ 833,966,509	\$ 634,170,075	\$ 1,468,136,584

9 NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	\$ 1,170,026	\$ 145,553	\$ -	\$ 1,315,579	\$ 50,000
Workers' compensation	488,000	18,054	39,054	467,000	70,500
Revenue bonds and capital lease payable, net	137,164,026	24,680,738	26,612,219	135,232,545	13,576,092
Bonds payable on BCPS construction, net	831,586,545	-	18,798,310	812,788,235	12,895,000
Deferred revenue	199,932	-	161,220	38,712	38,712
Net Pension Liability	14,869,651	2,168,792	-	17,038,443	-
Interest rate swap liability	6,836,991	0	371,908	6,465,083	-
TOTAL	\$ 992,315,171	\$ 26,013,137	\$ 45,982,711	\$ 973,345,597	\$ 26,630,304

10 UNEARNED REVENUE

The Authority received an advance payment in 2018 from the Vascular Institute of Maryland for prepaid rent related to office space located in the B&O Warehouse at Camden Yards Sports Complex of approximately \$476,460. This money is being used to pay the monthly rent starting in December 2017 and end with a partial payment of the September 2020 rent. The unearned revenue recorded as B&O Warehouse rent revenue for the year ended June 30, 2020 was \$161,220.

11 INCOME 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.

During the year ended June 30, 2020, 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 swap 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.

Terms. The notional amounts of the swap 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, 2020, are as follows:

Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counter-party Rating
Series 2007	\$ 31,775,000	12/05/08	5.69% to 5.80%	SIFMA*	(\$ 6,465,084)	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 fair value for the year ended June 30, 2019, and the fair value as of June 30, 2020.

Fair value hedge	Change in Fair Value		Fair Value as of June 30, 2020	
	Classification	Fair Value	Classification	Amount
Pay fixed interest rate swap	Change in fair market value of swaps	\$ (371,908)	Swap valuation liability	\$ (6,465,084)

Credit Risk. As of June 30, 2020, 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, 2020. 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, 2020.

(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, 2020, with regard to tax-exempt interest risk, they are not exposed to basis risk since the Authority receives a variable rate based on the 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, 2020:

Variable – Rate Bonds⁽¹⁾⁽²⁾

For the Years Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2021	4,595,000	15,930	1,819,173	6,430,103
2022	4,860,000	13,633	1,558,571	6,432,204
2023	5,140,000	11,203	1,282,890	6,434,093
2024	5,435,000	8,633	988,715	6,432,348
2025	5,750,000	5,915	677,607	6,433,522
2026	6,080,000	3,040	348,418	6,431,458
TOTAL	\$ 31,860,000	\$ 58,354	\$ 6,675,374	\$ 38,593,728

(1)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.

(2)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%.

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 three fiscal years.

14 OPERATING LEASES

Lease Rental Income

The Authority has leased certain office space in the Camden Yards Warehouse to various tenants with terms ranging from 3 years to 20 years. The future minimum lease rentals to be received on non cancelable operating leases as of June 30, 2020, were as follows:

For the Years Ending June 30,	
2021	3,452,478
2022	3,202,742
2023	2,091,919
2024	1,799,634
2024	1,724,959
2026-2028	3,621,556
TOTAL	\$ 15,893,288

Lease rental income for the year ended June 30, 2020, was \$3,977,094.



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 Comprehensive Annual Financial Report, which is publicly available that can be obtained at www.sra.state.md.us/Agency/Downloads/CAFR/.

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, 2020 and 2019, of \$1,975,261, and \$1,756,139, 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.

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%.

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%.



(15) RETIREMENT PLANS- *continued*

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, 2020, was \$1,975,261, 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 \$1,975,261 for the year ended June 30, 2020.

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

As of June 30, 2020, the Authority reported a liability of approximately \$17.0 million for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the ERS net pension liability was based on 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, 2020, the Authority's proportion for ERS was 0.0883 percent, which was substantially the same from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the Authority recognized pension expense for ERS of approximately \$2.7 million. As of June 30, 2020, 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
Changes of assumptions	\$ 258,076	\$ 460,446
Net difference between projected and actual earnings on pension plan investments	350,092	-
Net difference between actual expected experience	-	990,935
Net change in proportion share	4,976,648	(48,195)
Contributions made subsequent to the measurement date	1,975,261	-
Total	\$ 7,560,177	\$ 1,403,186

The \$1,975,261 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

For the Years Ending June 30,	
2021	\$ 1,354,846
2022	965,617
2023	912,502
2024	759,175
2025	186,490
Total	\$4,178,630



(15) RETIREMENT PLANS- *continued*

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.state.md.us/Agency/Downloads/CAFR/.

The key assumptions used to perform the June 30, 2020 pension liability calculation are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.65% general, 3.15% wage
Salary Increase	3.10% to 11.60%, including inflation
Discount Rate	7.40%
Investment Rate of Return	7.40%
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale

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

The Authority's proportionate share of the ERS net pension liability calculated using the discount rate of 7.40 percent is \$17,038,443. Additionally, the Authority's proportionate share of the ERS net pension liability if it were calculated using a discount rate that is 1-percentage-point lower (6.40 percent) or 1-percentage-point higher (8.40 percent) is as follows:

1% Lower	Discount Rate	1% Higher
6.40%	7.40%	8.40%
\$ 21,157,167	\$ 17,038,443	\$ 9,170,527

Other Post-Employment Benefits

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.

Financial information for the Plan is included in the State of Maryland Comprehensive Annual Financial Report, which can be obtained from the link [http://finances.marylandtaxes.com/Where the Money comes from/General Revenue reports/default.shtml](http://finances.marylandtaxes.com/Where_the_Money_comes_from/General_Revenue_reports/default.shtml).

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, 2020, 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.



(15) RETIREMENT PLANS- *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, 2020 the Authority contributed \$678,415 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.

16 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 BCBS. 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 revenue will be received as long as there is debt outstanding related to the BCPS Act.

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 in fiscal year 2020. 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 will create 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.

17 LITIGATION

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

18 CONTINGENCY

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic significantly affected global markets, supply chains, businesses, and communities. Specific to the Authority, COVID-19 may impact various future operations and financial results. Management believes the Authority has taken appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events may occur subsequent to year end.

19 RESTATEMENT OF BEGINNING NET POSITION

The Authority incorrectly accounted for the changes in the fair value of the swap agreement. The changes in fair value were recorded as either revenue or expense on the statement of revenue, expenses and changes in net position. In accordance with GASB 53, Accounting and financial Reporting for Derivative Instruments, the changes in fair value of the swap agreement should be reported as either a deferred outflows or deferred inflows of resources on the statement of net position. The restatement increased total net position as of July 1, 2019 by \$6,023,100. The Authority did not reissue prior year financial statements.



Schedule of Proportionate Share of Net Pension Liability

	2020	2019	2018	2017	2016	2015
The Authority's proportion of the ERS net Pension liability	0.09%	0.07%	0.06%	0.05%	0.05%	0.30%
The Authority's proportionate of the ERS net Pension liability	\$17,038,443	\$ 14,869,651	\$ 12,873,208	\$ 12,098,335	\$ 10,003,890	\$ 6,057,310
Authority's cover employee payroll	\$ 10,249,806	\$ 9,224,868	\$ 8,694,564	\$ 7,450,095	\$ 6,521,455	\$ 6,212,028
Contributions as a percentage of the covered-employee payroll	166.23%	161.19%	148.06%	162.39%	153.40%	97.51%

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

Schedule of Contributions - Pension

	2020	2019	2018	2017	2016	2015
Contractually required contributions (ERS)	\$ 1,975,261	\$ 1,756,168	\$ 1,651,950	\$ 1,450,627	\$ 1,080,764	\$ 1,014,618
Contributions in relation to the contractually required contribution	1,975,261	1,756,168	1,651,950	1,450,627	1,080,764	1,014,618
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Authority's covered employee payroll	\$ 10,249,806	\$ 9,224,868	\$ 8,694,564	\$ 7,450,095	\$ 6,521,455	\$ 6,212,028
Contributions as a percentage of covered-employee payroll	19.27%	19.04%	19.00%	19.47%	16.57%	16.33%

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

Schedule of Contributions - Other Post-Employee Benefits (OPEB)

	2020	2019	2018	2017
Contractually required contributions (ERS)	\$ 678,415	\$ 664,706	\$ 517,664	\$ 614,504
Contributions in relation to the contractually required contributions	678,415	664,706	517,664	614,504
Contribution deficiency (excess)	\$ _	\$ _	\$ _	\$ _

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

Combining Schedule of Contribution from Primary Government ~ For the Year Ended June 30, 2020

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 were the funds received for fiscal year 2016 and how the funds were used.

	Camden Yards	Baltimore City Convention Center	Ocean City Convention Center	Montgomery County Conference Center	Hippodrome Performing Arts Center
Source					
Lottery	\$20,000,000	\$-	\$-	\$-	\$-
General Funds	-	6,344,537	1,520,029	1,556,802	1,391,443
Total	20,000,000	6,344,537	1,520,029	1,556,802	1,391,443
Use					
Capital Lease Receivable	20,000,000	-	-	1,220,000	1,391,443
Interest	-	-	-	336,802	-
Operating Deficits	-	6,144,537	1,470,029	-	-
Capital Improvements Fund	-	200,000	50,000	-	-
Total	\$20,000,000	\$ 6,344,537	\$ 1,520,029	\$ 1,556,802	\$ 1,391,443
Net	-	-	-	-	-

The Authority receives Lottery and other contributions from 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 2020.

	State of Maryland	City of Baltimore	Baltimore City Public Schools Board of Commissioners	Total
Source				
Lottery	\$20,000,000	\$ 0	\$ 0	\$20,000,000
Beverage Container Tax, 50% of the 5% of table games proceeds, 10% of the participation rent from the VLT	0	15,786,786	0	15,786,786
Shifted retirees health insurance	0	10,000,000	-	10,000,000
General State Education Fund	0	0	20,000,000	20,000,000
Totals	\$20,000,000	\$ 25,786,786	\$ 20,000,000	\$ 65,786,786



Combining Schedule of Revenue, Expenses, & Changes in Net Position ~ For the Year Ended June 30, 2020

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

	Total	Camden Yards	Baltimore City Convention Center	Ocean City Convention Center	Montgomery County Conference Center	Hippodrome Performing Arts Center	Baltimore City Public Schools	Baltimore City Demolition and Stabilization
Operating Revenue								
Baltimore Orioles' rent	\$ 2,844,578	\$ 2,844,578	\$-	\$-	\$-	\$-	\$-	\$-
Admission Taxes	9,884,038	9,285,092	-	-	-	598,946	-	-
Baltimore Ravens' contributions	11,329,027	11,329,027	-	-	-	-	-	-
Warehouse rents	3,977,094	3,977,094	-	-	-	-	-	-
Catering commissions	308,300	308,300	-	-	-	-	-	-
Parking revenue	1,941,362	1,941,362	-	-	-	-	-	-
Miscellaneous sales	18,857,890	1,772,079	-	-	1,455	-	389,106	16,695,250
Total Operating Revenue	49,142,289	31,457,532	-	-	1,455	598,946	389,106	16,695,250
Operating Expenses								
Salaries and wages	12,465,392	12,233,113	-	-	-	-	-	232,279
Telephone and postage	105,338	105,338	-	-	-	-	-	-
Travel	100,069	100,069	-	-	-	-	-	-
Utilities	3,944,495	3,944,495	-	-	-	-	-	-
Vehicle expense	22,473	22,473	-	-	-	-	-	-
Contractual services	35,120,572	14,744,680	-	3,646,706	1	250,000	1,618	16,477,567
Parking	1,232,649	1,232,649	-	-	-	-	-	-
Supplies and materials	578,192	578,192	-	-	-	-	-	-
Depreciation and amortization	17,915,352	17,915,352	-	-	-	-	-	-
Fixed charges	175,669	174,169	-	-	-	1,500	-	-
Miscellaneous	386,877	385,377	-	-	1,500	-	-	-
Total Operating Expenses	72,047,078	51,435,907	-	3,646,706	1,501	251,500	1,618	16,709,846
Operating (Loss)/ Income	(22,904,789)	(19,978,375)	-	(3,646,706)	(46)	347,446	387,488	(14,596)



Combining Schedule of Revenue, Expenses, & Changes in Net Position ~ For the Year Ended June 30, 2020

continued

	Total	Camden Yards	Baltimore City Convention Center	Ocean City Convention Center	Montgomery County Conference Center	Hippodrome Performing Arts Center	Baltimore City Public Schools	Baltimore City Demolition and Stabilization
Non Operating (Expenses) Revenue								
Contributions to others for operating deficit and capital improvements	(9,743,479)	-	(8,233,836)	(1,509,643)	-	-	-	-
Contributions fro Baltimore City Public Schools construction	65,786,784	-	-	-	-	-	65,786,784	-
Expenses related to Baltimore City Public Schools	(210,625,037)	-	-	-	-	-	(210,625,037)	-
Investment income and other	14,929,352	1,081,934	-	286,111	213,219	(103)	13,348,191	-
Interest expense	(41,093,879)	(4,277,786)	-	(584,320)	(334,458)	(188,648)	(35,708,667)	-
Total Non Operating Expenses	(180,746,259)	(3,195,852)	(8,233,836)	(1,807,852)	(121,239)	(188,751)	(167,198,729)	-
Loss before contributions	(203,651,048)	(23,174,227)	(8,233,836)	(5,454,558)	(121,285)	158,695	(166,811,241)	(14,596)
Contributions from Primary Governments	9,201,368	1,000,000	6,344,537	1,520,029	336,802	-	-	-
Change in net assets	\$ (194,449,680)	\$ (22,174,227)	\$ (1,889,299)	\$ (3,934,529)	\$ 215,517	\$ 158,695	\$ (166,811,241)	\$ (14,596)





We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 30, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions

was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2020-001.

Authority's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this communication is solely to describe the scope of our testing of internal control over financial reporting and the results of that testing. This communication is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.



Maryland Stadium Authority
Schedule of Findings and Questioned Costs
June 30, 2020
2020-001: CORRECTION OF AN ERROR

Criteria or specific requirement:

GASB 53, Accounting and financial Reporting for Derivative Instruments, requires derivative instruments to be measured at fair value. Changes in fair values of hedge derivative instruments should be recognized through the application of hedge accounting. Under hedge accounting, the changes in fair values of hedging derivative instruments are reported as either deferred outflows or inflows in the statement of net position.

Condition:

The Authority incorrectly accounted for the changes in the fair value of the swap agreement. The changes in fair value were recorded as either revenue or expense on the statement of revenue, expenses and changes in net position.

Cause:

The Authority recorded changes in fair value on the statement of revenue, expenses and changes in net position similar to the changes in the long-term debt instrument related to the swap agreement.

Effect:

Fiscal year 2020 beginning net position was understated and required to be restated. The Authority did not reissue prior year financial statements.

Recommendation:

We recommend that the Authority report the changes in fair value of hedge instruments in accordance with accounting standards.

Views of responsible officials:

Management agrees with the finding.





We have audited the financial statements of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of and for the year ended June 30, 2020, and have issued our report thereon dated October 30, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

The Authority corrected an accounting error related to long term liability – swap agreements. The restatement increased total net position by \$6,023,100. The Authority did not reissue prior year financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during year ended June 30, 2020.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

- Management's estimate of the allowance for doubtful accounts is based on historical analysis of the collectibility of outstanding accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the depreciable lives of capital assets is based on GASB No. 34, published by the Governmental Accounting Standards. We evaluated the key factors and assumptions used to develop the depreciable lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on computations performed by outside specialists, including actuarial computations and assumptions that were relied upon. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the long term liability of the swap agreement is based on computations performed by outside specialists that were relied upon. We evaluated the key factors and assumptions used to develop the swap agreement liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

There were no particularly sensitive financial statement disclosures.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The following material misstatement detected as a result of audit procedures was corrected by management:

- The Authority incorrectly accounted for the changes in the fair value of the swap agreement. The changes in fair value were recorded as either revenue or expense on the statement of revenue, expenses and changes in net position. In accordance with GASB 53, Accounting and Financial Reporting for Derivative Instruments, the changes in fair value of the swap agreement should be reported as either deferred outflows or deferred inflows of resources on the statement of net position.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 30, 2020.

Management consultations with other independent accountants

To our knowledge, there were no such consultations with other accountants. We were informed by management that there were no consultations with other accountants.





Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Significant findings or issues that were discussed, or the subject of correspondence, with management

We have provided a separate letter to you dated October 30, 2020 communicating internal controls related to the restatement of the beginning net position.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the combining schedule of contributions from primary government and the combining schedule of revenue, expenses, and changes in net position (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 30, 2020.

* * *

This communication is intended solely for the information and use of the Board of Directors and management of Maryland Stadium Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland

October 30, 2020





Larry Hogan
Governor

Michael J. Frenz
Executive Director

Members

Thomas E. Kelso
Chairman

Leonard J. Attman
Joseph C. Bryce
Gary L. Mangum
Carolyn Mozell
Manervia W. Riddick
Jodi C. Staloniis

Finance

David A. Raith
Chief Financial Officer

Maryland Stadium Authority
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October 30, 2020

CliftonLarsonAllen LLP
1966 Greenspring Drive, Suite 300,
Timonium, MD 21093

This representation letter is provided in connection with your audit of the statement of net position of the Maryland Stadium Authority, (the Authority) which comprise the respective financial position of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of October 30, 2020 the following representations made to you during your audit of the financial statements as of and for the year ended June 30, 2020.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit contract with the State of Maryland dated March 4, 2020 for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates (including those measured at fair value) and the significant assumptions used in making those accounting estimates are reasonable.



5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
8. We have not identified or been notified of any uncorrected financial statement misstatements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
12. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
13. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
14. We believe that all material expenditures that have been deferred to future periods will be recoverable.
15. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
16. We do not plan to make frequent amendments to our pension plans.

Information Provided

1. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.

Maryland Stadium Authority

- b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts, or waste or abuse whose effects should be considered when preparing financial statements.
7. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

Maryland Stadium Authority



11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Maryland Stadium Authority, including debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
13. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have complied with all restrictions on resources and all aspects of contractual that would have a material effect on the financial statements in the event of noncompliance.
15. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
16. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
17. The financial statements properly classify all funds and activities.
18. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
19. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
20. Provisions for uncollectible receivables have been properly identified and recorded.
21. Expenses have been appropriately classified the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
22. Revenues are appropriately classified in the statement of revenues, expenses and changes in net position.
23. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.

24. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
25. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
26. We acknowledge our responsibility for presenting the combining schedule of contributions from primary government and the combining schedule of revenue, expenses, and changes in net position (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

Signature: _____

Title: Executive Director

Signature: _____

Title: Chief Financial Officer





21st Century School Buildings Program

In September, Maryland Governor Hogan announced that an additional \$60 million in funds are available for school construction through the MSA's efficient project and fiscal management of the 21st Century School Buildings Program in Baltimore City.

"Our most important obligation is to the next generation of Marylanders, and a key part of that is making sure our students are educated in facilities that are modern, safe, and efficient," said Governor Hogan. *"That is exactly what we are achieving through the 21st Century School Buildings Program, and with an additional \$60 million we will continue to provide more students with an environment that encourages growth and learning."*

The 21st Century School Buildings Program is a partnership between MSA, Baltimore City Public 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 Baltimore City.

MSA currently is scheduled to deliver 28 school buildings that will be home to 32 schools, maximizing the original program projections of delivering 23 to 28 school buildings. Now, due to efficient project management and bond issuance transactions, the MSA is forecasting that this program will generate an additional \$60 million for additional modernized schools in Baltimore City.

Thus far, MSA has delivered 15 modernized school buildings on-time and approximately 5% under budget. Many of these school buildings have received environmental, engineering and design awards. Currently, another nine schools are under construction, three are in design and one more is completing the feasibility study phase. The 21st

Century School Buildings program is scheduled to be substantially complete in 2021.

These modernized schools will serve communities in Baltimore for many years to come with light-filled collaborative, fully accessible, learning and gathering spaces, all equipped with enhanced technologies and environmental efficiencies throughout. Adjacent outdoor areas can be enjoyed for organized sports, passive leisure and additional educational opportunities.

Not only does the 21st Century School Building program contribute to the City of Baltimore and the State of Maryland through the education of Baltimore's children, but it also promotes local employment with 957 positions filled by city residents, introduces a school internship initiative, and realizes a 33.4% MBE achievement with over \$346 million in contracts awarded to minority and women owned business. These modernized schools may also serve as catalysts for economic development and neighborhood revitalization.

"Whenever the Governor, the legislature or local municipalities ask the Maryland Stadium Authority to take on additional projects such as the 21st Century School Buildings Program, our response is 'we're here to serve.' In this instance, it is especially gratifying to serve the schoolchildren of Baltimore who are the future of Baltimore and Maryland," said Thomas Kelso, chairman of the Maryland Stadium Authority.



- ▶ **SUMMER 2017**
 - ◆ Fort Worthington Elementary / Middle
 - ◆ Frederick Elementary
- ▶ **SPRING 2018**
 - ◆ Dorothy I Height Elementary / Middle
 - ◆ Wildwood Elementary / Middle
- ▶ **SUMMER 2018**
 - ◆ Forest Park High School
 - ◆ Arundel Elementary
 - ◆ Cherry Hill Elementary / Middle
 - ◆ Pimlico Elementary Middle
 - ◆ Robert Poole Building
- ▶ **SUMMER 2019**
 - ◆ Arlington Elementary
 - ◆ Fairmont Harford Building / The REACH! Partnership School
- ▶ **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 2021**
 - ◆ Medfield Heights Elementary School
 - ◆ Walter P. Carter Building (Walter P. Carter Elementary / Middle School & Lois T. Murray Elementary / Middle School)

AWARDS / RECOGNITIONS

- Dorothy I. Height Elementary School
 - ◆ 2020 American Institute of Architects' (AIA) Excellence in Design Award
- Forest Park High School
 - ◆ 2020 American Institute of Architects' (AIA) Design Excellence awards, special category of Good Design = Good Business
- Fairmont Harford Building (The REACH! Partnership School at Lake Clifton Park)
 - ◆ 2020 Baltimore Business Journal Best in Real Estate award



Bay Brook Elementary / Middle School



Mary E. Rodman Elementary School



Louis T. Murray Elementary / Middle School & Walter P. Carter Elementary / Middle School



John Ruhrah Elementary / Middle School

Project C.O.R.E.

Project C.O.R.E., or Creating Opportunities for Renewal and Enterprise, 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.

The State of Maryland has provided \$75 million for blight removal activities,

matched by more than \$50 million from Baltimore City. This historic investment by the State is being conducted under the leadership of the Maryland Department of Housing and Community Development in partnership with Baltimore City Department of Housing and Community Development, with MSA being asked to demolish almost 900 properties.

Projects and Studies

Projects

The MSA was established by the Maryland General Assembly in 1986 to build, manage and maintain quality facilities, to retain Major League Baseball, and return the National Football League to Maryland. MSA's mission has expanded and evolved over the past 34 years, to include sports marketing, and numerous economic, development and planning studies in addition to many construction projects and programs. To date MSA has completed \$3 billion of projects across the state.

Completed Projects:

- ▶ Fair Hill Special Event Zone
- ▶ New Pedestrian Bridge North Bethesda Conference Center Parking Structure

In Progress:

- ▶ Department of Legislative Services Annapolis State Government Complex
- ▶ Ocean City Convention Center Expansion & Improvements, Phase 3
- ▶ Redevelopment of Pimlico Race Course and Laurel Park



Fair Hill Special Event Zone

Studies

MSA's studies provide information, not recommendations, to local officials to assist in the decision making process about investment and benefits for their communities and constituents.

Completed Studies:

- ▶ St. Mary's County Youth Sports Tournament Complex Study, Phase I

In Progress:

- ▶ Baltimore Convention Center Modernization Effort

- ▶ Hagerstown MiLB Ballpark Multi-Use Sports and Events Facility Effort, Phase 2
- ▶ Ocean City Indoor Fieldhouse and Outdoor Field Complex Study
- ▶ Prince George's County Purposed Tennis Center Study
- ▶ Wicomico Youth & Civic Center Renovation / Expansion Study

Redevelopment of Pimlico Race Course and Laurel Park

In October, on the eve of the rescheduled 145th Preakness Stakes, MSA announced that the redevelopment of Pimlico and Laurel Park racing facilities is underway. With the enactment of the Racing and Community Development Act of 2020 legislation in June, the MSA is 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, then envisioned an ideal venue for the Preakness Stakes with year-round non-racing use of the facility for the benefit of the community.

“Maryland’s rich equestrian history and robust industry will be further enhanced with the redevelopment of its racing facilities and may be a catalyst for neighborhood revitalization. The Maryland Stadium Authority is assembling a world-class team for delivering world-class facilities further positioning Maryland’s place as the destination for equestrian sports,” said Thomas Kelso, chairman of the Maryland Stadium Authority.

Immediately upon the enactment of the legislation, MSA initiated the preliminary planning stages of procuring and engaging professionals to partner on this historic, highly complex, multi-jurisdiction, multi-year project. The project will primarily include construction and improvements of the racecourses, stables and clubhouses, at sites in both the City of Baltimore and Anne Arundel County.

MSA is especially pleased with the volume and variety of local, national and international firms that have already expressed interest in the project. Timely and thorough review of the Request for Proposals received for Architecture / Engineering services will be needed with a selection by the first quarter of 2021. MSA expects to manage a larger than usual multi-discipline team of professionals with many supporting sub-teams to execute the multi-faceted, multi-jurisdictional project. To date, MSA has initiated a procurement and sought interested firms for the following services: Design and Engineering; Equine Health, Safety and Research Center. MSA will conduct additional procurements in the very near future for additional services including the selection of contractors at each facility to engage in the design process and ultimately build the facility. Thus far, the pandemic has not impeded the planning and timing of the project.

Additional next steps include continuing to work with key stakeholders to refine plans and logistics necessary to execute the project and develop, negotiate and enter into the various agreements required by the legislation. The focus over the next few months will be solidifying the transition plan of training and racing functions while each facility is in construction. After the transition plan is agreed to, a schedule for each facility will be released.

To that end, the Maryland Racing Steering Committee was created. In addition to MSA, the members include the Maryland Racing Commission, Maryland Thoroughbred Horsemen's Association, Anne Arundel County, the City of Baltimore and The Stronach Group. The multi-disciplinary expertise of the committee members will facilitate and direct the many decisions necessary in this multi-faceted, multi-phased redevelopment project. Already the committee identified the key factors that should guide the programming and project execution decisions such as: Equine Health and Safety; Horseman Health and Safety; Operational Efficiency; Operational Sustainability; Customer Experience; Financial Limitations and; Scheduling Implications. Additional sub-committees will be formed to address specific project needs.

Numerous agreements, as required by the legislation, must be in place before MSA can issue bonds and break ground on the project. The project parties are actively working on the agreements.

MSA understands and appreciates the public interest in this exciting project and will continue to make announcements on next steps as appropriate. The design process is expected to take two years to complete.

Ocean City Convention Center Expansion, Phase III



With the success of 2019 legislation, MSA in partnership with the Town of Ocean City, the third expansion of the Roland E. Powell Ocean City Convention Center is underway. The expected cost of the expansion is \$38 million and is funded by \$22.5 million in MSA bonds, \$15 million in bonds from the Town of Ocean City and a \$500,000 State of Maryland grant.

A recent economic study conducted by MSA estimated that the expansion would have \$47 to \$67 million in new State economic impact, generating \$2.5 to \$3.5 million in new State tax revenue. The estimated annual State share of the new debt service associated with the expansion is \$1.8 million. Therefore, the State is projected to receive an annual net gain of \$1.2 million once the new expansion is completed.

MSA previously partnered with the Town of Ocean City on two additional expansions of the Center, since the original expansion in 1996. The Town of Ocean City has again requested MSA manage the design and construction of the project.

Completion is expected at the end of 2021.



Lease between the Maryland Stadium Authority and the Baltimore Orioles

The MSA and the Baltimore Orioles are currently discussing the terms of a new lease that would keep the team playing in an upgraded Oriole Park at Camden Yards that would offer increased economic benefits from both baseball and year-round non-baseball uses. The current lease expires at the end of 2021, although the Orioles have an option to renew the current lease for five years. This option must be exercised by February 1, 2021.

MSA Announces New Equal Employment Opportunity Officer

In July, Altha Weaver was named Equal Employment Opportunity (EEO) Officer for the MSA. Ms. Weaver has been employed by MSA for 14 years, most recently as Manager of Project Administration for MSA's Capital Projects Development Group. As EEO Officer, Ms. Weaver will focus on implementing equal employment and equal access programs for MSA and its employees, and ensuring adherence to the standards set forth in the Governor's Code of Fair Employment Practices and Office of the Statewide EEO Coordinator. Her first project is to work with Human Resources leadership to establish a diversity, equality & inclusion task force and workplan for the agency. *"Sound EEO practices help ensure that employees are treated fairly and equally, which increases commitment, satisfaction, and loyalty to the employer. Having Altha focus on this body of work for MSA is critical, especially in these unprecedented times,"* said Jocelyn Grogan-Jones, Director of Human Resources for MSA.

Camden Yards Sports Complex

MSA operates and maintains the Camden Yards Sports Complex (CYSC) which includes M&T Bank Stadium, Oriole Park at Camden Yards, the Warehouse and Camden Station real estate assets on behalf of the State of Maryland.

Camden Yards Sports Complex COVID-19 Humanitarian Relief

With Major League Baseball delayed and the National Football League scheduled to begin in the fall, MSA continued to operate the iconic Warehouse as commercial real estate. Even in the required telework environment, MSA's construction projects and feasibility studies across the state continued to be delivered on time and on budget.

During the COVID-19 pandemic stay at home order, MSA repurposed the 85-acre Camden Yards Sports Complex to assist our neighbors in need by inviting World Central Kitchen for weekly meal distribution, welcoming the Salvation Army of Central Maryland for daily meal delivery to vulnerable seniors, hosting the Maryland National Guard for humanitarian aid, participating in #LightInBlue to thank essential, frontline and health care workers and partnering with the American Red Cross, with support from Anheuser Busch for the Baltimore Ravens-One Team Blood Drive.

In July, October, and again in November, UNITE HERE Local 7 distributed free groceries and Safeway gift cards to Baltimore area hotel, restaurant, event and casino workers experiencing job loss or reduction in hours due to COVID-19. The food relief efforts by UNITE HERE Local 7 were made possible with a grant from the Mamie and Jerome Todd Foundation, created by Ben Jealous, and supplemented with local donations. In November, The Baltimore Station, a nearby residential treatment program supporting veterans in transition distributed pre-packaged/pre-ordered meals. The Bradley & Nikki Bozeman Foundation hosted its Offensive and Defensive Line Thanksgiving Food distribution event. While Bradley, a member of the Baltimore Ravens, was sidelined this season with an ACL injury, he supported charitable and grassroots community activities. Finally, Amigos of Baltimore County hosted a holiday toy and gift distribution event for immigrant families challenged by the collective hardships of 2020.



Governor Hogan Announced World Central Kitchen Saturday Food Relief Operation at the Camden Yards Sports Complex

Maryland Partnered with Chef José Andrés' Nonprofit to Distribute Fresh Free Meals to Residents in Need on Saturdays During the COVID-19 Pandemic



In April, at the request of Governor Larry Hogan, Chef José Andrés' nonprofit World Central Kitchen (WCK) expanded its food relief operation in the City of Baltimore for five Saturdays at Lot H of the Camden Yards Sports Complex. Supported by MSA, WCK's food relief operation helped relieve food insecurity faced by Baltimore's vulnerable communities.

Each Saturday, WCK worked with Revolution Foods, and safely distributed 10,000–20,000 individually packaged, fresh meals in Baltimore for residents to pick up and take home for the weekend. Lot H, adjacent to M&T Bank Stadium at the Camden Yards Sports Complex, is a short walk from south Baltimore neighborhoods, has ample parking, and is conveniently located near the Hamburg Light Rail station.

In addition to WCK team members, 40 volunteers mostly from Baltimore City's Mayor's Office of Children and Family Success helped serve meals to their neighbors in need.

MSA, which operates the Camden Yards Sports Complex on behalf of the State of Maryland, was delighted to host and offer site support to WCK. Both home teams, the Baltimore Orioles and Baltimore Ravens, warmly welcomed WCK. National media coverage of WCK food relief operation in Baltimore was especially positive.

- 5 Saturdays in April and May, at Camden Yards Sports Complex, Lot H
- 63,000 meals distributed (packed in bags of seven meals per person)
- 40 volunteers per distribution day serving walk up and car drive through neighbors

Oriole Park Served as a Voting Center for the 2020 General Election



In October, the Baltimore Orioles announced that MSA and the Baltimore City Board of Elections reached an agreement to provide Baltimore City residents access to a safe and secure designated voting center at the iconic Oriole Park at Camden Yards during the 2020 Presidential General Election.

Dempsey's Brew Pub and Restaurant served as the polling location and over 1,200 ballots were cast the first day of early voting. Additionally, there were two active ballot drop box locations at the historic B&O Warehouse. MSA also illuminated the Camden Yards Sports Complex with red, white, and blue lights for early voting through Election Day.

"We are pleased that the Camden Yards Sports Complex, a place to work and play, will serve as a polling place so that Marylanders can safely exercise their franchise. As always, we are here to serve," said Thomas Kelso, Chairman, MSA.



Baltimore City, the Salvation Army, Baltimore Ravens and Orioles Teamed Up to Deliver 10,000 Meals Daily to Vulnerable Seniors During COVID-19 Crisis

Feeding operation was staged at the Camden Yards Sports Complex in Baltimore City



In April, Mayor Bernard C. “Jack” Young announced a large-scale feeding operation in partnership with The Salvation Army of Central Maryland, Baltimore Ravens, Baltimore Orioles and MSA designed to provide 10,000 meals daily to vulnerable seniors living independently, and in the area’s 145 senior living facilities and residential housing.

This operation was a collaborative effort with The Salvation Army, Baltimore City’s Department of Aging (The LEAN Campaign) and Department of Transportation with Maryland Access Point and funded in part by a generous \$100,000 donation by the Baltimore Ravens. The feeding operation continued through August as the community need remained.

The meals, prepared by The Salvation Army’s food partner Rouge Fine Catering, included a nutritious cold lunch and a microwavable dinner. The city’s Department of Transportation provided the drivers of the vehicles and The Salvation Army provided volunteers to accompany them and deliver two meals, once daily, to previously identified seniors who have been referred through the city’s MAP system. The refrigerated trucks were donated by Perdue Farms and were used to store meals prior to delivery to ensure freshness and compliance with state and local health department regulations.

The Salvation Army’s feeding operation was staged at the Camden Yards Sports Complex with site support by the MSA and promotional support by both the Baltimore Ravens and Baltimore Orioles to recruit volunteers by leveraging their platforms and reaching their fans. Baltimore Orioles Manager, Brandon Hyde and General Manager Mike Elias donated masks to equip the volunteers.

“During this time of separation and uncertainty, this combined effort enabled our community to come together to provide hope and connection to the most vulnerable of our neighbors,” said Major Gene A. Hogg, Area Commander for The Salvation Army of Central Maryland.

- › Daily, April 27 through August 31 at the Camden Yards Sports Complex, Lot C
- › 892,080 meals were delivered to vulnerable seniors
- › 2,587.5 volunteer community service hours donated, the top volunteer served 47 days, approximately 185 total hours.



Warehouse Improvement Project

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's Warehouse Improvement Project includes 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.

Special Events

In addition NFL and MLB games, the CYSC hosts social occasions, business meetings, industry expos and family friendly fundraising events for local non-profits. Due to COVID-19 most events were rescheduled for 2021 or held virtually.

- ▶ 2020 Drive-In Stadium Lot Events
 - ◆ Steez Promo Bass Nation Baltimore: Drive In Edition featuring Subtronics & More Concert
 - ◆ 10:12 Sports 5th Annual Banquet & Scavenger Hunt Drive In

Public Safety & Security

The safety and security of all who visit and work at the Camden Yards Sports Complex is our highest priority. 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 partner stakeholders to test emergency preparedness at the Camden Yards Sports Complex. 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 Camden Yards Sports Complex.
 - ◆ In February, the Federal Emergency Management Agency (FEMA), MSA, and the Baltimore Ravens hosted Sport and Special Event Enhanced Risk Management training at M&T Bank Stadium. Attendees included leadership of regional sports facilities plus city, state and federal security and public safety professionals.
 - ◆ In March, the MSA and Baltimore Orioles in partnership with the Maryland Emergency Management Agency (MEMA) hosted the Oriole Park at Camden Yards Emergency Preparedness Function Drill and Exercise.
 - ◆ In September, the MSA and Baltimore Ravens hosted the M&T Bank Stadium Emergency Preparedness Virtual Tabletop Exercise.
- ▶ Throughout the year, MSA makes our facilities available to our federal, state and local law enforcement partners for approved training purposes.

M&T Bank Stadium Earns Homeland Security Safety Act Designation

In May, M&T Bank Stadium was recognized by the United States Department of Homeland Security with a SAFETY Act Designation, acknowledging excellence in gameday security practices.

The M&T Bank Stadium Security Program, is a comprehensive program that includes the screening of visitors and packages, emergency plans, threat assessments, physical and electronic security equipment, and trained personnel. The security program applies to the entire stadium property, including the seating bowl and suites, gates, loading dock, inner and secondary perimeters, field, locker rooms, utility and mechanical systems, and command center.

The SAFETY Act award demonstrates the success that the Baltimore Ravens, MSA, SAFE Management and city, state and federal law enforcement and emergency management agencies have had in developing and implementing security policies, procedures and protocols to keep our employees and fans safe.



Despite the setbacks due to COVID-19, both the Maryland Sports Commission and the Sport and Entertainment Corporation of Maryland (the Sport Corp.) continued to meet goals and objectives related to delivering future events which have the potential to have a positive impact on the State of Maryland's recovery in a post-pandemic world. There is a strong sense of optimism about the return of new and perennial sport tourism events in Maryland in 2021, including the roll out of a new website database platform that will allow potential Events Rights Holders and partners an easier, streamlined approach to searching and marketing destinations and facilities. In the meantime, the office remains dedicated to pursuing major sports events for the entire State of Maryland in 2021 and beyond.

10th Anniversary Publication and 2021 Legislative Agenda

The Maryland Sports Commission celebrated a new decade with the release of the 10th Anniversary [Publication](https://t.ly/HcQO) (t.ly/HcQO), published as part of a partnership with Kalix Marketing, a Baltimore-based agency that provides marketing materials for various local businesses and universities. This publication was a snapshot of the first decade as the sports commission for the State of Maryland. It was delivered to National Governing Bodies and global Events Rights Holders, as well as, the entire state legislature and elected officials statewide. The Maryland Sports 10th Anniversary Publication also served as a complimentary piece to our Youth and Amateur Sports Grant Program Legislation, which was introduced to the Maryland General Assembly in March. The legislation was so positively received by the legislature, it passed both chambers on a resounding 172-3 vote. The only amendment to the bill was that it be renamed: The Youth and Amateur Sports Grant and Michael Erin Busch Fund, to honor the longtime Speaker of the House of Delegates who passed away in 2019. The timing of the legislation, unfortunately, coincided with the outbreak of the COVID-19 epidemic in the US and was vetoed by Governor Larry Hogan in May. The Youth and Amateur Sports Grant and Michael Erin Busch Fund Bill will be revisited in the 2021 legislative session.

Return to Play Task Force and Report

Since the outbreak of COVID-19 in the US, Maryland Sports like the rest of the country had to adapt to a situation that was unlike anything previously experienced. The office immediately connected with TEAM Maryland and Maryland's Own partners to assist them with small business recovery programs being introduced at the state level. Maryland Sports connected with TEAM Maryland partners to monitor and document the cancellation and postponements of events, as part of the effort to gauge the potential impact that the pandemic would have on the entirety of the sport tourism industry across the state. In May, the Maryland Sports Commission was called upon by Governor Hogan to create a task force to develop a roadmap for a safe return to sports activities in the state. This task force was a collaborative

TEAM Maryland

The 16 TEAM Maryland partners adapted to newly created guidelines of state and local officials in an effort to minimize the spread of COVID-19. Each partner utilized the Maryland Sports Commission Return to Play Report and Guidelines to consult the best practices and recommendations for safe play during the pandemic. Many members were able to salvage events, under modified conditions, however some were forced to postpone major sporting events. Our office also worked with partners to document loss of revenue due to the pandemic, while also developing a new vision for TEAM Maryland for 2021 and beyond.

- ◆ Visit Annapolis & Anne Arundel County CVB
- ◆ Visit Baltimore
- ◆ Baltimore County Tourism and Promotion
- ◆ Cecil County Tourism and Recreation & Parks
- ◆ Dorchester County Tourism
- ◆ Visit Frederick
- ◆ Visit Harford
- ◆ Visit Howard
- ◆ Visit Montgomery
- ◆ Town of Ocean City
- ◆ Experience Prince George's
- ◆ Visit St. Mary's
- ◆ Talbot County Office of Tourism
- ◆ Visit Hagerstown & Washington County CVB
- ◆ Wicomico County Recreation, Parks & Tourism
- ◆ Worcester County Tourism, Recreation and Parks

effort, made up of medical professionals, governing body leadership, local Destination Marketing Organizations (DMOs), recreation and parks leaders and events rights holders. The task force developed - and continues to monitor - the Return to Play Report and Guidelines, a feature on the Maryland Sports website that provides the latest information and guidance to citizens, local government agencies, and organizations as it pertains to risk factors for safely executing sporting events. *"The Maryland Sports staff assembled some of the most respected medical, sports, and event professionals from around*



Return to Play Task Force and Report *continued*

the state to develop a set of guidelines to ensure that youth and amateur sports could proceed in as normal of a setting as possible. With service at the core of our agency's mission, we were proud to publish this report to give Marylanders, especially children, some sense of normalcy through sports in these uncertain times," said Thomas Kelso, Chairman, MSA. Maryland Sports continues to receive guidance and remains as an authoritative guide for those sports that were able to return in a modified capacity during the spring, summer, and fall months.

Diversity, Equity, and Inclusion Training

This past year, the staff at Maryland Sports recognized the need to ensure that the department was meeting the needs of constituents and colleagues through equity and empowerment. It was the determination of the team that the way things had always been was no longer good enough. As a whole, Maryland Sports remains committed to creating a workplace that promotes inclusivity. The office was proud to have two team members be a part of the newly created MSA Diversity, Equity, and Inclusion Task Force and the Executive Director participated in an 8 week DEI dedicated hospitality training program. In addition to participation on the task force, the department has actively participated in, and continues to work with, organizations to learn how to be change-agents in both the professional and personal spheres.

Major League Lacrosse at Navy Marine Corps Memorial Stadium

Forced with the possibility of canceling their season for the first time in history, Major League Lacrosse approached the Maryland Sports in hopes of salvaging their season. *"The MLL was in search of a 'bubble' to host a modified season, similar to other professional sports organizations across the country, and our office played an integral role in securing Navy-Marine Corps Memorial Stadium in Annapolis as a venue site for them,"* said Terry Hasseltine, Executive Director of Maryland Sports. The updated season consisted of a week long, abbreviated-style format with all games being played at the home turf of the Naval Academy football and lacrosse programs. The stadium, which is also the home field for the Chesapeake Bayhawks, hosted the 2019 MLL All Star Game and Festivities, including the Youth Clinic sponsored by the Maryland Sports.

Virtual Trade Shows

COVID-19 impacted what was scheduled to be a busy travel season for Maryland Sports, forcing the cancellation of Sports ETA in Kansas City in April and the Sports Relationship Conference in Colorado Spring in September. The annual TEAMS Conference joined the virtual world, hosting their event remotely from Houston in October. The office continues to connect virtually with partners within the state and beyond. Industry experts believe that sport tourism will play a paramount role in rebuilding local economies in a post-pandemic world, and the Maryland Sports staff remains committed to being at the forefront when it comes to executing events safely and efficiently.

Sport and Entertainment Corporation of Maryland

The affiliated non-profit arm of Maryland Sports, the Sport Corp. closed out 2019 on a solid note, officially receiving its IRS 501 c (3) determination in November 2019. The Sport Corp. started 2020 by hosting key private sector partners in-market for major events. This included outside contractors for the Maryland Cycling Classic and Baltimore-Maryland 2026 World Cup Host Destination Committee. From the end of 2019 through the first quarter of 2020, The Sport Corp. coordinated planning meetings with local government entities, developing partnerships at the State and City levels in preparation for major events scheduled over the next decade. Even with the economic uncertainty that has accompanied COVID-19, Sport Corp. has been able to secure corporate sponsorships and private sector partnerships, allowing the office to continue with strategic planning for future events. The Sport Corp. remains resolute as it prepares for what is sure to be a busy 2021. The office's goal is a commitment to being at the forefront of delivering major sporting events to the State of Maryland, in the effort to rebuild local economies in the aftermath of COVID-19.

Travel and Marketing Efforts

One of the last major travel events for the office was SoccerEx in Miami. As part of a local contingent from the State, Sport Corp., Maryland Sports Commission, MSA, and the Baltimore-Maryland 2026 World Cup Host Committee took advantage of opportunities to build relationships with key individuals and organizations to help advance the State's bid to host the FIFA World Cup™ at M&T Bank Stadium in Baltimore in 2026. In June 2020 the Baltimore-Maryland 2026 website and social media platforms launched, making it the third event-specific website/social media launch for the Sport Corp in the last year (The Maryland 5 Star at Fair Hill and The Maryland Cycling Classic). The World Cup web launch was jump started by the "Are You In?!" virtual campaign, which encouraged local residents to sign a pledge of support and contribute donations to the bid effort.

Baltimore-Maryland 2026 World Cup Host Destination (Baltimore-Maryland 2026)

Since the beginning of summer, The Sport Corp. has leveraged numerous high profile partnerships from the public and private sectors to serve as part of the Host Delegation Committee. This included Oregon-based automotive company, Arcimoto, who wrapped one of their electric Fun Utility Vehicles (FUV) with the official Baltimore-Maryland 2026 logo. The bid also secured numerous well-known Goodwill Ambassadors and celebrity endorsements, including: WNBA Superstar and Olympic Gold Medalist Angel McCoughtry, former U.S. Soccer Men's National Team player - and World Cup participant - Oguchi Onyewu, Baltimore Orioles Legend Cal Ripken, Jr., Baltimore Ravens Legend Ray Lewis, and NFL All-Pro Ronnie Stanley. On October 26th, the committee launched a promotional video produced by Baltimore-based company TBC, narrated by the host of Dirty Jobs (and Baltimore native), Mike Rowe. Baltimore-Maryland 2026 recently secured major funding approval from Governor Hogan in anticipation of a 2021 site visit by FIFA officials, who plan to narrow the field of cities still in the hunt to host match play in the 2026 World Cup from seventeen to ten.



FUV

Bid & Event Legacy Projects

Baltimore and Maryland currently have numerous projects and initiatives underway and in the planning process that have the potential to change the landscape of City and State for centuries. The Baltimore-Maryland 2026 Committee is developing a Legacy Plan to be inclusive and work with what is currently being done by adding resources, development and awareness where needed.

We have established our own project, called the **Pitch of Equity (PoE)**, that includes established projects addressing inequity and new projects and ideas that are being created to correct imbalances. There is a development/infrastructure project element of Pitch of Equity, that works with existing projects throughout the City to enhance the projects with more green space and other development activities. The legacy plan focuses on the tangible, intangible, and overarching outcome goals the delegation has as part of the World Cup bid effort. Through the Goodwill Ambassador program and community outreach, the delegation hopes to touch upon enhancing the quality of life for residents around Baltimore City and the State of Maryland through green initiatives, improved infrastructure, increased commitment to human rights and fair employment and housing practices, as well as expanded opportunities to grow the sport of soccer through the creation of programs and facilities for local youth.

Beyond the local impact, the Baltimore-Maryland 2026 Delegation plans to develop relationships with international partners and nations in an effort to build diplomatic partnerships and economic relationships, developing mutually beneficial alliances and the potential for future trade opportunities for the State of Maryland as a whole. Elements of the plan below:

- ▶ (PoE) Baltimore City Schools
- ▶ (PoE) Middle Branch redevelopment
- ▶ (PoE) Field enhancements and development
- ▶ (PoE) PROJECT C.O.R.E. – Green Space
- ▶ (PoE) Baltimore Green Network
- ▶ (PoE) Bike racks with icons
- ▶ (PoE) City-Wide Wifi/Broadband
- ▶ Peace Matches (Footballers For Peace)
- ▶ (PoE) Sports Intern
- ▶ (PoE) Engineering Co-Op Intern
- ▶ School of the Blind Pitch
- ▶ (PoE) Mini pitches/fields
- ▶ (PoE) 26 Book Nooks
- ▶ International Youth Tournament
- ▶ (PoE) Reusable Bags
- ▶ (PoE) Listening Session
- ▶ (PoE) Beautification via icon artwork
- ▶ Penn Station Renovation
- ▶ Harbor Point
- ▶ Inner Harbor 2.0
- ▶ (PoE) Local youth clubs, leagues and organizations
- ▶ (PoE) Soccer without Borders
- ▶ (PoE) Park & recreation programs/ youth growth of the game
- ▶ (PoE) Local SWB program
- ▶ (PoE) Face Masks
- ▶ Supporters Club Championship (yearly tournament)
- ▶ Redevelopment of Pimlico Race Course

Maryland 5 Star at Fair Hill

The Maryland 5 Star at Fair Hill has been granted official 5 Star (CCI5*-L) status following support from the Board and the Eventing Committee of the Fédération Équestre Internationale (FEI), the international governing body for equestrian sport. The inaugural Maryland 5 Star at Fair Hill (CCI5*-L) is entered in the FEI Calendar for October 14-17, 2021. The formal ratification was received following the FEI's evaluation of the host venue at a test event in August 2020 held at the newly constructed Fair Hill Special Event Zone in Cecil County. FEI officials were on-site at Fair Hill in August where competitors utilized the new Special Event Zone for the first time since construction was completed in February 2020. The 3 Star (CCI3*-S) level event served as the test event for the Maryland 5 Star after the original test event planned for April was canceled because of the pandemic. *"The 5 Star designation is the top level of our sport and in turn, there is an extensive evaluation process that takes place in order to host such an event,"* said Catrin Norinder, FEI Director of Eventing and Olympic. *"Despite the challenges 2020 has presented, the organizers have made tremendous strides and met the necessary requirements to date, and the FEI Eventing Committee supported its inclusion in the FEI Calendar."*



Maryland 5 Star at Fair Hill test event in August 2020

In 2017, the United States Equestrian Federation's (USEF) board of directors selected Fair Hill as a potential host site for the newest CCI5*-L competition on the international Eventing circuit. Last year, the Maryland Board of Public Works approved funding for the construction of the Fair Hill Special Event Zone to serve as the annual host site for the Maryland 5 Star. MSA completed Phase I of the project on time and on budget in 2020 including the construction of a new cross-country course designed by renowned course designer Ian Stark, as well as new dressage and show jumping arenas located within the infield of the refurbished Turf Course at Fair Hill. There are currently just six locations in the world hosting CCI5*-L rated events which are the pinnacle of the sport of Eventing. Next year, the Fair Hill Special Event Zone will become the seventh venue to host a CCI5*-L and Maryland will join Kentucky as the second location in the United States/Western Hemisphere. *"The Maryland 5 Star at Fair Hill will be a significant addition to our country's Eventing calendar and is the result of a major, multi-year initiative to bring a second CCI5*-L to the U.S.,"* said Bill Moroney, Chief Executive Officer of US Equestrian. *"This event is the culmination of that vision and we're looking forward to working with the Maryland 5 Star at Fair Hill team to support a successful event in 2021 and beyond."*

Maryland Cycling Classic

In October 2019, the UCI announced Baltimore-Maryland as the newest destination on the newly created ProSeries tour schedule beginning 2020. Originally planned for Labor Day Weekend 2020, the Maryland Cycling Classic was forced to postpone its inaugural event until Labor Day Weekend of 2021 due to COVID-19. In September 2020, the Maryland Cycling Classic Announced a presenting sponsorship with UnitedHealthCare (UHC), a multi-year partnership that will benefit the race and Maryland community. *"Baltimore and the State of Maryland can gain confidence that while we're postponing this event because it's the right thing to do, we'll be back bigger and better in 2021,"* said Maryland Cycling Classic's Chair John Kelly, also an event sponsor and President of Baltimore-based Kelly Benefit Strategies. *"Despite the current environment, the team here at Maryland Cycling Classic is excited and proud to have secured support from UnitedHealthcare, as well as a host of other great corporate and community partners. The future is bright. We look forward to playing a major role in boosting the economy and profile for Maryland, the City of Baltimore and Baltimore County next year."*

"UnitedHealthcare's partnership with the Maryland Cycling Classic provides a fantastic opportunity to bring elite cycling to Baltimore while promoting a healthy lifestyle," said UnitedHealthcare's Chief Executive Officer – Mid Atlantic Region Joe Ochipinti. *"While large gatherings are not permitted right now, we look forward to presenting this unique international sporting event to the millions of people we serve across Maryland and the Mid-Atlantic region when it safely kicks off next year."*

Maryland Cycling Classic *continued*

Like many other major events around the world, the Maryland Cycling Classic is challenged by the current unknowns around COVID-19 and health and safety concerns while staging an outdoor, free, public event with large crowds.

“The great state of Maryland remains a beacon for world-class events,” said Maryland Governor Larry Hogan. “We’re looking forward to hosting this international sporting event in 2021, while keeping public health and safety at the forefront of our planning. Maryland has deep roots in cycling and this race will mark a new era for the sport in our state.”

The race, which is slated to start in Baltimore County and finish in the City of Baltimore, will attract some of the world’s best cyclists, including Tour de France riders, Olympians, World and National Champions. The weekend-long celebration will include community and lifestyle events. The Maryland Cycling Classic has also announced merchandise providers in Athlos and DMC.

Baltimore-Maryland 2026 World Cup Host Destination Delegation Presents Digital Pitch to FIFA & United States Soccer Federation in Effort to land 2026 FIFA World Cup™

Led by Maryland Lieutenant Governor Boyd Rutherford and Maryland Sports Executive Director Terry Hasseltine, the Baltimore-Maryland 2026 World Cup Host Destination Delegation met virtually with representatives from FIFA and the United States Soccer Federation (USSF) Monday, July 20, to present their plans to secure and execute the 2026 FIFA World Cup™ at M&T Bank Stadium in Baltimore, Maryland. *“Maryland has a tremendous opportunity to host the 2026 FIFA World Cup in Baltimore. From its cutting-edge sports venues & world-class attractions, to its diverse population & cultural experiences, Baltimore is the perfect FIFA World Cup host city. I look forward to continuing to work with our partners to bring this opportunity to Maryland and showcase Charm City to the world,”* said Maryland Lieutenant Governor Boyd Rutherford.

Joining Lt. Governor Rutherford and Hasseltine were Roy Sommerhof, Senior Vice President of Stadium Operations for the Baltimore Ravens, Al Hutchinson, President & CEO at Visit Baltimore, and Michael J. Frenz, Executive Director of the Maryland Stadium Authority.

The Baltimore-Maryland Host Delegation has been meeting remotely via video conference in preparation for the meeting. Hasseltine says the group decided on the theme of “Why Baltimore” as a focus of their presentation, spotlighting specific topics as recommended in previous exchanges and workgroups outlined by FIFA and USSF officials.

The Baltimore-Maryland Delegation placed a great amount of focus on the accessibility and hospitality options around Baltimore City, and their incredibly close proximity to M&T Bank Stadium. Not only are these local businesses within walking distance of the venue, they also allow for incredible flexibility when it comes to potential Fan Festival locations and activation sites.

A major focal point of the meeting was the eclectic and diverse populations that make up the communities within and surrounding Baltimore City. During the presentation, Hutchinson mentioned that Baltimore has more than 250 neighborhoods, each having their own unique restaurants, shops, culture and arts scene.

Within the delegation’s marketing materials is a distinctively unique messaging brand which pays homage to the area’s vibrant arts community. The branding consists of a teal background with a flamingo, crab and soccer player donning a “Hon-styled” hair do. Hasseltine told FIFA and USSF officials, *“The teal background represents sustainability and our commitment to environmental and green initiatives. The soccer player represents the people of the great state of Maryland. The flamingo represents our arts and heritage community, and the crab, of course, represents our waterways, our food, and our traditions”*, to which Hutchinson later added, *“and of course the best crab cakes in the world.”*

There was also discussion about a key element of the bid process- the Legacy Plan and addressing Human Rights, both larger factors of becoming one of the final ten. Ongoing and upcoming development projects around the Inner Harbor and South Baltimore, as well as current projects underway at both BWI-Marshall Airport and Penn Station, were also discussed. The Baltimore-Maryland 2026 World Cup Host Destination Committees are actively working to plan for a site visit in 2021 along with hosting the FIFA World Cup™ in 2026.



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