Maryland Stadium Authority

Seasons of Celebration

2012 Annual Report

Seasons of Celebration

Camden Yards is aglow in orange for post-season play.

Even Cal shows a touch of tangerine when the September sun sets over left field.

MICHAEL J. FRENZ
Executive Director

Our Mission

- TO PLAN, FINANCE, BUILD AND MANAGE SPORTS AND ENTERTAINMENT FACILITIES IN MARYLAND.
- PROVIDE ENJOYMENT, ENRICHMENT, EDUCATION AND BUSINESS OPPORTUNITIES FOR CITIZENS.
- DEVELOP PARTNERSHIPS WITH LOCAL GOVERNMENTS, UNIVERSITIES, PRIVATE ENTERPRISE, AND THE COMMUNITY.

Our Vision

The Maryland Stadium Authority is more than the name implies. Our projects promote historic preservation, adaptive reuse, community redevelopment, cultural arts, and civic pride. MSA has the latitude to negotiate with other government jurisdictions and departments within the State. This includes creating public-private partnerships for financing and operating facilities.

The Maryland Stadium Authority is a catalyst for improving quality of life and creating a climate where industry can flourish. Every project undertaken by MSA has contributed to the community where it is located, and the local economy it helps support.

The Maryland Stadium Authority represents more than buildings. Our continuing legacy is found in activities and attractions that entertain, educate and enrich the Maryland experience for those who live and visit here. Our projects provide a link with our past and an investment in our future. They offer opportunities for our business sector while providing enjoyable experiences for citizens of all ages.

Front cover:
Fans cheer the last out of the last regular season game of 2012. Final score: Orioles 6 / Red Sox 3

Back cover:
Not the Village People, but joyous Ravens fans (and one Texans ringer,) prior to the January 15th playoff game at M&T Bank Stadium

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Chairman's Letter

SEASONS OF CELEBRATIONS

2012 BEGAN AT CAMDEN YARDS WITH THE STAR-SPANGLED BANNER RAISED OVER VETERANS MEMORIAL TO COMMEMORATE THE WAR OF 1812 BICENTENNIAL. AS ONE OF THE MOST VISIBLE — AND VISITED -- STATE PROPERTIES IN MARYLAND, WE HELPED SET THE TONE FOR A YEAR OF STATEWIDE FESTIVITIES.

This was our first celebration in a year that included a Ravens playoff game, 20th anniversary of Oriole Park, spectacular Sailabration festivities, Orioles post-season run, return of international soccer, and yet another winning Ravens season that led to the Super Bowl.

The Maryland Stadium Authority played a supporting role in each of these high profile stories. We enjoyed a banner year ourselves as we promoted additional uses of our complex, provided environmental enhancements to our operations and facilities, and welcomed more Marylanders and visitors to our campus with a variety of community events and activities.

Maintaining and improving this iconic venue is our mandate. We accomplished a great deal in 2012 through enhancements to Oriole Park. An influx of visitors celebrated the new amenities along with the resurgence of the Orioles.

Our greatest responsibility, however, is the safety and security of our tenants and visitors. This, too, is reflected in our facility improvements, partnerships, and policies enacted in 2012.

We have a lot more to look forward to in 2013 and beyond, and invite you to enjoy the journey with us.

Sincerely,

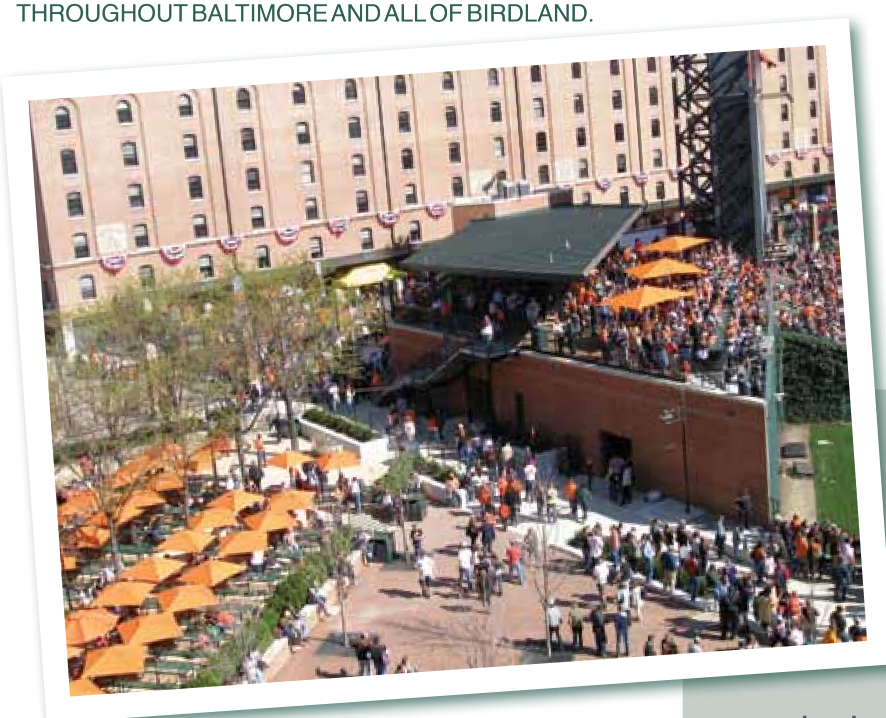
John Morton III, Chairman

Twenty Years at Camden Yards

"Someone once said that art is the creation of something that previously wasn't there, but something that the future will make necessary. That is Camden Yards."

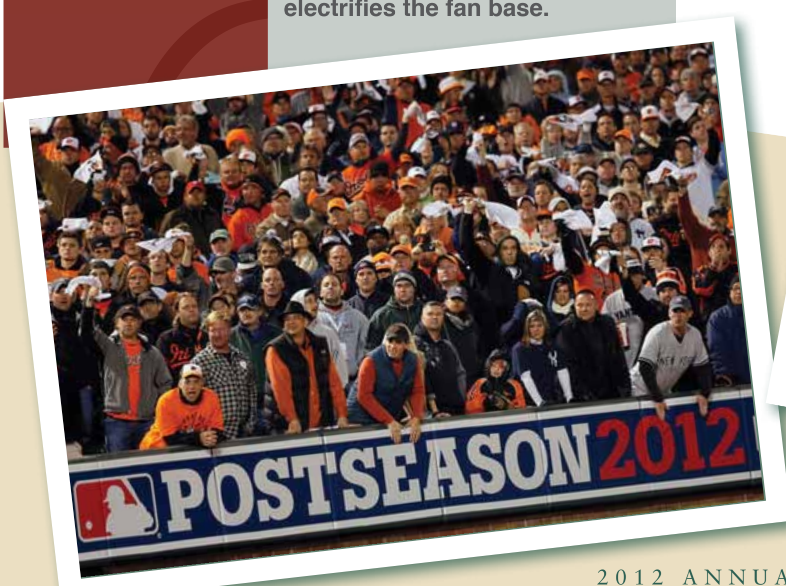
Buck Showalter, Opening Day 2012

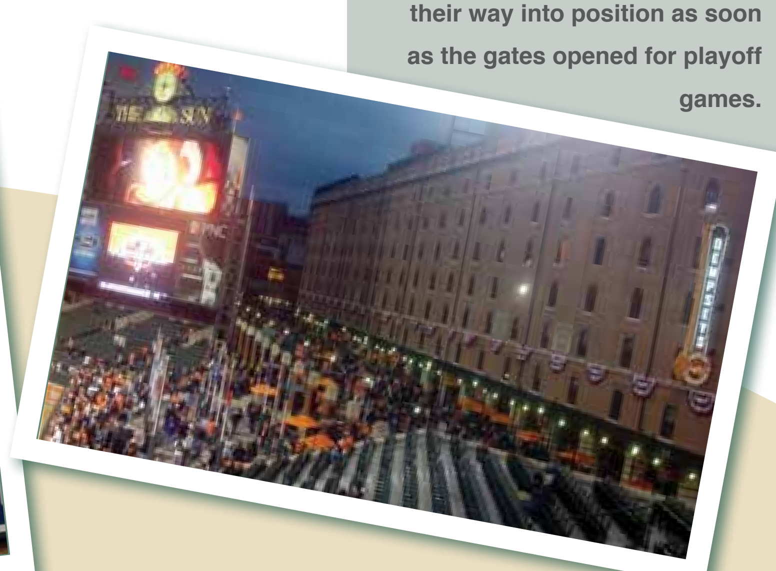
THE 20TH ANNIVERSARY SEASON OF ORIOLE PARK AT CAMDEN YARDS—THE BALLPARK THAT FOREVER CHANGED BASEBALL—WAS ONE ORIOLES FANS WON'T SOON FORGET. WE HONORED LEGENDS AND CELEBRATED A POSTSEASON BERTH, THRILLING SUPPORTERS THROUGHOUT BALTIMORE AND ALL OF BIRDLAND.



Thanks to off-season improvements which lowered the railing, the Flag Court became a popular viewing area. Standing room ticket-holders elbowed their way into position as soon as the gates opened for playoff games.

Almost unimaginable in April, a playoff game at home in October electrifies the fan base.



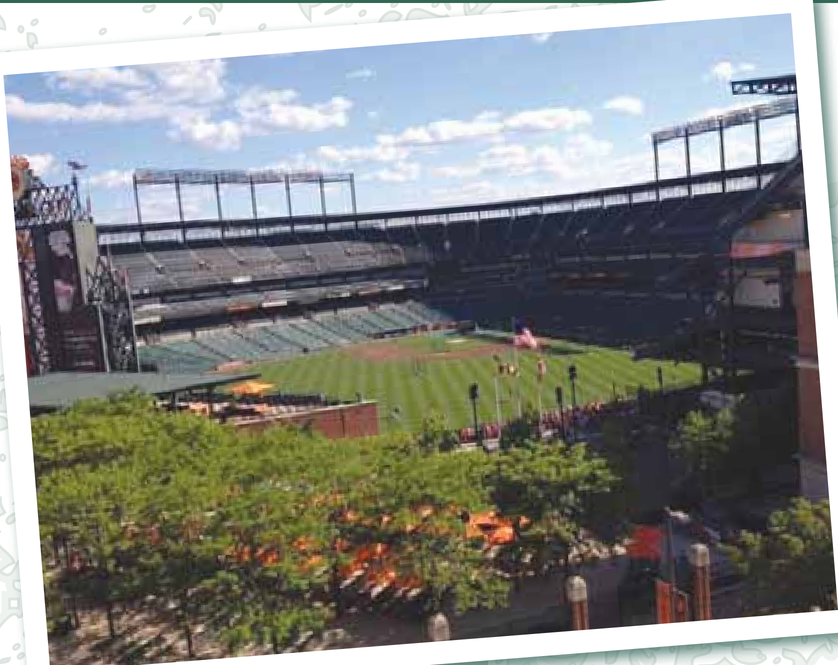


"Oriole Park at Camden Yards, now the tenth oldest park in baseball, remains the standard bearer by which all new ballparks are judged, and thanks to the cooperation between the Maryland Stadium Authority and the Orioles, we expect it will remain so for decades to come."

Peter Angelos

Opening Day, 2012

Photo by Todd Olszweski



Seen in late summer, Oriole Park is especially inviting. The newly-accessible picnic area and statuary garden created a public park, connecting the stadium complex to a revitalized downtown and expanding university campus.

As the Oriole flies — Birdland reaches in every direction.

Boog Powell and Miss Catherine, ballpark fixtures since 1992, marvel at the crowds streaming in two hours before the game.

"More than 2.1 million fans enjoyed this beautiful ballpark, which was enhanced this year with amenities such as the Roof Deck, Dempsey's Brew Pub and Restaurant, and the Orioles Legends sculpture area."
Peter Angelos

The new rooftop deck and lower railing over the bullpens were instant favorites for fan viewing. They filled quickly when the Eutaw Street gates opened.

These Sox fans grabbed rooftop rail seats just as soon as the gates opened.

Even though the Orioles are in New York, these Grand Prix visitors are following them from the rooftop deck.

Well after baseball season, the statue garden is still an attraction to Baltimore visitors. Here, Brooks Robinson is flanked by two of the beautiful red maples that give the park an autumn glow.

"All of these improvements were completed to benefit all fans at the ballpark, as well as for those visiting the park on non-game days or during the off-season."

Peter Angelos

It didn't take long for Dempsey's Brew Pub in the Warehouse to become a favorite neighborhood sports bar. By the end of the 2012 season, it was the place for locals and convention-goers to stop in and watch the O's on the road. Here, a roomful of regulars cheer the home team as they play their first post-season game in Texas.

The Team Player

TWENTY YEARS AFTER ORIOLE PARK OPENED AS A TRANSCENDENT MODEL FOR URBAN REDEVELOPMENT, CAMDEN YARDS HAS EVOLVED INTO AN INTERNATIONALLY RECOGNIZED SPORTS COMPLEX.

To Maryland residents and visitors, this state-owned facility is much more – a transit center and venue where activities and events occur year round. The Maryland Stadium Authority and our tenant partners take great pride in the role we play as a stage for many public gatherings, large and small. Camden Yards is a community asset and team player in serving citizens of Maryland.

Even in early March, lacrosse tailgating goes on. These revelers, here for the Konica Minolta Face-off Classic, are not deterred by the frigid weather.

#1 ranked Virginia defeats #3 ranked Cornell in overtime in the second of three Face-Off Classic matches. 17,138 fans attended over a full day of lacrosse at M&T Bank Stadium

The Face-Off Classic, featuring top NCAA teams in double or triple header events, has been a tradition at M&T Bank Stadium since 2007. It will return in 2013.

DO THE MATH:

Konica Minolta Face-Off Classic

March 8, 2012

$1.27 million spending

10 equivalent jobs

$529,000 total earnings

$98,000 state taxes

$34,000 local taxes

Crossroads Consulting

SOCCER

INTERNATIONAL SOCCER RETURNED TO M&T BANK STADIUM IN 2012 WITH A "FRIENDLY" MATCH BETWEEN LIVERPOOL AND TOTTENHAM FOOTBALL CLUBS OF THE ENGLISH PREMIER LEAGUE. SUPPORTERS FROM AROUND THE COUNTRY CAME TO CHEER THEIR SIDES.

In addition to cheers and chants, Liverpool fans sing their theme song.

The field at M&T is fitted with a natural grass pitch to meet international standards.

DO THE MATH:

Tottenham-Liverpool Soccer

July 28, 2012

$6.3+ million spending

70 equivalent jobs

$2.7+ million total earnings

$582,000 state taxes

$148,000 local taxes

Crossroads Consulting

MONSTER JAM

Sodding the field at M&T was nothing compared to the landscaping required for the return of Monster Trucks. For the second consecutive year, this family-friendly event delighted children of all ages.

DO THE MATH:

Monster Jam, June 2, 2012

$2.6+ million spending

30 equivalent jobs

$1.7 million total earnings

$195,000 state taxes

$55,000 local taxes

Crossroads Consulting

BMW AND EXOTIC CAR FESTIVAL

In September, a BMW & Exotic Car Festival took place with all proceeds going to the Wounded Warrior Project.

Beautiful weather and the convenient location made the turnout much greater than expected. The BMW show will be returning in 2013.

No one enjoys an afternoon at Camden Yards more than these helpers

GRAND PRIX OF BALTIMORE

DESPITE HAVING JUST THREE MONTHS TO ORGANIZE A MULTI-MILLION DOLLAR EVENT, THE TEAM OF RACE ON AND ANDRETTI MARKETING MANAGED TO PULL OFF THE SECOND ANNUAL GRAND PRIX OF BALTIMORE. MANY OF THE ACTIVITIES AND ATTRACTIONS WERE STAGED AT CAMDEN YARDS.

Ryan Hunter-Reay takes the lead after a brief rain delay. Television cameras at Turn 8 captured this iconic view of the Camden complex

Watching exotic sports cars get assembled was an entertaining part of the event.

The Warehouse defines the length of Pit Lane, with the Baltimore Convention Center terrace providing a perfect VIP viewing area.

DO THE MATH:

Economic Impact of the 2012 Grand Prix of Baltimore

Over 131,000 spectators

58% from outside Baltimore area; 32% from outside Maryland

64% of tickets purchased by non-locals, representing $2.88 in new money brought to area.

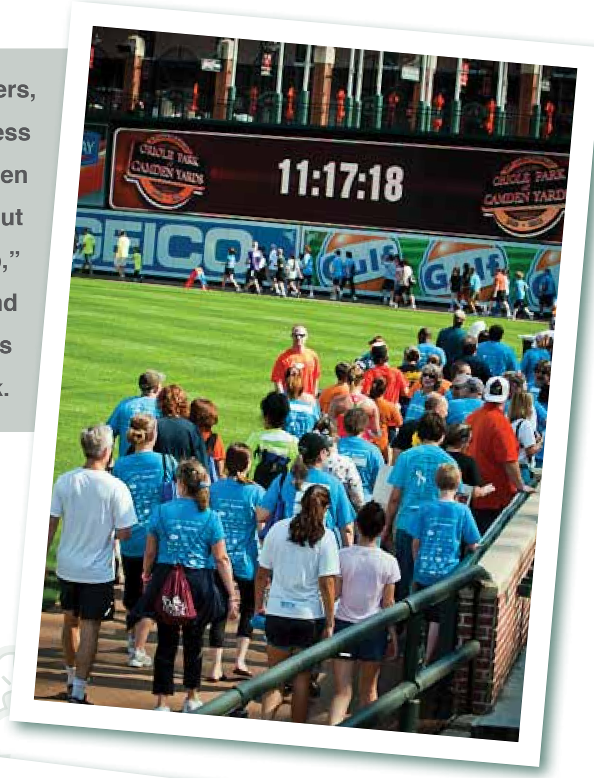
Total business volume impact of the 2012 Grand Prix of Baltimore is estimated at $42,300,930.

Government revenues generated as a result of the 2012 Grand Prix are calculated at $2,642,500.

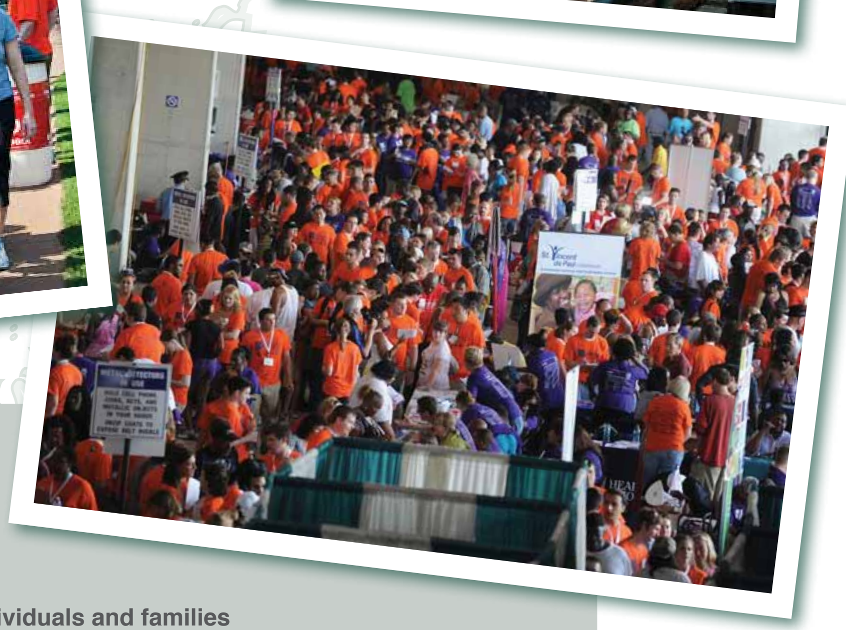
Source: Forward Analytics

COMMUNITY SERVICE

Charity walks, fund raisers, and community awareness events are held at the Camden Yards complex throughout the year. "Breath Deep," benefiting research and treatment for lung cancer, was held in Oriole Park.



Families and friends of lung cancer patients fill the stands before participating in a walk around the warning track on a beautiful fall morning.



On August 2, 2012, M&T Bank Stadium was the setting for the first Baltimore Project Homeless Connect, a large one-day homeless outreach effort that connected more than 1,000 homeless individuals and families with medical and dental care, legal and benefit advice, and hosts of other services.

This event was sponsored by the Office of the Mayor and United Way of Central Maryland. Hundreds of volunteers helped match the homeless with their needs and counseling for other benefits.

The stadium was an ideal location because of its access to light rail, buses and shuttles. It is also large enough to accommodate the number of clients and volunteers who participated.

BALTIMORE MARATHON

Community has always been the focus of the Baltimore Marathon. This year, local artist (and MICA student) Grant Lindahl drew a chalk mural to greet runners as they reached the finish line. He left pieces of chalk nearby for supporters to add messages of encouragement on the last stretch of the course.

As they pass Oriole Park, runners can see the finish line

The entire complex is used for Marathon staging, from registration at M&T Bank Stadium to the festival in the parking lots and supporter sections in the picnic areas.

DO THE MATH:

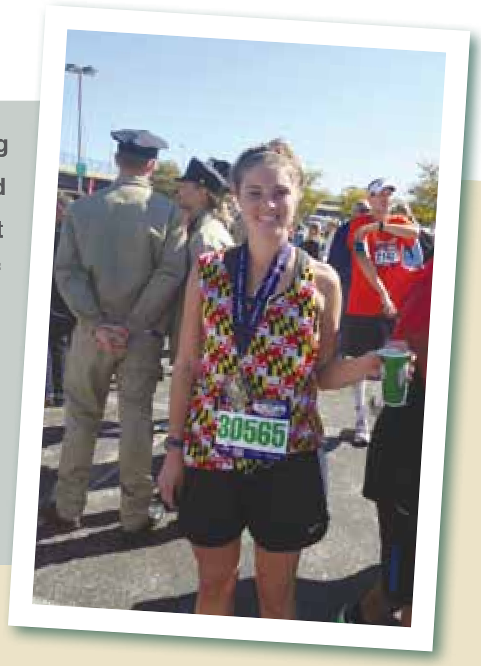
Baltimore Running Festival generated an estimated $38.6 million, $8.1million more than the 2011 race.

A total of 26,100 runners participated – 1,100 more than in 2011. In all, 50 states and 24 countries were represented in the 2012 field.

The 2012 Running Festival also raised $1.7 million for charity, a new record for the organization.

Source: Regional Economic Studies Institute at Towson University.

This young lady is a proud Marylander, but about 40% of participants are from out of state, making the economic impact even greater.



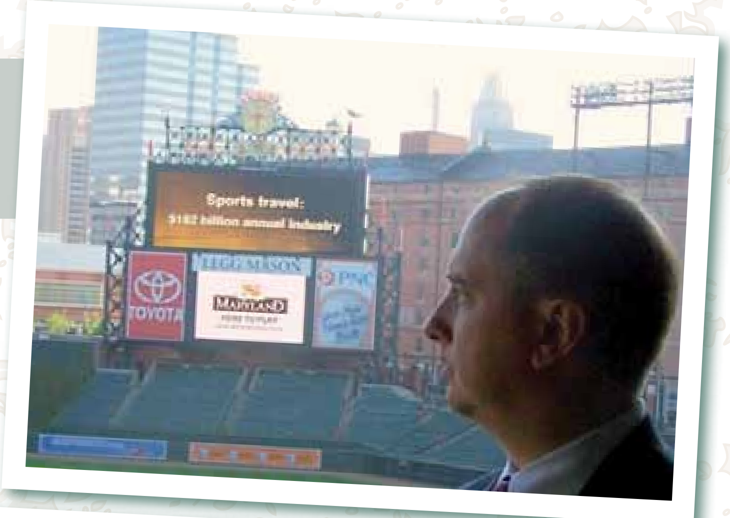
Office of Sports Marketing

THE OFFICE OF SPORTS MARKETING WAS CREATED BY THE MARYLAND STADIUM AUTHORITY AND DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT IN 2007 TO ATTRACT AND PROMOTE SPORTS EVENTS AND RECREATIONAL OPPORTUNITIES THROUGHOUT THE STATE.

IN 2012, THE OFFICE OF SPORTS MARKETING ENJOYED SUCCESS IN BRINGING NEW EVENTS TO MARYLAND. TOGETHER WITH THEIR TEAM MARYLAND PARTNERS, OSM FOCUSED ON RIGHTS-HOLDERS AND ORGANIZERS OF AMATEUR ATHLETIC, OLYMPIC QUALIFYING AND YOUTH TOURNAMENTS.

THIS LUCRATIVE SEGMENT OF THE TOURISM MARKET BRINGS MULTIPLE TEAMS WITH FAMILIES AND FRIENDS TO THE STATE FOR SEVERAL DAYS AT A TIME.

Terry Hasseltine, Director of Office of Sports Marketing, delivering a message on the economic benefits of sports travel.



In 2012, the Colonial Athletic Association men's basketball tournament was awarded to Baltimore for 2014-16. In addition to local excitement, this represents $6.5 million in economic impact, $500,000 in tax revenue and 5,500 hotel rooms each year.

2012 USATF National Junior Olympic Track & Field Championships were held at Morgan State University in 2012.

More than 8,400 athletes from all over the country came to Baltimore for a week in July 2012. It was their largest event to date.

OSM assisted marketing efforts to expand existing Maryland-based tournaments, such as the Columbia Invitational, an elite soccer club event. The Columbia Invitational, sanctioned by the national governing body, grew from 325 teams in 2011 to 500 teams from throughout the mid-Atlantic region over the 2012 Memorial Day weekend.

The Office of Sports Marketing was instrumental in organizing the "Challenge at Musket Ridge" for the Ladies Professional Golf Association's Symetra Tour in August 2012.

The governing body for the new Olympic sport of BMX will be holding the East Coast Nationals at Chesapeake BMX in Severn, June 14-16, 2013. This is a major qualifier for national ranking, and is expected to draw a large field of competitors.

A Year at the *Yards*

IN 2012, MARYLAND STADIUM AUTHORITY IMPLEMENTED IMPROVEMENTS IN OPERATIONS, SERVICES, AND FACILITIES AROUND THE COMPLEX THAT WILL CARRY INTO 2013 AND BEYOND.

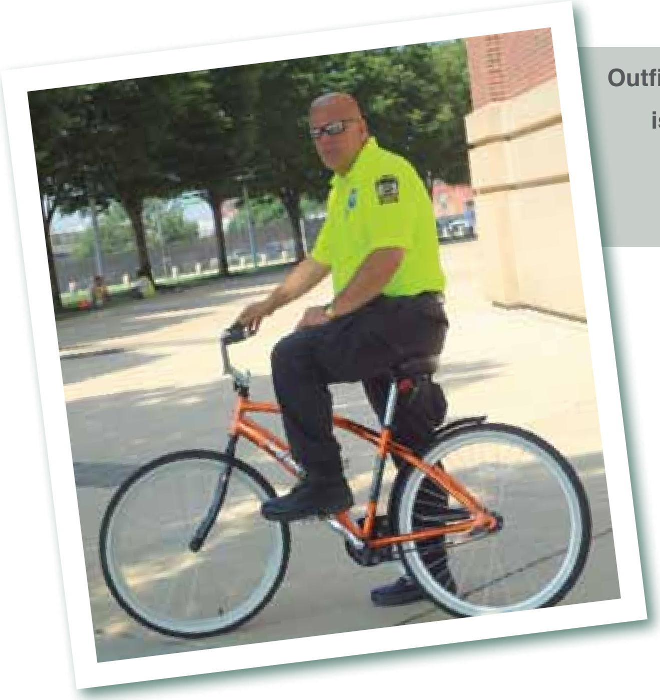
SAFETY FIRST

OF ALL MARYLAND STADIUM AUTHORITY'S RESPONSIBILITIES AT CAMDEN YARDS, THE MOST IMPORTANT IS SECURITY – OF THE VALUABLE STATE PROPERTY IN OUR STEWARDSHIP AND THE SAFETY OF ALL THOSE WHO WORK AND VISIT HERE.

Maryland Stadium Authority and the Baltimore Orioles helped advance the Department of Homeland Security's message to all citizens congregated in public places. The "See Something, Say Something" reminders appeared Opening Day as vertical banners, video board announcements, and transit placards.

> "Security is our Highest Priority"
>
> John Morton
> *Chairman, Maryland Stadium Authority*

Multi-agency task forces meet regularly at the Camden Yards complex because of its size and proximity to many jurisdictions. This particular seminar on surveillance techniques, held in the Ravens press room, was sponsored by the Department of Homeland Security. By hosting these training sessions, MSA is able to include security staff that would otherwise not have the opportunity to attend.



Outfitted in bright yellow shirts, the security team is a visible presence throughout the complex. The use of bicycles gives them increased mobility and shortens response time.

These Baltimore City officers use the lower stadium lots for training. The courses are modified for motorcycle and dirt bike testing as well.

ON DECK FOR 2013

In 2013, the Oriole Park Security Control Center in the stadium will be updated.

One of the most ambitious projects completed during the off-season was a new security control center at M&T Bank Stadium. The original center, almost 15 years old, could no longer accommodate the safety, security, and facilities representatives and new technology needed to meet response standards.

The new security control offers enhanced communication and surveillance capabilities.

The *Producers*

PROPERTY AND PORTFOLIO MANAGEMENT; MAINTENANCE AND IMPROVEMENT OF CAMDEN YARDS ARE KEY RESPONSIBILITIES OF MARYLAND STADIUM AUTHORITY. THEY GO FAR BEYOND DAY-TO-DAY OPERATIONS, INVOLVING STRATEGY AND INNOVATION TO MAXIMIZE OUR ASSETS AND MINIMIZE OUR EXPENDITURES. 2012 WAS ANOTHER BANNER YEAR FOR REVENUE GENERATION AND EXPENSE REDUCTION DUE TO ADDITIONAL EVENTS, INCREASED ATTENDANCE, PROPERTY REDEVELOPMENT, RESOURCE CONSERVATION, AND BOND REFINANCING.

Property Management – While it is hard to top 100% occupancy, which the Warehouse achieved in 2011, our tenant amenities increased in 2012 with the addition of Dempsey's Brew Pub and Restaurant on Opening Day.

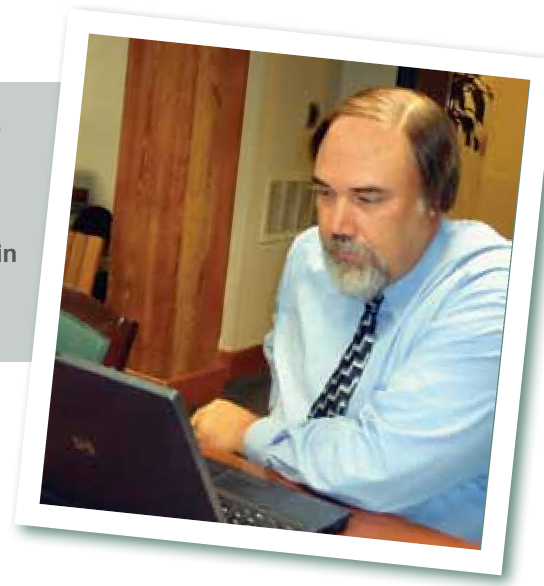
Parking – Without adding any asphalt, the Camden Yards parking lots increased their net revenue by 10% in 2012 – a gain of almost $200,000 in total.

One factor is an increase in monthly parkers, including new clients from nearby major employers. Another is the increase in Orioles attendance (including two post-season sellouts.)

The largest portion came from parking lot rentals – hosting special events, staging satellite shuttles or providing storage for convention exhibitors.

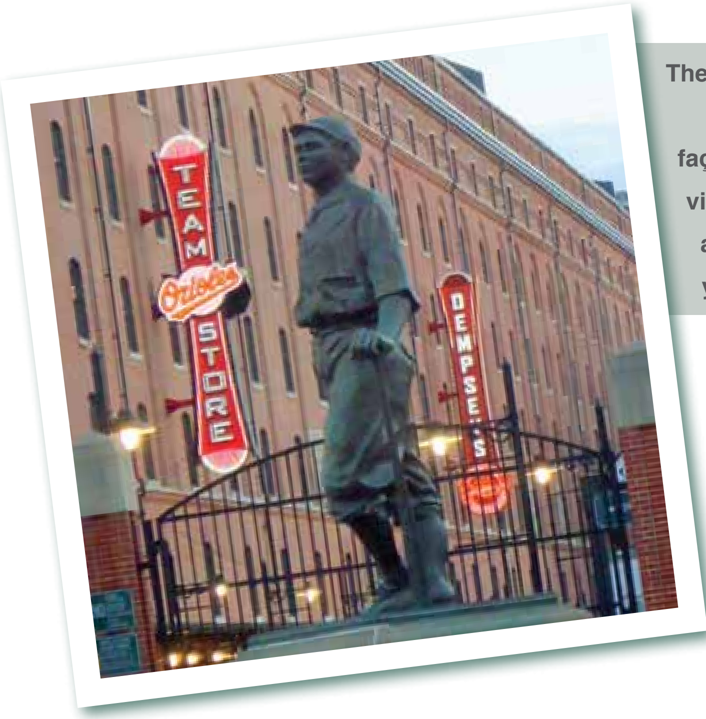
DO THE MATH:

In 2012, refinancing $29 million in tax-exempt and taxable bonds yielded interest rates of 0.43% to 2.5%. This will save MSA $520,000 annually or $5.355 million over the remainder of the term.



Finance Director David Raith studies bids during MSA's bond refinancing in May. Prudent management of the agency portfolio has saved millions in interest through the years.

The Eutaw Street Market is a welcome addition to the Warehouse for tenants and commuters. The Market offers a variety of quick meal options and sundries during regular hours, and carry-out beverages and snacks during games.



The handsome period signs added to the Warehouse façade in 2012 give greater visibility to Camden Yards and help promote it as a year-round destination.

Increased attendance at Oriole games and greater demand for cellular service necessitated additional antennae. This one was installed in left field near the end of the season, along with a larger dish on the roof. While this improved service, a more comprehensive solution is on tap for 2013.

The Warehouse is still generating revenue on the roof. Vince Steier is seen here with some of his tenants, a network of telecommunication devices that lease space.

DO THE MATH:

Maryland Stadium Authority, which takes 8% of ticket revenues via the admission tax, received a welcome windfall in 2012, thanks to our winning teams and the post-season games they hosted.

The Ravens 2012 Division Playoff in January generated $ $745,000.

The Orioles two division games in October yielded $454,866.

Lots G-H are leased several times a year for product demonstrations on road courses like this. MSA also makes the space available to law enforcement partners for testing and training with their vehicles.

Camden Yards has hosted its share of beautiful brides over the past twenty years, but none lovelier than Nicole Sherry -- Head Groundskeeper for the Orioles.

2012 was another banner year for catered events at the complex, with a record number of proms, weddings, reunions, and parties taking place around the complex.

One of the Warehouse's original tenants, XL Health, had a growth spurt of its own in 2012. Governor O'Malley came for the announcement when they merged with insurance giant UnitedHealth Group to bring 335 new health care service jobs to the State of Maryland.

ON DECK FOR 2013

MSA is currently soliciting bids to host a distributed antenna system in Oriole Park. Verizon, who installed a DAS in M&T Bank Stadium in 2011, is expected to extend the service to at least one co-locater (provider) in 2013.

These contracts will significantly increase MSA's hosting revenues.

ENVIRONMENTAL SENSITIVITY

AS ONE OF THE MOST VISIBLE PUBLIC FACILITIES IN THE STATE, CAMDEN YARDS SERVES AS A MODEL FOR BEST PRACTICES IN RESOURCE CONSERVATION, RECYCLING, STORMWATER MANAGEMENT, AND ENVIRONMENTALLY SENSITIVE LANDSCAPING. OUR EFFORTS REFLECT THE GOALS OF THE O'MALLEY ADMINISTRATION TO REDUCE ENERGY CONSUMPTION AND INCREASE RECYCLING.

IN 2012, WE APPLIED ADAPTIVE REUSE AND INNOVATIVE TECHNOLOGY TO REDUCE COSTS, ELIMINATE WASTE, AND LIMIT WATER CONSUMPTION. WE ALSO CONTINUED EFFORTS TO REPLACE HIGH MAINTENANCE TURF WITH NATIVE VEGETATION AND PERENNIALS THAT STEM RUNOFF AND ABSORB STORMWATER MORE EFFECTIVELY.

These native beautyberry shrubs not only celebrate football season with their vivid purple blooms, they stabilize the surface at a one-time problem area around the fuel pumps.

These irises are not only lovely (and color-appropriate,) they are an important defense against erosion caused by stormwater draining from the adjacent parking lots. Together with the rocks and grasses, they provide a breakwater for the rain garden that absorbs runoff instead of silting the watershed.

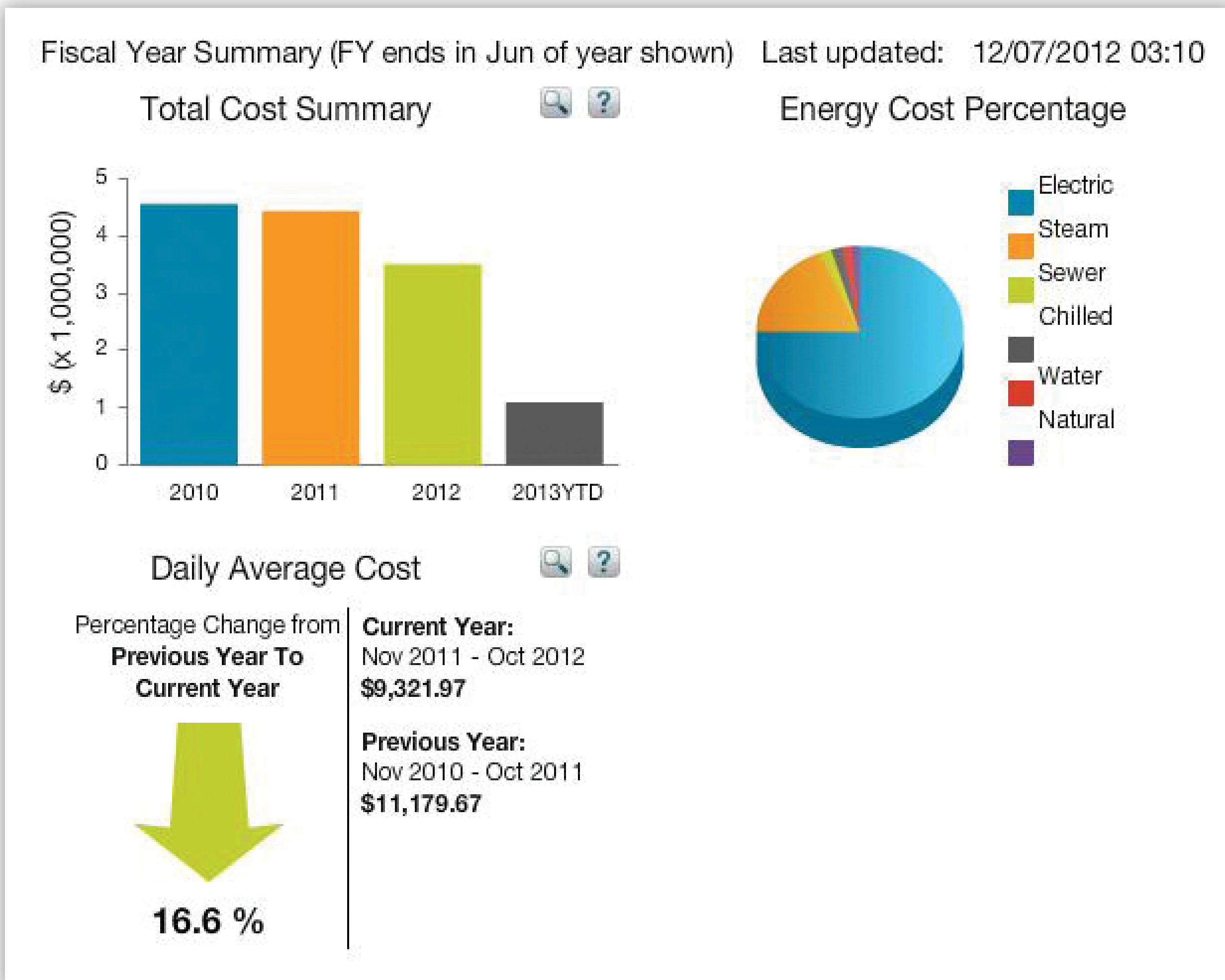
In early spring, a failing swale that drained directly into the Middle Branch was replanted, incorporating more pervious soil and hardy ornamental grasses. By late summer, the grasses were established enough to withstand even the wrath of superstorm Sandy. They now provide an attractive border to the nearby Gwynns Falls Trail.

ENERGY REDUCTION

MSA SUPPLIES REGULAR ENERGY CONSUMPTION FIGURES TO THE STATE OF MARYLAND.

THESE GRAPHS AND PIE CHARTS SHOW HOW SIGNIFICANTLY ENERGY CONSUMPTION DROPPED IN 2012, AND HOW IT CONTINUES TO FALL AS WE ENHANCE OUR CONSERVATION PRACTICES, ORIGINALLY OUTLINED IN GOVERNOR O'MALLEY'S EMPOWER MARYLAND PROGRAM.

THESE ONGOING REPORTS FROM THE FACILITIES IN OUR COMPLEX ARE POSTED ONLINE AT THE MARYLAND DEPARTMENT OF GENERAL SERVICES WEBSITE AT: HTTP://WWW.DGS.MARYLAND.GOV/ENERGY/ENERGYDATABASEPUBLIC.HTML.



RECYCLING

In 2012, recycling at Camden Yards increased from 388 tons to 485 tons -- a remarkable 25%. Increased Oriole attendance and improved processes at both stadiums made this possible.

The spike is part of a broader trend that has seen recycling increase 50% since 2008. MSA works with all contractors, partners, tenants and third party events to ensure recycling plans are in place before they enter the complex.

MSA and our partners are regarded as industry leaders in recycling. In 2012, the Green Sports Alliance invited representatives of MSA, Ravens, and Orioles to a summer summit at the White House to exchange ideas with other stadium operators to make sports facilities more eco-friendly.

Parking lot patrols were key to retrieving recyclables and making "Green Team" efforts so successful this year.

Joining the "Green Team" tailgate patrol this year were several of Baltimore City's "Green Schools." These student volunteers shared their enthusiasm for recycling as they greeted incoming fans.

Susan Thorman, MSA's Director of Baseball Operations and Facilities, and Tom Orsulak, Orioles Director of Food Services, visit Chesapeake Compost Works. Vinnie Bevivino, left, shows them how compost is generated in an old Curtis Bay rail barn. The Oriole and MSA hope to establish a composting pilot program in 2013.

ON DECK FOR 2013

- **A composting pilot program at Oriole Park**
- **An orientation with all new MSA hires about recycling policies.**
- **A study on the recycling habits of fans at Oriole Park to determine ways to improve our current recycling efforts.**
- **A recycling committee, comprised of representatives from MSA, Ravens and Orioles, which meets semi-annually to discuss recycling best practices and ways to improve.**

OCEAN CITY CONVENTION CENTER EXPANSION

IN DECEMBER, 2007, THE TOWN OF OCEAN CITY ASKED THE STADIUM AUTHORITY TO CONDUCT A FEASIBILITY STUDY FOR ANOTHER EXPANSION OF THEIR CONVENTION CENTER.

The study evaluated the existing structure, the current convention market, options for capital improvements, and the scope for a performing arts center.

The feasibility study was released in December, 2008 and in August, 2010, the Ocean City Council approved plans for an $8.9 million expansion of ballroom and exhibition space. This project broke ground in August, 2011 and was completed – on time and within budget – in October 2012

PROJECT EXECUTIVE:
GARY A. MCGUIGAN

ASSISTANT PROJECT MANAGER:
TIARA ROBERTSON

(PHASE II) PROJECT COST:
$14 MILLION

ESTIMATED COMPLETION DATE:
2014

Mayor Rick Meehan and members of the Ocean City Town Council officially open the new Convention Center expansion in November. The expanse of windows overlooking the bay created a breathtaking sunset view in addition to providing critically needed space to hold multiple events.

On November 7, 2011, the Ocean City Council approved plans for an additional $14 million auditorium that includes two tiers of fixed seating, dressing rooms, and a ticket office and concession area.

The 1,248-seat performing arts venue will be a major upgrade over the convention hall's existing ballroom and stage.

This proposal was approved by the Maryland General Assembly during their 2012 session. It is currently in design and will be bid in 2013.

The second part
of the Ocean City Convention Center Expansion
will be this versatile performing space, envisioned as a year-round amenity for visitors and residents alike.

This phase is currently in design. Construction is expected to begin in Fall 2013, and the and the project completed in 2014.

COPPIN STATE UNIVERSITY COMPLEX

THE STADIUM AUTHORITY COMPLETED CONSTRUCTION OF THE $134,000,000 PHYSICAL EDUCATION COMPLEX AT COPPIN STATE UNIVERSITY IN 2010 ON TIME AND APPROXIMATELY $3 MILLION UNDER BUDGET.

This provided necessary funding to demolish the old 110,000 sq. ft. Coppin Center and redevelop it to include green space, lawn areas, new landscape/ hardscape, site lighting, and parking.

This project, located adjacent to the newly renovated campus quad, began in October 2011 and was planted in early spring 2012.

COPPIN CENTER DEMOLITION

PROJECT EXECUTIVE:
GARY A. MCGUIGAN

PROJECT DIRECTOR:
ERIC JOHNSON

DESIGN/CONSTRUCTION BUDGET:
$2.3 MILLION

CONSTRUCTION MANAGER:
BROUGHTON CONSTRUCTION

ARCHITECT:
HORD, COPLAN, & MACHT

> "The projects Maryland Stadium Authority managed at Coppin have been transformational – not just for our campus, but the West Baltimore Community we serve."
>
> Dr. Maqbool Patel
> *Associate Vice President for Administration and Finance*
> *Coppin State University*

The old Coppin Center was demolished in 2011.

With the demolition complete, environmentally-sensitive landscaping was installed in May to define the campus quad. Project was completed on time, on budget.

STUDIES

IN 2012, MARYLAND STADIUM AUTHORITY COMPLETED SEVERAL STUDIES REQUESTED BY LOCAL JURISDICTIONS TO DETERMINE THE MARKET SHARE AND POTENTIAL COST OF PROJECTS UNDER CONSIDERATION.

NEW REQUESTS FOR STUDIES TO EVALUATE LEASE TERMS, MANAGEMENT STRUCTURE, AND FACILITY UPGRADES WERE RECEIVED IN 2012, AS WELL AS REQUESTS FOR FURTHER STUDIES ON DESIGN AND COST ESTIMATES.

"A Maryland Stadium Authority feasibility study has become the 'Good Housekeeping Seal of Approval' when the state considers investing in proposed projects."

Fred Puddester,
Former MSA Chairman

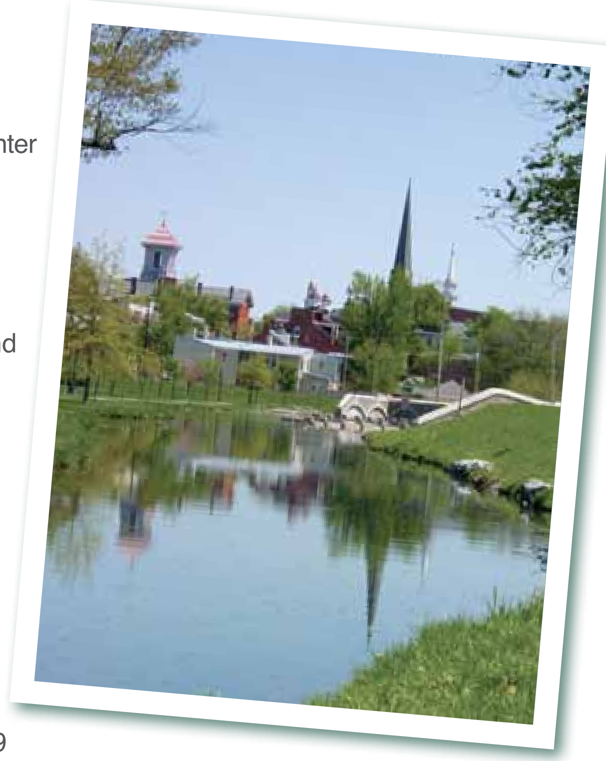
WICOMICO COUNTY STUDY

In September 2010, Wicomico County requested the Stadium Authority to perform a study on their aging Youth and Civic Center in Salisbury.

Crossroads Consulting performed the preliminary market study to evaluate the existing facility, its uses, and whether it is economically feasible to renovate and expand it or build a new one.

The study, released in January 2012, recommended renovating the existing facility and expanding ballroom and exhibit space instead of building a new facility.

CITY OF FREDERICK CONFERENCE CENTER STUDY



In July 2011, Mayor Randy McClement of Frederick requested MSA to review and update a 2008 study commissioned by the City for a hotel/conference center project envisioned for the downtown business district.

The study update, released in July 2012, was prepared by Crossroads Consultants and Hospitality and Gaming Solutions under contract to the Stadium Authority. It concludes that Frederick has sufficient market demand for a full-service, 200-room branded hotel with 15,000 square feet of meeting space in Downtown Frederick.

The study found that the hotel when stabilized will generate approximately 52,600 room nights, 280 jobs, and $25 million in economic impact.

Based on research and analysis of the growing market and popularity of Frederick, Crossroads determined the community would benefit on many levels from a hotel/conference center in the downtown historic district — including the creation of 280 permanent, full-time jobs that would create $9 million in personal earnings and increased activity in the retail/hospitality outlets.

TROY PARK TENNIS AND SPORTS CENTER STUDY

In summer 2011, Howard County Executive Ken Ulman requested the Stadium Authority to conduct a market and economic study to determine the feasibility of the Troy Park Tennis and Sports Center, a project proposed by the Tennis Patrons of Howard County.

The scope of the $75,000 study was to determine economic projections, and possible appropriate additional program elements.

The market study, released in April 2012, determined there are relatively few top-tier events which require a facility of this magnitude. While there is market demand from diverse users, it is not sufficient to offset the costs of on-going operations and debt service.

MARYLAND HORSE PARK STUDY

In August 2011, the Maryland Department of Agriculture asked MSA to perform a viability study for a Maryland Horse Park based on the extensive study performed in 2006 on a specific site.

The Maryland Horse Industry Board, a division of MDA, wanted to determine if this report is still applicable to the current market and economy before pursuing the project again.

Phase I, released in November 2012, found the development of a Maryland Horse Park continues to be vital to the growth of the state's horse industry, but offers some new approaches to the initial study.

That study recommended building a large central facility similar to the Kentucky Horse Park in Lexington, Kentucky. The new study finds that Maryland already has many of the essential components for such a park at existing facilities.

The new study suggests that a new horse park can be made up of a system of existing and perhaps upgraded equine facilities across the state that can be linked together and operate cooperatively rather than as strictly individual venues. While suggesting that a linked system would likely work for Maryland, the study makes no conclusive recommendation on actual implementation and leaves the door open to other possibilities.

Phase II of the study will investigate how to maximize the use of the state's current equine facilities and how these facilities could attract national and international events, competitions, and visitors to Maryland.

Phase II will begin in early 2013. It is funded jointly by the MHIB and the Maryland Department of Business and Economic Development.

SHOW PLACE ARENA AND PRINCE GEORGE'S COUNTY EQUESTRIAN CENTER STUDY

In December 2011, Maryland-National Capital Parks and Planning Commission officially requested MSA to study the operations of the Show Place Arena and Equestrian Center in Upper Marlboro.

The $40,000 study, funded by the M-NCPPC, will evaluate the potential of the existing facility and make recommendations how operations and marketing can be improved.

An additional $55,000 study will examine management practices and governance structure of all facilities.

These studies will be conducted in conjunction with Prince George's County Department of Recreation and Parks. They are expected to be completed in 2013.

BOWIE LACROSSE STADIUM / YOUTH SPORTS COMPLEX

In February 2012, the Maryland-National Capital Parks and Planning Commission requested Maryland Stadium Authority to perform a market/economic study on the potential of a lacrosse stadium to house the professional Chesapeake Bayhawks MLL franchise, and anchor an adjacent youth sports complex that would accommodate amateur leagues and tournaments.

The study, released on February 8, 2013, focuses on the existing Green Branch Athletic complex near Bowie Baysox Stadium.

Based on the findings of the initial study, M-NCPPC requested the Stadium Authority to perform a second study to determine the scope and program elements, develop a design, determine potential public private sector funding partners, and devise a management strategy.

If the request is approved, Phase II of the study will be funded by M-NCPPC.

ARTHUR PERDUE STADIUM

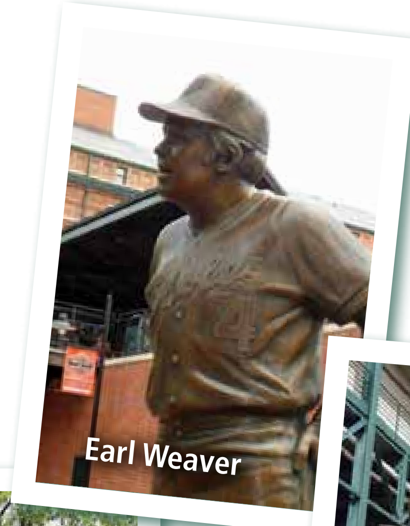
In June 2012, Wicomico County requested Maryland Stadium Authority to perform a Market and Economic study of Arthur Perdue Stadium, home of the Orioles affiliate Shorebirds, to determine how revenues can be increased in the County-owned facility. The study will determine what enhancements and amenities are necessary to keep the facility competitive in the market and retain the team when the lease expires in 2015. The study is being performed by Crossroads Consulting Services, Inc. It is expected to be released in early 2013.

Growing a Garden *of Greats*

IN ADDITION TO BEING AN INTERNATIONALLY RECOGNIZED SPORTS FACILITY, CAMDEN YARDS IS A POPULAR PUBLIC PARK. IN 2012, OUR CAMPUS WAS ENHANCED WITH A TIMELESS LEGACY THAT HAS BECOME AN INSTANT VISITOR ATTRACTION.

Off-season modifications to the Bullpen Picnic area made it accessible to the public during daylight hours, affording a beautiful view of the field. As part of the 20th season celebrations, a statue of each Oriole Hall of Famer was unveiled every month in a dedication ceremony.

The new “Garden of Greats” became one of the most popular meeting places in the stadium, and a focal point of the revitalized Eutaw Street corridor.



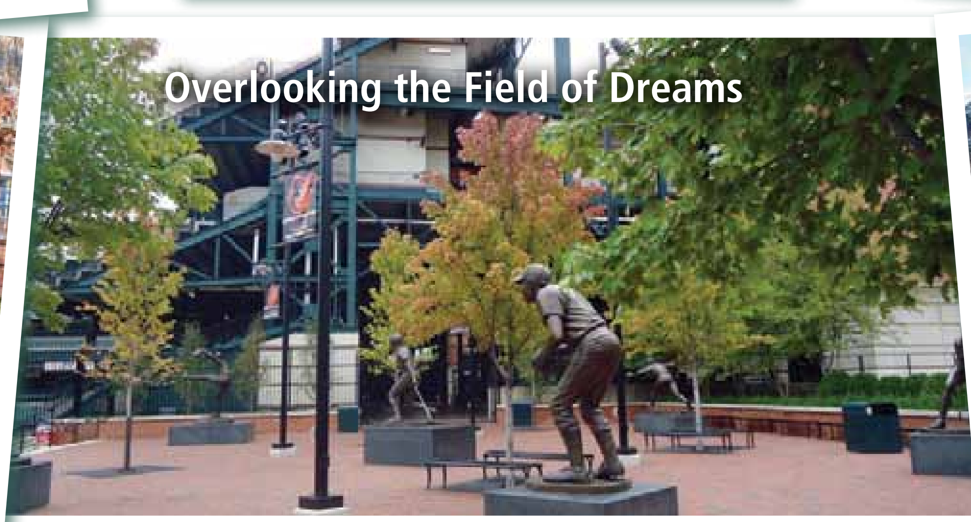
Earl Weaver

Frank Robinson

Cal Ripken, Jr.

Jim Palmer

Brooks Robinson



Overlooking the Field of Dreams

Eddie Murray

Board of Directors

THE MARYLAND STADIUM AUTHORITY IS GOVERNED BY A SEVEN MEMBER BOARD OF DIRECTORS, WHO SERVE STAGGERED FOUR YEAR TERMS. SIX DIRECTORS ARE APPOINTED BY THE GOVERNOR, WITH ONE APPOINTED BY THE MAYOR OF BALTIMORE.

JOHN MORTON III, CHAIRMAN

John Morton III was appointed to the Maryland Stadium Authority Board on July 1, 2008. On November 7, 2008, Governor Martin O'Malley selected him to succeed Frederick W. Puddester as Chairman.

Mr. Morton, a senior business and financial services executive, brings extensive experience to the MSA Board including having served as CEO and President of three major financial institutions, as a board member for four public corporations and as a leader in business, professional, educational and civic organizations.

From 1996 to 2006, Mr. Morton served in various capacities with the Bank of America/NationsBank, including his role as President of the Mid-Atlantic Region from 1997 to 2001, and as President of Premier Bank from 2001 to 2005.

Prior to his service with Bank of America, Mr. Morton was Chairman, CEO and President of the Boatmen's National Bank of St. Louis, Missouri, the Farm and Home Financial Corporation of Kansas City, Missouri and with the Perpetual Financial Corporation of McLean, Virginia.

Mr. Morton also has served as Chairman of the Greater Baltimore Committee, as Director of the University of Maryland College Park Foundation, and as Committee Chairman of the effort to bring the 2012 Olympics to the Washington/Baltimore region. Mr. Morton currently is a Director with the U.S. Naval Academy Athletic and Scholarship Programs. He was instrumental in raising funds for the community activities associated with the 2000 Army-Navy game in Baltimore.

Mr. Morton is a 1967 nuclear science graduate of the U.S Naval Academy. He earned a Master of Business Administration degree from Harvard University in 1973.

LEONARD J. ATTMAN

Leonard J. Attman was appointed as a member of the Maryland Stadium Authority on July 1, 2005. President of Attman Properties Company, Mr. Attman has more than four decades of experience in residential and commercial real estate development. His professional experience includes the development of apartment communities, individual home developments, shopping centers and a recreational park.

Mr. Attman attended the University of Maryland. His involvement in professional, civic and philanthropic organizations includes membership on the Boards of Sinai Hospital, the Shosana S. Cardin High School, Beth Tfiloh Brotherhood, the Board of Directors of the Reginald F. Lewis Museum and the Signal 13 Foundation for the Baltimore City Police Department. In addition he actively participates in the activities of many other organizations including the Advisory Board for the Shock Trauma Unit at the University of Maryland Medical Systems. Mr. Attman was the founder and serves as Chairman of the Board of Directors of Future Care which manages nine nursing home facilities serving more than 1,300 patients and providing employment for more than 1,500 people.

JOSEPH C. BRYCE

Joseph C. Bryce is a government relations specialist with Manis Canning in Annapolis. Prior to joining the firm, he served six years as Senior Policy and Legislative Advisor to Governor O'Malley.

Mr. Bryce was the Associate Vice Chancellor for Government Relations at the University System of Maryland. He has also served as the Chief Legislative Officer for Governor Parris N. Glendening, the Legislative Assistant to Senate President Thomas V. Mike Miller, Jr., and was an Associate at Covington & Burling.

Mr. Bryce is a 1989 magna cum laude graduate of the University of Maryland, and a 1993 summa cum laude graduate of Georgetown University Law Center, where he finished first in his graduating class.

JOHN P. COALE

John P. Coale was appointed a member of the Maryland Stadium Authority on July 1, 2012. A lifelong Marylander, Mr. Coale was born in Baltimore and now resides in historic Annapolis. His grandfather was one of the partners who purchased the St. Louis Browns franchise in 1954 and brought them to Baltimore as the Orioles.

Mr. Coale graduated from the University of Maryland in 1969 and received a Juris Doctorate from University of Baltimore in 1972. He established an international tort practice and became a national leader in the litigation against the tobacco industry, serving as chief negotiator in the historical financial settlement with the states.

Mr. Coale has served as an advisor to President Bill Clinton, Governor Martin O'Malley, and Senator John McCain. Although semi-retired, he continues to practice law with Coale, Cooley in Washington, DC and serves on the board of the University of Maryland Medical System.

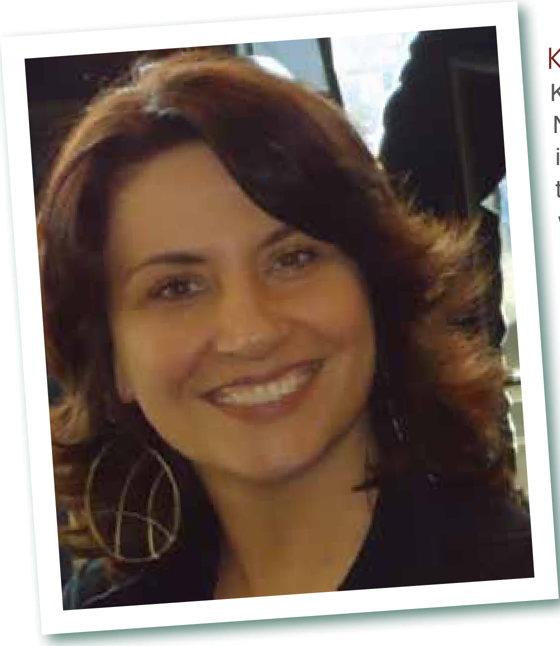
WELDON H. LATHAM

Weldon Latham is a senior Partner in the Washington, DC office of Jackson Lewis LLP. He represents Fortune 200 companies, and federal, state, and local government agencies in a variety of legal matters, including corporate diversity counseling, employment law, and government relations.

Mr. Latham serves as Counsel to the PepsiCo Global Diversity and Inclusion Governance Council and the Omnicom Group Diversity Advisory Committee. He is a member of the National Employment Law Council and Economic Club of Washington.

Mr. Latham served as Assistant General Counsel, White House Office of Management and Budget; General Deputy Assistant Secretary, Department of Housing and Urban Development; member of the Defense Department Advisory Committee on Procurement and Technical Data Rights; Civilian Aide to the Secretary of the Army; member of the U.S. Small Business Administration National Advisory Council.

Mr. Latham is an Adjunct Professor of Law at the Georgetown University Law Center and a former Guest Professor at both the University of Virginia and Howard University Schools of Law. Mr. Latham holds a B.A. in Business Administration from Howard University, a J.D. from Georgetown University Law Center.



KALIOPE PARTHEMOS

Kaliope Parthemos is Baltimore Deputy Mayor of Economic and Neighborhood Development. Ms. Parthemos oversees 17 agencies, including those involved in economic development, transportation and tourism. Prior to accepting these responsibilities in 2010, Ms Parthemos was Deputy Chief of Staff for the President of City Council, now Mayor, Stephanie Rawlings-Blake. She was appointed the City's representative to the MSA board by Mayor Rawlings-Blake in April, 2010.

Ms. Parthemos has a Bachelor of Science degree from University of Maryland, Baltimore County and Juris Doctorate from University of Maryland School of Law. She served as a public defender for five years and also as a foster care caseworker prior to working in the City administration.

MANERVIA W. RIDDICK

Manervia W. Riddick is Senior Vice President for Business Development and Public Affairs at Strategic Solutions Center, Inc, a Washington area government and business support services consulting firm. She serves as SSC's team leader on major energy services projects for national and international clients.

Before her retirement, Mrs. Riddick was the Director of Public Affairs for Washington Gas. Her occupational background and experience include regulatory, legislative, community, and consumer development. She was a Vice President and General Manager of Metrovision of Prince George's County, the local cable television company which is now a franchise of Comcast, Inc.

Mrs. Riddick held numerous positions with the U.S. Department of Justice, from Special Assistant to the Assistant Attorney General to National Director of Policy Planning and Coordination for the Office of Juvenile Justice Delinquency Prevention. Mrs. Riddick also has an extensive history of social and civic volunteer service, which includes the Board of Directors and Executive Committee of Nexus Health, Chair of the Maryland Center Board, and Member of the Foundation Board for Norfolk State University.

Her past affiliations also include board leadership with the Maryland and Prince George's County Chambers of Commerce.

Mrs. Riddick is a graduate of Norfolk State University and further graduate study in urban planning and public administration at Old Dominion University, in Norfolk, VA.

ON DECK FOR 2013

A new kind of 5K fun will be coming to Camden Yards in 2013. The "Color Run" splashes participants with pigment at every kilometer and a rainbow blast at the finish line. More fun than pre-K finger painting and every bit as messy, this family event will take place in May.

International soccer will return to M&T Bank Stadium with the CONCACAF Gold Cup tournament in July. Two matches will be held featuring national teams from North American and Caribbean countries.

The pageantry of college football returns to Camden Yards as the University of Maryland takes on West Virginia September 21, 2013.

Justin Timberlake, Jay-Z Tour To Make Baltimore Stop

Concert will be held in August at M&T Bank Stadium.

ON DECK FOR 2014

The NCAA Men's Lacrosse Championship will return to M&T Bank Stadium over Memorial Day Weekend in 2014. This tournament is a great favorite with youth lacrosse clubs and school teams. Activities for youngsters are located throughout the complex.

The United States Naval Academy will play two games at M&T Bank Stadium in the fall of 2014. The first is August 30th against Big Ten powerhouse Ohio State.

University of Maryland will be returning to M&T Bank Stadium in October.

"America's Game" between Army and Navy will take place December 13th.

2012 Financial Statement

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of the
Maryland Stadium Authority

We have audited the accompanying statement of net assets of the Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, as of June 30, 2012, and the related statements of revenue, expenses, and change in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2012, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Government 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 inquires 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 evidence sufficient to express an opinion or provide any assurance.

SB & Company, LLC

SB & Company, LLC
Certified Public Accountants
Hunt Valley, Maryland
September 27, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements and Financial Analysis

The Maryland Stadium Authority (the Authority), a component unit of the State of Maryland, is honored to present the fiscal year 2012 financial statements. The Authority's responsibilities include operation of the baseball and football stadiums, the B&O Warehouse and Camden Station located at Camden Yards, oversight of several convention centers, and construction management for various projects throughout the State of Maryland.

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

Statement of Net Assets

The Authority's Statement of Net Assets presents the assets, liabilities, and the net assets as of June 30, 2012. The Statement of Net Assets provides the reader with a financial picture of the Authority's assets (current and noncurrent), liabilities (current and noncurrent), and net assets (assets minus liabilities) 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 Assets 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 amounts owed to and by the Authority. The purpose of the Statement of Net Assets is to show the user what is available for future needs of the Authority.

The net assets are divided into four categories. The first category, "invested in capital assets," reflects the Authority's investment furniture and equipment and facility rights. 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 Comptroller's Office at the State of Maryland less the liability related to the interest rate swap.

Below is a comparison of the Statements of Nets Assets as of June 30, 2012 and 2011:

	As of June 30,	
	2012	**2011**
ASSETS		
Current assets	$ 47,686,961	$ 43,162,436
Capital assets, Net	132,249,467	151,928,189
Other noncurrent assets	193,644,193	202,352,039
Total Assets	**373,580,621**	**397,442,664**
LIABILITIES		
Current Liabilities	34,851,387	31,449,886
Noncurrent Liabilities	252,948,707	267,912,332
Total Liabilities	**287,800,094**	**299,362,218**
NET ASSETS		
Invested in Capital Assets	89,655,981	119,632,015
Restricted for Debt Service	3,030,919	3,985,118
Restricted for Capital Assets	4,372,323	3,104,560
Unrestricted	(11,278,696)	(28,641,247)
Total Net Assets	**$ 85,780,527**	**$ 98,080,446**

Statement of Net Assets (continued)

During fiscal year 2012, total assets for the Authority decreased from the prior year by approximately $23.8 million dollars, due to: 1) Cash, cash equivalents and restricted investments increased approximately $4.3 million as a result of collection of accounts receivables and unspent restricted investment; 2) capital leases receivable decreased by approximately $3.1 million which includes a $0.6 million increase in restricted cash and cash equivalents that are available to be used for capital projects and debt service, an increase for new capital receivables of $16.9 million and a decrease of $20.0 million for 2012 principal payment received; and 3) intangible assets decreased by $17.6 million as a result of an increase in capital improvements to the Camden Yards Complex of $11.9 million, a decrease of $16.7 million for capital leases and a decrease of $12.8 million for depreciation and disposals.

The decrease in net accounts receivable of approximately $3.7 million is the result of the following: payments received and the write off of balance due from the Baltimore Racing Development LLC for reimbursement of costs related to improvements to the Camden Yards for $2.7 million, a decline in Oriole rent for behind home plate advertising of $0.1 million, a decline of $0.8 million of reimbursements from the Baltimore Ravens, a decline in tickets in the fourth quarter of 2012 of $0.4 million and an increase of $0.4 million for other receivable and adjustments to the allowance for bad debt. Deferred financing costs decreased approximately $0.9 million as a result of $0.7 million being capitalized from the issuance of the Series 2011 Revenue and the Series A & B bonds, a decline of $1.4 million for the disposal of the balances related to the Series 1998A and Series 1999 bonds plus the liquidity provider and a decrease of $0.2 million for the 2012 amortization. Notes receivable decreased by $0.1 million resulting from an increase of $0.3 million related to the renovations of suites less the principal payments made of $0.4 million. Prepaid expenses declined $0.7 million for interest expense related to 2012 paid in 2011. Finally, furniture and equipment decreased by approximately $2.1 million because of the current year's depreciation of $2.1 million.

Total liabilities for the fiscal year 2012 decreased by approximately $11.6 million. Interest and accounts payable for fiscal year 2012 decreased by approximately $0.8 million. The reasons for the decrease are the interest payable accrued in fiscal year 2012 decrease by $0.9 million mainly related to the refunding of the debt service Series 1998A and 1999 bonds and an increase in trade payables of $0.1 million. Deferred revenue decreased by approximately $0.9 million as a result of deferred revenue being recognized as income in fiscal year 2012 of $0.3 million and the write off of $0.6 million related to Baltimore Racing Development. There was an increase in the equipment, financing, and lease revenue bonds of approximately $9.7 million as a result new debt and bond premium totaling for $114.2 million and $104.5 million used to defease the Series 1998A and Series 1999 bonds and paid towards the outstanding principal on the lease revenue bonds. Finally for fiscal year 2012, the derivative liability decreased by $19.6 million as a result of the termination of the AIG Credit Local Swap Agreement and the change in the fair market values of derivatives.

Statement of Revenue, Expenses and Change in Net Assets

Below is a comparison of the Statements of Revenue, Expenses, and Change in Nets Assets for the years ending June 30, 2012 and 2011:

	For the Years Ended June 30, 2012	2011
Operating revenue	$ 34,225,994	$ 31,602,181
Operating expenses	43,655,216	41,134,610
Operating loss	(9,429,222)	(9,532,429)
Non operating expenses	(21,026,971)	(17,487,697)
Loss before contributions	(30,456,193)	(27,020,126)
Contributions from primary and local governments and other sources	18,156,274	22,034,970
Decrease in net assets	(12,299,919)	(4,985,156)
Net assets at beginning of year	98,080,446	103,065,602
Net Assets at End of Year	**$ 85,780,527**	**$ 98,080,446**

Statement of Revenue, Expenses and Change in Net Assets (continued)

The change in net assets as seen on the Statement of Net Assets is based on the activity that is presented on the statement of revenue, expenses, and change in net assets.

The presentation of the statement of revenue, expenses, and change in net assets discloses the revenue and expenses for the Authority during fiscal year 2012. The revenue and expenses are presented in operating and non operating categories.

At the end of fiscal year 2012, the statement of revenue, expenses and change in net assets disclosed a $12.3 million decrease to net assets. The following information explains the decrease to net assets.

Operating revenue generated at the Camden Yards Sports Complex for fiscal year 2012 totaled $34.2 million. The material percentage of the revenue received by the Authority relate to the operation of the stadiums. The Baltimore Orioles' rent is based upon a percentage of revenue streams formula and the Baltimore Ravens pay 100% of the operating and maintenance expenses of the football stadium. This accounts for approximately $14.6 million of the revenue for fiscal year 2012.

The teams are required to pay a 10% ticket charge to the State of Maryland of which the Authority receives 8% and Baltimore City receives 2%. The revenue from the admission taxes for both teams was approximately $9.8 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 are currently tenants renting more than 220,000 square feet that, combined with several cellular antenna sites, generate approximately $3.9 million a year. Other revenue from the Camden Yards Sports Complex include parking receipts from non-game days, other non-professional events, catering commissions, trademark revenue, construction management fees for other construction projects not part of the Camden Yards Sports Complex and adjustments to capital assets, which total approximately $6.0 million for fiscal year 2012.

Non-operating revenue for fiscal year 2012 was $1.1 million which is generated by several sources. In 2007, the Baltimore Ravens paid $1.7 million on the payment option of the chiller and generator plants. A portion of these savings is recognized as revenue each year. In 2011, the Baltimore Racing Development was to pay a twelve percent (12%) return on the capital investment made by the Authority of approximately $2.0 million. This return would be paid over five years. For fiscal year 2012, this figure was approximately $0.4 million. The second source of non-operating revenue is investment income received on money held by trustees on various bond issuances, from an outstanding note from the Baltimore Orioles and the amortization of bond premiums. It approximates $0.7 million for fiscal year 2012.

Overall, revenue for fiscal year 2012 increased by approximately $2.6 million from revenue in fiscal year 2011 due to a decrease in Orioles Rent of $0.1 million, increase in admission taxes of approximately $0.8 million as the result of higher tickets sales and prices, increase in Baltimore Ravens' contribution of $1.2 million for higher operating and utility costs, $0.1 million decrease from warehouse and stadium rental revenue, and a $0.6 million increase in miscellaneous sales and parking revenues.

Net operating expenses increased $2.5 million for fiscal year 2012. Explanations for the increase in fiscal year 2012 are as follows:

- During fiscal year 2012, utility costs for the Camden Yards Complex increased by $1.0 million. The Authority received energy rebates of $0.8 million in 2011 and there was a cost increase of $0.2 million comparing to fiscal year 2011.
- Contractual Services decreased by $2.0 million mainly related to building repairs not needed in fiscal year 2012.
- Depreciation expense increased by $1.3 million because of the number of capital projects completed over past several years.
- Miscellaneous expenses increased by $1.8 million as a result of the write off of the Baltimore Racing Development receivable.
- Fixed charges increased $0.3 million a result of higher costs related to the liquidity services for the variable rate debt.
- Salaries and wages increased $0.1 million for a one-time bonus paid to full-time employees and higher benefit costs.

Non-operating expenses increased by $2.8 million in fiscal year 2012. There was a decrease in interest expense of $0.9 million related lower interest rates. Investment income increased by $0.6 million resulting from interest earned on notes receivable declining $0.2 million and amortization of bond premiums increased by $0.8 million. The State's share of the operating deficit for the Baltimore Convention and Ocean City Convention Centers decreased by $2.4 million a result of decreased costs. Contributions to primary government increased by $1.8 million because there was no State Rent payment made in 2011. Finally, the change in the liability due to the fair value of the hedge increased by $5.7 million.

Statement of Revenue, Expenses and Change in Net Assets (continued)

The Authority also received appropriations from the State of Maryland to be used for several purposes. An appropriation was made for the outstanding Capital Lease Receivables due from the State of Maryland. The money received from the State of Maryland 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 deficits at 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 of $50,000 and $200,000, respectively. The total of these contributions for fiscal year 2012 was approximately $18.2 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 flow and shows the net cash used to operate the Camden Yards Sports Complex; the second relates to the cash flow resulting from noncapital financing activities; the third relates to cash flow from capital and related financing activities; the fourth relates to the cash flow from investing activities; and the fifth reconciles the net cash used to the operating loss on the statement of revenue, expenses, and change in net assets.

Below is a comparison of the Statements of Cash Flows as of June 30, 2012 and 2011:

	For the Years Ended June 30,	
	2012	**2011**
Cash flows from:		
Operating activities	$ 9,714,657	$ 1,910,445
Noncapital financing activities	(105,913,515)	(19,898,490)
Capital and related financing activities	112,853,433	5,322,483
Investing activities	(12,725,114)	12,594,768
Net decrease in cash and cash equivalents	3,929,461	(70,794)
Cash and cash equivalents, beginning of year	2,310,296	2,381,090
Cash and Cash Equivalents, End of Year	**$ 6,239,757**	**$ 2,310,296**

Capital Assets and Debt Administration

The Authority had $11.9 million of additions to capital assets in 2012. The Authority had an increase in debt during 2011 of $114.1 million due to the series 2011 Camden Yards Revenue and Series 2011 A & B Refunding bond issuances. Debt was also decreased by principal payments and defeasement of the Series 1998A and Series 1999 bonds of $104.5 million.

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 Authority will continue to monitor revenue and closely watch expenditures to the best of its ability.

STATEMENT OF NET ASSETS

YEAR ENDED JUNE 30, 2012

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 6,239,757
Restricted investments	7,403,242
Accounts receivable, net	7,638,810
Due from primary government	3,384,727
Interest receivable	172,244
Note receivable, current portion	488,181
Capital leases receivable, current portion	22,360,000
Total Current Assets	**47,686,961**
NONCURRENT ASSETS	
Prepaid expenses and other assets	49,828
Note receivable, net of current portion	3,939,458
Capital leases receivable, net of current portion	188,306,167
Deferred financing costs, net	1,348,740
Capital assets:	
Furniture and equipment, net	7,299,488
Intangible assets, net	124,949,979
Net capital assets	132,249,467
Total Noncurrent Assets	**325,893,660**
Total Assets	**373,580,621**

LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	8,240,804
Interest payable	1,802,449
Deferred revenue	176,357
Bonds payable and capital leases, current portion	24,631,778
Total Current Liabilities	**34,851,387**
NONCURRENT LIABILITIES	
Accrued expenses, net of current portion	976,013
Bonds payable and capital leases, net	229,275,599
Deferred revenue	705,427
Interest rate swap liability	21,991,668
Total Noncurrent Liabilities	**252,948,707**
Total Liabilities	**287,800,094**

NET ASSETS	
Invested in capital assets	89,655,981
Restricted for debt service	3,030,919
Restricted for capital assets	4,372,323
Unrestricted	(11,278,696)
Total Net Assets	**$ 85,780,527**

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

STATEMENT OF REVENUE, EXPENSES, AND CHANGE IN NET ASSETS

YEAR ENDED JUNE 30, 2012

OPERATING REVENUE	
Baltimore Orioles' rent	$ 5,479,504
Baltimore Ravens' contributions	9,075,671
Admission taxes	10,332,250
Warehouse rents	3,880,644
Catering commissions	574,552
Parking revenue	2,093,253
Miscellaneous sales	2,790,120
Total Operating Revenue	**34,225,994**
OPERATING EXPENSES	
Salaries and wages	7,718,708
Telephone and postage	56,068
Travel	43,333
Utilities	4,165,761
Vehicle expense	67,657
Contractual services	11,652,984
Parking	1,429,590
Supplies and materials	719,039
Depreciation and amortization	14,912,464
Fixed charges	587,579
Miscellaneous	2,302,033
Total Operating Expenses	**43,655,216**
OPERATING LOSS	**(9,429,222)**
NON OPERATING (EXPENSES) REVENUE	
Contributions to others for operating deficit and capital improvements	(5,099,102)
Contribution to primary government	(1,750,000)
Investment income	1,191,040
Change in fair market value of swaps	(107,735)
Interest expense	(15,261,174)
Total Non Operating Expenses	**(21,026,971)**
Loss before contributions	(30,456,193)
Contributions from Primary Governments	**18,156,274**
Change in net assets	(12,299,919)
Total net assets, beginning of year	98,080,446
Total Net Asset, End of Year	**$ 85,780,527**

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

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Camden Yards	$ 37,657,397
Payments to employees and related disbursements	(7,749,605)
Payments to suppliers	(20,193,135)
Net Cash From Operating Activities	**9,714,657**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions from primary governments	17,406,274
Convention Center operating deficit and capital improvements	(4,863,693)
Principal paid on bonds payable and capital leases	(103,737,858)
Interest payments	(14,718,238)
Net Cash From Noncapital Financing Activities	**(105,913,515)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	3,255,769
Proceeds from capital leases receivable	3,147,664
Proceeds from debt issuance	106,450,000
Net Cash From Capital and Related Financing Activities	**112,853,433**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(14,011,968)
Interest on investments	961,031
Proceeds from note receivable	325,823
Net Cash From Investing Activities	**(12,725,114)**
Net change in cash and cash equivalents	3,929,461
Cash and cash equivalents, beginning of year	2,310,296
Cash and Cash Equivalents, End of Year (including restricted cash of $72,085)	**$ 6,239,757**
ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	$ (9,429,222)
Adjustments to reconcile operating loss:	
Depreciation and amortization	14,912,464
Effects of changes in non-cash operating assets and liabilities:	
Accounts receivables	3,431,618
Due from primary government	(214)
Accounts payable	663,289
Prepaid expenses	136,722
Net Cash From Operating Activities	**$ 9,714,657**

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 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 2009 General Assembly session, the General Assembly move 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.

The Authority has the option under Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Authority has elected to not apply FASB pronouncements issued after November 30, 1989.

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 62 (GASB 62) *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The requirements of the GASB 62 are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The Authority has evaluated the impact of the GASB 62 and did not expect a material impact on the financial statements.

The Authority distinguishes operating revenue and expenses from non operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the Authority’s principal ongoing operations. Revenue and expenses not meeting this definition are reported as non operating revenue and expenses.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

Deferred Financing Costs

Financing costs associated with the issuance of bonds and notes are deferred and amortized over the life of the debt using the effective interest method. Amortization expense was $172,758 for the year ended June 30, 2012, and is recorded in interest expense in the accompanying financial statements. Accumulated amortization was $1,294,109 as of June 30, 2012.

Project Advances

The Authority is overseeing 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. There were no advances outstanding as of June 30, 2012.

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 13-715, 13-716, 13-717, 13-717.1, and 13-717.2 of the Financial Institutions Article of the Annotated Code of Maryland.

New Pronouncements

The GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities, effective for financial statements for periods beginning after December 15, 2012, Statement No. 67, Financial Reporting for Pension Plans - An amendment of GASB Statement No. 25, effective for financial statements for periods beginning after June 15, 2014, and Statement No. 68 Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27, effective for financial statements for periods beginning after June 15, 2013. The Authority is still in the process of determining the effect of implementing these GASB statements and will adopt these GASB statements before the effective date.

3. DEPOSITS AND INVESTMENTS

As of June 30, 2012, 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 $5,675,035 as of June 30, 2012.

The carrying value of other deposits as of June 30, 2012, and the associated bank balances were $564,722, which were covered by Federal depository insurance.

As of June 30, 2012, the Authority had $339,043 of unspent master equipment and energy performance lease financings held with the State Treasurer restricted for the purchase of equipment. These funds are invested by the State Treasurer.

As of June 30, 2012, the Authority had a balance of $7,064,200 in funds held by trustees for various bond series. The Bank of New York held $5,861,205 and M&T Bank held $1,202,995. As of June 30, 2012, these balances 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 and the Bank of New York are rated AAA by Moody's and AAA by S&P.

3. DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2012, M & T Bank had the following investments and maturities:

			Investment Maturities (in Years)				
Investment Type	Value	Less than 1	1-5	6-10	11-15	More than 15
Money Market	$1,202,995	$1,202,995	-	-	-	-

As of June 30, 2012, the Bank of New York held the following investments and maturities:

			Investment Maturities (in Years)			
Investment Type	Value	Less than 1	1-5	6-10	11-15	More than 15
Money Market	$5,861,205	$5,861,205	-	-	-	-

The Authority is restricted by the trust indenture for each bond issuance as to the type of investments that can be utilized. All transactions must be completed by the State of Maryland Treasurer's Office.

Interest rate risk
Interest rate risk is the risk that changes in interest rates that 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 that will not fulfill its obligations.

Foreign currency risk
Foreign currency risk is the risk that changes in exchange rates that 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, 2012, consisted of the following:

Baltimore Orioles	$ 4,314,179
City of Baltimore	508,000
Baltimore Ravens	1,781,323
Other	1,035,308
Total	**$ 7,638,810**

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 and furnishing and renovation costs over a five-year period with interest at 6.5%, which was adjusted on April 1, 2012, to the prime rate of interest plus 1.75%. Interest income for the year ended June 30, 2012, was $262,392.

Future note receivable payments to be received as of June 30, 2012, were as follows:

For the Years Ending June 30,	
2013	$ 488,181
2014	488,181
2015	488,181
2016	429,620
2017	410,966
2018-2022	2,054,828
2023	67,682
Total	**$ 4,427,639**

6. CAPITAL LEASES RECEIVABLE

As of June 30, 2012, the capital leases receivable consisted of the following:

Total minimum lease payments to be received	$ 272,885,617
Less: unearned interest income ranging from 2% to 6.25%	60,800,617
Principal balance on outstanding debt	212,085,000
Less: liquid assets to be used in construction	1,418,833
Total	**$ 210,666,167**

6. *CAPITAL LEASES RECEIVABLE (continued)*

Future minimum lease payments to be received as of June 30, 2012, were as follows:

For the Years Ending June 30,	
2012	$ 32,202,269
2013	32,228,675
2014	30,926,311
2015	25,882,966
2016	24,541,905
2017-2021	95,238,361
2022-2026	31,865,130
Total	**$ 272,885,617**

Capital leases receivable activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Principal Reductions	Ending Balance
CAPITAL LEASES RECEIVABLE			
Camden Yards	$ 158,254,075	$ (4,052,974)	$ 162,307,049
Baltimore City Conv Ctr	17,520,550	4,180,661	13,339,889
Ocean City Conv Ctr	6,551,224	1,186,267	5,364,957
Montgomery County	17,000,000	1,005,000	15,995,000
Hippodrome	14,487,981	828,719	13,659,262
Capital Leases Receivable	**$ 213,813,830**	**$ 3,147,673**	**$ 210,666,157**

7. *CAPITAL ASSETS*

Furniture and equipment and intangible assets activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
CAPITAL ASSETS:				
Furniture and equipment	$ 20,857,123	$ 28,994	$ -	$ 20,886,117
Less: accumulated depreciation	11,456,223	2,130,406	-	13,586,629
Capital Assets, Net	**$ 9,400,900**	**$ (2,101,412)**	**$ -**	**$ 7,299,488**
INTANGIBLE ASSETS:				
Facility rights	$ 284,176,537	$ 11,925,298	$ 16,722,975	$ 279,378,860
Less: accumulated depreciation	141,649,248	12,779,633	-	154,428,881
Intangible Assets, Net	**$ 142,527,289**	**$ (854,335)**	**$ 16,722,975**	**$ 124,949,979**

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.

8. BONDS PAYABLE AND CAPITAL LEASES

Bonds payable and capital leases as of June 30, 2012, consisted of the following:

LEASE REVENUE BONDS PAYABLE:	
2002 Series: Issued $10,250,000 in July 2002 at 3.0% to 5.7% per annum, due in varying installments through September 15, 2013	$ 2,410,000
2002 Series: Issued $20,250,000 in July 2002 at 5.0% to 6.25% per annum, due in varying installments through June 15, 2022	13,660,000
2003 Series: Issued $23,185,000 in January 2003 at 2.0% to 5.0% per annum, due in varying installments through June 15, 2024	15,995,000
2004 Series: Issued $8,730,000 in February 2004 at 3.0% to 5.21% per annum, due in varying installations through December 15, 2024	7,240,000
2006 Series: Issued $31,600,000 in December 2006 at a variable rate; due in varying installments through December 15, 2014	13,555,000
2007 Series: Issued $73,500,000 in February 2007 at a variable rate; due in varying installments through March 1, 2026	60,775,000
2011 Series: Issued $6,630,000 in March 2011 at 2.25% per annum, due in varying installments through December 15, 2015	5,395,000
2011 A Series: Issued $31,435,000 in December 2011 at 0.8% to 3.1% per annum, due in varying installments through December 15, 2019	31,435,000
2011 B Series: Issued $62,915,000 in December 2011 at 1.5% to 5.0% per annum, due in varying installments through December 15, 2019	61,620,000
Lease revenue bonds payable	**212,085,000**
REVENUE BONDS PAYABLE:	
2010 Series: Issued $10,000,000 in April 2010 at 2.90% annum, due in varying installments through December 15, 2013	9,245,000
2010 Series: Issued $11,100,000 in August 2011 at 1.32% annum, due in varying installments through December 15, 2015	11,100,000
CAPITAL LEASES:	
2007 Master equipment lease financing in December 2007 at 5.6% rate, due in varying installments through January 1, 2018	2,312,584
2011 Master equipment lease financing in April 2011 at 5.35% rate, due in varying installments through January 1, 2020	3,493,849
2010 Master energy performance contract lease-purchase agreement in January 2011 at 4.09% rate, due in varying installments through July 1, 2022	2,228,828
2010 Master energy performance contract lease-purchase agreement in January 2011 at 6.11% rate, due in varying installments through July 1, 2022	5,492,766
Subtotal	245,958,027
MEA Loan, 1.0% due in varying installments through July 2021	1,000,000
Subtotal lease revenue bond, revenue bonds payable and capital leases	$ 246,958,027
Plus unamortized premium (includes unamortized premiums related to both series of 2002, 2003 and the 2004 revenue bonds payable of $2,813, $52,645, $1,234, and $78, respectively, as of June 30, 2011)	7,019,413
Less unamortized discount (includes unamortized discount relating to the 1995 and 1996 revenue bonds payable of $9,999 and $62,488, respectively, as of June 30, 2011)	(70,063)
Net Bonds Payable and Capital Leases	**$ 253,907,377**

8. BONDS PAYABLE AND CAPITAL LEASES (continued)

On December 15, 1998, the Authority issued the taxable Sports Facilities Lease Revenue Refunding Bonds, Series 1998 A and B, to retire, together with certain other funds, the Authority's Sports Facilities Lease Revenue Notes, Series 1989 C, and to pay related financing and issuance costs. Principal and interest on the Series 1998 A and B Bonds are payable primarily from the basic rent to be paid by the State under the Master Lease. The interest rates for the Series 1998 A and B Bonds are based on the 30-day USD LIBOR, which is reset weekly.

On December 9, 1999, the Authority issued the tax-exempt Sports Facilities Lease Revenue Refunding Bonds, Series 1999, to retire, together with certain other funds, the Series 1989 D Bonds. The Series 1989 D Bonds were used to finance the construction of Oriole Park at Camden Yards and in part to refinance the costs of acquiring and preparing the property at the site. The interest rate for the Series 1989 D Bonds is based on the 30-day USD LIBOR, which is reset weekly.

On July 10, 2002, the Authority issued taxable Sports Facilities Lease Revenue Bonds, Series 2002, to retire, the 2001 Bond Anticipation Notes. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 3.0% to 5.7% per annum. The bonds mature serially in varying amounts through September 15, 2013.

On July 10, 2002, the Authority issued taxable Hippodrome Performing Arts Center Taxable Revenue Bonds, Series 2002, to finance, together with certain other funds, renovation of the Hippodrome Performing Arts Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease. Interest is payable semiannually at rates varying from 5.0% to 6.25% per annum. The bonds require a sinking fund redemption beginning June 15, 2014.

On January 14, 2003, the Authority issued tax-exempt Montgomery County Conference Center Lease Revenue Bonds, Series 2003, to finance, together with certain other funds, construction of the Montgomery County Conference Center. Principal and interest are payable primarily from the basic rent to be paid by the State under the Master Lease.

Interest is payable semiannually at rates varying from 2.0% to 5.0% per annum. The bonds mature serially in varying amounts through June 15, 2024.

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 December 9, 2006, the Authority issued the Tax Exempt Baltimore Convention Center Lease Revenue Refunding Bonds, Series 2006, to retire the Series 1994 Bonds. The Series 1994 Bonds, (along with other sources) were used to finance the construction of the expansion of the Baltimore Convention Center. The interest rate for the Series 2006 Bonds is calculated weekly by its remarketing agent using the 30 Day USD LIBOR.

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 Complex. The interest rate for the Series 2007 Bonds is calculated weekly by the remarketing agent using the 30 Day USD LIBOR.

In December 2007, the Authority received Board of Public Work's approval to borrow $3.5 million from the State of Maryland Master Equipment Lease Financing Program. Principal and interest are payable from excess revenue generated at the Camden Yards Complex. Interest is payable semiannually at the rate of 5.6% per annum. This financing is set to mature on January 1, 2018. As part of the Settlement Agreement between the Authority and the Baltimore Orioles Limited Partnership dated September 2007, the Authority was allowed to borrow $250,000 from the Supplemental Improvements Fund with the consent of the Baltimore Orioles Limited Partnership. The Authority must repay the loan within three years of the borrowing at 0% interest. The full amount borrowed will be paid back by August 2012.

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 will 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.

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 M&T Bank Stadium. The energy upgrades and enhancements will 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 of new audio and video equipment funded by $5.6 million 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 2011 and amortized over 10 years. Interest is payable semiannually at the rate of 5.35% per annum. This financing is set to mature on January 1, 2020.

On April 15, 2010, the Authority issued Sports Facilities Taxable Revenue Bonds, Series 2010, to renovate Oriole Park located at Camden Yards. Principal and interest are payable primarily from lottery proceeds received by the Authority. Interest is payable semiannually at a rate of 2.9% per annum. The bonds mature December 15, 2013.

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 is payable semiannually at the rate of 2.25% per annum. The bond matures December 15, 2015. The approximate difference in the Series 1995 and Series 2011 debt service payment is $0.4 million. This resulted in a present value savings at an interest rate of 2.25% of $0.4 million.

On August 17, 2011, the Authority issued Sports Facilities Taxable Revenue Bonds, Series 2011, to renovate Oriole Park and the Warehouse located at Camden Yards. Principal and interest are payable primarily from lottery proceeds received by the Authority. Interest is payable semiannually at a rate of 1.32% per annum. The bonds mature December 15, 2014.

On December 21, 2011, the Authority issues 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 approximately difference in the Series 1998A and the Series 1999 compared with the Series 2011 A and Series 2011 B is $1.9 million. This resulted in a present value savings at the interest rate of 2.09% of $1.7 million.

Debt service requirements subsequent to June 30, 2012, were as follows:

For the Years Ending June 30,	Principal Maturities	Interest	Total
2013	24,631,778	10,969,531	35,601,309
2014	34,124,167	9,875,664	43,999,831
2015	34,510,217	8,574,141	43,084,358
2016	20,595,127	7,368,718	27,963,845
2017	20,159,115	6,463,669	26,622,784
2018-2022	84,516,047	18,246,983	102,763,030
2023-2026	28,421,476	3,933,387	32,354,963
Total	**$ 246,958,027**	**$ 65,432,093**	**$ 312,390,120**

9. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Compensated absences	$ 871,673	$ 334,934	$ 482,049	$ 724,558	$ 35,000
Workers' compensation	200,036	265,000	126,036	339,000	52,545
Revenue bonds and capital lease payable, net	244,230,168	114,163,801	104,486,592	253,907,377	24,631,778
Deferred revenue	1,763,227	-	881,443	881,784	176,357
Interest rate swap liability	41,591,454	790,960	20,390,746	21,991,668	-
Total	**$ 288,656,558**	**$115,554,695**	**$126,366,866**	**$277,844,387**	**$ 24,895,680**

10. DEFERRED REVENUE

The Authority received an advance payment for its portion of a chiller and generator plant from the Baltimore Ravens that would be included in its future operating. The Authority will receive a 12% return from the Baltimore Racing Development, LLC to reimburse the Authority for improvements done at the Camden Yards Complex. Revenue to be recognized in subsequent years as of June 30, 2012, will be as follows:

For the Years Ending June 30,	
2013	176,357
2014	176,357
2015	176,357
2016	176,357
2017	176,357
Total	**$ 881,784**

The advanced payment is recorded as deferred revenue as of June 30, 2012, and will be recognized as revenue during the following years.

11. INCOME FROM STATE AND MUNICIPAL SOURCES

Contributions from the primary government represents payments received from the State of Maryland 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, 2012, Baltimore City made an annual contribution of $1 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 Swaps. The Authority entered into four interest rate swaps for the purpose of hedging or fixing its interest expense associated with the Authority's Series 1998, 1999, 2006 and 2007 bond issuances.

The Authority received $15,522,129 and $3,313,500, on April 1, 1996, and June 10, 1998, respectively, 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. In addition, semiannual liquidity fees were required for the October 1, 1993, Swap Agreement under the liquidity guarantee agreement through the issue date of the new variable rate debt.

The fees, which totaled $760,762, are included in deferred financing costs and are being amortized over the life of the new variable rate debt.

12. VALUATION OF INTEREST RATE SWAP AGREEMENT (continued)

On December 9, 1999, the Authority issued, in accordance with the October 1, 1993 Swap Agreement, tax-exempt variable rate bonds, Series 1999, to retire the $121,380,000 of outstanding Series 1989 D Bonds. This refunding resulted in an excess of the reacquisition price over the net carrying amount of the old debt of $3,467,367. This difference, which is reported as a deduction from lease revenue bonds payable, is being amortized to interest expense through the year 2019, the life of the new bonds. The Authority completed the refunding to reduce its debt service payments by $1,727,891 and to obtain an economic gain of $10,323,329.

Terms. The notional amounts of the swaps match the principal amounts of the associated bond issues. The Authority's swap agreements contain scheduled reductions to the outstanding notional amounts that match 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, 2012, are as follows:

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Associated Bond Issue	Notional Amount	Effective Date	Fixed Rate Paid	Variable Rate Recieved	Fair Values	Swap Termination Date	Counter-party Rating
Series 2006	$ 13,475,000	12/05/08	5.875%**	SIFMA***	$ (1,143,275)	12/15/2014	A2/A+/A
Series 2007	60,540,000	12/05/08	5.69% to 5.80**	SIFMA***	(20,848,393)	3/1/2026	A2/A+/A
Total	**$ 74,015,000**				**$(21,991,668)**		

* Calculated rate based upon the fixed payments established in the swap agreements divided by the notional amount outstanding at each fixed rate payment date. Series 2006 swap has one rate (5.875%) for the final two maturities of the 2006 bonds.

** 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, 2012, and the fair value as of June 30, 2012.

	Change in Fair Value		Fair Value as of June 30, 2011	
	Classification	Fair Value	Classification	Amount
Fair value hedge				
Pay fixed interest rate swap	Change in fair market value of swaps	$(107,735)	Swap valuation liability	$ 21,891,668

Fair Value. Because interest rates have declined from rates that were in effect on dates the swaps were entered into, all swaps have a negative fair value as of June 30, 2012. The fair values of the swaps were developed by an independent valuation consultant to the Authority that does not have a vested interest in the swaps, using a market accepted method similar to the zero coupon method example permitted by accounting principles generally accepted in the United States of calculating fair value. The methodology used consists of calculating the future net settlement payments required by the swap agreement, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement date of the swap.

1998A Swap and 1999 Swap Termination. On December 21, 2011, the Authority refunded the 1998A and 1999 bonds with the Series 2011A and B bonds. The swaps associated with the Series 1998A and 1999 bonds were terminated. By replacing the variable rate bonds with the fixed rate bonds and terminating the swaps, the Authority eliminated the risks inherent with both variable rate debt and swaps. The unamortized portion of the deferred financing cost for the Series 1998A and 1999 bonds of $598,957 were also written off.

Credit Risk. As of June 30, 2012, 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 Convention Center Swap and the Football Swap was rated A+ by Standard and Poor's, A2 by Moody's Investors Service, and A by Fitch as of June 30, 2012. If the Authority's ratings for debt secured by the master lease with the State of Maryland fall below BBB+ or Baa1 by S&P and Moody's or are suspended, the fair value of the swap 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, 2012.

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, 2012 with regard 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 swap's fair value.

Swap Payments and Associated Debt. As rates vary, variable-rate bonds interest payments and net swap payments will vary. These amounts assume that the current interest rates on variable rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging derivative instruments will vary. The Swap - Net Interest column reflects only net receipts/payments on derivative instruments, the net swap payments are as follows:

VARIABLE – RATE BONDS (1)

For the Fiscal Years Ending June 30,	Principal	Bond Interest(2)	Swap - Net Interest(3)	Total
2013	$ 7,230,000	$ 118,928	$ 4,012,727	$ 11,361,655
2014	7,650,000	107,360	3,606,598	11,363,958
2015	8,065,000	95,120	3,174,661	11,334,781
2016	3,485,000	82,216	2,863,851	6,431,067
2017	3,685,000	76,640	2,670,850	6,432,490
2018	3,890,000	70,744	2,466,710	6,427,454
2019	4,115,000	64,520	2,250,872	6,430,392
2020	4,350,000	57,936	2,022,502	6,430,438
2021	4,595,000	50,976	1,781,043	6,427,019
2022	4,860,000	43,624	1,525,937	6,429,561
2023	5,140,000	35,848	1,256,070	6,431,918
2024	5,435,000	27,624	968,045	6,430,669
2025	5,750,000	18,928	663,441	6,432,369
2026	6,080,000	9,728	341,134	6,430,862
Total	$ 74,330,000	$ 860,192	$ 29,604,441	$104,794,633

(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 Convention Center Swap and Football Swap agreements and related bonds.

(2) As of June 30, 2012, the Authority's tax-exempt variable rate for debt service requirements bonds was 0.16%.

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, 2012, were as follows:

For the Years Ending June 30,	Amount
2013	3,772,830
2014	3,694,576
2015	3,893,585
2016	2,540,727
2017	800,886
2018-2022	1,789,253
2023-2026	1,549,571
Total	**$ 18,041,428**

Lease rental income for the year ended June 30, 2012, was $3,880,644.

15. RETIREMENT PLANS

Maryland State Retirement and Pension System

The Authority contributes to the Retirement and Pension System of Maryland (the System), established by the State to provide pension benefits for State employees of various participating entities within the State. Although the System is an agent, multiple-employer public employee retirement system, the System does not perform a separate valuation for the Authority, and the Authority's only obligation to the System is its required annual contribution. The System prepares a separate Comprehensive Annual Financial Report, which can be obtained from the Retirement and Pension System of Maryland at the State Office Building, 120 East Baltimore Street, Baltimore, Maryland 21202.

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, 2012 and 2011, of $608,196 and $593,577 respectively.

15. RETIREMENT PLANS (continued)

Other Post-Employment Benefits

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

Financial information for the Plan is included in the State of Maryland Comprehensive Annual Financial Report, which can be obtained from the Comptroller of Maryland, Louis L. Goldstein Treasury Building, Annapolis, MD 21404.

A separate actuarial valuation is not performed by the Authority. The Authority's only obligation to the Plan is its required annual contribution. There was no required contribution for the year ended June 30, 2012.

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.

Funding Policy

Beginning in fiscal year 2008, State law requires the State's Department of Budget and Management to transfer any subsidy received as a result of the federal Medicare Prescription Drug Improvement and Modernization Act of 2003 or similar subsidy to the OPEB Trust to prefund OPEB benefits. To further prefund benefits, during fiscal year 2008, the State transferred from the State Reserve Fund Dedicated Purpose Account. Additionally, 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.

Based on current practice, 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 postemployment 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.

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. 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.

The Benefactor

"He gave us our Sundays back."
John Moag

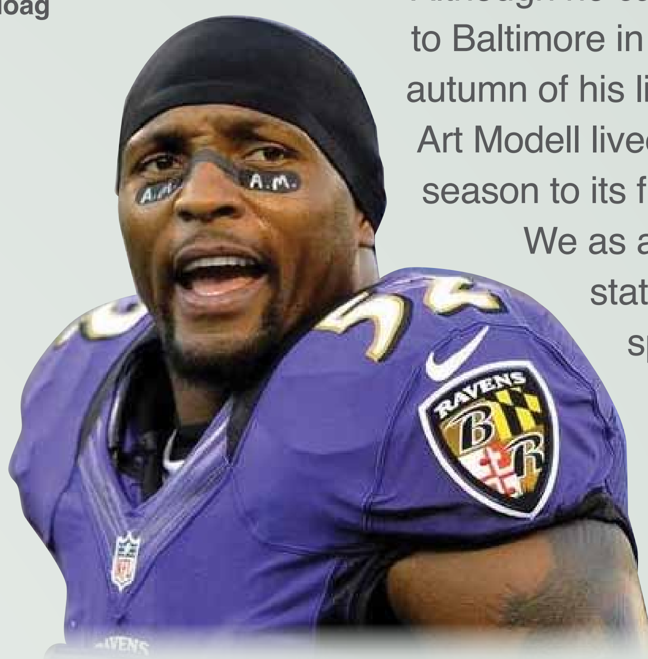
Art Modell with Stadium Authority Chairman John Moag at the stadium groundbreaking in 1995.

In 2012 we celebrated the life of Art Modell, the man who brought NFL football back to Baltimore twelve years after the Mayflower vans departed.

Art Modell's contributions to the City of Baltimore were not limited to the franchise relocation. He and his wife Pat were known for their philanthropy, with generous contributions to the performing arts and educational opportunities for the underprivileged.

It was altogether fitting that the Ravens tribute to their founder was nationally televised on the first Monday night of the 2012 season. During his many years of team ownership, Art Modell helped broker the NFL's partnership with television. He also recognized the singular focus that Monday Night Football could bring to the game, and championed the concept that became an entertainment event.

Although he came to Baltimore in the autumn of his life, Art Modell lived that season to its fullest. We as a city, state, and sports facility are the richer for it.



A heartfelt tribute on Opening Night, 2012.

Seasons of Celebration