

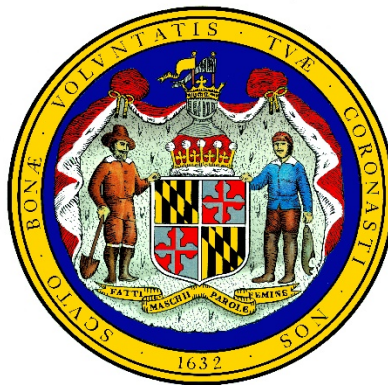
# Audit Report

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## Maryland Stadium Authority

March 2025

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**OFFICE OF LEGISLATIVE AUDITS**  
**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

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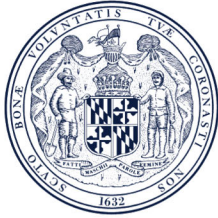
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Victoria L. Gruber  
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Brian S. Tanen, CPA, CFE  
Legislative Auditor

March 21, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Maryland Stadium Authority (MSA) for the period beginning October 1, 2020 and ending May 31, 2024. MSA is primarily responsible for developing, constructing, and maintaining certain facilities (such as public schools, sports facilities, convention centers, and entertainment venues) as authorized by law.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us during the audit by MSA.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor



## **Background Information**

### **Agency Responsibilities**

The Maryland Stadium Authority (MSA) is an instrumentality of the State of Maryland, a public corporation, and an independent unit of state government. MSA is governed by an eleven-member board, with one member each appointed by the Mayor of Baltimore City and County Executive of Prince George's County, and seven members appointed by the Governor, subject to the advice and consent of the Senate. The President of the Senate and the Speaker of the House of Delegates each nominate one of the remaining two members.<sup>1</sup> The members serve four-year terms and the board appoints an Executive Director (subject to the approval of the Governor) who is responsible for directing and supervising the administrative affairs and activities of MSA.

MSA is responsible for developing, constructing, and maintaining certain facilities (such as public schools, sports facilities, convention centers, and entertainment venues). In addition, MSA is authorized to perform planning and construction-related activities for State agencies or local governments, subject to certain notification requirements of the General Assembly.

According to MSA's audited financial statements and the State's records, MSA's expenditures during fiscal year 2023 totaled approximately \$536 million including \$517.1 million in operating expenses primarily for construction and renovation projects (see Figure 1 on the following page).

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<sup>1</sup> Chapter 17, Laws of Maryland 2022, and Chapter 112, Laws of Maryland 2023, changed the composition of the Board of Directors by increasing the number of board members from seven to eleven. The 2022 legislation added one appointee from the Senate and the House, and the 2023 legislation added one appointee from the Governor and one from the Prince George's County Executive.

**Figure 1**  
**MSA Positions, Expenditures, and Funding Sources**

<b>Full-Time Equivalent Positions as of June 30, 2023</b>		
	<b>Positions</b>	<b>Percent</b>
Filled	125	99.2%
Vacant	1	0.8%
<b>Total</b>	<b>126</b>	
<b>Fiscal Year 2023 Expenditures</b>		
	<b>Expenditures</b>	<b>Percent</b>
Salaries, Wages, and Fringe Benefits	\$ 18,483,449	3.4%
Technical and Special Fees	424,295	0.1%
Operating Expenses	517,112,948	96.5%
<b>Total</b>	<b>\$536,020,692</b>	
<b>Fiscal Year 2023 Funding Sources</b>		
	<b>Funding</b>	<b>Percent</b>
General Fund	\$ 20,910,416	3.9%
Special Fund	47,102,307	8.8%
Non-Budgeted Fund	449,563,660	83.9%
Capital Appropriation	18,444,309	3.4%
<b>Total</b>	<b>\$536,020,692</b>	

Source: State financial and personnel records and MSA financial statements

## Agency Budget Oversight

The Economic Development Article, Section 10-623(1) of the Annotated Code of Maryland specifies that MSA's annual budget be submitted to the Department of Budget and Management for inclusion in the State budget book for informational purposes. Oversight by the Board of Public Works for certain MSA budgeting matters is established in the master lease and sublease agreements that exist between MSA and the State for the various MSA facilities. Under the master leases, the State leases the land and all facilities constructed thereon from MSA. Under the subleases, MSA leases the facilities back from the State.

## **Financial Statement Audits**

MSA engaged an independent certified public accounting firm to audit its financial statements for the fiscal years ended June 30, 2021, 2022, and 2023. In the related audit reports, the firm stated that MSA's financial statements present fairly, in all material respects, the financial position of MSA as of June 30, 2021, 2022, and 2023 and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of MSA's internal control. Our audit also did not disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Findings that did not warrant inclusion in this report were separately communicated to MSA.

A draft copy of this report was provided to MSA. Since there are no recommendations in this report, a written response was not necessary.

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of the Maryland Stadium Authority (MSA) for the period beginning October 1, 2020 and ending May 31, 2024. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine MSA's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas

addressed by the audit included construction projects, bond trustee accounts, purchases and disbursements, payroll, and cash receipts.

MSA engages an independent accounting firm to audit its annual financial statements. In the related audit reports for fiscal years ended June 30, 2021, 2022, and 2023 the firm stated that MSA's financial statements presented fairly, in all material respects, the financial position of MSA as of June 30, 2021, 2022, and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have relied on the work of the independent accounting firm to provide audit coverage pertaining to debt issuances and the related amortization, and certain payroll activity. Our audit procedures in those areas were generally limited, therefore, to obtaining a sufficient basis for that reliance.

Our assessment of internal controls was based on MSA's procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of October 1, 2020 to May 31, 2024, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of MSA's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data), as well from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these



sources were sufficiently reliable for the purposes the data were used during this audit.

We also extracted data from MSA's internal accounting system for the purpose of testing payments for construction projects financed from bond issuances. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

MSA's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to MSA, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

MSA managed a building replacement project for the Department of Legislative Services that was completed in January 2025, including procurement of contracts related to the project. In addition, beginning in September 2021 our Office leased office space in the Warehouse at Camden Yards, which is managed by MSA. In our opinion, the contractual nature of these relationships did not impair our independence during our audit of MSA.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

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