

**MARYLAND WATER INFRASTRUCTURE FINANCING  
ADMINISTRATION  
(FORMERLY KNOWN AS MARYLAND WATER QUALITY  
FINANCING ADMINISTRATION)  
(AN ENTERPRISE FUND OF THE STATE OF MARYLAND)  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITORS' REPORT

Director  
Maryland Water Infrastructure Financing Administration  
Baltimore, Maryland

### Report on the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Maryland Water Infrastructure Financing Administration (the Administration), an enterprise fund of the State of Maryland, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Administration's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Administration as of June 30, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Administration and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the Administration and do not purport to, and do not, present fairly the financial position of the State of Maryland, as of June 30, 2023 and 2022, the changes in its financial position, or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Administration's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Administration's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

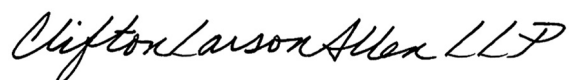
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Administration's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the Administration's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Administration's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Administration's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
September 28, 2023

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023 AND 2022**

The Maryland Water Quality Financing Administration (MWQFA or the Administration) was established in 1987 by an act of the Maryland State Legislature under Title 9, Subtitle 16 of the Environmental Article, Annotated Code of Maryland. Chapters 237 and 238 (Conservation Finance Act), enacted during the 2022 legislative session of the Maryland General Assembly, changed the Administration's name to the Maryland Water Infrastructure Financing Administration (MWIFA or the Administration).

The legislation created the Maryland Water Quality Revolving Loan Fund (WQRLF) consistent with the requirements under the Federal Clean Water Act. The fund is also referred to as the Clean Water Revolving Loan Fund (CWRLF). The purpose of the WQRLF is to make below market interest rate loans to local governments and eligible private entities for construction of water quality infrastructure. Starting in fiscal year 2010, the WQRLF can also provide loan forgiveness, grants, and negative interest rate loans. MWIFA receives capitalization grants from the Federal government, which are matched with a 20% State of Maryland (State) contribution.

Legislative amendments to the MWQFA Act in 1997 established the Maryland Drinking Water Revolving Loan Fund (DWRLF) consistent with the requirements under the Federal Safe Drinking Water Act. The purpose of the DWRLF is to provide below market interest rate loans to local governments and eligible private entities for certain drinking water capital projects. The DWRLF also allows for extended term loans (up to 30 years) and loan principal forgiveness, grants, and negative interest rate loans for disadvantaged communities and eligible green projects. MWIFA receives capitalization grants from the Federal government, which are matched with a 20% State contribution. At least 69% of the Federal funds must be used for the capital program, while the remaining can be used for program set-asides.

A legislative amendment to the MWQFA Act in 2004 established the Bay Restoration Fund (BRF). The BRF is financed by two sources. First, a monthly flat fee of \$2.50 (\$30 per year) effective January 1, 2005 through June 30, 2012, from each household and business (\$2.50 per month per equivalent dwelling unit) served by a wastewater treatment plant (Wastewater Fund). The Wastewater funds are managed by the Maryland Department of the Environment (MDE) for the key purpose of providing grants for the upgrade of major wastewater treatment plants in Maryland with enhanced nutrient removal technologies. Second, an annual fee of \$30 from each user/household served by an onsite well and septic system (Septic Fund) effective October 1, 2005 through June 30, 2012, of which 60% is allocated to MDE for the purpose of providing grants for the upgrade of onsite septic disposal systems with nitrogen removal technology. Forty percent of the BRF septic funds are allocated to the Maryland Department of Agriculture (MDA) for the purpose of implementing the cover crop program. The MWIFA is responsible for the financial management of the fees transferred to MDE by the State Comptroller's office under the BRF. During the 2012 legislative session, the State Legislature amended the BRF statute (HB 446) that doubled the BRF fee to \$5.00 per month (\$60 per year) for most users, effective July 1, 2012 (FY 2013). The fee remained unchanged for users that do not discharge wastewater into the Chesapeake or Atlantic Bays Watershed. Amendments to the BRF statute expanded the use of the funds to also allow grants for sewer rehabilitation, stormwater best management practices (SB 133/2015) and to provide additional funding to local health departments to manage septic system regulations (HB12/2014). During the 2017 legislative session, the BRF statute was further amended to allow the BRF wastewater fund to also provide grants for biological nutrient removal (HB-384/2017) and to allow for the purchase of nutrients not to exceed \$10 million per year in expenditures (SB-314/2017).

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

The WQRLF, DWRLF, and BRF activities are considered proprietary activities and are accounted for in a manner similar to a private sector business operation. Sources of funding for these programs include Federal grants, State match to Federal funds (20% requirement), State GO bonds, revenue bonds, special fees, and other revolving type revenue. The total net position of these programs represents the accumulated earnings since their inception and they are generally restricted for program purposes.

This section of the MWIFA annual financial report presents management's discussion and analysis of the MWIFA financial performance during the fiscal years that ended on June 30, 2023 and 2022, with the year ended June 30, 2021, presented for comparative purposes. Please read it in conjunction with the MWIFA's financial statements, which follow this section.

**Financial Highlights**

The financial highlights include an analysis of any change from the prior year's statement of net position greater than \$3,000,000 and greater than five percent of any individual statement of net position item.

**Statements of Net Position**

The statement of net position is a financial statement that reports the assets, liabilities, and net position of the Administration at a given point in time.

**As of June 30, 2023:**

The unrestricted current asset of cash and cash equivalents increased by \$107.3 million. This increase was primarily due to the decrease of \$89.2 million in capital loan disbursements.

The current asset of loans receivable increased by \$4.7 million. This was primarily due to several large loans that will begin principal payments starting within one year. The WQRLF and DWRLF had increases in current loan receivables totaling \$1.4 million and \$3.3 million, respectively.

The restricted current asset of cash and cash equivalents decreased by \$3.5 million. This decrease was due to a decrease in the 3<sup>rd</sup> quarter BRF fee revenue collected in FY 23 compared to FY 22.

The current restricted loans receivable decreased by \$3.9 million because of principal payments on older pledged loans becoming fully paid off and offset by no new pledged loans.

The noncurrent restricted loans receivable decreased by \$20.0 million as a result of principal payments on older pledged loans becoming fully paid off and offset by no new pledged loans.

The current revenue bonds payable decreased by \$3.2 million. This decrease is a result of the BRF series 2008 which fully matured in FY23.

The noncurrent revenue bonds payable decreased by \$24.3 million. This decrease is due to scheduled debt payments.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Statements of Net Position (Continued)**

Restricted net position increased \$119.6 million. The net position restricted for grants, new loans, and debt service increased \$74.7 million, \$40.1 million, and \$4.8 million for the WQRLF and DWRLF and BRF, respectively.

The total unrestricted net position increased by \$26.8 million. This increase is primarily a result of the decrease in bonds payable due to current year debt service payments for BRF 2008 bond indenture.

**As of June 30, 2022:**

The unrestricted current asset of cash and cash equivalents decreased by \$34.5 million. This decrease was primarily due to the increase of \$46.4 million in capital loan disbursements.

The current asset of loans receivable increased by \$7.8 million. This was primarily due to several large loans that will begin principal payments starting within one year. The WQRLF and DWRLF had increases in current loan receivables totaling \$7.6 million and \$0.2 million, respectively.

The restricted current asset of BRF fee receivable increased by \$3.9 million. This increase is attributable to collection of prior quarter revenues of approximately \$5.6 million.

The restricted current asset of cash and cash equivalents increased by \$14.5 million. This increase was due to an increase in the 3<sup>rd</sup> quarter BRF fee revenue collected in FY 22 compared to FY21.

The current restricted loans receivable decreased by \$4.3 million because of principal payments on older pledged loans becoming fully paid off and offset by no new pledged loans.

The noncurrent unrestricted loans receivable increased by \$128.5 million from new WQRLF and DWRLF direct loans. The noncurrent restricted loans receivable decreased by \$23.9 million as a result of principal payments on older pledged loans becoming fully paid off and offset by no new pledged loans.

The noncurrent revenue bonds payable decreased by \$27.6 million. This decrease is due to scheduled debt payments.

Restricted net position increased \$95.5 million. The net position restricted for grants, new loans, and debt service increased \$53.1 million, \$21.5 million, and \$20.9 million for the WQRLF and DWRLF and BRF, respectively.

The total unrestricted net position increased by \$25.4 million. This increase is primarily a result of the decrease in bonds payable due to current year debt service payments for BRF 2008 bond indenture.



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Statements of Net Position (Continued)**

The following condensed statements of net position show a summary of changes between fiscal years:

**Comparative Condensed Statements of Net Position  
June 30, 2023, 2022, and 2021  
(Millions of Dollars)**

	2023	2022	2021	Increase (Decrease) Difference	
				FY 23-22	FY 22-21
<b>Current Assets</b>					
Cash and Cash Equivalents	\$ 405.3	\$ 298.0	\$ 332.5	\$ 107.3	\$ (34.5)
Receivables:					
Loans	101.8	97.1	89.3	4.7	7.8
BRF Fees	1.6	2.5	1.9	(0.9)	0.6
Other	13.2	13.5	13.5	(0.3)	-
<b>Current Restricted Assets</b>					
Cash and Cash Equivalents	26.2	29.7	15.2	(3.5)	14.5
Receivables:					
BRF Fees	26.9	27.7	23.8	(0.8)	3.9
Loans	20.0	23.9	28.2	(3.9)	(4.3)
Other	0.3	0.4	0.6	(0.1)	(0.2)
Total Current Assets	<u>595.3</u>	<u>492.8</u>	<u>505.0</u>	<u>102.5</u>	<u>(12.2)</u>
<b>Noncurrent Assets</b>					
Investments	5.4	5.8	6.6	(0.4)	(0.8)
Loans Receivable	1,620.8	1,586.3	1,457.8	34.5	128.5
<b>Noncurrent Restricted Assets</b>					
Loans Receivable	44.2	64.2	88.1	(20.0)	(23.9)
Total Noncurrent Assets	<u>1,670.4</u>	<u>1,656.3</u>	<u>1,552.5</u>	<u>14.1</u>	<u>103.8</u>
<b>Total Assets</b>	<u>\$ 2,265.7</u>	<u>\$ 2,149.1</u>	<u>\$ 2,057.5</u>	<u>\$ 116.6</u>	<u>\$ 91.6</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Statements of Net Position (Continued)**

**Comparative Condensed Statements of Net Position (Continued)  
June 30, 2023, 2022, and 2021  
(Millions of Dollars)**

	2023	2022	2021	Increase (Decrease) Difference	
				FY 23-22	FY 22-21
<b>Current Liabilities</b>					
Accounts Payable and Accruals	\$ 0.5	\$ 0.5	\$ 0.5	\$ -	\$ -
Revenue Bonds	24.4	27.6	26.4	(3.2)	1.2
Bond Premium - Current	1.4	2.0	2.7	(0.6)	(0.7)
Accrued Interest on Bonds	1.6	1.9	2.0	(0.3)	(0.1)
Total Current Liabilities	<u>27.9</u>	<u>32.0</u>	<u>31.6</u>	<u>(4.1)</u>	<u>0.4</u>
<b>Noncurrent Liabilities</b>					
Compensated Absences	0.4	0.4	0.4	-	-
Revenue Bonds	143.8	168.1	195.7	(24.3)	(27.6)
Bond Premium - Noncurrent	0.9	2.3	4.4	(1.4)	(2.1)
Total Noncurrent Liabilities	<u>145.1</u>	<u>170.8</u>	<u>200.5</u>	<u>(25.7)</u>	<u>(29.7)</u>
Total Liabilities	<u>173.0</u>	<u>202.8</u>	<u>232.1</u>	<u>(29.8)</u>	<u>(29.3)</u>
<b>Net Position</b>					
Net Investment in Capital Assets	-	-	-	-	-
Restricted	2,246.1	2,126.5	2,031.0	119.6	95.5
Unrestricted Deficit	(153.4)	(180.2)	(205.6)	26.8	25.4
Total Net Position	<u>\$ 2,092.7</u>	<u>\$ 1,946.3</u>	<u>\$ 1,825.4</u>	<u>\$ 146.4</u>	<u>\$ 120.9</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Statements of Revenue, Expenses, and Changes in Net Position**

The statement of revenue, expenses, and changes in net position is a financial statement that reports the activity of the Administration during the fiscal year.

**For fiscal year ended June 30, 2023:**

There was an increase of \$12.2 million in capital grant disbursements. The BRF and WQRLF had increases totaling \$15.3 million and \$0.3 million, respectively while the DWRLF program had a decrease in capital grant disbursements of \$3.4 million. These changes reflect normal fluctuations in construction project draws.

There was an increase of \$10.5 million in Investment Income. This was due to higher interest rates and associated elevated cash balances drawing interest proceeds.

There was an increase of \$32.0 million in contributions from Federal and State governments. This was the result of utilizing additional federal funding and associated state match from the Bipartisan Infrastructure Legislation (BIL). The WQRLF and DWRLF had increases in contributions from Federal and State governments totaling \$17.1 million and \$14.9 million, respectively.

**For fiscal year ended June 30, 2022:**

There was an increase of \$22.8 million in fee revenue. This increase was due to the revenue recovery of approximately \$17 million from FY21.

There was an increase of \$6.8 million in capital grant disbursements. The BRF and DWRLF had increases totaling \$12.8 million and \$1.2 million, respectively while the WQRLF program had a decrease in capital grant disbursements of \$7.2 million. These changes reflect normal fluctuations in construction project draws.

There was a decrease of \$59.3 million in contributions from Federal and State governments. This was the result of utilizing funding from two annual EPA capitalization grants and associated state match appropriation in FY21 for both WQRLF and DWRLF while FY22 only utilized funding from one capitalization grant and associated state match funds. The WQRLF and DWRLF had decreases in contributions from Federal and State governments totaling \$46.2 million and \$13.1 million, respectively.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

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

The following condensed Statements of Revenue, Expenses, and Changes in Net Position show a summary of changes between fiscal years:

**Comparative Condensed Statements of Revenue, Expenses, and Changes in Net Position  
Years Ended June 30, 2023, 2022, and 2021  
(Millions of Dollars)**

	2023	2022	2021	Increase (Decrease) Difference	
				FY 23-22	FY 22-21
<b>Operating Revenue</b>					
Interest on Loans	\$ 14.8	\$ 15.2	\$ 15.0	\$ (0.4)	\$ 0.2
Loan Administrative Fee	6.3	6.4	6.9	(0.1)	(0.5)
Fee Revenue	131.8	137.9	115.1	(6.1)	22.8
Grant Revenue (Set-Asides Only)	4.9	5.1	3.7	(0.2)	1.4
Misc and Other Grant Revenue	-	-	0.6	-	(0.6)
Total Operating Revenue	157.8	164.6	141.3	(6.8)	23.3
<b>Operating Expenses</b>					
Salaries and Related Benefits	9.9	10.7	11.6	(0.8)	(0.9)
Transfers Out (Set-Asides)	4.9	5.1	3.7	(0.2)	1.4
Capital Grant Disbursements	103.1	90.9	84.1	12.2	6.8
General and Other Costs	2.5	2.8	2.9	(0.3)	(0.1)
Total Operating Expenses	120.4	109.5	102.3	10.9	7.2
Operating Income	37.4	55.1	39.0	(17.7)	16.1
<b>Nonoperating Revenue and Expenses</b>					
Investment Income	12.0	1.5	1.1	10.5	0.4
Interest on Bonds	(5.4)	(6.0)	(6.6)	0.6	0.6
FMV Investment Adjustment	(0.1)	(0.2)	(0.1)	0.1	(0.1)
Contributions from Federal and State Governments	102.5	70.5	129.8	32.0	(59.3)
Total Nonoperating Revenue and Expenses	109.0	65.8	124.2	43.2	(58.4)
<b>Change in Net Position</b>	146.4	120.9	163.2	25.5	(42.3)
Net Position - Beginning of Year	1,946.3	1,825.4	1,662.2	120.9	163.2
<b>Net Position - End of Year</b>	<u>\$ 2,092.7</u>	<u>\$ 1,946.3</u>	<u>\$ 1,825.4</u>	<u>\$ 146.4</u>	<u>\$ 120.9</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Statements of Cash Flows**

Another way to assess MWIFA's financial health is to look at the statement of cash flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statement of cash flows also helps users' access:

- An entity's ability to generate future net cash flows,
- An entity's ability to meet its obligations as they come due,
- An entity's need for external financing.

A summary of MWIFA's cash flows for the years ended June 30, 2023, 2022, and 2021, are presented in the following table:

**Condensed Statements of Cash Flows  
Years Ended June 30,**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash from:			
Operating Activities	\$ 24,336,375	\$ (57,382,296)	\$ (21,529,107)
Noncapital Financing Activities	67,214,100	35,263,242	94,571,439
Investment Activities	<u>12,406,867</u>	<u>2,040,841</u>	<u>1,328,112</u>
<b>Net Change in Cash</b>	103,957,342	(20,078,213)	74,370,444
Cash - Beginning of Year	<u>327,585,253</u>	<u>347,663,466</u>	<u>273,293,022</u>
<b>Cash - End of Year</b>	<u>\$ 431,542,595</u>	<u>\$ 327,585,253</u>	<u>\$ 347,663,466</u>

During fiscal year 2023, cash used by operating activities totaled \$24,336,375, cash provided by noncapital financing activities totaled \$67,214,100, and cash provided by investing activities totaled \$12,406,867 for an overall increase in cash of \$103,957,342 compared to a decrease of \$20,078,213 in fiscal year 2022. The cash increase in operating activities was primarily due to BRF fee revenue exceeding grant disbursements. The increase in cash from noncapital financing was due to bond principal repayment and interest being less than cash received from federal grants and required state match contributions. The investing activities increase was due to investment proceeds and higher interest rates.

During fiscal year 2022, cash used by operating activities totaled (\$57,382,296), cash provided by noncapital financing activities totaled \$35,263,242, and cash provided by investing activities totaled \$2,040,841 for an overall decrease in cash of \$20,078,213 compared to an increase of \$74,370,444 in fiscal year 2021. The cash decrease in operating activities was primarily due to loan and grant disbursements exceeding loan repayments. The increase in cash from noncapital financing was due to bond principal repayment and interest being less than cash received from federal grants and required state match contributions. The investing activities increase was due to investment proceeds.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Capital Assets**

The table below shows capital assets as of the fiscal years ended June 30:

<b>Capital Assets</b>			
<b>Years Ended June 30,</b>			
	2023	2022	2021
Vehicles	\$ 202,016	\$ 202,016	\$ 202,016
Accumulated Depreciation	(201,306)	(192,791)	(175,779)
Net Capital Assets	\$ 710	\$ 9,225	\$ 26,237

During fiscal year ending June 30, 2023, capital asset activity was limited to current year depreciation expense of \$8,515. During fiscal year ending June 30, 2022, capital asset activity was limited to current year depreciation expense of \$17,012.

**Debt Administration**

As of June 30, 2023, the Administration had \$168.1 million of bonds payable outstanding. The decrease of \$27.6 million from June 30, 2022, was due to the retirement of debt in accordance with the underlying amortization schedule.

As of June 30, 2022, the Administration had \$195.7 million of bonds payable outstanding. The decrease of \$26.4 million from June 30, 2021, was due to the retirement of debt in accordance with the underlying amortization schedule.

**Economic Environment**

The MWIFA is subject to the present economic environment that exists in the State of Maryland as well as factors relating to national issues. Currently, MWIFA receives Federal funding for the WQRLF and DWRLF from the U.S. Environmental Protection Agency (EPA). Those funds are subject to economic factors, which may result in increases or decreases of Federal funding for these programs from year to year. MWIFA has a steady stream of special fund revenues resulting from revolving loan fund repayments.

The loans are primarily supported by water and sewer revenue of the borrowers and backed by the general obligation pledge. MWIFA does not foresee economic factors that would significantly impact its operation. However, a natural disaster in Maryland could result in delayed loan repayments or defaults by local jurisdictions. The WQRLF Series 2016 bonds are highly over-collateralized with pledged loans.

The BRF is subject to citizens and businesses paying fees for upgrading wastewater treatment plants and septic systems in Maryland. The MWIFA does not have the authority to raise the fees. However, MWIFA continues to have sufficient cash flow from fees to satisfy current debt service requirements related to BRF Series 2014 and 2015 bonds. Also, MWIFA continues to meet current capital disbursements for those activities. As noted above, a natural disaster in Maryland could result in a reduction of fees related to the BRF that may lead to a temporary suspension or delay of capital disbursements.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
JUNE 30, 2023 AND 2022**

**Contact Maryland Water Infrastructure Financing Administration Management**

This financial report is designed to provide our fellow citizens, customers, investors, and creditors with a general overview of MWIFA finances, and to show the Administration's accountability for the money it receives. If you have questions about this report, please contact Maryland Water Infrastructure Financing Administration, 1800 Washington Boulevard, Baltimore, Maryland 21230.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 405,320,620	\$ 297,947,953
Investments	-	8,652
Receivables:		
Investment Interest	26,119	26,123
Loans	101,804,791	97,142,703
Loan Interest	6,875,309	7,076,573
BRF Fee	1,617,604	2,519,591
Administrative Fee	6,330,479	6,400,648
Current Restricted Assets:		
Cash and Cash Equivalents	26,221,975	29,637,300
Receivables:		
BRF Fee	26,891,542	27,711,118
Loans	20,018,249	23,921,342
Loan Interest	289,056	403,132
Total Current Assets	595,395,744	492,795,135
Noncurrent Assets:		
Investments	5,372,100	5,824,036
Loans Receivable	1,620,788,134	1,586,253,419
Capital Assets, Net	710	9,225
Noncurrent Restricted Assets:		
Loans Receivable	44,167,943	64,186,193
Total Noncurrent Assets	1,670,328,887	1,656,272,873
Total Assets	\$ 2,265,724,631	\$ 2,149,068,008
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 26,800	\$ 25,700
Compensated Absences - Current	491,978	443,635
Revenue Bonds Payable	24,355,000	27,605,000
Bond Premium - Current	1,395,938	2,060,979
Accrued Interest on Bonds Payable	1,633,993	1,866,060
Total Current Liabilities	27,903,709	32,001,374
Noncurrent Liabilities:		
Compensated Absences - Noncurrent	448,845	393,521
Revenue Bonds Payable	143,780,000	168,135,000
Bond Premium - Noncurrent	897,743	2,293,681
Total Noncurrent Liabilities	145,126,588	170,822,202
Total Liabilities	173,030,297	202,823,576
<b>NET POSITION</b>		
Net Investment in Capital Assets	710	9,225
Restricted	2,246,098,482	2,126,501,844
Unrestricted Deficit	(153,404,858)	(180,266,637)
Total Net Position	\$ 2,092,694,334	\$ 1,946,244,432

See accompanying Notes to Financial Statements.



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>OPERATING REVENUE</b>		
Interest on Loans	\$ 14,747,083	\$ 15,202,009
Loan Administration Fees	6,338,293	6,408,461
Fee Revenue	131,797,275	137,924,632
Grant and Misc Revenue	4,930,696	5,056,860
Total Operating Revenue	157,813,347	164,591,962
<b>OPERATING EXPENSES</b>		
Salaries and Related Benefits	9,876,982	10,669,582
General	2,531,284	2,837,732
Capital Grant Disbursements	103,098,403	90,925,431
Other	4,915,196	5,041,360
Total Operating Expenses	120,421,865	109,474,105
<b>OPERATING INCOME</b>	37,391,482	55,117,857
<b>NONOPERATING REVENUE (EXPENSES)</b>		
Investment Income	12,032,795	1,485,026
Interest Expense on Bonds	(5,366,113)	(6,003,140)
Net Unrealized Loss on Investments	(86,520)	(269,910)
Federal Government Contributions	86,713,258	58,767,000
State of MD Required Match to Federal Grant	15,765,000	11,757,000
Total Nonoperating Revenues	109,058,420	65,735,976
<b>CHANGE IN NET POSITION</b>	146,449,902	120,853,833
Net Position - Beginning of Year	1,946,244,432	1,825,390,599
<b>NET POSITION - END OF YEAR</b>	\$ 2,092,694,334	\$ 1,946,244,432

See accompanying Notes to Financial Statements.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
BRF Fee and Other Receipts	\$ 138,449,534	\$ 138,463,079
Grant Disbursements	(103,098,403)	(90,925,431)
Salaries and Benefits Paid	(9,773,315)	(10,680,586)
General and Other Expenses Paid	(7,436,865)	(7,862,680)
Loan Repayments	121,592,371	117,956,406
Loan Disbursements	(136,867,832)	(226,123,300)
Interest and Fees Received from Borrowers	21,470,885	21,790,216
Net Cash Provided (Used) by Operating Activities	24,336,375	(57,382,296)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Federal Government	86,713,258	58,767,000
State of MD Required Match to Federal Grant	15,765,000	11,757,000
Repayment of Bonds	(27,605,000)	(26,375,000)
Interest on Bonds	(7,659,158)	(8,885,758)
Net Cash Provided by Noncapital Financing Activities	67,214,100	35,263,242
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investment Securities	12,032,799	1,493,064
Proceeds from Sale of Investments and Maturities of Investments	374,068	547,777
Net Cash Provided by Investing Activities	12,406,867	2,040,841
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	103,957,342	(20,078,213)
Cash and Cash Equivalents - Beginning of Year	327,585,253	347,663,466
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 431,542,595	\$ 327,585,253
<b>RECONCILIATION OF CASH FLOWS TO STATEMENT OF NET POSITION</b>		
Cash and Cash Equivalents, Unrestricted	\$ 405,320,620	\$ 297,947,953
Cash and Cash Equivalents, Restricted	26,221,975	29,637,300
Total	\$ 431,542,595	\$ 327,585,253
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 37,391,482	\$ 55,117,857
Depreciation of Capital Assets	8,515	17,012
Changes in Operating Assets and Liabilities:		
Loans Receivable	(15,275,461)	(108,166,894)
Loan Interest Receivable	315,340	(276,789)
Administrative Fee and BRF Fee Receivables	1,791,732	(4,061,878)
Accounts Payable and Other Liabilities	104,767	(11,604)
Net Cash Provided (Used) by Operating Activities	\$ 24,336,375	\$ (57,382,296)

See accompanying Notes to Financial Statements.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity/Organization**

The Maryland Water Quality Financing Administration was created during the 1987 session of the Maryland General Assembly as an enterprise fund of the State of Maryland (State). Chapters 237 and 238 (Conservation Finance Act), enacted during the 2022 legislative session of the Maryland General Assembly, changed the Administration's name to the Water Infrastructure Financing Administration (MWIFA or the Administration). The Administration's purpose is to provide financing of capital infrastructure for wastewater and drinking water projects pursuant to the Federal Clean Water Act of 1987, the Federal Safe Drinking Water Act and Amendments of 1996, and the State of Maryland Bay Restoration Fund Act of 2004. The Administration is empowered to issue bonds subject to the approval of the State Board of Public Works and Secretary of the Maryland Department of the Environment (MDE). Bonds issued by the Administration do not constitute a debt or pledge of the full faith and credit of the State or any political subdivision thereof, other than the Administration.

The Administration does not have any component units as defined by the Governmental Accounting Standards Board.

**Basis of Accounting**

The Administration utilizes the enterprise fund accounting method, which is the accrual basis of accounting in preparing its financial statements, wherein revenue is recognized when earned and expenses are recognized when incurred. As an enterprise fund, operating revenue and expenses are distinguished from nonoperating items. Operating revenues and expenses result from the Administration providing loan and grant financing of capital wastewater and drinking water projects. Operating expenses include administrative expenses and grant or loan forgiveness expenditures in support of these projects. All revenue and expenses not meeting these criteria are reported as nonoperating revenues and expenses. The Administration's financial statements include the activity/reportable segments of the Clean Water (Water Quality) Revolving Loan Fund (CWRLF or WQRLF), Drinking Water Revolving Loan Fund (DWRLF) and Bay Restoration Fund (BRF).

The WQRLF and the BRF record their activity in the general accounts, capital reserve accounts and bond funds. The DWRLF records activity in the general accounts and capital reserve accounts, as no DWRLF revenue bonds have been issued to date.

The general accounts are used to record transactions relating to general administrative functions performed by the Administration, and other MDE units or State agencies on its behalf.

The capital reserve accounts are used to record transactions of the funds, which are executed by the Administration through the State treasury. The bond funds held by trustee accounts are used to record transactions in trust accounts established in connection with bonds issued by the Administration. As of June 30, 2023, there have been no bonds issued in the DWRLF.

Disclosure reporting requirements for these segments have been included as supplemental information.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenue, expenses, gains and losses during the reporting periods. Actual results could differ from these estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents can include bank deposits and highly liquid investments readily convertible to cash, which have original maturities of three months or less when acquired. The cash reported on the accompanying statements of net position is listed as restricted and nonrestricted amounts. The nonrestricted cash is used primarily for disbursements related to direct loans (loans not pledged for payment of bond debt service) and administrative operations. The restricted cash is used primarily for pledged loan disbursements or repayment of debt service requirements.

The amounts shown in the financial statements of the Administration as “cash and cash equivalents” represent petty cash, demand deposits, and cash on hand with the State Treasurer. State agencies, including the Administration, participate in the State’s internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool.

**Investments**

Investments are stated at fair value. The change in fair value is recognized as an increase or decrease from the original cost of the investment. The investments reported on the accompanying statements of net position are listed as nonrestricted amounts. The nonrestricted investments are used primarily for the linked deposit program within WQSRF.

**Allowance for Loan Losses**

Management periodically reviews loans receivable for possible uncollectible amounts. In the event management determines a specific need for an allowance, a provision for loss is provided. No allowance for loan losses was provided as of June 30, 2023 and 2022.

**Capital Assets**

Capital assets are carried at cost and include only vehicles. They are depreciated over their estimated useful service life of five years using the straight-line method.

Expenses are capitalized when they have a cost of \$5,000 or more and have a useful life of more than one year.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Bonds Payable**

The Administration issues revenue bonds to fund WQRLF capital projects and BRF construction grants. The bonds payable obligations include indenture series 2016 for WQRLF capital project loans and series 2008, 2014, and 2015 for BRF capital project grants.

The bond indenture is a document that outlines the terms and conditions under which revenue bonds are issued.

**Contributions and Revenue**

Amounts received from the EPA and the State for distribution as loans to local governments were recorded as contributions and were restricted for the purposes identified above.

The portion of the State deposit designated to match federal grant revenue is disbursed proportionate to federal disbursements.

Interest on investments is recorded as earned in the respective accounts. Loan administration fees, which equal up to 5% of annual loan debt service payments on loans, are recorded as fee revenue in the general accounts. Interest income on certain loans receivable is restricted to pay the debt service related to the fund's bonds payable to the extent required by the indenture and is recorded in the bond funds held by trustee accounts. Under the bond indentures, certain funds held by trustees in the bond accounts may be transferred to the capital reserve accounts after payment of bond debt service, pursuant to the Administration's cash flow projection that it will meet certain debt service requirements in all future years.

**Fringe Benefits**

The Administration is allocated a fringe rate as designated by the State of Maryland, which includes various employee benefit items.

**Pension Benefits**

Eligible employees of the Administration and support staff, as employees of the State, are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain pension and healthcare benefits upon retirement. This system is a cost sharing multiple employer defined benefit pension plan administered by the System's Board of Trustees in accordance with the State Personnel and Pensions Article. Eligible employees are required to contribute a fixed percentage of their regular salaries and wages that exceed the Social Security wage base to the System. The Administration is required to make contributions to the System based on actuarial valuations, which is funded through the fringe allocation as directed by the State.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pension Benefits (Continued)**

The contribution requirements of eligible employees and the Administration are established and may be amended by the System's Board of Trustees. The Administration's only liability for retirement and postemployment benefits is its required contribution, which is funded through the fringe allocation as directed by the State. The Administration is not required to record a net unfunded pension liability as this is recorded at the State level because the State has not allocated a liability to the Administration. For State Retirement information, contact the Maryland State Retirement and Pension System at 120 East Baltimore Street, Baltimore, Maryland, 21202.

**Other Postemployment Benefits**

The Administration's employees participate in the State of Maryland's Post Employment Health Benefit Plan. The State subsidizes a portion of the covered medical, dental, prescription, and hospitalization costs, depending on the type of insurance. Costs for postretirement benefits are for State retirees and are primarily funded by the State. The State does not distinguish employees by employer/State agency. For the years ended June 30, 2023 and 2022, the State did not allocate postemployment health care costs to participating employers and as a result did not require a contribution from the Administration. As such, the State has elected to maintain the entire Net OPEB Liability as a liability of the general fund of the State and has not allocated any balances to State entities including the Administration. For postemployment benefit information, contact Maryland Department of Budget and Management at 300 W Preston Street, Baltimore, Maryland 21201.

**Compensated Absences**

Compensated absences are absences for which employees will be paid, such as annual leave, sick leave and personal leave.

*Annual Leave:* New employees must complete six months of State service before using annual leave; this leave is accrued based on years of service starting at 10 days per year and up to 25 days per year with 20 years of service; employees may carry up to 75 days or 600 hours over from one year to the next.

*Sick Leave:* Employees earn sick leave at the rate of 15 days per year. There is no limit to the number of sick leave days an employee may accrue or carry over into a new calendar year.

*Personal Leave:* Each employee is entitled to six personal leave days, not to exceed 48 hours, accruing at the beginning of the first full pay period of the calendar year. Personal leave may be pro-rated for new employees based on the month the employee begins employment. Personal leave may not be carried over from one year to the next.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

Accounting principles generally accepted in the United States of America for state and local governments require that resources be classified for accounting and reporting purposes into the following three net position categories:

*Net investment in Capital Assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* – Restricted assets whose use by MWIFA is subject to externally imposed stipulations that can be fulfilled by actions of MWIFA pursuant to those stipulations or that expire by the passage of time. Such assets include assets restricted for capital grants, loans, and debt service. The WQRLF, DWRLF, and the BRF are special, continuing, non-lapsing funds that were enacted by separate legislation, and the money in those funds may not be reverted to the General Fund of the State of Maryland. As of June 30, 2023, the Maryland General Assembly did not enact enabling legislation regarding the Administration's restricted use of those funds other than for specific purposes. As such, the restricted assets as reported on the Administration's statements of net position are restricted to payment of debt service on the bonds and are not available for new loans or to pay the general operating expenses of the Administration.

*Unrestricted* – Assets that are not subject to externally imposed stipulations. The unrestricted net position may be designated for specific purposes by action of management.

Certain assets including cash and investments may be classified as restricted net position on the Statement of Net Position because their use is restricted for specific purposes. It is the Administration's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Expense Allocation**

Expenses are recognized at the time they are incurred. Direct costs are expensed to each fund while indirect expenses are allocated based on level of effort between WQRLF, DWRLF, and BRF.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The following is a summary of the components of cash and cash equivalents as of June 30:

	<u>2023</u>	<u>2022</u>
Cash Held by State Treasury Office	<u>\$ 431,542,595</u>	<u>\$ 327,585,253</u>
Total Cash and Cash Equivalents	<u>\$ 431,542,595</u>	<u>\$ 327,585,253</u>

Cash held by the State's treasury office is invested by the State Treasurer as a pool of funds from various State agencies.

Deposits and investments held that relate to the indenture are not available to pay the general operating expenses of the Administration. Generally, the indenture authorizes the Administration or its trustee bank to invest assets related to the indenture in obligations of the United States of America, any Federal agency, repurchase agreements collateralized by direct obligations of the United States government, high quality commercial paper or money market funds that invest in government securities. Investments in the bond funds are held in safekeeping in trustee bank accounts in accordance with the requirements of the related indenture. The Administration is authorized to otherwise invest in securities as allowed under the Maryland State Code.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Administration relies on the State Treasurer's Office to invest its funds in securities as allowed by Maryland State Code and their policies and procedures. The cash flow needs of the Administration are a factor in determining the length of investment maturities.

As of June 30, 2023, the Administration has the following investments and maturities:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
Linked Deposits - Farm Credit AG Bonds	\$ 2,806,080	\$ -	\$ 2,806,080	\$ -
Linked Deposits- Certificates of Deposit	2,566,020	-	630,175	1,935,845
Total Investments	<u>\$ 5,372,100</u>	<u>\$ -</u>	<u>\$ 3,436,255</u>	<u>\$ 1,935,845</u>

In addition, the Administration's investments have the following quality ratings as of June 30, 2023:

<u>Investment Types</u>	<u>Fair Value</u>	<u>Concentration<sup>1</sup></u>	<u>Rating</u>	<u>Rating Organization</u>
Linked Deposits - Farm Credit AG Bonds	\$ 2,806,080	52%	Aaa	Moody
Linked Deposits- Certificates of Deposit	2,566,020	48%	N/A	N/A
Total Investments	<u>\$ 5,372,100</u>	<u>100%</u>		



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

The Administration categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Certificates of deposit are carried at amortized cost, thus are not included in the fair value hierarchy.

The Administration has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Linked Deposits - Farm Credit AG Bonds	\$ 2,806,080	\$ -	\$ 2,806,080	\$ -

As of June 30, 2022, the Administration had the following investments and maturities:

Investment Types	Fair Value	Investment Maturities (in Years)		
		Less than 1	1 to 5	6 to 10
Linked Deposits - Farm Credit AG Bonds	\$ 2,892,600	\$ -	\$ 2,892,600	\$ -
Linked Deposits- Certificates of Deposit	2,940,088	8,652	-	2,931,436
Total Investments	<u>\$ 5,832,688</u>	<u>\$ 8,652</u>	<u>\$ 2,892,600</u>	<u>\$ 2,931,436</u>

In addition, the Administration's investments had the following quality ratings as of June 30, 2022:

Investment Types	Fair Value	Concentration <sup>1</sup>	Rating	Rating Organization
Linked Deposits - Farm Credit AG Bonds	\$ 2,892,600	50%	Aaa	Moody
Linked Deposits- Certificates of Deposit	2,940,088	50%	N/A	N/A
Total Investments	<u>\$ 5,832,688</u>	<u>100%</u>		

1. *Concentration of Credit Risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Administration places no limit on the amount it may invest in any one issuer. For fiscal years 2023 and 2022, the Administration's investments were Linked Deposit CDs and Bonds, as well as U.S. Treasury Bills and Notes.*

As of June 30, 2022, the Administration had the following investments by fair value level:

	Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Linked Deposits - Farm Credit AG Bonds	\$ 2,892,600	\$ -	\$ 2,892,600	\$ -

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Administration will not be able to recover the value of its deposits or investments that are in the possession of an outside party. The deposits held with the State Treasurer's Office were fully collateralized at June 30, 2023 and 2022.

**NOTE 3 LOANS RECEIVABLE**

The Administration makes low interest rate loans to various local governments and other entities within the State. These loans are secured by a pledge of the revenue from the ownership or operation of the wastewater and/or drinking water systems and certain other funds of the entities. Certain loans are additionally secured by the full faith and credit of the borrowing entities.

The WQRLF loans included in bond funds held by trustee accounts are pledged under the indenture. The loans included in the capital reserve accounts represent loans made under Federal and State regulations, which are not pledged under the indenture. The Administration may, at its option, pledge these loans to support future bond issues, at which time the loans and related fund equity will be transferred to bond funds held by trustee accounts.

As of June 30, 2023 and 2022, the Administration's lending commitments and outstanding balances under the WQRLF to specific governmental entities within the State are detailed as follows:

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 LOANS RECEIVABLE (CONTINUED)**

WQRLF Borrower	2023			2022		
	Total	Commitment	Outstanding	Total	Commitment	Outstanding
	Commitment	Outstanding	Balance June 30, 2023	Commitment	Outstanding	Balance June 30, 2022
Aberdeen , City of	\$ 9,329,266	\$ -	\$ 3,862,113	\$ 9,329,266	\$ -	\$ 4,290,711
Allegany County	26,978,773	1,471,509	6,390,419	24,795,038	-	6,882,506
Annapolis, City of	1,591,479	-	-	1,591,479	-	-
Anne Arundel County	110,248,627	-	31,557,361	110,248,627	-	36,070,728
Ashton Park Community Association	408,470	-	152,331	408,470	-	173,236
Baltimore City	702,997,695	15,250,115	407,398,511	705,587,645	32,082,631	419,711,431
Baltimore County	480,661,779	7,972,368	291,859,154	481,938,123	19,841,711	298,309,352
Bel Air, Town of	101,686	-	-	101,686	-	-
Berlin, Town of	3,207,000	-	1,747,763	3,207,000	-	1,915,001
Berterton, Town of	93,559	-	-	93,559	-	5,681
Boonsboro, Town of	2,127,984	-	7,356	2,127,984	-	14,640
Bowie, City of	4,154,565	-	779,847	4,154,565	-	882,692
Brunswick, City of	1,690,570	-	27,335	1,690,570	-	54,562
Calvert County	18,343,759	-	1,578,606	18,343,759	-	1,748,090
Cambridge, City of	12,440,864	-	578,825	12,440,864	-	642,552
Canton Crossing	3,711,142	-	561,142	3,711,142	-	761,142
Caroline County	230,999	-	196,593	230,999	-	208,142
Carroll County	12,074,030	-	-	12,074,030	-	-
Cecil County	43,197,704	-	15,386,597	43,197,704	-	17,722,476
Centreville	3,878,064	-	381,439	3,878,064	-	498,210
Charles County	23,358,722	-	2,445,897	23,358,722	-	3,241,937
Chesapeake Beach, Town of	9,491,864	-	3,786,753	9,491,864	-	4,300,840
Chestertown, Town of	3,955,893	-	557,782	3,955,893	-	734,175
Clearspring, Town of	72,705	-	-	72,705	-	-
Crisfield, City of	1,516,158	229,118	476,842	1,169,458	-	412,353
Cumberland, City of	13,356,339	156,740	3,818,577	13,356,339	156,740	4,150,449
Delmar, Town of	276,040	-	-	276,040	-	-
Denton, Town of	3,712,346	-	1,304,544	3,712,346	-	1,469,885
Easton, Town of	21,852,648	-	6,061,107	21,852,648	-	7,394,732
Elkton, Town of	21,395,474	-	5,118,231	21,395,474	-	6,247,412
Emmitsburg	600,000	-	-	600,000	-	-
Federalsburg, Town of	3,479,097	-	1,058,519	3,479,097	-	1,245,664
Frederick, City of	54,044,950	-	31,308,758	54,044,950	-	33,702,116
Frederick County	113,637,450	-	37,738,407	113,637,450	-	40,004,612
Frostburg, City of	739,788	-	239,828	739,788	-	262,966
Fruitland, City of	4,919,475	-	935,174	4,919,475	-	1,084,474
Funkstown, Town of	1,875,221	-	183,278	1,875,221	-	299,185
Galena, Town of	112,219	-	-	112,219	-	-
Garrett County	1,970,000	-	-	1,970,000	-	-
Garrett County Sanitary District	2,635,641	-	-	2,635,641	-	4,391
Grantsville, Town of	16,891	-	-	16,891	-	-
Greenbelt, City of	1,854,010	-	1,585,206	1,854,010	-	1,675,165
Greensboro, Town of	443,345	-	-	443,345	-	-
Hagerstown, City of	22,102,169	-	3,781,798	22,102,169	-	4,607,493
Hancock, Town of	797,062	-	-	797,062	-	-
Harford County	69,535,228	-	-	69,535,228	-	-
Havre De Grace, City of	28,996,682	-	9,669,353	28,996,682	-	11,134,634
Hebron, Town of	195,729	-	40,964	195,729	-	52,869
Howard County	91,534,729	-	2,443,082	91,534,729	-	3,972,056
Hurlock, Town of	3,626,240	-	559,232	3,626,240	-	726,292
Indian Head, Town of	4,603,656	-	67,156	4,603,656	-	251,084
Kent County	7,394,107	-	1,285,821	7,394,107	-	1,614,271
La Plata, Town of	12,972,019	-	2,263,826	12,972,019	-	2,833,254
Leonardtown, Town of	9,082,233	-	5,523,694	9,082,233	-	5,867,942
Md Envir Services	6,014,121	-	785,672	6,014,121	-	887,124
Middletown, Town of	3,970,639	-	-	3,970,639	-	-
Millington, Town of	42,000	-	-	42,000	-	-
Montgomery County	50,645,948	29,829,717	14,492,948	50,645,948	31,451,343	15,232,345
Mountain Lake Park	770,287	-	67,529	770,287	-	89,860
Mount Airy	3,523,087	-	-	3,523,087	-	-

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 LOANS RECEIVABLE (CONTINUED)**

WQRLF Borrower	2023			2022		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2023	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022
Myersville	\$ 1,259,983	\$ -	\$ -	\$ 1,259,983	\$ -	\$ -
New Windsor	3,858,474	-	259,321	3,858,474	-	291,737
North Beach	3,621,861	-	1,226,718	3,621,861	-	1,311,763
Oakland, Town of	892,046	-	35,742	892,046	-	47,561
Oxford, Town of	45,402	-	-	45,402	-	-
Perryville, Town of	5,923,965	-	1,978,524	5,923,965	-	2,302,256
Pocomoke City	851,579	-	76,804	851,579	-	121,768
Poolesville, Town of	\$5,658,051	-	\$1,354,676	\$5,658,051	-	\$1,548,760
Preston, Town of	1,129,870	45,797	982,848	1,129,870	45,797	1,016,858
Prince George's County	69,738,580	-	42,216,455	69,738,580	-	43,652,853
Queen Anne's County	63,288,234	2,348,080	35,322,576	56,993,653	-	33,291,257
Ridgely, Town of	1,598,297	-	499,203	1,598,297	-	585,056
Rising Sun, Town of	1,010,437	-	-	1,010,437	-	-
Rockville, Town of	2,300,633	-	489,474	2,300,633	-	612,710
Salisbury, Town of	84,408,346	-	44,572,905	84,408,346	4,500	47,174,094
Sharptown	170,925	-	84,413	170,925	-	94,220
Snow Hill, Town of	1,358,420	-	397,307	1,358,420	-	437,069
Somerset County	2,151,215	-	-	2,151,215	-	-
Somerset County Sanitary District	1,787,031	1,550,000	50,000	187,031	-	-
St. Mary's County	7,447,625	-	-	7,447,625	-	-
St. Mary's Metropolitan Comm.	48,730,782	-	24,387,082	48,730,782	-	26,434,511
Talbot County	9,975,333	-	1,870,696	9,975,333	-	2,392,542
Taneytown, City of	6,477,722	-	-	6,477,722	-	-
Thurmont	10,153,303	-	3,691,043	10,153,303	-	4,031,920
Union Bridge	142,000	-	-	142,000	-	-
Washington County	41,709,193	-	4,270,598	41,709,193	-	6,400,281
Washington Co Sanitary District	20,387,427	-	-	20,387,427	-	-
Westport	1,030,992	-	-	1,030,992	-	-
Westminster, City of	29,318,055	5,847,526	20,953,269	29,318,055	8,827,385	18,779,090
Wicomico County	2,929,876	-	-	2,929,876	-	-
Willards	433,599	-	111,666	433,599	-	133,734
Williamsport, Town of	684,538	-	144,991	684,538	-	189,953
Washington Suburban Sanitary Commission	726,842,352	132,141,738	346,975,007	689,342,352	147,641,952	317,454,830
Worcester County	12,181,526	22,637	1,047,190	12,181,526	22,637	1,112,116
Loan Total	3,208,087,899	\$ 196,865,345	\$ 1,433,063,878	3,164,029,177	\$ 240,074,696	\$ 1,452,807,671
Grant/Loan Forgiveness	111,369,323	-	-	105,794,712	-	-
Total Commitment	<u>\$ 3,319,457,222</u>	-	-	<u>\$ 3,269,823,889</u>	-	-

The current portion of WQRLF loans receivable as of June 30, 2023 and 2022, was \$103,945,310 and \$106,502,785, respectively. Also, the outstanding balance of loans receivable is made up of \$64,186,192 pledged loans (2008 indenture) and \$1,368,877,686 nonpledged direct loans. During fiscal years 2023 and 2022, there were no defaults or delinquencies.

As of June 30, 2023 and 2022, the Administration's lending commitments under the DWRLF to specific governmental entities within the State are detailed as follows:

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 3 LOANS RECEIVABLE (CONTINUED)**

DWRLF Borrower	2023			2022		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2023	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022
Allegany County	\$ 1,370,580	\$ -	\$ 1,170,097	\$ 1,370,580	\$ -	\$ 1,218,270
Annapolis, City of	28,500,000	-	21,758,922	28,500,000	-	22,747,863
Anne Arundel County	8,600,873	872,504	4,423,591	6,816,718	-	3,756,985
Baltimore City	174,850,823	7,077,737	147,470,663	174,850,823	20,405,709	137,742,078
Baltimore County	125,529,904	4,535,436	97,999,826	125,529,904	36,200,083	69,372,380
Beaches Water Co.	464,713	-	244,835	464,713	-	262,834
Betterton, Town of	43,483	-	-	43,483	-	2,640
Boonsboro, Town of	1,662,639	-	86,198	1,662,639	-	105,749
Bowie, City of	1,677,500	-	-	1,677,500	-	-
Brunswick, City of	359,975	-	51,001	359,975	-	73,142
Calvert County	4,268,998	301,588	2,963,740	4,268,998	621,947	2,846,359
Cecilton, Town of	968,323	-	433,879	968,323	-	466,331
Centreville, Town of	912,870	-	-	912,870	-	-
Chesapeake City, Town of	125,955	-	64,984	125,955	-	71,302
Chesterton, Town of	1,765,422	-	161,280	1,765,422	-	258,624
Clear Spring, Town of	1,260,531	-	328,048	1,260,531	-	381,629
Cumberland, City of	11,368,973	470,092	4,728,612	11,368,973	1,204,684	4,416,773
Denton, Town of	633,388	558,606	74,782	633,388	558,606	74,782
Dorchester County	52,778	-	-	52,778	-	-
East New Market	368,150	-	191,034	368,150	-	212,027
Emmitsburg, Town of	1,582,762	-	96,146	1,582,762	-	141,978
Fahmey Keedy	500,000	-	-	500,000	-	-
Federalsburg, Town of	2,150,055	74,072	597,384	2,150,055	319,175	457,146
Frederick County	10,831,168	-	123,172	10,831,168	-	132,150
Frostburg, City of	337,500	-	202,362	337,500	-	219,789
Fruitland, Town of	1,175,184	-	1,099,766	1,214,218	243,615	932,987
Funkstown, Town of	139,711	-	121,359	139,711	-	126,002
Garrett Co Sanitary Distr	388,653	-	103,760	388,653	-	121,905
Grantsville, Town of	224,282	-	11,929	224,283	-	13,220
Hagerstown, City of	28,262,983	-	13,683,103	28,262,983	-	14,706,581
Hampstead, Town of	722,587	-	-	722,587	-	-
Independence Village	44,902	-	-	44,902	-	-
La Plata, Town of	499,150	-	251,170	499,150	-	276,246
Lonaconing, Town of	2,628,933	516,858	1,903,824	2,628,933	1,653,365	798,326
Manchester	400,000	-	-	400,000	-	22,933
Martingham Utilities Coop	594,700	-	301,308	594,700	-	321,100
MD American Water Co	3,826,013	-	3,622,123	3,826,013	-	3,750,305
Myersville, Town of	467,842	-	-	467,842	-	-
New Windsor, Tow of	1,927,731	-	-	1,927,731	-	-
North East, Town of	19,048,711	-	8,451,140	19,048,711	-	9,055,028
Oakland, Town of	3,640,938	-	2,572,354	3,640,938	-	2,700,928
Oxford, Town of	1,485,759	-	772,583	1,559,578	73,819	843,289
Perryville, Town of	11,534,299	-	5,888,766	11,534,299	-	6,302,492
Pittsville, Town of	86,166	-	29,158	86,166	-	33,511
Pocomoke City	17,214	-	8,722	17,214	-	9,602
Port Deposit, Town of	291,760	-	-	291,760	-	-
Queenstown, Town of	489,139	-	256,936	489,139	-	282,251
Rising Sun, Town of	1,698,717	-	552,247	1,698,717	-	615,334
Rock Hall, Town of	1,269,501	103,990	557,367	1,269,501	103,991	604,820
Rockville, City of	8,122,000	-	-	8,122,000	-	208,036
Salisbury, City of	1,513,160	-	1,017,413	1,513,160	-	1,069,011
Secretary, Town of	149,408	-	-	149,408	-	24,410
Sharptown, Town of	122,299	-	58,516	122,299	-	66,741
Smithsburg, Town of	884,416	-	762,165	884,416	-	793,048
Somerset Co Sanitary Distr.	96,204	3,246	69,713	96,204	3,246	74,825
St. Mary's Co-Metcom	18,333,985	617,442	11,474,691	18,333,985	1,586,992	11,359,441
St. Michaels, Town of	1,481,752	-	568,229	1,481,752	-	715,112
Taneytown, City of	4,011,000	-	1,574,589	4,011,000	-	1,796,868

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
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**NOTE 3 LOANS RECEIVABLE (CONTINUED)**

DWRLF Borrower	2023			2022		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2023	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022
Thurmont, Town of	\$ 2,243,740	\$ -	\$ -	\$ 2,243,740	\$ -	\$ -
Trappe, Town of	439,622	-	408,676	491,155	136,330	339,383
Union Bridge, Town of	775,499	-	269,607	775,499	-	297,201
Walkersville, Town of	6,810,655	-	6,159,197	6,810,655	-	6,378,082
Westport, Town of	3,008,026	-	2,439,063	3,008,026	-	2,545,607
Westminister, City of	15,535,902	-	3,276,638	15,535,902	-	4,134,024
Wicomico Co	2,830,382	1,236,536	1,500,284	2,830,382	1,236,536	1,593,846
Williamsport, Town of	660,695	-	564,028	660,695	-	583,361
Worcester County	367,063	-	123,918	367,063	-	143,791
WSSC	135,049	-	90,341	135,049	-	95,508
Loan Total	528,573,095	16,368,107	353,715,239	526,953,327	64,348,098	318,695,986
Grant/Loan Forgiveness	73,411,991			73,576,377		
Total Commitment	\$ 601,985,086			\$ 600,529,704		

The current portion of DWRLF loans receivable as of June 30, 2023 and 2022 was \$17,877,730 and \$14,561,260, respectively. During fiscal years 2023 and 2022, there were no defaults or delinquencies.

The Administration is not required to disclose the market value of the loans. The Administration believes that the calculated market value of the loans at any given date would be less than their nominal amounts primarily because of their below market interest rates. The Administration currently plans to hold the loans to maturity and will continue to reflect them in the accompanying financial statements at cost.

**NOTE 4 CAPITAL ASSETS**

Capital assets represent vehicles, net of accumulated depreciation. The activity for the years ended June 30 was as follows:

	2023				Balance June 30, 2023
	Balance June 30, 2022	Increases	Decreases	Depreciation	
Vehicles	\$ 202,016	\$ -	\$ -	\$ -	\$ 202,016
Accumulated Depreciation	192,791	-	-	8,515	201,306
Net	\$ 9,225	\$ -	\$ -	\$ 8,515	\$ 710

	2022				Balance June 30, 2022
	Balance June 30, 2021	Increases	Decreases	Depreciation	
Vehicles	\$ 202,016	\$ -	\$ -	\$ -	\$ 202,016
Accumulated Depreciation	175,779	-	-	17,012	192,791
Net	\$ 26,237	\$ -	\$ -	\$ 17,012	\$ 9,225

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 5 DRINKING WATER STATE REVOLVING SOURCE WATER PROTECTION**

The transaction below is part of the DWRLF 15% set-aside grant and the loan information below is not included in the DWRLF capital program financial statements. The DWRLF 15% set-aside work plans approved by EPA allow use of Federal funds to make loans to purchase land for source water and wellhead protection. One loan is outstanding with an original principal balance of \$310,000, with the Town of Boonsboro. This loan is at a 0% interest rate and has a 20-year term. Information on this loan as of June 30, 2023, is summarized below:

	Loan Amount	ITD Principal Payments	Principal Balance	Annual Repayment
Town of Boonsboro	\$ 310,000	\$ 294,500	\$ 15,500	\$ 15,500

Principal payments have been transferred to the DWRLF Capital Reserve account.

**NOTE 6 REVENUE BONDS PAYABLE**

The Administration had the following outstanding debt as of June 30:

	2023	2022
<b>Water Quality RLF</b>		
2016 Series CW-RLF Revenue Bonds, dated November 10, 2016 with an all-in true interest rate of 1.53% due serially from March 1, 2017 to March 1, 2025.	\$ 6,530,000	\$ 9,495,000
Total Bonds Payable for Clean Water RLF	6,530,000	9,495,000
<b>Bay Restoration Fund</b>		
2008 Series BRF Revenue Bonds, dated June 25, 2008 with an all-in true interest rate of 4.09% due serially from March 1, 2009 to March 1, 2023.	-	4,410,000
2014 Series BRF Revenue Bonds, dated May 14, 2014 with an all-in true interest rate of 2.58% due serially from March 1, 2016 to March 1, 2029.	50,725,000	57,985,000
2015 Series BRF Revenue Bonds, dated December 3, 2015 with an all-in true interest rate of 2.60% due serially from March 1, 2018 to March 1, 2030.	110,880,000	123,850,000
Total Bonds Payable for BRF	161,605,000	186,245,000
Total Bonds Payable for all Indentured Series - CWRLF and BRF	168,135,000	195,740,000
Less: Current Portion Bonds Payable	24,355,000	27,605,000
Noncurrent Bonds Payable	\$ 143,780,000	\$ 168,135,000

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 REVENUE BONDS PAYABLE (CONTINUED)**

As of June 30, 2023, there were three series of Serial Bonds outstanding as follows:

Series	Current Bonds Payable Due March 1, 2024	Noncurrent Bonds Payable	Years Remaining	Final Payment Due Date
Water Quality RLF:				
2016	\$ 3,110,000	\$ 3,420,000	2	March 1, 2025
Bay Restoration Fund:				
2014	\$ 7,625,000	\$ 43,100,000	6	March 1, 2029
2015	13,620,000	97,260,000	7	March 1, 2030
Total BRF	<u>\$ 21,245,000</u>	<u>\$ 140,360,000</u>		

The WQRLF bonds are payable solely from, and secured by, a pledge of the loan principal and interest payments required to be made by the local and other governmental entity borrowers and a pledge of all bond funds to the Administration identified by the indenture dated April 1, 2008. Similarly, the BRF bonds are payable solely from the revenue derived from collections from the Bay Restoration wastewater fees as identified by the indenture dated June 1, 2008.

The principal and interest payment obligations related to the WQRLF and BRF as of June 30, 2023, were as follows:

	Principal	Interest	Total
Water Quality RLF:			
2024	\$ 3,110,000	\$ 326,500	\$ 3,436,500
2025	3,420,000	171,000	3,591,000
Total WQRLF	<u>6,530,000</u>	<u>497,500</u>	<u>7,027,500</u>
Bay Restoration Fund:			
2024	21,245,000	5,971,420	27,216,420
2025	22,305,000	4,909,170	27,214,170
2026	23,340,000	3,793,920	27,133,920
2027	24,340,000	2,957,250	27,297,250
2028	25,470,000	2,227,050	27,697,050
2029-2030	44,905,000	1,941,025	46,846,025
Total BRF	<u>161,605,000</u>	<u>21,799,835</u>	<u>183,404,835</u>
Total Payable WQRLF & BRF	<u>\$ 168,135,000</u>	<u>\$ 22,297,335</u>	<u>\$ 190,432,335</u>

As of June 30, 2023 and 2022, the Administration's management believes that it is in compliance with all significant requirements of the indentures.



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 SCHEDULES OF CHANGES IN NONCURRENT LIABILITIES**

Changes in noncurrent liabilities for the year ended June 30, 2023, were as follows:

Bond Series and Program	Beginning Balance June 30, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due Within One Year
<b>2016 Water Quality RLF:</b>					
Unamortized Premium	\$ 584,258	\$ -	\$ 288,941	\$ 295,317	\$ 195,187
Revenue Bonds Payable	9,495,000	-	2,965,000	6,530,000	3,110,000
Total WQ 2016 Series	<u>10,079,258</u>	<u>-</u>	<u>3,253,941</u>	<u>6,825,317</u>	<u>3,305,187</u>
<b>2008, 2014, 2015</b>					
<b>Bay Restoration Fund</b>					
Unamortized Premium	3,770,402	-	1,772,038	1,998,364	1,200,751
Revenue Bonds Payable	186,245,000	-	24,640,000	161,605,000	21,245,000
Total BRF 2008, 2014, and 2015 Series	<u>190,015,402</u>	<u>-</u>	<u>26,412,038</u>	<u>163,603,364</u>	<u>22,445,751</u>
Total All Bond Series and Program	200,094,660	-	29,665,979	170,428,681	25,750,938
<b>Compensated Absences by Fund:</b>					
Water Quality	580,989	346,435	271,036	656,388	346,435
Drinking Water	61,226	40,617	26,752	75,091	40,617
BRF - Wastewater	86,270	40,078	47,527	78,821	40,078
BRF - Septic	108,671	64,848	42,996	130,523	64,848
Total Compensated Absences	<u>837,156</u>	<u>491,978</u>	<u>388,311</u>	<u>940,823</u>	<u>491,978</u>
Total	<u>\$ 200,931,816</u>	<u>\$ 491,978</u>	<u>\$ 30,054,290</u>	<u>\$ 171,369,504</u>	<u>\$ 26,242,916</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 7 SCHEDULES OF CHANGES IN NONCURRENT LIABILITIES (CONTINUED)**

Changes in noncurrent liabilities for the year ended June 30, 2022, were as follows:

Bond Series and Program	Beginning Balance June 30, 2021	Additions	Reductions	Ending Balance June 30, 2022	Amounts Due Within One Year
<b>2016 Water Quality RLF:</b>					
Unamortized Premium	\$ 891,786	\$ -	\$ 307,528	\$ 584,258	\$ 288,940
Revenue Bonds Payable	12,400,000	-	2,905,000	9,495,000	2,965,000
Total WQ 2016 Series	<u>13,291,786</u>	<u>-</u>	<u>3,212,528</u>	<u>10,079,258</u>	<u>3,253,940</u>
<b>2008, 2014, 2015 Bay Restoration Fund</b>					
Unamortized Premium	6,143,011	-	2,372,609	3,770,402	1,772,039
Revenue Bonds Payable	209,715,000	-	23,470,000	186,245,000	24,640,000
Total BRF 2008, 2014, and 2015 Series	<u>215,858,011</u>	<u>-</u>	<u>25,842,609</u>	<u>190,015,402</u>	<u>26,412,039</u>
Total All Bond Series and Program	229,149,797	-	29,055,137	200,094,660	29,665,979
<b>Compensated Absences by Fund:</b>					
Water Quality	559,356	309,380	287,747	580,989	309,380
Drinking Water	62,500	33,576	34,850	61,226	33,576
BRF - Wastewater	115,408	44,052	73,190	86,270	44,052
BRF - Septic	110,896	56,627	58,852	108,671	56,627
Total Compensated Absences	<u>848,160</u>	<u>443,635</u>	<u>454,639</u>	<u>837,156</u>	<u>443,635</u>
Total	<u>\$ 229,997,957</u>	<u>\$ 443,635</u>	<u>\$ 29,509,776</u>	<u>\$ 200,931,816</u>	<u>\$ 30,109,614</u>

The Administration had no pending workers' compensation claims as of June 30, 2023 and 2022.

**NOTE 8 GRANTS AND RELATED PARTY TRANSACTIONS**

The Maryland Environmental Services (MES) was awarded grants under the BRF program. MES received BRF grant disbursements totaling \$4,133,230 and \$2,317,849 for the fiscal years ended 2023 and 2022, respectively.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 9 BAY RESTORATION FUND ACTIVITY**

The Bay Restoration Fund (BRF) includes the Wastewater Fund and Septic Fund. BRF fee revenue is collected by the State Comptroller's office and transferred to MWIFA for the purpose of providing grants for upgrade of major wastewater treatment plants in Maryland with enhanced nutrient removal technologies (Wastewater Fund) and for the purpose of providing grants for the upgrade of on-site septic disposal systems with nitrogen removal technology (Septic Fund). The revenue is recorded as earned. During the fiscal year ended June 30, 2023 and 2022, the Wastewater Fund received cash deposits from the Maryland Comptroller's Office totaling \$115,679,356 and \$115,379,551, respectively, which earned investment interest of \$5,302,259 and \$707,509, respectively, for capital projects and \$245,002 and \$763, respectively, for the 2008 indenture. Similarly, the Septic Fund (60.0% of septic fees) received cash deposits of \$17,839,482 and \$18,026,668, respectively, which earned investment interest of \$308,942 and \$49,842, respectively. The 40.0% of septic fee revenue transferred by the State Comptroller's office to the MDA is not recorded or accounted for in the accompanying financial statements of the Administration. The Board of Public Works approves grant awards, which are implemented through signed agreements. Also, capital disbursements of funds were made totaling \$80,693,262 and \$64,956,071, respectively, for the wastewater program, and \$17,293,382 and \$17,745,419, respectively for septic program for fiscal year 2023 and 2022.

Below is a summary of grant activity for fiscal years June 30:

Grants	2023			2022		
	BRF Grant Award	Cumulative Grant Disbursements	Remaining Grant Balance June 30, 2023	BRF Grant Award	Cumulative Grant Disbursements	Remaining Grant Balance June 30, 2022
<b>BRF Wastewater Fund</b>						
ENR Major WWTP	\$ 1,304,792,940	\$1,241,724,064	\$ 63,068,876	\$ 1,302,472,705	\$1,218,902,052	\$ 83,570,653
Sewer (Pre FY10)	19,711,306	19,711,306	-	19,711,306	19,711,306	-
O&M to WWTP	57,749,609	57,749,609	-	46,749,609	46,749,609	-
Nutrient Reduction (CWCA)	24,409,300	10,476,947	13,932,353	24,409,300	6,256,476	18,152,824
Tree Solutions Now Act	15,000,000	15,000,000	-	10,000,000	-	10,000,000
Expanded Uses :						
ENR Minor WWTP	101,463,786	59,722,980	41,740,806	65,955,070	52,593,626	13,361,444
Septic, SW & Sewer	186,248,893	157,249,096	28,999,797	186,153,480	136,727,671	49,425,809
<b>Total BRF WW Grants</b>	<b>\$ 1,709,375,834</b>	<b>\$ 1,561,634,002</b>	<b>\$ 147,741,832</b>	<b>\$ 1,655,451,470</b>	<b>\$ 1,480,940,740</b>	<b>\$ 174,510,730</b>
<b>BRF Septic Fund</b>						
Capital Projects	\$ 212,424,033	\$ 204,534,510	\$ 7,889,523	\$ 197,339,090	\$ 188,620,128	\$ 8,718,962
HB12 Admin	12,551,000	12,551,000	-	11,172,000	11,172,000	-
<b>Total BRF Septic Grants</b>	<b>\$ 224,975,033</b>	<b>\$ 217,085,510</b>	<b>\$ 7,889,523</b>	<b>\$ 208,511,090</b>	<b>\$ 199,792,128</b>	<b>\$ 8,718,962</b>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 10 RISK MANAGEMENT**

The Administration is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The State of Maryland carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. The Administration has not had any significant reductions in insurance coverage, or any claims not reimbursed for the fiscal years ending 2023, 2022, or 2021.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**COMBINING STATEMENTS OF NET POSITION**  
**JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total
<b>ASSETS</b>								
Current Assets:								
Cash and Cash Equivalents	\$ 239,235,756	\$ 8,204,452	\$ 157,880,412	\$ 405,320,620	\$ 147,243,700	\$ 3,045,407	\$ 147,658,846	\$ 297,947,953
Investments	-	-	-	-	8,652	-	-	8,652
Receivables:								
Investment Interest	26,119	-	-	26,119	26,123	-	-	26,123
Loans	83,927,061	17,877,730	-	101,804,791	82,581,443	14,561,260	-	97,142,703
Loan Interest	5,690,597	1,184,712	-	6,875,309	5,881,594	1,194,979	-	7,076,573
BRF Fee	-	-	1,617,604	1,617,604	-	-	2,519,591	2,519,591
Administrative Fee	5,458,947	871,532	-	6,330,479	5,521,702	878,946	-	6,400,648
Current Restricted Assets:								
Cash and Cash Equivalents	-	-	26,221,975	26,221,975	-	-	29,637,300	29,637,300
Receivables:								
BRF Fee	-	-	26,891,542	26,891,542	-	-	27,711,118	27,711,118
Loans	20,018,249	-	-	20,018,249	23,921,342	-	-	23,921,342
Loan Interest	289,056	-	-	289,056	403,132	-	-	403,132
Total Current Assets	<u>354,645,785</u>	<u>28,138,426</u>	<u>212,611,533</u>	<u>595,395,744</u>	<u>265,587,688</u>	<u>19,680,592</u>	<u>207,526,855</u>	<u>492,795,135</u>
Noncurrent Assets:								
Investments	5,372,100	-	-	5,372,100	5,824,036	-	-	5,824,036
Loans Receivable	1,284,950,625	335,837,509	-	1,620,788,134	1,282,118,693	304,134,726	-	1,586,253,419
Capital Assets, Net	-	-	710	710	-	-	9,225	9,225
Noncurrent Restricted Assets:								
Loans Receivable	44,167,943	-	-	44,167,943	64,186,193	-	-	64,186,193
Total Noncurrent Assets	<u>1,334,490,668</u>	<u>335,837,509</u>	<u>710</u>	<u>1,670,328,887</u>	<u>1,352,128,922</u>	<u>304,134,726</u>	<u>9,225</u>	<u>1,656,272,873</u>
Total Assets	<u>\$ 1,689,136,453</u>	<u>\$ 363,975,935</u>	<u>\$ 212,612,243</u>	<u>\$ 2,265,724,631</u>	<u>\$ 1,617,716,610</u>	<u>\$ 323,815,318</u>	<u>\$ 207,536,080</u>	<u>\$ 2,149,068,008</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**COMBINING STATEMENTS OF NET POSITION (CONTINUED)**  
**JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts Payable and Accruals	\$ 13,275	\$ 3,907	\$ 9,618	\$ 26,800	\$ 12,850	\$ 3,855	\$ 8,995	\$ 25,700
Compensated Absences - Current	346,435	40,617	104,926	491,978	309,380	33,576	100,679	443,635
Revenue Bonds Payable	3,110,000	-	21,245,000	24,355,000	2,965,000	-	24,640,000	27,605,000
Bond Premium - Current	195,187	-	1,200,751	1,395,938	288,940	-	1,772,039	2,060,979
Accrued Interest on Bonds Payable	43,771	-	1,590,222	1,633,993	61,937	-	1,804,123	1,866,060
Total Current Liabilities	<u>3,708,668</u>	<u>44,524</u>	<u>24,150,517</u>	<u>27,903,709</u>	<u>3,638,107</u>	<u>37,431</u>	<u>28,325,836</u>	<u>32,001,374</u>
Noncurrent Liabilities:								
Compensated Absences - Noncurrent	309,953	34,474	104,418	448,845	271,609	27,650	94,262	393,521
Revenue Bonds Payable	3,420,000	-	140,360,000	143,780,000	6,530,000	-	161,605,000	168,135,000
Bond Premium - Noncurrent	100,130	-	797,613	897,743	295,318	-	1,998,363	2,293,681
Total Noncurrent Liabilities	<u>3,830,083</u>	<u>34,474</u>	<u>141,262,031</u>	<u>145,126,588</u>	<u>7,096,927</u>	<u>27,650</u>	<u>163,697,625</u>	<u>170,822,202</u>
Total Liabilities	<u>7,538,751</u>	<u>78,998</u>	<u>165,412,548</u>	<u>173,030,297</u>	<u>10,735,034</u>	<u>65,081</u>	<u>192,023,461</u>	<u>202,823,576</u>
<b>NET POSITION</b>								
Net Investment in Capital Assets	-	-	710	710	-	-	9,225	9,225
Restricted	1,676,187,304	362,840,856	207,070,322	2,246,098,482	1,601,502,219	322,693,021	202,306,604	2,126,501,844
Unrestricted	5,410,398	1,056,081	(159,871,337)	(153,404,858)	5,479,357	1,057,216	(186,803,210)	(180,266,637)
Total Net Position	<u>\$ 1,681,597,702</u>	<u>\$ 363,896,937</u>	<u>\$ 47,199,695</u>	<u>\$ 2,092,694,334</u>	<u>\$ 1,606,981,576</u>	<u>\$ 323,750,237</u>	<u>\$ 15,512,619</u>	<u>\$ 1,946,244,432</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**COMBINING STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total
<b>OPERATING REVENUE</b>								
Interest on Loans	\$ 12,339,885	\$ 2,407,198	\$ -	\$ 14,747,083	\$ 12,796,347	\$ 2,405,662	\$ -	\$ 15,202,009
Loan Administration Fees	5,459,778	878,515	-	6,338,293	5,522,532	885,929	-	6,408,461
Fee Revenue	-	-	131,797,275	131,797,275	-	-	137,924,632	137,924,632
2%, 10%, and 15%)	-	4,915,196	-	4,915,196	-	5,041,360	-	5,041,360
Miscellaneous Income	-	15,500	-	15,500	-	15,500	-	15,500
Total Operating Revenue	17,799,663	8,216,409	131,797,275	157,813,347	18,318,879	8,348,451	137,924,632	164,591,962
<b>OPERATING EXPENSES</b>								
Salaries and Related Benefits	6,953,533	726,420	2,197,029	9,876,982	6,967,133	621,017	3,081,432	10,669,582
General	1,775,204	171,821	584,259	2,531,284	1,786,604	139,687	911,441	2,837,732
Capital Grant Disbursements	3,195,906	1,915,852	97,986,645	103,098,403	2,860,583	5,363,358	82,701,490	90,925,431
Transfers Out (Set-Asides								
2%, 10%, and 15%)	-	4,915,196	-	4,915,196	-	5,041,360	-	5,041,360
Total Operating Expenses	11,924,643	7,729,289	100,767,933	120,421,865	11,614,320	11,165,422	86,694,363	109,474,105
<b>OPERATING INCOME (LOSS)</b>	5,875,020	487,120	31,029,342	37,391,482	6,704,559	(2,816,971)	51,230,269	55,117,857
<b>NONOPERATING REVENUE (EXPENSES)</b>								
Investment Income	5,812,222	364,370	5,856,203	12,032,795	673,634	53,278	758,114	1,485,026
Interest Expense on Bonds	(167,644)	-	(5,198,469)	(5,366,113)	(212,151)	-	(5,790,989)	(6,003,140)
Net Change in Fair Value of Investments	(86,520)	-	-	(86,520)	(269,910)	-	-	(269,910)
Federal Government Contributions	53,281,448	33,431,810	-	86,713,258	38,429,000	20,338,000	-	58,767,000
State of MD Required Match to Federal Grant	9,901,600	5,863,400	-	15,765,000	7,687,000	4,070,000	-	11,757,000
Total Nonoperating Revenue (Expenses)	68,741,106	39,659,580	657,734	109,058,420	46,307,573	24,461,278	(5,032,875)	65,735,976
<b>CHANGE IN NET POSITION</b>	74,616,126	40,146,700	31,687,076	146,449,902	53,012,132	21,644,307	46,197,394	120,853,833
Net Position - Beginning of Year	1,606,981,576	323,750,237	15,512,619	1,946,244,432	1,553,969,444	302,105,930	(30,684,775)	1,825,390,599
<b>NET POSITION - END OF YEAR</b>	\$ 1,681,597,702	\$ 363,896,937	\$ 47,199,695	\$ 2,092,694,334	\$ 1,606,981,576	\$ 323,750,237	\$ 15,512,619	\$ 1,946,244,432

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
BRF Fee and Other Receipts	\$ -	\$ 4,930,696	\$ 133,518,838	\$ 138,449,534	\$ -	\$ 5,056,860	\$ 133,406,219	\$ 138,463,079
Capital Grant Disbursements	(3,195,906)	(1,915,852)	(97,986,645)	(103,098,403)	(2,860,583)	(5,363,358)	(82,701,490)	(90,925,431)
Salaries and Benefits Paid	(6,878,134)	(712,555)	(2,182,626)	(9,773,315)	(6,945,500)	(622,291)	(3,112,795)	(10,680,586)
General Expenses Paid	(1,774,779)	(5,086,965)	(575,121)	(7,436,865)	(1,786,654)	(5,180,987)	(895,039)	(7,862,680)
Loan Repayments	107,011,865	14,580,506	-	121,592,371	103,144,054	14,812,352	-	117,956,406
Loan Disbursements	(87,268,073)	(49,599,759)	-	(136,867,832)	(169,937,798)	(56,185,502)	-	(226,123,300)
Interest and Fees Received from Borrowers	18,167,491	3,303,394	-	21,470,885	18,681,486	3,108,730	-	21,790,216
Net Cash Provided (Used) by Operating Activities	26,062,464	(34,500,535)	32,774,446	24,336,375	(59,704,995)	(44,374,196)	46,696,895	(57,382,296)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Contributions Received:								
Federal Government	53,281,448	33,431,810	-	86,713,258	38,429,000	20,338,000	-	58,767,000
State of MD Required Match to Federal Grant	9,901,600	5,863,400	-	15,765,000	7,687,000	4,070,000	-	11,757,000
Repayment of Bonds	(2,965,000)	-	(24,640,000)	(27,605,000)	(2,905,000)	-	(23,470,000)	(26,375,000)
Interest on Bonds	(474,750)	-	(7,184,408)	(7,659,158)	(532,850)	-	(8,352,908)	(8,885,758)
Net Cash Provided (Used) by Noncapital Financing Activities	59,743,298	39,295,210	(31,824,408)	67,214,100	42,678,150	24,408,000	(31,822,908)	35,263,242
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of Investments	-	-	-	-	-	-	-	-
Interest on Investment Securities	5,812,226	364,370	5,856,203	12,032,799	681,672	53,278	758,114	1,493,064
Proceeds from Sale of Investments	374,068	-	-	374,068	547,777	-	-	547,777
Net Cash Provided by Investing Activities	6,186,294	364,370	5,856,203	12,406,867	1,229,449	53,278	758,114	2,040,841
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	91,992,056	5,159,045	6,806,241	103,957,342	(15,797,396)	(19,912,918)	15,632,101	(20,078,213)
Cash and Cash Equivalents - Beginning of Year	147,243,700	3,045,407	177,296,146	327,585,253	163,041,096	22,958,325	161,664,045	347,663,466
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 239,235,756</b>	<b>\$ 8,204,452</b>	<b>\$ 184,102,387</b>	<b>\$ 431,542,595</b>	<b>\$ 147,243,700</b>	<b>\$ 3,045,407</b>	<b>\$ 177,296,146</b>	<b>\$ 327,585,253</b>



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total	Clean Water RLF	Drinking Water RLF	Bay Restoration Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>								
Operating Income (Loss)	\$ 5,875,020	\$ 487,120	\$ 31,029,342	\$ 37,391,482	\$ 6,704,559	\$ (2,816,971)	\$ 51,230,269	\$ 55,117,857
Depreciation of Fixed Assets	-	-	8,515	8,515	-	-	17,012	17,012
Changes in Noncash Operating Assets and Liabilities:								
Loans Receivable	19,743,792	(35,019,253)	-	(15,275,461)	(66,793,744)	(41,373,150)	-	(108,166,894)
Loan Interest Receivable	305,073	10,267	-	315,340	(78,879)	(197,910)	-	(276,789)
Administrative Fee and BRF Fee Receivables	62,755	7,414	1,721,563	1,791,732	441,486	15,049	(4,518,413)	(4,061,878)
Accounts Payable and Other Liabilities	75,824	13,917	15,026	104,767	21,583	(1,214)	(31,973)	(11,604)
Net Cash Provided (Used) by Operating Activities	<u>\$ 26,062,464</u>	<u>\$ (34,500,535)</u>	<u>\$ 32,774,446</u>	<u>\$ 24,336,375</u>	<u>\$ (59,704,995)</u>	<u>\$ (44,374,196)</u>	<u>\$ 46,696,895</u>	<u>\$ (57,382,296)</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**CLEAN WATER STATE REVOLVING LOAN FUND**  
**COMBINING STATEMENTS OF NET POSITION**  
**JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total
<b>ASSETS</b>								
Current Assets:								
Cash and Cash Equivalents	\$ 621,114	\$ 238,614,642	\$ -	\$ 239,235,756	\$ 551,494	\$ 146,692,206	\$ -	\$ 147,243,700
Investments	-	-	-	-	-	8,652	-	8,652
Receivables:								
Investment Interest	-	26,119	-	26,119	-	26,123	-	26,123
Loans	-	83,927,061	-	83,927,061	-	82,581,443	-	82,581,443
Loan Interest	-	5,690,597	-	5,690,597	-	5,881,594	-	5,881,594
Administrative Fee	5,458,947	-	-	5,458,947	5,521,702	-	-	5,521,702
Current Restricted Assets:								
Receivables:								
Loans	-	-	20,018,249	20,018,249	-	-	23,921,342	23,921,342
Loan Interest	-	-	289,056	289,056	-	-	403,132	403,132
Total Current Assets	6,080,061	328,258,419	20,307,305	354,645,785	6,073,196	235,190,018	24,324,474	265,587,688
Noncurrent Assets:								
Investments	-	5,372,100	-	5,372,100	-	5,824,036	-	5,824,036
Loans Receivable	-	1,284,950,625	-	1,284,950,625	-	1,282,118,693	-	1,282,118,693
Noncurrent Restricted Assets:								
Loans Receivable	-	-	44,167,943	44,167,943	-	-	64,186,193	64,186,193
Total Noncurrent Assets	-	1,290,322,725	44,167,943	1,334,490,668	-	1,287,942,729	64,186,193	1,352,128,922
Total Assets	<u>\$ 6,080,061</u>	<u>\$ 1,618,581,144</u>	<u>\$ 64,475,248</u>	<u>\$ 1,689,136,453</u>	<u>\$ 6,073,196</u>	<u>\$ 1,523,132,747</u>	<u>\$ 88,510,667</u>	<u>\$ 1,617,716,610</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
CLEAN WATER STATE REVOLVING LOAN FUND  
COMBINING STATEMENTS OF NET POSITION (CONTINUED)  
JUNE 30, 2023 AND 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts Payable	\$ 13,275	\$ -	\$ -	\$ 13,275	\$ 12,850	\$ -	\$ -	\$ 12,850
Compensated Absences - Current	346,435	-	-	346,435	309,380	-	-	309,380
Revenue Bonds Payable	-	-	3,110,000	3,110,000	-	-	2,965,000	2,965,000
Bond Premium - Current	-	-	195,187	195,187	-	-	288,940	288,940
Accrued Interest on Bonds Payable	-	-	43,771	43,771	-	-	61,937	61,937
Total Current Liabilities	<u>359,710</u>	<u>-</u>	<u>3,348,958</u>	<u>3,708,668</u>	<u>322,230</u>	<u>-</u>	<u>3,315,877</u>	<u>3,638,107</u>
Noncurrent Liabilities:								
Compensated Absences - Noncurrent	309,953	-	-	309,953	271,609	-	-	271,609
Revenue Bonds Payable	-	-	3,420,000	3,420,000	-	-	6,530,000	6,530,000
Bond Premium - Noncurrent	-	-	100,130	100,130	-	-	295,318	295,318
Total Noncurrent Liabilities	<u>309,953</u>	<u>-</u>	<u>3,520,130</u>	<u>3,830,083</u>	<u>271,609</u>	<u>-</u>	<u>6,825,318</u>	<u>7,096,927</u>
Total Liabilities	669,663	-	6,869,088	7,538,751	593,839	-	10,141,195	10,735,034
<b>NET POSITION</b>								
Net Investment in								
Capital Assets	-	-	-	-	-	-	-	-
Restricted	-	1,618,581,144	57,606,160	1,676,187,304	-	1,523,132,747	78,369,472	1,601,502,219
Unrestricted	5,410,398	-	-	5,410,398	5,479,357	-	-	5,479,357
Total Net Position	<u>\$ 5,410,398</u>	<u>\$ 1,618,581,144</u>	<u>\$ 57,606,160</u>	<u>\$ 1,681,597,702</u>	<u>\$ 5,479,357</u>	<u>\$ 1,523,132,747</u>	<u>\$ 78,369,472</u>	<u>\$ 1,606,981,576</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
CLEAN WATER STATE REVOLVING LOAN FUND  
COMBINING STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2023 AND 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total
<b>OPERATING REVENUE</b>								
Interest on Loans	\$ -	\$ 11,647,698	\$ 692,187	\$ 12,339,885	\$ -	\$ 11,831,197	\$ 965,150	\$ 12,796,347
Loan Administration Fees	5,459,778	-	-	5,459,778	5,522,532	-	-	5,522,532
Total Operating Revenue	5,459,778	11,647,698	692,187	17,799,663	5,522,532	11,831,197	965,150	18,318,879
<b>OPERATING EXPENSES</b>								
Salaries and Related Benefits	6,953,533	-	-	6,953,533	6,967,133	-	-	6,967,133
General	1,775,204	-	-	1,775,204	1,786,604	-	-	1,786,604
Capital Grant Disbursements	-	3,195,906	-	3,195,906	-	2,860,583	-	2,860,583
Total Operating Expenses	8,728,737	3,195,906	-	11,924,643	8,753,737	2,860,583	-	11,614,320
<b>OPERATING INCOME (LOSS)</b>	(3,268,959)	8,451,792	692,187	5,875,020	(3,231,205)	8,970,614	965,150	6,704,559
<b>NONOPERATING REVENUE (EXPENSES)</b>								
Investment Income	-	5,797,302	14,920	5,812,222	-	673,598	36	673,634
Interest Expense on Bonds	-	-	(167,644)	(167,644)	-	-	(212,151)	(212,151)
Net Change in Fair Value of Investments	-	(86,520)	-	(86,520)	-	(269,910)	-	(269,910)
Federal Government Contributions State of MD Required	-	53,281,448	-	53,281,448	-	38,429,000	-	38,429,000
Match to Federal Grant	-	9,901,600	-	9,901,600	-	7,687,000	-	7,687,000
Total Nonoperating Revenue (Expenses)	-	68,893,830	(152,724)	68,741,106	-	46,519,688	(212,115)	46,307,573
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(3,268,959)	77,345,622	539,463	74,616,126	(3,231,205)	55,490,302	753,035	53,012,132
<b>INTERFUND TRANSFERS</b>	3,200,000	18,102,775	(21,302,775)	-	3,100,000	22,780,914	(25,880,914)	-
<b>CHANGE IN NET POSITION</b>	(68,959)	95,448,397	(20,763,312)	74,616,126	(131,205)	78,271,216	(25,127,879)	53,012,132
Net Position - Beginning of Year	5,479,357	1,523,132,747	78,369,472	1,606,981,576	5,610,562	1,444,861,531	103,497,351	1,553,969,444
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,410,398</u>	<u>\$ 1,618,581,144</u>	<u>\$ 57,606,160</u>	<u>\$ 1,681,597,702</u>	<u>\$ 5,479,357</u>	<u>\$ 1,523,132,747</u>	<u>\$ 78,369,472</u>	<u>\$ 1,606,981,576</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**CLEAN WATER STATE REVOLVING LOAN FUND**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Capital Grant Disbursements	\$ -	\$ (3,195,906)	\$ -	\$ (3,195,906)	\$ -	\$ (2,860,583)	\$ -	\$ (2,860,583)
Salaries and Benefits Paid	(6,878,134)	-	-	(6,878,134)	(6,945,500)	-	-	(6,945,500)
General Expenses Paid	(1,774,779)	-	-	(1,774,779)	(1,786,654)	-	-	(1,786,654)
Loan Repayments	-	83,090,523	23,921,342	107,011,865	-	74,949,364	28,194,690	103,144,054
Loan Disbursements	-	(87,268,073)	-	(87,268,073)	-	(169,937,798)	-	(169,937,798)
Interest and Fees Received from Borrowers	5,522,533	11,838,695	806,263	18,167,491	5,964,018	11,593,431	1,124,037	18,681,486
Net Cash Provided (Used) by Operating Activities	(3,130,380)	4,465,239	24,727,605	26,062,464	(2,768,136)	(86,255,586)	29,318,727	(59,704,995)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Contributions Received:								
Federal Government	-	53,281,448	-	53,281,448	-	38,429,000	-	38,429,000
State of MD Required Match to Federal Grant	-	9,901,600	-	9,901,600	-	7,687,000	-	7,687,000
Interfund Transfers	3,200,000	18,102,775	(21,302,775)	-	3,100,000	22,780,914	(25,880,914)	-
Repayment of Bonds	-	-	(2,965,000)	(2,965,000)	-	-	(2,905,000)	(2,905,000)
Interest on Bonds	-	-	(474,750)	(474,750)	-	-	(532,850)	(532,850)
Net Cash Provided (Used) by Noncapital Financing Activities	3,200,000	81,285,823	(24,742,525)	59,743,298	3,100,000	68,896,914	(29,318,764)	42,678,150
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Purchase of Investments	-	-	-	-	-	-	-	-
Interest on Investment Securities	-	5,797,306	14,920	5,812,226	-	681,635	37	681,672
Proceeds from Sale of Investments	-	374,068	-	374,068	-	547,777	-	547,777
Net Cash Provided by Investing Activities	-	6,171,374	14,920	6,186,294	-	1,229,412	37	1,229,449
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	69,620	91,922,436	-	91,992,056	331,864	(16,129,260)	-	(15,797,396)
Cash and Cash Equivalents - Beginning of Year	551,494	146,692,206	-	147,243,700	219,630	162,821,466	-	163,041,096
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 621,114	\$ 238,614,642	\$ -	\$ 239,235,756	\$ 551,494	\$ 146,692,206	\$ -	\$ 147,243,700

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
CLEAN WATER STATE REVOLVING LOAN FUND  
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2023 AND 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	2023				2022			
	Funds Held by Administration				Funds Held by Administration			
	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total	Admin Accounts	Capital Reserve Accounts	Bond Funds 2008 Indenture	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>								
Operating Income (Loss)	\$ (3,268,959)	\$ 8,451,792	\$ 692,187	\$ 5,875,020	\$ (3,231,205)	\$ 8,970,614	\$ 965,150	\$ 6,704,559
Depreciation of Capital Assets	-	-	-	-	-	-	-	-
Changes in Noncash Operating Assets and Liabilities:								
Loans Receivable	-	(4,177,550)	23,921,342	19,743,792	-	(94,988,434)	28,194,690	(66,793,744)
Loan Interest Receivable	-	190,997	114,076	305,073	-	(237,766)	158,887	(78,879)
Administrative Fees	62,755	-	-	62,755	441,486	-	-	441,486
Accounts Payable and Other Liabilities	75,824	-	-	75,824	21,583	-	-	21,583
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,130,380)</u>	<u>\$ 4,465,239</u>	<u>\$ 24,727,605</u>	<u>\$ 26,062,464</u>	<u>\$ (2,768,136)</u>	<u>\$ (86,255,586)</u>	<u>\$ 29,318,727</u>	<u>\$ (59,704,995)</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**DRINKING WATER STATE REVOLVING LOAN FUND**  
**COMBINING STATEMENTS OF NET POSITION**  
**JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023			2022		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 263,547	\$ 7,940,905	\$ 8,204,452	\$ 243,351	\$ 2,802,056	\$ 3,045,407
Receivables:						
Loans	-	17,877,730	17,877,730	-	14,561,260	14,561,260
Loan Interest	-	1,184,712	1,184,712	-	1,194,979	1,194,979
Administrative Fee	871,532	-	871,532	878,946	-	878,946
Total Current Assets	<u>1,135,079</u>	<u>27,003,347</u>	<u>28,138,426</u>	<u>1,122,297</u>	<u>18,558,295</u>	<u>19,680,592</u>
Noncurrent Assets:						
Loans Receivable	-	335,837,509	335,837,509	-	304,134,726	304,134,726
Total Noncurrent Assets	<u>-</u>	<u>335,837,509</u>	<u>335,837,509</u>	<u>-</u>	<u>304,134,726</u>	<u>304,134,726</u>
Total Assets	<u>\$ 1,135,079</u>	<u>\$ 362,840,856</u>	<u>\$ 363,975,935</u>	<u>\$ 1,122,297</u>	<u>\$ 322,693,021</u>	<u>\$ 323,815,318</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 3,907	\$ -	\$ 3,907	\$ 3,855	\$ -	\$ 3,855
Compensated Absences - Current	40,617	-	40,617	33,576	-	33,576
Total Current Liabilities	<u>44,524</u>	<u>-</u>	<u>44,524</u>	<u>37,431</u>	<u>-</u>	<u>37,431</u>
Noncurrent Liabilities:						
Compensated Absences - Noncurrent	34,474	-	34,474	27,650	-	27,650
Total Noncurrent Liabilities	<u>34,474</u>	<u>-</u>	<u>34,474</u>	<u>27,650</u>	<u>-</u>	<u>27,650</u>
Total Liabilities	<u>78,998</u>	<u>-</u>	<u>78,998</u>	<u>65,081</u>	<u>-</u>	<u>65,081</u>
<b>NET POSITION</b>						
Restricted	-	362,840,856	362,840,856	-	322,693,021	322,693,021
Unrestricted	<u>1,056,081</u>	<u>-</u>	<u>1,056,081</u>	<u>1,057,216</u>	<u>-</u>	<u>1,057,216</u>
Total Net Position	<u>\$ 1,056,081</u>	<u>\$ 362,840,856</u>	<u>\$ 363,896,937</u>	<u>\$ 1,057,216</u>	<u>\$ 322,693,021</u>	<u>\$ 323,750,237</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**DRINKING WATER STATE REVOLVING LOAN FUND**  
**COMBINING STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2023 AND 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	2023			2022		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
<b>OPERATING REVENUE</b>						
Interest on Loans	\$ -	\$ 2,407,198	\$ 2,407,198	\$ -	\$ 2,405,662	\$ 2,405,662
Loan Administration Fees	878,515	-	878,515	885,929	-	885,929
Grant Revenue	-	-	-	-	-	-
Grant Revenue (Set-Asides 2%, 10%, 15%)	4,915,196	-	4,915,196	5,041,360	-	5,041,360
Miscellaneous Income	-	15,500	15,500	-	15,500	15,500
Total Operating Revenue	<u>5,793,711</u>	<u>2,422,698</u>	<u>8,216,409</u>	<u>5,927,289</u>	<u>2,421,162</u>	<u>8,348,451</u>
<b>OPERATING EXPENSES</b>						
Salaries and Related Benefits	726,420	-	726,420	621,017	-	621,017
General	171,821	-	171,821	139,687	-	139,687
Capital Grant Disbursements	-	1,915,852	1,915,852	-	5,363,358	5,363,358
Transfer Out (Set-Asides 2%, 10%, 15%)	4,915,196	-	4,915,196	5,041,360	-	5,041,360
Total Operating Expenses	<u>5,813,437</u>	<u>1,915,852</u>	<u>7,729,289</u>	<u>5,802,064</u>	<u>5,363,358</u>	<u>11,165,422</u>
<b>OPERATING INCOME (LOSS)</b>	(19,726)	506,846	487,120	125,225	(2,942,196)	(2,816,971)
<b>NONOPERATING REVENUE (EXPENSES)</b>						
Investment Income	18,591	345,779	364,370	2,081	51,197	53,278
Federal Government Contributions	-	33,431,810	33,431,810	-	20,338,000	20,338,000
State of MD Required Match to Federal Grant	-	5,863,400	5,863,400	-	4,070,000	4,070,000
Total Nonoperating Revenue (Expenses)	<u>18,591</u>	<u>39,640,989</u>	<u>39,659,580</u>	<u>2,081</u>	<u>24,459,197</u>	<u>24,461,278</u>
<b>CHANGE IN NET POSITION</b>	(1,135)	40,147,835	40,146,700	127,306	21,517,001	21,644,307
Net Position - Beginning of Year	<u>1,057,216</u>	<u>322,693,021</u>	<u>323,750,237</u>	<u>929,910</u>	<u>301,176,020</u>	<u>302,105,930</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,056,081</u>	<u>\$ 362,840,856</u>	<u>\$ 363,896,937</u>	<u>\$ 1,057,216</u>	<u>\$ 322,693,021</u>	<u>\$ 323,750,237</u>



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
DRINKING WATER STATE REVOLVING LOAN FUND  
COMBINING STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	2023			2022		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Other Receipts	\$ 4,915,196	\$ 15,500	\$ 4,930,696	\$ 5,041,360	\$ 15,500	\$ 5,056,860
Capital Grant Disbursements		(1,915,852)	(1,915,852)	-	(5,363,358)	(5,363,358)
Salaries and Benefits Paid	(712,555)		(712,555)	(622,291)	-	(622,291)
General Expenses Paid	(5,086,965)		(5,086,965)	(5,180,987)	-	(5,180,987)
Loan Repayments		14,580,506	14,580,506	-	14,812,352	14,812,352
Loan Disbursements		(49,599,759)	(49,599,759)	-	(56,185,502)	(56,185,502)
Interest and Fees Received from Borrowers	885,929	2,417,465	3,303,394	900,978	2,207,752	3,108,730
Net Cash Provided (Used) by Operating Activities	1,605	(34,502,140)	(34,500,535)	139,060	(44,513,256)	(44,374,196)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Contributions Received:						
Federal Government	-	33,431,810	33,431,810	-	20,338,000	20,338,000
State of MD Required Match to Federal Grant	-	5,863,400	5,863,400	-	4,070,000	4,070,000
Net Cash Provided by Noncapital Financing Activities	-	39,295,210	39,295,210	-	24,408,000	24,408,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on Investment Securities	18,591	345,779	364,370	2,081	51,197	53,278
Net Cash Provided by Investing Activities	18,591	345,779	364,370	2,081	51,197	53,278
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	20,196	5,138,849	5,159,045	141,141	(20,054,059)	(19,912,918)
Cash and Cash Equivalents - Beginning of Year	243,351	2,802,056	3,045,407	102,210	22,856,115	22,958,325
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 263,547	\$ 7,940,905	\$ 8,204,452	\$ 243,351	\$ 2,802,056	\$ 3,045,407

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
DRINKING WATER STATE REVOLVING LOAN FUND  
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2023 AND 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	2023			2022		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (19,726)	\$ 506,846	\$ 487,120	\$ 125,225	\$ (2,942,196)	\$ (2,816,971)
Changes in Noncash Operating Assets and Liabilities:						
Loans Receivable	-	(35,019,253)	(35,019,253)	-	(41,373,150)	(41,373,150)
Loan Interest Receivable	-	10,267	10,267	-	(197,910)	(197,910)
Administrative Fees	7,414	-	7,414	15,049	-	15,049
Accounts Payable and Other Liabilities	13,917	-	13,917	(1,214)	-	(1,214)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,605</u>	<u>\$ (34,502,140)</u>	<u>\$ (34,500,535)</u>	<u>\$ 139,060</u>	<u>\$ (44,513,256)</u>	<u>\$ (44,374,196)</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2023**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					Total
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 1,726,956	\$ 146,483,283	\$ -	\$ 3,308,092	\$ 6,362,081	\$ 157,880,412
Receivables:						
BRF Fee	409,516	-	-	96,647	1,111,441	1,617,604
Current Restricted Assets:						
Cash and Cash Equivalents	-	26,221,975	-	-	-	26,221,975
Receivables:						
BRF Fee	-	26,891,542	-	-	-	26,891,542
Total Current Assets	<u>2,136,472</u>	<u>199,596,800</u>	<u>-</u>	<u>3,404,739</u>	<u>7,473,522</u>	<u>212,611,533</u>
Noncurrent Assets:						
Capital Assets, Net	-	-	-	710	-	710
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>710</u>	<u>-</u>	<u>710</u>
Total Assets	<u>\$ 2,136,472</u>	<u>\$ 199,596,800</u>	<u>\$ -</u>	<u>\$ 3,405,449</u>	<u>\$ 7,473,522</u>	<u>\$ 212,612,243</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 7,013	\$ -	\$ -	\$ 2,605	\$ -	\$ 9,618
Compensated Absences - Current	40,078	-	-	64,848	-	104,926
Revenue Bonds	-	-	21,245,000	-	-	21,245,000
Bond Premium - Current	-	-	1,200,751	-	-	1,200,751
Accrued Bond Interest	-	-	1,590,222	-	-	1,590,222
Total Current Liabilities	<u>47,091</u>	<u>-</u>	<u>24,035,973</u>	<u>67,453</u>	<u>-</u>	<u>24,150,517</u>
Noncurrent Liabilities:						
Compensated Absences - Noncurrent	38,743	-	-	65,675	-	104,418
Revenue Bonds	-	-	140,360,000	-	-	140,360,000
Bond Premium - Noncurrent	-	-	797,613	-	-	797,613
Total Noncurrent Liabilities	<u>38,743</u>	<u>-</u>	<u>141,157,613</u>	<u>65,675</u>	<u>-</u>	<u>141,262,031</u>
Total Liabilities	<u>85,834</u>	<u>-</u>	<u>165,193,586</u>	<u>133,128</u>	<u>-</u>	<u>165,412,548</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	-	710	-	710
Restricted	-	199,596,800	-	-	7,473,522	207,070,322
Unrestricted	<u>2,050,638</u>	<u>-</u>	<u>(165,193,586)</u>	<u>3,271,611</u>	<u>-</u>	<u>(159,871,337)</u>
Total Net Position	<u>\$ 2,050,638</u>	<u>\$ 199,596,800</u>	<u>\$ (165,193,586)</u>	<u>\$ 3,272,321</u>	<u>\$ 7,473,522</u>	<u>\$ 47,199,695</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 1,251,447	\$ 136,094,201	\$ -	\$ 3,379,000	\$ 6,934,198	\$ 147,658,846
Receivables:						
BRF Fee	421,997	-	-	167,807	1,929,787	2,519,591
Current Restricted Assets:						
Cash and Cash Equivalents	-	29,637,300	-	-	-	29,637,300
Receivables:						
BRF Fee	-	27,711,118	-	-	-	27,711,118
Total Current Assets	<u>1,673,444</u>	<u>193,442,619</u>	<u>-</u>	<u>3,546,807</u>	<u>8,863,985</u>	<u>207,526,855</u>
Noncurrent Assets:						
Capital Assets, Net	-	-	-	9,225	-	9,225
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,225</u>	<u>-</u>	<u>9,225</u>
Total Assets	<u>\$ 1,673,444</u>	<u>\$ 193,442,619</u>	<u>\$ -</u>	<u>\$ 3,556,032</u>	<u>\$ 8,863,985</u>	<u>\$ 207,536,080</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 6,425	\$ -	\$ -	\$ 2,570	\$ -	\$ 8,995
Compensated Absences - Current	44,052	-	-	56,627	-	100,679
Revenue Bonds	-	-	24,640,000	-	-	24,640,000
Bond Premium - Current	-	-	1,772,039	-	-	1,772,039
Accrued Bond Interest	-	-	1,804,123	-	-	1,804,123
Total Current Liabilities	<u>50,477</u>	<u>-</u>	<u>28,216,162</u>	<u>59,197</u>	<u>-</u>	<u>28,325,836</u>
Noncurrent Liabilities:						
Compensated Absences - Noncurrent	42,218	-	-	52,044	-	94,262
Revenue Bonds	-	-	161,605,000	-	-	161,605,000
Bond Premium - Noncurrent	-	-	1,998,363	-	-	1,998,363
Total Noncurrent Liabilities	<u>42,218</u>	<u>-</u>	<u>163,603,363</u>	<u>52,044</u>	<u>-</u>	<u>163,697,625</u>
Total Liabilities	<u>92,695</u>	<u>-</u>	<u>191,819,525</u>	<u>111,241</u>	<u>-</u>	<u>192,023,461</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	-	-	-	9,225	-	9,225
Restricted	-	193,442,619	-	-	8,863,985	202,306,604
Unrestricted	1,580,749	-	(191,819,525)	3,435,566	-	(186,803,210)
Total Net Position	<u>\$ 1,580,749</u>	<u>\$ 193,442,619</u>	<u>\$ (191,819,525)</u>	<u>\$ 3,444,791</u>	<u>\$ 8,863,985</u>	<u>\$ 15,512,619</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND  
COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>OPERATING REVENUE</b>						
BRF Fee	\$ 1,722,709	\$ 113,124,590	\$ -	\$ 1,355,998	\$ 15,593,978	\$ 131,797,275
Total Operating Revenue	1,722,709	113,124,590	-	1,355,998	15,593,978	131,797,275
<b>OPERATING EXPENSES</b>						
Salaries and Related Benefits	927,203	-	-	1,269,826	-	2,197,029
General Admin Expenses	325,617	-	-	258,642	-	584,259
Capital Grant Disbursements	-	80,693,262	-	-	17,293,383	97,986,645
Total Operating Expenses	1,252,820	80,693,262	-	1,528,468	17,293,383	100,767,933
<b>OPERATING INCOME (LOSS)</b>	469,889	32,431,328	-	(172,470)	(1,699,405)	31,029,342
<b>NONOPERATING REVENUE (EXPENSES)</b>						
Investment Income	-	5,302,259	245,002	-	308,942	5,856,203
Interest on Bonds	-	-	(5,198,469)	-	-	(5,198,469)
Total Nonoperating Revenue (Expenses)	-	5,302,259	(4,953,467)	-	308,942	657,734
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	469,889	37,733,587	(4,953,467)	(172,470)	(1,390,463)	31,687,076
Interfund Equity Transfer	-	(31,579,406)	31,579,406	-	-	-
<b>CHANGE IN NET POSITION</b>	469,889	6,154,181	26,625,939	(172,470)	(1,390,463)	31,687,076
Net Position - Beginning of Year	1,580,749	193,442,619	(191,819,525)	3,444,791	8,863,985	15,512,619
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,050,638</u>	<u>\$ 199,596,800</u>	<u>\$ (165,193,586)</u>	<u>\$ 3,272,321</u>	<u>\$ 7,473,522</u>	<u>\$ 47,199,695</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND**  
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>OPERATING REVENUE</b>						
BRF Fee	\$ 1,790,572	\$ 117,580,884	\$ -	\$ 1,484,254	\$ 17,068,922	\$ 137,924,632
Total Operating Revenue	1,790,572	117,580,884	-	1,484,254	17,068,922	137,924,632
<b>OPERATING EXPENSES</b>						
Salaries and Related Benefits	1,224,649	-	-	1,856,783	-	3,081,432
General Admin Expenses	567,529	-	-	343,912	-	911,441
Capital Grant Disbursements	-	64,956,071	-	-	17,745,419	82,701,490
Total Operating Expenses	1,792,178	64,956,071	-	2,200,695	17,745,419	86,694,363
<b>OPERATING INCOME (LOSS)</b>	(1,606)	52,624,813	-	(716,441)	(676,497)	51,230,269
<b>NONOPERATING REVENUE (EXPENSES)</b>						
Investment Income	-	707,509	763	-	49,842	758,114
Interest on Bonds	-	-	(5,790,989)	-	-	(5,790,989)
Total Nonoperating Revenue (Expenses)	-	707,509	(5,790,226)	-	49,842	(5,032,875)
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,606)	53,332,322	(5,790,226)	(716,441)	(626,655)	46,197,394
Interfund Equity Transfer	-	(31,822,145)	31,822,145	-	-	-
<b>CHANGE IN NET POSITION</b>	(1,606)	21,510,177	26,031,919	(716,441)	(626,655)	46,197,394
Net Position - Beginning of Year	1,582,355	171,932,442	(217,851,444)	4,161,232	9,490,640	(30,684,775)
<b>NET POSITION - END OF YEAR</b>	\$ 1,580,749	\$ 193,442,619	\$ (191,819,525)	\$ 3,444,791	\$ 8,863,985	\$ 15,512,619

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
BRF Fee and Other Receipts	\$ 1,735,190	\$ 113,944,166	\$ -	\$ 1,427,158	\$ 16,412,324	\$ 133,518,838
Capital Grant Disbursements	-	(80,693,262)	-	-	(17,293,383)	(97,986,645)
Salaries and Benefits Paid	(934,652)	-	-	(1,247,974)	-	(2,182,626)
General Expenses Paid	(325,029)	-	-	(250,092)	-	(575,121)
Net Cash Provided (Used) by Operating Activities	475,509	33,250,904	-	(70,908)	(881,059)	32,774,446
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund Equity Transfers	-	(31,579,406)	31,579,406	-	-	-
Repayment of Bonds	-	-	(24,640,000)	-	-	(24,640,000)
Interest on Bonds	-	-	(7,184,408)	-	-	(7,184,408)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(31,579,406)	(245,002)	-	-	(31,824,408)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on Investment Securities	-	5,302,259	245,002	-	308,942	5,856,203
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	475,509	6,973,757	-	(70,908)	(572,117)	6,806,241
Cash and Cash Equivalents - Beginning of Year	1,251,447	165,731,501	-	3,379,000	6,934,198	177,296,146
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,726,956</u>	<u>\$ 172,705,258</u>	<u>\$ -</u>	<u>\$ 3,308,092</u>	<u>\$ 6,362,081</u>	<u>\$ 184,102,387</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2023  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 469,889	\$ 32,431,328	\$ -	\$ (172,470)	\$ (1,699,405)	\$ 31,029,342
Depreciation of Capital Assets	-	-	-	8,515	-	8,515
Changes in Noncash Operating Assets and Liabilities:						
Administrative Fees and BRF Fee Receivables	12,481	819,576	-	71,160	818,346	1,721,563
Accounts Payable and Other Liabilities	(6,861)	-	-	21,887	-	15,026
Net Cash Provided (Used) by Operating Activities	<u>\$ 475,509</u>	<u>\$ 33,250,904</u>	<u>\$ -</u>	<u>\$ (70,908)</u>	<u>\$ (881,059)</u>	<u>\$ 32,774,446</u>



**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION**  
**BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2022**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
BRF Fee and Other Receipts	\$ 1,730,693	\$ 113,648,858	\$ -	\$ 1,442,134	\$ 16,584,534	\$ 133,406,219
Capital Grant Disbursements	-	(64,956,071)	-	-	(17,745,419)	(82,701,490)
Salaries and Benefits Paid	(1,253,787)	-	-	(1,859,008)	-	(3,112,795)
General Expenses Paid	(568,179)	-	-	(326,860)	-	(895,039)
Net Cash Provided (Used) by Operating Activities	(91,273)	48,692,787	-	(743,734)	(1,160,885)	46,696,895
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund Equity Transfers	-	(31,822,145)	31,822,145	-	-	-
Repayment of Bonds	-	-	(23,470,000)	-	-	(23,470,000)
Interest on Bonds	-	-	(8,352,908)	-	-	(8,352,908)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(31,822,145)	(763)	-	-	(31,822,908)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on Investment Securities	-	707,509	763	-	49,842	758,114
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(91,273)	17,578,151	-	(743,734)	(1,111,043)	15,632,101
Cash and Cash Equivalents - Beginning of Year	1,342,720	148,153,350	-	4,122,734	8,045,241	161,664,045
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,251,447</u>	<u>\$ 165,731,501</u>	<u>\$ -</u>	<u>\$ 3,379,000</u>	<u>\$ 6,934,198</u>	<u>\$ 177,296,146</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION  
BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2022  
(SEE INDEPENDENT AUDITORS' REPORT)**

	Funds Held by Administration					
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		Total
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (1,606)	\$ 52,624,813	\$ -	\$ (716,441)	\$ (676,497)	\$ 51,230,269
Depreciation of Capital Assets	-	-	-	17,012	-	17,012
Changes in Noncash Operating Assets and Liabilities:						
Administrative Fees and BRF Fee Receivables	(59,879)	(3,932,026)	-	(42,120)	(484,388)	(4,518,413)
Accounts Payable and Other Liabilities	(29,788)	-	-	(2,185)	-	(31,973)
Net Cash Provided (Used) by Operating Activities	<u>\$ (91,273)</u>	<u>\$ 48,692,787</u>	<u>\$ -</u>	<u>\$ (743,734)</u>	<u>\$ (1,160,885)</u>	<u>\$ 46,696,895</u>