

**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, 2022 AND 2021



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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, 2022 and 2021, 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, 2022 and 2021, 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, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Administration's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

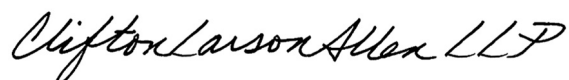
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial 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 21, 2022, 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 21, 2022

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022 AND 2021**

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, 2022 AND 2021**

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, 2022 and 2021, with the year ended June 30, 2020, 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, 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 3rd 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.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2022 AND 2021**

Statements of Net Position (Continued)

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.

As of June 30, 2021:

The unrestricted current asset of cash and cash equivalents increased by \$68.5 million. This increase was primarily due to the \$65.1 million increase in contributions from federal and state governments as well as a decrease in loan and grant capital disbursements.

The current asset of loans receivable increased by \$13.7 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 \$12.5 million and \$1.2 million, respectively.

The restricted current asset of cash and cash equivalents increased by \$5.9 million. This increase was due to an increase in the 3rd quarter BRF fee revenue collected in FY 21 compared to FY20 due to the COVID-19 pandemic and the extended due date for this fee.

The restricted current asset of BRF fee receivable decreased by \$11.0 million. This decrease is attributable to the low 4th quarter fee revenue receivable compared to FY20 receivable which included 3rd quarter fees which were not remitted in the 3rd quarter due to the COVID-19 filing extension.

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 unrestricted loans receivable increased by \$90.5 million from new WQRLF and DWRLF direct loans. The noncurrent restricted loans receivable decreased by \$28.2 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 \$26.4 million. This decrease is due to scheduled debt payments.

Restricted net position increased \$139.0 million. The net position restricted for grants, new loans, and debt service increased \$92.4 million, \$35.6 million, and \$11.0 million for the WQRLF and DWRLF and BRF, respectively.

The total unrestricted net position increased by \$24.3 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, 2022 AND 2021**

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, 2022, 2021, and 2020
(Millions of Dollars)**

	2022	2021	2020	Increase (Decrease) Difference	
				FY 22-21	FY 21-20
Current Assets					
Cash and Cash Equivalents	\$ 298.0	\$ 332.5	\$ 264.0	\$ (34.5)	\$ 68.5
Investments	-	-	-	-	-
Receivables:					
Loans	97.1	89.3	75.6	7.8	13.7
BRF Fees	2.5	1.9	2.9	0.6	(1.0)
Other	13.5	13.5	12.8	-	0.7
Current Restricted Assets					
Cash and Cash Equivalents	29.7	15.2	9.3	14.5	5.9
Receivables:					
BRF Fees	27.7	23.8	34.8	3.9	(11.0)
Loans	23.9	28.2	32.1	(4.3)	(3.9)
Other	0.4	0.6	0.7	(0.2)	(0.1)
Total Current Assets	<u>492.8</u>	<u>505.0</u>	<u>432.2</u>	<u>(12.2)</u>	<u>72.8</u>
Noncurrent Assets					
Investments	5.8	6.6	7.0	(0.8)	(0.4)
Loans Receivable	1,586.3	1,457.8	1,367.3	128.5	90.5
Other	0.0	0.0	0.1	-	(0.1)
Noncurrent Restricted Assets					
Loans Receivable	64.2	88.1	116.3	(23.9)	(28.2)
Total Noncurrent Assets	<u>1,656.3</u>	<u>1,552.5</u>	<u>1,490.7</u>	<u>103.8</u>	<u>61.8</u>
Total Assets	<u>\$ 2,149.1</u>	<u>\$ 2,057.5</u>	<u>\$ 1,922.9</u>	<u>\$ 91.6</u>	<u>\$ 134.6</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2022 AND 2021**

Statements of Net Position (Continued)

**Comparative Condensed Statements of Net Position (Continued)
June 30, 2022, 2021, and 2020
(Millions of Dollars)**

	2022	2021	2020	Increase (Decrease) Difference	
				FY 22-21	FY 21-20
Current Liabilities					
Accounts Payable and Accruals	\$ 0.5	\$ 0.5	\$ 0.5	\$ -	\$ -
Revenue Bonds	27.6	26.4	25.1	1.2	1.3
Bond Premium - Current	2.0	2.7	3.4	(0.7)	(0.7)
Accrued Interest on Bonds	1.9	2.0	2.3	(0.1)	(0.3)
Total Current Liabilities	<u>32.0</u>	<u>31.6</u>	<u>31.3</u>	<u>0.4</u>	<u>0.3</u>
Noncurrent Liabilities					
Compensated Absences	0.4	0.4	0.3	-	0.1
Revenue Bonds	168.1	195.7	222.1	(27.6)	(26.4)
Bond Premium - Noncurrent	2.3	4.4	7.0	(2.1)	(2.6)
Total Noncurrent Liabilities	<u>170.8</u>	<u>200.5</u>	<u>229.4</u>	<u>(29.7)</u>	<u>(28.9)</u>
Total Liabilities	<u>202.8</u>	<u>232.1</u>	<u>260.7</u>	<u>(29.3)</u>	<u>(28.6)</u>
Net Position					
Net Investment in Capital Assets	0.0	0.0	0.1	-	(0.1)
Restricted	2,126.5	2,031.0	1,892.0	95.5	139.0
Unrestricted Deficit	<u>(180.2)</u>	<u>(205.6)</u>	<u>(229.9)</u>	<u>25.4</u>	<u>24.3</u>
Total Net Position	<u>\$ 1,946.3</u>	<u>\$ 1,825.4</u>	<u>\$ 1,662.2</u>	<u>\$ 120.9</u>	<u>\$ 163.2</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2022 AND 2021**

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, 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.

For fiscal year ended June 30, 2021:

There was a decrease of \$23.5 million in fee revenue. This decrease was due to the pandemic and lower water usage.

There was a decrease of \$11.0 million in capital grant disbursements. The WQRLF and DWRLF had increases totaling \$5.7 million and \$2.0 million, respectively while the BRF program had a decrease in capital grant disbursements of 18.7 million. These changes reflect normal fluctuations in construction project draws.

There was a decrease of \$4.6 million in investment income as a result of lower interest rates.

There was an increase of \$65.1 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. The WQRLF and DWRLF had increases in contributions from Federal and State governments totaling \$45.7 million and \$19.4 million, respectively.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2022 AND 2021**

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, 2022, 2021, and 2020
(Millions of Dollars)**

	2022	2021	2020	Increase (Decrease) Difference	
				FY 22-21	FY 21-20
Operating Revenue					
Interest on Loans	\$ 15.2	\$ 15.0	\$ 14.4	\$ 0.2	\$ 0.6
Loan Administrative Fee	6.4	6.9	6.2	(0.5)	0.7
Fee Revenue	137.9	115.1	138.6	22.8	(23.5)
Grant Revenue (Set-Asides Only)	5.1	3.7	3.5	1.4	0.2
Misc and Other Grant Revenue	-	0.6	0.2	(0.6)	0.4
Total Operating Revenue	164.6	141.3	162.9	23.3	(21.6)
Operating Expenses					
Salaries and Related Benefits	10.7	11.6	8.9	(0.9)	2.7
Transfers Out (Set-Asides)	5.1	3.7	3.5	1.4	0.2
Capital Grant Disbursements	90.9	84.1	95.1	6.8	(11.0)
General and Other Costs	2.8	2.9	2.7	(0.1)	0.2
Total Operating Expenses	109.5	102.3	110.2	7.2	(7.9)
Operating Income	55.1	39.0	52.7	16.1	(13.7)
Nonoperating Revenue and Expenses					
Investment Income	1.5	1.1	5.7	0.4	(4.6)
Interest on Bonds	(6.0)	(6.6)	(7.0)	0.6	0.4
FMV Investment Adjustment	(0.2)	(0.1)	0.2	(0.1)	(0.3)
Contributions from Federal and State Governments	70.5	129.8	64.7	(59.3)	65.1
Total Nonoperating Revenue and Expenses	65.8	124.2	63.6	(58.4)	60.6
Change in Net Position	120.9	163.2	116.3	(42.3)	46.9
Net Position - Beginning of Year	1,825.4	1,662.2	1,545.9	163.2	116.3
Net Position - End of Year	\$ 1,946.3	\$ 1,825.4	\$ 1,662.2	\$ 120.9	\$ 163.2

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2022 AND 2021**

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, 2022, 2021, and 2020, are presented in the following table:

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash from:			
Operating Activities	\$ (57,382,296)	\$ (21,529,107)	\$ (160,312,531)
Noncapital Financing Activities	35,263,242	94,571,439	29,429,069
Investment Activities	<u>2,040,841</u>	<u>1,328,112</u>	<u>6,088,007</u>
Net Change in Cash	(20,078,213)	74,370,444	(124,795,455)
Cash - Beginning of Year	<u>347,663,466</u>	<u>273,293,022</u>	<u>398,088,477</u>
Cash - End of Year	<u><u>\$ 327,585,253</u></u>	<u><u>\$ 347,663,466</u></u>	<u><u>\$ 273,293,022</u></u>

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.

During fiscal year 2021, cash used by operating activities totaled (\$21,529,107), cash provided by noncapital financing activities totaled \$94,571,439, and cash provided by investing activities totaled \$1,328,112 for an overall increase in cash of \$74,370,444 compared to a decrease of \$124,795,455 in fiscal year 2020. 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 two 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, 2022 AND 2021**

Capital Assets

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

	Capital Assets Years Ended June 30,		
	2022	2021	2020
Vehicles	\$ 202,016	\$ 202,016	\$ 202,016
Accumulated Depreciation	(192,791)	(175,779)	(156,244)
Net Capital Assets	\$ 9,225	\$ 26,237	\$ 45,772

During fiscal year ending June 30, 2022, capital asset activity was limited to current year depreciation expense of \$17,012. During fiscal year ending June 30, 2021, capital asset activity was limited to current year depreciation expense of \$19,535.

Debt Administration

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.

As of June 30, 2021, the Administration had \$222.1 million of bonds payable outstanding. The decrease of \$25.1 million from June 30, 2020, 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 2008, 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, 2022 AND 2021**

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, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 297,947,953	\$ 332,443,720
Investments	8,652	36,000
Receivables:		
Investment Interest	26,123	34,160
Loans	97,142,703	89,278,447
Loan Interest	7,076,573	6,640,897
BRF Fee	2,519,591	1,933,204
Administrative Fee	6,400,648	6,857,183
Current Restricted Assets:		
Cash and Cash Equivalents	29,637,300	15,219,746
Receivables:		
BRF Fee	27,711,118	23,779,092
Loans	23,921,342	28,194,690
Loan Interest	403,132	562,019
Total Current Assets	492,795,135	504,979,158
Noncurrent Assets:		
Investments	5,824,036	6,614,375
Loans Receivable	1,586,253,419	1,457,756,091
Capital Assets, Net	9,225	26,237
Noncurrent Restricted Assets:		
Loans Receivable	64,186,193	88,107,535
Total Noncurrent Assets	1,656,272,873	1,552,504,238
Total Assets	\$ 2,149,068,008	\$ 2,057,483,396
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 25,700	\$ 26,300
Compensated Absences - Current	443,635	443,458
Revenue Bonds Payable	27,605,000	26,375,000
Bond Premium - Current	2,060,979	2,680,136
Accrued Interest on Bonds Payable	1,866,060	2,068,540
Total Current Liabilities	32,001,374	31,593,434
Noncurrent Liabilities:		
Compensated Absences - Noncurrent	393,521	404,702
Revenue Bonds Payable	168,135,000	195,740,000
Bond Premium - Noncurrent	2,293,681	4,354,661
Total Noncurrent Liabilities	170,822,202	200,499,363
Total Liabilities	202,823,576	232,092,797
NET POSITION		
Net Investment in Capital Assets	9,225	26,237
Restricted	2,126,501,844	2,030,957,984
Unrestricted Deficit	(180,266,637)	(205,593,622)
Total Net Position	\$ 1,946,244,432	\$ 1,825,390,599

See accompanying Notes to Financial Statements.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
OPERATING REVENUE		
Interest on Loans	\$ 15,202,009	\$ 14,955,156
Loan Administration Fees	6,408,461	6,865,194
Fee Revenue	137,924,632	115,076,951
Grant and Misc Revenue	5,056,860	4,358,622
Total Operating Revenue	164,591,962	141,255,923
OPERATING EXPENSES		
Salaries and Related Benefits	10,669,582	11,581,059
General	2,837,732	2,914,987
Capital Grant Disbursements	90,925,431	84,092,381
Other	5,041,360	3,711,046
Total Operating Expenses	109,474,105	102,299,473
OPERATING INCOME	55,117,857	38,956,450
NONOPERATING REVENUE (EXPENSES)		
Investment Income	1,485,026	1,084,414
Interest Expense on Bonds	(6,003,140)	(6,561,052)
Net Unrealized Loss on Investments	(269,910)	(85,020)
Federal Government Contributions	58,767,000	106,303,440
State of MD Required Match to Federal Grant	11,757,000	23,538,200
Total Nonoperating Revenues	65,735,976	124,279,982
CHANGE IN NET POSITION	120,853,833	163,236,432
Net Position - Beginning of Year	1,825,390,599	1,662,154,167
NET POSITION - END OF YEAR	\$ 1,946,244,432	\$ 1,825,390,599

See accompanying Notes to Financial Statements.

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
BRF Fee and Other Receipts	\$ 138,463,079	\$ 131,413,493
Grant Disbursements	(90,925,431)	(84,092,381)
Salaries and Benefits Paid	(10,680,586)	(11,504,897)
General and Other Expenses Paid	(7,862,680)	(6,606,198)
Loan Repayments	117,956,406	107,659,751
Loan Disbursements	(226,123,300)	(179,712,171)
Interest and Fees Received from Borrowers	21,790,216	21,313,296
Net Cash Used by Operating Activities	(57,382,296)	(21,529,107)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal Government	58,767,000	106,303,440
State of MD Required Match to Federal Grant	11,757,000	23,538,200
Repayment of Bonds	(26,375,000)	(25,130,000)
Interest on Bonds	(8,885,758)	(10,140,201)
Net Cash Provided by Noncapital Financing Activities	35,263,242	94,571,439
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(150,000)
Interest on Investment Securities	1,493,064	1,084,604
Proceeds from Sale of Investments and Maturities of Investments	547,777	393,508
Net Cash Provided by Investing Activities	2,040,841	1,328,112
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(20,078,213)	74,370,444
Cash and Cash Equivalents - Beginning of Year	347,663,466	273,293,022
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 327,585,253	\$ 347,663,466
RECONCILIATION OF CASH FLOWS TO STATEMENT OF NET POSITION		
Cash and Cash Equivalents, Unrestricted	\$ 297,947,953	\$ 332,443,720
Cash and Cash Equivalents, Restricted	29,637,300	15,219,746
Total	\$ 327,585,253	\$ 347,663,466
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income	\$ 55,117,857	\$ 38,956,450
Depreciation of Capital Assets	17,012	19,535
Changes in Operating Assets and Liabilities:		
Loans Receivable	(108,166,894)	(72,052,420)
Loan Interest Receivable	(276,789)	123,464
Administrative Fee and BRF Fee Receivables	(4,061,878)	11,347,402
Accounts Payable and Other Liabilities	(11,604)	76,462
Net Cash Used by Operating Activities	\$ (57,382,296)	\$ (21,529,107)

See accompanying Notes to Financial Statements.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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, 2022, 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, 2022 AND 2021**

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, 2022 and 2021.

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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021, 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, 2022 AND 2021

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, 2022, 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, 2022 AND 2021

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>2022</u>	<u>2021</u>
Cash Held by State Treasury Office	<u>\$ 327,585,253</u>	<u>\$ 347,663,466</u>
Total Cash and Cash Equivalents	<u>\$ 327,585,253</u>	<u>\$ 347,663,466</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, 2022, the Administration has 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	\$ -
Certificates of Deposit - Linked Deposits	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 have the following quality ratings as of June 30, 2022:

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

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.

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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, 2022:

	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	\$ -

As of June 30, 2021, 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	\$ 3,162,510	\$ -	\$ 3,162,510	\$ -
Certificates of Deposit - Linked Deposits	3,487,865	36,000	17,795	3,434,070
Total Investments	<u>\$ 6,650,375</u>	<u>\$ 36,000</u>	<u>\$ 3,180,305</u>	<u>\$ 3,434,070</u>

In addition, the Administration's investments had the following quality ratings as of June 30, 2021:

Investment Types	Fair Value	Concentration ¹	Rating	Rating Organization
Linked Deposits - Farm Credit AG Bonds	\$ 3,162,510	48%	Aaa	Moody
Certificates of Deposit - Linked Deposits	3,487,865	52%	N/A	N/A
Total Investments	<u>\$ 6,650,375</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 2022 and 2021, the Administration's investments were Linked Deposit CDs and Bonds, as well as U.S. Treasury Bills and Notes.*

As of June 30, 2021, 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	\$ 3,162,510	\$ -	\$ 3,162,510	\$ -

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, 2022 and 2021.

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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.

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 LOANS RECEIVABLE (CONTINUED)

As of June 30, 2022 and 2021, the Administration's lending commitments and outstanding balances under the WQRLF to specific governmental entities within the State are detailed as follows:

WQRLF Borrower	2022			2021		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2021
Aberdeen , City of	\$ 9,329,266	\$ -	\$ 4,290,711	\$ 9,329,266	\$ -	\$ 4,715,452
Allegany County	24,795,038	-	6,882,506	23,679,030	-	6,988,507
Annapolis, City of	1,591,479	-	-	1,591,479	-	-
Anne Arundel County	110,248,627	-	36,070,728	113,446,894	4,921,584	38,788,168
Ashton Park Community Association	408,470	-	173,236	408,470	-	193,934
Baltimore City	705,587,645	32,082,631	419,711,431	705,690,894	97,806,592	379,236,998
Baltimore County	481,938,123	19,841,711	298,309,352	481,938,123	47,352,099	286,828,683
Bel Air, Town of	101,686	-	-	101,686	-	-
Berlin, Town of	3,207,000	-	1,915,001	3,207,000	-	2,080,912
Betterton, Town of	93,559	-	5,681	93,559	-	11,339
Boonsboro, Town of	2,127,984	-	14,640	2,127,984	-	21,851
Bowie, City of	4,154,565	-	882,692	4,154,565	-	984,488
Brunswick, City of	1,690,570	-	54,562	1,690,570	-	81,680
Calvert County	18,343,759	-	1,748,090	18,343,759	-	2,277,331
Cambridge, City of	12,440,864	-	642,552	12,440,864	-	705,587
Canton Crossing	3,711,142	-	761,142	3,711,142	-	961,142
Caroline County	230,999	-	208,142	230,999	-	219,610
Carroll County	12,074,030	-	-	12,074,030	-	-
Cecil County	43,197,704	-	17,722,476	43,197,704	-	20,020,952
Centreville	3,878,064	-	498,210	3,878,064	-	613,825
Charles County	23,358,722	-	3,241,937	23,358,722	-	4,028,539
Chesapeake Beach, Town of	9,491,864	-	4,300,840	9,491,864	-	4,809,555
Chestertown, Town of	3,955,893	-	734,175	3,955,893	-	909,866
Clearspring, Town of	72,705	-	-	72,705	-	-
Crisfield, City of	1,169,458	-	412,353	1,169,458	-	465,121
Cumberland, City of	13,356,339	156,740	4,150,449	13,356,339	156,740	4,481,202
Delmar, Town of	276,040	-	-	276,040	-	-
Denton, Town of	3,712,346	-	1,469,885	3,712,346	-	1,634,339
Easton, Town of	21,852,648	-	7,394,732	21,852,648	-	8,685,866
Elkton, Town of	21,395,474	-	6,247,412	21,395,474	-	7,370,111
Emmitsburg	600,000	-	-	600,000	-	-
Federalsburg, Town of	3,479,097	-	1,245,664	3,479,097	-	1,430,822
Frederick, City of	54,044,950	-	33,702,116	54,044,950	-	36,401,242
Frederick County	113,637,450	-	40,004,612	113,637,450	-	44,196,214
Frostburg, City of	739,788	-	262,966	739,788	-	285,894
Fruitland, City of	4,919,475	-	1,084,474	4,919,475	-	1,232,768
Funkstown, Town of	1,875,221	-	299,185	1,875,221	-	414,630
Galena, Town of	112,219	-	-	112,219	-	-
Garrett County	1,970,000	-	-	1,970,000	-	-
Garrett County Sanitary District	2,635,641	-	4,391	2,635,641	-	38,709
Grantsville, Town of	16,891	-	-	16,891	-	-
Greenbelt, City of	1,854,010	-	1,675,165	1,854,010	-	1,764,766
Greensboro, Town of	443,345	-	-	443,345	-	-
Hagerstown, City of	22,102,169	-	4,607,493	22,102,169	-	5,431,659
Hancock, Town of	797,062	-	-	797,062	-	-
Harford County	69,535,228	-	-	69,535,228	-	-
Havre De Grace, City of	28,996,682	-	11,134,634	28,996,682	-	12,569,777
Hebron, Town of	195,729	-	52,869	195,729	-	64,774
Howard County	91,534,729	-	3,972,056	91,534,729	-	7,582,423
Hurlock, Town of	3,626,240	-	726,292	3,626,240	-	892,766
Indian Head, Town of	4,603,656	-	251,084	4,603,656	-	434,280
Kent County	7,394,107	-	1,614,271	7,394,107	-	1,939,469
La Plata, Town of	12,972,019	-	2,833,254	12,972,019	-	3,561,212
Leonardtown, Town of	9,082,233	-	5,867,942	9,082,233	-	6,206,102
MD Envir Services	6,014,121	-	887,124	6,014,121	-	1,115,354
Middletown, Town of	3,970,639	-	-	3,970,639	-	-
Millington, Town of	42,000	-	-	42,000	-	-
Montgomery County	50,645,948	31,451,343	15,232,345	50,677,320	42,842,195	6,003,663
Mountain Lake Park	770,287	-	89,860	770,287	-	112,101
Mount Airy	3,523,087	-	-	3,523,087	-	-

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 LOANS RECEIVABLE (CONTINUED)

WQRLF Borrower	2022			2021		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2021
Myersville	\$ 1,259,983	\$ -	\$ -	\$ 1,259,983	\$ -	\$ -
New Windsor	3,858,474	-	291,737	3,858,474	-	324,152
North Beach	3,621,861	-	1,311,763	3,621,861	-	1,457,453
Oakland, Town of	892,046	-	47,561	892,046	-	59,333
Oxford, Town of	45,402	-	-	45,402	-	-
Perryville, Town of	5,923,965	-	2,302,256	5,923,965	-	2,622,465
Pocomoke City	851,579	-	121,768	851,579	-	166,515
Poolesville, Town of	\$5,658,051	-	\$1,548,760	\$5,658,051	-	\$1,739,546
Preston, Town of	1,129,870	45,797	1,016,858	1,129,870	108,490	987,908
Prince George's County	69,738,580	-	43,652,853	69,738,580	1,440,695	43,639,989
Queen Anne's County	56,993,653	-	33,291,257	59,557,969	4,587,730	33,165,935
Ridgely, Town of	1,598,297	-	585,056	1,598,297	-	670,910
Rising Sun, Town of	1,010,437	-	-	1,010,437	-	-
Rockville, City of	2,300,633	-	612,710	2,300,633	-	735,444
Salisbury, City of	84,408,346	4,500	47,174,094	84,408,346	90,000	49,685,049
Sharptown	170,925	-	94,220	170,925	-	103,949
Snow Hill, Town of	1,358,420	-	437,069	1,358,420	-	476,493
Somerset County	2,151,215	-	-	2,151,215	-	-
Somerset County Sanitary District	187,031	-	-	187,031	-	-
St. Mary's County	7,447,625	-	-	7,447,625	-	-
St. Mary's Metropolitan Comm.	48,730,782	-	26,434,511	49,144,853	1,012,669	27,856,544
Talbot County	9,975,333	-	2,392,542	9,975,333	-	2,912,310
Taneytown, City of	6,477,722	-	-	6,477,722	-	-
Thurmont	10,153,303	-	4,031,920	10,153,303	-	4,368,374
Union Bridge	142,000	-	-	142,000	-	8,737
Washington County	41,709,193	-	6,400,281	41,709,193	-	8,400,156
Washington Co Sanitary District	20,387,427	-	-	20,387,427	-	-
Westernport	1,030,992	-	-	1,030,992	-	29,177
Westminster, City of	29,318,055	8,827,385	18,779,090	29,318,055	14,239,578	13,366,897
Wicomico County	2,929,876	-	-	2,929,876	-	-
Willards	433,599	-	133,734	433,599	-	155,713
Williamsport, Town of	684,538	-	189,953	684,538	-	234,916
WSSC	689,342,352	147,641,952	317,454,830	693,602,259	204,543,992	282,985,021
Worcester County	12,181,526	22,637	1,112,116	12,181,526	365,303	1,067,258
Loan Total	3,164,029,177	\$ 240,074,696	\$ 1,452,807,671	3,173,484,351	\$ 419,467,667	\$ 1,386,013,927
Grant/Loan Forgiveness	105,794,712	-	-	104,742,161	-	-
Total Commitment	\$ 3,269,823,889	-	-	\$ 3,278,226,512	-	-

The current portion of WQRLF loans receivable as of June 30, 2022 and 2021, was \$106,502,785 and \$103,107,874, respectively. Also, the outstanding balance of loans receivable is made up of \$88,107,535 pledged loans (2008 indenture) and \$1,364,700,136 nonpledged direct loans. During fiscal years 2022 and 2021, there were no defaults or delinquencies.

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 LOANS RECEIVABLE (CONTINUED)

As of June 30, 2022 and 2021, the Administration's lending commitments under the DWRLF to specific governmental entities within the State are detailed as follows:

DWRLF Borrower	2022			2021		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2021
Allegany County	\$ 1,370,580	\$ -	\$ 1,218,270	\$ 576,082	\$ -	\$ 446,770
Annapolis, City of	28,500,000	-	22,747,863	28,500,000	-	23,727,984
Anne Arundel County	6,816,718	-	3,756,985	6,816,718	-	3,999,309
Baltimore City	174,850,823	20,405,709	137,742,078	174,850,823	55,442,741	106,280,662
Baltimore County	125,529,904	36,200,083	69,372,380	125,529,904	51,362,685	57,534,689
Beaches Water Co.	464,713	-	262,834	464,713	-	281,816
Betterton, Town of	43,483	-	2,640	43,483	-	5,270
Boonsboro, Town of	1,662,639	-	105,749	1,662,639	-	125,055
Bowie, City of	1,677,500	-	-	1,677,500	-	-
Brunswick, City of	359,975	-	73,142	359,975	-	95,042
Calvert County	4,268,998	621,947	2,846,359	4,268,998	1,102,498	2,566,976
Cecilton, Town of	968,323	-	466,331	968,323	-	498,653
Centreville, Town of	912,870	-	-	912,870	-	-
Chesapeake City, Town of	125,955	-	71,302	125,955	-	77,570
Chesterton, Town of	1,765,422	-	258,624	1,765,422	-	355,580
Clear Spring, Town of	1,260,531	-	381,629	1,260,531	-	434,997
Cumberland, City of	11,368,973	1,204,684	4,416,773	9,818,975	-	4,453,335
Denton, Town of	633,388	558,606	74,782	-	-	-
Dorchester County	52,778	-	-	52,778	-	-
East New Market	368,150	-	212,027	368,150	-	232,650
Emmitsburg, Town of	1,582,762	-	141,978	1,582,762	-	187,289
Fahrney Keedy	500,000	-	-	500,000	-	-
Federalsburg, Town of	2,150,055	319,175	457,146	1,830,880	-	551,593
Frederick County	10,831,168	-	132,150	10,831,168	-	141,057
Frostburg, City of	337,500	-	219,789	337,500	-	237,060
Fruitland, Town of	1,214,218	243,615	932,987	1,214,218	243,615	970,603
Funkstown, Town of	139,711	-	126,002	139,711	-	130,608
Garrett Co Sanitary Distr	388,653	-	121,905	388,653	-	140,014
Grantsville, Town of	224,283	-	13,220	224,283	-	14,499
Hagerstown, City of	28,262,983	-	14,706,581	28,262,983	-	15,725,473
Hampstead, Town of	722,587	-	-	722,587	-	-
Independence Village	44,902	-	-	44,902	-	-
La Plata, Town of	499,150	-	276,246	499,150	-	300,781
Lonaconing, Town of	2,628,933	1,653,365	798,326	843,046	-	696,570
Manchester	400,000	-	22,933	400,000	-	45,640
Martingham Utilities Coop	594,700	-	321,100	594,700	-	340,813
MD American Water Co	3,826,013	-	3,750,305	3,826,013	-	3,816,013
Myersville, Town of	467,842	-	-	467,842	-	-
New Windsor, Town of	1,927,731	-	-	1,927,731	-	516,809
North East, Town of	19,048,711	-	9,055,028	19,048,711	-	9,656,784
Oakland, Town of	3,640,938	-	2,700,928	\$3,640,938	-	\$2,828,361
Oxford, Town of	1,559,578	73,819	843,289	1,559,578	666,393	321,326
Perryville, Town of	11,534,299	-	6,302,492	11,534,299	-	6,714,570
Pittsville, Town of	86,166	-	33,511	86,166	-	37,829
Pocomoke City	17,214	-	9,602	17,214	-	10,475
Port Deposit, Town of	291,760	-	-	291,760	-	-
Queenstown, Town of	489,139	-	282,251	489,139	-	307,228
Rising Sun, Town of	1,698,717	-	615,334	1,698,717	-	678,107
Rock Hall, Town of	1,269,501	103,991	604,820	1,269,501	249,318	506,756
Rockville, City of	8,122,000	-	208,036	8,122,000	-	412,193
Salisbury, City of	1,513,160	-	1,069,011	1,513,160	-	1,120,148
Secretary, Town of	149,408	-	24,410	149,408	-	32,531
Sharptown, Town of	122,299	-	66,741	122,299	-	74,893
Smithsburg, Town of	884,416	-	793,048	884,416	-	823,717
Somerset Co Sanitary Distr.	96,204	3,246	74,825	96,204	64,204	14,933
St. Mary's Co-Metcom	18,333,985	1,586,992	11,359,441	16,276,920	440,640	11,180,396
St. Michaels, Town of	1,481,752	-	715,112	1,481,752	-	787,298
Taneytown, City of	4,011,000	-	1,796,868	4,011,000	-	2,014,422

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 3 LOANS RECEIVABLE (CONTINUED)

DWRLF Borrower	2022			2021		
	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2022	Total Commitment	Commitment Outstanding	Outstanding Balance June 30, 2021
Thurmont, Town of	\$ 2,243,740	\$ -	\$ -	\$ 2,243,740	\$ -	\$ -
Trappe, Town of	491,155	136,330	339,383	491,155	440,981	50,174
Union Bridge, Town of	775,499	-	297,201	775,499	-	324,684
Walkersville, Town of	6,810,655	-	6,378,082	7,271,545	1,011,023	6,045,098
Westernport, Town of	3,008,026	-	2,545,607	3,008,026	-	2,603,472
Westminister, City of	15,535,902	-	4,134,024	15,535,902	-	4,979,493
Wicomico Co	2,830,382	1,236,536	1,593,846	-	-	-
Williamsport, Town of	660,695	-	583,361	660,695	-	602,695
Worcester County	367,063	-	143,791	367,063	-	163,448
WSSC	135,049	-	95,508	135,049	-	100,625
Loan Total	526,953,327	64,348,098	318,695,986	517,443,824	111,024,098	277,322,836
Grant/Loan Forgiveness	73,576,377	-	-	70,160,152	-	-
Total Commitment	\$ 600,529,704	-	-	\$ 587,603,976	-	-

The current portion of DWRLF loans receivable as of June 30, 2022 and 2021 was \$14,561,260 and \$14,365,263, respectively. During fiscal years 2022 and 2021, 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:

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

	2021				
	Balance June 30, 2020	Increases	Decreases	Depreciation	Balance June 30, 2021
Vehicles	\$ 202,016	\$ -	\$ -	\$ -	\$ 202,016
Accumulated Depreciation	156,244	-	-	19,535	175,779
Net	\$ 45,772	\$ -	\$ -	\$ 19,535	\$ 26,237

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022, is summarized below:

	Loan Amount	ITD Principal Payments	Principal Balance	Annual Repayment
Town of Boonsboro	\$ 310,000	\$ 279,000	\$ 31,000	\$ 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:

	2022	2021
Water Quality RLF		
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.	\$ 9,495,000	\$ 12,400,000
Total Bonds Payable for Clean Water RLF	9,495,000	12,400,000
Bay Restoration Fund		
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	8,615,000
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.	57,985,000	64,900,000
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.	123,850,000	136,200,000
Total Bonds Payable for BRF	186,245,000	209,715,000
Total Bonds Payable for all Indentured Series - CWRLF and BRF	195,740,000	222,115,000
Less: Current Portion Bonds Payable	27,605,000	26,375,000
Noncurrent Bonds Payable	\$ 168,135,000	\$ 195,740,000

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 REVENUE BONDS PAYABLE (CONTINUED)

As of June 30, 2022, there were four series of Serial Bonds outstanding as follows:

Series	Current Bonds Payable Due March 1, 2023	Noncurrent Bonds Payable	Years Remaining	Final Payment Due Date
Water Quality RLF:				
2016	\$ 2,965,000	\$ 6,530,000	3	March 1, 2025
Bay Restoration Fund:				
2008	\$ 4,410,000	\$ -	1	March 1, 2023
2014	7,260,000	50,725,000	7	March 1, 2029
2015	12,970,000	110,880,000	8	March 1, 2030
Total BRF	<u>\$ 24,640,000</u>	<u>\$ 161,605,000</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, 2022, were as follows:

	Principal	Interest	Total
Water Quality RLF:			
2023	\$ 2,965,000	\$ 474,750	\$ 3,439,750
2024	3,110,000	326,500	3,436,500
2025	3,420,000	171,000	3,591,000
Total WQRLF	<u>9,495,000</u>	<u>972,250</u>	<u>10,467,250</u>
Bay Restoration Fund:			
2023	24,640,000	7,184,408	31,824,408
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
2028-2030	70,375,000	4,168,075	74,543,075
Total BRF	<u>186,245,000</u>	<u>28,984,243</u>	<u>215,229,243</u>
Total Payable All Series	<u>\$ 195,740,000</u>	<u>\$ 29,956,493</u>	<u>\$ 225,696,493</u>

As of June 30, 2022 and 2021, 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
JUNE 30, 2022 AND 2021

NOTE 7 SCHEDULES OF CHANGES IN NONCURRENT LIABILITIES

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

<u>Bond Series and Program</u>	<u>Beginning Balance June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
2016 Water Quality RLF:					
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>
2008, 2014, 2015					
Bay Restoration Fund					
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
Compensated Absences by Fund:					
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>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 SCHEDULES OF CHANGES IN NONCURRENT LIABILITIES (CONTINUED)

Changes in noncurrent liabilities for the year ended June 30, 2021, were as follows:

Bond Series and Program	Beginning Balance June 30, 2020	Additions	Reductions	Ending Balance June 30, 2021	Amounts Due Within One Year
2016 Water Quality RLF:					
Unamortized Premium	\$ 1,289,465	\$ -	\$ 397,679	\$ 891,786	\$ 307,528
Revenue Bonds Payable	15,170,000	-	2,770,000	12,400,000	2,905,000
Total WQ 2016 Series	<u>16,459,465</u>	<u>-</u>	<u>3,167,679</u>	<u>13,291,786</u>	<u>3,212,528</u>
2008, 2014, 2015					
Bay Restoration Fund					
Unamortized Premium	9,146,765	-	3,003,754	6,143,011	2,372,608
Revenue Bonds Payable	232,075,000	-	22,360,000	209,715,000	23,470,000
Total BRF 2008, 2014, and 2015 Series	<u>241,221,765</u>	<u>-</u>	<u>25,363,754</u>	<u>215,858,011</u>	<u>25,842,608</u>
Total All Bond Series and Program	257,681,230	-	28,531,433	229,149,797	29,055,136
Compensated Absences by Fund:					
Water Quality	530,028	301,495	272,167	559,356	301,495
Drinking Water	56,795	34,574	28,869	62,500	34,574
BRF - Wastewater	128,343	49,904	62,839	115,408	49,904
BRF - Septic	56,832	57,485	3,421	110,896	57,485
Total Compensated Absences	<u>771,998</u>	<u>443,458</u>	<u>367,296</u>	<u>848,160</u>	<u>443,458</u>
Total	<u>\$ 258,453,228</u>	<u>\$ 443,458</u>	<u>\$ 28,898,729</u>	<u>\$ 229,997,957</u>	<u>\$ 29,498,594</u>

The Administration had no pending workers' compensation claims as of June 30, 2022 and 2021.

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 \$2,317,849 and \$255,828 for the fiscal years ended 2022 and 2021, respectively.

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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, 2022, the Wastewater Fund received cash deposits from the Maryland Comptroller's Office totaling \$115,379,551, which earned investment interest of \$707,509 for capital projects and \$763 for the 2008 indenture. Similarly, the Septic Fund (60.0% of septic fees) received cash deposits of \$18,026,668 which earned investment interest of \$49,842. 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 \$64,956,071, for the wastewater treatment plant and sewer upgrades, and \$17,745,419 for septic system projects for fiscal year 2022. Wastewater Fund and Septic Fund fee revenue receivables as of June 30, 2022 and 2021 were \$28,133,115 and \$2,097,594, and \$24,141,210 and \$1,571,086, respectively.

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

Grants	2022			2021		
	BRF Grant Award	Cumulative Grant Disbursements	Remaining Grant Balance June 30, 2022	BRF Grant Award	Cumulative Grant Disbursements	Remaining Grant Balance June 30, 2021
BRF Wastewater Fund						
ENR Major WWTP	\$ 1,302,472,705	\$1,218,902,052	\$ 83,570,653	\$ 1,302,834,226	\$1,205,319,369	\$ 97,514,857
Sewer (Pre FY10)	19,711,306	19,711,306	-	19,711,306	19,711,306	-
O&M to WWTP	46,749,609	46,749,609	-	35,749,610	35,749,610	-
Nutrient Reduction (CWCA)	24,409,300	6,256,476	18,152,824	24,409,300	3,019,689	21,389,611
CBT-Urban Tree Program	10,000,000	-	10,000,000	-	-	-
Expanded Uses :						
ENR Minor WWTP	65,955,070	52,593,626	13,361,444	61,625,180	44,793,057	16,832,123
Sewer Rehab/Extensions	180,830,518	132,082,512	48,748,006	152,429,983	105,119,380	47,310,603
Septic Systems	2,940,900	2,366,120	574,780	2,940,900	1,334,737	1,606,163
Stormwater BMP	2,382,062	2,279,039	103,023	2,390,993	937,521	1,453,472
Total BRF WW Grants	\$ 1,655,451,470	\$ 1,480,940,740	\$ 174,510,730	\$ 1,602,091,498	\$ 1,415,984,669	\$ 186,106,829
BRF Septic Fund						
Capital Projects	\$ 197,339,090	\$ 188,620,128	\$ 8,718,962	\$ 182,338,899	\$ 172,331,709	\$ 10,007,190
HB12 Admin	11,172,000	11,172,000	-	9,715,000	9,715,000	-
Total BRF Septic Grants	\$ 208,511,090	\$ 199,792,128	\$ 8,718,962	\$ 192,053,899	\$ 182,046,709	\$ 10,007,190

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 2022, 2021, or 2020.

SUPPLEMENTARY INFORMATION

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 147,243,700	\$ 3,045,407	\$ 147,658,846	\$ 297,947,953	\$ 163,041,096	\$ 22,958,325	\$ 146,444,299	\$ 332,443,720
Investments	8,652	-	-	8,652	36,000	-	-	36,000
Receivables:								
Investment Interest	26,123	-	-	26,123	34,160	-	-	34,160
Loans	82,581,443	14,561,260	-	97,142,703	74,913,184	14,365,263	-	89,278,447
Loan Interest	5,881,594	1,194,979	-	7,076,573	5,643,828	997,069	-	6,640,897
BRF Fee	-	-	2,519,591	2,519,591	-	-	1,933,204	1,933,204
Administrative Fee	5,521,702	878,946	-	6,400,648	5,963,188	893,995	-	6,857,183
Current Restricted Assets:								
Cash and Cash Equivalents	-	-	29,637,300	29,637,300	-	-	15,219,746	15,219,746
Receivables:								
BRF Fee	-	-	27,711,118	27,711,118	-	-	23,779,092	23,779,092
Loans	23,921,342	-	-	23,921,342	28,194,690	-	-	28,194,690
Loan Interest	403,132	-	-	403,132	562,019	-	-	562,019
Total Current Assets	<u>265,587,688</u>	<u>19,680,592</u>	<u>207,526,855</u>	<u>492,795,135</u>	<u>278,388,165</u>	<u>39,214,652</u>	<u>187,376,341</u>	<u>504,979,158</u>
Noncurrent Assets:								
Investments	5,824,036	-	-	5,824,036	6,614,375	-	-	6,614,375
Loans Receivable	1,282,118,693	304,134,726	-	1,586,253,419	1,194,798,518	262,957,573	-	1,457,756,091
Capital Assets, Net	-	-	9,225	9,225	-	-	26,237	26,237
Noncurrent Restricted Assets:								
Loans Receivable	64,186,193	-	-	64,186,193	88,107,535	-	-	88,107,535
Total Noncurrent Assets	<u>1,352,128,922</u>	<u>304,134,726</u>	<u>9,225</u>	<u>1,656,272,873</u>	<u>1,289,520,428</u>	<u>262,957,573</u>	<u>26,237</u>	<u>1,552,504,238</u>
Total Assets	<u>\$ 1,617,716,610</u>	<u>\$ 323,815,318</u>	<u>\$ 207,536,080</u>	<u>\$ 2,149,068,008</u>	<u>\$ 1,567,908,593</u>	<u>\$ 302,172,225</u>	<u>\$ 187,402,578</u>	<u>\$ 2,057,483,396</u>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
COMBINING STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
LIABILITIES								
Current Liabilities:								
Accounts Payable and Accruals	\$ 12,850	\$ 3,855	\$ 8,995	\$ 25,700	\$ 12,900	\$ 3,795	\$ 9,605	\$ 26,300
Compensated Absences - Current	309,380	33,576	100,679	443,635	301,495	34,574	107,389	443,458
Revenue Bonds Payable	2,965,000	-	24,640,000	27,605,000	2,905,000	-	23,470,000	26,375,000
Bond Premium - Current	288,940	-	1,772,039	2,060,979	307,528	-	2,372,608	2,680,136
Accrued Interest on								
Bonds Payable	61,937	-	1,804,123	1,866,060	75,107	-	1,993,433	2,068,540
Total Current Liabilities	<u>3,638,107</u>	<u>37,431</u>	<u>28,325,836</u>	<u>32,001,374</u>	<u>3,602,030</u>	<u>38,369</u>	<u>27,953,035</u>	<u>31,593,434</u>
Noncurrent Liabilities:								
Compensated Absences - Noncurrent	271,609	27,650	94,262	393,521	257,861	27,926	118,915	404,702
Revenue Bonds Payable	6,530,000	-	161,605,000	168,135,000	9,495,000	-	186,245,000	195,740,000
Bond Premium - Noncurrent	295,318	-	1,998,363	2,293,681	584,258	-	3,770,403	4,354,661
Total Noncurrent Liabilities	<u>7,096,927</u>	<u>27,650</u>	<u>163,697,625</u>	<u>170,822,202</u>	<u>10,337,119</u>	<u>27,926</u>	<u>190,134,318</u>	<u>200,499,363</u>
Total Liabilities	<u>10,735,034</u>	<u>65,081</u>	<u>192,023,461</u>	<u>202,823,576</u>	<u>13,939,149</u>	<u>66,295</u>	<u>218,087,353</u>	<u>232,092,797</u>
NET POSITION								
Net Investment in Capital Assets	-	-	9,225	9,225	-	-	26,237	26,237
Restricted	1,601,502,219	322,693,021	202,306,604	2,126,501,844	1,548,358,882	301,176,020	181,423,082	2,030,957,984
Unrestricted	5,479,357	1,057,216	(186,803,210)	(180,266,637)	5,610,562	929,910	(212,134,094)	(205,593,622)
Total Net Position	<u>\$ 1,606,981,576</u>	<u>\$ 323,750,237</u>	<u>\$ 15,512,619</u>	<u>\$ 1,946,244,432</u>	<u>\$ 1,553,969,444</u>	<u>\$ 302,105,930</u>	<u>\$ (30,684,775)</u>	<u>\$ 1,825,390,599</u>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
COMBINING STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
OPERATING REVENUE								
Interest on Loans	\$ 12,796,347	\$ 2,405,662	\$ -	\$ 15,202,009	\$ 12,913,221	\$ 2,041,935	\$ -	\$ 14,955,156
Loan Administration Fees	5,522,532	885,929	-	6,408,461	5,964,019	901,175	-	6,865,194
Fee Revenue	-	-	137,924,632	137,924,632	-	-	115,076,951	115,076,951
Grant Revenue	-	-	-	-	-	632,076	-	632,076
Grant Revenue (Set-Asides 2%, 10%, and 15%)	-	5,041,360	-	5,041,360	-	3,711,046	-	3,711,046
Miscellaneous Income	-	15,500	-	15,500	-	15,500	-	15,500
Total Operating Revenue	<u>18,318,879</u>	<u>8,348,451</u>	<u>137,924,632</u>	<u>164,591,962</u>	<u>18,877,240</u>	<u>7,301,732</u>	<u>115,076,951</u>	<u>141,255,923</u>
OPERATING EXPENSES								
Salaries and Related Benefits	6,967,133	621,017	3,081,432	10,669,582	7,825,407	1,081,040	2,674,612	11,581,059
General	1,786,604	139,687	911,441	2,837,732	1,965,450	262,412	687,125	2,914,987
Capital Grant Disbursements	2,860,583	5,363,358	82,701,490	90,925,431	10,133,420	4,075,266	69,883,695	84,092,381
Transfers Out (Set-Asides 2%, 10%, and 15%)	-	5,041,360	-	5,041,360	-	3,711,046	-	3,711,046
Total Operating Expenses	<u>11,614,320</u>	<u>11,165,422</u>	<u>86,694,363</u>	<u>109,474,105</u>	<u>19,924,277</u>	<u>9,129,764</u>	<u>73,245,432</u>	<u>102,299,473</u>
OPERATING INCOME (LOSS)	<u>6,704,559</u>	<u>(2,816,971)</u>	<u>51,230,269</u>	<u>55,117,857</u>	<u>(1,047,037)</u>	<u>(1,828,032)</u>	<u>41,831,519</u>	<u>38,956,450</u>
NONOPERATING REVENUE (EXPENSES)								
Investment Income	673,634	53,278	758,114	1,485,026	496,020	78,204	510,190	1,084,414
Interest Expense on Bonds	(212,151)	-	(5,790,989)	(6,003,140)	(257,554)	-	(6,303,498)	(6,561,052)
Net Change in Fair Value of Investments	(269,910)	-	-	(269,910)	(85,020)	-	-	(85,020)
Federal Government Contributions State of MD Required Match to Federal Grant	38,429,000	20,338,000	-	58,767,000	76,864,000	29,439,440	-	106,303,440
Total Nonoperating Revenue (Expenses)	<u>7,687,000</u>	<u>4,070,000</u>	<u>-</u>	<u>11,757,000</u>	<u>15,472,600</u>	<u>8,065,600</u>	<u>-</u>	<u>23,538,200</u>
CHANGE IN NET POSITION	<u>53,012,132</u>	<u>21,644,307</u>	<u>46,197,394</u>	<u>120,853,833</u>	<u>91,443,009</u>	<u>35,755,212</u>	<u>36,038,211</u>	<u>163,236,432</u>
Net Position - Beginning of Year	<u>1,553,969,444</u>	<u>302,105,930</u>	<u>(30,684,775)</u>	<u>1,825,390,599</u>	<u>1,462,526,435</u>	<u>266,350,718</u>	<u>(66,722,986)</u>	<u>1,662,154,167</u>
NET POSITION - END OF YEAR	<u>\$ 1,606,981,576</u>	<u>\$ 323,750,237</u>	<u>\$ 15,512,619</u>	<u>\$ 1,946,244,432</u>	<u>\$ 1,553,969,444</u>	<u>\$ 302,105,930</u>	<u>\$ (30,684,775)</u>	<u>\$ 1,825,390,599</u>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
COMBINING STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
CASH FLOWS FROM OPERATING ACTIVITIES								
BRF Fee and Other Receipts	\$ -	\$ 5,056,860	\$ 133,406,219	\$ 138,463,079	\$ -	\$ 4,358,622	\$ 127,054,871	\$ 131,413,493
Capital Grant Disbursements	(2,860,583)	(5,363,358)	(82,701,490)	(90,925,431)	(10,133,420)	(4,075,266)	(69,883,695)	(84,092,381)
Salaries and Benefits Paid	(6,945,500)	(622,291)	(3,112,795)	(10,680,586)	(7,796,079)	(1,075,335)	(2,633,483)	(11,504,897)
General Expenses Paid	(1,786,654)	(5,180,987)	(895,039)	(7,862,680)	(1,963,973)	(3,973,413)	(668,812)	(6,606,198)
Loan Repayments	103,144,054	14,812,352	-	117,956,406	94,535,651	13,124,100	-	107,659,751
Loan Disbursements	(169,937,798)	(56,185,502)	-	(226,123,300)	(132,598,724)	(47,113,447)	-	(179,712,171)
Interest and Fees Received from Borrowers	18,681,486	3,108,730	-	21,790,216	18,554,640	2,758,656	-	21,313,296
Net Cash Provided (Used) by Operating Activities	(59,704,995)	(44,374,196)	46,696,895	(57,382,296)	(39,401,905)	(35,996,083)	53,868,881	(21,529,107)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Contributions Received:								
Federal Government	38,429,000	20,338,000	-	58,767,000	76,864,000	29,439,440	-	106,303,440
State of MD Required Match to Federal Grant	7,687,000	4,070,000	-	11,757,000	15,472,600	8,065,600	-	23,538,200
Repayment of Bonds	(2,905,000)	-	(23,470,000)	(26,375,000)	(2,770,000)	-	(22,360,000)	(25,130,000)
Interest on Bonds	(532,850)	-	(8,352,908)	(8,885,758)	(671,350)	-	(9,468,851)	(10,140,201)
Net Cash Provided (Used) by Noncapital Financing Activities	42,678,150	24,408,000	(31,822,908)	35,263,242	88,895,250	37,505,040	(31,828,851)	94,571,439
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of Investments	-	-	-	-	(150,000)	-	-	(150,000)
Interest on Investment Securities	681,672	53,278	758,114	1,493,064	496,210	78,204	510,190	1,084,604
Proceeds from Sale of Investments	547,777	-	-	547,777	393,508	-	-	393,508
Net Cash Provided by Investing Activities	1,229,449	53,278	758,114	2,040,841	739,718	78,204	510,190	1,328,112
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,797,396)	(19,912,918)	15,632,101	(20,078,213)	50,233,063	1,587,161	22,550,220	74,370,444
Cash and Cash Equivalents - Beginning of Year	163,041,096	22,958,325	161,664,045	347,663,466	112,808,033	21,371,164	139,113,825	273,293,022
CASH AND CASH EQUIVALENTS - END 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

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss)	\$ 6,704,559	\$ (2,816,971)	\$ 51,230,269	\$ 55,117,857	\$ (1,047,037)	\$ (1,828,032)	\$ 41,831,519	\$ 38,956,450
Depreciation of Fixed Assets	-	-	17,012	17,012	1,327	-	18,208	19,535
Changes in Noncash Operating Assets and Liabilities:								
Loans Receivable	(66,793,744)	(41,373,150)	-	(108,166,894)	(38,063,073)	(33,989,347)	-	(72,052,420)
Loan Interest Receivable	(78,879)	(197,910)	-	(276,789)	151,959	(28,495)	-	123,464
Administrative Fee and BRF Fee Receivables	441,486	15,049	(4,518,413)	(4,061,878)	(474,559)	(155,959)	11,977,920	11,347,402
Accounts Payable and Other Liabilities	21,583	(1,214)	(31,973)	(11,604)	29,478	5,750	41,234	76,462
Net Cash Provided (Used) by Operating Activities	<u>\$ (59,704,995)</u>	<u>\$ (44,374,196)</u>	<u>\$ 46,696,895</u>	<u>\$ (57,382,296)</u>	<u>\$ (39,401,905)</u>	<u>\$ (35,996,083)</u>	<u>\$ 53,868,881</u>	<u>\$ (21,529,107)</u>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
CLEAN WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
ASSETS								
Current Assets:								
Cash and Cash Equivalents	\$ 551,494	\$ 146,692,206	\$ -	\$ 147,243,700	\$ 219,630	\$ 162,821,466	\$ -	\$ 163,041,096
Investments	-	8,652	-	8,652	-	36,000	-	36,000
Receivables:								
Investment Interest	-	26,123	-	26,123	-	34,160	-	34,160
Loans	-	82,581,443	-	82,581,443	-	74,913,184	-	74,913,184
Loan Interest	-	5,881,594	-	5,881,594	-	5,643,828	-	5,643,828
Administrative Fee	5,521,702	-	-	5,521,702	5,963,188	-	-	5,963,188
Current Restricted Assets:								
Receivables:								
Loans	-	-	23,921,342	23,921,342	-	-	28,194,690	28,194,690
Loan Interest	-	-	403,132	403,132	-	-	562,019	562,019
Total Current Assets	<u>6,073,196</u>	<u>235,190,018</u>	<u>24,324,474</u>	<u>265,587,688</u>	<u>6,182,818</u>	<u>243,448,638</u>	<u>28,756,709</u>	<u>278,388,165</u>
Noncurrent Assets:								
Investments	-	5,824,036	-	5,824,036	-	6,614,375	-	6,614,375
Loans Receivable	-	1,282,118,693	-	1,282,118,693	-	1,194,798,518	-	1,194,798,518
Capital Assets, Net	-	-	-	-	-	-	-	-
Noncurrent Restricted Assets:								
Loans Receivable	-	-	64,186,193	64,186,193	-	-	88,107,535	88,107,535
Total Noncurrent Assets	<u>-</u>	<u>1,287,942,729</u>	<u>64,186,193</u>	<u>1,352,128,922</u>	<u>-</u>	<u>1,201,412,893</u>	<u>88,107,535</u>	<u>1,289,520,428</u>
Total Assets	<u>\$ 6,073,196</u>	<u>\$ 1,523,132,747</u>	<u>\$ 88,510,667</u>	<u>\$ 1,617,716,610</u>	<u>\$ 6,182,818</u>	<u>\$ 1,444,861,531</u>	<u>\$ 116,864,244</u>	<u>\$ 1,567,908,593</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
CLEAN WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022				2021			
	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
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 12,850	\$ -	\$ -	\$ 12,850	\$ 12,900	\$ -	\$ -	\$ 12,900
Compensated Absences - Current	309,380	-	-	309,380	301,495	-	-	301,495
Revenue Bonds Payable	-	-	2,965,000	2,965,000	-	-	2,905,000	2,905,000
Bond Premium - Current	-	-	288,940	288,940	-	-	307,528	307,528
Accrued Interest on Bonds Payable	-	-	61,937	61,937	-	-	75,107	75,107
Total Current Liabilities	<u>322,230</u>	<u>-</u>	<u>3,315,877</u>	<u>3,638,107</u>	<u>314,395</u>	<u>-</u>	<u>3,287,635</u>	<u>3,602,030</u>
Noncurrent Liabilities:								
Compensated Absences - Noncurrent	271,609	-	-	271,609	257,861	-	-	257,861
Revenue Bonds Payable	-	-	6,530,000	6,530,000	-	-	9,495,000	9,495,000
Bond Premium - Noncurrent	-	-	295,318	295,318	-	-	584,258	584,258
Total Noncurrent Liabilities	<u>271,609</u>	<u>-</u>	<u>6,825,318</u>	<u>7,096,927</u>	<u>257,861</u>	<u>-</u>	<u>10,079,258</u>	<u>10,337,119</u>
Total Liabilities	<u>593,839</u>	<u>-</u>	<u>10,141,195</u>	<u>10,735,034</u>	<u>572,256</u>	<u>-</u>	<u>13,366,893</u>	<u>13,939,149</u>
NET POSITION								
Net Investment in Capital Assets	-	-	-	-	-	-	-	-
Restricted	-	1,523,132,747	78,369,472	1,601,502,219	-	1,444,861,531	103,497,351	1,548,358,882
Unrestricted	<u>5,479,357</u>	<u>-</u>	<u>-</u>	<u>5,479,357</u>	<u>5,610,562</u>	<u>-</u>	<u>-</u>	<u>5,610,562</u>
Total Net Position	<u>\$ 5,479,357</u>	<u>\$ 1,523,132,747</u>	<u>\$ 78,369,472</u>	<u>\$ 1,606,981,576</u>	<u>\$ 5,610,562</u>	<u>\$ 1,444,861,531</u>	<u>\$ 103,497,351</u>	<u>\$ 1,553,969,444</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, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022				2021			
	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
OPERATING REVENUE								
Interest on Loans	\$ -	\$ 11,831,197	\$ 965,150	\$ 12,796,347	\$ -	\$ 11,592,012	\$ 1,321,209	\$ 12,913,221
Loan Administration Fees	5,522,532	-	-	5,522,532	5,964,019	-	-	5,964,019
Total Operating Revenue	5,522,532	11,831,197	965,150	18,318,879	5,964,019	11,592,012	1,321,209	18,877,240
OPERATING EXPENSES								
Salaries and Related Benefits	6,967,133	-	-	6,967,133	7,825,407	-	-	7,825,407
General	1,786,604	-	-	1,786,604	1,965,450	-	-	1,965,450
Capital Grant Disbursements	-	2,860,583	-	2,860,583	-	10,133,420	-	10,133,420
Total Operating Expenses	8,753,737	2,860,583	-	11,614,320	9,790,857	10,133,420	-	19,924,277
OPERATING INCOME (LOSS)	(3,231,205)	8,970,614	965,150	6,704,559	(3,826,838)	1,458,592	1,321,209	(1,047,037)
NONOPERATING REVENUE (EXPENSES)								
Investment Income	-	673,598	36	673,634	-	495,994	26	496,020
Interest Expense on Bonds	-	-	(212,151)	(212,151)	-	-	(257,554)	(257,554)
Net Change in Fair Value of Investments	-	(269,910)	-	(269,910)	-	(85,020)	-	(85,020)
Federal Government Contributions State of MD Required	-	38,429,000	-	38,429,000	-	76,864,000	-	76,864,000
Match to Federal Grant	-	7,687,000	-	7,687,000	-	15,472,600	-	15,472,600
Total Nonoperating Revenue (Expenses)	-	46,519,688	(212,115)	46,307,573	-	92,747,574	(257,528)	92,490,046
INCOME (LOSS) BEFORE TRANSFERS	(3,231,205)	55,490,302	753,035	53,012,132	(3,826,838)	94,206,166	1,063,681	91,443,009
INTERFUND TRANSFERS	3,100,000	22,780,914	(25,880,914)	-	2,900,000	27,259,628	(30,159,628)	-
CHANGE IN NET POSITION	(131,205)	78,271,216	(25,127,879)	53,012,132	(926,838)	121,465,794	(29,095,947)	91,443,009
Net Position - Beginning of Year	5,610,562	1,444,861,531	103,497,351	1,553,969,444	6,537,400	1,323,395,737	132,593,298	1,462,526,435
NET POSITION - END 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

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
CLEAN WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022				2021			
	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
CASH FLOWS FROM OPERATING ACTIVITIES								
Capital Grant Disbursements	\$ -	\$ (2,860,583)	\$ -	\$ (2,860,583)	\$ -	\$ (10,133,420)	\$ -	\$ (10,133,420)
Salaries and Benefits Paid	(6,945,500)	-	-	(6,945,500)	(7,796,079)	-	-	(7,796,079)
General Expenses Paid	(1,786,654)	-	-	(1,786,654)	(1,963,973)	-	-	(1,963,973)
Loan Repayments	-	74,949,364	28,194,690	103,144,054	-	62,453,081	32,082,570	94,535,651
Loan Disbursements	-	(169,937,798)	-	(169,937,798)	-	(132,598,724)	-	(132,598,724)
Interest and Fees Received from Borrowers	5,964,018	11,593,431	1,124,037	18,681,486	5,489,460	11,546,799	1,518,381	18,554,640
Net Cash Provided (Used) by Operating Activities	(2,768,136)	(86,255,586)	29,318,727	(59,704,995)	(4,270,592)	(68,732,264)	33,600,951	(39,401,905)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Contributions Received:								
Federal Government	-	38,429,000	-	38,429,000	-	76,864,000	-	76,864,000
State of MD Required Match to Federal Grant	-	7,687,000	-	7,687,000	-	15,472,600	-	15,472,600
Interfund Transfers	3,100,000	22,780,914	(25,880,914)	-	2,900,000	27,259,628	(30,159,628)	-
Repayment of Bonds	-	-	(2,905,000)	(2,905,000)	-	-	(2,770,000)	(2,770,000)
Interest on Bonds	-	-	(532,850)	(532,850)	-	-	(671,350)	(671,350)
Net Cash Provided (Used) by Noncapital Financing Activities	3,100,000	68,896,914	(29,318,764)	42,678,150	2,900,000	119,596,228	(33,600,978)	88,895,250
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of Investments	-	-	-	-	-	(150,000)	-	(150,000)
Interest on Investment Securities	-	681,635	37	681,672	-	496,183	27	496,210
Proceeds from Sale of Investments	-	547,777	-	547,777	-	393,508	-	393,508
Net Cash Provided by Investing Activities	-	1,229,412	37	1,229,449	-	739,691	27	739,718
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	331,864	(16,129,260)	-	(15,797,396)	(1,370,592)	51,603,655	-	50,233,063
Cash and Cash Equivalents - Beginning of Year	219,630	162,821,466	-	163,041,096	1,590,222	111,217,811	-	112,808,033
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 551,494	\$ 146,692,206	\$ -	\$ 147,243,700	\$ 219,630	\$ 162,821,466	\$ -	\$ 163,041,096

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
CLEAN WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022				2021			
	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
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating Income (Loss)	\$ (3,231,205)	\$ 8,970,614	\$ 965,150	\$ 6,704,559	\$ (3,826,838)	\$ 1,458,592	\$ 1,321,209	\$ (1,047,037)
Depreciation of Capital Assets	-	-	-	-	1,327	-	-	1,327
Changes in Noncash Operating Assets and Liabilities:								
Loans Receivable	-	(94,988,434)	28,194,690	(66,793,744)	-	(70,145,643)	32,082,570	(38,063,073)
Loan Interest Receivable	-	(237,766)	158,887	(78,879)	-	(45,213)	197,172	151,959
Administrative Fees	441,486	-	-	441,486	(474,559)	-	-	(474,559)
Accounts Payable and Other Liabilities	21,583	-	-	21,583	29,478	-	-	29,478
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,768,136)</u>	<u>\$ (86,255,586)</u>	<u>\$ 29,318,727</u>	<u>\$ (59,704,995)</u>	<u>\$ (4,270,592)</u>	<u>\$ (68,732,264)</u>	<u>\$ 33,600,951</u>	<u>\$ (39,401,905)</u>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
DRINKING WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022			2021		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 243,351	\$ 2,802,056	\$ 3,045,407	\$ 102,210	\$ 22,856,115	\$ 22,958,325
Receivables:						
Loans	-	14,561,260	14,561,260	-	14,365,263	14,365,263
Loan Interest	-	1,194,979	1,194,979	-	997,069	997,069
Administrative Fee	878,946	-	878,946	893,995	-	893,995
Total Current Assets	<u>1,122,297</u>	<u>18,558,295</u>	<u>19,680,592</u>	<u>996,205</u>	<u>38,218,447</u>	<u>39,214,652</u>
Noncurrent Assets:						
Loans Receivable	-	304,134,726	304,134,726	-	262,957,573	262,957,573
Total Noncurrent Assets	<u>-</u>	<u>304,134,726</u>	<u>304,134,726</u>	<u>-</u>	<u>262,957,573</u>	<u>262,957,573</u>
Total Assets	1,122,297	322,693,021	323,815,318	996,205	301,176,020	302,172,225
LIABILITIES						
Current Liabilities:						
Accounts Payable	3,855	-	3,855	3,795	-	3,795
Compensated Absences - Current	33,576	-	33,576	34,574	-	34,574
Total Current Liabilities	<u>37,431</u>	<u>-</u>	<u>37,431</u>	<u>38,369</u>	<u>-</u>	<u>38,369</u>
Noncurrent Liabilities:						
Compensated Absences - Noncurrent	27,650	-	27,650	27,926	-	27,926
Total Noncurrent Liabilities	<u>27,650</u>	<u>-</u>	<u>27,650</u>	<u>27,926</u>	<u>-</u>	<u>27,926</u>
Total Liabilities	<u>65,081</u>	<u>-</u>	<u>65,081</u>	<u>66,295</u>	<u>-</u>	<u>66,295</u>
NET POSITION						
Restricted	-	322,693,021	322,693,021	-	301,176,020	301,176,020
Unrestricted	1,057,216	-	1,057,216	929,910	-	929,910
Total Net Position	<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>

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, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022			2021		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
OPERATING REVENUE						
Interest on Loans	\$ -	\$ 2,405,662	\$ 2,405,662	\$ -	\$ 2,041,935	\$ 2,041,935
Loan Administration Fees	885,929	-	885,929	901,175	-	901,175
Grant Revenue	-	-	-	632,076	-	632,076
Grant Revenue (Set-Asides 2%, 10%, 15%)	5,041,360	-	5,041,360	3,711,046	-	3,711,046
Miscellaneous Income	-	15,500	15,500	-	15,500	15,500
Total Operating Revenue	<u>5,927,289</u>	<u>2,421,162</u>	<u>8,348,451</u>	<u>5,244,297</u>	<u>2,057,435</u>	<u>7,301,732</u>
OPERATING EXPENSES						
Salaries and Related Benefits	621,017	-	621,017	1,081,040	-	1,081,040
General	139,687	-	139,687	262,412	-	262,412
Capital Grant Disbursements	-	5,363,358	5,363,358	-	4,075,266	4,075,266
Transfer Out (Set-Asides 2%, 10%, 15%)	5,041,360	-	5,041,360	3,711,046	-	3,711,046
Total Operating Expenses	<u>5,802,064</u>	<u>5,363,358</u>	<u>11,165,422</u>	<u>5,054,498</u>	<u>4,075,266</u>	<u>9,129,764</u>
OPERATING INCOME (LOSS)	125,225	(2,942,196)	(2,816,971)	189,799	(2,017,831)	(1,828,032)
NONOPERATING REVENUE (EXPENSES)						
Investment Income	2,081	51,197	53,278	897	77,307	78,204
Federal Government Contributions	-	20,338,000	20,338,000	-	29,439,440	29,439,440
State of MD Required						
Match to Federal Grant	-	4,070,000	4,070,000	-	8,065,600	8,065,600
Total Nonoperating Revenue (Expenses)	<u>2,081</u>	<u>24,459,197</u>	<u>24,461,278</u>	<u>897</u>	<u>37,582,347</u>	<u>37,583,244</u>
CHANGE IN NET POSITION	127,306	21,517,001	21,644,307	190,696	35,564,516	35,755,212
Net Position - Beginning of Year	<u>929,910</u>	<u>301,176,020</u>	<u>302,105,930</u>	<u>739,214</u>	<u>265,611,504</u>	<u>266,350,718</u>
NET POSITION - END 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>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
DRINKING WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)

	2022			2021		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Other Receipts	\$ 5,041,360	\$ 15,500	\$ 5,056,860	\$ 4,343,122	\$ 15,500	\$ 4,358,622
Capital Grant Disbursements	-	(5,363,358)	(5,363,358)	-	(4,075,266)	(4,075,266)
Salaries and Benefits Paid	(622,291)	-	(622,291)	(1,075,335)	-	(1,075,335)
General Expenses Paid	(5,180,987)	-	(5,180,987)	(3,973,413)	-	(3,973,413)
Loan Repayments	-	14,812,352	14,812,352	-	13,124,100	13,124,100
Loan Disbursements	-	(56,185,502)	(56,185,502)	-	(47,113,447)	(47,113,447)
Interest and Fees Received from Borrowers	900,978	2,207,752	3,108,730	745,216	2,013,440	2,758,656
Net Cash Provided (Used) by Operating Activities	139,060	(44,513,256)	(44,374,196)	39,590	(36,035,673)	(35,996,083)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Contributions Received:						
Federal Government	-	20,338,000	20,338,000	-	29,439,440	29,439,440
State of MD Required Match to Federal Grant	-	4,070,000	4,070,000	-	8,065,600	8,065,600
Net Cash Provided by Noncapital Financing Activities	-	24,408,000	24,408,000	-	37,505,040	37,505,040
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investment Securities	2,081	51,197	53,278	897	77,307	78,204
Net Cash Provided by Investing Activities	2,081	51,197	53,278	897	77,307	78,204
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	141,141	(20,054,059)	(19,912,918)	40,487	1,546,674	1,587,161
Cash and Cash Equivalents - Beginning of Year	102,210	22,856,115	22,958,325	61,723	21,309,441	21,371,164
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 243,351</u>	<u>\$ 2,802,056</u>	<u>\$ 3,045,407</u>	<u>\$ 102,210</u>	<u>\$ 22,856,115</u>	<u>\$ 22,958,325</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
DRINKING WATER STATE REVOLVING LOAN FUND
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	2022			2021		
	Funds Held by Administration			Funds Held by Administration		
	Admin Accounts	Capital Reserve Accounts	Total	Admin Accounts	Capital Reserve Accounts	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 125,225	\$ (2,942,196)	\$ (2,816,971)	\$ 189,799	\$ (2,017,831)	\$ (1,828,032)
Changes in Noncash Operating Assets and Liabilities:						
Loans Receivable	-	(41,373,150)	(41,373,150)	-	(33,989,347)	(33,989,347)
Loan Interest Receivable	-	(197,910)	(197,910)	-	(28,495)	(28,495)
Administrative Fees	15,049	-	15,049	(155,959)	-	(155,959)
Accounts Payable and Other Liabilities	(1,214)	-	(1,214)	5,750	-	5,750
Net Cash Provided (Used) by Operating Activities	<u>\$ 139,060</u>	<u>\$ (44,513,256)</u>	<u>\$ (44,374,196)</u>	<u>\$ 39,590</u>	<u>\$ (36,035,673)</u>	<u>\$ (35,996,083)</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	
ASSETS						
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>
LIABILITIES						
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>
NET POSITION						
Net Investment in Capital Assets	-	-	-	9,225	-	9,225
Restricted	-	193,442,619	-	-	8,863,985	202,306,604
Unrestricted	<u>1,580,749</u>	<u>-</u>	<u>(191,819,525)</u>	<u>3,435,566</u>	<u>-</u>	<u>(186,803,210)</u>
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 NET POSITION
JUNE 30, 2021
(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	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,342,720	\$ 132,933,604	\$ -	\$ 4,122,734	\$ 8,045,241	\$ 146,444,299
Receivables:						
BRF Fee	362,118	-	-	125,687	1,445,399	1,933,204
Current Restricted Assets:						
Cash and Cash Equivalents	-	15,219,746	-	-	-	15,219,746
Receivables:						
BRF Fee	-	23,779,092	-	-	-	23,779,092
Total Current Assets	<u>1,704,838</u>	<u>171,932,442</u>	<u>-</u>	<u>4,248,421</u>	<u>9,490,640</u>	<u>187,376,341</u>
Noncurrent Assets:						
Capital Assets, Net	-	-	-	26,237	-	26,237
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,237</u>	<u>-</u>	<u>26,237</u>
Total Assets	<u>1,704,838</u>	<u>171,932,442</u>	<u>-</u>	<u>4,274,658</u>	<u>9,490,640</u>	<u>187,402,578</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	7,075	-	-	2,530	-	9,605
Compensated Absences - Current	49,904	-	-	57,485	-	107,389
Revenue Bonds	-	-	23,470,000	-	-	23,470,000
Bond Premium - Current	-	-	2,372,608	-	-	2,372,608
Accrued Bond Interest	-	-	1,993,433	-	-	1,993,433
Total Current Liabilities	<u>56,979</u>	<u>-</u>	<u>27,836,041</u>	<u>60,015</u>	<u>-</u>	<u>27,953,035</u>
Noncurrent Liabilities:						
Compensated Absences - Noncurrent	65,504	-	-	53,411	-	118,915
Revenue Bonds	-	-	186,245,000	-	-	186,245,000
Bond Premium - Noncurrent	-	-	3,770,403	-	-	3,770,403
Total Noncurrent Liabilities	<u>65,504</u>	<u>-</u>	<u>190,015,403</u>	<u>53,411</u>	<u>-</u>	<u>190,134,318</u>
Total Liabilities	<u>122,483</u>	<u>-</u>	<u>217,851,444</u>	<u>113,426</u>	<u>-</u>	<u>218,087,353</u>
NET POSITION						
Net Investment in Capital Assets	-	-	-	26,237	-	26,237
Restricted	-	171,932,442	-	-	9,490,640	181,423,082
Unrestricted	<u>1,582,355</u>	<u>-</u>	<u>(217,851,444)</u>	<u>4,134,995</u>	<u>-</u>	<u>(212,134,094)</u>
Total Net Position	<u>\$ 1,582,355</u>	<u>\$ 171,932,442</u>	<u>\$ (217,851,444)</u>	<u>\$ 4,161,232</u>	<u>\$ 9,490,640</u>	<u>\$ (30,684,775)</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					Total
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
OPERATING REVENUE						
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
OPERATING EXPENSES						
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
OPERATING INCOME (LOSS)	(1,606)	52,624,813	-	(716,441)	(676,497)	51,230,269
NONOPERATING REVENUE (EXPENSES)						
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)
INCOME (LOSS) BEFORE TRANSFERS	(1,606)	53,332,322	(5,790,226)	(716,441)	(626,655)	46,197,394
Interfund Equity Transfer	-	(31,822,145)	31,822,145	-	-	-
CHANGE IN NET POSITION	(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)
NET POSITION - END OF YEAR	<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, 2021
(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	
OPERATING REVENUE						
BRF Fee	\$ 1,471,307	\$ 96,615,842	\$ -	\$ 1,359,184	\$ 15,630,618	\$ 115,076,951
Total Operating Revenue	<u>1,471,307</u>	<u>96,615,842</u>	<u>-</u>	<u>1,359,184</u>	<u>15,630,618</u>	<u>115,076,951</u>
OPERATING EXPENSES						
Salaries and Related Benefits	1,009,138	-	-	1,665,474	-	2,674,612
General Admin Expenses	413,701	-	-	273,424	-	687,125
Capital Grant Disbursements	-	53,499,740	-	-	16,383,955	69,883,695
Total Operating Expenses	<u>1,422,839</u>	<u>53,499,740</u>	<u>-</u>	<u>1,938,898</u>	<u>16,383,955</u>	<u>73,245,432</u>
OPERATING INCOME (LOSS)	48,468	43,116,102	-	(579,714)	(753,337)	41,831,519
NONOPERATING REVENUE (EXPENSES)						
Investment Income	-	469,040	823	-	40,327	510,190
Interest on Bonds	-	-	(6,303,498)	-	-	(6,303,498)
Total Nonoperating Revenue (Expenses)	<u>-</u>	<u>469,040</u>	<u>(6,302,675)</u>	<u>-</u>	<u>40,327</u>	<u>(5,793,308)</u>
INCOME (LOSS) BEFORE TRANSFERS	48,468	43,585,142	(6,302,675)	(579,714)	(713,010)	36,038,211
Interfund Equity Transfer	<u>-</u>	<u>(31,828,028)</u>	<u>31,828,028</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	48,468	11,757,114	25,525,353	(579,714)	(713,010)	36,038,211
Net Position - Beginning of Year	<u>1,533,887</u>	<u>160,175,328</u>	<u>(243,376,797)</u>	<u>4,740,946</u>	<u>10,203,650</u>	<u>(66,722,986)</u>
NET POSITION - END OF YEAR	<u>\$ 1,582,355</u>	<u>\$ 171,932,442</u>	<u>\$ (217,851,444)</u>	<u>\$ 4,161,232</u>	<u>\$ 9,490,640</u>	<u>\$ (30,684,775)</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	
CASH FLOWS FROM OPERATING ACTIVITIES						
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
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
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)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investment Securities	-	707,509	763	-	49,842	758,114
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(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
CASH AND CASH EQUIVALENTS - END OF YEAR	<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					Total
	Bay Restoration Fund - Wastewater			Bay Restoration Fund - Septic		
	Admin Accounts	Capital Accounts	Bond Funds 2008 Indenture	Admin Accounts	Capital Accounts	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
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>

MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(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	
CASH FLOWS FROM OPERATING ACTIVITIES						
BRF Fee and Other Receipts	\$ 1,639,666	\$ 107,671,391	\$ -	\$ 1,419,505	\$ 16,324,309	\$ 127,054,871
Capital Grant Disbursements	-	(53,499,740)	-	-	(16,383,955)	(69,883,695)
Salaries and Benefits Paid	(1,022,073)	-	-	(1,611,410)	-	(2,633,483)
General Expenses Paid	(413,626)	-	-	(255,186)	-	(668,812)
Net Cash Provided (Used) by Operating Activities	203,967	54,171,651	-	(447,091)	(59,646)	53,868,881
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund Equity Transfers	-	(31,828,028)	31,828,028	-	-	-
Repayment of Bonds	-	-	(22,360,000)	-	-	(22,360,000)
Interest on Bonds	-	-	(9,468,851)	-	-	(9,468,851)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(31,828,028)	(823)	-	-	(31,828,851)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on Investment Securities	-	469,040	823	-	40,327	510,190
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	203,967	22,812,663	-	(447,091)	(19,319)	22,550,220
Cash and Cash Equivalents - Beginning of Year	1,138,753	125,340,687	-	4,569,825	8,064,560	139,113,825
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,342,720</u>	<u>\$ 148,153,350</u>	<u>\$ -</u>	<u>\$ 4,122,734</u>	<u>\$ 8,045,241</u>	<u>\$ 161,664,045</u>

**MARYLAND WATER INFRASTRUCTURE FINANCING ADMINISTRATION
BAY RESTORATION FUND – WASTEWATER FUND AND SEPTIC FUND
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2021
(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	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 48,468	\$ 43,116,102	\$ -	\$ (579,714)	\$ (753,337)	\$ 41,831,519
Depreciation of Capital Assets	-	-	-	18,208	-	18,208
Changes in Noncash Operating Assets and Liabilities:						
Administrative Fees and BRF Fee Receivables	168,359	11,055,549	-	60,321	693,691	11,977,920
Accounts Payable and Other Liabilities	(12,860)	-	-	54,094	-	41,234
Net Cash Provided (Used) by Operating Activities	<u>\$ 203,967</u>	<u>\$ 54,171,651</u>	<u>\$ -</u>	<u>\$ (447,091)</u>	<u>\$ (59,646)</u>	<u>\$ 53,868,881</u>