

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



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**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
YEARS ENDED JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development
Lanham, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Community Development Administration Local Government Infrastructure Bonds (the Fund) of the Department of Housing and Community Development of the State of Maryland, as of and for the years ended June 30, 2025 and 2024, and the related notes to the 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 Fund, as of June 30, 2025 and 2024, and the changes in 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 Opinion

We conducted our audits 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 State of Maryland 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 opinion.

Emphasis of a Matter

Financial Statement Presentation

As discussed in Note 1, the financial statements present only the financial position, the changes in financial position and cash flows of the Fund and do not purport to, and do not, present fairly the financial position of the Department of Housing and Community Development of the State of Maryland as of June 30, 2025 and 2024, and the changes in its net position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the basic financial statements is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of the Fund'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 Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
September 26, 2025

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
STATEMENTS OF NET POSITION
(in thousands)
JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
RESTRICTED ASSETS		
RESTRICTED CURRENT ASSETS		
Cash and Cash Equivalents on Deposit	\$ 52,343	\$ 68,845
Community Facilities Loans	12,795	12,775
Accrued Interest and Other Receivables	383	935
Total Restricted Current Assets	<u>65,521</u>	<u>82,555</u>
RESTRICTED LONG-TERM ASSETS		
Community Facilities Loans, Net of Current Portion	193,056	194,051
Accrued Other Receivables, Net of Current Portion	823	-
Total Restricted Long-Term Assets	<u>193,879</u>	<u>194,051</u>
Total Restricted Assets	<u><u>\$ 259,400</u></u>	<u><u>\$ 276,606</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accrued Interest Payable	\$ 674	\$ 728
Accounts Payable	186	222
Bonds Payable	12,065	11,925
Advance Trustee Fees	120	112
Rebate Liability	142	85
Due to Local Governments	38,360	55,900
Total Current Liabilities	<u>51,547</u>	<u>68,972</u>
LONG-TERM LIABILITIES		
Bonds Payable, Net of Current Portion	199,699	200,513
Advance Trustee Fees, Net of Current Portion	212	235
Rebate Liability, Net of Current Portion	943	652
Other Liabilities	166	183
Total Long-Term Liabilities	<u>201,020</u>	<u>201,583</u>
Total Liabilities	252,567	270,555
NET POSITION		
Restricted by Bond Indenture	<u>6,833</u>	<u>6,051</u>
Total Liabilities and Net Position	<u><u>\$ 259,400</u></u>	<u><u>\$ 276,606</u></u>

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
(in thousands)
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
OPERATING REVENUE		
Interest on Community Facilities Loans, Net of Amortization of Premium on Notes Receivable	\$ 7,319	\$ 6,197
Interest on Cash Equivalents, Net of Rebate	607	666
Fee Income	61	185
Other Operating Revenue	<u>-</u>	<u>1</u>
Total Operating Revenue	7,987	7,049
OPERATING EXPENSES		
Interest Expense on Bonds	6,828	5,751
Bond Issuance Cost	329	638
Professional Fees and Other Operating Expenses	<u>48</u>	<u>48</u>
Total Operating Expenses	<u>7,205</u>	<u>6,437</u>
Operating Income	<u>782</u>	<u>612</u>
CHANGE IN NET POSITION	782	612
NET POSITION, RESTRICTED - BEGINNING OF YEAR	<u>6,051</u>	<u>5,439</u>
NET POSITION, RESTRICTED - END OF YEAR	<u><u>\$ 6,833</u></u>	<u><u>\$ 6,051</u></u>

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
STATEMENTS OF CASH FLOWS
(in thousands)
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Principal and Interest Received on Community Facilities Loans	\$ 20,129	\$ 18,623
Origination of Community Facilities Loans	(29,341)	(28,514)
Advance Trustee Fees Received	105	122
Trustee Fees Paid	(120)	(112)
Rebate Liability Funds Received	14	68
Rebate Liability Paid	(84)	-
Loan Fees Received	61	185
Professional Fees and Other Operating Expenses	(48)	(48)
Other Operating Revenue	-	1
Net Cash Used by Operating Activities	<u>(9,284)</u>	<u>(9,675)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Cash Equivalents	703	730
Net Cash Provided by Investing Activities	<u>703</u>	<u>730</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Sale of Bonds	12,317	37,380
Payments on Bond Principal	(11,925)	(11,585)
Bond Issuance Costs	(365)	(460)
Interest on Bonds	(7,948)	(6,631)
Net Cash (Used) Provided by Noncapital Financing Activities	<u>(7,921)</u>	<u>18,704</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	<u>(16,502)</u>	<u>9,759</u>
CASH AND CASH EQUIVALENTS ON DEPOSIT - BEGINNING OF YEAR	<u>68,845</u>	<u>59,086</u>
CASH AND CASH EQUIVALENTS ON DEPOSIT - END OF YEAR	<u><u>\$ 52,343</u></u>	<u><u>\$ 68,845</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income	\$ 782	\$ 612
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:		
Amortization of Bond Original Issue Premiums/Discounts	(1,066)	(937)
Amortization of Premium on Notes Receivable	697	603
Interest Received on Cash Equivalents	(703)	(730)
Bond Issuance Costs	365	460
Bond Interest	7,948	6,631
Decrease (Increase) in Assets:		
Community Facilities Loans	504	(22,432)
Premium on Notes Receivable	(226)	(1,998)
Interest Accrued and Other Receivables	(271)	(571)
(Decrease) Increase in Liabilities:		
Accrued Interest Payable	(54)	57
Accounts Payable	(36)	178
Due to Local Governments	(17,540)	7,814
Rebate Liability	348	644
Advance Trustees Fees and Other Liabilities	(32)	(6)
Net Cash Used by Operating Activities	<u><u>\$ (9,284)</u></u>	<u><u>\$ (9,675)</u></u>

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 1 AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) is authorized to issue Local Government Infrastructure Bonds pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland to provide a mechanism for financing the infrastructure needs of local governments. CDA is in the Division of Development Finance in the Department of Housing and Community Development (DHCD) of the State of Maryland.

The accompanying financial statements only include CDA's Local Government Infrastructure Bonds (the Fund) (resolution adopted August 1, 2010). CDA's other funds are not included.

The Fund was established to issue bonds to provide funds for construction and permanent financing to local governments for public facilities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Fund is accounted for as an enterprise fund. Accordingly, the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (GAAP).

Basis of Accounting and Measurement Focus

The basis of accounting for the Fund is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of the Fund are included on the statements of net position. The Fund is required to follow all statements of the Governmental Accounting Standards Board (GASB).

Generally Accepted Accounting Principles

CDA reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by GASB. Consequently, CDA applies all applicable GASB pronouncements.

In accordance with accounting guidance issued by GASB, net position should be reported as restricted when constraints placed on net position use is either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation. Accordingly, the net position of the Fund is restricted as to its use as the net position is pledged to bondholders.

Since CDA is an enterprise fund included in the State of Maryland's Annual Comprehensive Financial Report, a separate Management's Discussion and Analysis is not included in these financial statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents on Deposit

Cash equivalents may include money market funds, repurchase agreements, investment agreements, and any other investments, primarily obligations of the U.S. Treasury and U.S. Government Agencies, which have maturities of 90 or less days at the time of purchase. As of June 30, 2025 and 2024, all of the Fund's cash equivalents were invested in a money market mutual fund which is more fully described in Note 3.

Investments

Investments are primarily U.S. Treasuries or investment agreements collateralized by governmental debt securities. Debt securities are stated at fair value, based on quoted market prices. Investments are classified as current or long-term based on the maturity date or call date. Callable investments are classified as current, if exercise of the call within the next fiscal year is probable. Investments are more fully described in Note 3.

Community Facilities Loans

Community facilities loans are carried at their unpaid principal balances, net of unamortized premiums on notes receivable. See Note 4 for additional information on community facilities loans.

Allowance for Loan Losses

Community facilities loans are secured by the full faith and credit of the applicable local government. Therefore, CDA has determined that no allowance for loan losses was necessary as of June 30, 2025 and 2024.

Accrued Interest and Other Receivables

Accrued interest includes both interest on cash deposits and interest on loans. As of June 30, 2025 and 2024, all loans were current. Therefore, all accrued interest on loans was recorded during the year. See Note 5 for additional information.

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized bond premiums and discounts. See Notes 6, 7, and 9 for additional information.

Due to Local Governments

CDA records the total loan amount when the loan closes and collects interest from the local government on this full loan amount from the date of closing. Due to local governments represents the undrawn loan amount which is held by CDA as an escrow until the funds are needed by the local government.

Fee Income

CDA receives financing fees at loan origination. These fees are recognized as revenue in the period received as fee income.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discounts and Premiums

Bond discounts and premiums are amortized using a method which approximates the effective interest method. Premiums on notes receivable are amortized on a straight-line basis over the life of the note receivable.

Rebate Liability on Investments

Regulations governing the issuance of tax-exempt debt place limitations on permitted investment yield on borrowed funds. Based on these regulations, CDA is required to periodically rebate excess earning from investments to the United States Treasury. In addition, the liability may also include an estimate of the rebate obligation related to unrealized gains as a result of recording investments at fair value. Rebate liability is more fully described in Note 8.

Administrative Support

In addition to expenses incurred directly by the Fund, CDA receives certain support services from other divisions of DHCD. Support services and the operating expenses of CDA have been allocated to CDA's General Bond Reserve Fund and are reported in the financial statements of CDA's Revenue Obligation Funds. The General Bond Reserve Fund records these expenses as invoiced by DHCD for the fiscal year.

The employees of CDA are covered by the Maryland State Retirement and Pension System. See Note 10 for additional information.

Revenue and Expenses

CDA distinguishes operating revenue and expenses from nonoperating items in accordance with accounting guidance issued by GASB. Operating revenue and expenses are identified as those activities that are directly related to financing public facilities for local governments. All of the Fund's activities are considered to be operating.

Use of Estimates

The preparation of 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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, and losses during the reporting periods. Actual results could differ from these estimates.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

Proceeds from bonds and revenues from loans are invested in authorized investments as defined in the Local Government Infrastructure Bonds Resolution (the Resolution) and in CDA's Investment Policy until required for financing projects, redeeming outstanding bonds, and funding program expenses. Authorized investments include obligations of the U.S. Treasury, U.S. Government Agencies, investment agreements, money market funds, and any other investment as defined by the Resolution.

The following assets, reported at fair value and held by the Fund as of June 30, 2025 and 2024, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk, and custodial credit risk.

Assets	2025	2024
Cash and Cash Equivalents:		
BlackRock Liquidity FedFund		
Administration Shares	\$ 52,343	\$ 68,845
Total	<u>\$ 52,343</u>	<u>\$ 68,845</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses from rising interest rates, CDA's Investment Policy requires that the maturities of the investment portfolio are scheduled to meet the cash requirements for bond debt service, projected loan originations, and ongoing operations.

As of June 30, 2025, the amortized cost, fair value, and maturities for these assets were as follows:

Asset	Amortized Cost	Fair Value	Maturities (in Years)	
			Less Than 1	1 - 5
BlackRock Liquidity FedFund				
Administration Shares	\$ 52,343	\$ 52,343	\$ 52,343	\$ -
Total	<u>\$ 52,343</u>	<u>\$ 52,343</u>	<u>\$ 52,343</u>	<u>\$ -</u>

As of June 30, 2024, the amortized cost, fair value, and maturities for these assets were as follows:

Asset	Amortized Cost	Fair Value	Maturities (in Years)	
			Less Than 1	1 - 5
BlackRock Liquidity FedFund				
Administration Shares	\$ 68,845	\$ 68,845	\$ 68,845	\$ -
Total	<u>\$ 68,845</u>	<u>\$ 68,845</u>	<u>\$ 68,845</u>	<u>\$ -</u>

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

The BlackRock Liquidity FedFund Administration Shares invests primarily in cash, U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies, or instrumentalities, and repurchase agreements secured by such obligations or cash. It operates in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, and can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable, and the principal can be recovered on demand. As of June 30, 2025 and 2024, the cost of the money market mutual fund approximated fair value.

Credit Risk and Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Neither CDA's Investment Policy nor the Resolution requires investment agreements or deposits to be collateralized. CDA's Investment Policy places no limit on the amount that CDA may invest in any one issuer or counterparty. According to the Resolution and CDA's Investment policy, securities must be rated at the highest investment grade by any national rating agency. U.S. dollar denominated accounts and bankers' acceptances which have a rating on their short-term certificates of deposit must be in the two highest ratings by any nationally recognized rating agency. The following table provides credit quality rating information for the investment portfolio and individual issuers, if they represent 5% or more of total investments in accordance with accounting guidance issued by GASB. Investments in mutual funds are excluded from this requirement.

As of June 30, 2025, credit ratings and allocation by type of investments for the following assets were:

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Money Market Fund Rating</u>	<u>Rating Agency</u>
BlackRock Liquidity FedFund Administration Shares	\$ 52,343	100.00%	Aaa-mf	Moody's

As of June 30, 2024, credit ratings and allocation by type of investments for the following assets were:

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Money Market Fund Rating</u>	<u>Rating Agency</u>
BlackRock Liquidity FedFund Administration Shares	\$ 68,845	100.00%	Aaa-mf	Moody's

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or counterparty failure, CDA will not be able to recover its deposits or the value of its collateral securities that are in the possession of an outside party. As of June 30, 2025 and 2024, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. The money market mutual fund and other investments are held in trust by the trustee, kept separate from the assets of the bank and from other trust accounts, and is held in CDA's name.

Fair Value Measurements

CDA 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments in money market funds are not subject to the fair value measurement requirements.

NOTE 4 COMMUNITY FACILITIES LOANS

Community facilities loans are secured by the full faith and credit of the applicable local government. As such, no allowance for loan losses was necessary as of June 30, 2025 and 2024. As of June 30, 2025 and 2024, interest rates on such loans range from 0.96% to 5.09%. Remaining loan terms range from less than 1 year to 29 years and less than 1 year to 30 years, respectively.

The Local Government Infrastructure Bonds 2019 Series B, 2020 Series A, 2021 Series A, 2023 Series A, 2024 Series A, and 2025 Series A were issued at premium which resulted in a related premium on the loans receivable issued in connection with the bond proceeds. The premiums will be amortized on a straight-line basis over the life of each underlying loan receivable. Balance of loans receivable and the related premiums as of June 30, 2025 and 2024, were as follows:

	2025	2024
Community Facilities Loans Receivable	\$ 195,607	\$ 196,111
Premium on Notes Receivable	12,819	12,593
Total Community Facilities Loans Receivable, Net of Premium	208,426	208,704
Less: Accumulated Amortization of Premium on Notes Receivable	(2,575)	(1,878)
Community Facilities Loans Receivable, Net of Unamortized Premium	<u>\$ 205,851</u>	<u>\$ 206,826</u>

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 5 ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2025 and 2024, were as follows:

	2025	2024
Accrued Interest on Community Facilities Loans	\$ 259	\$ 310
Accrued Interest on Cash Equivalents	47	57
Accrued Local Governments' Share of Rebate Liability	900	568
Total	<u>\$ 1,206</u>	<u>\$ 935</u>

NOTE 6 BONDS PAYABLE

The bonds issued by CDA are special obligations of CDA and are payable from the revenue and special funds of the Resolution. These bonds do not constitute debt of and are not guaranteed by the state of Maryland or any other program of the state of Maryland or any political subdivision.

The provisions of the Resolution require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of community facilities loans. All outstanding bonds are subject to redemption at the option of CDA, in whole or in part at any time, after certain dates, as specified in the respective series resolutions, at a redemption price equal to the principal amount thereof to be redeemed. All bonds have fixed interest rates and all bonds are tax-exempt.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2025 AND 2024**

NOTE 6 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2025 and debt outstanding and bonds payable as of June 30, 2025:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt	Bond Activity			Debt	Bond	Bonds
				Outstanding at June 30, 2024	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/ Defeased	Outstanding at June 30, 2025	Premium/ Discount Deferred	Payable at June 30, 2025
Local Government										
Infrastructure Bonds										
2010 Series A-1	8/25/10	N/A	N/A	\$ 250	\$ -	\$ (250)	\$ -	\$ -	\$ -	\$ -
2010 Series A-2	8/25/10	N/A	N/A	125	-	(125)	-	-	-	-
2012 Series A-1	5/17/12	3.10% - 3.50%	2026-2032	1,625	-	(265)	-	1,360	(1)	1,359
2012 Series A-2	5/17/12	3.20% - 3.60%	2026-2032	830	-	(130)	-	700	-	700
2012 Series B-1	12/19/12	2.30% - 3.125%	2026-2032	2,825	-	(400)	-	2,425	34	2,459
2012 Series B-2	12/19/12	2.40% - 3.125%	2026-2032	1,160	-	(165)	-	995	-	995
2013 Series A-1	10/3/13	4.00% - 5.00%	2026-2035	1,000	-	(170)	-	830	(1)	829
2013 Series A-2	10/3/13	4.05% - 5.05%	2026-2043	755	-	(60)	-	695	-	695
2014 Series A-1	8/28/14	3.00% - 3.50%	2026-2034	4,595	-	(490)	-	4,105	109	4,214
2014 Series A-2	8/28/14	3.00% - 5.00%	2026-2034	2,505	-	(185)	-	2,320	-	2,320
2015 Series A-1	8/27/15	3.125% - 4.00%	2026-2045	7,295	-	(635)	-	6,660	31	6,691
2015 Series A-2	8/27/15	3.125% - 4.00%	2026-2045	3,120	-	(270)	-	2,850	-	2,850
2016 Series A-1	8/31/16	2.10% - 2.90%	2026-2036	8,950	-	(1,245)	-	7,705	-	7,705
2016 Series A-2	8/31/16	2.15% - 2.95%	2026-2036	3,840	-	(535)	-	3,305	-	3,305
2017 Series A-1	8/2/17	2.40% - 4.00%	2026-2047	17,565	-	(1,115)	-	16,450	246	16,696
2017 Series A-2	8/2/17	2.45% - 4.00%	2026-2047	7,540	-	(475)	-	7,065	-	7,065
2018 Series A-1	8/30/18	3.00% - 5.00%	2026-2048	3,385	-	(225)	-	3,160	213	3,373
2018 Series A-2	8/30/18	3.00% - 4.00%	2026-2048	1,435	-	(95)	-	1,340	-	1,340
2019 Series A-1	6/27/19	3.00% - 3.90%	2026-2049	10,125	-	(265)	-	9,860	-	9,860
2019 Series A-2	6/27/19	3.10% - 4.00%	2026-2049	4,350	-	(110)	-	4,240	-	4,240
2019 Series B-1	11/21/19	4.00%	2026-2049	9,910	-	(460)	-	9,450	942	10,392
2019 Series B-2	11/21/19	4.00%	2026-2049	4,445	-	(200)	-	4,245	408	4,653
2020 Series A-1	8/20/20	4.00%	2026-2049	13,365	-	(985)	-	12,380	2,952	15,332
2020 Series A-2	8/20/20	4.00%	2026-2049	6,025	-	(425)	-	5,600	-	5,600
2021 Series A-1	12/2/21	3.00% - 5.00%	2026-2051	17,630	-	(580)	-	17,050	2,363	19,413
2021 Series A-2	12/2/21	3.00% - 5.00%	2026-2051	7,595	-	(235)	-	7,360	-	7,360
2023 Series A-1	4/20/23	5.00%	2026-2043	15,005	-	(575)	-	14,430	1,931	16,361
2023 Series A-2	4/20/23	5.00%	2026-2043	6,830	-	(240)	-	6,590	829	7,419
2024 Series A-1	5/16/24	4.00% - 5.50%	2026-2054	24,005	-	(690)	-	23,315	1,781	25,096
2024 Series A-2	5/16/24	4.25% - 5.50%	2026-2054	10,750	-	(325)	-	10,425	706	11,131
2025 Series A-1	5/29/25	5.00%	2026-2045	-	8,085	-	-	8,085	414	8,499
2025 Series A-2	5/29/25	5.00%	2026-2045	-	3,655	-	-	3,655	157	3,812
Total				\$ 198,835	\$ 11,740	\$ (11,925)	\$ -	\$ 198,650	\$ 13,114	\$ 211,764

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NOTE 6 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2024 and debt outstanding and bonds payable as of June 30, 2024:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt	Bond Activity			Debt	Bond	Bonds
				Outstanding at June 30, 2023	New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/ Defeased	Outstanding at June 30, 2024	Premium/ Discount Deferred	Payable at June 30, 2024
Local Government Infrastructure Bonds										
2010 Series A-1	8/25/10	3.375%	2025	\$ 490	\$ -	\$ (240)	\$ -	\$ 250	\$ (3)	\$ 247
2010 Series A-2	8/25/10	3.50%	2025	245	-	(120)	-	125	-	125
2012 Series A-1	5/17/12	3.00% - 3.50%	2025 - 2032	2,340	-	(255)	(460)	1,625	(1)	1,624
2012 Series A-2	5/17/12	3.00% - 3.60%	2025 - 2032	1,160	-	(130)	(200)	830	-	830
2012 Series B-1	12/19/12	2.25% - 3.125%	2025 - 2032	3,220	-	(395)	-	2,825	37	2,862
2012 Series B-2	12/19/12	2.35% - 3.125%	2025 - 2032	1,320	-	(160)	-	1,160	-	1,160
2013 Series A-1	10/3/13	3.80% - 5.00%	2025 - 2035	1,160	-	(160)	-	1,000	(1)	999
2013 Series A-2	10/3/13	3.85% - 5.05%	2025 - 2043	815	-	(60)	-	755	-	755
2014 Series A-1	8/28/14	2.90% - 3.50%	2025 - 2034	5,225	-	(630)	-	4,595	118	4,713
2014 Series A-2	8/28/14	2.90% - 5.00%	2025 - 2034	2,750	-	(245)	-	2,505	-	2,505
2015 Series A-1	8/27/15	3.125% - 4.00%	2025 - 2045	7,995	-	(700)	-	7,295	48	7,343
2015 Series A-2	8/27/15	3.125% - 4.00%	2025 - 2045	3,420	-	(300)	-	3,120	-	3,120
2016 Series A-1	8/31/16	1.95% - 2.90%	2025 - 2036	10,175	-	(1,225)	-	8,950	-	8,950
2016 Series A-2	8/31/16	2.00% - 2.95%	2025 - 2036	4,365	-	(525)	-	3,840	-	3,840
2017 Series A-1	8/2/17	2.20% - 4.00%	2025 - 2047	18,705	-	(1,140)	-	17,565	257	17,822
2017 Series A-2	8/2/17	2.25% - 4.00%	2025 - 2047	8,030	-	(490)	-	7,540	-	7,540
2018 Series A-1	8/30/18	3.00% - 5.00%	2025 - 2048	3,600	-	(215)	-	3,385	228	3,613
2018 Series A-2	8/30/18	3.00% - 4.00%	2025 - 2048	1,530	-	(95)	-	1,435	-	1,435
2019 Series A-1	6/27/19	2.53% - 3.90%	2025 - 2049	10,385	-	(260)	-	10,125	-	10,125
2019 Series A-2	6/27/19	3.10% - 4.00%	2025 - 2049	4,460	-	(110)	-	4,350	-	4,350
2019 Series B-1	11/21/19	4.00%	2025 - 2049	10,355	-	(445)	-	9,910	1,030	10,940
2019 Series B-2	11/21/19	4.00%	2025 - 2049	4,635	-	(190)	-	4,445	439	4,884
2020 Series A-1	8/20/20	4.00%	2025 - 2049	14,315	-	(950)	-	13,365	3,309	16,674
2020 Series A-2	8/20/20	4.00%	2025 - 2049	6,430	-	(405)	-	6,025	-	6,025
2021 Series A-1	12/2/21	3.00% - 5.00%	2025 - 2051	18,180	-	(550)	-	17,630	2,589	20,219
2021 Series A-2	12/2/21	3.00% - 5.00%	2025 - 2051	7,835	-	(240)	-	7,595	-	7,595
2023 Series A-1	4/20/23	5.00%	2025 - 2043	15,475	-	(470)	-	15,005	2,063	17,068
2023 Series A-2	4/20/23	5.00%	2025 - 2043	7,050	-	(220)	-	6,830	884	7,714
2024 Series A-1	5/16/24	4.00% - 5.50%	2025 - 2054	-	24,005	-	-	24,005	1,866	25,871
2024 Series A-2	5/16/24	4.25% - 5.50%	2025 - 2054	-	10,750	-	-	10,750	740	11,490
Total				\$ 175,665	\$ 34,755	\$ (10,925)	\$ (660)	\$ 198,835	\$ 13,603	\$ 212,438

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NOTE 7 DEBT SERVICE REQUIREMENTS

As of June 30, 2025, the required principal payments for bonds (including mandatory sinking fund payments and excluding the effect of unamortized bond premiums and discounts) and interest payments for each of the next five years and in five-year increments thereafter, are as follows:

<u>Year Ending June 30,</u>	<u>Interest</u>	<u>Principal</u>
2026	\$ 8,057	\$ 12,065
2027	7,624	11,675
2028	7,180	11,385
2029	6,744	11,320
2030	6,302	11,345
2031-2035	25,239	47,820
2036-2040	16,363	38,570
2041-2045	8,439	32,370
2046-2050	2,775	17,480
2051-2054	429	4,620
Total	<u>\$ 89,152</u>	<u>\$ 198,650</u>

As of June 30, 2024, the required principal payments for bonds (including mandatory sinking fund payments and excluding the effect of unamortized bond premiums and discounts) and interest payments for each of the next five years and in five-year increments thereafter, were as follows:

<u>Year Ending June 30,</u>	<u>Interest</u>	<u>Principal</u>
2025	\$ 7,947	\$ 11,925
2026	7,466	11,605
2027	7,060	11,225
2028	6,639	10,910
2029	6,226	10,835
2030-2034	25,082	48,125
2035-2039	16,484	36,645
2040-2044	9,189	31,295
2045-2049	3,595	20,020
2050-2054	663	6,250
Total	<u>\$ 90,351</u>	<u>\$ 198,835</u>

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NOTE 8 REBATE LIABILITY

In accordance with the Internal Revenue Code (IRC), the Fund has recorded a rebate liability for excess earnings in tax-exempt bond and note issues. The excess investment earnings arise due to actual investment yields earned by the Fund being greater than yields permitted to be retained by the Fund under the IRC. The IRC requires 90% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the statements of revenue, expenses, and changes in net position is reduced by the CDA's rebate liability share due to excess investment earnings. For the years ended June 30, 2025 and 2024, the estimated CDA's share of rebate liability was \$185 and \$101, respectively. The Local Governments are responsible for a rebate liability amount computed on their share of undrawn bond proceeds held in the Loan Fund accounts. The rebate liability amounts received from the Local Governments are deposited into a separate account within each bond series pending payment to the United States Treasury. For the years ended June 30, 2025 and 2024, the estimated Local Governments' share of rebate liability was \$900 and \$636, respectively.

	2025	2024
Beginning Rebate Liability:		
CDA's Share	\$ 101	\$ 24
Local Governments' Share	636	69
Total	<u>\$ 737</u>	<u>\$ 93</u>
Change in Estimated Liability Due to Excess Earnings (Calculated as of the Interim Computation Period Ending 6/30):		
CDA's Share	\$ 84	\$ 77
Local Governments' Share	264	567
Total	<u>\$ 348</u>	<u>\$ 644</u>
Ending Rebate Liability:		
CDA's Share	\$ 185	\$ 101
Local Governments' Share	900	636
Total	<u>\$ 1,085</u>	<u>\$ 737</u>

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NOTE 9 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2025 and 2024 were as follows:

	2025	2024
Bonds Payable:		
Beginning Balance at June 30,	\$ 212,438	\$ 187,580
Additions	12,317	37,380
Reductions	(11,925)	(11,585)
Change in Deferred Amounts for Issuance		
Premiums/Discounts	(1,066)	(937)
Ending Balance at June 30,	<u>211,764</u>	<u>212,438</u>
Less: Due Within One Year	<u>(12,065)</u>	<u>(11,925)</u>
Total Long-Term Bonds Payable	199,699	200,513
Other Liabilities - Advance Trustee Fees:		
Beginning Balance at June 30,	347	337
Additions	105	122
Reductions	(120)	(112)
Ending Balance at June 30,	<u>332</u>	<u>347</u>
Less: Due Within One Year	<u>(120)</u>	<u>(112)</u>
Total Long-Term Other Liabilities - Advance Trustee Fees	212	235
Other Liabilities - Rebate Liability:		
Beginning Balance at June 30,	737	93
Additions	432	644
Reductions	(84)	-
Ending Balance at June 30,	<u>1,085</u>	<u>737</u>
Less: Due Within One Year	<u>(142)</u>	<u>(85)</u>
Total Long-Term Other Liabilities - Rebate Liability	943	652
Other Liabilities:		
Beginning Balance at June 30,	183	199
Additions	-	-
Reductions	(17)	(16)
Ending Balance at June 30,	<u>166</u>	<u>183</u>
Total Long-Term Other Liabilities	<u>166</u>	<u>183</u>
Total Long-Term Liabilities	<u>\$ 201,020</u>	<u>\$ 201,583</u>

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NOTE 10 PENSION AND OTHER POST-RETIREMENT BENEFITS

Eligible employees of CDA and employees of the state of Maryland are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain healthcare benefits upon retirement. CDA's only obligation for retirement and post-employment benefits is its required annual contribution, which was paid in full by CDA to the state of Maryland prior to year-end. The liability for the employees is recorded by the general fund of the state of Maryland and is not allocated to CDA. The System prepares a separate audited Annual Comprehensive Financial Report which can be obtained from the State Retirement and Pension System of Maryland, 120 East Baltimore Street, Baltimore, Maryland 21202, or by visiting the website at www.sra.maryland.gov.

