

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020



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**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
YEARS ENDED JUNE 30, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

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

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, which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenue, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021 and 2020, 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.

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 and for the years ended June 30, 2021 and 2020, and the changes in its net position and its cash flows, in conformity with accounting principles generally accepted in the United States of America. Our opinion on the basic financial statements was not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not 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. Our opinion on the basic 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 27, 2021, 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.



CliftonLarsonAllen LLP

Baltimore, Maryland
September 27, 2021

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
STATEMENTS OF NET POSITION
(in thousands)
JUNE 30, 2021 AND 2020**

	2021	2020
RESTRICTED ASSETS		
RESTRICTED CURRENT ASSETS		
Cash and Cash Equivalents on Deposit	\$ 42,736	\$ 59,166
Investments	-	345
Community Facilities Loans	41,012	23,780
Accrued Interest Receivable	847	820
Total Restricted Current Assets	84,595	84,111
RESTRICTED LONG-TERM ASSETS		
Community Facilities Loans, Net of Current Portion	141,665	159,898
Total Restricted Long-Term Assets	141,665	159,898
Total Restricted Assets	\$ 226,260	\$ 244,009
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accrued Interest Payable	\$ 510	\$ 503
Accounts Payable	19	19
Bonds Payable	40,760	24,030
Advance Trustee Fees	96	88
Due to Local Governments	35,253	52,227
Total Current Liabilities	76,638	76,867
LONG-TERM LIABILITIES		
Bonds Payable, Net of Current Portion	146,313	163,694
Advance Trustee Fees, Net of Current Portion	81	29
Other Liabilities	328	402
Total Long-Term Liabilities	146,722	164,125
Total Liabilities	223,360	240,992
NET POSITION		
Restricted	2,900	3,017
Total Liabilities and Net Position	\$ 226,260	\$ 244,009

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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
OPERATING REVENUE		
Interest on Community Facilities Loans	\$ 6,273	\$ 6,124
Interest on Cash, Cash Equivalents and Investments	11	105
Gain on Early Retirement of Debt	46	-
Fee Income	142	94
Other Operating Revenue	1	-
Total Operating Revenue	<u>6,473</u>	<u>6,323</u>
OPERATING EXPENSES		
Interest Expense on Bonds	5,991	5,766
Bond Issuance Cost	550	471
Decrease in Fair Value of Investments	7	-
Professional Fees and Other Operating Expenses	42	39
Total Operating Expenses	<u>6,590</u>	<u>6,276</u>
Operating (Loss) Income	(117)	47
CHANGE IN NET POSITION	(117)	47
NET POSITION, RESTRICTED - BEGINNING OF YEAR	<u>3,017</u>	<u>2,970</u>
NET POSITION, RESTRICTED - END OF YEAR	<u>\$ 2,900</u>	<u>\$ 3,017</u>

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
STATEMENTS OF CASH FLOWS
(in thousands)
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Principal and Interest Received on Community Facilities Loans	\$ 35,019	\$ 17,893
Origination of Community Facilities Loans	(44,822)	(14,055)
Advance Trustee Fees Received	152	102
Trustee Fees Paid	(92)	(82)
Loan Fees Received	142	94
Professional Fees and Other Operating Expenses	(42)	(46)
Other Operating Revenue	1	-
Net Cash (Used) Provided by Operating Activities	(9,642)	3,906
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Maturities or Sales of Investments	338	336
Interest Received on Cash Equivalents and Investments	13	118
Net Cash Provided by Investing Activities	351	454
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Sale of Bonds	28,816	19,060
Payments on Bond Principal	(28,980)	(12,060)
Bond Issuance Costs	(550)	(471)
Interest on Bonds	(6,425)	(5,949)
Net Cash (Used) Provided by Noncapital Financing Activities	(7,139)	580
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS ON DEPOSIT	(16,430)	4,940
CASH AND CASH EQUIVALENTS ON DEPOSIT - BEGINNING OF YEAR	59,166	54,226
CASH AND CASH EQUIVALENTS ON DEPOSIT - END OF YEAR	\$ 42,736	\$ 59,166
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES		
Operating (Loss) Income	\$ (117)	\$ 47
Adjustments to Reconcile Operating (Loss) Income to Net Cash (Used) Provided by Operating Activities:		
Amortization of Bond Original Issue Premiums/Discounts	(441)	(256)
Amortization of Premium on Notes Receivable	330	72
Decrease in Fair Value of Investments	7	-
Interest Received on Cash Equivalents and Investments	(13)	(118)
Bond Issuance Costs	550	471
Interest on Bonds	6,425	5,949
Gain on Early Retirement of Debt	(46)	-
Decrease (Increase) in Assets:		
Community Facilities Loans	4,638	(4,871)
Premium on Notes Receivable	(3,967)	(1,510)
Accrued Interest and Other Receivables	(27)	(273)
Increase (Decrease) in Liabilities:		
Accrued Interest Payable	7	74
Accounts Payable	-	(122)
Due to Local Governments	(16,974)	4,444
Advance Trustees Fees and Other Liabilities	(14)	(1)
Net Cash Provided (Used) by Operating Activities	\$ (9,642)	\$ 3,906

See accompanying Notes to Financial Statements.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2021 AND 2020**

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 Comprehensive Annual 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, 2021 AND 2020**

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, 2021 and 2020, 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, 2021 and 2020.

Accrued Interest Receivable

Accrued interest includes both interest on cash deposits and interest on loans. As of June 30, 2021 and 2020, all loans were current. Therefore, all accrued interest on loans was recorded during the year.

Bonds Payable

Bonds payable are carried at their unpaid principal balances, net of unamortized bond premiums and discounts. See Notes 5, 6, and 7 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.

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.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 8 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.

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, 2021 and 2020, are evaluated in accordance with GASB accounting guidance for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Assets	2021	2020
Cash and Cash Equivalents:		
BlackRock Liquidity FedFund		
Administration Shares	\$ 42,736	\$ 59,166
Investments:		
Obligation of U.S. Government Agencies	-	345
Total	<u>\$ 42,736</u>	<u>\$ 59,511</u>

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

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, 2021, the amortized cost, fair value, and maturities for these assets were as follows:

<u>Asset</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
			<u>Less Than 1</u>	<u>1 - 5</u>
BlackRock Liquidity FedFund Administration Shares	\$ 42,736	\$ 42,736	\$ 42,736	\$ -
Total	<u>\$ 42,736</u>	<u>\$ 42,736</u>	<u>\$ 42,736</u>	<u>\$ -</u>

As of June 30, 2020, the amortized cost, fair value, and maturities for these assets were as follows:

<u>Asset</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
			<u>Less Than 1</u>	<u>1 - 5</u>
BlackRock Liquidity FedFund Administration Shares	\$ 59,166	\$ 59,166	\$ 59,166	\$ -
Obligations of U.S. Government Agencies	338	345	345	-
Total	<u>\$ 59,504</u>	<u>\$ 59,511</u>	<u>\$ 59,511</u>	<u>\$ -</u>

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, 2021 and 2020, the cost of the money market mutual fund approximated fair value.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
NOTES TO FINANCIAL STATEMENTS
(in thousands)
JUNE 30, 2021 AND 2020**

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

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, 2021, credit ratings and allocation by type of investments for the following assets were:

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	\$ 42,736	100.00%	Aaa-mf	Moody's

As of June 30, 2020, credit ratings and allocation by type of investments for the following assets were:

Asset	Fair Value	Percentage of Total Investments	Money Market Fund Rating	Rating Agency
BlackRock Liquidity FedFund Administration Shares	\$ 59,166	99.42%	Aaa-mf	Moody's

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, 2021 and 2020, 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.

**COMMUNITY DEVELOPMENT ADMINISTRATION
LOCAL GOVERNMENT INFRASTRUCTURE BONDS
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(in thousands)
JUNE 30, 2021 AND 2020**

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

Fair Value Measurements (Continued)

The Fund has the following recurring fair value measurement as of June 30, 2021 and 2020:

- U.S. Government agencies of \$0 and \$345, respectively, are valued using quoted market prices (Level 1).

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, 2021 and 2020. As of June 30, 2021 and 2020, interest rates on such loans range from 0.96% to 4.879% and 1.65% to 5.09%, respectively. Remaining loan terms range from less than 1 year to 27 years and less than 1 year to 28 years, respectively.

The Local Government Infrastructure Bonds 2019 Series B were issued at a premium of \$1,510 and the Local Government Infrastructure Bonds 2020 Series A were issued at a premium of \$3,967, 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, 2021 and 2020 were as follows:

	2021	2020
Community Facilities Loans Receivable	\$ 177,602	\$ 182,240
Premium on Notes Receivable	5,477	1,510
Total Community Facilities Loans Receivable, Net of Premium	183,079	183,750
Less Accumulated Amortization of Premium on Notes Receivable	(402)	(72)
Community Facilities Loans Receivable, Net of Unamortized Premium	\$ 182,677	\$ 183,678

NOTE 5 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
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(in thousands)
JUNE 30, 2021 AND 2020**

NOTE 5 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2021 and debt outstanding and bonds payable as of June 30, 2021:

	Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2020	Bond Activity			Debt Outstanding at June 30, 2021	Bond Premium/Discount Deferred	Bonds Payable at June 30, 2021
					New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/Defeased			
Local Government										
Infrastructure Bonds										
2010 Series A-1	8/25/10	3.50% - 3.375%	2022 - 2025	\$ 10,030	\$ -	\$ (240)	\$ (8,790)	\$ 1,000	\$ (10)	\$ 990
2010 Series A-2	8/25/10	3.125% - 3.5%	2022 - 2025	4,445	-	(115)	(3,845)	485	-	485
2012 Series A-1	5/17/12	2.50% - 3.50%	2022 - 2032	4,260	-	(580)	-	3,680	(2)	3,678
2012 Series A-2	5/17/12	2.50% - 3.60%	2022 - 2032	2,045	-	(260)	-	1,785	-	1,785
2012 Series B-1	12/19/12	2.25% - 3.125%	2022 - 2032	8,970	-	(795)	(555)	7,620	96	7,716
2012 Series B-2	12/19/12	2.20% - 3.125%	2022 - 2032	4,160	-	(365)	(290)	3,505	-	3,505
2013 Series A-1	10/3/13	3.20% - 5.00%	2022 - 2043	9,580	-	(630)	-	8,950	(25)	8,925
2013 Series A-2	10/3/13	3.25% - 5.05%	2022 - 2043	4,545	-	(270)	-	4,275	-	4,275
2014 Series A-1	8/28/14	2.30% - 3.50%	2022 - 2034	21,095	-	(1,405)	(2,110)	17,580	330	17,910
2014 Series A-2	8/28/14	2.30% - 5.00%	2022 - 2034	9,930	-	(600)	(1,075)	8,255	-	8,255
2015 Series A-1	8/27/15	3.00% - 3.75%	2022 - 2045	10,100	-	(705)	-	9,395	94	9,489
2015 Series A-2	8/27/15	3.00% - 3.75%	2022 - 2045	4,320	-	(300)	-	4,020	-	4,020
2016 Series A-1	8/31/16	1.50% - 2.90%	2022 - 2036	13,740	-	(1,175)	-	12,565	-	12,565
2016 Series A-2	8/31/16	1.55% - 2.95%	2022 - 2036	5,885	-	(500)	-	5,385	-	5,385
2017 Series A-1	8/2/17	2.00% - 4.00%	2022 - 2047	23,015	-	(1,580)	-	21,435	290	21,725
2017 Series A-2	8/2/17	2.00% - 4.00%	2022 - 2047	9,880	-	(680)	-	9,200	-	9,200
2018 Series A-1	8/30/18	4.00% - 5.00%	2022 - 2048	4,200	-	(195)	-	4,005	272	4,277
2018 Series A-2	8/30/18	3.00% - 4.00%	2022 - 2048	1,785	-	(80)	-	1,705	-	1,705
2019 Series A-1	6/27/19	2.18% - 3.90%	2022 - 2049	11,120	-	(240)	-	10,880	-	10,880
2019 Series A-2	6/27/19	2.28% - 4.00%	2022 - 2049	4,780	-	(105)	-	4,675	-	4,675
2019 Series B-1	11/21/19	3.00% - 4.00%	2022 - 2049	11,600	-	(405)	-	11,195	1,281	12,476
2019 Series B-2	11/21/19	3.00% - 4.00%	2022 - 2049	5,170	-	(170)	-	5,000	529	5,529
2020 Series A-1	8/20/20	4.00%	2022 - 2049	-	16,740	(645)	-	16,095	4,333	20,428
2020 Series A-2	8/20/20	4.00%	2022 - 2049	-	7,470	(275)	-	7,195	-	7,195
Total				\$ 184,655	\$ 24,210	\$ (12,315)	\$ (16,665)	\$ 179,885	\$ 7,188	\$ 187,073

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NOTE 5 BONDS PAYABLE (CONTINUED)

The following is a summary of the bond activity for the year ended June 30, 2020 and debt outstanding and bonds payable as of June 30, 2020:

Issue Dated	Range of Interest Rates	Range of Maturities	Debt Outstanding at June 30, 2019	Bond Activity		Debt Outstanding at June 30, 2020	Bond Premium/Discount Deferred	Bonds Payable at June 30, 2020
				New Bonds Issued	Scheduled Maturity Payments			
Local Government Infrastructure Bonds								
2010 Series A-1	8/25/10	3.00% - 4.00%	\$ 11,075	\$ -	\$ (1,045)	\$ 10,030	\$ (24)	\$ 10,006
2010 Series A-2	8/25/10	3.00% - 4.00%	4,900	-	(455)	4,445	-	4,445
2012 Series A-1	5/17/12	2.35% - 3.50%	4,880	-	(620)	4,260	(2)	4,258
2012 Series A-2	5/17/12	2.35% - 3.60%	2,325	-	(280)	2,045	-	2,045
2012 Series B-1	12/19/12	2.00% - 3.125%	9,745	-	(775)	8,970	112	9,082
2012 Series B-2	12/19/12	1.95% - 3.125%	4,515	-	(355)	4,160	-	4,160
2013 Series A-1	10/3/13	3.00% - 5.00%	10,195	-	(615)	9,580	(28)	9,552
2013 Series A-2	10/3/13	3.05% - 5.05%	4,805	-	(260)	4,545	-	4,545
2014 Series A-1	8/28/14	2.05% - 3.50%	22,445	-	(1,350)	21,095	399	21,494
2014 Series A-2	8/28/14	2.05% - 5.00%	10,510	-	(580)	9,930	-	9,930
2015 Series A-1	8/27/15	3.00% - 3.75%	10,785	-	(685)	10,100	109	10,209
2015 Series A-2	8/27/15	3.00% - 3.75%	4,610	-	(290)	4,320	-	4,320
2016 Series A-1	8/31/16	1.25% - 2.90%	14,900	-	(1,160)	13,740	-	13,740
2016 Series A-2	8/31/16	1.30% - 2.95%	6,380	-	(495)	5,885	-	5,885
2017 Series A-1	8/2/17	2.00% - 4.00%	24,560	-	(1,545)	23,015	301	23,316
2017 Series A-2	8/2/17	2.00% - 4.00%	10,545	-	(665)	9,880	-	9,880
2018 Series A-1	8/30/18	3.00% - 5.00%	4,390	-	(190)	4,200	285	4,485
2018 Series A-2	8/30/18	3.00% - 4.00%	1,865	-	(80)	1,785	-	1,785
2019 Series A-1	6/27/19	2.15% - 3.90%	11,340	-	(220)	11,120	-	11,120
2019 Series A-2	6/27/19	2.25% - 4.00%	4,875	-	(95)	4,780	-	4,780
2019 Series B-1	11/21/19	3.00% - 4.00%	-	11,810	(210)	11,600	1,360	12,960
2019 Series B-2	11/21/19	3.00% - 4.00%	-	5,260	(90)	5,170	557	5,727
Total			\$ 179,645	\$ 17,070	\$ (12,060)	\$ 184,655	\$ 3,069	\$ 187,724

NOTE 6 DEBT SERVICE REQUIREMENTS

As of June 30, 2021, the required principal payments for bonds (including mandatory sinking fund payments and bond defeasance that occurred subsequent to June 30, 2021, 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>
2022	\$ 5,177	\$ 40,760
2023	4,767	11,320
2024	4,456	9,575
2025	4,191	9,410
2026	3,909	8,950
2027-2031	15,480	38,800
2032-2036	9,649	25,810
2037-2041	5,724	15,675
2042-2046	2,880	13,085
2047-2049	504	6,500
Total	\$ 56,737	\$ 179,885

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NOTE 6 DEBT SERVICE REQUIREMENTS (CONTINUED)

As of June 30, 2020, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2020, 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>
2021	\$ 5,682	\$ 24,030
2022	5,329	11,580
2023	5,054	10,520
2024	4,785	10,790
2025	4,499	10,655
2026-2030	17,890	47,760
2031-2035	10,007	36,200
2036-2040	5,471	13,040
2041-2045	3,097	12,150
2046-2049	739	7,930
Total	<u>\$ 62,553</u>	<u>\$ 184,655</u>

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NOTE 7 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Bonds Payable:		
Beginning Balance at June 30,	\$ 187,724	\$ 180,980
Additions	24,210	17,070
Reductions	(28,980)	(12,060)
Change in Deferred Amounts for Issuance Premiums/Discounts	4,119	1,734
Ending Balance at June 30,	<u>187,073</u>	<u>187,724</u>
Less Due Within One Year	<u>(40,760)</u>	<u>(24,030)</u>
Total Long-Term Bonds Payable	<u>146,313</u>	<u>163,694</u>
Other Liabilities - Advance Trustee Fees:		
Beginning Balance at June 30,	117	97
Additions	152	102
Reductions	(92)	(82)
Ending Balance at June 30,	<u>177</u>	<u>117</u>
Less Due Within One Year	<u>(96)</u>	<u>(88)</u>
Total Long-Term Other Liabilities - Advance Trustee Fees	<u>81</u>	<u>29</u>
Other Liabilities:		
Beginning Balance at June 30,	402	423
Additions	-	-
Reductions	(74)	(21)
Ending Balance at June 30,	<u>328</u>	<u>402</u>
Total Long-Term Other Liabilities	<u>328</u>	<u>402</u>
Total Long-Term Liabilities	<u>\$ 146,722</u>	<u>\$ 164,125</u>

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NOTE 8 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 Comprehensive Annual 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.

NOTE 9 SUBSEQUENT EVENTS

Subsequent to the year ended June 30, 2021, CDA defeased \$4,865 of 2012 Series B, \$9,380 of 2013 Series A, and \$13,690 of 2014 Series A Local Government Infrastructure Bonds on July 1, 2021.

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to CDA activity, COVID-19 may impact various parts of its 2022 operations and financial results including, but not limited to, an increase in non-performing loans, an increase in loans in forbearance, or a potential decrease in loan production, all of which would likely reduce revenues and increase expenses. Management believes that CDA is taking appropriate actions to mitigate the negative impact.

As of June 30, 2021, CDA did not observe any material impacts on the Fund's operations or its financial position from the pandemic public health crisis.