

**MARYLAND ECONOMIC DEVELOPMENT
ASSISTANCE AUTHORITY AND FUND
(A COMPONENT UNIT OF THE STATE OF MARYLAND)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



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**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
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YEARS ENDED JUNE 30, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maryland Economic Development Assistance Authority and Fund
and Secretary of the Maryland Department of Commerce
Baltimore, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Maryland Economic Development Assistance Authority and Fund, a component unit of the state of Maryland, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Maryland Economic Development Assistance Authority and Fund'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 respective financial position of the governmental activities and the general fund of the Maryland Economic Development Assistance Authority and Fund, as of June 30, 2023 and 2022, and the respective changes in financial position thereof 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). 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 Maryland Economic Development Assistance Authority and Fund 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 2, the financial statements of the Maryland Economic Development Assistance Authority and Fund are intended to present the financial position and the changes in financial position of only the Maryland Economic Development Assistance Authority and Fund. They do not purport to, and do not present fairly the financial position of the Department of Commerce or the state of Maryland as of June 30, 2023 and 2022, or the changes in their financial position for the years 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 Maryland Economic Development Assistance Authority and Fund'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 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, 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 Maryland Economic Development Assistance Authority and 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maryland Economic Development Assistance Authority and Fund's ability to continue as a going concern for a reasonable period of time.

Board of Directors
Maryland Economic Development Assistance Authority and Fund
and Secretary of the Maryland Department of Commerce

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 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 an opinion on the financial statements that collectively comprise the Maryland Economic Development Assistance Authority and Fund's basic financial statements. The combining statements (the supplementary information) 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Baltimore, Maryland
October 27, 2023

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2023 AND 2022**

Overview of the Financial Statements and Financial Analysis

In accordance with generally accepted accounting principles, the Maryland Department of Commerce (the Department) presents this management's discussion and analysis of the financial statements of the Maryland Economic Development Assistance Authority and Fund (MEDAAF or the Fund) for the years ended June 30, 2023 and 2022.

This financial report consists of two primary financial statements: The statement of net position simultaneously presented with the governmental fund balance sheet, and the statement of activities concurrently presented with the governmental fund revenues, expenditures and changes in fund balance. The statement of net position discloses MEDAAF's net assets and related changes. The statement of activities discloses the MEDAAF's revenues and expenses. These statements contain adjustments made to the fund statements to convert them to the accrual basis of accounting – similar to the accounting used by most public-sector companies. Under the accrual basis of accounting, all of the current year's revenues and expenses are taken into account, regardless of when the cash is received or paid. The governmental fund statements provide a detailed view of MEDAAF's basic services. MEDAAF has one governmental fund, the general fund. The general fund is reported on a modified accrual basis of accounting, which measures cash and all other financial assets that can easily be converted to cash.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental fund is addressed in the reconciliations included within the financial statements.

The financial statements also include notes that explain some of the information in the financial statements and provides supporting details.

Statements of Net Position

The statements of net position present the assets, liabilities, and net position of MEDAAF as of the end of each fiscal year, computed in conformity with generally accepted accounting principles. These statements are meant to present a fiscal snapshot of the MEDAAF program. The statements are composed of three major categories, namely assets, liabilities, and net position, using the accrual basis of accounting. Assets are classified as current or noncurrent according to the timing by which their receipt will be realized. Liabilities are classified as either current or noncurrent based upon the timing of when they will be paid. The net position is the difference between assets and liabilities. The net position is generally separated into three broad components, namely investments in capital assets - net of related debt, restricted net position, and unrestricted net position.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2023 AND 2022**

Statements of Net Position (Continued)

The following are MEDAAF's summarized statements of net position as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Current Assets	\$ 83,574,966	\$ 87,453,776	\$ 80,574,424
Noncurrent Assets	15,564,183	16,957,409	19,837,789
Total Assets	<u>\$ 99,139,149</u>	<u>\$ 104,411,185</u>	<u>\$ 100,412,213</u>
LIABILITIES			
Current Liabilities	\$ 331,804	\$ 331,804	\$ -
Total Liabilities	<u>331,804</u>	<u>331,804</u>	<u>-</u>
NET POSITION			
Unrestricted Net Position	<u>98,807,345</u>	<u>104,079,381</u>	<u>100,412,213</u>
Total Net Position	<u>98,807,345</u>	<u>104,079,381</u>	<u>100,412,213</u>
 Total Liabilities and Net Position	 <u>\$ 99,139,149</u>	 <u>\$ 104,411,185</u>	 <u>\$ 100,412,213</u>

Fiscal Year 2023 Compared to 2022

Current assets decreased by \$3,878,810 or 4.4% over the preceding year primarily due to an increase in cash of \$3,348,915, a decrease in the due from state fund of \$5,000,000, and a decrease in the current portion of loans receivable of \$2,227,725. Total noncurrent assets decreased by \$1,393,226 or 8.2% in fiscal year 2023 in comparison to fiscal year 2022 due to a decrease in economic development notes receivable.

Fiscal Year 2022 Compared to 2021

Current assets increased by \$6,879,352 or 8.5% over the preceding year primarily due to an increase in cash of \$53,217,295, net a decrease in the amount due from the state of \$48,511,405 plus an increase in the current portion of loans receivable of \$2,187,753. Total noncurrent assets decreased by \$2,880,380 or 14.5% in fiscal year 2022 in comparison to fiscal year 2021 due to a decrease in noncurrent notes receivable and economic development notes receivable.

Current liabilities represent unearned revenue in connection with federally funded COVID-19 grants disbursed in a prior fiscal year that were repaid during the current fiscal year.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2023 AND 2022**

Statements of Activities

The statements of activities present the fiscal year's revenues and expenses, and their effects on net position. Revenue primarily consisted of interest income from loans that are listed as assets and recoveries of interest on loans that were removed from the asset category (written off). Expenses consisted of salaries, administrative costs, expensed grants, expensed conditional grants, expensed conditional loans, and provisions for loan losses. General revenue consisted of interest income earned on the Fund and Brownfield tax credit contributions.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues	\$ 1,108,187	\$ 6,269,625	\$ 181,746,934
Expenses	<u>8,449,706</u>	<u>12,830,540</u>	<u>357,549,209</u>
Net Program Income/Expense	(7,341,519)	(6,560,915)	(175,802,275)
 General Revenues and Transfers	 <u>2,069,483</u>	 <u>10,228,083</u>	 <u>190,539,561</u>
 Change in Fund Balance / Net Position	 (5,272,036)	 3,667,168	 14,737,286
 Fund Balance / Net Position - Beginning of Year	 <u>104,079,381</u>	 <u>100,412,213</u>	 <u>85,674,927</u>
 Fund Balance / Net Position - End of Year,	 <u>\$ 98,807,345</u>	 <u>\$ 104,079,381</u>	 <u>\$ 100,412,213</u>

Fiscal Year 2023 Compared to 2022

Revenues decreased in fiscal year 2023 by \$5,161,438 compared to fiscal year 2022. The decrease was primarily due to COVID-19 relief grants received in prior fiscal year with none in fiscal year 2023 and a decrease in interest income and recoveries. Total expenses decreased in fiscal year 2023 by \$4,380,834 compared to 2022 primarily due to COVID-19 and American Rescue Plan emergency relief grant disbursements in the prior fiscal year. General revenue decreased in fiscal year 2023 by \$8,158,600 compared to 2022 primarily due to a decrease in Brownfields tax contributions net an increase in treasury interest income.

Fiscal Year 2022 Compared to 2021

Revenues decreased in fiscal year 2022 by \$175,477,309 compared to fiscal year 2021. The decrease was primarily due to one-time COVID-19 and American Rescue Plan emergency relief received in the prior fiscal year and a decrease in interest income and recoveries. Total expenses decreased in fiscal year 2022 by \$344,718,669 compared to 2021 primarily due to COVID-19 and American Rescue Plan emergency relief grant disbursements and a decrease in conditional loan disbursements and administrative allocations to the fund. General revenue decreased in fiscal year 2022 by \$180,311,478 compared to 2021 primarily due to a decrease in state transfers net an increase in Brownfields tax contributions and treasury interest income.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2023 AND 2022**

Economic Outlook

Since the inception of the consolidated MEDAAF program in 2000 (including the consolidation of all One Maryland program activity), the Department has closed six hundred twenty-one (621) transactions with an aggregate original balance of \$305,633,479. Of these transactions, fifty-eight (58) with original balances of \$53,739,578 were structured as loans, five hundred thirty-nine (539) were structured as grants or conditional loans totaling \$193,804,054, and twenty-four (24) were structured as investments totaling \$58,089,848. This assistance provided by MEDAAF, impacted projects with retention of 52,506 jobs, creation of 36,087 jobs, and private capital investment of \$6.1 billion. As of June 30, 2023, the MEDAAF portfolio, including transactions approved under predecessor programs consisted of one hundred eighty-seven (187) transactions with total principal outstanding of \$133,977,227. Present encumbrances, including prior fiscal years, are \$41,361,006 for forty-eight (48) projects. Further, as of June 30, 2023, the Department has six (6) additional projects for \$4,200,000 are in discussion for proposal letters pending issue.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
STATEMENTS OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEETS
JUNE 30, 2023 AND 2022**

	2023			2022		
	General Fund	Adjustments	Statement of Net Position	General Fund	Adjustments	Statement of Net Position
ASSETS						
Current Assets:						
Equity in Pooled Invested Cash - Unrestricted	\$ 83,201,657	\$ -	\$ 83,201,657	\$ 79,852,742	\$ -	\$ 79,852,742
Equity in Pooled Invested Cash - Restricted	331,804	-	331,804	331,804	-	331,804
Loans Receivable, Net of Allowance of \$847 and \$46,311, Respectively	41,505	-	41,505	2,269,230	-	2,269,230
Accrued Interest Receivable	-	-	-	-	-	-
Due from State of Maryland General Fund	-	-	-	5,000,000	-	5,000,000
Total Current Assets	<u>83,574,966</u>	<u>-</u>	<u>83,574,966</u>	<u>87,453,776</u>	<u>-</u>	<u>87,453,776</u>
Noncurrent Assets:						
Loans Receivable, Net of Current Portion and Allowance of \$88,480 and \$44,118, Respectively	4,335,513	-	4,335,513	2,161,809	-	2,161,809
Economic Development Notes Receivable	11,228,670	-	11,228,670	14,795,600	-	14,795,600
Total Noncurrent Assets	<u>15,564,183</u>	<u>-</u>	<u>15,564,183</u>	<u>16,957,409</u>	<u>-</u>	<u>16,957,409</u>
Total Assets	99,139,149	-	99,139,149	104,411,185	-	104,411,185
LIABILITIES						
Current Liabilities:						
Unearned Revenue	331,804	-	331,804	331,804	-	331,804
Total Liabilities	<u>331,804</u>	<u>-</u>	<u>331,804</u>	<u>331,804</u>	<u>-</u>	<u>331,804</u>
FUND BALANCE						
Nonspendable	15,564,183	(15,564,183)	-	16,957,409	(16,957,409)	-
Assigned	83,243,162	(83,243,162)	-	87,121,972	(87,121,972)	-
Total Fund Balance	<u>\$ 98,807,345</u>	<u>\$ (98,807,345)</u>	<u>-</u>	<u>\$ 104,079,381</u>	<u>\$ (104,079,381)</u>	<u>-</u>
NET POSITION						
Unrestricted Net Position		<u>98,807,345</u>	<u>98,807,345</u>		<u>104,079,381</u>	<u>104,079,381</u>
Total Net Position		<u>\$ -</u>	<u>\$ 98,807,345</u>		<u>\$ -</u>	<u>\$ 104,079,381</u>

See accompanying Notes to Financial Statements.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
REVENUES		
Federal Grants for COVID-19 Emergency Relief	\$ -	\$ 5,000,000
Interest Income	45,348	41,957
Recoveries	1,058,814	1,185,668
Other Income	4,025	42,000
Total Revenues	1,108,187	6,269,625
EXPENSES/EXPENDITURES		
COVID-19 Emergency Relief Grant Disbursements	-	5,177,398
Grant Disbursements	458,972	836,000
Conditional Loan Disbursements	3,390,000	3,227,500
Allocation of Salaries and Benefits	600,056	551,019
Direct Expenses	15,500	53,092
Administrative Allocations	3,486,280	2,988,618
Provision for Loan Losses	498,898	(3,087)
Total Expenses/Expenditures	8,449,706	12,830,540
NET PROGRAM INCOME/EXPENSES/EXPENDITURES	(7,341,519)	(6,560,915)
GENERAL REVENUES AND TRANSFERS		
Treasury Interest Income	2,477,913	299,445
Brownfields Tax Contributions	395,455	9,928,638
Transfers to the State of Maryland General Fund	(803,885)	-
Net General Revenues and Transfers	2,069,483	10,228,083
CHANGE IN FUND BALANCE / NET POSITION	(5,272,036)	3,667,168
Fund Balance / Net Position - Beginning of Year	104,079,381	100,412,213
FUND BALANCE / NET POSITION - END OF YEAR	\$ 98,807,345	\$ 104,079,381

See accompanying Notes to Financial Statements.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 ORGANIZATION

Authorizing Legislation

The Maryland Economic Development Assistance Authority and Fund (MEDAA or the Fund) was established on July 1, 1999 and is codified in the Economic Development Article in Sections 5-301 through 5-349 of the Annotated Code of Maryland. Shortly after its creation, legislation was developed to consolidate 10 existing economic development programs into the Fund through the Financing Programs Consolidation Act of 2000. The consolidation expanded the Fund's capabilities to include those that had existed under the consolidated programs. Effective July 1, 2004, the Smart Growth Economic Development Infrastructure Fund (One Maryland) was also consolidated into the Fund program. This consolidation also expanded the Fund's capabilities to include those that had existed under the One Maryland program. In response to the COVID-19 pandemic crisis, the Maryland Small Business COVID-19 Emergency Relief Grant & Loan Funds were created to provide emergency financial relief to businesses. In fiscal year 2021, six new programs were added to address the COVID-19 pandemic. These funds are administered by the Maryland Department of Commerce (the Department).

As established under Sections 5-306 of the Annotated Code of Maryland MEDAAF is governed by a seven-member board and two ex officio members (the Secretary and Treasurer or Comptroller) serving as members of the Fund, which is appointed for a five-year term by the Governor of Maryland. MEDAAF is considered a component unit of the state of Maryland (the State) for financial reporting purposes and is included in the financial statements of the state of Maryland.

Description of the Maryland Economic Development Assistance Authority and Fund

The Fund was designed to be a nonlapsing revolving loan fund to provide below market, fixed rate financing to growth industry sector businesses locating or expanding in priority funding areas of the State. The Fund is administered under five capabilities that contain the ability to address appropriate economic development opportunities for both the business community and political jurisdictions. The Fund may be used to make loans, grants, or investments to political subdivisions and private entities for industrial and commercial economic development projects that retain jobs, create new jobs, and increase capital investment within the State. With a few exceptions, assistance cannot exceed 70% of the project cost unless the assistance is for a project in a Tier 1 county or the recipient is the Maryland Economic Development Corporation (MEDCO), which can request 100% of project costs.

In addition to the historical usage of the program as described above, in 2020 the program became the conduit for the funding of COVID-19 Emergency Relief Grants & Loans consisting of the following:

The Emergency Relief Grant & Loan Funds consisted of the following:

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 ORGANIZATION (CONTINUED)

Description of the Maryland Economic Development Assistance Authority and Fund (Continued)

- The COVID-19 emergency relief grant program of \$50 million offers working capital to assist Maryland small businesses and nonprofits with disrupted operations due to COVID-19. Grant funds up to \$10,000 not to exceed three months of cash operating expenses for Maryland businesses and nonprofits impacted by the COVID-19 with 50 or fewer employees.
- The COVID-19 Emergency Relief Manufacturing grant program of \$5 million provides grants up to \$100,000 to Maryland manufacturers to produce personal protective equipment and other critical needs items.
- The COVID-19 Emergency Relief Loan Fund of \$75 million offers loans up to \$50,000 for working capital to assist Maryland for-profit small businesses disrupted operations due to COVID-19.

The Bipartisan Relief Act of 2021 was signed into law on February 15, 2021 and includes tax relief and economic stimulus for struggling families and small businesses who are suffering as a result of the COVID-19 pandemic. Programs consisted of the following:

- The Commuter and Shuttle Bus COVID-19 RELIEF Grant Program of \$8 million was established to support Maryland commuter and shuttle bus companies facing continued financial impacts from the novel coronavirus.
- The Small Business COVID-19 RELIEF Grant Program was established with \$10 million to support Maryland's small businesses facing continued financial impacts from the novel coronavirus.
- The Maryland COVID-19 Emergency Relief Grant Fund for 501(c)(6) Nonprofits was established with \$1 million to support Maryland's nonprofit 501(c)(6) organizations facing financial impacts from the novel coronavirus with funding up to \$10,000.

The following programs were disbursed to each County and Baltimore City for administration:

- The Online Sales and Telework Assistance COVID-19 RELIEF Grant Program of \$500,000 was established to support Maryland small businesses seeking to expand online sales and teleworking capabilities for their employees due to the continued financial impacts from the novel coronavirus.
- The Restaurant and Caterers COVID-19 RELIEF Grant Program of \$80 million was established to support Maryland restaurants facing continued financial impacts from the novel coronavirus.
- The Lodging and Accommodations COVID-19 RELIEF Grant Program \$50 million was established to support Maryland hotel, lodging and accommodation businesses facing continued financial impacts from the novel coronavirus.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Fund's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

The Fund is one of a number of programs administered by the Department. The Fund has no direct employees and is entirely supported by Department staff who perform all necessary functions of the Fund. The Department allocates a certain percentage of its operating, general, and administrative costs to the Fund on an annual basis. This annual allocation from the Department is not necessarily representative of the cost to administer the Fund if it were a stand-alone entity. The Department allocated expenses to the Fund of \$3,486,280 and \$2,988,618 for the years ended June 30, 2023 and 2022, respectively.

MEDAAF's accompanying financial statements are not indicative of MEDAAF as if it were a stand-alone entity.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus. The statement of net position and the statement of activities display information about the Fund as a whole. These statements include the financial activities of the primary government. All financial activities of the Fund are classified as governmental.

The statement of net position presents the financial condition of the Fund as of year-end. All expenses relate to the operations of the Fund. Revenues consist of interest income on loans, insurance premiums and guaranty fees, and investment income from small business investments. Expenses include expenses relating to provisions for loan and guaranty losses and administrative expenses. All other revenues relate to appropriations from the state of Maryland and interest income. Transfers consisted of annual appropriations from the state of Maryland and a special transfer from another fund.

Fund Financial Statements – Governmental Fund

The governmental accounts of the Fund are organized on the basis of funds and consist only of the general fund, which is considered a separate accounting entity. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. The governmental fund financial statements are reported using the current financial resources measurement focus.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund is accounted for using the current resources measurement focus and modified accrual basis of accounting. Its revenues are recognized when they become measurable and available as net current assets. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to pay liabilities of the current fiscal year. For the Fund, available means expected to be received within 60 days of year-end. Intergovernmental revenues are susceptible to accrual. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Expenditures are recognized when the liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Fund to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies as of the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Equity In Pooled Invested Cash

The Fund's cash is solely comprised of cash held with the State Treasurer.

Loans Receivable

Loans receivable are recorded at cost, net of an allowance for loan losses. The portions of the loans that are due within one year as of June 30, 2023 are classified as current assets, with those portions due beyond one year being classified as noncurrent assets.

The Fund's loans are subject to review for impairment as a part of management's internal asset review process. A loan is considered impaired when, based on current information and events, the borrower is deemed unable to repay the outstanding amount of the obligation under the loan. When a loan is determined to be impaired, a valuation allowance is established based upon the difference between the outstanding amount due under the loan and the amount considered recoverable given the existing financial condition of the borrower and the underlying collateral. Subsequent collections of cash may be applied as a reduction to the principal balance or recorded as income, depending upon management's assessment of the ultimate collectability of the loan. Interest income on impaired loans is recognized only to the extent that cash payments are received.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans Receivable (Continued)

An allowance for loan losses is maintained at an amount that management considers adequate to cover foreseeable loan losses. The allowance is based upon a number of factors, including economic/industry trends and historical loss experience. The allowance is comprised of specific valuation allowances on impaired loans as well as a general valuation allowance, if considered necessary. Management believes that the current valuation allowance is adequate given the current risk level of the portfolio; however, future changes in economic conditions and other factors may lead to future increases in the allowance.

Economic Development Notes Receivable

Economic development notes receivable consist of loans to long-term development projects. The notes are reported at net realizable value based on the determined collectability of the note.

Unearned Revenue

Unearned revenue consists primarily of grant funds received that have not been used for the designated purpose by year-end.

Conditional Loans

The Fund extends conditional loans which are forgiven if certain criteria are met. Conditional loans are expensed when they are settled, and payments are made. For the fiscal years ended June 30, 2023 and 2022, the Fund expensed \$3,390,000 and \$3,227,500, respectively, of conditional loans. The Fund recovered an additional \$1,058,814 and \$1,185,668, respectively, of previously expensed conditional loans for the years ended June 30, 2023 and 2022.

Grants

Grants are recorded as an expense as they are settled. During the years ended June 30, 2023 and 2022, the Fund disbursed grants in the amount of \$458,972 and \$836,000, respectively. The Fund disbursed COVID-19 emergency relief grants in the amounts of \$-0- and \$5,177,398 during the fiscal years ended June 30, 2023 and 2022, respectively.

Revenue and Expenses

Revenue primarily consists of interest income from loans that are listed as assets, and recoveries of interest on loans that had previously been removed from the asset category (written off). Expenses consist of salaries, administrative costs, expensed grants, expensed conditional grants, expensed conditional loans, expensed investments, and expensed reserve amounts. General revenue consists primarily of interest income earned on the Fund and the Brownfield tax contributions. Transfers consist primarily of annual appropriations from the state of Maryland (increases) and returns (decreases) of money back to the state. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

GASB 54 requires that fund balance amounts be properly reported within one of the fund balance categories listed below.

Nonspendable – Includes fund balance amounts that cannot be spent because they are either (1) not in spendable form, or (2) legally or contractually required to be maintained intact such as a permanent fund. Not in spendable form includes items that are not expected to be converted to cash, such as inventories, prepaid expenses and the long-term portion of notes receivable.

Restricted – Includes amounts that are restricted to specific purposes when constraints are placed on the use of resources by constitution, external resource providers, or through enabling legislation.

Committed – Includes fund balance amounts that can be used only for the specific purposes determined by formal action. In Maryland, the uses of these funds are established in statute after appropriate action by the General Assembly and the Governor.

Assigned – Includes fund balance amounts that are intended to be used by the Fund for specific purposes as determined by the management of the Fund.

Unassigned – Represents the residual classification for the Fund's general fund and includes all spendable amounts not contained in the four classifications described above.

Net Position

Net position is the residual difference of assets less liabilities. Net position as reported in the government-wide statement of net position is reported in three categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation (and related debt, if any). Restricted net position results when external restrictions are imposed on net position through law or regulation. Unrestricted net position consists of items that do not meet the definition of the preceding two categories.

As of June 30, 2023 and 2022, 100% of the Fund's net position is unrestricted and can be utilized for any operational purpose of the Fund.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data

Budgets are adopted by the state of Maryland; however, budgets are not legally required for the Fund. Therefore, presentation of budgetary comparison information is not required supplementary information and not presented.

NOTE 3 EQUITY IN POOLED INVESTED CASH

Cash held as of year-end, receipts, and disbursements of the Fund are made through a cash pool maintained by the State Treasurer. The State Treasurer has statutory responsibility for the state's cash management activities. The State Treasurer maintains these and other state agency funds on a pooled basis in accordance with state statutes. For additional information on the risk of cash, see the State of Maryland Annual Comprehensive Financial Report (ACFR).

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Fund's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Fund's name. The Fund does not have a formal deposit policy for custodial credit risk but follows the State Treasurer's policy which states the Treasurer may deposit in a financial institution in the State, any unexpended or surplus money in which the State Treasurer has custody. As of June 30, 2023 and 2022, all of the Fund's cash was deposited with the State Treasury and was not subject to custodial risk.

Restricted Cash

Cash on hand that was restricted for COVID-19 grants and loans had a balance of \$331,804 for the fiscal years ended June 30, 2023 and 2022.

Brownfields tax contributions received are restricted and shall only be used for projects at brownfields sites in the taxing jurisdictions that have enacted a brownfield property tax ordinance.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 LOANS RECEIVABLE

Loans receivable as of June 30 for the Maryland Economic Development Assistance Fund are summarized as follows:

	<u>2023</u>	<u>2022</u>
Loans Receivable - Beginning of Year	\$ 4,521,468	\$ 4,670,329
Proceeds from Collections	<u>(55,123)</u>	<u>(148,861)</u>
Loans Receivable - End of Year	4,466,345	4,521,468
Allowance for Loan Losses	<u>(89,327)</u>	<u>(90,429)</u>
Net Loans Receivable - End of Year	<u>\$ 4,377,018</u>	<u>\$ 4,431,039</u>

Loans receivable as of June 30 are presented on the statements of net position as follows:

	<u>2023</u>	<u>2022</u>
Noncurrent Loans Receivable	\$ 4,335,513	\$ 2,161,809
Current Loans Receivable	<u>41,505</u>	<u>2,269,230</u>
Total	<u>\$ 4,377,018</u>	<u>\$ 4,431,039</u>

Activities in the allowance for loan losses of the Fund for the years ended June 30 were as follows:

	<u>2023</u>	<u>2022</u>
Balance - Beginning of Year	\$ 90,429	\$ 93,516
Provision for Loan Loss	<u>(1,102)</u>	<u>(3,087)</u>
Balance - End of Year	<u>\$ 89,327</u>	<u>\$ 90,429</u>

NOTE 5 DUE FROM ECONOMIC DEVELOPMENT NOTES RECEIVABLE

The Fund supports long-term economic development projects with long-term structured funds, referred to in the Fund's statute as investments that are entitled to some or all of a project's future cash flows from operations, asset appreciation, or defined revenue streams as a source of repayment. At the time of funding, a determination is made as to whether these investments are carried as an asset or expensed based upon their future repayment potential.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 5 DUE FROM ECONOMIC DEVELOPMENT NOTES RECEIVABLE (CONTINUED)

The values of these receivables are reported at the amount of the original note, less repayment. Economic development notes receivable as of June 30 were comprised of the following:

Project	2023	2022
Town of Princess Anne Project	\$ -	\$ 1,931
Worcester/Pocomoke Project	1,053,825	1,118,824
Patuxent Business Park Project - Improvements	1,700,000	1,700,000
Patuxent Business Park Project - Phase I	1,059,807	1,059,807
Biederlack of America/Allegany County	-	1,500,000
Caroline County/Ridgely Technology	900,000	900,000
Keyser's Ridge Business Park Garrett County	2,412,638	2,412,638
Inner Harbor East	3,000,000	3,000,000
Barton Business Park/Allegany County	1,102,400	1,102,400
McHenry Flex Building/Garrett County	-	2,000,000
Total	<u>\$ 11,228,670</u>	<u>\$ 14,795,600</u>

Below is a brief description of each economic development project:

Town of Princess Anne Project

In Fiscal year 2001, the Department entered into an Investment Agreement with MEDCO, whereby \$2,000,000 of the Fund was disbursed to MEDCO to finance costs associated with the construction of a 30,000 square foot flex building in the Town of Princess Anne, Maryland (the Town). MEDCO initially held title to the property. In 2005, MEDCO sold the building for \$2,072,498 and took back a Note and assigned that Note to the Town. In 2007, the Department approved a \$250,000 increase in the Investment to assist in the expansion of the building to 52,125 square feet. The owner of the building defaulted under the terms of the Note and the property was transferred to the Town under the terms of a Deed in Lieu of Foreclosure Agreement. In October 2010, the Department negotiated an eight-year, triple net lease with a one five-year renewal to Northrop Grumman. In 2020, the Northrop Grumman lease was extended for another five years. The Fund disbursed \$400,000 in fiscal year 2021. The Fund collected \$1,931 and \$274,748 in fiscal years 2023 and 2022, respectively.

Worcester/Pocomoke Project

In fiscal 2002, the Department entered into an Investment Agreement with MEDCO whereby \$2,200,000 of the Fund was disbursed to MEDCO to finance costs associated with the construction of a 42,000 square foot flex-building in Pocomoke, Maryland. MEDCO holds title to the property. Under the terms of the Investment Agreement, the Department and MEDCO agree annually on the amount of net income and or net proceeds to be distributed to the fund. The Departments' rights under the Investment Agreement entitle it to bring about the sale or disposition of the property, if necessary, to recover the funds. The property is leased to a private sector owner under a 10-year lease with a purchase option at any time during the lease of \$1,100,000 less all lease payments made to date. The Fund collected \$65,000 and \$60,000 in fiscal years 2023 and 2022, respectively.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 DUE FROM ECONOMIC DEVELOPMENT NOTES RECEIVABLE (CONTINUED)

Patuxent Business Park Project

In fiscal year 2001 and 2006, the Department entered into Investment Agreements with MEDCO, whereby \$2,000,000 (Phase I Investment) and \$2,250,000 (Phase II Investment) of the Fund were disbursed to MEDCO to finance costs associated with the acquisition, initial infrastructure, and development costs of property located in Lusby, Maryland and known as Patuxent Business Park. The Phase II Investment was used to finance a portion of the cost of engineering, design, permitting, and construction of infrastructure improvements to the existing property. MEDCO holds title to the park, which consists of a total of approximately 88 acres with 50 buildable acres. Under the terms of the Investment Agreements, all Net Income and Net Proceeds are deposited into a Reserve Account and the Department, MEDCO, and the County agree annually on the distribution of the Reserve Account. Those funds in excess of the amount determined to be needed for an Operating Reserve (to maintain the property) will be distributed in the following order: The County and MEDCO were repaid their initial investment from sales of Lot 3 in 2015 and Lot 6 in 2016. The Department receives proceeds for future sales, until the investment has been repaid. In 2020, Lot 5 was sold for proceeds of \$449,100. In 2021, Lot 11 sold for proceeds of \$240,000 less real estate commissions.

There are eight lots still available for sale of which three are currently in feasibility studies by potential purchasers. There were no repayments in 2023 and \$221,105 in 2022.

Biederlack of America/Allegany County

In fiscal year 2010, the Department entered into an Investment Agreement with Allegany County (the County), whereby \$2,500,000 of the Fund was invested with the County to fund the purchase of three industrial buildings totaling 334,439± square feet in the Riverside Industrial Park. Biederlack of America occupied the buildings before they went out of business. In March 2021, the County made a \$1,000,000 payment reducing the investment balance to \$1,500,000. The remaining \$1,500,000 was restructured into a 10-year forgivable conditional loan based upon future employment in the Park. The restructured conditional loan is guaranteed by the Full Faith and Credit of the County with the original collateral released. The restructured conditional loan was documented in the first half of fiscal year 2023. There were no repayments to the fund in fiscal year 2023 or 2022.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 DUE FROM ECONOMIC DEVELOPMENT NOTES RECEIVABLE (CONTINUED)

Caroline County/Ridgely Technology Park

In fiscal 2010, the Fund entered into an Investment Agreement with Caroline County, whereby 2,500,000 of the Fund was invested with Caroline County to fund the development of the Mid-Shore Regional Business and Technology Park located in the Town of Ridgely. The Department approved an increase to the investment of \$1,500,000; however, \$942,470 was rescinded bringing the investment total to \$3,057,530. The Department's rights under the Investment Agreement entitle it to bring about the sale or disposition of the property, if necessary, to recover the value. The 60.54 acre developed property located at 23865 Race Road was appraised for \$900,000 as of September 29, 2015. There were no repayments from the property in fiscal years 2023 or 2022.

Keyser's Ridge Business Park Garrett County

In fiscal year 2013, the Department entered into an Investment Agreement (Investment) with Garrett County. The Department originally provided a \$2.5 million loan to the Maryland Economic Development Corporation to purchase and develop a business park consisting of approximately 181 acres along I-68 in the Keyser's Ridge area of Garrett County. A road with the appropriate infrastructure was completed in the park in 2007. In 2013, the property was sold to the County and financed with the Investment. The Investment will be repaid with the proceeds from the sale or lease of the property. Any remaining balance of the Investment after 25 years will be forgiven. There were no repayments from the property in fiscal years 2023 or 2022.

Inner Harbor East

In fiscal year 2012, the Department entered into an Investment Agreement with the Mayor and City Council of Baltimore (the City), whereby \$3,000,000 of the Fund was invested with the City for Reinvestment to Harbor East Parcel D – Commercial, LLC to finance a portion of the costs to construct an underground parking garage located on Aliceanna Street, under a 24-story office tower, known as the "Legg Mason" building in the Harbor East section of Baltimore, Maryland. Under the terms of the Investment Agreement, the Department is entitled to certain repayments made to the City under the Reinvestment agreement between the City and Harbor East Parcel D – Commercial, LLC until the Investment is repaid. The Reinvestment agreement is secured by a guaranty agreement executed by H & S Properties. There were no repayments from the property in fiscal years 2023 or 2022.

Barton Business Park/Allegany County

In 2003, the Department entered into a \$3,463,000 Investment Agreement with MEDCO to finance costs associated with the acquisition of approximately 145 acres of land and associated infrastructure improvements on property located in Allegany County, Maryland known as Barton Business Park. The Department holds a first lien on the property. In July of 2004, MEDCO sold approximately 50 acres to American Woodmark, and then in May of 2015 sold an additional 27.56 acres to Allegany County, reducing the total acreage in the Park to approximately 76 acres. The proceeds from the lot sales paid down the Investment. The remaining +76-acres in the Park are still owned by MEDCO for future development. There were no repayments for this property in fiscal year 2023 or 2022.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 DUE FROM ECONOMIC DEVELOPMENT NOTES RECEIVABLE (CONTINUED)

McHenry Flex Building/Garrett County

In fiscal 2020, the Department entered into an Investment Agreement with MEDCO whereby \$2,000,000 of the Fund was disbursed to MEDCO to finance costs associated with the construction of a 20,000 square foot flex-building on a subdivided parcel of land located in the McHenry Business Park in Garrett County, Maryland. The property is pledged as collateral for the Investment with a first lien on the Land to the Department. MEDCO will design and construct the light manufacturing flex-building on the Land. MEDCO will also complete any infrastructure improvements necessary for the development of the Facility. MEDCO will develop and manage the Project. Any revenue generated by the Project would go into an operating account to cover annual operating expenses of the Project with an annual budget to be agreed upon by the Department. The County will be responsible for any shortfalls in the annual operating account if there is insufficient cash flow from the Project. All new leases or modifications of leases and any sale of part of all of the Project must be presented to the Department for prior review and approval. There were no repayments for this property in fiscal year 2022, but \$1,500,000 was repaid in fiscal year 2023, with the remaining portion, \$500,000 written off as a loss.

NOTE 6 PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Eligible employees who perform services for the Fund are employees of the State and are covered under the retirement plans of the State Retirement and Pension System of Maryland (the System) and are also entitled to certain health care benefits upon retirement. The Fund's only liability for retirement and postemployment benefits is included in the Department's annual allocation of a percentage of its operating, general, and administrative costs that are charged to the Fund and paid to the State prior to year-end. The System is considered part of the State's financial reporting entity and prepares a separate ACFR which can be obtained from the State Retirement and Pension System of Maryland at 120 East Baltimore Street, Baltimore, Maryland 21202.

NOTE 7 COMMITMENTS AND CONTINGENCIES

In the normal course of operations, certain claims may be brought against the Fund. Management believes that the ultimate resolution of such claims would not have a material adverse effect on the Fund's financial position. As of June 30, 2023 and 2022, the Fund had \$41,361,006 and \$40,545,006, respectively, in outstanding commitments to fund loans and investments.

The Fund has commitments from the State of Maryland General Fund to finance existing commitments that are not yet funded. The balance of these commitments as of June 30, 2023 and June 30, 2022, are \$1,110,552 and \$5,440,108, respectively.

MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8 RISK MANAGEMENT

The Fund 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 is self-insured for general liability, property and casualty, workers' compensation, environmental and anti-trust liabilities and certain employee health benefits. Commercial insurance coverage is purchased for specialized exposures such as aviation hull and liability, steam boiler coverage and certain transportation risks. There were no significant reductions or changes in the commercial insurance coverage from the prior year, and the amount of settlements have not exceeded insurance coverage for any of the past three fiscal years.

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2023**

	Maryland Economic Development Assistance Fund	Small Business and Nonprofit COVID-19 Relief Fund	Commuter and Shuttle Bus Covid-19 Relief Fund	Restaurant, Lodging, and Online Sales Covid-19 Relief Fund	Total
ASSETS					
Current Assets:					
Equity in Pooled Invested Cash - Unrestricted	\$ 73,007,890	\$ 10,189,575	\$ -	\$ 4,192	\$ 83,201,657
Equity in Pooled Invested Cash - Restricted	-	-	-	331,804	331,804
Loans Receivable, Current Portion, Net of Allowance of \$847 and \$46,311, Respectively	41,505	-	-	-	41,505
Accrued Interest Receivable	-	-	-	-	-
Due from State of Maryland General Fund	-	-	-	-	-
Total Current Assets	<u>73,049,395</u>	<u>10,189,575</u>	<u>-</u>	<u>335,996</u>	<u>83,574,966</u>
Noncurrent Assets:					
Loans Receivable, Net of Current Portion and Allowance of \$41,505 and \$44,118, Respectively	4,335,513	-	-	-	4,335,513
Economic Development Notes Receivable	11,228,670	-	-	-	11,228,670
Total Noncurrent Assets	<u>15,564,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,564,183</u>
Total Assets	<u>\$ 88,613,578</u>	<u>\$ 10,189,575</u>	<u>\$ -</u>	<u>\$ 335,996</u>	<u>\$ 99,139,149</u>
LIABILITIES					
Current Liabilities:					
Unearned Revenue	\$ -	\$ -	\$ -	\$ 331,804	\$ 331,804
Total Liabilities	-	-	-	331,804	331,804
NET POSITION					
Unrestricted Net Position	<u>88,613,578</u>	<u>10,189,575</u>	<u>-</u>	<u>4,192</u>	<u>98,807,345</u>
Total Net Position	<u>88,613,578</u>	<u>10,189,575</u>	<u>-</u>	<u>4,192</u>	<u>98,807,345</u>
Total Liabilities and Net Position	<u>\$ 88,613,578</u>	<u>\$ 10,189,575</u>	<u>\$ -</u>	<u>\$ 335,996</u>	<u>\$ 99,139,149</u>

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY AND FUND
COMBINING SCHEDULE OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2023**

	Maryland Economic Development Assistance Fund	Small Business and Nonprofit COVID-19 Relief Fund	Commuter and Shuttle Bus Covid-19 Relief Fund	Restaurant, Lodging, and Online Sales Covid-19 Relief Fund	Total
REVENUES					
Federal Grants for COVID-19 Emergency Relief	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	45,348	-	-	-	45,348
Recoveries	1,045,314	13,500	-	-	1,058,814
Other Income	4,025	-	-	-	4,025
Total Revenues	<u>1,094,687</u>	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>1,108,187</u>
OPERATING EXPENSES/EXPENDITURES					
COVID-19 Emergency Relief Grant Disbursements	-	-	-	-	-
Grant Disbursements	458,972	-	-	-	458,972
Conditional Loan Disbursements	3,390,000	-	-	-	3,390,000
Allocation of Salaries and Benefits	600,056	-	-	-	600,056
Direct Expenses	15,500	-	-	-	15,500
Administrative Allocations	3,486,280	-	-	-	3,486,280
Provision for Loan Losses	498,898	-	-	-	498,898
Total Expenditures	<u>8,449,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,449,706</u>
NET PROGRAM INCOME/EXPENSE	(7,355,019)	13,500	-	-	(7,341,519)
GENERAL REVENUES AND TRANSFERS					
Treasury Interest Income	2,477,913	-	-	-	2,477,913
Brownfields Tax Contributions	395,455	-	-	-	395,455
Transfer from State of Maryland General Fund	-	(803,885)	-	-	(803,885)
Net General Revenues and Transfers	<u>2,873,368</u>	<u>(803,885)</u>	<u>-</u>	<u>-</u>	<u>2,069,483</u>
CHANGE IN FUND BALANCE / NET POSITION	(4,481,651)	(790,385)	-	-	(5,272,036)
Fund Balance / Net Position - Beginning of Year	<u>93,095,229</u>	<u>10,979,960</u>	<u>-</u>	<u>4,192</u>	<u>104,079,381</u>
FUND BALANCE / NET POSITION - END OF YEAR	<u>\$ 88,613,578</u>	<u>\$ 10,189,575</u>	<u>\$ -</u>	<u>\$ 4,192</u>	<u>\$ 98,807,345</u>