

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

**COMMUNITY DEVELOPMENT ADMINISTRATION
MULTI-FAMILY MORTGAGE REVENUE BONDS**

JUNE 30, 2012 AND 2011

Community Development Administration
Multi-Family Mortgage Revenue Bonds

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INDEPENDENT AUDITORS' REPORT

Office of the Secretary
Department of Housing and Community Development

We have audited the accompanying financial statements of the Community Development Administration Multi-Family Mortgage Revenue Bonds (the Fund) of the Department of Housing and Community Development of the State of Maryland as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Fund's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Community Development Administration Multi-Family Mortgage Revenue Bonds 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, 2012 and 2011, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Community Development Administration Multi-Family Mortgage Revenue Bonds of the Department of Housing and Community Development of the State of Maryland as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Reznick Group, P.C.

Baltimore, Maryland
September 28, 2012

Community Development Administration
Multi-Family Mortgage Revenue Bonds

STATEMENTS OF NET ASSETS
(in thousands)

June 30, 2012 and 2011

	2012	2011
RESTRICTED ASSETS		
Restricted current assets		
Cash and cash equivalents on deposit with trustee	\$ 42,754	\$ 45,220
Cash and cash equivalents on deposit with US Bank	-	23,234
Multi-family construction and permanent financing	752	-
Accrued interest and other receivables	488	257
Total restricted current assets	43,994	68,711
Restricted long-term assets		
Multi-family construction and permanent financing, net of current portion	114,030	67,030
Total restricted long-term assets	114,030	67,030
Total restricted assets	\$ 158,024	\$ 135,741
LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued interest payable	\$ 2,508	\$ 1,532
Accounts payable	10	-
Bonds payable	5,595	23,300
Deposits by borrowers	1,552	702
Total current liabilities	9,665	25,534
Long-term liabilities		
Bonds payable, net of current portion	139,950	106,220
Deposits by borrowers, net of current portion	6,453	2,967
Total long-term liabilities	146,403	109,187
Total liabilities	156,068	134,721
NET ASSETS		
Restricted	1,956	1,020
Total liabilities and net assets	\$ 158,024	\$ 135,741

See notes to financial statements

Community Development Administration
Multi-Family Mortgage Revenue Bonds

STATEMENTS OF REVENUE, EXPENSES AND
CHANGES IN NET ASSETS
(in thousands)

Years ended June 30, 2012 and 2011

	2012	2011
Operating revenue		
Interest on mortgage loans	\$ 4,322	\$ 1,966
Interest income on cash equivalents	952	852
Fee and deferred income	47	23
Other operating revenue	17	127
	5,338	2,968
Operating expenses		
Interest expense on bonds	4,425	2,210
Professional fees and other operating expenses	81	12
	4,506	2,222
Operating income	832	746
Transfers of funds, net, as permitted by the various bond indentures	104	184
Change in net assets	936	930
Net assets - restricted at beginning of period	1,020	90
Net assets - restricted at end of period	\$ 1,956	\$ 1,020

See notes to financial statements

Community Development Administration
Multi-Family Mortgage Revenue Bonds

STATEMENTS OF CASH FLOWS
(in thousands)

Years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities		
Principal and interest received on mortgage loans	\$ 4,994	\$ 1,829
Escrow funds received	4,820	4,132
Escrow funds paid	(484)	(463)
Loan fees and deferred income received	498	1,525
Origination of mortgage loans	(49,170)	(68,532)
Professional fees and other operating expenses	(81)	(12)
Other income received	17	127
Other reimbursements	21	(11)
Net cash used in operating activities	(39,385)	(61,405)
Cash flows from investing activities		
Interest received on cash equivalents	1,005	743
Net cash provided by investing activities	1,005	743
Cash flows from noncapital financing activities		
Proceeds from sale of bonds	16,685	42,890
Payments on bond principal	(660)	-
Reimbursement of bond costs	-	90
Interest on bonds	(3,449)	(724)
Escrow funds released for non-parity bonds	-	(5,410)
Transfers among Funds	104	184
Net cash provided by noncapital financing activities	12,680	37,030
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25,700)	(23,632)
Cash and cash equivalents at beginning of period	68,454	92,086
Cash and cash equivalents at end of period	\$ 42,754	\$ 68,454

(continued)

Community Development Administration
Multi-Family Mortgage Revenue Bonds

STATEMENTS OF CASH FLOWS - CONTINUED
(in thousands)

Years ended June 30, 2012 and 2011

	2012	2011
Reconciliation of operating income to net cash used in operating activities		
Operating income	\$ 832	\$ 746
Adjustments to reconcile operating income to net cash used in operating activities		
Increase in assets		
Multi-family mortgage loans	(48,203)	(68,532)
Accrued interest and other receivables	(231)	(257)
Increase in liabilities		
Accrued interest payable	976	1,486
Accounts payable	10	-
Deposits by borrowers	4,336	3,669
Amortizations		
Deferred income on loans	(47)	(23)
Loan fees deferred	498	1,525
Interest received on cash equivalents	(1,005)	(743)
Interest on bonds	3,449	724
	\$ (39,385)	\$ (61,405)

See notes to financial statements

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS
(in thousands)

June 30, 2012 and 2011

NOTE 1 - AUTHORIZING LEGISLATION AND PROGRAM DESCRIPTION

The Community Development Administration (CDA) is authorized to issue Multi-Family Mortgage Revenue Bonds pursuant to Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland to meet the shortage of adequate, safe and sanitary housing in the State of Maryland, particularly for persons or families of limited income. CDA is in the Division of Development Finance in the Department of Housing and Community Development (DHCD) of the State of Maryland.

CDA entered into a Securitization Agreement on December 18, 2009 with the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), using federal legislative authority under the Housing and Economic Recovery Act of 2008 to provide affordable mortgage financing for individual households and multifamily rental properties. Subject to the Securitization Agreement, the New Issue Bond Program (NIBP) was created under which CDA will issue mortgage revenue Program Bonds, FNMA and FHLMC will securitize and issue securities for these bonds, and the United States Department of the Treasury (Treasury) will purchase these securities. Under the Multifamily NIBP and pursuant to the Multi-Family Mortgage Revenue Bonds Resolution (Resolution), CDA issued Series 2009 A bonds in the amount of \$92,040 as escrow bonds which will bear interest at a short-term rate until conversion to Program Bonds secured by mortgage loans or mortgage-backed securities backed by mortgage loans. The short-term rate will convert to a permanent fixed rate at time of conversion. The escrow bonds can be converted in up to six tranches prior to December 31, 2011, unless extended by the Treasury. CDA had the option, at the time of each of the six conversions, to issue market bonds along with the issuance of Program Bonds, but not to exceed 40 percent of the total allocation of which the escrow bonds represent the 60 percent share. As of June 30, 2012, all Series 2009 A escrow bonds have been converted to Program Bonds.

The accompanying financial statements only include CDA's Multi-Family Mortgage Revenue Bonds (the Fund). CDA's other Funds are not included. However, CDA has also separately issued combined financial statements for the Revenue Obligation Funds and Infrastructure Program Funds, and financial statements for the Single Family Housing Revenue Bonds. The Fund was established to provide construction and permanent financing for multi-family housing projects.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

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).

Generally Accepted Accounting Principles

CDA reports its financial activities by applying Standards of Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board (GASB). Consequently, CDA applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARBS of the Committee on Accounting Procedure issued on or prior to November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

The Annual Financial Report may include a Management's Discussion and Analysis. 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 required in these financial statements. CDA prepares a Management's Discussion and Analysis for the General Accounting Division of the State of Maryland that is not part of these financial statements.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents on Deposit

Cash equivalents for escrow bond proceeds were invested pursuant to the NIBP's Global Escrow Agreement. Cash equivalents for revenue bond proceeds 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, 2012 and 2011, all of the Fund's cash equivalents were invested in money market mutual funds which are more fully described in Note 3.

Mortgage Loans

Mortgage loans are carried at their unpaid principal balances, net of unamortized loan fees. Loan fees are deferred and amortized over the life of the related loans using the effective interest method. See Notes 4 and 10 for additional information on mortgage loans and mortgage insurance, respectively.

Accrued Interest and Other Receivables

Accrued interest and other receivables include interest on loans and investments. On insured multi-family mortgage loans that are in default, CDA continues to accrue interest until receipt of a mortgage insurance claim. See Note 5 for additional information.

Bonds Payable

Bonds payable are carried at their unpaid principal balances. See Notes 6, 7, and 8 for additional information.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deposits by Borrowers

This account consists of escrows and reserves held by CDA on behalf of multi-family housing developments. CDA invests these deposits and, for reserves, allows earnings to accrue to the benefit of the mortgagor. Escrows represent amounts held by CDA for mortgage insurance and hazard insurance premiums and real estate taxes, all of which are generally paid annually and which are classified as a current liability. Based on the current year's reserve disbursements, CDA has estimated the current reserve liability. The balance of the reserves is classified as long-term. See Note 8 for further information on changes in long-term obligations.

Mortgage Yield Limitations

All mortgage loans are subject to yield limitations under the Internal Revenue Service Code (the Code) in order for the associated bonds to maintain their tax-exempt status. At the time of bond issuance and over the term of the bonds, CDA determines and maintains compliance with the permitted mortgage yield on the loans. In certain bond refunding transactions, CDA transfers loans from prior series of bonds to the refunding series. CDA monitors the yield on these transferred loans to ensure that the composite yield over the term of the bonds is within the yield limitations of the Code. If at any time the composite yields on the transferred loans are out of compliance with the Code, CDA has certain remedies available to bring the yield into compliance. As of June 30, 2012 and 2011, all mortgage loan yields were in compliance with the Code.

Interest on Mortgage Loans

Interest on mortgage loans is calculated using the effective interest method.

Fee Income

CDA receives multi-family financing fees at loan origination. These fees are deferred and amortized over the life of the loan.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

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 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 and the costs of employees' retirement benefits are included in the salaries and related costs charged to CDA's General Bond Reserve Fund. See Note 12 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 providing affordable housing in the State of Maryland. All of the Fund's activities are considered to be operating.

Use of Estimates

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

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 3 - CASH AND CASH EQUIVALENTS

Revenue Bonds

Bond proceeds and revenues from mortgages and investments are invested in authorized investments as defined in the Multi-Family Mortgage Revenue Bonds Resolution (the Resolution) and in CDA's Investment Policy until required for originating mortgage loans, funding reserves, paying bond debt service, and funding program expenses. Authorized investments include obligations of the U.S. Treasury, U.S. Government Agencies, repurchase agreements, investment agreements, money market funds and certificates of deposit.

As of June 30, 2012, the Fund had \$42,754 invested in a money market mutual fund (Federated Prime Cash Obligations Fund). As of June 30, 2011, the Fund had \$45,220 invested in a money market mutual fund (Federated Treasury Obligations Fund). Both are classified as cash and cash equivalents. The following represents the GASB evaluation of these assets for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

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.

The Federated Prime Cash Obligations Fund invests primarily in short-term, high-quality, fixed-income securities issued by banks, corporations and the U.S. Government. The Federated Treasury Obligations Fund invests primarily in repurchase agreements collateralized by Treasury securities and U.S. Treasuries. Both operate in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. Both 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, 2012 and 2011, the cost of the money market mutual funds approximated fair value.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 3 - CASH AND CASH EQUIVALENTS (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 at a rating no lower than the rating on the bonds or, if an investment maintains only a short-term rating, a rating not less than F1/P-1; and financial institutions who are a counterparty to CDA in investment agreements must be rated at least comparable to the existing rating on CDA bonds unless counterparty ratings lower than the bond ratings are permitted and do not affect the ratings on the bonds. In addition, certain investment and repurchase agreements require counterparty ratings no less than the ratings on the bonds. As of June 30, 2012 and 2011, the ratings on Multi-Family Mortgage Revenue Bonds were Aaa by Moody's Investors Service.

As of June 30, 2012, the Federated Prime Cash Obligations Fund was rated AAAM by Standard and Poor's and Aaa by Moody's Investors Service. As of June 30, 2011, the Federated Treasury Obligations Fund was rated AAAM by Standard and Poor's and Aaa by Moody's Investors Service.

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, 2012 and 2011, the Fund's investments were not subject to custodial credit risk under accounting guidance issued by GASB. Both money market mutual funds are held in trust by the trustee, kept separate from the assets of the bank and from other trust accounts and are held in CDA's name.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Escrow Bonds

Escrow bond proceeds were deposited into Series 2009 A Escrow Account and invested pursuant to the Global Escrow Agreement entered into by CDA with FNMA, FHLMC, and U.S. Bank National Association (US Bank), as escrow agent, within NIBP. The escrow bond proceeds were invested, pursuant to the Global Escrow Agreement, equally between four money market mutual funds and, if drawn, the investments were reduced in equal amounts, accordingly. As of June 30, 2012, all funds in the Series 2009 A Escrow Account were drawn down to issue Program Bonds.

As of June 30, 2011, the escrow bond proceeds, invested in money market mutual funds and held by US Bank, as the escrow agent, were invested equally in the following money market mutual funds:

Asset	Fair Value	Percentage Invested	Money market fund rating		
			Moody's	Fitch	S&P
First American Funds Prime Obligations Class Z	\$ 5,809	25%	Aaa	AAA	AAAm
Fidelity Prime Obligations Class I	5,809	25%	Aaa	-	AAAm
Goldman Prime Obligations Institutional	5,809	25%	Aaa	AAA	AAAm
Blackrock Liquidity Funds TempFunds (Institutional)	<u>5,809</u>	25%	Aaa	-	AAAm
Total	<u>\$ 23,236</u> *				

* the difference from actual total of \$23,234 is due to rounding. All investments are equally funded.

As of June 30, 2011, the cost of the money market mutual funds approximated fair value.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 4 - MORTGAGE LOANS

All of the Fund's mortgage loans are secured by first liens on the related property and fully insured or credit enhanced by FHA, MHF, FHLMC, or bank letters of credit. As of June 30, 2012 interest rates on originated loans range from 4.05% to 4.55%, with remaining loan terms ranging from 12 months to 39 years. At June 30, 2011, interest rates on originated loans ranged from 1% to 4.55%, with remaining loan terms ranging from 18 months to 40 years.

NOTE 5 - ACCRUED INTEREST AND OTHER RECEIVABLES

Accrued interest and other receivables as of June 30, 2012 and 2011 were as follows:

	2012	2011
Accrued mortgage loan interest	\$ 432	\$ 137
Accrued investment interest	2	-
Negative arbitrage due from mortgagors	54	109
Miscellaneous billings	-	11
	\$ 488	\$ 257

NOTE 6 - BONDS PAYABLE

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

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 6 - BONDS PAYABLE (Continued)

Revenue Bonds

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 mortgage loans. All outstanding bonds, except the Series 2009 bonds, are subject to optional redemption, 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. The Series 2009 A-1 through A-7 bonds are subject to optional redemption in minimum denominations of \$10 and integral multiples of \$10 in excess thereof, in whole or in part, from any source of funds, on the first business day of any month, at a redemption price equal to 100% of the principal amount thereof to be redeemed. All bonds are tax-exempt and have fixed interest rates.

The following is a summary of the bond activity for the year ended June 30, 2012 and the bonds payable as of June 30, 2012:

	Issue dated	Range of interest rates	Range of maturities	Bonds payable at June 30, 2011	Bond Activity				Bonds payable at June 30, 2012
					New bonds issued	Scheduled maturity payments	Bonds redeemed	Escrow Bonds Reissued	
Multi-Family Mortgage Revenue Bonds									
Series 2009 A	12/30/09	Variable Rate	7/1/2051	\$ 23,190	\$ -	\$ -	\$ -	\$ (23,190)	\$ -
Series 2009 A-1	12/30/09	4.05%	7/1/2051	24,380	-	-	-	-	24,380
Series 2010 A	07/22/10	0.80% - 4.25%	2012 - 2030	8,410	-	(110)	-	-	8,300
Series 2009 A-2	12/30/09	3.21%	7/1/2051	6,610	-	-	-	-	6,610
Series 2010 B	09/29/10	0.70% - 4.60%	2012 - 2045	16,730	-	-	-	-	16,730
Series 2009 A-4	12/30/09	3.37%	7/1/2051	10,760	-	-	-	-	10,760
Series 2010 D	12/02/10	0.75% - 5.00%	2012 - 2035	6,880	-	-	(550)	-	6,330
Series 2009 A-5	12/30/09	3.55%	7/1/2051	8,460	-	-	-	-	8,460
Series 2011 A	02/24/11	0.65% - 4.85%	2012 - 2026	2,190	-	-	-	-	2,190
Series 2009 A-6	12/30/09	3.55%	7/1/2051	13,230	-	-	-	-	13,230
Series 2011 B	05/25/11	0.75% - 4.55%	2013 - 2028	8,680	-	-	-	-	8,680
Series 2009 A-7	12/30/09	2.32%	7/1/2051	-	-	-	-	23,190	23,190
Series 2011 C	12/01/11	0.75% - 4.95%	2013 - 2051	-	16,685	-	-	-	16,685
Total				\$ 129,520	\$ 16,685	\$ (110)	\$ (550)	\$ -	\$ 145,545

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 6 - BONDS PAYABLE (Continued)

The following is a summary of the bond activity for the year ended June 30, 2011 and the bonds payable as of June 30, 2011:

	Issue dated	Range of interest rates	Range of maturities	Bonds payable at June 30, 2010	Bond Activity				Bonds payable at June 30, 2011
					New bonds issued	Scheduled maturity payments	Bonds redeemed	Escrow Bonds Reissued	
Multi-Family Mortgage Revenue Bonds									
Series 2009 A	12/30/09	Variable Rate	7/1/2051	\$ 92,040	\$ -	\$ -	\$ -	\$ (68,850)	\$ 23,190
Series 2009 A-1	12/30/09	4.05%	7/1/2051	-	-	-	-	24,380	24,380
Series 2010 A	07/22/10	0.80% - 4.25%	2012 - 2030	-	8,410	-	-	-	8,410
Series 2009 A-2	12/30/09	3.21%	7/1/2051	-	-	-	-	6,610	6,610
Series 2010 B	09/29/10	0.70% - 4.60%	2012 - 2045	-	16,730	-	-	-	16,730
Series 2009 A-4	12/30/09	3.37%	7/1/2051	-	-	-	-	10,760	10,760
Series 2010 D	12/02/10	0.75% - 5.00%	2012 - 2035	-	6,880	-	-	-	6,880
Series 2009 A-5	12/30/09	3.55%	7/1/2051	-	-	-	-	8,460	8,460
Series 2011 A	02/24/11	0.65% - 4.85%	2012 - 2026	-	2,190	-	-	-	2,190
Series 2009 A-6	12/30/09	3.55%	7/1/2051	-	-	-	-	13,230	13,230
Series 2011 B	05/25/11	0.75% - 4.55%	2013 - 2028	-	8,680	-	-	-	8,680
Total				\$ 92,040	\$ 42,890	\$ -	\$ -	\$ (5,410)	\$ 129,520

Refer to Note 11 for further detail of the \$5,410 reissued from escrow bonds.

Escrow Bonds

CDA issued Series 2009 A escrow bonds in the amount of \$92,040 dated December 30, 2009. The bonds were taxable and bore interest at variable short-term rates until the escrow bonds were converted to Program Bonds with permanent fixed rates to fund mortgage loans. As of June 30, 2011, \$23,190 of Series 2009 A bond proceeds were still in escrow. As of December 31, 2011, there were no outstanding escrow bonds. If any escrow bond proceeds had remained in the Series 2009 A Escrow Account on January 1, 2012, such remaining proceeds had to be used to redeem the outstanding escrow bonds; otherwise, issued Program Bonds have a maturity date of July 1, 2051.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 6 - BONDS PAYABLE (Continued)

As of June 30, 2011, the required escrow bond principal payment for bonds is \$23,190 for the period ending June 30, 2012. As of June 30, 2012, there are no outstanding escrow bonds.

NOTE 7 - DEBT SERVICE REQUIREMENTS

As of June 30, 2012, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2012) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2013	\$ 5,030	\$ 5,595
2014	4,929	1,285
2015	4,911	1,695
2016	4,882	1,725
2017	4,845	1,790
2018 - 2022	23,426	9,795
2023 - 2027	21,485	11,865
2028 - 2032	18,728	14,660
2033 - 2037	15,411	18,070
2038 - 2042	11,907	21,810
2043 - 2047	7,735	25,985
2048 - 2052	2,914	31,270
Total	\$ 126,203	\$ 145,545

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 7 - DEBT SERVICE REQUIREMENTS (Continued)

As of June 30, 2011, the required principal payments for bonds (including mandatory sinking fund payments and special and optional redemptions that occurred subsequent to June 30, 2011) and interest payments for each of the next five years and in 5-year increments thereafter, were as follows:

Years ended June 30,	Interest	Principal
2012	\$ 3,370	\$ 23,300
2013	3,835	6,145
2014	3,737	1,135
2015	3,721	1,165
2016	3,700	1,190
2017 - 2021	18,001	6,580
2022 - 2026	16,748	7,925
2027 - 2031	14,952	9,765
2032 - 2036	12,733	12,060
2037 - 2041	10,102	14,875
2042 - 2046	6,907	18,170
2047 - 2051	3,202	21,910
2052 - 2056	96	5,300
Total	\$ 101,104	\$ 129,520

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 8 - LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended June 30, 2012 and 2011 were as follows:

	2012	2011
Bonds payable		
Beginning balance at 6/30/2011	\$ 129,520	\$ 92,040
Additions	16,685	42,890
Reductions	(660)	(5,410)
Ending balance at 6/30/2012	145,545	129,520
Less due within one year	(5,595)	(23,300)
Total long-term bonds payable	139,950	106,220
Deposits by borrowers		
Beginning balance at 6/30/2011	3,669	-
Additions	4,820	4,132
Reductions	(484)	(463)
Ending balance at 6/30/2012	8,005	3,669
Less due within one year	(1,552)	(702)
Total long-term deposits by borrowers	6,453	2,967
Total long-term liabilities	\$ 146,403	\$ 109,187

NOTE 9 - INTERFUND ACTIVITY

In accordance with the Resolution, net assets in the Fund are restricted and pledged to bondholders. However, restricted assets may be transferred to other Funds, subject to the provisions of the Resolution. Generally, an officer of CDA must authorize such withdrawals and a cash flow analysis must demonstrate that sufficient monies remain in the Resolution to meet the obligations of the Fund in current and future years.

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 9 - INTERFUND ACTIVITY (Continued)

During the years ended June 30, 2012 and 2011, the Fund transferred the following amounts, as permitted, among Funds:

	2012	2011
Reimburse costs of issuance and other expenses transferred to the General Bond Reserve Fund	\$ (28)	\$ (207)
Funds used for debt service reserve and revenue accounts transferred from the General Bond Reserve Fund	132	391
	\$ 104	\$ 184

NOTE 10 - MORTGAGE INSURANCE

100% of the Fund's mortgage loans are insured or credit enhanced as described in Note 4.

Multi-family mortgagors pay premiums for mortgage insurance and insurance coverage is 100% of the unpaid principal balance of the loan.

NOTE 11 - OTHER OUTSTANDING BONDS ISSUED BY CDA (UNAUDITED)

On September 29, 2010, CDA issued \$4,105 of Multi-Family Mortgage Revenue Bonds Series 2010 C. Also, on September 29, 2010, \$5,410 of Series 2009 A escrow bonds were released and issued as Series 2009 A-3. These bonds are non-parity bond issuances under the indenture and are secured by a Credit Enhancement Agreement with the Federal Home Loan Mortgage Corporation (Freddie Mac).

Community Development Administration
Multi-Family Mortgage Revenue Bonds

NOTES TO FINANCIAL STATEMENTS - CONTINUED
(in thousands)

June 30, 2012 and 2011

NOTE 12 - 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 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.state.md.us.

NOTE 13 - SUBSEQUENT EVENTS

Events that occur after the date of the statement of net assets but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net assets are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the statement of net assets require disclosure in the accompanying notes. Management evaluated the activity of CDA through September 28, 2012 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements. As of the report date, there were no subsequent events reported by CDA.